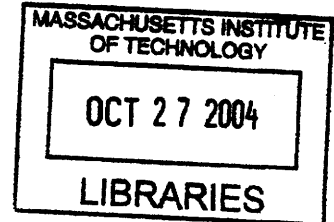Strategizing For Housing:
An investigation of the production and regulation of low-income housing in
the suburbs of Beirut

By

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Master in City Planning
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ABSTRACT

The current consensus in housing policy recognizes the importance of learning from rather than about informal settlements. To serve this end, this dissertation presents a novel methodology for investigating land and housing markets. The methodology consists of investigating time-evolving relationships between *attributes of the social agents who intervene on a market* (e.g. social standing, religious affiliation, gender), *rules-institutions systems* (formal and informal institutions), and the *macro political-economic context* (e.g. price of land, demographic growth). The method was applied to a case study that tracked three groups of actors: developers, public agents, and homeowners, over a fifty-year period (1950-2000) in Hayy el Sellom, a neighborhood located in the southern suburbs of Beirut, Lebanon. The case study relied on in-depth interviews of developers, public agents, and residents, a structured survey of homeowners, research of public archives (e.g. construction and urban regulations, building permits, lot subdivisions), and time series analysis of aerial photographs.

The case study demonstrated that the proposed method can unpack the category of the "informal market" by revealing a web of co-existing formal (market and public institutions) and informal (e.g. social, geographic, political associations) institutions whose interplay determined market characteristics (e.g. openness, flexibility, security) and resulted in unequal opportunities for housing and capital accumulation by residents and developers, respectively. Second, the case study unraveled dialectical actor-institution relationships in which one's ability to intervene in the housing market depended on one's ability to tap existing institutions that sustain exchanges and build new ones. Third, the study documented the heavy involvement of public agencies or agents in the development of informal regulations and the organization of illegal processes of housing production. Fourth, the case study documented the interconnectedness of housing markets segments, showing how so-called informal markets are directly influenced by city-wide parameters (e.g. price of land, political stability, housing demand) and partially rely on formal market institutions such as banks and contracts. Finally, it was found that greater involvement of formal market institutions did not improve market conditions (e.g. transaction security) or opportunities for capital accumulation.

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LIST OF ACRONYMS

ACS	Agence Centrale de la Statistique
BTUTP	Bureau Technique d'Urbanisme et des Travaux Publics
CDR	Council for Development and Reconstruction
DGU	Directorate General of Urbanism
PCH	Public Corporation for Housing

Chapter 1

Introduction

More than 25 years after the first international conference declared informal housing[1] a legitimate mode of housing production and acquisition (First Habitat International conference held in Vancouver 1976) and John Turner emerged as the leading voice arguing that self-help housing was a solution rather than a problem (Turner 1967, 1972), policymakers and researchers are now acknowledging the necessity not only to learn *about* informal settlements but, more importantly, to learn *from* informal settlements, or the practices of actors involved in this form of housing production (McAuslan 2003, Berner 2000, Fekade 2000, Kombe and Kriebich 2000).

The impetus for my thesis arose from this challenge. I began with the assumption that there is much to be learned from the working mechanisms of informal land and housing markets, from the practices of the social agents who organize land and housing sales or purchase

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[1] Informal economic activities are activities that escape state taxation and/or violate some form of state regulation (e.g. property rights, construction or zoning codes, etc.) and are hence considered "illegal". The broad category of informal housing comprises the various types of "illegal" housing that have developed in most Third World cities, such as squatter settlements that violate property right codes, or illegal land subdivisions and/or constructions that violate construction, zoning, and sometimes health codes.

shelters and the strategies of public sector agents who seek to retain control, manage, limit, or participate in these market activities. Accordingly, I conducted a time-longitudinal analysis of the land and housing market of one informal settlement, Hayy el Sellom, located in the suburbs of Lebanon's capital city Beirut. During the 50 years covered by this investigation (1950-2000), Hayy el Sellom grew from an olive grove to one of the most densely inhabited neighborhoods of the capital city. What originally began as a small scale endeavor, run by one (old-time) resident of the area who illegally subdivided the lots of relatives and friends and sold them to rural migrants in need, became, 50 years later, a very dynamic land and housing market that attracts developers and clients from other sections of the city and houses around 100,000 residents.

How did this change happen? Who were the social agents behind it? What kinds of institutions and regulatory systems (formal and informal) were put in place in order to urbanize this agricultural area and organize land and housing sales (e.g. insure profit for developers and landowners and protection for buyers)? How were these mechanisms developed and how were they transformed over time given changes in the macro-conditions of the country? What opportunities did they create and for whom? And, what can we learn from this story as planners? This dissertation provides many insights into these questions.

The thesis has three main axes. First, to develop a methodology that is adequate to investigating the underlying mechanisms of informal housing markets, which, as this thesis will show, are highly historical, rife with power relations, dynamically structured, and in many instances, blind to economics. This method is a blend of political economy, new institutional approaches, and Pierre Bourdieu's "institutionalist" theory. Second, it is to apply this methodology in a case study from Beirut (Lebanon) to generate new insights about how markets work in general, with special emphasis on "informal" housing markets and rebut widespread assumptions about how informal markets operate (assumptions about the role of different actors in these markets, connections and influences between formal/informal practices and micro/macro environments). Third, this thesis sheds light on the yet unstudied mechanisms of informal housing production in the Lebanese context.

This introduction begins by tracing the history of the informal housing debate to the current consensus on the necessity of studying informal markets. This brief literature review leads to the methodological investigations, looking at existing approaches to studying informal land and housing markets and describing the method I developed in order to conduct this case

study. Finally, this chapter shows the significance of this investigation and the main sources used in data gathering.

Following this introduction, the dissertation is structured in five chapters. Chapter 2 presents relevant background information about the case study and its context. The following three chapters apply the developed methodology to three groups of actors who have played a central role in the neighborhood: developers (Chapter 3), public agencies (Chapter 4), and homebuyers (Chapter 5). Chapter 6 brings these together to an analysis of the market, from which the main conclusions and policy recommendations of this work are developed.

1.A THE INFORMAL HOUSING DEBATE

Approximately fifty years ago, the debate on housing policy settled on a consensus backing direct public agency involvement in the production of housing (Rodwin 1987) and the establishment of formal markets for land, credit, and construction materials (Annez and Wheaton 1984). It was thought that this would eventually lead to the withering of existing informal housing arrangements, as new formal ones were put in place. At the time, informal settlements were widely described in the planning literature as "urban misery belts", "urban sores", "creeping cancers", or "a fungus attached to and growing out of the carapace of the city" (Juppenlatz 1970: 5). Their residents became the focus of "marginality" and "culturalist" theorists who described them as socially and politically marginal, as "peasants in the city" (Gutkind 1973 in Sanyal 1988:67, Juppenlatz 1970). Informal settlements were to be permanently erased once modernization had completed its cycle in lower income countries. Policymakers and researchers thus called for "scientific" approaches to address this housing problem (Seymour 1976 in Agarwal 1981).

By the mid 1970s, and notably because of the failure of Third World governments to build the needed housing stocks and the criticisms leveled by researchers such as John Turner, a different position vis-à-vis informal housing began to be adopted (Harris 2002). Planners began to accept the famous dictum put forth by John Turner that "self-help housing was the solution, not the problem". Turner emphasized the advantages of self-help housing over state-provided units in terms of the greater flexibility gained from a small scale, self-sufficient, and non-hierarchical approach that allowed for dwellers' control over the production of housing, including the ability to decide on a house that suits their economic circumstances and their social

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needs (Mangin and Turner 1968, Turner and Fichter 1972). Many of these arguments were echoed by research that used empirical data to challenge the homogenizing and stereotyping of the urban poor put forth by "culturalist" perspectives on poverty (Lewis 1966). For example, Perlman (1976) described social cohesion and high rates of popular participation in the management of Brazilian *favelas* and Collier (1976) described the entrepreneurial spirit of squatter dwellers. This line of research continues to date with, for example, Perdomo and Bolivar's (1998) documentation of existing informal systems of organization in the *barrios* in Caracas, demonstrating that the reputation for crime and insecurity in these areas was unfounded.

Not everybody however accepted this approach. Neo-Marxists, for instance, saw in the acceptance of squatter settlements another opportunity for industrialists and their allies in government to abdicate their social housing responsibilities (Burgess 1978 and 1982). They critiqued advocates of self-help housing for ignoring the structural conditions of domination under which self-help housing emerged and for treating it as an individual process outside the patterns of class struggle. For example, Harms argued "international organizations, agencies, and governments of lower income countries discovered that self-help squatter areas were actually producing housing (though of a variable quality) without any state aid. This lead to the present situation where governments have been interested in self-help as a policy to avoid the distribution of surplus value" (Harms 1982: 49). The Marxist argument extended further, highlighting capitalist interests in the self-help process, be it in terms of increasing the amount of unpaid labor in society, de-valorizing labor power, reducing the need for public housing subsidy, incorporating people in the mentality of petty bourgeoisie to own/speculate with the building stock, or appropriating the interests derived from the valorization of land and capital through the construction industry (Harms 1982, Burgess 1978, 1982).

Marxist critiques notwithstanding, the policy paradigm shifted from eradication to upgrading of informal settlements and policy consensus among researchers, as of the mid 1970s, settled on the acceptance of informal settlements as permanent aspects of the cityscape.[2] As a result of this paradigm shift, policy recommendations focused on replicating some of the positive aspects of informal settlements (such as the incremental building process, the flexibility of construction, and the user control over the production process) through site and services projects or to facilitate the operations of informal markets through credit provision.

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[2] Perhaps the clearest form of endorsement is the 1976 UN-Habitat I summit in Vancouver that adopted Turner's approach and encouraged lower income governments to adopt upgrading and regularization policies.

Further research consolidated this policy shift by dismantling prior assumptions about informal settlements, such as their "lawless status" or the "spontaneity of their processes of production". Empirical findings (building on the traditions of legal pluralism) described the existence of a web of formal and informal or customary regulatory regimes in informal settlements (Karst 1971, Santos 1977, Razzaz 1993). Over time, the study of the interaction of these various regulatory regimes with state law gained importance, as critiques of the dualistic perception of formal versus informal spheres unraveled the interactions between the "two" (Sanyal 1988, Benton 1994), showing how they complement each other (Hermanson 1996), borrow from each other (Santos 1977, Azuela de la Cueva 1987, Razzaz 1993 and 1998, Hermanson 1996), ignore each other (Rolnik 1996), or contradict/conflict with each other (Assaad 1996). Others also documented the premeditated, well-organized community groups that operated in the formation and production of informal housing, challenging the description of "spontaneity" that was first ascribed to informal settlements (De Soto 1989, Razzaz 1993, Serageldin 1991, Ward 1982). These findings pushed the housing policy consensus further towards acknowledging the positive potentials of informal settlements and the necessity to build on their existing assets.

Another shift in the literature took place in the 1990s, calling for a focus of the study of informal land and housing *markets*, in order to understand and improve their performance. The shift was perhaps triggered by the chronic inability of upgrading and site and services intervention to address the scale of the persistent housing deficit, in most if not all lower income countries. The policy implications were clear: the public sector should disengage from any direct participation and limit state activities to "market enabling", to use the World Bank terminology (World Bank 1993). Instead of upgrading informal settlements, organizing sites and services projects, or improving credit delivery, housing agencies were to empower those delivering housing informally, such as informal developers, and improve market performance by facilitating processes of market exchange by all means, including the disbursement of legal titles without cumbersome bureaucratic measures. Not only would this measure improve housing conditions, but also – perhaps more importantly— it would "unleash the power of capitalism" for a positive impact on national development (De Soto 2000). Tenure regularization gradually occupied the limelight of policy recommendations by international donors and became the subject of the 2002 UN-Habitat Campaign.

As researchers focused on land and housing markets, they began to unravel their complexities. Some authors documented the wide web of actors who intervened in the production and regulation of housing markets, including professionals (Jones and Ward 1994) and public actors (Colliers 1976, Benjamin 1996). Others looked at the effects of public policies on the operations of these markets (Jones and Ward 1994, Perló 1994, Kironde 2000) or sought to investigate the interactions of formal and informal housing markets (Durand-Lasserve 1990). More recently, the social sciences' focus on institutions also triggered new research on the web of informal institutions that sustain these markets, especially social networks (e.g. families, tribes), and elucidated how such institutions facilitate market operations, secure transactions, insure information flow (Razzaz 1998), or provide credit for market users (Pamuk 1996, 1998).

Based on these findings, the current consensus in land and housing markets research and policy has evolved: "illegal systems have in the past achieved far more than any social initiative" (Van der Linden 1994: 22). It is thought that research should focus on the operations of informal land and housing markets, documenting the institutions that sustain them and learning from the practices of the developers who organize them. It is specifically the operations of informal land developers, until recently dismissed as illegal profiteers, that have now gained importance in light of their irrefutable ability to organize land sales and improve access to housing, whereas government policies failed to match their performance. Furthermore, having acknowledged the close connections between formal and informal sectors, many researchers are now urging a better understanding of how this interlocking occurs (Berner 2001b, McAuslan 2003).

The policy recommendations are clear: it is necessary to recognize the potentials of informal markets and integrate them deliberately within overall housing markets (Van der Linden 1994, Heyman and Smart 1999, Fekade 2000, Kombe and Kriebich 2000, Berner 2001b, McAuslan 2003). Any possibility of state intervention has to be informed by the practices of informal settlements that have achieved far more for housing the poor than formal ones. In the words of Van der Linden, "if the government is to intervene at all, its interventions should resemble the informal solutions much more" and a regularization scheme should propose a model "in which legal development is, in fact, an imitation of the illegal system" (Van der Linden 1994: 22). These words are echoed by Kombe and Kriebich, who, having adopted the same premise insisted that: "The only way out of this structural dilemma [gap between needed level of urban governance and weakness of existing administrative systems] is to take cognizance of the

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potential of socially regularized land management at the grass-roots level which has built up the reaction to unreliable and inefficient public sector interventions in many of the so-called informal settlements" (Kombe and Kriebich 2000: 232). Thus, agendas should be set to reconcile informal and formal institutions and procedures of land management in developing countries and to overcome the housing deficit by openly integrating actors, institutions, and procedures which are being deployed in informally regulated local decision making for housing and land supply, security of tenure, lay-out regulations, and land servicing (Kironde 2000, Kombe and Kriebich 2000).

1.B   EXISTING METHODOLOGIES FOR STUDYING INFORMAL MARKETS

1.B.1   The Neoclassical Economics Approach

Early studies of land and housing markets (formal, informal, or combined) were overwhelmingly rooted in the dominant paradigms of neoclassical economics (NE). Land and housing were equated to other consumer goods and housing was perceived as a key sector of the economy to be managed like others, given its important linkages to employment and industries (e.g. Klassen et al 1987, Strassman 1988). Consequently, research centered on the principles of land and housing market supply and demand, looking into the determinants of these curves that were seen to shape prices, levels of investment, quality and quantity of available land and housing, choices of tenure, residential mobility, and ultimately housing affordability (Burns and Grebler 1977, Pozdena 1988, World Bank 1993). Factors advanced to explain patterns of housing supply included the availability of resources (e.g. land, infrastructure, construction materials) and labor, the organization of construction industries, and the level of national economic development (Grimes 1976, Burns and Grebler 1977, Strassmann 1988). Much debate went into the classification of forms of supply, according to categories such as public/private or formal/informal, and several researchers advocated the recognition of informal housing in the volume of supply, even if temporarily, in order to derive more accurately supply curves (Grimes 1976). Factors put forth to explain patterns of housing demand included demographic factors (e.g. urbanization, household formation), income levels, and macroeconomic parameters (Grimes 1976, Burns and Grebler 1977, Pozdena 1988). Other efforts were also made to measure supply and demand curves by devising parameters such as residents' "willingness to pay" or "income to housing expenditure" of "housing consumers" (Follain and Jiménez 1985).

Over time, many of the conclusions that were first developed in higher income countries (especially the US and UK) were revised and tested in lower income countries and results showed, for example, lower elasticity in demand and supply curves (Malpezzi and Mayo 1987) but similar trends in relation to income changes and willingness to pay (Follain and Jimenez 1985). Supply curves were also revised to include informal supply or to introduce context-specific factors such as " level of tenure security" or "individual behavioral attitudes" (e.g. necessity to send remittances abroad) (Lodhi and Pasha 1991). International organizations such as the World Bank invested heavily in developing information and measurement methods for determining supply and demand curves in lower income countries as a basis for policy interventions (Malpezzi and Mayo 1987).

Such studies had influential policy recommendations for governments in lower income countries, and were often the basis for influential World Bank policies (Jones and Ward 1994). They lead policymakers and international organizations to recommend reducing public interventions to correcting market imperfections (e.g. remove "bottlenecks"), improving information flows (e.g. compiling land registries), or reducing discrepancies between individual and social good (Burns and Grebler 1977). These later became the paradigms of the World Bank's famous dictum: *enabling markets to work* (World Bank 1993). However, others used the results of NE studies to justify direct public intervention on the supply side in order to compensate for the discrepancies between supply and demand curves. Over time, the persistently unbridgeable gap between supply and demand in many lower income countries encouraged their housing ministries and planning agencies to consider sites and services projects and slum upgrading, or to lower "acceptable" construction standards that were, until then, dismissed as inconsistent with the modernist visions of most states.

The neoclassical approach to studying the housing market has not been without its serious critics who have come from two schools: Political Economy (PE) and, more recently, New Institutional Economics (NIE). Both of these schools question basic assumptions underlying neoclassical market studies, such as the possibility of perfect circulation of information or the dismissal of transaction costs. Furthermore, both approaches have criticized the "purely economic criteria" (Jones and Ward 1994: 10) used by proponents of the neoclassical approach, criteria that do not give sufficient attention to history, sociology, and politics as explanatory factors in the study of housing markets.

1.B.2 The Political Economy Approach

The Political-Economy (PE) approach has privileged an understanding of land and housing markets based on the analysis of social, political, and historical factors in these markets. Research in this tradition has focused on processes of "housing production" and "housing distribution" rather than supply and demand, and attempted to unravel the complex relations that are mobilized in these processes (Rakodi 1992, Jones and Ward 1994).

Early research in this direction was lead by Neo-Marxists who sought to highlight relations of domination in the housing sector. For example, Burgess developed a classification of the housing stock according to its mode and form of production, and showed how these, in turn, depended on existing class relations (e.g. dominant capitalist industrial housing/dependent self-made petty-commodity) (Burgess 1978). Debates about the validity and usefulness of this categorization ensued (Rakodi 1992).[3] Another early trend in the political economy approach centered on the state, questioning its nature, the interests it represents, motives behind policy decisions, or connecting forms of governance and types of public policies to the performance of land and housing markets (Colliers 1976, Peattie 1979, Durand-Lasserve 1986, Rakodi 1992).[4]

More recent lines of questioning have proposed methodologies that look in details at the range of actors and agents involved in these processes, the types of social relations that are generated, the levels of legality and informality that can be observed, and the practices of land subdivision, financing, regulation, or organization in these markets (Jones and Ward 1994). Research in this trend has gradually built a rich body of literature documenting the diversity of market agents such as lawyers, brokers, and public servants involved in the production of illegality (Serageldin 1991, Nientied and van der Linden 1990, Benjamin 1996). It has also allowed historicizing and contextualizing some of the current understandings of housing markets in the social, political, and economic conditions in which they developed (García and Jiménez 1994).

Not surprisingly, research based on political economy is harder to translate into policy recommendations. Indeed, to paraphrase Jones and Ward (1994), it lacks the "elegance" of

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[3] It is perhaps worth mentioning another early trend in the political economy approach that centered on the American private housing market where it criticized the treatment of housing as a commodity and sought to correlate it with other structural problems of the Americas, such as inequality, racism, and sexism or the dynamics of US capitalism (Bratt, Hartman, and Meyerson 1986).

[4] It is actually possible to trace this analysis back to the seminal work of Polanyi who argued that the unification of markets in Europe was the result of particular public policies rather than natural historical divergences (Polanyi 1944).

supply and demand curves. Nonetheless, studies rooted in political economy have been able to explain market phenomena where neoclassical approaches failed. For example, Durand-Lasserve's (1991, 1994) work in francophone Sub-Saharan Africa, which sought to unravel the relation between economic and political structures, showed that land prices are often the result of particular social relations and processes of distribution and politics, rather than supply and demand only. In Chile, Sabatini (1998) showed how the liberalization and privatization of urban land markets increased the supply of land, as expected by neo-classical economics, but also generated more demand and higher land prices, and as a result, more spatial segregation. Policy recommendations stemming from the political economy approach have diverged from those of neo-classical economics in suggesting the need for *more* public involvement and market regulation, i.e. policies that can control rather than manage land markets (Jones and Ward 1994) by, for example, facilitating land redistribution, curtailing land speculation, and by developing land use and construction standards appropriate to low income urban dwellers (Durand Lasserve 1998, Sabatini 1998).

1.B.3 New Institutional Economics and Sociology

New institutional (NI) trends in market analysis (both Economics and Sociology) are probably the most recent and currently the most acclaimed of the three approaches reviewed in this section. Applications of institutional theories to the understanding of land and housing markets have shifted the analysis, in line with this theoretical approach, towards the investigation of the institutional and regulatory mechanisms that sustain these markets. Institutions are defined in two different types: first, as organizations (such as public agencies, political parties, family groups, social networks) that coordinate and organize public-private or private-private networks, and second as "habits of thought" or "rules of the game" that generate repetitive behavior without a physical organizational structure (Jenkins and Smith 2001a&b, North 1990).[5] Both of these categories comprise formal and informal institutions that sustain state and socially sanctioned rules.

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[5] Jenkins and Smith define institutions as either "'mental modes' that underpin the very structure of society, economics, and politics; and secondly as the 'organizational forms' that express relationships between those in, and of relevance to, urban space" (Jenkins and Smith 2001: 17). The latter exist to "allow linkages within society and between society and the state or the private sector, both vertically [...] and horizontally [...]" (Jenkins and Smith 2001b: 17).

According to New Institutional Economics (NIE)[6], institutions emerge to reduce transaction costs by lowering uncertainty in human interaction, helping to solve problems of coordination, ensuring compliance, and allowing for the development of market exchanges (North 1990, Nee and Ingram 1998). For many scholars in this tradition, institutions are unplanned and unintended regulations of social behavior that emerge "organically" from individual maximizing behavior rather than active design (Williamson 1975). They are the outcome of a process of historical convergence towards efficient economic structures that minimize transaction costs (North 1990, Williamson 1975, 1984, World Bank 2002). Therefore, scholars following this approach describe the emergence of norms and informal institutions as the outcome of the inefficiency of public institutions for which they compensate or conversely describe the development of formal norms and institutions as a response to the weakness and failure of informal institutions and norms (e.g. weak or "bad" social networks, large social groups) that need to be supplemented or complemented by formal ones (World Bank 2002).

NIE has been applied to investigations of informal land and housing markets, particularly to study the institutions that facilitate and organize transactions, given poor information and high risks in such markets. These have notably lead to research on the types of institutions that regulate and organize housing markets, including informal institutions such as social networks (familial or tribal), informal credit associations and the norms these institutions sanction, such as reciprocity. One methodological approach within this tradition proposed to narrow the investigation of market operations to the micro-scale or the "transaction" level and examine the institutions that regulate every transaction (Razzaz 1996). Research in this direction has begun to unravel a web of institutions such as social networks that compensate for the absence of state institutions in order to "secure" market transactions and hence allow market exchanges (e.g. reputation, reciprocity) (Razzaz 1996) or informal credit associations that compensate for the absence of formal credit and provide the necessary liquidity, such as rotary credit groups (Pamuk 1996, 1998). Others sought to explain the decisions taken by actors

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[6] The New Institutional Economics School gained visibility in the 1990s. Its major contribution is the introduction of a theory of institutions in economics, which most notably challenges mainstream assumptions of perfect information and zero-transaction costs until then upheld by neoclassical economists. Instead, NIE highlights the role of market institutions that are notably used to regulate markets and reduce transaction costs (North 1990). They have a direct influence on economic outcomes by imposing constraints on what people can do on the one hand and motivating a set of actions on the other (North 1990). While North's work is undeniably the groundbreaking step in this direction, others such as Williamson have developed the concept into the image of a "governance structure", as "the institutional matrix within which transactions are negotiated and executed" (Williamson 1984: 105).

operating in these markets, based on informed choices of the institutional environment in which they operate (Berner 2001a) or the relative institutional capacities of the state, society, or the market (Jenkins and Smith 2001a, 2001b).

Despite their important contributions to changing our understanding of the housing markets, notably in shifting the analysis towards institutions in general, and informal institutions in particular, these approaches remain vulnerable to the general criticism of NI theories. Indeed, NI analysis remains confined to a utilitarian understanding of the relationship of actors and social institutions. In this analysis, social institutions are activated rationally by, profit maximizing individuals who subjugate their social networks to their economic interests.[7] Thus, the "embedded" individual who appeals to social institutions in order to maximize his/her individual gains seems not to be affected in his abilities to choose or his value-system by the institutions in place (Bourdieu 2000). Neither does this theory account for how such social institutions are formed, how they influence actors' choices, or how they determine market opportunities. Most studies also absent a detailed actors-institutions analysis that accounts for the ways actors actively engage in building social and political institutions or the way such institutions can dictate the ability of actors to engage in activities (including the housing market) (Bourdieu 2000). These critiques suggest the necessity to move away from reductive definitions of institutions as tools for lowering transaction costs, and to account for the wider social role that institutions play (Granovetter 1985, Bourdieu 1986, 2000). They also dictate the need to investigate the social and political conditions in which institutions are formed.

1.C DISSERTATION APPROACH

1.C.1 Developing An Analytic Framework

Based on my fieldwork, it became clear that in order to describe and explain the complexity of market mechanisms in Hayy el Sellom, I had to combine elements from several approaches to studying housing markets. I had first begun my research relying on the methods of NIE, and questioning my interviewees about the types of market securities and institutional support on which they had relied to access housing (such as family, religious, or geographic

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[7] Despite their criticism of the instrumentalism of NIE, New Institutional Sociologists have also failed to incorporate the broader political and social contexts in which such institutions are rooted, since they retain the same instrumental (actors /institutions) analysis and do not question structures of opportunities (Bourdieu 2000).

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networks). Gradually, I realized that these variables were impossible to investigate outside the context of local histories, individual and group trajectories, and the social positioning of actors who participated in the production of this neighborhood. I also realized that Hayy el Sellom's housing market owed its existence and form of development to the unique social structures that tied this neighborhood's residents together, to the political and economic changes in Lebanon, and especially to changes in Beirut's housing market.

Gradually, my analysis began to go back in time and account for the history of the neighborhood's development. I realized that by focusing on the stories of a number of central actors, understanding their trajectories in the context of the macro-city developments, their changing positions in the local social hierarchies, the types of institutions on which they relied in conducting their transactions (e.g. selling and buying land, registering sales, etc.), and how and when they were able to act on the market, it was possible to develop an analysis of the actors-institutions relationship that appeared central for explaining the working mechanisms of this housing market, as I will show throughout the dissertation. I thus gradually shifted to anchor my work in the methodologies of political economy, from which I borrowed the micro-macro scale connections, the importance of historicizing market analysis and connecting it to state policies, and the actor-centered approach. I however did not lose my focus on norms and institutions, especially social networks whose role in the production and provision of housing was essential in the investigated housing market.

Social Networks and Housing Networks

The role of social networks as informal institutions that facilitate housing provision is not new in the housing literature. It was probably first noted in the early 1970s by Turner and Fitcher who underlined the existence of such networks and their role in facilitating access to housing, claiming that: "Neither individual families nor local enterprises capable of serving individual needs can build ... unless they have access to network systems" (Turner 1972: 257). Such networks, these authors argued, provided a flexible and individually adapted array of resources for individuals attempting to access housing, in contrast to centralized and hierarchic state agencies that could only provide rigid and inflexible housing options (Turner and Fitcher 1972). However, the growing importance of social networks in today's social sciences (Granovetter 1985, 1993, Castells 1996, Healey 1999) has renewed researchers' interest in their role in housing provision (Razzaz 1996, Jenkins and Smith 2001a&b, Smith 2003). Smith, for

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instance, defined "housing networks" as "a group of people (actors) or institutions who exchange resources (land, money, materials, labour) that go into the production of housing"(Smith 2003: 85). In order to understand the types of networks under study, Smith proposed a detailed analysis of the networks themselves, looking at the scope in which each network operates (context); the resources to which it connects; the link it establishes, and the actors it joins. He also suggested classifying these networks according to two types: vertical networks that connect residents with formal agencies and horizontal networks that connect urban dwellers to one another (Smith 2003).

These methodological notes were useful because they suggested the multiplicity of types of social networks at work. Furthermore, incorporating actors into institutional analysis allowed me to understand the interaction between the two. Nonetheless, the framework of NIE remained too limiting for its inability to allow for the diversity and complexity of human interactions that could not be summarized with materialistic profit maximizing paradigms. In order to overcome these difficulties, the institutional analyses developed in French schools of sociology, notably by the late philosopher-sociologist Pierre Bourdieu, provided important insights in terms of suggesting (actor-institution) relationships that were dialectic in nature, complex in their definition, and open to a historical understanding of social practices.

Pierre Bourdieu and the Sociology of Economic Life

To begin with, Bourdieu departed from the representation of social agents as profit maximizing actors calculating profits in order to maximize material gains. Instead, Bourdieu proposed a "generating principle for action", the *habitus*, through which social agents "produce ideas, perceptions, and actions" that are constrained by these social agents' historical and social positioning (Bourdieu 1980, 1994). Actions are neither a mechanical reproduction of social conditioning (such as structural thought could suggest) nor an unpredictable free choice directed towards a rational end. Rather, they are the results of a social agent's set of "durable dispositions" that guide her/his activities and help her/him adjust to changing circumstances. These "durable dispositions" are the product of a historical and social (institutional) context that structures the way actions are undertaken but which is simultaneously structured or redefined by these actions. Thus, *habitus* is the result of both individual and group experiences (and hence histories, including formal education), in as much as group experiences are reflected in individual experiences (without entirely determining them). It is the constantly reproduced and changed

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cumulative social history and experiences of individuals (and groups) that make up their "common sense" (Bourdieu 1980). We are therefore very far from *Homo Economicus*, the atomized, calculating agent seeking to maximize his individual material benefits, which, in Bourdieu's term, is akin to an "anthropological monster, a practitioner with the head of a theoretician that incarnates the form, par excellence, of a scholastic fallacy" (Bourdieu 2000: 256).[8]

In addition, Bourdieu proposed a dynamic understanding of structured and relational social environments, which he termed "social fields". For Bourdieu, a social field, or *champs* in French, is a sphere that groups together a set of asymmetrical relations between particular social agents engaged in a well defined set of practices. A social field is neither a set of individuals nor a group of practices, it is a set of differential relations that position individuals and groups vis-à-vis each other in a given sphere, such as museum goers, homebuyers, students, and others (Mounier 2001, Bourdieu 1994 and 2000).[9] According to this definition, a housing market as a social field is the collection of social relations that connect together housing producers, consumers, and regulators as well as the variety of institutions (e.g. property rights, public agencies) in a given place and time and an analysis of this social field would need to look at the relations that tie this group of social agents and institutions together, along with the norms and rules that organize their practices.

Within a social field, one's ability to intervene –in this case, in a particular housing market– is highly dependent on his/her ability to accumulate "capital" vis-à-vis other social agents and acquire a higher social position within the social hierarchy of the field. "Capital", according to Bourdieu, is "accumulated labor [...] which, when appropriated on a private, i.e. exclusive, basis by agents or groups of agents, enables them to appropriate social energy in the form of reified or living labor" (Bourdieu 1986: 241). Such capital, Bourdieu argued, can take many forms. In his analysis of what he termed the "social structures of the economy", Bourdieu identified several forms of capital: financial capital (directly or through banks), technological capital (abilities, procedures, know-how), commercial capital (ability to sell, marketing), social capital (all forms of capital that can be mobilized through social relations), and symbolic capital

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[8] Bourdieu's critique of this economistic representation of social agents is inscribed in a long lineage of theorists, including economists, who have condemned this model. For example, Amartya Sen (1977) has talked of "rational fools".

[9]. Bourdieu has analyzed several political, scholastic, or literary *champs* such as the museum (1979), schools (1970), the court-room (1987), and the French market for individual pavilions (2000).

(trust, reputation) (Bourdieu 2000). Their accumulation, he argued, enables a particular actor to play an important role within an economic social field.[10]

Of the various forms of capital, social capital is the most relevant to this dissertation and thus deserves special attention. According to Bourdieu, social capital is the aggregate form of "actual and potential resources" linked to the possession of a "durable network of [a] more or less institutionalized relationship of mutual acquaintance and recognition" (Bourdieu 1986: 248). Furthermore, social capital is not incidentally accumulated; it is rather the outcome of "infinite effort by individuals to institutionalize their relationships and transform them into social capital" (Bourdieu 1986: 249). Social capital empowers agents to access, through ever extending networks of social relations, a wide array of resources that could not be otherwise marshaled with financial or symbolic capital. More importantly, the accumulation of social capital, like other forms of capital cited above, can alter agents' social standing vis-à-vis others in the same social field, reposition them in its social hierarchies, and therefore improve their control over this field and their ability to alter its rules in their favor. Thus, both social capital and the institutional structures of the social field change over time because of social agents' strategies within them.

Given the widespread use of the concept of social capital within American social sciences, it is important to show how this definition of social capital differs from others with the same name. In several ways, Bourdieu's theory comes close to the one proposed (or adapted) by James Coleman (1987, 1990), since both researchers defined "social capital" as the combined form of social networks and the resources they potentially or actually provide. In fact, they have in common an (often criticized in French academia) "economic" understanding of social capital that somewhat equates the accumulation of "social relations" to economic accumulation of capital.[11] However, unlike Coleman, Bourdieu rejects rational choice theory. He instead roots his understanding of social capital in the structural limitations imposed on actors by macro and micro-structures within the social fields in which they operate, their *habitus*. Moreover,

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[10] It is possible to identify four main types of "capital" in Bourdieu's work, of which all others are variations: economic capital (e.g. money, consumption), cultural capital (embodied and institutionalized knowledge), symbolic capital (e.g. titles, accreditations, legitimizing references), or social capital (e.g. relations, obligations, connections, social position) (Bourdieu 1986, 1979, 1980, 2000). However, none of these forms of capital has been clearly defined by Bourdieu, and there are clear overlaps between them (Smart 1993).

[11] For an overview of this type of criticism, see Mounier 2001. Bourdieu's approach has also been criticized on similar grounds by Smart (1993) and Di Maggio (1979). Nonetheless, Bourdieu (2000) himself criticized the work of American sociologists such as Granovetter for what he termed an "economic understanding of social relations". He has also responded directly to these critiques in several works, such as *Raison Pratiques* (Bourdieu 1994).

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Bourdieu's social capital is differential and relational; it acknowledges the correspondence between one's accumulated (social and other) capital and one's standing in social hierarchies and it recognizes unequal abilities to accumulate capital across actors (Bourdieu 1980). Furthermore, and unlike exogenous processes of social capital formation described by American political scientists such as Robert Putnam (Putnam 1993), social capital for Bourdieu results from actors' own strategies (Bourdieu 1986).[12]

Finally, the structures of a social field are themselves dependent of the relative accumulation of capital between actors within them. Thus, according to Bourdieu, the structures of a particular social field are the result of the accumulated strategies[13] of individuals or groups who are conscious of their importance in determining the outcomes of processes of capital accumulation and social positioning within them and who, therefore, invest time and energy in altering them, within the confines of macro-structures, and given differential capacities to impose this change. To go back to the example of a housing market, one can predict, following Bourdieu, that the existing institutions that create opportunities for particular entrepreneurs to control a housing market result (in part) from the efforts of these actors to institutionalize particular practices that empower their participation, such as creating credit associations among housing consumers in order to facilitate the process of housing acquisition, or imposing market barriers in order to retain monopoly or control access over or participation in the market.

I do not attempt here to directly apply Bourdieu's analysis to the actors of Hayy el Sellom, nor will I appeal directly to his notion of *habitus*: this sociological exercise that seeks to explain the determinants of human action is outside the scope of my investigation. However, the dialectic relation between individual and group actions on the one hand, and the context in which they are embedded on the other, or between actors and their institutional environment, is at the core of the explanation of the market mechanisms and changes that I put forth as the main methodological approach in my dissertation and as such, the elements of Bourdieu's social analysis are central to my own study of the Hayy el Sellom's land and housing market.

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[12] This description of the models of theorizing social capital in American social sciences is based on Foley and Edwards (1999).

[13] I use the world "strategy" as used by Pierre Bourdieu, that is, to paraphrase Bourdieu, "strategies without strategic intentions". Bourdieu clearly explains that actors do not partake in deliberate and conscious calculations to optimize

1.C.2 Methodology

My methodology brings together several elements of three approaches to market analysis: political economy, new institutional approaches, and Pierre Bourdieu's "institutionalist" theory.

The thesis seeks to investigate the type and character of a housing market (e.g. facility of access, number of players, ability to retaliate, kinds of protections, etc.) using a micro-investigation of the relationship between, on the one hand, the social agents (social standing, religious affiliation, gender, etc.) who intervene in the housing market at a particular time, and on the other hand, the formal and informal rules on which they rely (e.g. building regulations) and the institutions to which they appeal (e.g. religious and geographic relations, public agencies) in their market operations (e.g. gathering information, securing transactions, reducing risks of default in market exchanges, organizing the production of housing). It is built around three groups of actors who were directly involved in the production of the neighborhood under study: developers (Chapter 3), public agents (Chapter 4), and homebuyers (Chapter 5).

Given the dialectic conception of actors and institutions described above, particular attention was given to understanding what types of housing markets and institutional arrangements empower particular actors to take charge of the housing market and how these actors, in turn, influence and re-shape institutional structures to allow them to access or maintain their positions in the market. Thus, my investigation was not limited to looking at how actors rely on informal and formal institutions in order to conduct their market activities, circulate information, secure transactions or access credit (as is the case in New Institutional Economics or Sociology). It also went to show how particular institutional structures influence the ability of actors to penetrate and act on this market at a given time and how, in turn, these social agents use and extend their positions and possibilities based on their ability to change these institutional structures.[14]

Another necessary layer of analysis, suggested by the above-described political-economy approach (Jones and Ward 1994), requires looking at how (actor/rule-institution) relationships

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their actions. These strategies are however implicitly limited by structural conditions since actors tend to (unconsciously) limit their aspirations to the boundaries defined by objective structures (Bourdieu 1980).

[14] An important point to be raised here is that it is possible not to separate between "formal" and "informal" markets in this type of investigation. Given the widely acknowledged intertwining of formal and informal institutions and the laws and norms these institutions sustain, it is possible, through such a micro-investigation, to distinguish more thoroughly how different types of institutions are simultaneously appealed to and the types of interactions and intersections that occur between them.

are influenced by external citywide parameters. Specifically, there is a need to test the impact of changing state attitudes and policies vis-à-vis informal housing markets (Ward 1999), as well as changing city-wide land and housing market conditions (e.g. prices of land, availability of affordable lots, scale of housing demand in the city given particular population movements), and the position of the neighborhood in the city (whether it is considered as part of the city and hence attract city-wide actors or not) on the types of institutional structures that are put in place and the opportunities they create for actors in this market.

The proposed methodology extends thus the period of investigation over several decades in order to allow for changes in the above listed parameters and the actors and institutions that they are likely to affect. I should note that such extended historical analysis of informal land and housing markets have rarely been conducted, despite the importance of this type of studies for distinguishing trends from cyclical shifts and understanding long-term patterns of change within Third World cities (Harris and Wahba 2002).

Finally, the investigation of the changing (actor/rules-institutions) relationships in the macro-context in which they are set allows to test how these relationships impact the character of the land and housing markets (e.g. easy/difficult market entry, information flows, etc.) that operate in different phases of the evolution of the neighborhood, how they enable new actors to penetrate the market at a given time and exclude others, or how they facilitate the process of housing acquisition for particular groups in relation to others.

1.C.3   Case Study and Justification

In order to test this methodology, the thesis carries out a case study of Hayy el Sellom,[15] an informal settlement located in the far suburbs of Beirut. Today, Hayy el Sellom is the largest settlement of Beirut and its suburbs. The neighborhood extends over an approximate area of 85ha and houses approximately 100,000 inhabitants. (A detailed description of the settlement is provided in Chapter 2.) The thesis extends its investigation of this neighborhood over a period of fifty years (figure 1-1).

Several reasons have guided my choice of Hayy el Sellom as a site for investigating my research questions.

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[15] In Arabic, the Ladder Neighborhood.

First, unlike most other informal settlements of Beirut, access to housing in Hayy el Sellom has occurred essentially through market transactions rather than non-market means (e.g. public allocation of land, squatting). Therefore, the neighborhood provides an adequate case study to investigate the workings of informal markets and the institutions and norms that organize them.

Second, Hayy el Sellom has not experienced large-scale population swaps, eviction, or demolition during the years of the Lebanese civil war (1975-1990), providing an almost continuous history for analysis, which is unusual in the Lebanese context. The fifty years of investigation provide interesting illustrations of shifting mechanisms of housing production, changing population groups, and state attitudes and public regulations. Indeed, the period covers important shifts in the country's history (industrialization, building of urban public agencies, civil war, and post-war reconstruction) that have impacted the housing market considerably. It also covers the phases during which most political parties active in the neighborhood under study were initiated and gradually gained importance. These conditions allow for tracing changes in the place, role, and strength of public institutions, their changing relation to informal ones, and how these have impacted this land and housing market.

Third, because of its linkages with other "formal" markets in the city and the extended duration over which it is investigated, Hayy el Sellom provides several modes of urban production over time that rely on different combinations of formal and informal institutions and regulations and various types and levels of violations to legal codes. It therefore provides an adequate case to investigate the interaction between these different types of institutions and the impacts they can have on the functioning of the housing market.

Finally, in its model of production (rural to urban migrants), Hayy el Sellom resembles the scenario of informal settlement development in most Third World countries, in terms of rural to urban migration and proximity to industries, allowing for interesting comparisons with other cases in the abundant international literature on the subject. This is important for potentially generalizing hypothesis and lessons on the development of such neighborhoods around the Third World, given the similarity of a number of factors with other contexts, such as industrialization, the process of public institution building, and the increasing social polarization in the city. That said, the specificity of the Lebanese context should not be underplayed. This is especially the case during the civil war phase, during which the role and position of the state were openly contested and militias controlled the belligerent sections of the city. This is also

Figure 1-1:   Hayy el Sellom, lots and building in 1999, scale 1:10,000.

Source: Reconstructed on the basis of aerial photographs.

because of the particular history of Lebanon, the sectarian legacy of its process of nation building and the religious divisions of its society (including access and control of land) as well as the special type of public sector that was created in this country (no promise of social welfare, for example). These specificities will be further described in Chapter 2.

1.D RESEARCH SIGNIFICANCE

By bringing the structural and institutional approach of social investigation developed by Pierre Bourdieu to the study of land and housing markets, the thesis develops a novel methodology, which is particularly suitable for analyzing the way land and housing markets function in Third World countries. Indeed, this approach provides new insights into the relations between actors (social standing, religious affiliation, gender, etc.) engaged in housing market activities, the rules-institutions systems that legislate and organize these markets, the macro political economy context, and the character of the land and housing market (e.g. facility of access, number of players, ability to retaliate, kinds of protections, etc.) that is generated in a neighborhood.

This approach departs in several ways from previous investigations of housing markets. It looks beyond the category "informal market" to investigate the multiplicity of institutional arrangements that organize markets with varying characteristics (e.g. openness, flexibility) and, therefore, unequal capacity to respond to the needs of low income urban dwellers looking for housing and uneven opportunities for capital accumulation. It also enables a better understanding of the role played by various actors engaged in these markets, including public agents, and unravels the relation between on the one hand, different market arrangements and, on the other hand, the ability of particular actors to engage in market transactions, as producers or consumers, and sometimes to influence the market's institutional structures. In addition, this analysis brings in a notion of power into the analysis of housing markets, by accounting for differential relations between developers and buyers and among buyers, and allows a better understanding of how such differential relations influence the outcome of market transactions.

These findings have relevance for others interested in broader urban studies. The detailed investigation of actors and institutions in a specific microcosm reveals important aspects of the way urban spaces are produced and managed, about the circulation of laws, norms, and regulations across spheres of the city, and how various social agents reinterpret them over time.

They also tell of the ability of low-income urban dwellers to make and change the city at its fringes and the impact of important urban changes (such as the recently global pressures) on these capacities.

Finally, a case study that looks at the historical evolution of an informal settlement in Beirut addresses an important knowledge gap in the development of informal settlements and policies towards them in Lebanon. Despite a growing body of research on Beirut (Tabet, 2001, Verdeil 2002) and its suburbs (Harb 2003, Khayat *forthcoming*), the subject of informal settlements has been largely neglected. Research and literature on Lebanese low-income housing in general, and the country's informal settlements in particular, is –to say the least– very limited. With a few exceptions (Bourgey and Phares 1973, Charafeddine 1985 and 1991, Yahya 1994, Fawaz and Peillen 2002, Clerc 2002), no research was undertaken to elucidate their evolution or the causes of their growth. Until recently, there was also no comprehensive understanding of the overall map of these settlements in the city (Fawaz and Peillen 2002). Instead, at least four different types of low-income urban settlements (i.e. camps hosting international refugees, settlements subdivided illegally, squatter settlements on land with conflicting property claims, and war-generated squatter settlements) are lumped together as a single type of urban "aberration" and treated as a "temporary" phenomenon, despite ample evidence of their long history.

1.E DATA COLLECTION AND SOURCES

The primary data for this research has been collected through interviews, which in turn were verified and cross-checked using historical aerial photographs, archives, and newspaper searches.

As in many lower income countries, research in Lebanon is hampered by the lack of public data or accessible official data. Statistical data, when available, is at an aggregate regional level and there are little assurances of its accuracy. As for public archives, when they are made accessible –and this is only through informal/ social connection, they are incomplete, partially destroyed during the war, floods, thefts, or simply inadequate storage. Furthermore, archive keepers are often unaware of the contents of these archives and there is little help in looking through the piles of dust.

My first visit to Hayy el Sellom was in the context of a field trip with two colleagues with whom I was planning to teach a field methods class in the Lebanese University. The course

ended up focusing on Hayy el Sellom, and I was able to visit the neighborhood many times, meet residents on the streets, engage in casual conversations, and begin to develop a sensitivity and familiarity with the place. Once the course was over, I had met a large enough number of residents and heard enough of the complexity of the neighborhood that I was convinced that Hayy el Sellom provided a rich case for a micro-study of housing production and acquisition.

My fieldwork extended over a long period: In 1999, I undertook the largest section of my fieldwork which extended over 8 months, conducting interviews and archival searches. From October 2000 to the time of this writing (June 2004), I have been in Lebanon (almost continuously) where I have been able to follow changes in Hayy el Sellom and its context. During this latter phase, I conducted two rounds of systematic research, going almost daily to Hayy el Sellom. These occurred during June-July 2002 and then March-June 2003. The last phase allowed me to go in specifically looking for missing data in order to complement the stories I was developing.

1.E.1   Interviews

Interviews were the most important source of information for my case study, since, in the absence of clear historical information or archiving, I needed to rely on the stories collected from actors involved in the making of this neighborhood in order to learn about mechanisms of housing production and acquisition.

I mostly relied on open-ended, semi-structured interviews with a diversity of actors (developers, residents, public agents) whom I interviewed about their individual trajectories, practices, and perceptions of the development and changes in the neighborhood. While I always prepared a set of questions beforehand, I encouraged interviewees to bring in the stories that they thought were relevant. In gathering data, I decided early on not to rely on tape recorder but rather take written notes and to the extent possible, report the comments of my interviewees in their own words. This is because the absence of a tape recorder put my interviewees at ease and allowed a closer relation between us, especially given that I often had to conduct several interviews with the same person and needed to develop some sense of trust between us, especially with developers. Furthermore, in attempting to learn about events that occurred thirty or forty years ago, the various techniques of "oral history", the "interviewing of eye-witness participants in the events of the past" that rests, in large part, on an "active human relationship between historians and their sources"(Perks and Thomson 1998: ix) also became relevant

especially that no written documentation of the history of this neighborhood was available and that newspapers of the time rarely reported on the events of this area.

In the conclusion of the *La Misère du Monde*, Bourdieu compares the social studies interview to a "social encounter", a structured meeting in which particular information but also signals and forms of violence are exchanged. There is, according to Bourdieu, a "space of differences" between the two actors, and the size of this space can either facilitate or deny exchange of information (Bourdieu 1993). According to Bourdieu, there are times when interviews cannot happen, precisely because the "space of difference" is either too large or too narrow to allow for a proper circulation of information. To me, the extended period of fieldwork responded precisely to the need to close this gap: the longer I stayed in the area, the more knowledge I acquired and the more trust I gained in the eyes of its residents, which eventually allowed me to collect the stories of a number of developers, especially public agents-turned-developers, who I would have otherwise never been able to understand. During this period, I was able to understand the social codes that legislate the area, the pressures, the reservations and evasive allusions, and know when I could push questions further and when it was preferable to let go. In addition, I should recognize that the social, religious, and geographic background of my family (Shi'ite migrants from the South of the country) encouraged many residents and developers to trust me, especially when they heard my last name and learned about my family's origins. There were however times when I realized that the "space of differences" was too wide to be filled. This was especially the case when I attempted to interview militiamen who were engaged in the Hayy el Sellom front during the war. All my efforts to conduct such interviews properly were not fruitful because of the sensitivity of the war topic in today's Lebanon, the reluctance of interviewees to discuss these years, or their opposite tendency to exaggerate and brag with unfounded stories. It was however mostly my own unfamiliarity with the "street" lingo of the war that made it extremely difficult to follow on the answers I was given and I therefore limited the interviews to residents involved with political parties with whom enough trust had been already built through my prior interviews. This therefore remained a gap in my research.

I conducted interviews with actors or observers during the period under study. In Hayy el Sellom, I was able to interview 9 developers who have worked in the neighborhood

throughout its various phases.[16] All these developers were met in the neighborhood, following residents' advice. These interviews were conducted in order to learn about the practices and personal trajectories of these actors. When it was impossible to interview a developer, I interviewed his representative (in the case of the last generation) or sons (in the first generation). Detailed interviews were conducted with each of these developers and whenever possible, I went back for additional details once or several times. In addition, I interviewed the main notary public who worked in the area and the only topographer still alive who was involved in these developments. These interviews allowed me sometimes to access data from the personal records of these actors. It was notably the case with Mr. Ali el-Mawla, the topographer, as well Mr. Spiro Michel Saab who gave me unconditional access to his father's note books, repertoires, and other personal notes and provided hence an invaluable source of information.

As for residents, I conducted in total 100 detailed interviews with residents who had arrived to the area during different phases. These were first conducted randomly but then directed to include roughly 30 interviews in every generation. These interviews included old Christian residents at the fringes of the neighborhood, members of the Haydar, 'Abdel Sāter, Kan'ān, Issā, Chamas, 'Amhaz, and other large families in the neighborhood, as well as other residents who came following adds and 4 interviews with foreign workers living with/without their families in the area. An additional twenty interviews were conducted to gather background information about the families (income, revenues, work, family status) in the context of a study I co-authored with Isabelle Peillen on living conditions in the *Slums* of Beirut for UN-Habitat. These interviews were conducted in June 2002. In addition, in the Fall of 2003, when newspapers spoke again of a potential highway project that would cross through the neighborhood, ten interviews were conducted randomly about residents' perceptions of the highway and the potential compensations they could be paid. Finally, 300 questionnaires were conducted during the summer of 1999 with the help of a resident of the neighborhood (a student in architecture at the Lebanese University) verifying information dates of arrival, role of developers, phases of construction, and perceptions of legality/regularization (survey results in Appendices).

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[16] Actually, as will be made clearer in the chapter about the developers, all these developers belong to what I called the "second generation of developers while", it was impossible to interviews developers in the two other generations. On the one hand, Abu Raymond had passed away in 1997, and on the other, all developers in the last generation refused to talk to me about their work.

In order to learn about how various public actors in public agencies had conceptualized responses to the neighborhood and how various policy decisions were taken, it was also necessary to interview public officials. These interviews were generally more structured than those I conducted with residents and developers; however, I also encouraged "stories" of "incidents" that have occurred recently or in the past, often inquiring about particular events that I knew would recall stories for these actors.

I interviewed in total 20 public sector officials (current and past), some of them several times, at public agencies including the Directorate General of Urbanism (DGU) local and central, the Land Registry, the Beirut Planning Agency, the Public Corporation for Housing, the Housing Bank, the Ministry of Displaced, the Prime Minister Office, the Ministry of Works, the Expropriation Commission of Mount Lebanon, Notary Publics offices, and at the Choueyfāt Municipality. These interviews included actors at all levels of the hierarchies (clerks, director general, engineer, etc.). The former head of the DGU, the highest planning authority, allowed me over these three years more than ten interviews and provided me with important historical and technical/ legal information, notably about the process of decision making and the shifting perceptions of informal settlements in the planning public sector over these 50 years. At the land registry, I was also allowed access to the records when they were available. Finally, I was able to interview the Cadastral Judge who decides on all property disputes (there is only one in Lebanon).

Finally, given the close circulation of opinions between private and public sector and the influence that many planners have had on the development of public urban policy in the country (Verdeil 2002), it was necessary to interview actors in the private sector who had played a role in the neighborhood. I therefore interviewed 5 professional engineers (several more than once) who had different experiences working on projects in the area and have dealt with the local authorities. Two of them were involved in the design and follow-up of the design of the highway that goes through the neighborhood, the first in the design of the overall transportation strategy in the post war era and the second in the design of the actual highway project and its approval in the 1990s. Two others were involved in the design of the master plan for Choueyfāt area in the post-war era as well. Finally, one was involved in the design/ improvement of the infrastructure system of the entire southern suburbs as of the 1980s and was also involved in the upgrading of the Ghadīr riverbanks and had conducted detailed surveys in this area during the early 1990s.

1.E.2 Archives

Archives were necessary first to reconstruct a "legal" history of the events that occurred. They were also useful in order to cross-check references made by particular actors, look up laws, particular regulations and exemptions, and especially find documents, such as building permits, that could provide written proofs of some of the so-called legal "exemptions" that were often mentioned to me orally, but never documented (Chapter 4).

However, as mentioned above, access to the archive was no easy job and often depended on the good will of the officers who could easily change their mind. Furthermore, archives are often not indexed, with documents piled randomly, making it impossible to access information systematically. Four public institutions in Lebanon possess relevant archival information for this project: The Directorate General of Urbanism (in its central and local branches), the Municipality of Choueyfāt archives, the Land Registry, and the National Archives.

The Directorate General of Urbanism (in its central and local branches) does not possess a proper documentation center or an archival index. Instead, in Beirut, documents were stacked on the same floors where particular procedures were filed (e.g. lot subdivision, building permits, land use plans, etc.) but were not clearly indexed. Nonetheless, I was able to secure the director's permission to access the DGU-Aley building permits archives in 1999 for two weeks, directly after they had been indexed. This is where copies of existing building permits for Hayy el Sellom were available. A good part of these permits had been destroyed during the years of war when the DGU archives were severely damaged and it was therefore impossible to develop an exhaustive count of the number and frequency of building permit applications. Nonetheless, access to these archives allowed me to examine building and regularization permits and hence to trace building processes in various phases of the neighborhood's development and learn who were the engineers and public sector employees who had approved them.

In May 2003, I was also able to briefly access the DGU-Beirut archives in the lot subdivision section, where I could assemble copies of lot subdivisions in the late 1950s, early 1960s and some of the archived material/projects for the area in the recent period. It was however impossible to gather much of the project documentation I was looking for or to access the director's personal archives where copies of old correspondences are assembled.

At the Choueyfāt Municipality, I was after much effort allowed access to the building permit and record archive for a single day, in June 2003, when I was able to copy building

permits for constructions during different phases, as well as records of complaints brought forth to the municipality by residents.

At the land registry, I was able through personal contacts to access public records for a few days after hours where a local employee helped me trace the histories of a number of lots and the date of subdivision, the methods in which registrations were conducted, and other similar procedures.

The national archives center is currently in the process of digitizing its information and compiling copies of public legislation and decisions taken by parliament and ministerial meetings. Digitized information is made available for researchers, provided they can prove that the topic of their research fits "acceptable" norms of urban research. In June 2003, I was able to visit the archives for one morning and granted access for a short time in which I looked at and downloaded copied of a number of "extra-legal" or "exceptional" decisions taken by the council of ministers with regard to urban service provision in informal settlements. Since all information is to-date digitized as images rather than text, search engines have very limited capacities and aside from looking through meeting minutes one at a time, it is only possible to search particular records once prior knowledge of an approximate date when the decision was taken is available. I therefore restricted my search in this archive to decisions that I knew had been taken by the Council of Ministers during a particular year.

1.E.3 Newspaper searches

Like the National Archives, Lebanese dailies have begun to digitize their old papers but also in the form of images rather than text, which means that here too, search engines have very limited capacities and events have to be looked for individually. Under these conditions, I guided my searches by looking at specific dates (months and years) when I knew that important events had occurred in informal settlements in the capital city. A number of journalists also helped me identify particular journalistic investigations that their papers had followed in certain dates. These were useful in order to reconstruct particular events, but also to look at the visibility (or lack thereof) of the neighborhood in the city.

1.E.4 Aerial photographs and maps

Aerial photographs have been taken by the Lebanese Army in several instances and I was able to compile pictures for 1963, 1978, 1983, 1991, 1995, and 1999. In addition, maps were

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compiled for this area in 1959 (by French geographers), in 1978, and in 1993 (by OGER)[17]. Based on the 1993 map and the 1995 aerial photograph, I developed an updated map of the neighborhood on which became very useful in order to identify the various neighborhood development phases and identify interviewees accordingly.[18]

1.F   A WORLD ABOUT TRANSLITERATION AND NAMES

I have mostly relied for transliteration on the IJMES system. In this system, the Arabic vowels are replaced by "a" for a *fartah*, "u" for a *dammah*, and "i" for a *kasra*. Long vowels are indicated by a dash over the letter, so that "ā" stands for *alef* and "ī" for a *ya* or "ee". In addition, letters of the Arabic alphabet that have no direct transaction into English are represented by symbols, such the " ' " for *ayn* and " ' " for *hamza*. The table below reports on the adopted transliteration throughout the thesis. Note that in referencing papers, I adopted the spellings that were used by authors for themselves and not the official transliteration of their names.

a	فتحة	u	ضمة	i	كسرة
ā	ا			ī	ي
h	ح	q	ق	k	ك
j	ج	sh	ش	gh	غ
'	ع			'	ء

Table 1-1: Main transliterations adopted in the thesis.

A last point about writing concerns the names of my respondents. In order to respect the privacy and trust of those I have interviewed, I have generally only used first names to refer to residents and developers in Hayy el Sellom. To distinguish them from residents, public sector agents were referred to by initials.

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[17] OGER is a Saudi based contracting firm owned by the current Lebanese Prime Minister (Rafic Hariri) that undertook several surveys of Beirut and its suburbs in the 1980s.

[18] Maps were also very useful in the neighborhood whenever I interviewed "authorities" in the area. They were often willing to exchange information and maps for an updated map of current projects.
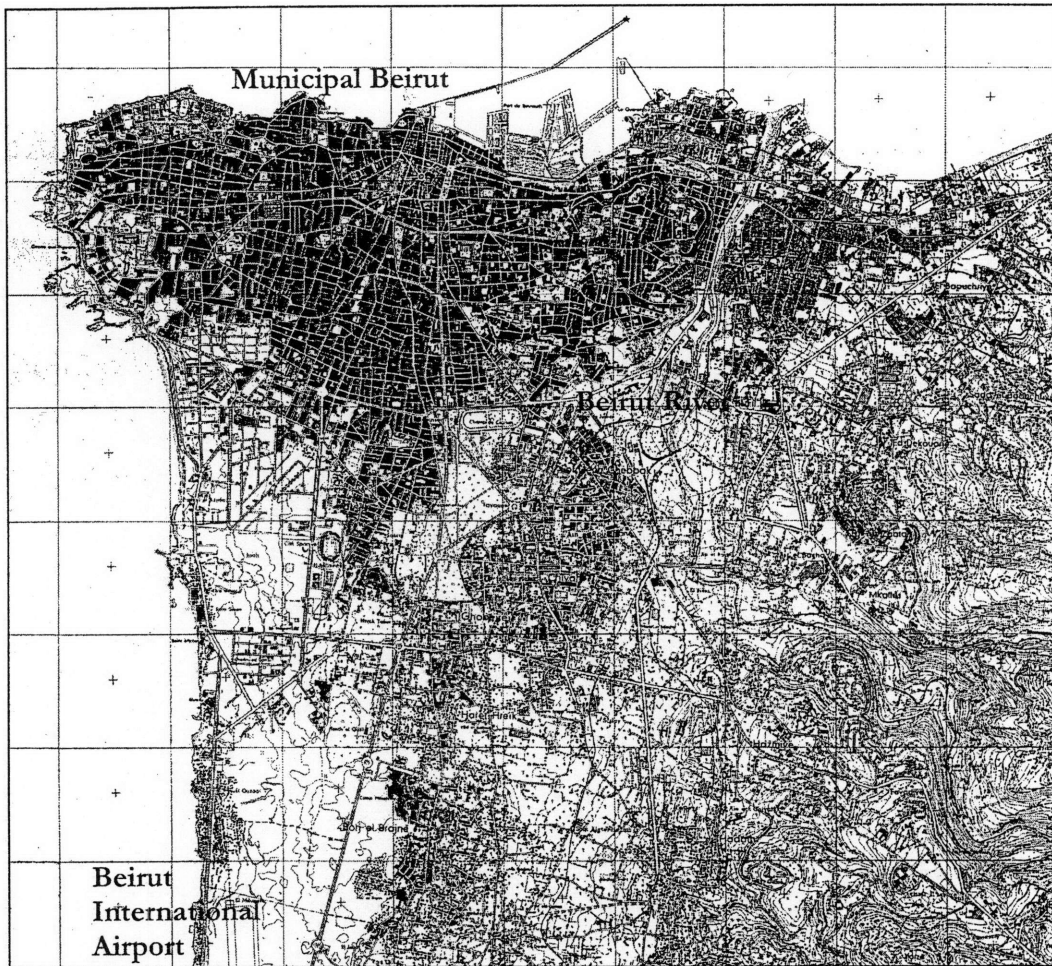
Figure 2-1:   Beirut map, taken in 1956 and updated in the mid 1980s.
"Municipal Beirut" appears in black in the top of the map. Hayy el Sellom is just outside the map.

Source: Lebanese Army Maps.

Chapter 2

Case Study & Context

This chapter provides a background for the case study. The first section (2.A) presents briefly the context, including Lebanese planning policies, the development of informal settlements of Beirut, and public policies towards them. The second section (2.B) introduces the case study, particularly the neighborhood's physical, social, and political organization. These will be then referred to throughout the dissertation.

2.A CASE STUDY IN CONTEXT

2.A.1 Overview of Lebanese Planning Policies

Unlike most post-colonial societies where independence launched a process of nation building with the creation of new planning agencies and the promise of a welfare state that would provide healthcare and housing to all, Lebanon gained its independence from French rule in 1943 with a commitment to liberalism and the least possible public sector intervention

(Gaspard 2004).[1] The country was then run by what Trabulsi called a "financial oligarchy" who sought to use its newly gained independence in order to strengthen its financial and economic standing (Trabulsi 1993). This historical commitment to the "free market" was translated in the reluctance of successive Lebanese governments to intervene in the delivery of social services, including the provision of housing (Sadik 1996).

With respect to the field of housing, an overview of public interventions in this sector indicates that little if any measures have ever been taken to build public housing, design sites and services projects, or provide subsidized credit or housing (Sadik 1996).[2] Similarly, the state has been reluctant to intervene in land and construction markets, so that few regulations and taxes are imposed on land sales, speculation, and other land market activities (Aveline 2000) and state policy has been limited to the encouragement of private initiatives either through legislation (e.g. raising the floor area ratio) or by facilitating housing loans (Fawaz 2003, Samaha 2000).

It was only after 1958, following weeks of civil conflict (Gendzier 1999), that most Lebanese public planning agencies were created and the public sector began to intervene in the direct regulation of urban and social spaces (Tabet 2001, Verdeil 2002). The 1958 conflict had brought to power President Fuād Shehab, a former army commander. Unlike his predecessor,

Date	Event
1922	Creation of Modern Lebanon as part of the Modern Middle-East (Versailles Treaties). French rule begins.
1943	Lebanon gains independence from French Mandate authority
1958	First events of social unrest in Modern Lebanon (state vs. pan-Arab).
1969	Cairo Treaties: Allow PLO to openly resist Israeli occupation from South Lebanon
1975	Outbreak of the Lebanese civil war
1978	Israeli invasion of South-Lebanon
1982	Israeli invasion of Beirut
1990	End of civil war
2000	Israeli withdrawal from South Lebanon

Table 2-1: Modern Lebanon; Time line of relevant events

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[1] Until 1922, Lebanon (as we know it today) consisted of a number of provinces in the Ottoman Empire that had no geographic, social, economic, or political unity. It was only in 1919, with the Versailles Treaty that sealed the end of World War I, that Lebanon as a modern nation state (with its current boundaries) was created and placed under the rule of the French Mandate (1922-1943). Much of the political and institutional system was initiated under French Rule, often in continuation with earlier Ottoman reforms (known as the *tanẓīmāt*) (Verdeil 2002). The country disposes of an executive body (the president and the government), a legislative body (the parliament, elected), and a judicial body. The first republic (and its constitution) was declared in 1926. The second was declared in 1990, with a new constitution that marks the end of the Lebanese civil war, in what is referred to as the *Ta'ef agreements* (1989).

[2] To be more accurate, there have been rare instances of direct public interventions in the production of one or two housing complexes in times of emergency, such as after Abu 'Alī river flood in Tripoli (North Lebanon), after the 1956 earthquake, and during the post-civil war reconstruction. These are however very limited in scale and scope.

Shehab believed in the necessity of establishing modern institutions and adopting national development plans. In the few years that followed his take-over, several public agencies were created to regulate urban spaces, such as the Directorate General of Urbanism and the Higher Council for Urbanism (Verdeil 2002). Furthermore, (see Table 2) urban regulations were adopted, building permits became mandatory in all areas of the country (1961), zoning and planning regulations were gradually developed for cities throughout Lebanon, an elaborate network of highways was designed for Beirut and its vicinities (1964), and the first five-year national plan was approved (Ghorayeb 2000, Verdeil 2002). Shehab routinely appealed to international consultants, such as: IRFED, to develop a comprehensive assessment of socio-economic conditions in the country in order to develop a national master plan (Mission IRFED 1963); Constantinos Doxiadis to develop a comprehensive analysis of the housing sector in 1959 (Sarkis 1998, 2003); and Michel Ecochard, who designed two successive master plans for Beirut and its suburbs in 1943 and 1964 (Ghorayeb 2000).[3] However, this process of institution building slowed as subsequent regimes lost control of the city, particularly by the 1970s, when militia groups challenged the state even before its semi-breakdown during the civil war (El-Khazen 2002).

The Lebanese civil war,[4] which extended over fifteen years (1975-1990), divided the country in belligerent sections (along religious sectarian lines), run by rival militias. Save for a few "reconstruction" or "emergency planning" initiatives during periods of relative calm, little planning was conducted during this era. It is however worth mentioning that the war had devastating effects on the country, not only in terms of the breakdown of public institutions, but also in human and economic casualties: some 65,000 deaths, 84,000 wounded individuals, 22 per cent of the Lebanese families displaced at least once, and 700,000 to 900,000 persons emigrated. Material costs were also important; they included the destruction of the physical infrastructure of the country (e.g. water, electricity, telephone, roads) estimated by the UN in billions of dollars, some 300,000 houses severely damaged, and most productive sectors negatively impacted (CDR 1992, 1995). The war and its various consequences (including severe inflation) is also recognized

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[3] For the list of public agencies, see Table 2-3 at the end of this chapter.

[4] A comprehensive summary of the various reasons put forth to explain the Lebanese civil war is provided by Najem (2000). These are: (i) class conflict, related to the concentration of 32% of assets in the hands of a 4% elite and the predominance of Beirut in the economy; (ii) the lack of a political community and the sectarian social divisions; (iii) growing demands for political redistribution by groups who perceived themselves as under-represented; (iv) breakdown of the elite-mass relations; and (v) the geopolitical regional conditions, especially the Palestinian-Israeli conflict.
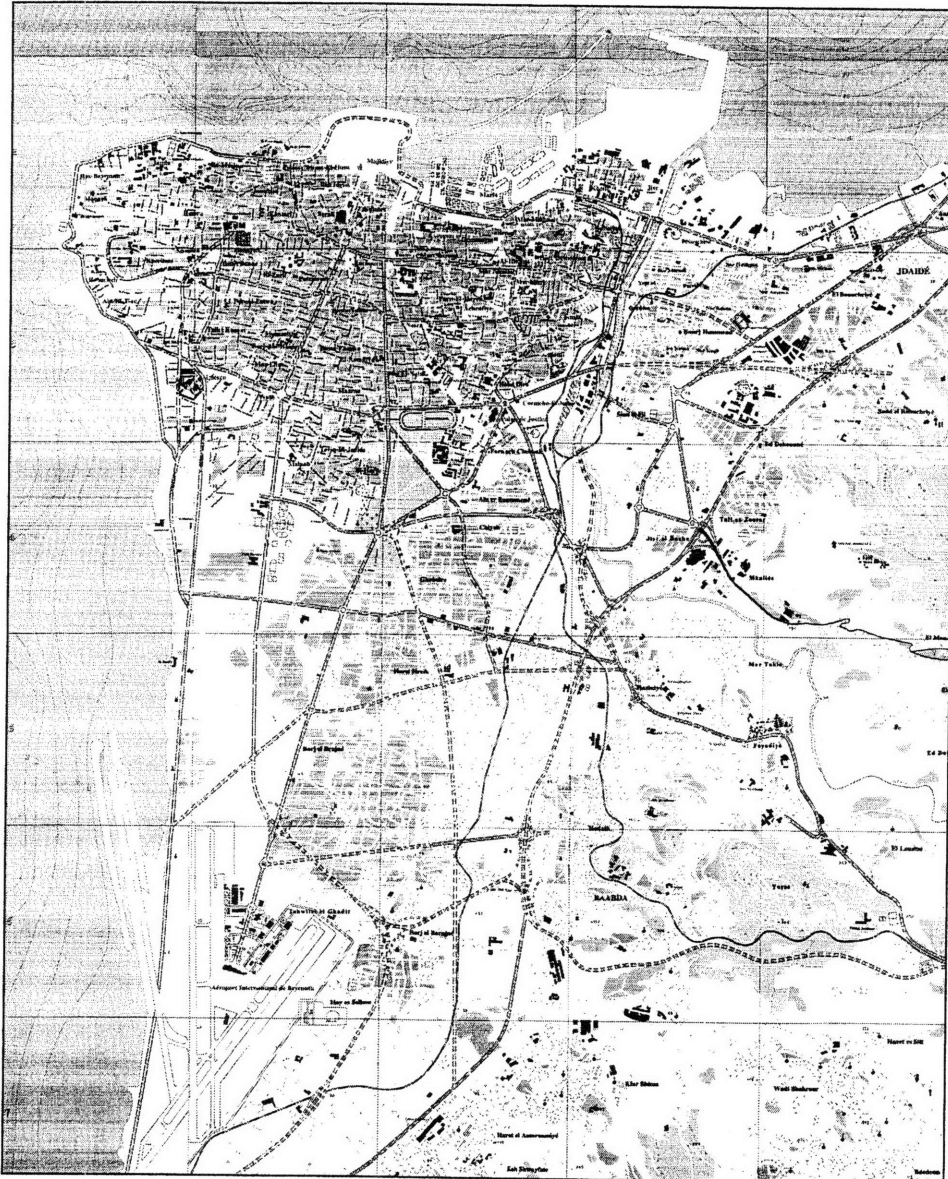
Figure 2-2: Beirut map in 2000. The map shows Hayy el Sellom in the bottom left corner, behind the airport. The map also shows the projected highways in the suburbs of the city, many of which have been implemented since.

Source: Guide Stephan (2000).

for having substantially impoverished Lebanese households, reduced the size of the country's middle class, and exacerbated already existing income differences (Haddad 1996). By the end of the war, the Lebanese GDP had decreased by two thirds (Baz 1998, Najem 2000).

Since the end of the civil war in 1990, Lebanon has been actively involved in a large-scale reconstruction process, while holding onto its prior commitments to limited state involvement in social and economic matters. The post war reconstruction phase is marked by two national plans: the National Emergency Reconstruction Plan (NERP), orchestrated for the first five years of reconstruction, and Plan Horizon 2000 (extended later through Plan Horizon 2005). These plans are managed by the Council for Development and Reconstruction (CDR), a public central management organism for all reconstruction works (created in 1977) (CDR 1992). Most investments are concentrated in physical infrastructure and large-scale "showcase" projects, such as the reconstruction of the city's old urban core and its transformation into a high-end business downtown with a vision to attract international financial elite and reposition Beirut on the global chessboard (Kassab 1997). A new airport was built, the current port was enlarged, and an impressive number of large infrastructure projects (especially highways) have been executed. Public transit, low-income housing, and other salient social problems have been neglected.[5] In order to solve the problem of displacement, a temporary ministry, the Ministry of Displaced was instituted, and a "program of return" was launched in order to organize and finance the "return" of displaced populations to their areas of "origin," as well as clear ruins, repair buildings, evacuate illegal settlers, and rehabilitate public services (Ministry of Displaced 1998).

The results of post-war reconstruction policies have not matched the expectations of their designers. Between 1993 and 1995, substantial economic growth was noted in the country. However, since 1996, the economic activity in the country has shown a substantial slow-down, especially because of the current crisis in the real estate and construction sectors (Aveline 2000) and the unstable regional context. The budget deficit has now reached alarming levels[6] and the volume of debts (both internal and external) has substantially increased.[7] Since the end of the war, several studies have pointed to increases in poverty levels and worsening of living condition

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[5] The first reconstruction plan, Plan Horizon 2000, allocated 27.8% of its resources to "social infrastructure." However, much of this percentage went to the building of new schools. Only 1.1% of the budget went to Social Affairs and 9% went to "Housing and Resettlement," half of which was allocated to "reconstruction grants and loans." Horizon 2000 allocates a limited amount of money for "upgrading informal areas," under the Housing and Resettlement section, but these funds have not translated into projects (Najem 2000).

[6] The budget deficit had already reached 38 per cent in 1999 (ESCWA 2001).

[7] The country is unable to service its debts that have reached over 30 billion dollars (ESCWA 2001).
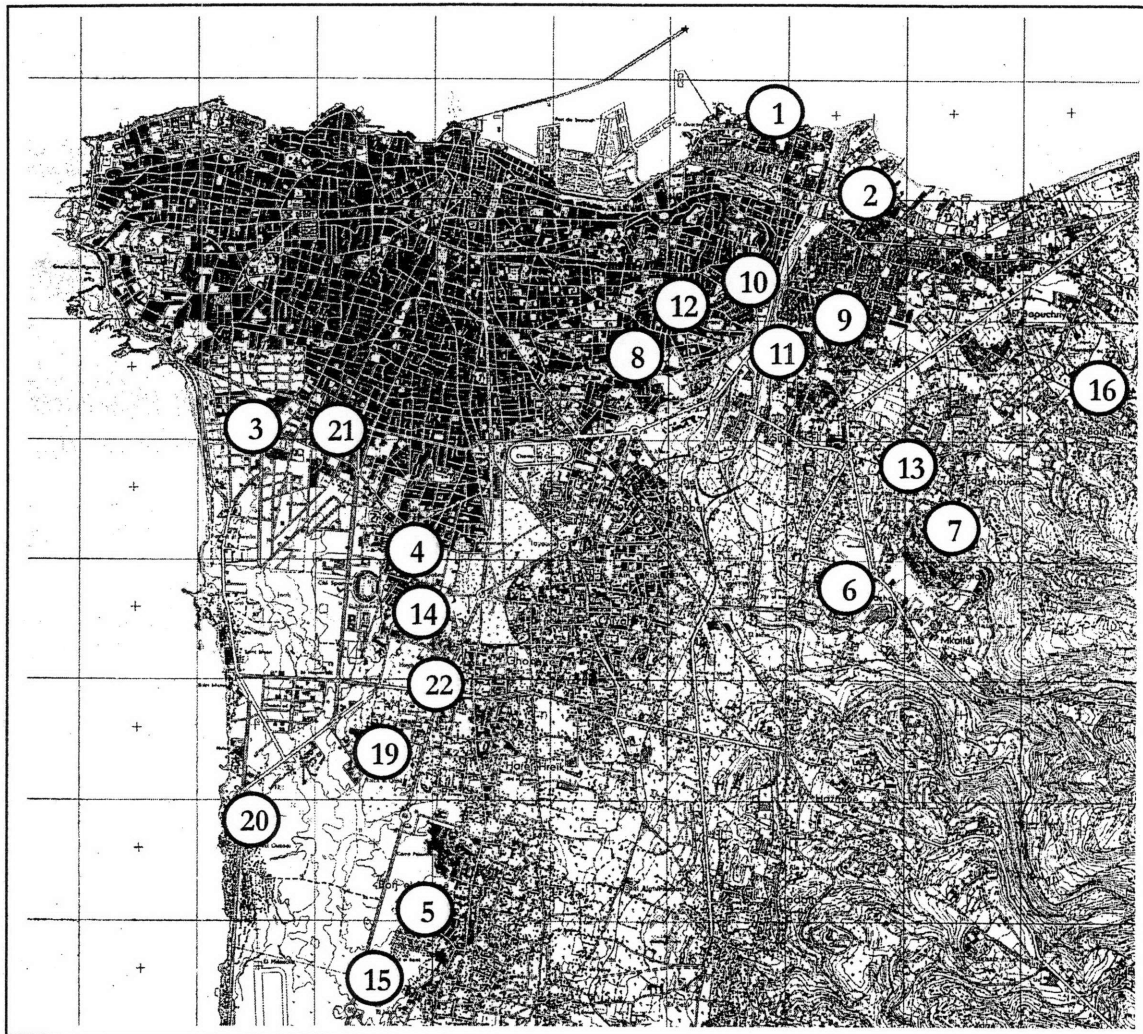
Refugee Camps	Rural-Urban Migration	Informal Land Subdivision	Illegal Land Occupation
1. Karantīna	9. al-Nabʻa	15. Hayy el Sellom	19. Raml
2. Sanjaq	10. Karm az-Zaytoune	16. Az-Zaʻytriyyeh	20. Ouzāï
Palestinian Camps	11. Horsh Rahhāl	17. Roweyssāt	21. Wata el-Mussaytbeh
3. Mar Elyās	12. Hayy as-Siryān	18. Hayy el ʻAyn	22. Horsh al-Qatīl
4. Chatīlā	13. ad-Dekwāneh		
5. Bourj Barajneh	14. Sabra		
6. Jisr al-Bāsha			
7. Tell az-Zaʻtar			
8. Syriac Camp			

Figure 2-3: Informal Settlements and camps in 1975 Beirut

Source: Lebanese Army Maps, research for survey based on Fawaz &Peillen (2002)

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indicators: over 25% of the population lives below the poverty line (Haddad 1996). Also, median incomes have been reduced considerably, according to one study, by 50-60 per cent in comparison to what they were in 1966. Currently, 25.8 per cent of individuals living in Beirut earn less then $106/month (Hamdan 2001). These changes have considerably reduced the ability of low-income dwellers to access housing. Conversely, public policies to address these problems have lagged behind. There are, to date, no public housing subsidies, no sites and services projects providing small lots to lower income urban dwellers, no mechanisms to provide housing credit for 75% of the country's lower stratum, and no taxes or regulations to curtail land speculation that has exponentially increased the costs of housing production (Fawaz 2003, Samaha 2000).

2.A.2 Informal Settlements In Beirut

Since the 1920s, the Lebanese capital has not ceased to grow as a result of political and economic forces that favored this city over other regions of the country (Beyhum 1991, Tabet 2001) (Figures 2-1, 2-2). By the 1950s, Municipal Beirut had become a dense city and several new urban quarters had been created (Beyhum 1991, Tabet 2001). At the time, surrounding villages (such as Chiyāh, Ghobeyrī or Sinn el-Fīl) were being transformed into suburban areas and their economy tied to the activities of the city (Khuri 1975, Nasr and Nasr 1974 and 1976). This pattern continued in the following years. Between 1950 and 1970, Beirut's population was multiplied by four, going from 300,000 to 1,100,000 inhabitants, and at the eve of the civil war in 1975, Beirut housed one quarter of the population of Lebanon, most of them living in its congested suburbs (Bourgey 1985, Faour 1981). This process was further exacerbated by various military conflicts (civil and regional) that precipitated the rapid movements of population displacements.[8] Today, an estimated 1,340,000 inhabitants live in Beirut and its suburbs (what is considered Metropolitan Beirut), which amounts to around one-third of the population of Lebanon (ACS 1996). Next to rural migrants and war-displaced groups, this population includes

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[8] Military conflicts triggered several waves of migration towards informal settlements in the southern suburbs of Beirut. In 1976, as a result of the division of the city in two sections, residents of informal settlements in the eastern suburbs of Beirut were evicted from their settlements which were razed to the ground. Many came to squat in the southern suburbs of the Beirut. Later, two successive Israeli invasions of Lebanon, in 1978 (the South only) and 1982 (all the way to Beirut), also created major waves of migration to the informal settlements. In total, around 75,000 people are estimated to have arrived to the southern suburbs of Beirut between 1975-1987 (Beaudoin and Kasparian 1991).
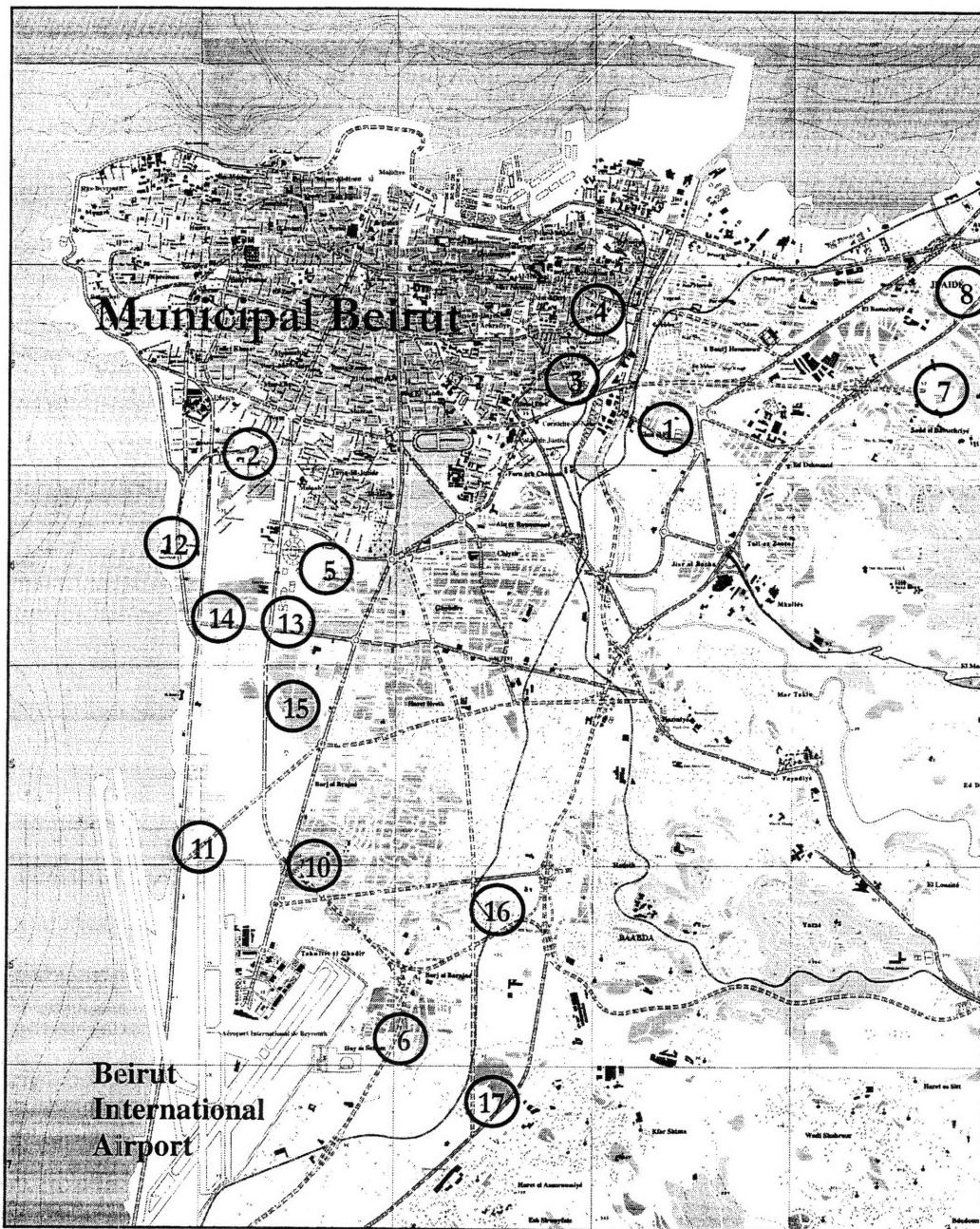
Early migration, extensions of camps, and others (1930-1950s)	Informal land Subdivision (1950s-1970s)	Pre-war squats on disputed properties (1950s-1970s)	War-generated squatters (post 1970s)
1. Nab'ah	6. Hayy el Sellom	10. Raml	13. Horsh Tābet
2. Watah el-Museytbeh	7. Az-Za'ytriyyeh	11. Ouzāī	14. Hayy al Zahra
3. Karm az-Zaytoun	8. Roweyssāt	12. Jnāh	15. Horsh al-Qatīl
4. Syriac Neighborhood	9. Hayy el 'Ayn		16. Laylaki
5. Sabra			17. Amroussiyyeh

Figure 2-4: Informal settlements of Beirut, based on survey by Fawaz and Peillen (2002)

Source: Base map Guide Stephan 2000, research for survey Fawaz and Peillen (2002)

waves of international refugees[9] who had arrived to Beirut between 1920 and 1950 as well as foreign migrant workers who are attracted by work opportunities in Lebanon.[10] These population movements generated a new urban geography for Beirut and its suburbs, as illustrated in figures 1 and 2.

Like other large cities in the Third World, Beirut has seen a good proportion of its growth happen in violation to construction, zoning, and/or property codes (Bourgey and Phares 1973, Bourgey 1985, DGU 1973). The reasons are also similar to those described elsewhere, such as the imposition of rigid modern urban regulations for land subdivision (e.g. minimum lot sizes, passages) and building construction (e.g. maximum

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Required documents for acquiring a building permit:

- Five certified copies of a permit application, signed by necessary engineers and architects, and submitted to the DGU. Documents needed: preliminary and technical engineering study and details, statements of mutual agreement from owner and engineer, completed application form, planning and zoning certificate
- Application form for the Order of Engineers and Architects, includes: planning and zoning certificate, property deed, technical study.
- Planning and zoning certificate (*irtifāq wa takhtīt*), at most three-month old, issued by DGU. Document needed for Planning and zoning certificate: site map, municipal certificate, ownership deed, application and document sent to DGU, land subdivision documents if relevant)

Required signatures on each permit:
- Up to 500m2, civil engineer and architect;
- Above: electrical engineer (500-2000) and site and mechanical engineers (above 2000m²).

Estimated fees:
- Minimum $3,000.

Table 2-2: Necessary steps to acquire a building permit in Lebanon, 2003.
Source: *The Business Handbook*, InfoPro (2003).

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[9] International refugee groups include Armenians, Kurds and Syriacs who arrived in Lebanon as of 1922, as well as Palestinian refugees who arrived between 1948-1951. An estimated 350,000 Palestinian refugees live in Lebanon today; half of them are still living in refugee camps in very precarious conditions (UN-UNRWA 1992).

[10] Migrant workers (especially Syrian) have constituted a significant proportion of the population of Beirut and Lebanon since the 1950s. Pre-war studies list 25% of the population of Beirut as non-Lebanese, mostly Palestinian (refugees) and Syrian (migrant workers) (Bourgey 1985).

Current official statistics for the post-war era systematically downplay the number of foreign workers, usually estimated according to official permits that range around 75,000 (ACS 1998). This figure is however far from reflecting the real numbers since the large majority of these workers (especially the Syrians among them) do not have legal work permits. UNDP estimates place the number of Syrian workers alone at 400,000 (UNDP 1995). Furthermore, the Sri-Lankan embassy estimates around 80,000-100,000 Sri-Lankan currently working in Lebanon and the Filipino embassy counts 20,000 Filipino workers currently in Lebanon). These numbers are approximately three times higher then the figures provided by the ACS for 1999, allowing us to multiply for everybody except Syrians ACS figures by three. A quick extrapolation of this bias leads to an estimate of foreign labor to at least 600,000 (Jureidini 2001).

Foreign workers are usually employed in unskilled jobs (e.g. garbage collection, construction works, etc.). In order to compete with local labor, they have to require very low wages (US 10-20$/day) and are hence forced into extremely poor housing conditions (Jureidini 2001).

Figure 2-5 (b): Map of the "slums of Beirut," drawn by Michel Ecochard in 1963, in white on the map). The plan also identifies zones for relocating "slum dwellers."

Source: Ecochard (1963)

Figure 2-5 (a): Low-income housing design for the area of Borj Hammoud, by Michel Ecochard in the 1960s. The planner proposed the total eradication of the area.

Source: Ecochard (1963)

height, maximum floor exploitation) dictated by new planning and construction codes (following French regulations) that conflicted with existing modes of housing provision and the financial capacities of urban dwellers. Requirements for approval of several institutions (e.g. local and central town planning institutes, municipalities, and syndicate of engineers and architects) and other costly and time-consuming procedures also contributed to people building outside the law. (Table 2-2 provides an example of such procedures, using the building permit.) So did a conception of space and land that came out of the social and rural habits of these new urban dwellers and conflicted with the requested setback and low floor exploitation ratio dictated by modern urban regulations.

Until the 1970s, two types of informal settlements were common in the city. First, settlements on informal land subdivisions grew in the far suburbs of the city, near factories and large employment institutions (e.g. the airport, the Tobacco Régie), and gradually moved away from the urban core, as the city expanded in size (see figure 2-3, informal settlements of Beirut in 1970) (Fawaz and Peillen 2002). Second, smaller squatter settlements appeared, either on properties where conflicting claims for ownership facilitated the process of illegal land occupation (Clerc 2002)[11] or as spillover of refugee camps in the city.

With the outset of the Lebanese civil war in 1975, Beirut was divided in two belligerent sections along religious sectarian lines (East and West Beirut), displacing large population groups to areas controlled by members (or militias) of the same religious group, thus changing the city's map (Beyhum 1991) and the distribution of its informal settlements (Charafeddine 1991, Yahya 1994). The eastern suburbs of Beirut, until 1975 its biggest industrial suburb and the location for the vast majority of informal settlements (including neighborhoods grown out of illegal land subdivision projects), quickly fell under the control of Christian Militias who forcibly evacuated all its informal settlement dwellers (among others).[12] Conversely, squatting quickly spread in a number of areas in the city, notably its south-western suburbs, where rival militias seeking to impose their order and challenge weakened state authority encouraged illegal land occupation. By the late 1970s, large sections of the southern suburbs of Beirut had been transformed into squats (Yahya 1994), making it the location of "illegal developments" in Beirut (Charafeddine 1985 and 1991, Harb 2003). Furthermore, everywhere in the city, blatant violations of

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[11] Conflict over property resulted essentially from the consolidation of land registries under the French Mandate, and later the newly instituted Lebanese state. For more information, see Valérie Clerc (2002).

[12] For data on the eastern suburbs of Beirut, see Nasr and Nasr (1974 and 1976). For evacuations in the first years of the civil war, see Massabni (1977).

construction and urban codes became visible and many people acquired their services through illegal hook-ups.

In the sky-rocketing real estate prices of post-war Beirut, and given the recent liberation of new rental contracts,[13] the absence of credit for low income groups, and poor public transportation systems that limit access to outlying areas for those who cannot afford a private car, informal settlements have become the only low-income housing option for rural migrants driven by the lack of income generating opportunities in rural areas,[14] international migrant workers with daily wages and unsteady employment, recently impoverished lower middle income couples, and populations displaced by so-called reconstruction projects (such as highways or the rehabilitation of the old city core).[15]

Prohibitive land prices throughout the capital city have however rendered the costs of land unaffordable, while heavy policing of the suburbs of the city considerably reduced the opportunities for squatting. As a result, most informal settlements have increased their vertical density and many slum dwellers have subdivided their already narrow houses to rent out rooms for additional sources of income. During this phase, rent has become the dominant mode of housing supply in all the informal settlements of the city. Today, at least 10% of the Beirut population lives in informal settlements, as is shown in figures (2-4) (Fawaz and Peillen 2002).

2.A.3 Lebanese Public Policies Towards Informal Settlements In Lebanon

Although Lebanon's public institutions are instrumental and even indispensable for the operation of the low-income land and housing market under study (as I will argue in Chapter 4), this is far from indicating a benign disposition of Lebanese policy makers towards these areas or their residents. To the contrary, public policies vis-à-vis informal settlements in Lebanon have been systematically hostile. Since the late 1950s, there has been numerous attempts to evict their populations, ultimately unsuccessfully, through targeted operations that often took the form of

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[13] By 1992, a new rent law liberates all new rental contracts, but keeps a hold on those signed prior to this date (Fawaz 2003).

[14] The number of rural migrants who still arrive to Beirut has considerably dwindled, especially because of Lebanon is now almost 86.6 urban (ACS 1996). Nonetheless, the latest drives against marijuana plantations without adequate alternative farming policies has brought new waves of migrants to the settlements of the capital city.

[15] These populations generally obtain the equivalent of 5-10 thousands US dollars in "compensation for displacement" from the Ministry of Displaced, a sum that allows them to purchase an apartment only in the informal settlements of the city.

political retaliation rather than orchestrated urban policy (Ruppert 1999).[16] Furthermore, it was common, especially in the post-civil war reconstruction era, for large infrastructure projects (such as highways) to cross through these neighborhoods, wipeout substantial sections of their urban fabric, and displace many of their residents (Deboulet and Fawaz 2004).[17]

Historically, it is clear from old planning documents that as of the 1960s, public agencies were well aware of the development of informal settlements throughout the city. While no attempts were made to upgrade or provide services in these areas, public agencies (often advised by international experts) had begun to commission studies about these neighborhoods, or to see them included in broader studies for improving the Beirut cityscape.[18] The results of these studies had invariably been proposals to eradicate entire neighborhoods and, whenever professional expectations dictated or social pressures were high, their replacement with "adequate housing". Thus, foreign experts such as Michel Ecochard who had also developed a comprehensive master plan for Beirut and its suburbs (and therefore drafted the 1964 planning regulations for Hayy el Sellom) saw the necessity to build governmental housing to replace what he described in his reports as *"habitat insalubre"* (unhealthy housing), an urgent problem in Beirut that needed to be addressed (Ecochard 1963)[19] (figure 2-5). Around the same time, the well-known Constantine Doxiadis who was invited by President Shehab in 1959 to devise a housing

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[16] The first (recorded) slum clearance campaign dates back to 1958, in the area of Ouzāī (a squatted neighborhood in an area of conflicted property rights in the southern suburbs of Beirut) and coincides with the 1958 mini-civil war in the country which opposed Pan-Arab Nasserite supporters on the one hand (with members in the settlement) and the Lebanese army on the other hand (Gendzier 1999, Ruppert 1999). In 1983, and following the Israeli invasion of Beirut, president Gemayel also sent tanks to the southern suburbs of Beirut, to the squatter of Raml where the intention was to bulldoze several hundred houses (As-Safir 1983, Charafeddine 1991). None of these operations ever succeeded in dislodging residents or demolishing more than very few houses. Newspaper records contain man references to these events, such as *An-Nahar*, April 1974 or *As-Safir* July 1983.

[17] During the post civil war era, between 1993 and 2003, several highways were executed and cut through most informal settlements in the capital city (Deboulet and Fawaz 2004, Khayat *forthcoming*).

[18] During the first period (state-building), when the design of a well-planned urban space motivated these initiatives, the Ministry of Plans and later the Directorate General of Urbanism commissioned projects as part of their nation-building efforts. Later, during the phase of state breakdown, efforts in periods of calm (notably in 1983) were initiated by central agencies but never reached consolidated into projects. Finally, during the reconstruction era, new initiatives came from Central Government through special public agencies created for that end (in the southwestern suburbs of Beirut) or again by the DGU.

[19] Ecochard in his document refers to *"habitat defectueux,"* (defective housing) a category that includes "bidonvilles" (recycled material), "taudis" (barracks), and "habitat insalubre" (unhealthy housing). In 1963, Hayy el Sellom is not included in his listing however, which concentrates on Palestinian camps and the eastern suburbs of the capital city, then its industrial core (Ecochard 1963).
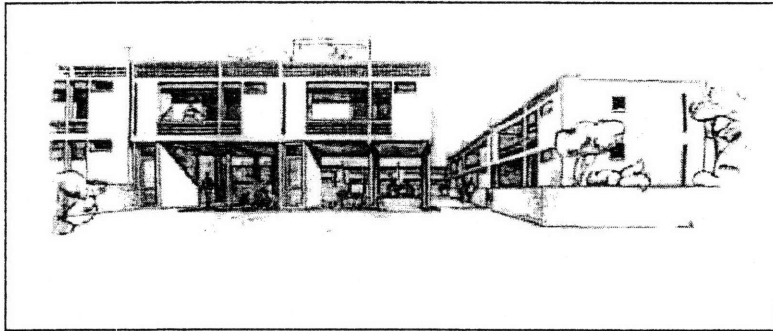
Figure 2-6 (a): Doxiadis, design of low-income housing project to replace "slums" in 1958.

Source: Sarkis (1998).
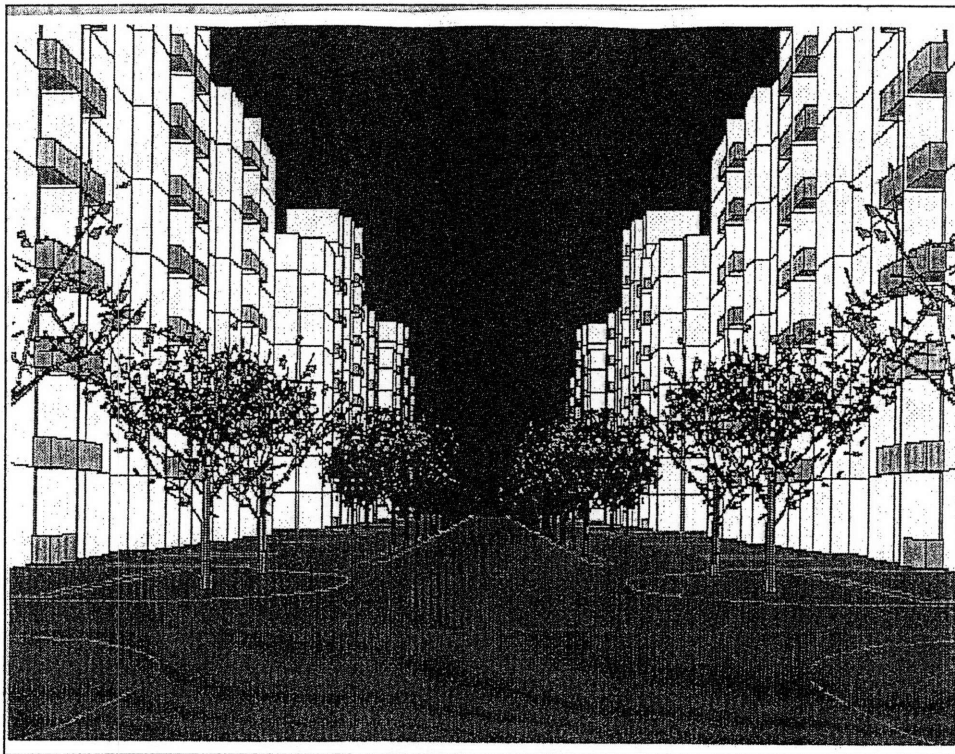
Figure 2-6 (b): Low cost housing designed for the Elyssar area in the mid 1990s to replace squatter settlements in the southern suburbs of Beirut. These were 7-8 stories buildings.

strategy for Lebanon also suggested the necessity to build working class residential neighborhoods and eradicate existing "slums" all over the capital (figure 2-6(a)).[20]

In the early 1970s, most informal settlements had fallen under the rule and/or protection of guerillas and militia groups who actively recruited members among their populations. As a result, public officials began to see in informal settlements a threat to public security and attempts at curtailing their development increased in the years preceding the civil war. In informal settlements where the presence of militia groups was more visible, the army was recurrently sent but failed to implement any eviction.[21]

However, the beginning of the civil war in 1975 weakened considerably public agencies. The two sections of Beirut (East and West) were difficult to administrate and planning agencies had lost their implementation capacities. Thus, the government had no effective control over the city and its poor financial and administrative resources forced it to ignore blatant breaches of its laws. By the time they were able to react to widespread illegal developments in the city, the southern suburbs had become a large squatter settlement that obtained de-facto services through illegal hook-ups. As a result, public policy towards these areas changed radically, shifting to after the fact management in an attempt to curtail and limit illegalities by issuing new urban regulations and charging people for illegal hook-ups (Chapter 4). Furthermore, in the sole instance where they were able to intervene during this period (in 1983, following the Israeli invasion and withdrawal of Beirut in 1982), public agencies declared informal settlements in the southern suburbs of Beirut in "emergency state," summoned the army troops to penetrate and control them, and devised a short-lived emergency plan that was never implemented (As-Safir 1983).

Since the end of the war, informal settlements (especially those in the southern suburbs) gained visibility as grandiose plans were devised for the demolition of the largest ones and the relocation of their residents. This was, however, only the case for squatters located on high value property that provided attractive investment opportunities, that is the southwestern coast of

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[20] For more information about Ecochard, see Ghorayeb (2002) and about Doxiadis, see Sarkis (1998 and 2003).

[21] In the early 1970s, scattered military conflicts that opposed the pro-Palestinian movement on the one hand (heavily mobilizing residents of informal settlements) and the Lebanese army on the other also lead to many clashes in and around informal settlements such as in Jnāh and Ouzāï (south-west of Beirut) and Dekwaneh (north-east of Beirut) (An-Nahar and As-Safir dailies reported many of these clashes, sometimes in the form of "squatter evictions". See, for example, April 1975).
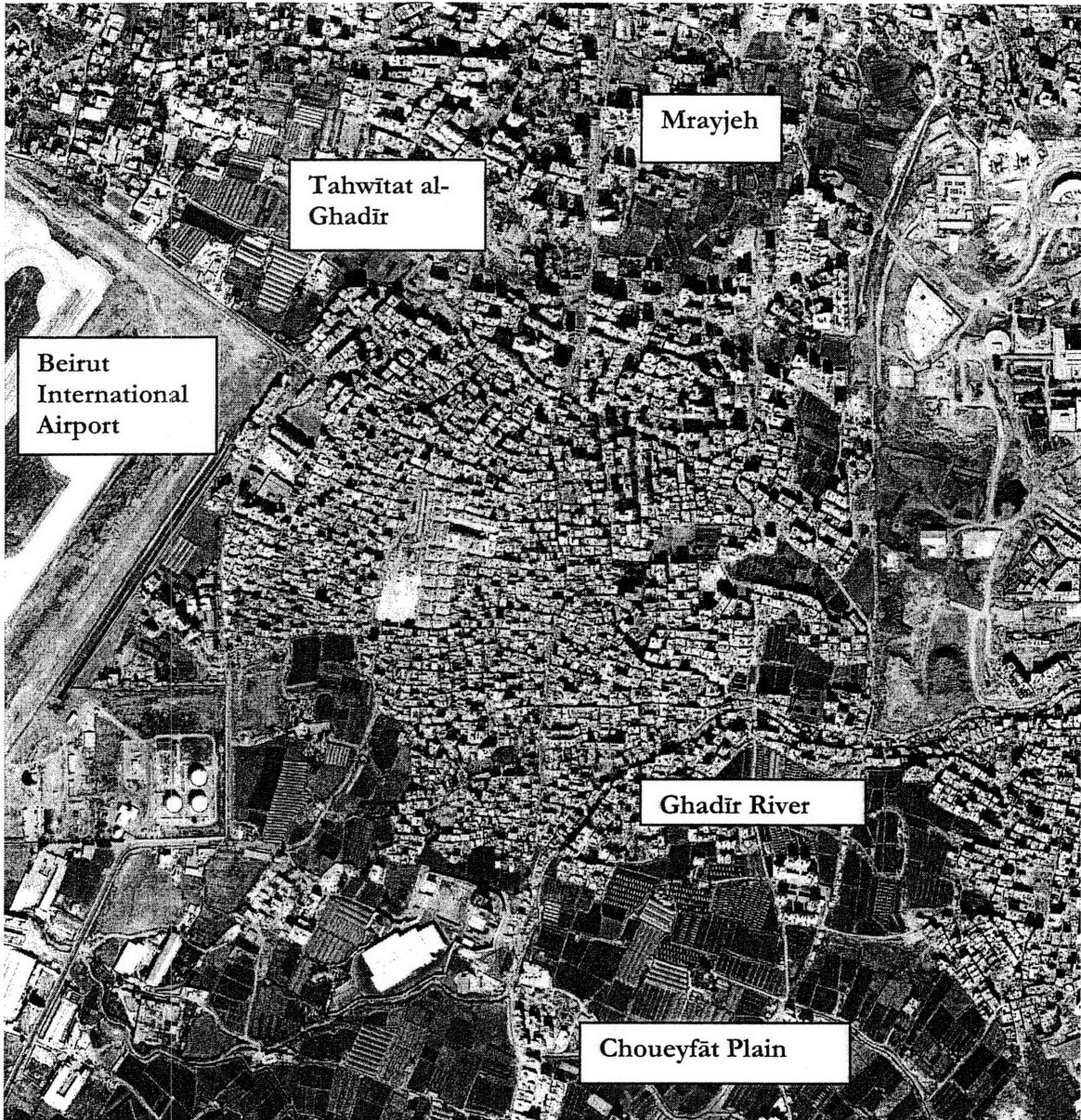
Figure 2-7: Hayy el Sellom in context, scale 1:10,000.
Base Map: MAPS, Aerial photo taken in 1999.

Beirut (Elyssar project)[22] and Wata el Moussaytbeh (located within Municipal Beirut, figure 2-4). The new projects condemned neighborhoods on the grounds of high density, poor physical conditions, and illegal land occupation. Plans were thus devised in both areas to build alternative, low cost housing, for residents within the same area, well in line with the 1960s modernist housing ideology, 30 to 40 years later (figure 2-6 (b)), and to transform sea-front areas into high-end beach resorts.

However, none of these projects ever reached the phase of detailed design or implementation, especially because public agencies lacked the commitment to address their social components, while active mobilization among the residents of these informal settlements and the support of political parties allowed a de-facto acknowledgement that their neighborhoods will not be easily eradicated. Instead, public agencies have implemented heavy policing, especially in squatted areas, where they have sought to control construction in order to limit potential compensation costs in the event of future displacements.

In sum, the share of informal settlements in "reconstruction" has been minimal, while their physical conditions have considerably deteriorated, given the above described population increases. Save for a few local municipal upgrading initiatives (e.g. road paving), poor physical conditions have been overlooked. Furthermore, policymakers are to-date reluctant to recognize the existence of informal settlements as permanent elements of the cityscape. Instead, public officials generally describe informal settlements as the result of the Lebanese civil war (1975-1990) and the large waves of population displacements that occurred throughout its fifteen years. Rural migrants and foreign migrant workers are lumped with populations displaced by military conflicts in the country and they are all considered as "temporarily displaced groups" who should be assisted in order to "return to their areas of origin." Given this description, the legal jurisdiction of the residents of informal settlements goes back to the Ministry of Displaced, who is to help them "return" to their "areas of origin," despite ample evidence of their well-established settlement in Beirut (National Emergency Reconstruction Plan NERP 1990).

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[22] The Elyssar project planned to displace 80,000 squatter residents occupying prime sea-front land in the southwest suburbs of Beirut and to re-house a section of these populations in housing projects built to that end. The project was proposed soon after the end of the civil war, and as a result of negotiations (notably with the political parties holding the area), a special public agency, Elyssar, was created in order to develop the displacement plans, build new low-income housing, transform the squatted areas into high-end tourist resorts, and leave way to large through-traffic arteries. The Elyssar project has been halted for over seven years now. The board of the public agency has also lost several of its members and is considered dysfunctional (Harb 2001, Clerc 2002).

Prior to 1959   Prior to 1963   Prior to 1967

Prior to 1978   Prior to 1983   Prior to 1992   Prior to 1996
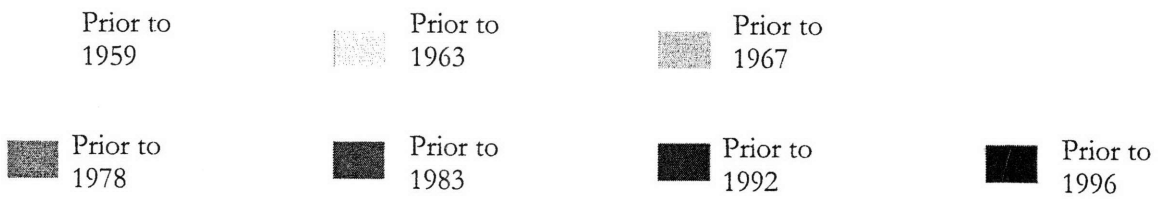
Figure 2-8: Evolution of Hayy el Sellom between 1959 and 2000, reconstructed on the basis of aerial photographs and old maps. Lots are colored according to when they were "inaugurated". Figure scaled 1:10 000.
Source: Base map reconstructed by author, based on BTUTP 1993 map.

Given this history, it is not surprising that Lebanon remains one of the few states around the world never to implement an informal settlement upgrading or regularization project. To the contrary, the combination of its projected planning policies has intensified the threat of imminent displacement and thus the precariousness of living conditions for the residents of informal settlements throughout the country.

2.B   CASE STUDY: HAYY EL SELLOM

Hayy el Sellom is one of several areas that were transformed in the mid-fifties from agricultural land in the far suburbs of the city into a refuge for lower-income families looking for shelter. It is located between the Beirut International Airport and the industrial zone of Choueyfāt, mostly within the jurisdiction of the Choueyfāt Municipality, although the neighborhood trespasses to the Mrayjeh Municipality, the old village from which it emerged (figure 2-7). Originally planted with mulberry trees that fed the silkworm industry controlled by Druze and Christian Maronite families of the area,[23] the Choueyfāt plain was gradually planted with orange and olive orchards as the silk trade dwindled at the turn of the twentieth century, and then urbanized as land value trumped potential agricultural benefits as of the mid 1950s and large factories were established around this area (Nasr and Nasr 1974). Since 1953, this area has evolved from olive groves into one of the most congested residential areas of the suburbs of Beirut, with a density estimated at around 1,200 inhabitants/ha[24] (figures 2-8 through 2-13).

Until the beginning of the Lebanese civil war in 1975, Hayy el Sellom developed in informal land subdivisions, which provided affordable housing ownership for rural migrants. Its population remained limited: an estimated 500 families, most of them rural migrants looking for employment opportunities in the city, had settled in the neighborhood (figure 2-8).

During the years of the Lebanese civil war (1975-1990), conditions for accessing housing in Hayy el Sellom changed considerably. First, the (albeit limited) possibility of squatting property, until then impossible in Hayy el Sellom, became an option and despite the

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[23] Land was originally the property or Druze lords and was gradually bought up by Maronite families working in the silk trade, an activity believed to have strained relationships between the two communities and lead in part to the 1860 civil war (Khuri 1975).

[24] The density of *Hay el Sellom* has been estimated between 850 people/ha (BTUTP 1992) and 1400 people/ha, by the students of the Lebanese University in 1999, in the class I co-taught with Mona Harb and Isabelle Peillen.
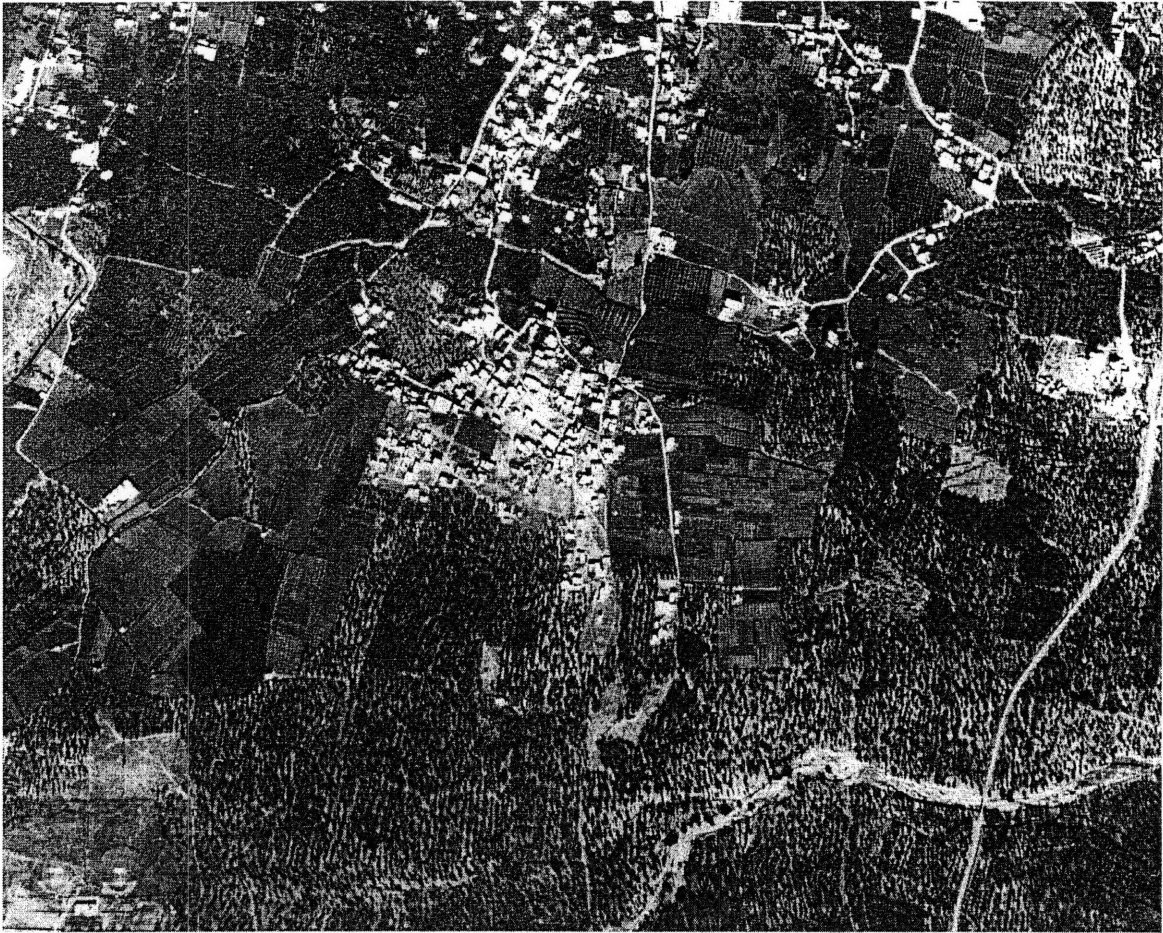
Figure 2-9:   Hayy el Sellom, aerial photograph in 1963, scale 1:10,000.
                The neighborhood extended over an approximate area of 13ha and was
                surrounded by many agricultural fields.

Base Map: Georges Stephan &Fils.

commitment to legal tenure (notably protected by developers), a number of families were able to occupy terrains along the riverbeds and on two religious (*Waqf*) lots. Second, and in the context of the religiously segregated city, Hayy el Sellom became one of the only alternatives for Muslims (especially Shi'ites) looking for affordable small lots with legal property rights (albeit in shares) in the capital city.[25] These changes had considerable impact on the neighborhood by increasing the flows of population to the area. In addition to the (albeit slower) pattern of rural migration to the city, several flows of war-displaced populations arrived in 1976 (due to the civil war), 1978, 1982, and throughout the 1980s (because of the Israeli occupation of South Lebanon). Many among these populations however lacked the financial means to purchase housing. They therefore contributed to the vertical densification of the neighborhood and the development of a large housing rental market.

Two important trends are worth mentioning in the post-war era. First, Hayy el Sellom has shifted from being perceived as a remote informal settlement to be identified as another neighborhood of the "southern suburbs of Beirut". Referred to as *Dāhiyah* or "The Suburb" by most residents of Beirut, but also by practitioners and scholars in the city alike, the "southern suburb of Beirut" is a socially constructed geographic entity that includes several old villages of the southern periphery of Beirut incorporated as its "suburbs" by the 1950s as well as an array of informal settlements that constitute its south-western and south-eastern sections (Harb 2003, Khuri 1975).[26] According to Harb (2003), *Dāhiyah* is a vast section of the Lebanese capital city, equal in size and population to municipal Beirut, and predominantly populated by Shi'ite rural migrants. It is stigmatized as "poor," "illegal" and unregulated," controlled by Shi'ite political parties, especially Hizb'Allah, and recognized as "the Shi'ite territory" of Beirut. Second, Hayy el Sellom has acquired a new attractiveness in the suburbs of the city as one of the cheapest options to purchase a house in the vicinity of Beirut, given a highly exclusive post-war housing market. These two factors have contributed to increasing the size of population of the neighborhood but also homogenizing it, to predominantly low income, Shi'ite rural migrants. Today, Hayy el Sellom expands over an area of 850,000m². Its population is estimated at 100,000 inhabitants, but the number fluctuates considerably because of rapid movements of local and

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[25] All three neighborhoods that had developed in informal land subdivisions in the eastern suburbs of Beirut were forcibly evacuated by the early 1976.

[26] The analysis of *Dāhiyah* as a socially constructed geographic entity was developed by Harb (2003). The transformation of villages into suburbs in the southern suburbs of Beirut was analyzed and documented by Khuri (1975).

Figure 2-10:   Hayy el Sellom, aerial photograph in 1978, scale 1:10,000.
                 The neighborhood had already considerably increased in size and extended by
                 then over an approximate area of 40ha. It is possible to see the first squatter
                 developments by the Ghadīr River.

Source: Georges Stephan &Fils.

Figure 2-11:   Hayy el Sellom, aerial photograph in 1983, scale 1:10,000.
                 The neighborhood extended over an approximate area of 55ha and its
                 density has considerably increased. The river beds are completely squatted.

Source: Georges Stephan &Fils.

Figure 2-12:   Hayy el Sellom, aerial photograph in 1991, scale 1:10,000.
                 The neighborhood extended over an approximate area of 60ha and has taken its
                 general final form.

Base Map: MAPS, Lebanon.

Figure 2-13:   Hayy el Sellom, aerial photograph in 1995, scale 1:10,000.
                The neighborhood extended over an approximate area of 85ha and has
                taken its general final form. It is possible to see the development of a
                number of large-scale projects (e.g. center, and east towards the airport
                runway).

Base Map: MAPS, Lebanon.
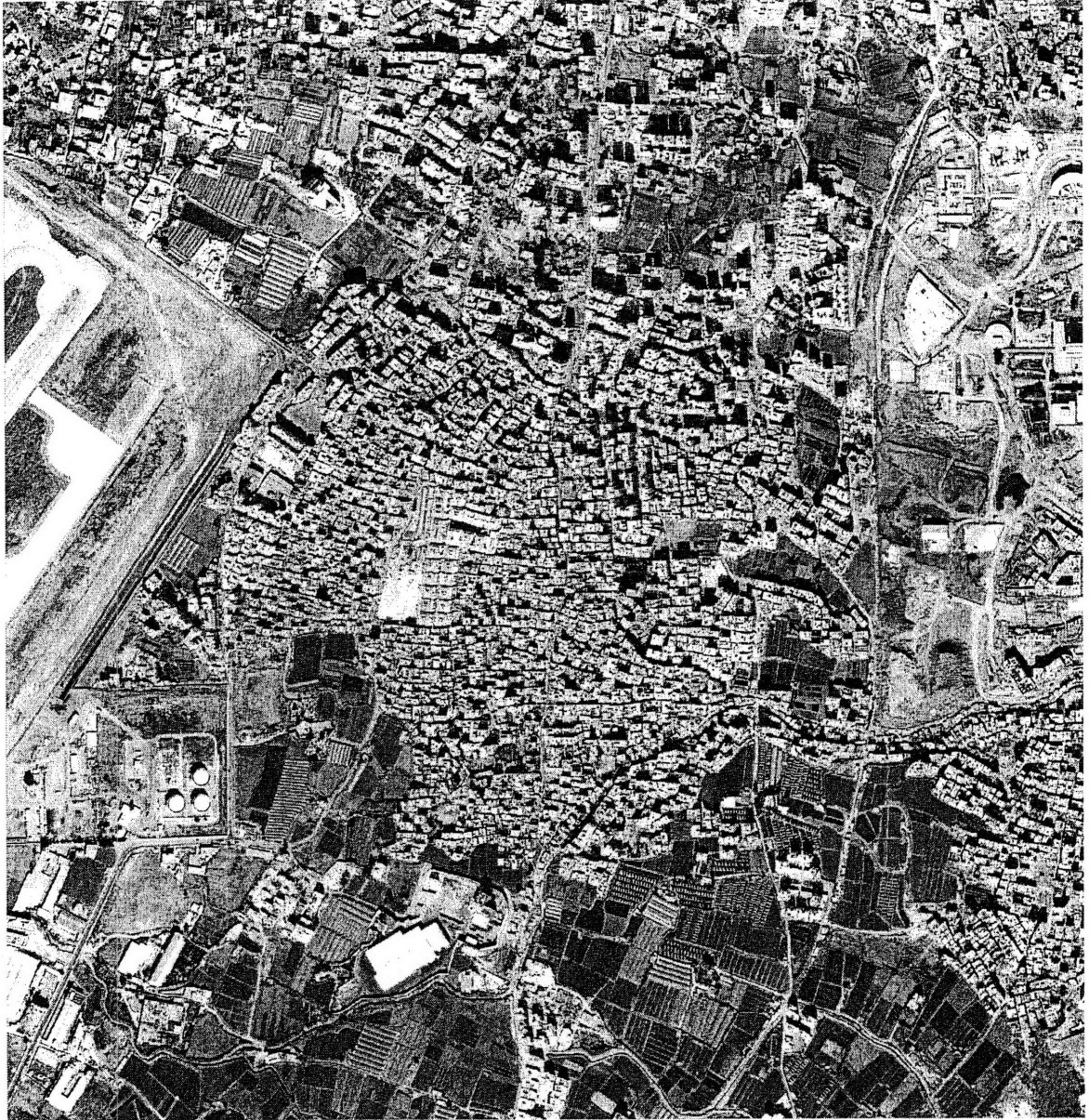
Figure 2-14:   Hayy el Sellom, aerial photograph in 1999, scale 1:10,000.
The neighborhood extended over an approximate area of 85ha. A close
look indicates that the neighborhood density has increased considerably,
although its boundaries are not extending.

Base Map: MAPS, Lebanon.

international migrant workers.[27] This places the current density at around 1,200 persons/ha, which is extremely high in all counts (figure 2-13). The neighborhood suffers from extremely poor physical and environmental conditions and poor levels of services. The areas' high density, absence of open space, obstructed sun rays that seldom penetrate houses, constant traffic congestions, proximity to industrial zones and to the airport, the Ghadīr River that collects industrial wastes from the region before it goes through the settlement on its way to the sea, and a garbage recycling facility that emits toxic fumes at the edge of their settlement all pose threats to public health.[28] The situation of the squatters living on the sides of the Ghadīr River is however the most dramatic. Many still live in corrugated metal houses and their homes are seasonally flooded by the river's polluted water.

2.B.1   Physical Organization

Historically, Hayy el Sellom was the natural extension of the urbanization process that had already transformed the neighboring villages of Beirut into its suburbs (Khuri 1975). The neighborhood grew in informal land subdivisions, out of an old node of legally subdivided lots at the fringes of the old village of Mrayjeh, by then incorporated in the urban economy (figure 2-8). There, and following the pattern of old agricultural roads, the neighborhood took form according to the willingness of owners to sell their lots to newcomers, as is clear in successive aerial photographs (figures 2-9 through 2-14). The main artery, the *souq* street as it is known for the residents today, extends over one of these old agricultural paths that connected the old villages of the area to the *Tiro*, the area south of the neighborhood where urban notables came to hunt birds.

On the surface, the physical organization of Hayy el Sellom today follows no structured logic. However, a closer investigation reveals that the neighborhood growth followed the early social process of urbanization, which was organized according to family and geographic patterns, each grouped around a *hara* (sub-neighborhood). Several sub-neighborhoods and streets carry

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[27] The figure of 100,000 residents is based on quick count from aerial photographs. There is no "official" estimate of the population of the neighborhood. According to the residents' committee, there were in 1992 some 120,000 inhabitants; the municipality claims 200,000 and some quick surveys of private offices place the figures much below. However, the figure of 100,000 seems to portray a relatively exact estimate, given the boundaries of the neighborhood adopted for this study.

[28] The garbage recycling facility replaces an old incinerator that operated in the area until 1996. It was closed down by residents violently after months of showdown with the state. The details of this case study are developed in Kingston (forthcoming).
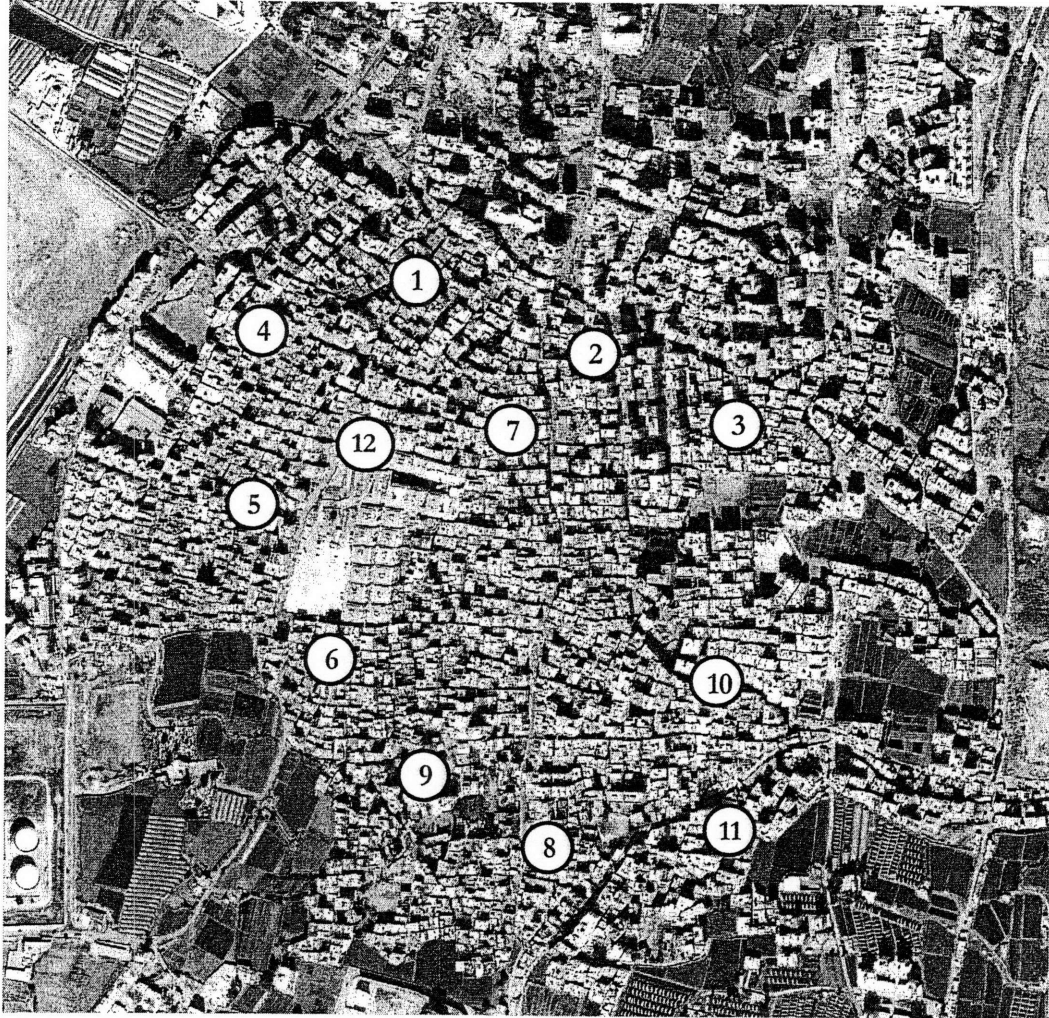
1. Hayy el Mawqif al-Qadīm (Old Parking area)
2. Hayy el Mawqif al-Jadīd (New Parking area)
3. Hayy el Jami'ah
4. Hayy el Hibberiyyeh
5. Hayy Madrasat al-Ghazalī (School)
6. Hayy el Zahrā'
7. Hayy 'Amhaz
8. Hayy Kan'ān
9. Hayy el-'Arab
10. Hayy el-Huseyniyyeh
11. Hayy el-Nahr
12. Hayy el-'Abbās

Figure 2-15: The main sub-neighborhoods of Hayy el Sellom, as they are known now, based on residents' recollections.

Base Map: MAPS Lebanon (1999).

the name of families such as the 'Arab family, the Kan'ān family, the 'Amhaz family, while others carry the name of the village of origins, such as Hayy el Hibberiyyeh, or the national origin of the residents, such as Hayy el Falastiniyyeh (Palestinians), dismantled since then. A number of sub-neighborhoods or streets carry the name of important local institutions, such as a school in the case of Hayy el Ghazali, or indicate important locations in the neighborhood such as Hayy el Nahr (the river neighborhood) or Hayy el Mawqif el Qadīm and Hayy el Mawqif el Jadīd (Old and New Parking areas). Although quarters follow the name of a family or a village of origin, it does not follow that all or even most of the residents belong to this group, but many of its early comers (including often a mediator or a land developer) belonged to this family or village group (figure 2-15).

Much of the physical development of Hayy el Sellom violates urban and construction codes. During the early phase (1952-1976), illegality was restricted to violations of land subdivision and construction codes (no building permits, constructions beyond the maximum allowable floor and total exploitation ratios). Other forms of illegalities developed during the war: people squatted the borders of the Ghadīr River as well as two other lots owned by religious (Christian) institutions. Violations to construction codes also grew exponentially during the war, as homeowners added several stories to their original houses, sometimes reaching seven story buildings with no foundation.

Economic activities are generally commercial, although many stores also maintain artisanal or small-scale industrial activities. Unlike other informal settlements where car garages are dominant, this activity tends to be more limited in Hayy el Sellom, probably because of the distance that separates the neighborhood from large transportation networks. The neighborhood instead counts an active commercial area, especially its main *souq* artery, where shops rent for up to US $700-$1,000 per month, a higher price than many other areas of the Beirut suburbs. The *souq* counts an active vegetable market as well as stores selling clothing, food, and other daily commodities that attract buyers from the southern suburbs of the city, notably because of its low prices (figure 2-19).[29]

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[29] It was common during interviews with new residents in Hayy el Sellom to learn that they had first heard about and came to the neighborhood because they were attracted to its cheap market, before they decided to move to the area.

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Figure 2-16 (b): View on old neighborhood street in 2003.

Figure 2-16 (d): Hajj Hamad H.'s house in Hayy el Sellom; close-up on entrance.

Figure 2-16 (a): View on internal street in Madinat al-'Abbās housing complex in 2003.

Figure 2-16 (c): Hajj Hamad H.'s house in Hayy el Sellom. The house still includes a small front courtyard.

2.B.2 Social Organization

Given the absence of a data profile for the neighborhood, I conducted in June 2002 a questionnaire with 20 households living in Hayy el Sellom, chosen across neighborhoods and types of households (i.e. nuclear families, workers, women headed households). This sample has no statistical significance for an estimated population of 100,000. The findings are however useful to illustrate living conditions in the neighborhood (Questionnaire in Appendices 1).

The majority of households in Hayy el Sellom are nuclear families, predominantly Muslim Shi'ite. However, several types of households exist in Hayy el Sellom, including women headed households, foreign workers pooling in one residence, foreign workers living in their workplace in the neighborhood, and nuclear and extended families (Lebanese or not). The size of the surveyed household varied, going from 2 persons to 13, and did not necessarily coincide with dwelling size. The number of children per family also varied considerably, going from one to eleven, but the large majority ranged between 4 and 6 (in line with the national average of 4.95, ACS 1998).

Around 2/3 of surveyed households rented their houses, while others owned apartments or buildings, via the family. We also know that a limited number of households squat the premises on which they lived, but they are mostly confined to the riverbanks or to two religious (*Waqf*) properties. Length of residency also varied between early comers in the 1960s (generally owners) and new comers (owners in large housing complexes or renters). All squats date back to the civil war.

Surveyed rents in the area varied considerably, mostly because quarters (or *hārahs*) vary in physical characteristics and because the *souq* area that attracts clientele beyond Hayy el Sellom is highly valued. Rent for a shop on the main artery went for up to US 1,000$ (2 cases, both rented to Syrian workers). Elsewhere, and for residential uses, rent went from US 50$ and up. Foreign workers (Syrian and Kurd) tended to pay higher rents, notably because they pooled together in apartments and shared the costs, allowing owners to charge higher fees.

As for urban services, they were historically gradually organized provided by popular (family and neighborhood) committees formed at the sub-neighborhood level, that extended self-help sewer networks, repaved roads, and obtained water and electricity through processes of political clientelism (during the 1960s) or illegal hook-ups (1970s onward). Today, many of these coordinating committees have been disbanded. The survey indicated that the costs paid by families for urban services varied considerably, especially that not all families actually reported

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Figure 2-17 (b): Top panoramic view over Hayy el Sellom taken in 2000. It is possible to see the small constructions in the foreground and the complexes behind.

Figure 2-17 (a): View towards the Madīnat al-'Abbās Complex, from the projected site of the highway now left empty by the developer and used as a parking.
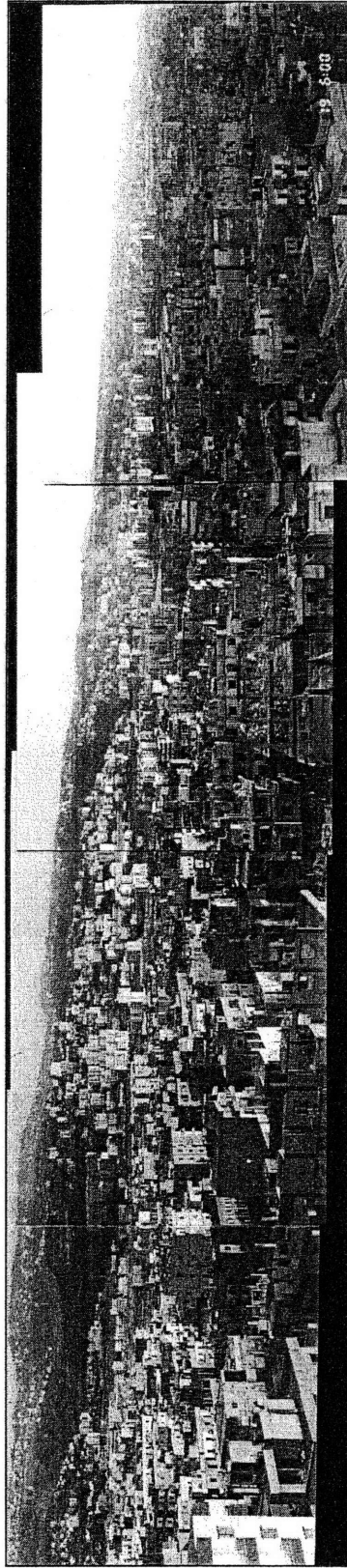
Figure 2-17 (c): Panoramic view over Hayy el Sellom, taken towards the Choueyfāt plain, in 2000.

paying for such services. Nonetheless, the few bills that were presented went up to US40$/month for electricity.[30] In one neighborhood, residents also declared they paid US3.5$/month for a Syrian worker who was commissioned to collect garbage.[31]

Income was difficult to assess. Indeed, most of the described family budgets showed higher expenses than incomes. Furthermore, one third of interviewed families indicated that they were unemployed or had unsteady jobs. Generally, early comers who owned their houses tended to have better financial standing because they were able to rent some of the units they built earlier (one of them actually lives off and helps children from rents on three buildings he owns). Government employees (2 in the sample, one of them, a woman, works in the nearby tobacco Régie) described more stable positions (around US 500$/month) and received educational and transport subsidies. Other household incomes also varied between daily wages of US $2.5 and monthly wages of US $250/month, with some exceptions. Reported types of employments included cab drivers, shop owners, menial low-paid jobs, factory workers, and cooking (for women). Non-Lebanese shop owners (generally Syrian) should also be distinguished, since their situation as shop owners in the lucrative business of used clothes or cheap Syrian produce provided them with a listed income of US $2,000/month, substantially higher than others.

Since there are no public schools in the vicinity of Hayy el Sellom, education was the biggest strain on family budgets, and all interviewees complained that they couldn't afford its costs, even when they saw its value. Around half the interviewed families had pulled out at least one child at the age of 12 for work. None of the families deliberately refrained from sending kids to school, however they all explained that they have had to pull out the kids recently (with the economic crisis) because they couldn't afford schooling anymore. It is hence no coincidence that the most recurrent form of subsidy listed by these families is subsidies from political parties and employers for schooling.

Healthcare seemed also out of reach for most of these residents, despite the presence of a public clinic in the area (since the mid 1990s only). Families living by the *Ghadir* River also complained about child health and skin problems related to the river (see above) as well as other

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[30] Since service agencies opted in the late 1970s for servicing all areas indiscriminately in exchange for fees (see Chapter 4), the struggle between informal dwellers and these agencies has been whether they could still rely on illegal hook-ups or whether they would be forced to pay for the services they are anyway getting. Recent clashes have opposed residents of informal settlements with representatives of the Electricity Public Agency in several areas of Beirut (See An-Nahar and As-Safir dailies and other local coverage in March 2004).

[31] The main task is to move garbage from secondary streets to main arteries or to the neighborhood peripheries from where they are collected by the private company that collects garbage in the Greater Beirut area.

Figure 2-18 (c): Street view in older section of the neighborhood.

Figure 2-18 (b): Street view in the Madinat al-'Abbās Complex.

Figure 2-18 (a): Street view giving onto main market artery.
Source BTUTP (1994)

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security threats. One woman described how her child drowned in the river during a winter overflow. Others spoke of long-term problems whose treatment they couldn't afford (such as a child with disability or depression).

2.B.3 Political Organization

State-citizen relationships for the residents of Hayy el Sellom, like elsewhere in Lebanon, are historically organized around patron-client relations (Gilsenan 1986) and more recently, heavily mediated by political parties. Between 1950 and 1970, residents relied on feudal authorities (from their areas of origin) to mediate their relation with the state. They exchanged votes in the Biqa' or the South (their areas of origin) for services in Beirut and its suburbs, but never managed to gain actual political representation or the weight to change their legal status.

In the post-war era, state-society relations are strongly mediated by political parties, through whom all claims, protests, and negotiations are organized. As part of *Dāhiyah*, the population of Hayy el Sellom is affiliated to the two political Shi'ite parties (formally war militias), Amal and Hizb'Allah, who control the suburbs militarily, along with the Syrian Secret Services.[32] Amal had originally begun as a social justice movement lead by a respected Shi'ite cleric (Imam Musa Al-Sadr) in the late 1960s and once marshaled wide popular support[33], including that of the residents of Hayy el Sellom. Today, however, Amal's popular base rests on the distribution of public services and jobs, under the tutelage of its leader, Nabih Berri, who also holds the second highest Lebanese government position as head of the parliament (Picard 1995). As for Hizb'Allah[34], its wide network of service-providing NGOs in the southern suburbs

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[32] In one of the last episodes of the civil war that opposed Amal and Hizb'Allah over the control of the territories of the southern suburbs of Beirut, a resolution was finally reached with the mediation of the Syrian Secret Services who formed a joined Amal-Hizb'Allah-Syrian task force to "secure" these suburbs. The Syrian Secret Services have since then been a main "security" force in the suburbs of Beirut. They are also present in many other areas of Lebanon.

[33] Amal, also known as *Haraket el Mahroumin* (Movement of the Deprived), was founded in the late 1960s by a Muslim (Shi'ite) cleric, Imam Musa el Sadr, as a social justice movement that reclaimed equal national entitlement for all Lebanese nationals, including even regional development. Although the founding members of the party came from many religious groups in the country, most of its followers are Shi'ite, the poorest community of Lebanon. During the Lebanese civil war, as every religious group formed its own militia, Amal degenerated into a Shi'ite militia. Amal is now a recognized political party in Lebanon, and its leader, Nabih Berri, heads the Lebanese Parliament (Ajami 1986, Norton 1987).

[34] Hizb'Allah, or the *Party of God*, is a religious (Shi'ite) political movement that has been active in Lebanon since its foundation in 1982 (Sharara 1997). Hizb'Allah has played important political and developmental roles in Lebanon, notably in leading the military resistance in occupied South Lebanon against the Israeli Army (1982-2000). Hizb'Allah also runs a wide array of social services (Harb 1996, Fawaz 1998). Since 1996, the party has also had several members in the Lebanese parliament.
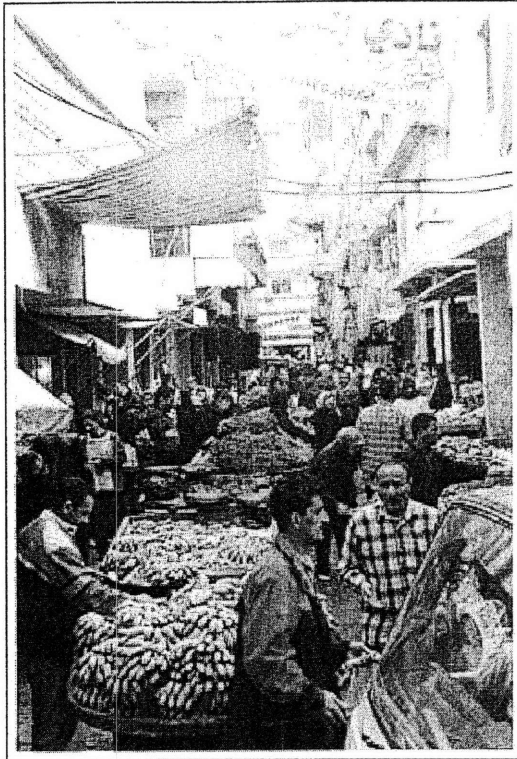
Figure 2-19 (a): street view on the main market artery.
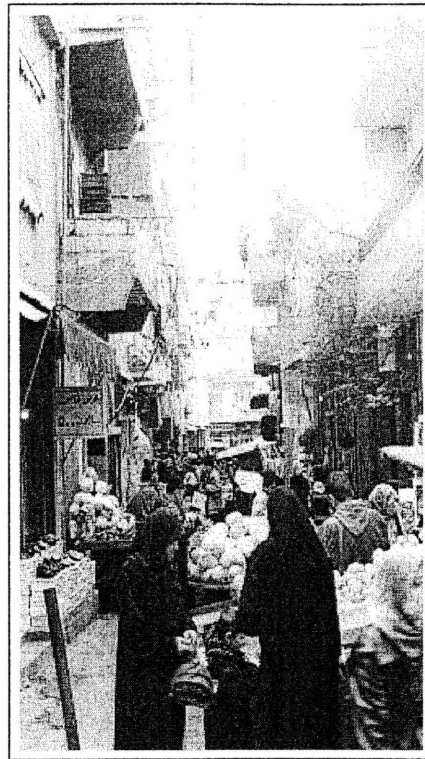
Figure 2-19 (b): street view on the main market artery.
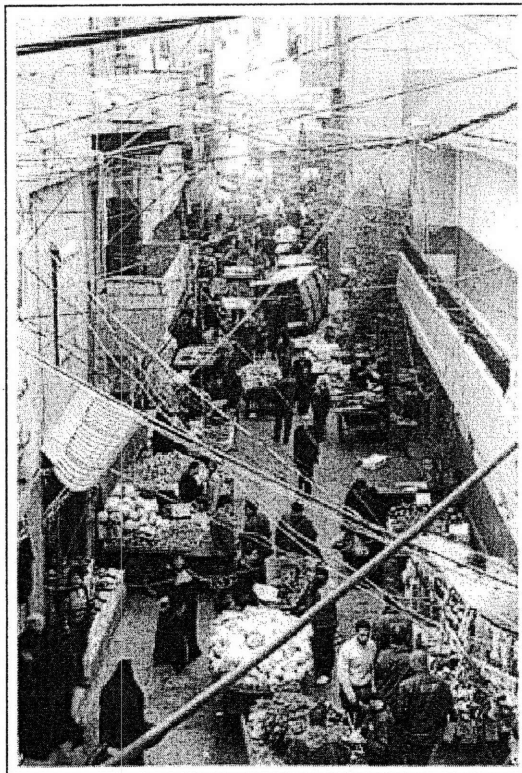
Figure 2-19 (c): top view over main market artery.
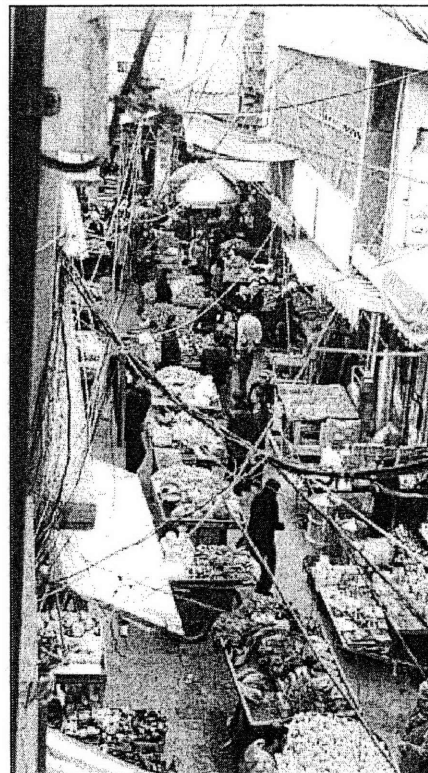
Figure 2-19 (d): top view over main market artery.

Figure 2-19: Views on the main market artery taken in April 2004.

Source: Jack Gemayel.

of Beirut has generated a wide popular support base which is bolstered by the party's role in military resistance to Israeli occupation (Harb 1996, Fawaz 1998). Both political parties mediate local claims and subjugate them to the parties' lines and interests.

As for formal political representation, the majority of Hayy el Sellom residents does not vote in local elections and has no way of influencing local political processes, including municipal elections.[35] This is because only thirty of the 17,000 families residing in Hayy el Sellom vote in their municipality of residence (Choueyfät), where they constitute a minor "block" with very limited power, while all others continue to be registered in their areas of origin. This is primarily the result of the Lebanese voting system, where local (municipal) and central (parliamentary) elections are coupled, and generally remain attached to the area of origin rather than the place of residency.[36]

Thus, while they live and work in Beirut, most rural migrants have no impact on local electoral politics. This is particularly problematic for informal settlements dwellers, since they are mostly rural migrants who are perceived by local authorities as a burden rather than a voice.

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[35] This is not to say that elections are an adequate process of representation in Lebanon. In modern Lebanese history, local elections have only happened three times. Furthermore, central elections, which were held every four years since 1943 but suspended during the years of civil war, have been known for many frauds and political interventions.

[36] Given that 90% of Lebanon is now urban, the majority of residents are still registered in rural areas and either do not participate in local elections or elect local authorities in areas of origin rather then in their place of residence (Favier 2000). This makes municipalities unaccountable to their local populations. This is, for example, the case of the Choueyfät Municipality who counts around 200,000 residents of whom, according to the Mayor, only 10,000 are voters.

Figure 2-20 (c): The Ghadir river overpass. The river crosses the industrial plane of Choueyfat before it reaches the neighborhood.
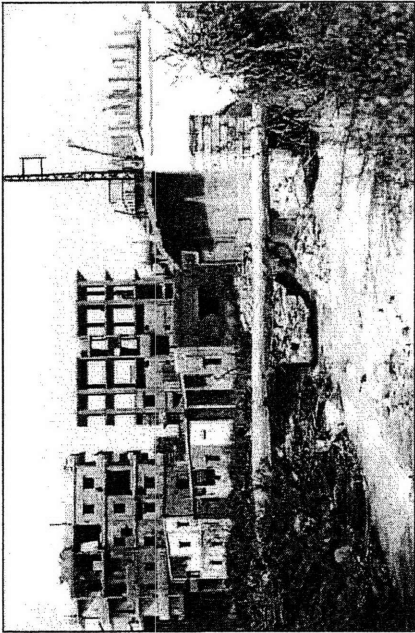
Figure 2-20 (a): Houses squatting on the Ghadir River in 1992.
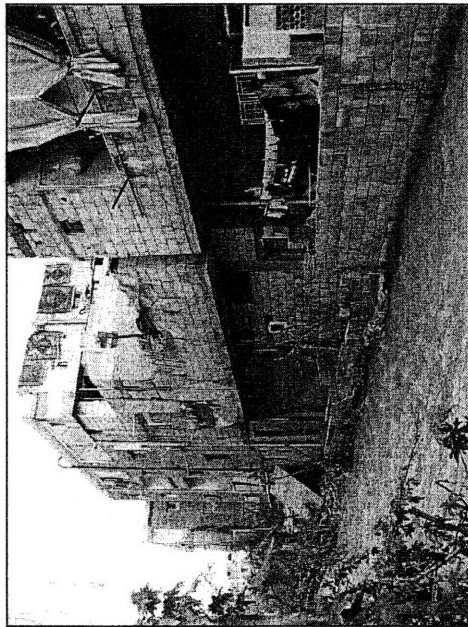
Figure 2-20 (b): Same view as (a), ten years later.

Figure 2-21 (a): Hayy el Sellom in the newspaper. The "manchette" says: "Hayy el Sellom, Out of All Legality. Sixty thousand citizens [obviously a huge exaggeration at the time] live at the margin of citizen's rights and outside the state's sight."

Source: An-Nahar, April 1975.

Figure 2-21 (b): Hayy el Sellom in the newspaper. "Tell the state that in Hayy el Sellom there are forty thousand Lebanese person in need to feel that they are [...] Lebanese. The pictures portray the then in construction incinerator that was to be closed by residents a little more than ten years later.

Source: As-Safir, March 19 1974.

Figure 2-21: Hayy el Sellom in newspapers.

Table 2-3: Public Planning Agencies

Agency	Date	Authority
Ministries		
Ministry of Planning	1962-1977	Developed physical and development plans for Lebanon, dissolved and replaced by the CDR in 1977.
Ministry of Housing		Created to develop public housing policies, supervise public provision of housing loans, and legislating rent control, the Ministry of Housing was dissolved and the Public Housing Corporation (credit provision) was placed under the Ministry of Social Works in 1999.
Ministry of Displaced	1994	Created as a temporary ministry in order to organize the return of war-displaced populations to their areas of origin, The Ministry of Displaced also runs the Displacement Fund that disburses compensations for displaced families.
Ministry of Public Works		Ministry in charge of the planning, design, and execution of planning project in the country. The Ministry supervises the DGU and the HCU.
Public Agencies		
Directorate General of Urbanism (DGU)	1962	The emblem of the endorsement of modern urban planning, the DGU is in charge of developing urban and building codes for all cities in Lebanon, processing and delivering lot subdivision permits, and approving large-scale building permits and all building permits for municipalities that don't have a technical office (all except Municipal Beirut and Tripoli). The DGU reports to the Ministry of Public Works. Its central offices are in Beirut, but the DGU possesses several regional units. (Hayy el Sellom or Choueyfat report to the Aley DGU.)
Higher Council of Urbanism (HCU)	1962	Council created to review and approve urban regulations, large-scale projects, and other urban interventions. This council was created to allow for coordination between ministries concerned with urban issues.
Order of Engineers and Architects	1951	The Order organizes the engineering profession and advocates the rights of its members. All practicing engineers are mandated to register. The order necessarily reviews building permits in the country. The main branch is in Beirut; a secondary branch exists in Tripoli.
Others		
Municipalities		Local elected authority, the municipalities were already created under Ottoman rule (not in the current divisions). Since 1983, Municipalities are entitled to commenting on planning projects but their opinion is only consultative, not mandatory. Municipalities deliver building permits.
Council for Development and Reconstruction (CDR)	1977 L5/1977	Created to replace the Ministry of Planning and directly reports to the Council of Ministers. The CDR is the leading planning agency with jurisdiction all over the country and financial autonomy. It is granted unprecedented powers as the Lebanese planning unit.

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Table 2-4: Public Planning Legislation

A. Selected Building Permit Regulations

Date	Type	Legislation
1940	Building Law; 61LE/1940	First comprehensive building law: regulates the conditions for obtaining building permits (issued by municipalities) and introduces the housing permit to attest conformity of construction to permit. (This regulation applies to Hayy el Sellom).
1961	Building Law; Decree 7279	Regulation institutes building permit as mandatory in all areas of Lebanon (issued by municipalities and approved by the Order of Engineers and Architects) and institutes restrictions on servicing without housing permits.
1971	Amendment of Building Law Law 59/71	First amendment of the comprehensive construction code to the 1940 building code. It lists and details all building regulations such as height and exploitation areas in all of Lebanon. It also restates the regulation forbidding hooking up services to constructions without housing permits.
1971	Regularization Law; Decree 2347	First regularization law: allows for the regularization of illegal constructions on legal properties.
1981	Regularization Law; Decree 4156	Extends the precedent regularization law.
1983	Amendment of Building Law Law 148/83	The building law is amended again with tighter regulations. It notably imposes the role of the DGU in the building process.
1983	Regularization Law; Decree 13	Extends the precedent regularization law.
1994	Regularization Law; Law article 324	Extends the precedent regularization law. All violation of construction codes prior to 1994 are "regularizable," construction violations that precede 1964 are amnestied.
1994	Displaced Permit Legislation 322/94	Allows displaced individuals to build and restore constructions with "displaced building permits" that violate building law without official permit or fees. The law was renewed successively for two more years in 1996 and 1999.
1997	Regularization Law	Extension and amendment to earlier regularization laws.

B. Zoning and Urban Regulations

Date	Type	Legislation
1953	Master Plan; Decree 2616	Approval of Master plan for the southern suburb of Beirut that dictates minimum lot areas and zoning regulations in some areas of the suburbs.
1992	Law of Sept. 24, 1962	First legal text to legislate urban regulations, including regulations for land subdivisions.
1964	Master Plan, Beirut Suburbs Decree 16 948	The master plan, based on the work of the French planner Michel Ecochard, delineates "metropolitan Beirut" boundaries as the municipal city and surrounding areas up to a 400m altitude. The plan regulates zoning and constructions in this area.
1970	Master Plan, Beirut Suburbs Decree 14 313	Amendment of the 1964 (Ecochard) zoning and land use regulation.
1973	Airport Security Decree 4 807	A special decree enforces regulations on the area surrounding the Beirut Airport, in order to protect the "security" of the airport.
1996	Proposal for revised Master Plan	A decree places the area south of Hayy el Sellom, in the vicinity of the airport under study.

C. Services

Date	Type	Legislation
1961	Building Law; Decree 7279	Law makes it mandatory to have a "housing permit" before public services are provided.
1967	Law 53/67	Amendment to decree 7279 (that forbids hooking water and electricity to structures with no housing permit) through the law 53/67. *The law is suspended.*
1983	Decree 148	Decree 148 issues a new law that restates that no services can be provided with structures that have no housing permits.

Chapter 3
Three Generations
of Developers

3.A Introduction

The current housing policy paradigm (described in chapter 1) placed a renewed focus on informal developers as central actors in the production of housing mechanisms, since it recognizes that learning from the practices of informal markets requires researchers to look into the strategies of the very actors who are engaged in their organization and the institutional contexts in which these developers operate (Razzaz 1996, Berner 2001b, McAuslin 2003).

However, the housing literature has not given developers (formal or informal) the weight they deserve. Topalov's work pioneered research on developers in the French housing market during the 1970s. Topalov described developers as social agents who play a crucial role in facilitating the circulation of capital and hence housing supply, by investing in land (to free it for construction) and participating in financing mechanisms for construction (Topalov 1987).

Topalov's analysis provides an excellent analysis of developers as "middlemen" in the housing market, and this description has been useful in other contexts where his framework was applied (García and Jiménez 1994). However, further work has been needed in this direction in order to develop better understandings of the role and strategies of developers in various cultural and urban contexts. There is also a strong need to extend critically this type of analysis to developers operating in informal settlements (García and Jiménez 1994). Indeed, the latter as often described as "pirates" (Chabbi 1988, Aristizabal and Ortíz Gómez 2004), who are "experts at using puppet figures and unscrupulous attorneys to recuperate land or resell land that had already been sold informally to low-income families" (Aristizabal and Ortíz Gómez 2004: 251), but their potentially positive role in the provision of housing and the know-how they develop in this process have generally been overlooked.

More recently, efforts to analyze and learn from the workings of existing housing markets have shed light on some of the institutions on which developers rely in their operations, such as the role played by reciprocity and reputation in the organization of market transactions and the enforcement of informal contractual agreements (Razzaz 1998). However, the descriptions of informal developers that are put forth by these studies have centered on understanding why developers choose to operate "informally" rather than "formally" (De Soto 2000, Berner 2001a) and have often fallen back on profit maximizing assumptions in order to explain such choices. These representations do not account for the myriad of context specific and socially rooted factors (e.g. social institutions and practices, macro-economic and political factors, attitude of the state) that a few earlier in-depth investigations of developers had described (Chabbi 1988, García and Jiménez 1994). They also tell us little about the strategies that informal developers devise in order to activate particular housing markets and organize and secure informal transactions and how their strategies are affected by city wide changes that occur over time in ever larger cities.

This chapter looks at the strategies of developers in the Hayy el Sellom land and housing market (see Chapter 2) during its fifty years of growth. It follows the trajectories of three generations of land and housing developers who participated in the production of housing in this neighborhood. The analysis centers on these developers' modes of operation, specifically looking and the norms and rules to which they appeal, the institutions on which they rely, and how these modes of operation change over time.

The chapter argues that despite the fact that the three generations of developers adopted

different strategies and provided different housing products (land and apartments in large housing complexes), there are clear similarities between them. First, all developers have devised elaborate strategies in which they tapped on existing (formal and informal) institutions and built new ones in order to penetrate and organize this housing market, sustain their practices and secure a position within this market. The chapter will also show that (different types of) social networks always occupied central stage among the types of institutions that these developers relied on in order to build and sustain their practices over the years. These social networks were useful in providing access to the necessary resources for producing housing (Granovetter 1985, Jenkins and Smith 2001a), but, more importantly, they allowed developers to accumulate the necessary "social capital" that enabled them to reposition themselves in the social hierarchies of the neighborhood, a process that proved to be necessary for them to organize and maintain their practices (Bourdieu 1986). Finally, the chapter will show that the strategies of these developers and their ability to penetrate or activate a housing market are tightly confined by a number of political and economic factors that occurred within the neighborhood (e.g. neighborhood size, presence of political parties) and in the wider city (e.g. prices of land, political conditions).

The chapter is divided in three main sections, each looking at one of three generations of land developers in the neighborhood. The chapter then concludes on comparing these three generations, first between each other, and then to other representations of informal developers in the housing literature.

3.B THE EARLY YEARS: A MONOPOLISTIC INFORMAL MARKET

3.B.1 The Early Days (1950-1973): Abu Raymond Saab

The first and most well known resident of Hayy el Sellom was a Christian man, named Michel Abu Ghānem Sa'ab, who is popularly remembered as "Abu Raymond"[1] (Figure 3-1).

Abu Raymond's family originally resided in an area close to Hayy el Sellom that was selected by the government in 1949 for the construction of the Beirut International Airport. Hence, in 1950 the Sa'ab family had to move. The family
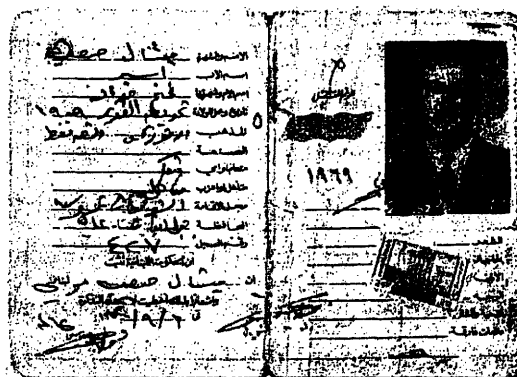
Figure 3-1: Abu Raymond, Identity Card.
Source: Abu Raymond personal records, courtesy of his family.

decided to purchase empty land nearby, at the edge of Mrayjeh, then a Christian village in Beirut's southern suburb where a few of their relatives lived. The land belonged to a Christian family who had owned other land in the area and was willing to sell a small parcel to Abu Raymond because of his similar religious and geographic affiliation. When Abu Raymond's family built their house and moved in towards 1952, legally, following the existing rules at the time, there were less then five other houses in the area which was then known as the *Mawqif* area, what was to become the first core of Hayy el Sellom, and extension of the old Christian villages of *Mrayjeh* and *Tahwitat al Ghadir* (Figure 2-7).[2]

Around the same time, in 1951, a group of Muslim Shi'ite families from the H tribe, fleeing from their villages because of a tribal dispute, arrived in Beirut. The H families first rented a number of rooms in *Tahwitat al Ghadir*, south of the olive groves that were to become Hayy el Sellom, from a Druze family. But soon, the families started searching for land to purchase, and they were willing to build if they could buy cheap land in the same far southern suburb of Beirut where Abu Raymond had just built a house. At that time, all land in the area belonged to Christian and Druze landowners who lived in the nearby hills of Choueyfāt. Being a

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[1] In Arabic, Abu means "father of" and is a colloquial and informal way in Lebanon of calling a member of one's community in reference to his eldest son's name. In this case, Raymond is Michel Saab's eldest son.

[2] Choueyfāt consists of several real estate districts that follow the names of old areas: 'Amrussiyeh (where most of Hayy el Sellom is located), Choueyfāt city, Qobbā, el-Umarā', and Tahwitat el-Ghadir. Mrayjeh and Tahwitat are also old villages in the area.

Christian and a resident of Choueyfât, Abu Raymond had known many of these landowners. When approached by the H family, Abu Raymond introduced the head of the family to one of the landowners who agreed to sell them a land lot. The H family members then subdivided the land among the various families, and each family built its own house in adjacent lots, as was the tradition at the time in rural areas.

The housing of the H family encouraged Abu Raymond to become a land developer. He was quick to understand that this mode of housing provision could be profitable because of the steady flow of rural migrants to the southern suburb of Beirut who usually paid high rents for rooms. He was also aware of areas in the eastern suburbs of Beirut that were developing in the same way (Bourgey and Phares 1973). These migrants were drawn to Choueyfât in the hope that they would find employment either in the new airport or in the factories located nearby (Nasr and Nasr 1974). Given their agricultural background in which land is considered a form of security, most of these migrant families preferred to buy property rather than rent; but they were able to pay only modest amounts from the money they had from selling their homes in the villages from which they had migrated. The existing lot size were however too large for them to be able to purchase land. Abu Raymond understood this constraint. He procured land from the landowners he knew well, then subdivided the lot into smaller plots and sold them to the migrants.

In the early days, Abu Raymond's practices were not strictly illegal: His subdivisions were not recognized by public authorities, but, in the absence of an approved master plan for the region, they did not contradict urban regulations. He was however selling lots to migrants in full-knowledge that they will build illegal structures, since the dimensions and layout of the lots excluded the possibility of legal constructions, given the 1940 building Law. When zoning regulations[3] imposed a minimum 2,000m^2 lot size in 1964, his practices became more openly illegal since his informal subdivisions violated urban regulations.

In the mid 1950s, Abu Raymond gave the settlement its name: Hayy el Sellom, in Arabic, "The Ladder Neighborhood". The name was appropriate because much of the housing was built on a hilly topography with steps and terraces to reduce soil erosion.[4]

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[3] Master Plan for the suburbs of Beirut, Decree 16 948 issued on July 23, 1964.

[4] There are several narratives about the origins of the name of Hayy el Sellom. Some have claimed that "sellom" or "ladder" referred to the many ladders in the area that were used to harvest trees. Others have described a ladder that served as a footbridge over the Ghadïr River for long and earned the neighborhood its name. However, Abu Raymond's role was the most recurrent story I heard (also see Bouzeid 1985).

Figure 3-2 (a): Abu Raymond's Book.
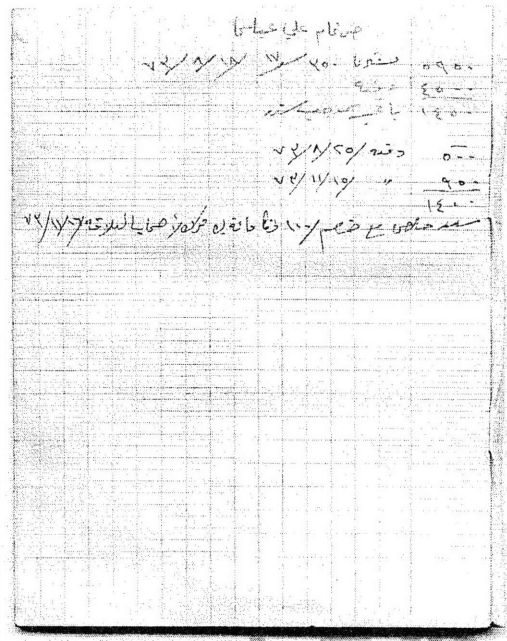
Figure 3-2 (b): Abu Raymond's Book. Record for land sale with payment in 1973.
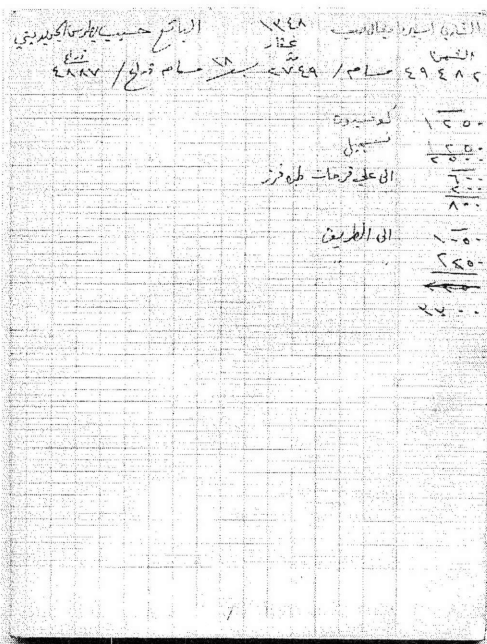
Figure 3-2 (c): Summary of sale, the list of payments includes the price of asphalt (for the topographer) and the commissions.
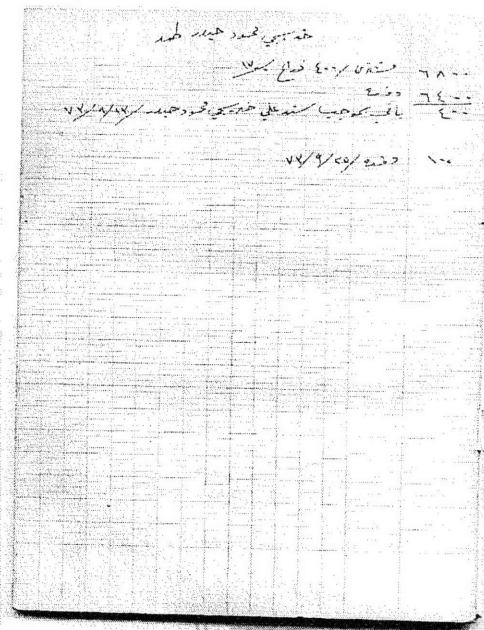
Figure 3-2 (d): Record of land sale in 1973.

Figure 3-2: Abu Raymond's records and books. The developer kept up-to date books.
Source: Abu Raymond's personal records, courtesy of his family.

3.B.2   The Sale Process

In 1953, Abu Raymond, who did not know much about how to subdivide the land,
sought the help of a formal land developer, Sa'eddedīn, from Beirut. Because of his experience
in land development, Sa'eddedīn was able to recommend state accredited topographers, point
out a notary public, arrange a legal land transfer contract and then help in the creation of a
subdivision plan. Most notably, a government-accredited topographer, who was introduced to
the buyers as "an Engineer", [5] drafted the subdivision plan (figure 3-3). Abu Raymond also hired
a contractor to layout the internal roads within the site and pour a layer of asphalt over the
roads.

As the land sale began, Abu Raymond did not bypass all formalities. In fact, he recorded
transactions in the formal notary registries (*kāteb 'adel*); and then, when all the lots were sold, he
paid sales taxes to record the sales in the Public Land Registry. At the time, the Choueyfāt
Municipality had urban jurisdictional authority over the area. Since it did not raise any
objections, Abu Raymond continued his business, which was not clearly in violation of informal
regulations at the time, although he was becoming increasingly bolder in his defiance of formal
rules, which required a lengthy process to register the details of each of his land sales with the
Public Land Registry.

Abu Raymond always hired government-accredited topographers to survey and to
subdivide the land. He also kept his own record of the informal transactions and gave each plot
a number. On average, the plot sizes varied between 150 and 200m^2. When it was possible,
notably within the Municipality of Mrayjeh where minimum lot areas were relatively small, Abu
Raymond tried to abide by urban regulations. However, the plot sizes were always well below
the 2,000m^2 required by the 1964 master plan of Beirut and its suburbs. [6]

Abu Raymond continued this practice, relying on his relationship with landowners, some
of whom simply sold him their land, while a few others entered in joint ventures with him.
Business relations with landowners were formal and protected by all necessary legal measures. A
formal contract was drafted for every lot by a lawyer and signed and registered at an official
notary public (figure 3-4). It either transferred property to Abu Raymond or, more frequently,

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[5] This title connoted professional legitimacy at a time when such modern symbols of meritocracy were highly valued
by the migrant society of Hayy el Sellom.

[6] The 1964 master plan of Beirut and its suburbs (decree 16948 in 1964) is widely known as Plan Ecochard,
following the name of the French planner who had developed it (Ghorayeb 2000). This master plan regulated land
use and minimum lot areas (see Chapter 2 and 4).
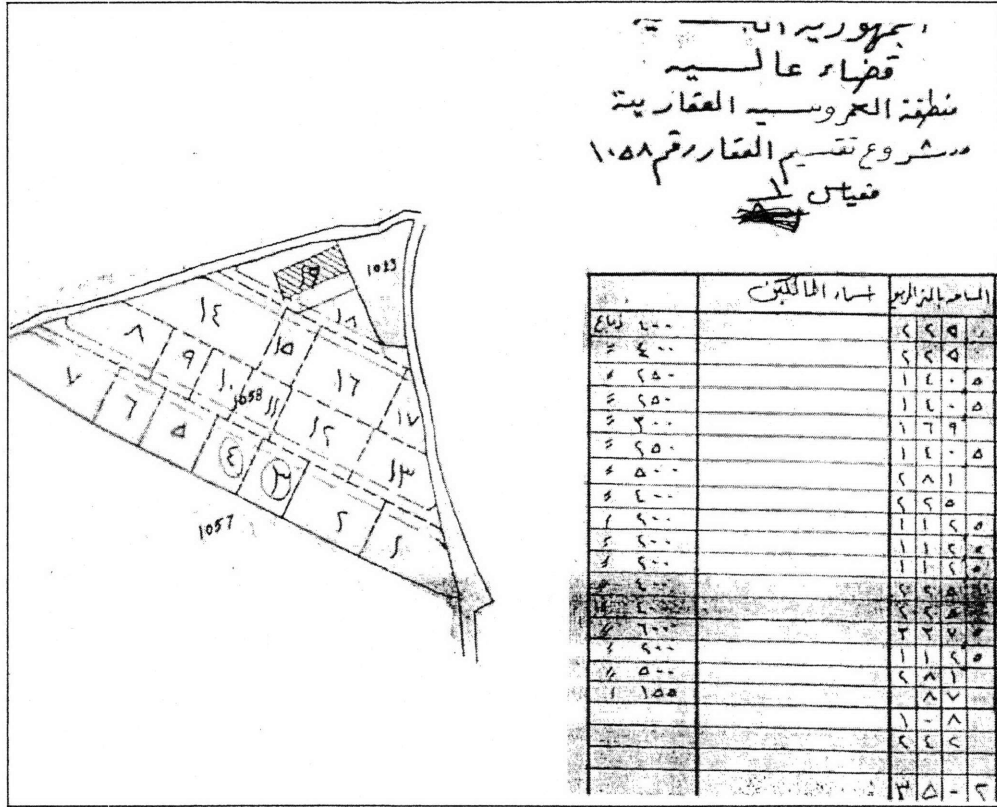
Figure 3-3: "Informal" lot subdivision plan for lot 1058, in 'Amrussiyeh, Hayy el Sellom. The subdivision plan reproduces elements of the formal code, including the table listing all property shareholders and formal references to the Lebanese Republic and the loca jurisuiction.

Source: Topographer's personal records.

entitled him to "represent the owner and sell at whatever price he deems right, in part or in whole, to one or several individuals" the lots they possessed. While they did business on the basis of their similar personal backgrounds, Abu Raymond and the property owners protected themselves from default through official legal measures.

Abu Raymond's ability to subdivide and sell lots was facilitated by the structures of land ownership in this section of Choueyfāt. Since local Druze or Christian residents of the surrounding areas, rather than absentee owners, held land in this area, it was possible for him to contact and involve these owners in land sales. In addition, landholding structures in the area were rather dispersed, in relatively moderate sizes. Unlike large-scale property owners who would denigrate the small profits that came out of this business, these landowners were interested by the small gains they accrued from this form of land sales.

Social connections to property owners were, however, not sufficient for Abu Raymond's practices. He needed to gain the trust of buyers, and the plots had to be sold to a different group that had no social or religious connection to Abu Raymond because the demand at the time was coming from rural migrants, essentially Muslim Shi'ites.[7] He also wanted to secure the transactions in the event that buyers breached their verbal contracts with him. Abu Raymond pursued these dual objectives by relying on the formal symbols of government and professional institutions to provide a credible and secure image to the prospective buyers. The subdivision map is a good example: it was drawn and certified by a government-accredited topographer who was introduced to the prospective buyers as "The Engineer". The map was marked with several symbols of official approval. The topographers used emblems borrowed from formal government documents with the "Lebanese Republic" logo, and wrote down the lot areas in exactly the same manner as in formal subdivision documents (figures 3-3). Abu Raymond also relied on formal institutions, such as the Land Registry, to make the land sales appear legitimate to the buyers.

Although the subdivision map was not a legal document, residents used it to resolve conflicts over property boundaries. Both Abu Raymond and the topographers kept copies of the map and, in case of disputes, made them available to the residents. They also used them in building permit applications. Through this process, this document, which was initially created to

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[7] There were many waves of rural migration towards Beirut, and these followed religious lines to the extent that regions of Lebanon were predominantly inhabited by particular religious groups. The 1950s corresponded to the migration of Shi'ites, at the time the poorest religious group in Lebanon, to Beirut. They occupied its suburbs. See Chapter 2 for more details, also Faour 1981 for migration to Beirut.

evoke a sense of formality, gradually gained legitimacy to be eventually accepted as a valid evidence of ownership, even by public agencies. Thus, in the instances when they applied for building permits or sought to comply with other formal legal requirements, residents included the subdivision map as a site map that was accepted by the Municipality or the Directorate General of Urbanism (DGU).[8]

There are other examples of how Abu Raymond and the topographer relied on government symbols and drew on formal regulations to create a set of rules and standards to protect the area against totally unrestricted housing developments. They applied standards from formal construction codes, such as setbacks and maximum floor area ratios, to create broad construction guidelines hoping that their adherence to such codes would eventually allow the area to be regularized. Hence, early settlers learned about maximum built up areas, maximum heights, and setbacks. They also abided by the rules Abu Raymond had improvised to organize the development of their neighborhood. In some ways, they paid heavier dues than residents in other areas, since Abu Raymond charged them the price of the setbacks that served as streets in their lots. As a result, the initial phase of the settlement was not marked by haphazard construction and gross violations of all codes and property rights. In fact, it was quite orderly, but somewhat congested and unfinished in appearance when compared to formally subdivided areas. It also lacked public services such as paved roads or sewer and water networks.

Abu Raymond was ingenious in other ways. To protect land sales to the buyers who could not initially pay the entire price, Abu Raymond devised a system whereby the name of such buyers were marked with a special note (*'ishārah*) in the official land registry.[9] This signified to the buyers that they could not violate their verbal contract with Abu Raymond, as this mark was the proof that they had not paid the full amount and were hence unable to sell their share formally or use it to get any of the benefits attached with legal ownership (such as credit). Thus, Abu Raymond did not rely only on the "social network" and "trust" to protect informal transactions; he used the formal system, without paying all the costs associated with it, to ensure enforcement of the informal contracts. In effect, Abu Raymond created mortgage notations within the Registry without the formal creation or recording of mortgage documents. It is not clear whether Abu Raymond had to bribe officials in the Land Registry to mark the names of the

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[8] I was able to find many examples of these maps in the archives of two public agencies, the DGU and the Choueyfāt Municipality.

[9] *Ishārah* on a property record puts a hold on a property that indicates to anyone consulting land records to learn

buyers who owed payments (the procedure exists and is relatively inexpensive). Neither is it clear that Abu Raymond ever used the registry books to either demand payment or evict defaulting residents. What is clear, however, is that the residents remember that there was a system of monitoring in place to counter the uncertainty usually associated with informal transactions and flexible payment schedules.

3.B.3 The Strategic Alliance Phase

As the flow of rural, Muslim migrants to Hayy el Sellom continued, the H family – the first family housed by Abu Raymond – began to play the role of a partner in Abu Raymond's business. There was a complementary division of labor between Abu Raymond and Hajj Hamad H, the eldest member of the H family. Abu Raymond concentrated on procuring land from landowners, and restricting the access of others to these landowners by working closely with the "land guardians" who watched the land on behalf of the landowners. So tight was Abu Raymond's hold on the process that between 1953 and 1970 almost all land sales in Hayy el Sellom were conducted by him alone.[10] Abu Raymond could now rely on Hajj Hamad's social network with the buyers to arrange informal land sales and, in some instances, to ensure recovery of credit provided to the buyers for home construction. This alliance between Abu Raymond and Hajj Hamad was informal at first. Gradually, they created a formal joint venture and expanded their operation by procuring larger plots of land and creating larger subdivisions. Abu Raymond did not only rely on Hajj Hamad in his relation to newcomers. He also appealed to a number of intermediaries, referred to as *wasits*, who were paid commissions to facilitate land sales. A *wasit* was often the first member of a village or family to have arrived at Hayy el Sellom and purchased land from Abu Raymond. He acted as an intermediary between the developer and the other members of his family/village group, providing an informal assurance of security to both parties. This explains why Hayy el Sellom expanded as a set of contiguous neighborhoods that are named after the intermediaries, such as Hayy 'Arab (the 'Arab family quarters), Hayy 'Amhaz, Hayy Kan'ān, or Hayy el Hibberiyyeh (after the village of origin), and so on.

By the mid 1960s, the business began to boom. It was further accelerated by political events. Indeed, the 1967 Arab-Israeli war and especially the 1969 Cairo treaty which gave the

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about that a particular aspect of the legality of the lot is temporarily questionable.

[10] This is reported in the survey I undertook with 300 property owners in the neighborhood that showed that all families who had bought land before 1973 had dealt with Abu Raymond. However, the bulk of these sales actually

Palestinian Liberation Organization a de-facto permit to operate in South Lebanon created large migration flows from southern Lebanon to the suburbs of Beirut and further escalated the demand for housing.[11] At that time, Abu Raymond and Hajj Hamad attempted to expand their business and they began to construct finished houses on some of the plots for sale. But, these houses were not sold as quickly as Abu Raymond and Hajj Hamad had anticipated. So, the partners returned to their original strategy.

As the number of *wasits* increased, Abu Raymond and Hajj Hamad became less interested to make each transaction appear formal and legitimate. Instead, they relied on the *wasits* to guarantee the transactions with the buyers who, by then, had become more confident about Hayy el Sellom's longevity. They, their children, and the *wasits* also began to ignore construction restrictions and built several multi-storied structures that they rented to migrants, thereby creating a new rental market in the area.

3.B.4 Abu Raymond's Market Strategies: Building Social Capital

The story of Abu Raymond's practices in Hayy el Sellom provides a good glimpse of the type of strategies he developed in order to organize and secure the land market he had established. It tells of an intricate balance of formal and informal institutions that the old developer simultaneously appealed to in every transaction he conducted. More specifically, one can show that a set of informal institutions, such as families, tribes, or neighborhood relations formed the basis of his practices, along with a number of formal institutions, such as contracts drafted by lawyers, land registry, and state accredited agents. However, the ability of the old developer to rely on these two types of institutions was the result of his ability to cultivate a wide web of social networks that connected him to actors located within these institutions, such as a limited number of topographers or notaries who associated themselves to his practice, but also *wasits* or mediators, who insured the connection with clients.

These descriptions attest that networks in the strict sense of "housing networks" that connect one actor to basic "housing resources", as defined by Turner and Fitcher (1972) or Smith (2003), played an important role in Hayy el Sellom, in the provision of land, connecting Abu Raymond to landowners (religious and geographic networks) and to clients via Hajj Hamad H (kinship, religious, and geographic networks). In fact, a housing network was put in place in

occurred after 1965 (see Appendix 2).

[11] For Cairo Treaties, see Salibi 1976, el-Khazen 2000.

the neighborhood and it included an array of people exchanging resources (including legality) that went into the production of housing. However, this analysis of social networks needs to be expanded beyond the direct resources accessed by these networks in order to account for "social capital", or the ability of social networks to transform into "capital" and enable an actor to reposition her/himself socially vis-à-vis other members of her/his community (Chapter 1).

The process of accumulating "social capital" illustrates well Abu Raymond's own social ascension. The son of an unknown farmer who raised a few cows and harvested a limited numbers of olive trees in the area, Abu Raymond began his life in Hayy el Sellom as the modest owner of a small grocery store. However, a few years after he initiated the land market business, he became a *khawājah*, a respected member of the community and later a *Shaykh*, Shaykh Abu Raymond, the highest informal title of respect in his community.[12] At the end of his carrier in Hayy el Sellom, Abu Raymond was known as a "man of connections" or an "electoral key" to be visited by candidates before elections. He had contacts and influence as his phone book attests (figure 3-5). "He was a highly visible person", his daughter-in-law explained during one of my visits to the family, "people knew his whereabouts and in this village [as she refers to Hayy el Sellom], that was an important sign of respect and importance".[13],[14] However, the basis of Abu Raymond's positive "reputation" was not derived from his kinship relations or his religious position per se. In fact, his cousins spoke unfavorably of him, mocking his "prince-like attitudes".[15] Many of the neighborhood's old Christian families also blamed him for having "facilitated the access of the Shi'ites to the area". Instead, his social standing was the outcome of a long-term strategic investment in institution building and tapping, especially in developing social networks and alliances, but also a long-term investment in creating and building the persona of the Hayy el Sellom "developer". In the next two sections, I will describe these two strategies.

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[12] Unlike the Muslim communities for whom the title of Shaykh has religious connotations, Shaykh for Christian communities in Lebanon connotes important social standing.

[13] In a study of the socio-political structures of the southern suburbs of Beirut in 1975, Khuri differentiated between different types of political leaders in the area, notably differentiating between a *za'īm*, a leader with following beyond his geographic area and other types of community leaders with standing derived from their local practices through which they are essentially know. Clearly, Abu Raymond is part of the latter form of leadership and cannot be recognized as a *za'īm* himself (see Khuri 1975).

[14] This was mentioned to me in one of several "visits" to the family of Spiro Michel Saab, in their house in Zouk (Eastern suburb of Beirut) between April and June 2003.

[15] This condemnation of Abu Raymond was reiterated during two interviews held with Abu Raymond's cousin: On June 14, 1999, in the family house in Hayy el Sellom and on April 04, 2003. I noted a similar attitude in three Christian families of Mrayjeh, at the border of Hayy el Sellom, whom I interviewed on June 18, 2003.

Figure 3-4 (a)

Figure 3-4 (b)

Figure 3-4: Typical agreements between Abu Raymond and landowners (a) or the formal developer (b). (a) is certified at the notary public. These two forms entitle Abu Raymond to follow to dispose of the lots, sell and registrer.

Source: Abu Raymond personal records, courtesy of his family

Building a Persona: The Developer's Good "Reputation"

Abu Raymond invested in building the positive social image of a benefactor in order to gain recognition from the residents of Hayy el Sellom. He was happy to be known as a "forgiving" and "generous" person. While he established multiple mechanisms to insure compliance and repayment, he never really enforced them.[16] Neither was he known to charge penalties on delays. Instead, he made gestures of generosity such as forgiving payments or providing legal titles before full payment was made. Moreover, Abu Raymond visited and (more importantly) was visited by the neighborhoods' residents on diverse occasions and many interviewees remembered the line in front of his house's door, another important proof oh his distinguished social standing. Finally, Abu Raymond participated and financed the construction of the first mosque of Hayy el Sellom. As a Christian who was facilitating the entry of members of a different religious group in his neighborhood, this gesture carried important symbolic significance to the old residents of the neighborhoods who still talk about this initiative fifty years later.

Simultaneously, Abu Raymond created an upper income persona which he thought would appeal to the property owners he wanted to convince of the reliability of his business: He regularly hired a car and a driver, gambled excessively, and went frequently to the casino, where he often invited others.[17] With his image, he also sought to distinguish himself from the lower income residents of the neighborhood where he lived, including his own family members, with his clothing, his habits (such as carrying a cane and walking around the neighborhood quarters as was common among feudal lords at the time), and his house (which was built in stone, a sure mark of wealth). He also maintained a small animal farm in front of his house where he raised a few domestic animals such as a peacock and several cows and he distributes the milk to the poor in the area. Many stories circulate in the neighborhood around these practices. For example, one of his old clients, Hajj Nāyef, remembered how:

> *Abu Raymond wanted the cow I had at any cost. It was my most productive cow, it was only 2 years old and it only delivered twins so I was reluctant to sell it [...]. To convince me, he gave me a plot of land in exchange for the cow! [...]. It was unbelievable: he gave me 400 dra' [225 m^2] at 10LP each, when the cow could not be worth half this much [...].*

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[16] For purposes of accuracy, I should mention that I heard about a number of incidents where Abu Raymond was angry and threatened buyers to take back the land, but these threats were not followed through.

[17] Abu Raymond's addiction to gambling was to take the best out of the old man eventually, since he lost all his money to the playing table after he left Hayy el Sellom. His personal daily to-do notes also contained innumerable mentions of organizing poker sessions.

Figure 3-5: Abu Raymond personal notes; example of "Things To Do" list, with list of phone numbers for people to call. Includes numbers for Fawzī Haydar (Hayy resident, public agent at the DGU), Shaykh Michel el-Khourī (son of Lebanese president, Director General of Tourism), Emile Saʿādeh (land owner in Hayy), and others.

Source: Abu Raymond personal records, courtesy of his family.

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To top it all, he said I could have the olive trees on the land. I really thought he was joking, these trees were enough to make ten tanks of oil, that was a lot of money but he actually meant it [...]. The cow was very productive, but that was not what he cared for; he just wanted to look at it, he thought it was a pretty cow [...]. Important people came to visit him from all the area and he would receive them on his balcony that overlooked the garden where he had all these animals. [...] He would send the cow's milk to friends or to the poor in the area; he didn't even bother with selling it [...]. He was the father of all the poor; he made a lot of money, in the thousands daily.[18]

Part of the social image Abu Raymond built was directly tied to his business. To begin with, Abu Raymond had access to land in a traditional context where land is unavoidably associated with wealth and social standing. Furthermore, Abu Raymond had a wide practice and many connections in the local construction sector (controlled then by the mediators, see below), which meant he could help people find employment, another sign of good standing. In addition, the fact that people owed him money gave him importance in the neighborhood. Finally, in the way he conducted business, Abu Raymond was able to build a positive reputation that would serve his social image: He was known as a "man of his word" who rarely defaulted and never cheated on the areas he sold. His clients explained that they could easily trust him since "he had sold all the land around here, so it was safe to purchase land from him".[19] This is not to say that Abu Raymond never defaulted. There were instances where mistakes occurred (e.g. one lot promised to two different persons, etc.). However, very few people knew these stories in the neighborhood and by and large, his clients remembered him for his generosity and his straightforwardness.

Building Networks

As described above, Abu Raymond already benefited from networks that tied him to property owners in the area, and, via-Hajj Hamad, to potential clients. Many of his efforts, during this phase, were therefore geared towards creating networks with public agents and important political figures, and it is only through them that he managed to organize and secure his market transactions.

The role of networks with public agencies in furthering one's interests has not escaped the political science literature in the Middle East. In her research on informal networks in Egypt,

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[18] Interview held with Nāyef in his house in Hayy el Sellom, on June 6, 2003 in the presence of his wife and several children and grandchildren.

[19] This is further discussed in Chapter 5.

Figure 3-6(a): Abu Raymond, personal appointment book, which mentions a meeting in Beiteddīne, in the House of Prince Talal Arslān (Member of Parliament, old feudal lord), in the presence of Walid Jumblāt (important political figure of the region era and old feudal power), Sheikh al-'Akl (Highest Druze religious authority), and others.

Source: Abu Raymond personal records, courtesy of his family.

Figure 3-6(b): Letter heard for notary public, Joseph Na'īm

Source: Abu Raymond personal records, courtesy of his family.

Singerman describes the concept of *wāstah* or *ma'rifah* that refers to personal contacts created with actors within public agencies in order to improve access to publicly distributed goods and subsidies and facilitate some of the tasks facing families in need of processing papers, amidst a poor bureaucratic system (Singerman 1995). In Lebanon, just like in Egypt, *wāstah* refers to the ability of someone to shift or modify regulations in order to privilege a particular course of events that can improve his/her individual standing. In the case of Hayy el Sellom, Abu Raymond relied on a very wide set of *wāstahs* that he carefully built over the course of the years in which he managed his land sales in this neighborhood. Such networks with the state should not be seen as a strategy of penetrating the "legal realm", or the result of a choice between operating "legally" or "illegally" as several studies of informal markets and developers have put it (De Soto 2000, Berner 2001a & 2001b). They rather illustrate the old developer's ability to co-opt small sections of the state (Heyman 1999) that could facilitate his illegal practices. Here are a few examples of how Abu Raymond went about this task.

First, Abu Raymond purchased the protection of the local police station. We know from accounts of his own family and clients that the old developer regularly bribed the head and members of the nearby police station with fruit harvested in the neighborhood and/or percentages on every illegal construction. The developer sold this "protection" to his clients, as part of the "housing package" they were purchasing. Such "protection" often replaced the need for legal building permits since the sole enforcing authority, the police station, had pledged to protect the practices of the old developer and close its eyes when the same building permit circulated on an entire lot.

Second, Abu Raymond helped in setting out a state penetration strategy, once Hajj Hamad H's nephews sought employment as clerks in planning agencies. The elder, Mohamed H, in the Ministry of Public Works and the younger, Fawzī, a few years later, in the then newly instituted Directorate General of Urbanism (the highest town planning agency at the time). The H brothers were to insure the important link of the old developer with the state: providing building permits, when these were needed. They secured the necessary connections with engineers whose signature was legally required on any building permit, devised tricks in their capacity as public sector servants to bypass legal requirements, and soon established themselves a business providing building permits in the neighborhood.[20]

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[20] Chapter 4, The Informal Public Sector, describes this process in detail.

Third, Abu Raymond played the election card. One cannot claim that Abu Raymond's standing rested on swaying a large electoral base. Indeed, he lived in a suburban context, where most residents were rural migrants having political, economic, and social linkages to their villages of origin where they voted and no political representation in the city (Chapter 2). However, Abu Raymond took part of this practice. The developer facilitated the official residency transfer of a number of migrant families (the H family and others) to Choueyfāt where their votes could influence the results of local elections. Furthermore, he had good relations with landowners, many of whom were his partners and began to trust his judgments. Having then a hold on a number of voters allowed the old developer entrance in the political scene and initiated a process by which he could create some pressure on local authorities or obtain some services for the area.[21]

Thus, Abu Raymond became acquainted with a number of important political figures that helped in providing services, "protecting" his business, and maintaining his social standing. In the late 1960s, when one of the property owners provided an introduction to the son of the first Lebanese president, the then General Director of Tourism (Michel el-Khourī[22]), Abu Raymond did not hesitate to organize a formal reception for this visitor. "He distributed shot-guns to all of us and instructed us to shoot in the air, 40 shots, as soon as the "Minister" went out of the car, explains Abu Mehdī, one of the oldest mediators in the area. So we did, [...] and two weeks later, we had asphalt on the streets!"[23] In his notes of the period, one can also find references to important figures whose phone numbers were listed or again reminder notes the developer scribbled to remember scheduled meetings with some of them (see figures 3-5, 3-6).

A Monopolistic Housing Market

The processes of institution tapping, networking, and building an image were not separate. In fact, they fed on each other considerably. As Abu Raymond's ability to control the police station grew, for example, so did his image in the neighborhood, and his respectability... and along with them the number of clients.

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[21] This is not to say that this was Abu Raymond's central strategy. It however did have an impact in the few times when municipal elections were, for example, held in the country, which are limited historically to three instances.

[22] The son of the first Lebanese President, Michel el-Khourī was also a journalist and later Director General of Tourism. This is a significant "network" for the old developer because the Khourī and other few families made a clan that controlled the countries' political economy for decades. For more, see Trabulsi (1993).

[23] Interview held with Hajj Mehdī in his house in Hayy el Sellom on July 20, 1999.

Over time, an entire network of social relations tightly connected to public actors (e.g. police station, low-level planning agents, and political figures) created the basis for a housing market that was monopolized with all its linkages (e.g. construction labor, materials, permits) by Abu Raymond and a number of his partners. The developer controlled tightly how land was procured and sold, as well as how it was purchased by prospective homeowners through Hajj Hamad and a number of other intermediaries.

Furthermore, linkages were gradually consolidated with Spiro Saab –the son of Abu Raymond– and Mohamed Hamad H –the son of Hajj Hamad–trading construction materials together. As of the mid 1960s, the 15-year-old Spiro Michel Saab initiated a business selling construction materials from the nearby quarries in Kfarchīmā or loading sand for construction from the sea shores of the Beirut southern suburbs nearby. He sold construction materials on credit to newcomers who had just purchased land from his father and gave them exceptional facilities, benefiting from his father's networks and securities. By 1970s, he and Mohamed Hamad H teamed up to open a stone cutting factory in the neighborhood (that still operates until today). Their only competitor was Mohamed H, Hajj Hamad's nephew, who by then had resigned his employment in the Ministry of Public Works to invest his full-time in the construction business.

Moreover, by the mid 1960s construction became the guarded turf of a few *wasīts*. These intermediaries soon acquired social standing and visibility in the neighborhood, as we will see below. Here is how one of these builders who later became an important developer, Abu Medhi, described the process:

> *We, the [X], and a few other families... We controlled the neighborhood all the way to the Choueyfāt valley. Here, there were no other big tribes like East Beirut such as the Z'ayter or Msheik [very large tribes from the Biqa' Valley. The Z'ayter family controlled three settlements in the Eastern suburbs of the capital]. The turf was ours. We sold some 50,000m² in the area! [...] We were actively preventing others from penetrating the market. If it were someone we knew, such as Mohamed H or Mohamed F, we would not object to his role. But if a stranger tried to intervene, we would immediately outbid him; we paid a higher price for the land and drove him out. No one could beat us with the prices and take over our market. [...] Besides, people were poor and the price of land was hard to match. [...] It was not easy for a stranger to play the role of the developer. [...] I was not so poor when I arrived, I owned a flock of sheep in the village that I sold before I came here, so I had 800LP upon arrival, and that was considered a lot of money. Sa'eddedīn [the formal developer from Beirut] did not last long in the business; we soon were able to handle the market without him. We also knew the buyers, and that was the most important factor.*[24]

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[24] Interview held with Hajj Mehdī in his house in Hayy el Sellom on June 16, 2003.

Figure 3-7(a): Personal "to do list" written by Abu Raymond. The note carries a reference for the notary, Mr. Na'im, and several reminders for scheduling appointments and following up on planting a lot.

Abu Raymond's records contained many similar notes.

Source: Abu Raymond personal records, courtesy of his family

Figure 3-7 (b): Personal "to do list" written by Abu Raymond.

Source: Abu Raymond personal records, courtesy of his family

Figure 3-7 (c): Scribbled name of the assistant to the head of the police station in 'Amrussiyeh (where Hayy el Sellom falls), as if to remind the developer of the name of this person.

Source: Abu Raymond personal records, courtesy of his family

The police force guaranteed the monopoly on the land market: police forces could be used to prevent anyone from building if s/he had bypassed the actors in charge of this place. Here is how one of the clients remembered the process:

Abu Raymond would come with the mediator/builder directly. In our neighborhood, Mahmoud Isma'il was in charge. [...] Abu Raymond arrived with him when sales were about to happen and the sale was conditional to the client accepting that Mahmoud builds the house. Of course, he would say that Mahmoud had access to good materials and workers and he was willing to provide credit for construction [...]. Then Abu Raymond gave his client a building permit valid for fifteen days and acceptable to the police patrol.[25] If you did not show this permit to the police patrol, it would prevent you from building [...].[26]

Other clients looked at this phase with less indulgence:

They did a kind of mafia. Abu Raymond and Hajj Hamad were at least honest. The others fooled people and protected themselves.[27]

In this pattern, Hayy el Sellom continued to grow with increasing numbers of intermediaries (*wasits*). It was inevitable that by the early 1970's, Hajj Hamad and a few *wasits* started their own land subdivision businesses. Clearly, the city authority could no longer rebuke Abu Raymond alone for Hayy el Sellom's growth. As the number of land sub-dividers grew, the authorities did not even know their names. The political protection of the area by various political groups had also increased by then.

When the civil war broke out and Beirut was divided into two belligerent sections, Abu Raymond found himself in a difficult situation. As a Christian whose house in Hayy el Sellom fell under the control of Muslim militias, Abu Raymond's visibility played against him. As the civil war escalated, Abu Raymond had to leave his house in Hayy el Sellom and he moved to the eastern section of Beirut, which was then controlled by Christian militias.[28] He did not terminate all his business ties to Hayy el Sellom, however, his son followed up throughout the war. Abu Raymond kept coming to areas bordering the neighborhood where some residents he had become close to would still come and meet him.

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[25] Often, this was a legal permit that would give the police station and the developer protection that was then reused on the whole plot for all constructions.

[26] Interview held with 'Ayda, in her house in Hayy el Sellom on June 6, 2003.

[27] Interview held with Sa'id, in his house in Hayy el Sellom on June 18, 2003.

[28] With very few exceptions (including some of Abu Raymond's cousins), all Christian families left Hayy el Sellom and Mrayjeh during the years of civil war. However, Abu Raymond left ahead of everyone else. It is said that his dealings put him in a vulnerable position vis-à-vis the militias and forced him to run away overnight from the neighborhood.

Figure 3-8 (a): Credit forms, conditional registration

Figure 3-8 (b): Credit forms, conditional registration

Old title deeds, showing reliance on credit forms for conditional transfer of property

Source: Abu Raymond personal records, courtesy of his family

3.C   DEMOCRATIZATION OF THE MARKET AND THE RISE OF INFORMALITY

Abu Raymond's exit from Hayy el Sellom marked a qualitative shift in the housing market. As hundreds of civil war refugees flooded Hayy el Sellom[29], many previous *wasīts* became independent land developers. Hajj Abu 'Ali was one such *wasīt* turned developer. It is by describing Hajj Abu 'Ali's practices that I try to describe the second phase of informality in Hayy el Sellom.
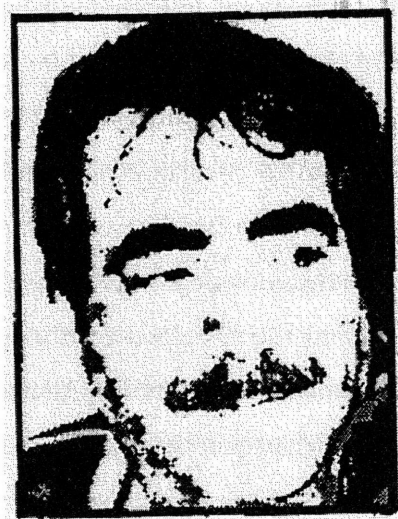
Figure 3-9: Abu 'Ali
Source: As-Safir daily, July 8 1983.

3.C.1   Hajj Abu 'Ali

Hajj Abu 'Ali grew up in the Biqa' plain in a poor farming family.[30] In 1952, he moved to Beirut, rented a room in the nearby suburb of Hadath, and found a job in the Ghandour candy factory in Choueyfāt. Ten years later, in 1962, Abu 'Ali first heard about Abu Raymond from his neighbors in Hadath and traveled to Hayy el Sellom. He bought land on credit provided by Abu Raymond, built, first, a wooden shack, and then, three years later, constructed a single room that gradually expanded to a four-storied building.

When Abu 'Ali moved to Hayy el Sellom in 1962, he changed jobs and began to work as a construction worker building homes for other area residents. Soon after, he expanded his operation, became a building contractor, and hired workers to do the kinds of work he was till then been doing himself. Abu 'Ali mentioned that this experience was crucial to his eventual success as a land developer. "I arranged for building permits and other official papers. I dealt with police patrols, and learned that we could negotiate with them a lot", Abu 'Ali said.

As Abu 'Ali was a building contractor, he came to know Abu Raymond well. Abu Raymond had referred some of his land buyers to Abu 'Ali. Soon after, some of Abu 'Ali's relatives from the Biqa' came to Hayy el Sellom, looking for shelter and jobs. Abu 'Ali had acted as a *wasīt* – an intermediary – between these relatives and Abu Raymond. Today, the

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[29] See Chapter 2.

[30] Hajj Abu 'Ali's story is based on two interviews with the wasīt-turned developer in July 15 and August 6, 1999 and on the narratives of three members of his family held in July 1999. All the below quotes of Abu 'Ali are taken from these two interviews.

neighborhood where Abu 'Ali lives is named after his family name, in reference to all his relatives who had purchased land in the same area through him.

3.C.2 Respect and Distrust

Abu 'Ali acknowledged that he learned how to be a land developer by working with Abu Raymond as a building contractor. "We learned the business from Abu Raymond. He and the original landowners were *Khawājāt* (gentlemen) who visited the area. We opened their car doors, followed them, helped them, and had the opportunity to observe and learn from them", Abu 'Ali explained. What Abu 'Ali and others learned, however, was not just business manners. They learned that contrary to what Abu Raymond had conveyed to them, he did not own the land; and that he bribed the property caretakers to stop them from giving the landowners' names to other prospective land developers. "We had to pay the property caretakers extra bonus to direct us towards the real landowners", Abu 'Ali mentioned, as he also reminded me "all the original landowners were Christians or Druze, like Abu Raymond". "Although we didn't know the owners, we started a hidden competition with Abu Raymond during the last years of his monopolistic rule. When the civil war started, and Abu Raymond had to leave, we finally had the market solely for us", Abu 'Ali noted.

But, even prior to Abu Raymond's exit from Hayy el Sellom – when Abu 'Ali was a *wasīt* – he was deeply involved in the consolidation of the neighborhood, not only building houses but also organizing neighborhood groups. For example, in the late 1960s he had helped create a Residents' Committee of twelve members and headed it for a while. This Committee was eventually registered as an official neighborhood committee with the Ministry of Interior in the early 1980s. Abu 'Ali mentioned that, under his leadership, the committee had performed several tasks, including visiting politicians, lobbying for service delivery, operating trucks for garbage collection, and even installing a sewer network, illegally, and hooking it to public networks. Abu 'Ali also mentioned that in performing these tasks, the committee did not rely upon government agencies. Instead, they went to feudal leaders from their areas of origin and requested them to put pressure on public service agencies. Various religious groups also supported the residents and pressured the municipality to provide basic services. As the various militias began to establish their presence in Hayy el Sellom during the civil war, the residents asked for their help too. The power of these militias grew significantly during the civil war, in part, because they were able to get services for the residents.

Abu 'Ali did not disregard all government rules and regulations, however, even when protected by Amal, the militias in charge of the neighborhood. He continued Abu Raymond's practice of recording all land transactions at the notaries, and hired a state-accredited topographer to draw the map and demarcate the land subdivisions. As the maps were drawn, Abu 'Ali first marked the roads before any plot was sold, and watched carefully that no one built on the roads.

As the demand for housing increased, however, because of the influx of families displaced by the civil war and various other military conflicts, Abu 'Ali, as well as the other developers backed by the militias turned political parties, began to disregard even those regulations they had voluntarily followed in the past. For example, some developers began to encroach on public land on the banks of the Ghadīr River, taking advantage of the newcomers and selling them public land. And, both the developers and the residents began to build bigger and taller houses, violating regulations that restricted the maximum height of buildings and maximum floor area ratios. These houses were built primarily for renting to families displaced by the military conflict who, unlike the earlier migrants from rural areas, sought temporary accommodations and were neither willing nor able to pay for land.

The demand for accommodation reached such a level that many developers, including Abu 'Ali, became desperate to procure land. But these new developers did not have the social connections with the landowners that Abu Raymond employed. As a result, some developers resorted to coercive practices to force the landowners to sell land. According to one story, still commonly heard in Hayy el Sellom, a developer had buried a dead donkey on an unsold plot of land and then informed the landowner– that his land was gradually becoming a Muslim cemetery! Scared to lose his lot, the owner, it is said, immediately agreed to sell the land which was promptly used by the developer to build a multi-storied apartment building.

I asked Abu 'Ali how he reacted to this intensification of illegality, and whether there was any pressure from the residents for regularization to counter the uncertainty that illegality created. Abu 'Ali mentioned that he had advised the residents not to press the government for regularization because he knew that "the government would have abused the people". However, Abu 'Ali was not against regularization. In fact, he had earlier appealed to militia and religious leaders seeking their support to secure formal registration papers for the land he had subdivided. But, such appeals were fruitless. Abu 'Ali then discontinued his effort at regularization through the formal institutional channels. In fact, he had discouraged other residents from pressuring

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the government for regularization, arguing that since the government was not interested in helping lower income families, they need not abide by state regulations. Other developers mentioned that they too did not approach the state for legalization of their properties because they knew that the costs and amount of paper work required would be prohibitive.

Abu 'Ali thinks that the sheer size of Hayy el Sellom prevented the government from taking any disciplinary action. "We were so many already by the 1970s that the government could not kick us all out, or put us all in jail". Moreover, he had the backing of the political party/ militia groups Amal, and, since the late 1980s, Hizb'Allah, both active in Hayy el Sellom as service providers.[31] These groups did not encourage the residents in this neighborhood and elsewhere to seek regularization so they can continue to be the "protectors" of these communities and serve as the link between the government and the neighborhoods' residents (Harb 2000).

When asked how he could be successful in business with an unhelpful government, Abu 'Ali responded: "The most important thing in life is *sadakab* (trustworthiness). If you deal once with someone, and you prove to be trustworthy, you've established the first point in a positive chain. Trust and faithfulness are very effective". In this, he is similar to the developers of this generation who all believed that their good reputation explained their success. Thus, Mohamed H concluded his description of his own trajectory in Hayy el Sellom with this statement: "Straightforwardness (*Istiqāmah*) always lasts. The way I deal with a client and people is what lead me to accumulate all the money I could accumulate from the business. And it was a lot!" As for Abu Medhī, he answered, when I asked him about copies of old subdivision plans: "Maps lie. My words don't. We used maps in ways that suit us but we never gave our word lightly [...]. I am walking on a straight path, this is why no one ever hurts me or defaults on me".

3.C.3 The Market Strategies of the Second Generation Developers

Hajj Abu 'Ali, Hajj Hamad H, Hajj Abu Mehdī, and the other members of the second generation of developers all began their carriers as mediators for Abu Raymond and builders before they invested in developing lots. Like Abu Raymond, none of these developers was a professional full-time developer. Instead, they included in a wider web of survival strategies a new practice of land subdivision and sales that could complement their incomes nicely.

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[31] See Chapter 2.

Furthermore, and also in line with Abu Raymond, all these developers gained important social standing that helped them in their practices. Over time, they too became "notables" in the Hayy, known figures who could provide land and services reliably. The older among them, especially Hajj Hamad H, were remembered or known by residents as "well meaning people"; "good doers" who helped them access land. Many among them went to Mecca for pilgrimage and came back with the rewarding title of Hajj. Some of them, such as Abu 'Ali and Mohamed H, took up several wives, an important tribal symbol of wealth since one is able to sustain several houses.

All of these men derived their position as developers from their earlier practice with Abu Raymond: Mohamed H, for example, became a developer after he worked in the provision of permits with Abu Raymond and Abu 'Ali and Abu Mehdī worked in the neighborhood's construction industry, others planted land in the neighborhood under his auspices. However, these men all began from a different social position than Abu Raymond: they were insiders to the communities where they worked, familiar with its codes, and this position strengthened their practices. They were only different from their co-residents in the neighborhood because they had developed networks (notably with public sector actors) and know-how by working with Abu Raymond and because they had accumulated (a little) more wealth than others.

Throughout the phases, the second generation of developers combined a three fold institutional strategy: they capitalized on and strengthened their social networks within their own communities, they sought to penetrate and tap on existing institutions (especially public agencies), and they built new institutions that could sustain and enlarge their practices. Since they worked during the juncture phase of the weakening of the state that preceded and went through the Lebanese civil war (1975-1990), their institutional strategies were heavily affected by the macro-level changes that were transforming the country at the time, as we will see below.

It is first and foremost on social networks, especially family and geographic networks (and later religious networks) that the second generation of developers built its practices in the early phase. Members of tight family structures,[32] these developers had established their practice by offering guarantees on sales to their kin and they knew they could rely on family members to enforce defaulting contracts, insure compliance to their rule, and transfer information about new land sales. In fact, many or most of these developers came from the Biqa' rather than the South,

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[32] Some of these developers are actually members of "clans" or "tribes", that is groups who share a common ancestry and culture –including models of conflict resolution (tribal law).

where social structures where traditional tribal structures were more engrained. Family and village networks as well as institutions transposed through these networks also provided the reference for the security of many of these agreements, such as subdivision plans, which were commonly referred to as "amicable land subdivisions" *(taqsīmāt hobiyyah)*, in reference to amicable agreements sealed with trust and guaranteed by tribal honor rather than state institutions.

As of the mid 1970s, a common religious background (strengthened by the events of the first years of the civil war) replaced family and village networks in providing transaction security between members of the same religious group. While religious authorities did not play any role in securing informal transactions, traditional practices like sealing an agreement by swearing over the Koran were sometimes described. Several old developers also indicated that when they were about to collect money (for services or other), they would assemble partners and swear over the Koran that they would follow the entire process honestly.

Social networks were also necessary for these developers to establish contacts with property owners and access land. To do so, many developers relied on the social relations they had developed with property owners through their years of residence in the Hayy (often via Abu Raymond). For example, Abu Mehdī who had harvested the olive grove of a family for years convinced them to enter in partnership with him and sell their land. Other developers relied on old Christian residents of the area who agreed to play the role of mediators with property owners in exchange for percentage shares of profits, reversing the trend set by Abu Raymond. Most of these mediators were old residents of Mrayjeh who were well known in the suburbs of Beirut, and they were willing to cross the demarcation lines dividing Beirut in order to organize such sales and make some profit.

Second, the second generation of developers continued the practice of tapping on public agencies initiated by Abu Raymond and building on these institutions to secure their informal practices. They continued to manage a tight relation with the police station, especially during periods of relative calm when public agencies were attempting to regain control over the physical development of the area because infractions to building codes had increased with the scarcity of land and the emergence of a rental market that dictated vertical expansion. This is evidenced in the narratives of many residents who had built their homes during this second phase: police bribe rates were quoted for every slab and protection from police force was clearly bought through well-known agents. Here is how one of these developers, Abu Mehdī, described the

situation:

> *It was not always easy with the darak (Police). One time, a new person was appointed as the head of the headquarters police station in Fourn el Shebbak and he decided to send a new patrol to this neighborhood and prevent all construction [...]. I was in a bind then, I absolutely needed to pour a slab for a client so I had to devise a strategy. When the boys arrived, I invited them to a fish restaurant and prolonged the stay in the restaurant [...]. By the time we were back, my men had poured the slabs [...]. The boys were angry, but I gave them 50LP each and convinced them that it was too late now to do anything about the construction! [...]*[33]

Another resident who had married into a developers' family explained the procedure:

> *Bribes don't stop at the level of the man who comes to collect them. Each is buying the silence of his superior and prices varied with the strength of the appointed head of the central police station. The bribes also changed with the strength of these men.*[34]

One builder who had worked for a long time for one of the developers of this generation, emphasized how blatant policemen were about bribes:

> *It is not like it was a secret. I worked with Abu Hussein for 20 years, from 1968 until 1988, and his practice relied on his social relations, the people he knew, especially the policemen who he bribed openly in front of everyone. [...] They had a fixed rate by construction site; it used to be 100LP for every site when we began [...]. Sometimes, they would try to play tricks, and after they cash from somebody, they would send other policemen a few days later who would pretend that they were not paid the dues yet. They had guns, threatened people [...]. You needed the developers to deal with them [...].*[35]

Another old resident summarized the relation of the developers to the police:

> *Abu Toufiq* [Hajj Hamad H] *was the engine of the police station itself, he was the person in control... he was also a very important builder and developer.*[36]

Protection from the police was even more consolidated through the offices that were established by the H brothers, notably Fawzī, who soon began to issue his own construction permits that provided clearance from the police:

> *All we had to do was install proper arrangements with every new head of the police station. All of them were after money, and all of them left here a cigar in the mouth! [...] In the beginning, we had an arrangement with policemen. They would stop anyone building and tell him or her that they needed a construction permit that they could obtain through my office.*

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[33] Interview held with Hajj Mehdī in his house in Hayy el Sellom on June 16, 2003.

[34] Interview held with Hajj Nāsser, in his store in Hayy el Sellom on June 18, 2003.

[35] Interview held with Hamīd (arrived in the early 70s), in his house in Hayy el Sellom, on May 12, 2003.

[36] Interview held with Habība, on July 11, 1999.

So all the clients would come to me and I would give them a permit on a regular piece of paper that I signed and tell them to show it to the police so they can begin building before the procedure is finished. Sometimes, I would do a formal permit but more often then not, I would charge them for the piece of paper. Profits were shared 50-50 between the police and me.[37]

It is however not clear that the relation with the police was always harmonious. There were times when policemen asked for prohibitive fees that exceeded those of a regular building permit (that could be by then anyway impossible to get) so the developers resorted to public agencies in order to reduce policemen fees.

I would do ten permits for a lot that had over 40 houses and then the permit would circulate between houses. It was a measure to cut costs on the bribes to the police station. They were asking for too much! [...] [38]

At one point, while I was an employee of the Tanẓīm [Directorate General of Urbanism], a master plan was drawn and approved for the informal subdivision of a very large lot so that it could fit legal requirements [see Chapter 4]. On the basis of this plan, the DGU gave residents legal building permits. [...] We then made copies of this master plan in reverse, which was possible because engineers used transparent paper. We confused the policemen who didn't know how to read a map properly and were able to reuse the same permits on several lots. The DGU map was very useful to us because, unlike our own subdivision plans that showed the roads we informally recognize on the lots, the DGU plan had no roads. The policemen could not read maps without roads; they were confused ... but they saw the DGU stamp on these maps so they could not revoke them [...]![39]

As these stories attest, the relation to the police station was key in these developers' strategies. It allowed them to perpetuate their practices despite municipal pressures to stop the development of the neighborhood.

These developers also took further Abu Raymond's strategy of penetrating public institutions in order to gain work and authority. In their capacity of public agents, they managed to deviate the public services that formed the basis of their business. These will be described in detail in the next chapter.

Third, the new generation of developers resorted to creating new institutional structures through which they strengthened their social position in the neighborhood hierarchies.

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[37] Interview with Fawzī H, held in his home in Hayy el Sellom in Hayy el Sellom on May 14, 2003.

[38] Interview with Mohamed H., in his office in Hayy el Sellom on April 15, 2003. I had conducted another interview with Mohamed H. on March 30, 2003 in his house. All the following quotes are taken from these two interviews.

[39] Interview with Fawzī H, *op cit.*

The developers organized a neighborhood committee (*lijneh*) that included originally twelve members representing the main family and village groupings of the neighborhood and grouped under its umbrella the sub-neighborhood committees formed earlier among family and village members. This was in 1970-1971. "We had six members from the South and six members from the Biqa' ", explained Mohamed H, one of the committee members and a prominent developer in the neighborhood. Most if not all the men were from large families and tribes. "I represented my family, he added, because I was the head of the family league".[40] The committee, officially in charge of neighborhood services, undertook over the years important service delivery tasks such as garbage collection, the installation of self-help sewer lines in the entire neighborhood (hooked directly to the Ghadīr river and to the main airport line), and other municipal services to the point that residents came to refer to it as our "*municipality*" or "*the Hayy el Sellom popular municipality*". The committee also undertook the construction of the first mosque and the *husseyniyyah* (meeting hall near the mosque in the Shi'ite tradition) and established a Muslim cemetery in the neighborhood. In order to finance its activities, the committee essentially relied on the collection of monthly fees from all residents. However, there were times when the committee also appealed to the municipality for equipment, such as during the installation of sewer networks when the municipality agreed to finance some of this process in kind.[41] At other times (during the years of war), the committee also resorted to less orthodox ways, stealing material if there were no other means. Thus, when the installation of sewer networks in one of the sub neighborhoods coincided with some construction works in the airport nearby, the committee dispatched a few men to steal a number of pipes and install them in the neighborhood. In several instances, when potholes rendered the neighborhood streets unbearable, the committee also organized the hijacking of trucks of asphalt going through the nearby Old Sayda Road in order to use their material in their neighborhood. Here is how one of the committee members remembered the process:

> During the war [1975-1990], our neighborhood committee provided all the services: water, garbage collection, sewers, and even road pavement. We used to send militiamen to stop the state trucks carrying asphalt on the old Sayda road, East of the neighborhood, to deviate their contents to the Hayy and pave our roads. The state did not care, we had to do

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[40] Interview with Mohamed H, *op cit.*

[41] Based on written correspondence between the Municipality and the committee, provided by a member of this committee.

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something about it.[42]

> *We also provide our own water. We dug our own wells. We have at least 450 wells in the neighborhood!*[43]

In 1990, the committee also mobilized for the establishment of the 'Amrussiyeh or Hayy el Sellom municipality, independently of Choueyfat. Like other areas in the southern suburbs where the process of urbanization and rural migration gradually transformed old villages into suburbs and lead to the creation of new municipalities earlier in the 1960s (see Khuri 1975), the committee hoped to create its own municipality:

> *We tried to mobilize with the deputies of Ba'albak to help us create a municipality in Hayy el Sellom. The Choueyfat municipality did not want to provide us with the required services; we built the sewers at our expenses so we might as well have our own municipality. [...] But we have not been able to do it.*[44]

Membership in the committee was prestigious and over the years, all the developers I interviewed claimed to have headed the committee for a while. The committee also got involved in boundary disputes, social affairs, and the protection of property in order to avoid the development of squatters (like elsewhere in the suburbs) and hence a loss of market. Here is how one of them, Hajj Abu Mehdī, remembered it:

> *Towards the beginning of the civil war (1974), the state was very weak and we became the state in the neighborhood... we formed a committee (lijneh) in Hayy el Sellom with representatives from several families [...]. We were like ten deputies of the neighborhood and nothing happened in the neighborhood without consulting us [...]. We even intervened in marital disputes. [...] We also protected the neighborhood from squatting* [this is why Hayy el Sellom did not witness the same squatting we see elsewhere]. *If anyone tried to take land by force, or steal something, we beat them up or we sent then to the police station where we had connections. Our word was very important here. [...] The committee also worked on urban services. If a water pipe leaked, or a sewer line was blocked/ we knew who to ask to fix it.*[45]

The developers also created local offices for the political party Amal. Changing political and military forces on the ground, especially the mounting forces of active militia groups and the weakness of the state pushed the developers to pledge allegiance to the strong Shi'ite political

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[42] Interview with Fawzī H, *op cit.*

[43] Interview with Hassan, a small developer in Hayy el Sellom, on July 30, 1999.

[44] Interview held with Mr. Mohamed H, *op cit.*

[45] Interview held with Hajj Abu Mehdī, *op cit.*

party at the time, Amal.[46] The developers instituted an office for the party in the neighborhood and thus insured access to weapons and services in order to prevent other parties, notably the Palestinian Liberation Organization (PLO), from taking control over the area.[47] Here is how Abu Mehdī narrated it:

> *The Palestinians* [meaning the PLO] *had rented an office and they were providing services [...]. So the men started to talk about creating a counter-force. Members of the H family, like Mohamed, and a few others came by and they asked me what I thought of making a local office for the Amal Movement, or the Musa al Sadr Movement as it was known then. We met for about four months without anything happening, but when men from the Progressive Socialist Party (PSP) (to be known later as the Druze militia) came to the neighborhood and started setting up a health center to extend their influence here, we knew we had to stop them [...]. No, no PSP here [...]. So we moved quickly, we rented two rooms from a woman in Hayy el Nabr for 100LP and we instituted the Amal offices in Hayy el Sellom... After that, we created networks with Amal and they would send us weapons (what they called the Abu el Dakn), and we fought and we won... We protected the Hayy.* [48]

This narrative was repeated by others, such as Abu 'Ali who retained his membership to Amal, but also by members of the H family who recalled how they held a festival for Sayyed Musa al-Sadr, the prominent Shi'ite cleric and founder of Amal. This is how 'Ali Fawzī H (the grandson of Hajj Hamad) described it:

> *It was around 1976. We had a big reception for the Sayyed in my grandfather's house. It was a political rally with everybody from the Hayy joining in. We raised funds for his movement as well as for the construction of a mosque, a gathering space husseyniyyah and land for a cemetery. We pledged allegiance to his movement of social justice.* [49]

Next to protection from police forces or the threat of other militias taking over the neighborhood, this new allegiance provided them with access to special services and subsidies (such as fuel) when they became a rare commodity during the war, or others.

Amal did not remain throughout the civil war, however, an internal movement to the neighborhood, controlled by its developers. Later, when the war raged, Hayy el Sellom's position at the boundaries between Western and Eastern sections of the city gave the area a strategic

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[46] See Chapter 2 for more details about this (and other) political parties in the area.

[47] The 1969 Cairo treaties gave the Palestinian Liberation Organization, as of 1969, de-facto free weapon circulation in the country. See El-Khazen (2000).

[48] Interview held with Hajj Abu Mehdī, *op cit.*

[49] Interview held with 'Ali H at the Choueyfāt Municipality on May 7, 2003.

military role that required members of the national party Amal to come and establish offices in the neighborhood. However, most of the old developers kept good relations with them, especially that the central Amal bureau militiamen did not engage in any land sales activities in the neighborhood. To the contrary, the old developers sought to prevent the spreading of illegal squatting in Hayy el Sellom (as was happening elsewhere in the suburbs[50]), and their allegiance with members of central Amal (who were otherwise encouraging such practices elsewhere in the city) allowed them to retain this control:[51]

> *We worked a little with the members of Amal when they came, as they had subdivided the neighborhood in several subsections and our committee coordinated with them. They did not really provide services or played an important role in the neighborhood. It was more of a "protection" thing.*[52]

The circulation of methods and practices between the political party Amal and the neighborhood committee is clear in several of their common practices, such as the division of the neighborhood in seven main sub-areas that corresponded to the same sub-neighborhoods used by the families (figure 2-14).[53]

During the second phase of growth, the Hayy el Sellom housing market became undeniably more inclusive and more dynamic. It however did not become, in any count, an easy entry market. Even such simple steps like adding a few stories on one's building for renting out (or selling) had to be condoned by the committee, and committee members had to pave the way in these practices before others followed. This was in part due to the nature of the product: the construction business required assets, including capital, networks with public agents, and a large family base that can help in procuring clients and insuring security. Members of the second generation of developers had acquired these assets from their earlier activities and it was building on that history that they were able to base their new practices. Moreover, these developers continued to hold strong forward and backward linkages between each others' practices, strengthening old market ties developed under Abu Raymond in order to procure construction materials, building permits, or labor.

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[50] See chapter 2.

[51] The exact details of this process were very difficult to collect, especially because the second generation of developers liked to boast about "their" control of the area, while former Amal militiamen positioned in the area were difficult to interview, because of a number of reasons (see Chapter 1, Methodology section).

[52] Interview held with Mr. Mohamed H, *op cit.*

[53] These are: Hibberiyyeh, Hayy el Zahra', Hayy el Maktab (Office, in reference to Amal's office), Hayy Kan'ān, Hayy el Zahra', Hayy el Jadīd, and Hayy el Mawqif el Qadīm.

The closed nature of this market was double edged. On the positive side, it perpetuated a system of accountability that goes a long way in explaining why to-date no building fell down in Hayy el Sellom: "Most of the contractors and builders in Hayy el Sellom had worked with me before. They were all residents of Hayy el Sellom. They were attached to the neighborhood and could therefore not make mistakes. If a *mu'allem* (master builder) makes a mistake, you can go and get him from his house", explained Mohamed H. "This is why we never really needed engineers. People knew they had to be accountable", he added. On the down side, this closeness allowed developers to protect each other and they all refused to check on each other's work. Thus, when a number of developers began to dupe their clients, mostly by cheating with measurement,[54] none of the developers was willing to arbitrate and denounce them. Here is how one of the builders, a resident of Hayy el Sellom, explained the process:

> *While Abu Raymond and Hajj Hamad converted a dra' into 9/16 of a meter systematically, the later developers started equating the dra' to 0.48m² or 0.30m², cheating their clients [...]. Only when people compared their lots and saw the inconsistency did they realize they had been cheated [...]. Some tried to appeal to the engineers, but the latter would never come. Even Mohamed H who never cheated and knew how to take accurate measurements refused to help them out. He did not like to lie but he also was tied with the solidarity to other developers so he just avoided coming.[55]*

Nonetheless, the control of the market did not rely solely on prohibitive costs and solidarity networks. In some instances, competition was faced with violent reactions on the side of the developers, now backed by militias. One old resident described how bringing builders from his native village became a source of trouble:

> *When it came to construction, I had a lot of relations in my village so I invited a master builder from my hometown while others on the same lot brought builders from Hayy el Sellom [...]. The builders of Hayy el Sellom, however wanted to impose themselves as the only builders. They had some form of committee of 'antariyyeh [56] and they tried to show off...Abu Ali was very aggressive and took out a gun on us saying that he was the builder and no other. He even arranged that the steel that was brought by the master builder I hired be stolen to stop my building [...].[57]*

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[54] The most common method of defaulting was selling changing the area of the dra', the widely accepted surface measurement in the area. Since titles were in square meter, the official method of measurement, the developer could simply alter the conversion of dra' to meter and dupe his client until the sale was concluded.

[55] Interview held with Sa'īd, old builder and resident of Hayy el Sellom in his house on June 18, 2003.

[56] 'Antariyyeh cannot be easily translated into English. The word refers to 'Antar, the hero of an Arab epic who was known for his courage and strength. Playing 'Antar or 'Antariyyeh are common expressions in colloquial language used to signify that someone claims and projects more physical strength than they actually have.

Also, and throughout this phase, the police station continued to play the same role it did for Abu Raymond, insuring a last safeguard for the protection of these developers' business:

> [...] *When we built in 1976, there was a clear agreement between a number of master builders/ developers and the police. If you wanted to build here, you had to hire the builders from here. They would then take over and build for you. [...] The master builder would just make one permit for a large lot and use it to build for everybody on the lot. He was protected [...]. They also provided payment facilities, they would build and then later cash in monthly installments that sometimes extended over two years. This is what they gave me. [...] Over time, the police prices became unbelievable. It reached US $4,000 during the 1990s construction boom.*[58]

> [...] *Towards the end of the 1980s, my son who was getting married wanted to build an additional floor above our house. He went to one of these developers who charged him a huge sum for 100m². He then went and looked for another building who was willing to build for half the price but as soon as that builder arrived, the police was here and they stopped the construction. One of the policemen explained to us that we could still build but it had to be the local builder [...]. The local builders and the policemen are in it together, they "live" together, we could not afford to pay all this money for the police so we stopped all construction and instead my son rented a house in the neighborhood [...].*[59]

3.D   THE POST CIVIL WAR BOOM

With the end of the Civil War in 1991, Hayy el Sellom entered a third phase of change and development which is captured here by focusing on yet another developer, Mr. 'Abdel Raouf Darwīsh, who personifies a new type of developer who replaced Abu 'Ali and his like as the housing market took a new turn.

3.D.1   'Abdel Raouf Darwīsh and the 'Abbās Complex

One can recognize from the name that Mr. Darwīsh is "an outsider", not from Hayy el Sellom. He is neither a Hajj, nor an Abu -- the two colloquial terms people of Hayy el Sellom use to refer to senior male area residents. Few know for sure where Mr. Darwīsh came from. His name indicates that he is a Shi'ite Muslim; and that evokes some legitimacy but not strong allegiance among Hayy el Sellom's residents. They refer to him simply as "Darwīsh", and mention that he never went to school, implying that he does not descend from a respected

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[57] Interview with Hajj Mustafa, in his house in Jamāliyyeh (near Ba'albak), on April 20, 2003.

[58] Interview held with Hajjeh Zaynab, in her house in Hayy el Sellom on June 12, 1999.

[59] Interview held with Hajjeh Mariam, in her small store in Hayy el Sellom, on June 18, 2003.

family, and, hence, the source of his wealth may be somewhat dubious. They also mentioned that he had been involved in several other businesses, notably importing shoes, and that he was attracted to the lucrative business of housing construction after the civil war, at the time when this sector was booming, even though he had no previous experience in building. In the first years after the civil war, he was involved in two or three construction projects in the vicinity before he initiated his project in Hayy el Sellom.[60]

Mr. Darwīsh is the developer of Madinat al-'Abbās (al-'Abbās City), a huge housing complex of 21 blocks, 535 apartment units, and 220 shops, which was built in Hayy el Sellom in only two years (1994-1996) (figures 2-15(a) and 2-16(a)). The land on which Madinat al-'Abbās is built was the last agricultural plantation left inside Hayy el Sellom. Although privately owned, the plantation used to serve as the only public open space in Hayy el Sellom until the construction of the new housing complex. A large section of this same piece of land had been marked for the construction of a highway that was planned in 1973 and approved in 1983.[61] Madinat al-'Abbās was built as a joint venture between Mr. Darwīsh and the landowner. The landowner was to be paid from the benefits gathered from the apartment sales, earning a profit much higher than she could have made had she simply sold the land.

Mr. Darwīsh had initially obtained a building permit for the housing complex submitting a design that complied with existing rules.[62] This had allowed him to secure cash advances from the bank for the project. There are also rumors that he mostly secured the finances because of his personal connections within the bank owner, via the political party Amal.[63] When it came to construction however, Mr. Darwīsh did not follow the guidelines of his building permit, he built a denser complex than is legally mandated.

Mr. Darwīsh did not work entirely outside the previous developers' networks. He relied for getting a building permit on the services of Fawzī H, the same commissioner who held an office for building permits in Hayy el Sellom for the last 30 years. He also followed many of the

[60] This was common in the Lebanese post-war construction where the lucrative construction business was one of the most attractive sectors for investors in the 1990s. A 1999 study of the Lebanese real estate sector estimated that around 95% of the developers were not professional developers (Aveline 2000).

[61] Chapter 4 describes further the highway.

[62] In fact, the design did not entirely comply with rules, since a section of the complex fell in an area zoned as "industrial". However, the planning agency had somehow "overlooked" this factor (and maybe others).

[63] According to the Bank that provided the financing to the developer, the money was disbursed on the basis of credit forms (known as sanad), that is sales agreements in which the clients of Darwish promised regular monthly payments. It was therefore not an investment loan provided on the basis of a formal bank assessment but rather an "arrangement" on the basis of Darwish's personal relations and his ability to show potential cash flow.

same steps taken by the second generation of developers, going through the same notaries, for example, in order to secure agreements with the landowner and with clients. Mr. Darwīsh also knew that he needed the protection of local political parties to whom he made promises and visible gestures: he named the project Al-'Abbās after a prominent Shi'ite religious figure and included a mosque and a Husseyniyyah (community meeting place) in the complex to appease religious groups. He also donated a number of apartments in the complex to Amal, one of the two locally strong political groups, to earn protection.

Madinat al-'Abbās is such a large housing complex that Mr. Darwīsh had to create an advertisement campaign for the sale of apartments in the local newspaper and on the radio.[64] Like the other developers of this phase, he commissioned the design of a poster showing the future complex with a swimming pool, large playgrounds, a jewelry market, a school, and other attractive facilities to prospective clients. He also opened a local office where his agents received payments from buyers and dealt with his clients who rarely met him in person. Mr. Darwīsh was under financial pressure to sell the apartments in order to provide the bank with proofs about the viability of his project in the form of advance payments from prospective buyers. As construction proceeded, Mr. Darwīsh sold in advance all apartments. At the time, the post-war policies of the Ministry of Displaced were paying indemnities throughout the city in order to evict squatters and leave way to so-called reconstruction projects and flows of families were arriving to the neighborhood, looking for housing to buy.[65] Like other developers in the neighborhood, Mr. Darwīsh knew he could not let go of this opportunity and within six months, he applied for a permit to build an additional floor on all buildings in the complex that he sold to these prospective buyers as well. The rate of sales was much faster than earlier housing sales, say under Abu Raymond, the first developer, who had sold as many plots in nearly 15 years as Mr. Darwīsh sold in two.

The turning point in this episode was in 1997 when buyers began to fail to pay their installments on time. After investing their personal savings, or payments they had received from the Ministry of Displaced towards down payments, many families ran out of money, as the economic boom of the post-war years turned into a bust. Noticing that defaults in payments were increasing, Mr. Darwīsh began to sell the same apartment to more than one buyer,

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[64] A survey of over 100 large-scale complexes in the suburbs of Beirut in 1997 indicated that Madinat al-'Abbās was one of the largest among them (Katkhouda 1997).

[65] This is notably the case for the families evicted from Beirut old city core who now constitute 30% of the residents

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planning to transfer the apartment to whoever paid the full amount first, and retain part of the advance payments made by the other buyers as a penalty for the delay.[66] However, even this arrangement did not generate the cash flow Mr. Darwīsh had hoped for. As a result of large-scale default by prospective buyers, Mr. Darwīsh himself defaulted on his bank loan and was imprisoned for a few months.

Today, Mr. Darwīsh is in an extremely difficult situation: some of his clients have filed complaints against him at the "National Office of Complaints" at the Presidential Palace opened in the late 1990s to offer citizens recourse in times of trouble because they were dissatisfied with the quality of the apartments they had purchased or because he had allocated the apartment he had sold them to other buyers. These apartments had developed serious plumbing problems soon after construction had ended; and deep cracks had begun to appear on walls infuriating the buyers who had paid very high prices for these apartments. These prices perhaps offer the best indication of the problems of the 'Abbās Complex: while a 3 bedroom sold for US 27,000$ at the time of the construction of the project and was not much cheaper than any other apartment of the same size in the far suburbs of Beirut, today the same apartment has lost half its value and sells at US 15,000$. Despite these price drops, many buyers sold back their apartments when they could afford to leave the complex.

Mr. Darwīsh was not able to undertake the promised legal subdivision of the complex that would entitle his clients to individual property titles in full shares. The multiple illegalities he committed during the construction process implied prohibitive regularization costs and prevented him from carrying through this legal procedure. Thus, the residents of Madinat al-'Abbās now own their houses in property shares, the same way clients of earlier generations of developers own their lots. In fact, Mr. Darwīsh has still not registered the legal transfer of these shares, which renders his clients' ownership status precarious. Finally, the Bank which had financed Mr. Darwīsh has taken hold of his properties because he failed to pay back his dues and is now in charge of the building complex.[67] The Bank has been looking into a method of legalizing the Madinat al-'Abbās housing complex and transferring property for a few years now.

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of the complex according to the records of the developer's assistant.

[66] In fact, the developer had drafted extremely strict contracts with his clients that allowed him to keep most of the money and evict them upon default. He however quickly realized that it was impossible to implement such legal clauses (Chapter 5).

[67] Next to the Madinat al-'Abbās complex, the Bank also seized the Zahra' project nearby (in Kfarshīma) that Mr. Darwish was building at the time.

Today, Mr. Darwīsh is ill. He refused to talk about the 'Abbās project or his construction business. "I am a sick man", he said, in the sole phone conversation I had with him.[68] "This business has made me ill and I don't want to work in this sector anymore". The developer is broke and looking for a financial exit.

As for the residents who have purchased houses in Madinat al-'Abbās, they all seem to regret the purchase. Those who could afford to, have rented out their apartments or sold them at loss. Others bitterly complained that they had lost their lifetime savings. The transfer of ownership of Madinat al-'Abbās to a private bank has not altered the feelings about this project among the (long and short time) residents of Hayy el Sellom. Long-time residents dislike Madinat al-'Abbās because it contributed, in their view, to increasing the housing density in the neighborhood and therefore intensifying its environmental problems. They mourn the loss of "public" open space where children used to play and adults could relax. The residents of Madinat al-'Abbās also view the project with disapproval. Many wished the highway planned to go right in front of the complex would be executed so it could wipe out some of the houses in front of them and create "more space to breathe". Some explained, it was part of the advertisement points they were promised when they bought their apartment, suggesting that the passage of the highway in front of their houses was perceived as a positive element of the project. Others even wished the highway to be deviated to go right through the complex so they could be paid indemnities to go elsewhere. They complained that due to the increasing heights of buildings overshadowing the area, very little direct sunlight reached lower levels and the narrow streets which provide the setting for much of the public activities in the community. The residents complained that lack of sunlight and increased air pollution from additional traffic were causing respiratory problems among children.

3.D.2 Strategies of the Third Generation of Developers

Mr. Darwīsh is one of several developers who built large-scale housing complexes in the post-war era, such as Mr. Barakāt who built 325 housing units at the border of the neighborhood, Mr. Khanāfer who built 150 housing units in the Jawād complex, or again Mr.

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[68] I also met Mr. Darwīsh several times in Hayy el Sellom, around the housing complex, when he was coming to collect parking fees from the guardian in front of the building. He was always very polite, but systematically refused to talk to me about the complex or his own trajectory, explaining that his poor health prevented him from thinking about these issues! He finally agreed to give me his phone number to set up an apartment in May 2003, but then refused again to give me an appointment.

Shahrour who built the Shahrour complex with around 100 apartments (see figure).[69]

Like their predecessors, none of these developers is a professional developer with experience in the construction or housing delivery sector. Rather, they were all versatile businessmen who had often accumulated some money abroad (either in the Gulf or in Africa, common Shi'ite immigration destinations) and who, in the post-war real estate boom, gathered their savings and invested in the then lucrative housing construction market.[70] However, unlike the earlier two generations, this last generation of developers is generally better off than the families to whom they sell houses; they never resided in the neighborhood and were not accountable to its social structures. In fact, these developers refrained from visiting the neighborhood once their projects were finished to avoid facing their clients' dissatisfaction and anger. By then, most of them became known to the residents of Hayy el Sellom as untrustworthy, whether they purchased housing from them or not. Their social trajectories therefore reverse those of the two preceding generation of developers: they had begun their careers impressing everyone in the neighborhood with a display of financial capital and status. A few years later, they had however fallen from favor and were widely referred to as *nassābīn*, *dajjālīn*, or a dozen other colloquial terms used to designate crooks.

Looking closely at the institutional strategies of the third generation of developers, it is possible to see similarities with the strategies of earlier generations. Indeed, like their predecessors, these developers relied simultaneously on social and public institutions. However, these developers had to face a more complex reality of post-war Lebanon, especially prohibitive costs of land and the domineering role of political parties in the southern suburbs of Beirut. These factors forced them to create new alliances and partnerships, especially with political parties and banks, in order to sustain their operations. Here are the details.

First, the third generation of developers appealed to state agencies and public actors in order to build the necessary credibility and gain the trust of clients and bankers. As outsiders to

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[69] Among these developers are The Five Wings, a group of developers with an (un-admitted and informal) affiliation to Hizb'Allah. These developers have built several housing complexes in the suburbs of Beirut, two of them in the close vicinity of Hayy el Sellom. However, I do not include them in this analysis because their strategies and modes of operations do not respond to the same patterns of other developers, notably because they do not respond to market forces the way other developers have to, and because their position vis-à-vis other political parties are also played out very differently. For more on The Five Wings, see (Bundiers 2002).

[70] The Lebanese housing sector is dominated by non-professional, small-scale developers who include housing to a wider investment portfolio. This is especially the case during the real estate boom of the 1990s that encouraged investment in the construction sector. But real estate has traditionally attracted important investments in the sector either from expatriates' funds that find no other channels to place the money or other —sometimes shady- sources of funding. It is generally believed that only 5% of construction is undertaken by specialized actors (Aveline 2000).
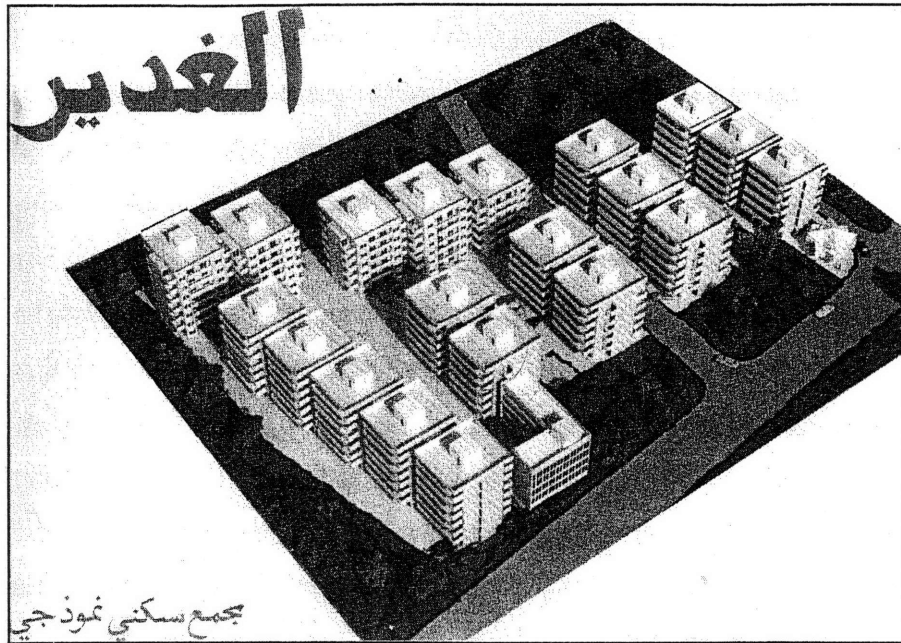
Figure 3-10 (a): Cover for the pamphlet of Al Ghadīr Housing Complex.
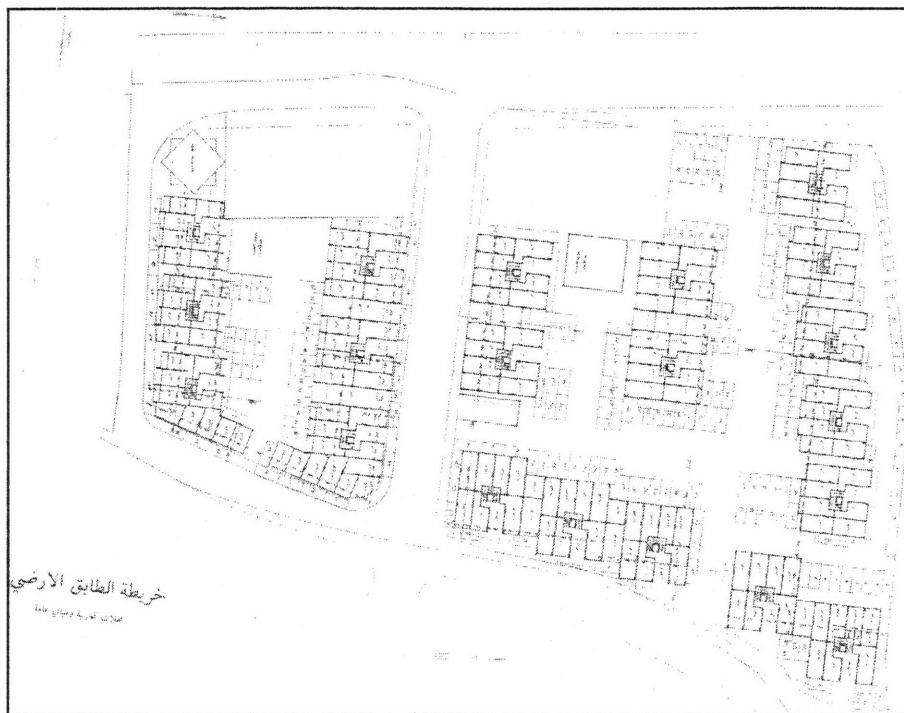
Figure 3-10 (b): Cover for the pamphlet of Al Ghadīr Housing Complex.

Figures 3-10: Typical advertisement for large scale housing complexes. On the top figure (a), the cover announces that the complex is "exemplary" or *namouthajī*. The plan (b) shows locations for several playgrounds, a mosque, and a school.

this community (like Abu Raymond), they needed to accumulate the necessary state accreditations, such as building permits, in order to establish a positive image.[71] They also all involved several engineers on their construction sites, as mandated by the law, and often appealed to lawyers and notaries in drafting "sales contracts" and certifying sales, multiplying thereby (like their predecessors) emblems of legality and professionalism.[72] These procedures generated the necessary securities for prospective clients and debtors who were then willing to invest in the project. Of the 50 households I interviewed in large complexes, almost all (49) respondents explained that they trusted the developer because he was "legal" and had shown them a building permit and a formal property title when they were about to purchase their apartment.[73]

Second, and unlike the earlier two generations, these developers tapped on private market institutions, especially banks and advertisement channels, in order to sustain their businesses. All surveyed developers of this third generation were granted financial facilities from banks in order to fund their projects. Furthermore, all these developers relied on advertisement campaigns, such as announcements broadcasted on television and radio and printed in magazines, in order to attract clients.[74] They also all hired the services of private architects (or draftsmen) in order to develop three-dimensional images of their future complexes and illustrate to their potential clients the advantages of the projects they were building. These were normal procedures in the competitive housing market of the 1990s, where developers produced elaborate pamphlets and billboards describing their projects as "exemplar[75]" and promising amenities and services known to be of prime importance to families (normally these included a school, a mosque, and a playground and were all almost certainly not to be implemented). For example, the earliest of these large complexes, the Ghadīr Complex that was built just outside Hayy el Sellom in 1983 (and therefore a very early precursor of this mode of housing) developed a full-fledge catalog picturing greenery, a number of playgrounds, a wide parking lot, but also a

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[71] Unlike earlier generations, these developers did not develop informal subdivision plans because they were building large complexes. In this case, building permits replaced subdivision plans.

[72] While most clients considered these "legal" and "state accredited" contracts as important proofs of ownership, Chapter 5 shows that they in fact disadvantaged considerably the clients and save for the few emblems of legality, provided them with little securities vis-à-vis developers' defaults.

[73] See Chapter 5 for more on household choices.

[74] This is not to say that informal channels of information, such as family relations, local grocery stores where postings were made, relatives who worked in these complexes and similar instances did not play a role. The first section of Chapter 5 traces the patterns of information circulation.

school, a medical facility, a multi-purpose hall, a supermarket, and a mosque (figure 3-10). However, 20 years later, elevators have not been installed, let alone other facilities. Similarly, the pamphlet of the Jawād Complex promised its future residents a large playground, parking facilities, and a wide space in front of the building, none of which materialized, and the pamphlets of the 'Abbās Complex promised a mosque, a swimming pool, a large playground, parking facilities, a school, and a jewelry arcade, but only provided the mosque. Nonetheless, these pamphlets had important impacts on attracting clients who heard or saw their advertisement messages (see Chapter 5).

Third, like their predecessors, the last generation of developers relied essentially on social relations in order to get through public procedures or access bank loans, because both formal market structures and public agencies were otherwise inaccessible to them. Mr. Darwīsh obtained financial facilities from a bank whose owner shared his trajectory (Shi'ite social and economic networks in Africa) and his political allegiance to Amal, and it is through this social network that he was granted money advances, and not a formal bank loan for which his project would not have qualified.[76] These developers also tried to revitalize old social networks that tied them remotely to Hayy el Sellom. Thus, a number of residents mentioned that Mr. Darwīsh had held a vegetables stand in the old Mawqif area, at the border of the neighborhood, prior to his departure to Africa, and that he had then met and known the H family. Hence, Mr. Darwīsh obtained his building permit with the help of Fawzī H who followed through the paper procedures, making sure some of the irregularities were overlooked. Similarly, two of Mr. Barakāt's clients indicated that he had a Money Exchange store in the vicinity if the neighborhood before he built his complex. When difficulties began to emerge in their projects, these developers appealed to their old social relations within the neighborhood in order to solve their problems. Fawzī H. intervened numerous times to solve problems between Mr. Darwīsh and his defaulting clients, seeking to arbitrate between them, and the two men even held a short-lived business partnership.[77] As for relations between developers and clients, they also often

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[75] Projects are described in Arabic as *Namouthajī*.

[76] This is especially because the Lebanese Central Bank has imposed severe restrictions on private bank loans for real estate developments (Aveline 2000).

[77] Mr. H managed to provide Mr. Darwīsh with a permit for a temporary vegetable market on the lot set-back in front of his building, delivered by the municipality. However, the two men later disagreed on the distribution of stalls (especially because Mr. Darwīsh was renting them out to the highest bidder, often Syrian migrant workers who wanted to open small stores, while Mr. H thought it improper not to favor the old residents of Hayy el Sellom). After several arguments between the two men, Mr. H complained to the municipality about the vegetable market

retreated to social networks after the initial "formal" contracts were signed. Thus, even if stringent legal measures (prepared by lawyers and accredited by notaries) were setting the client-developer relation in their early days, these relations often retreated to personal confidence later, and both parties refrained from going through the legal channels again (Chapter 5).

Fourth, developers had to rely on and deal with local political parties in the neighborhood. This was a direct impact of macro-political changes on the strategies of the developers. We have seen in Chapter 2 that the integration in post-war Beirut of Hayy el Sellom in the southern suburbs of Beirut, or Dāhiyah,[78] imposed the power of three political parties (Amal, Hizb'Allah, and the Syrian Forces) in the area. These new developers had to account for these parties and insure their so-called "protection", by allocating them a number of apartments and/or by providing their partisans lower rates and better payment facilities. For example, the Amal party has its new offices in the 'Abbās Complex as well as other apartments where the party conducts its political activities. Furthermore, Mr. Darwīsh has sold some apartments at much lower rates to other "backed" members of these three political factions (including the Syrian secret services). It is also said that he has had to refrain from requesting payments from a number of families who have not covered their apartment costs because of political pressures. Others, like Mr. Barakāt, are said to have given six apartments to each of the two local ruling parties, Amal and Hizb'Allah. In exchange, strongmen in political parties have insured that public authorities did not inspect construction compliance with legal papers, allowing a leeway for developers not to abide by their building permits and build denser and higher structures than is legally possible. Here is how a municipal officer described the situation:

> *It is indeed possible that many buildings do not comply with the permits they obtained. At the time the 'Abbās Complex was built [mid 1990s], for example, we were unable to send our police forces for inspections. There was an exceptional situation and the political parties were ruling the area. [...] Political forces (the so-called security forces) protect certain people or permits. We get signals that we should not come close to this or that building and we comply by these forces because we don't have the choice. We can't let our policemen get humiliated in front of everybody, it has happened [...]. Afterwards, they build what they want [...]. But the developers also deal with powerful pressures from political parties. Darwīsh had to deal with many calls and orders not to collect money from one or another client, he had to reduce prices for special people, [...].*[79]

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that was duly closed, as attested by correspondences available in the Municipality, in the lot record.

[78] See Chapter 2

[79] Interviews held with Hassan, municipal employee on July 1, 2003.

In all these cases, it is not clear how much these developers benefited from the presence of political parties or how much choice they had in taking up their protection; it is rather a de-facto imposition of the "existing power" with which they have had to make do.

Given all these financial and political pressures, it is not surprising that the last generation of developers has had to come up with new ways of cutting-down on costs. One strategy was to reduce construction quality, incurring however further costs and problems on their potential buyers. For example, all thirty households I interviewed in the 'Abbās Complex complained that they (and all their neighbors) had had severe plumbing problems. The marks of these problems are visible on the buildings where cracks, rusting, outdoor piping, and marks of water leaks are visible on the walls of

Figure 3-11: The Barakāt Complex in the news, "a sea of sewer".

Source: An-Nahar, feb 23, 2000.

relatively new buildings. These problems do not go without threatening the security of residents. For example, the doorman of one of the 'Abbās Complex buildings lost his life in an electricity accident while he was switching a breaker in which water had leaked. In other cases, poor construction quality lead to serious threats on building structures, such as in the Barakāt Complex where sewers flooded the basements of the buildings for months, threatening the building foundations and forcing the municipality to intervene and pump the water out (Figure 3-11).[80] Furthermore, old construction workers in Hayy el Sellom have denounced the poor quality of the new constructions, claiming that insufficient steel reinforcements were used, buildings were improperly braced, and developers increased the ratio of sand in the construction. These stories are fuelled by other horror stories outside the neighborhood where two similar large housing complexes have crumbled on their residents in the suburbs of Beirut, killing many of their residents.[81] As for developers, they all refused to discuss this matter, while their assistants explained that residents knew what they were getting for such *cheap* housing.

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[80] Note that the municipality intervened after large mobilization of the population with the support of the political parties and religious figures in the area and only agreed to pump the water out when residents advanced half the costs of the procedure (An-Nahar newspaper, February 23, 2000 p.14 and interview with Mr. 'Ali H. at the Municipality of Choueyfāt on May 7, 2003).

[81] See for example *An-Nahar* daily, Nov 13, 2000.

"Compared to the price of the apartments", Mr. Darwīsh's representative explained, "the problems residents are facing are fine". He then added: "Construction was done by several subcontractors, and Mr. Darwīsh could not follow on them all. Besides, contractors are trying to save money so they use cheap material. The subcontractors used poor quality piping which is causing the problem but the steel and concrete in this building are sufficient [...]".[82]

If we account for all these factors, the image that emerges from the investigation of these developers is slightly different from the dominant one in Hayy el Sellom. I did not find that they were crooks or that they premeditated their final flops. Instead, they were clearly trapped in an unfortunate set of procedures that doomed their projects (and careers) to failure. They all first relied on public institutions when they initiated their projects, but later defaulted, pushing their clients in the same direction, and found they had been trapped in a legal loophole. Furthermore, all those I interviewed did not have the financial leeway to afford their clients' payment defaults, they invested all they had in the building and borrowed money to finish construction. When their clients defaulted on their payments, they immediately ran out of cash. Based on my interviews, it was clear for all the actors involved (residents, public sector) that the developers did not realize, at the time they initiated these projects, that things would get out of hand. Multiple sales and unfulfilled promises came as the logical outcome of a chain reaction of events that went out of hand, once clients defaulted, illegalities increased, and costs exceeded forecasts. Here is how a clerk of the DGU described the situation:

> *The developer builds without conforming to the building permit, thinking that with all the regularization decrees that have passed he should be able to regularize his project eventually and make more profit now. He adds floors and blocks and so, once the project is finished, he cannot provide the residence permit that attests his compliance to legal codes [...] then he cannot subdivide the lot and provide people with the ownership title... so the residents don't want to pay him anymore and things are stalled: each party tells the other, give me the paper/ the money and I will give you what you want. And the regularization procedures turn out to be way more costly then he had planned for [...] Darwīsh , Barakāt, all of them![83]*

Another developer of the earlier generation also defended the new developers:

> *[...] Darwīsh is not a real thief! What happened is the outcome of his lack of professionalism. I have seen how things went out, he used to forget, make mistakes, him, the engineers, and the representatives he had on site. They were so eager to sell that they each showed people the same apartment and then sometimes, they would sell the same apartment*

[82] Interview held with Mr. Darwīsh's assistant on July 7, 2002, in his office.
[83] Interview with M.C. on May 2, 2003.

to several people! [...] But look at Darwish now, he is desperate to return the money. He has transferred the rest of the lot in a public parking and he is gradually using the money from the collected fees to return the loans he has accumulated. [...] No, multiple sales never happen purposely. Neither with him not with the others... [84]

Furthermore, all these developers did not have the sufficient financial or social capital to cover for their defaulting clients. Hence, they quickly ran out of cash and found themselves in jail, since banks were ready to enforce legal procedures when they defaulted on their payments. All the developers I was able to identify in this last generation have been to jail at least once on loan default or similar charges.

Finally, while residents blamed these developers for poor construction quality and unfulfilled promises, it is also clear that residents often defaulted themselves on their own contracts, made late payments or small additions to their apartments. This is the case, for example, in the Shahrour Complex where residents used the elevator hole to enlarge their kitchens but then refrained from paying their installments, claiming that the developer defaulted on his promises and did not install the building's elevator. Similarly, in the 'Abbās Complex, residents modified their apartments (e.g. closing off balconies) and increased the number of building code violations while complaining that the developer did not regularize their housing conditions. The strategies of these residents will be further investigated in the fifth chapter of the thesis.

3.E   DISCUSSION AND ANALYSIS: THREE GENERATIONS OF DEVELOPERS

Following the line of investigation set out in the introduction (Chapter 1), this chapter looked at three generations of land and housing developers in the Hayy el Sellom land and housing market during its fifty years of growth. Through this description and analysis, the chapter presented insights about the (social and economic) trajectories of the actors who were able to penetrate and activate this housing market in every phase, the modes of operation and institutional strategies of these developers, and how these strategies evolved over time. The chapter also attempted to connect these changes to the kinds of regulatory arrangements that were put in place during every phase. Specifically, three points contribute to the main thesis of this dissertation.

First, informal developers were able to participate in the process of urban spatial production by an intricate strategy of institution tapping and building in which they invoked

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[84] Interview with Fawzī H, *op cit.*

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institutions transposed from rural areas (e.g. tribal amicable agreement), penetrated existing social (e.g. family, village), public (e.g. planning agencies, municipality), private (e.g. banks, broadcasting agencies), and political (e.g. voting) institutions in the city, and built new institutions (e.g. political parties, neighborhood committees) that consolidated their businesses and maintained their practices.

In this process of institution building and tapping, social networks occupied central stage, connecting each actor to a thick web of others. Thus, social networks played simultaneously two roles for the working of these markets. On the one hand, they provided much of the necessary circulation of information and connections required by developers as a basis for their businesses. On the other hand, they allowed the three generations of developers to reposition (or position in the case of the last generation) themselves in the social hierarchies of the neighborhood, as recipient of an important "social capital", and as a result, they enabled them to play an important role in the operations of its land and housing market. Social networks per se and what they procure in terms of relations are thus only one part of the story. They need to be complemented with a thorough understanding of how the accumulation of such social networks in "social capital" (in economic and symbolic form) can alter an actor's social positioning and facilitate his practices (Bourdieu 1986, 1994).

Through this description, it is clear that not everyone could be a developer, as proponents of free-market theories would want us to believe. To the contrary, the position of every developer in the existing social hierarchies and his ability to consolidate this position were key in enabling him to participate in the production and organization of the housing market, given what constituted important entry points at particular historical moments. This is the main explanation why the first developer had to share geographic and social networks with landowners who held the strong position in selling and buying land prior to the war. When the civil war broke out, and these landowners worried about squatting, it was no more necessary to know them closely to work with them: they were eager to sell their properties. Conversely, solid networks with communities of potential clients became a necessary connection to enable a developer to take charge of the market, in order to compensate for higher insecurities and the absence of public agencies. Similarly, the last generation of developers had to be outsiders to the neighborhood, since high land prices in the post-war era made it necessary to have social networks within the banking sector in order to operate a land or housing sales business, given prohibitive land costs at the time.

Furthermore, the activities of these developers indicated that they did not simply react to the web of relational structures and established social practices. As active agents, they transformed these structures while working within them, constantly seeking opportunities for profit making while responding to the housing needs of new comers to the area. The constant efforts that each developer had to put in building and maintaining social networks with public and private agencies and actors created a continuous process of institution building that extended throughout the fifty years of the neighborhood and determined penetration and exclusion from the market. For example, the second generation of developers sustained its practices by rallying political parties and forming a neighborhood committee (and several subcommittees) that changed the social structures within the neighborhood. Other structures, however, remain immutable. This is clearly one explanation for why none of the developers in all three generations was a woman, and that none of them belonged to small families or to families that were poorly represented in the area.

In sum, the actors-institutions relationship that emerges from this analysis is a reciprocal or dialectic relation in which one's ability to intervene on the housing market is highly dependent on the ability to tap on existing institutions that can sustain exchanges, while the institutional map that is built over time is influenced by actors' own processes of institution building.

Second, all developers, and irrespective of the level of legality or illegality in their practices, always relied on a mix of formal and informal institutions and regulations in order to organize their operations. The chapter showed that it is virtually impossible to dissociate the strategies that appeal to formal institutions from those that appeal to informal ones. Indeed, at all phases of the development of the neighborhood and irrespective of their position in social structures, of market conditions, or of the political environment at the time they worked, all developers in Hayy el Sellom have relied on an array of formal and informal rules and institutions that interacted together and informed each other considerably over time. In the logic of these strategies, developers have appealed to public (formal) agencies in order to gain credibility, increase transaction security, and prevent competition. Developers have also relied on a web of social institutions (especially social networks) in order to inform clients, secure transactions, and gain the ability to tap on public agencies.

To develop this point further, I will describe the example of one often-mentioned informal institution (in the planning literature) that appeared as indeed useful for developers in

Hayy el Sellom: "reputation". [85] A "good reputation", or the "general opinion of the trustworthiness" of a developer (Klein 1997: 195), new institutional economists and anthropologists tell us, is a central institution in the organization of a market, especially in the absence of public securities. My findings confirm the role of "reputation" and indicate that developers were well aware of its importance. For example, Abu Raymond invested time and effort in accumulating social networks in order to build the image of a "respectable" man, and many of the second generation of developers emulated this practice. However, Abu Raymond and other developers' "good reputation" was build gradually and depended on a wide pattern of social and political factors that did not necessarily result from market activities, nor were solely invested back for market profits, as new institutional theorists suggest. To the contrary, Abu Raymond's social standing, for example, was more important to him than the business itself, as attested by his generosity towards clients. Furthermore, reliance on "reputation" was clearly not sufficient for these developers to manage their business and all of them complemented heavily "positive reputation" and "trust" by relying on public agencies or contractual agreement in order to protect their transactions. Hence, Abu Raymond placed marks in public registries and Mr. Darwīsh had his clients sign contracts in front of a notary. Their ability to do so was also part of their efforts to create and strengthen a web of social networks with public agents, including elected representatives, clerks in planning agencies, and police forces.

Third, the macro political environment (notably in the stability of the public sector, its ability to impose its rule, and its attitude vis-à-vis informal settlements) and the citywide housing market (prices of land, availability of affordable housing, level of integration of the settlement in the city wide housing market, war) have dictated the effectiveness of these developers' strategies. Thus, rising land prices or displaced urban populations in the post-war era directly impacted the Hayy el Sellom developers by increasing demand for multiple forms of housing, creating further competition in housing provision at the scale of the city, and hence directly excluding the small

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[85] The origins of the use of "reputation" in economic transactions should be traced to Adam Smith who argued that the pursuit of economic self-interest (guided by the price system) will encourage people to adopt "good morals" that would foster their business, such as punctuality or commitment to one's word. (Shearmur and Klein 1997: 29). Reputation was also analyzed by Polanyi who saw in this and other informal mechanisms of market regulations (trust, reciprocity) proof of the social embededness of markets and in the erosions of such mechanisms, proof of important social transformations triggered by the industrial revolution (Polanyi 1944).

With the 1990s debates in legal pluralism and institutional economics, debates on "reputation" have become very common. For example, among legal pluralists, Merry (1997) has argues that "reputation" is the outcome of cognitive maps created by gossip in small-scale societies. Among New institutional sociologists, Granovetter has shown market transactions are embedded in social relations (Granovetter 1985).

scale developers of earlier generations from the production of urban spaces. Similarly, the distribution of land ownership that was concentrated among members of one religious group limited the development of the neighborhood to actors who possessed trust in this relatively closed circle of landowners.

Before concluding this chapter, it is important to show how this representation of developers contrasts with the many other descriptions in the current planning literature. As I stated in this chapter's introduction, most descriptions of informal developers have described under-socialized, self-interested, and profit motivated actors whose main concern is to choose whether to sell or purchase legal versus illegal housing, based on cost-benefit analysis (Berner 2001a&b, De Soto 2000). These representations, I have shown in this chapter, suffer from many limitations.

First, these descriptions cannot explain how informal developers are able to penetrate the housing market and impose themselves as actors in a highly protected practice where access to land is never easily obtained. This chapter has shown that one (important) explanation could be provided by an investigation of these actors' institutional strategies and the dialectic relations that exists between actors and their institutional environments.

Second, by limiting themselves to economic profit-maximizing assumptions and explanations, such as choosing between formality and informality on the basis of cost reduction (Berner 2001a&b), these analyses fail to account for a proper understanding of the social and political context in which economic choices are rooted (Bourdieu 2000). To the contrary, this chapter showed that developers' strategies always reflected the types of opportunities accessible to them, given their place and experiences in the city and the neighborhood. One can only recall how the second generation of developers was trained in particular ways of city-making that were developed by Abu Raymond and his partners earlier (landowner, topographers, and others). In these practices, the issue of legality was not always a decisive factor; it was rather the knowledge and experiences of friends and other members of their social networks that mattered. In fact, these practices were designed before the urban regulations that made them illegal were issued, and they can hardly be explained as the outcome of profit-maximizing actors choosing between two realms (the illegal and the illegal) in order to maximize profits.

Furthermore, the first two generations of developers whose activities were tied to their prominent social positions seemed to value this social standing more than any financial gain they could gather, and they often defied the profit maximizing logic in order to enhance their social

image. These developers often showed compassion and understanding vis-à-vis residents who were late in their payments, lowered prices for widows and families in need, and at many occasions displayed an attitude of social solidarity despite the costs they could incur individually. Such "deviations" can be in part explained by the special kind of good they were trading: access to land is a major source of pride and social standing in a society that despite its urbanization, remained tightly attached to its rural practices.

Third, by positing an artificial choice between formal and informal spheres, these descriptions perpetuate a legal dualistic understanding of the city that separates inaccurately 'legal' and 'illegal' spheres and fails to account for the multiple linkages that exist between the two (Sanyal 1988, Benton 1994, Fernandes and Varley 1998, Varley 2002). The descriptions of the Hayy el Sellom developers provide yet one more example of the inadequacy of separating between formal and informal markets. They showed that these developers tapped on public institutions the same way they tapped on informal ones, and that the tight web of social networks that connected them to public agents made the latter direct participants of these practices, and not a separate body seeking to regulate it. A closer review of these public agencies' activities shows how they directly and indirectly, sometimes unwittingly, participated in the creation of illegality in Hayy el Sellom. The next chapter addresses this question.

Chapter 4

The Informal Public Sector

4.A INTRODUCTION

In reviewing the strategies of the three generations of developers, the previous chapter unraveled a thick web of relations that connected these developers to actors within the state, such as notaries, clerks in planning agencies, and policemen. It also pointed to the involvement of state accredited actors, such as topographers and engineers in the production of illegality. These findings echo research in other parts of the Third World which documented, for example, the participation of public agents in the *junta*, the informal institution entrusted with conflict resolution in informal settlements in Caracas (Perdomo and Nikken 1980), the role of government actors in providing protection for and reaping benefits from developers in the supply of land in Karachi (Nientied et al 1990), or "porous bureaucracies" in India whose members are tightly involved in the organization of informal industrial clusters (Benjamin 1996). Others have also looked at the covert and overt involvement of public actors and elite members

in the production of informal settlements, in order to widen their political basis or facilitate the implementation of projects elsewhere in the city (Collier 1976).

These studies are important because they depart from most investigations of the role of the state in informal settlements that either confine it to exclusion (Rolnik 1996, Yonder 1998) or to after the fact management (Durand-Lasserve and Clerc 1996). They show that in some cases, the "state", through some of its actors or agencies, actively collaborates in the production of illegal settlements. In doing so, these studies provide a necessary departure from the widely adopted dualistic formal/informal framework that portrays the state and so-called informal actors as two opposite groups, the former producing laws or formal regulations and the latter developing norms or informal regulations which defy them.

However, there is a need to learn more about the mechanisms through which public agents as private actors participate in the production of illegality and the conditions under which they are enabled to do so. We also need to widen the scope of investigation in order to inscribe the practices of these agents within the realm of public planning regulations and include in this analysis other urban regulations and public procedures that legislate the production of urban spaces. There is finally a need to investigate how these practices change over time and how they impact housing production and/or acquisition in the city. Given the leadership of public agencies in all planning interventions, knowledge about the modalities of public involvement in informal settlements and their impacts on processes of housing production are pre-requisites for a better understanding of the ways in which cities work and the formulation of sound planning policies.

This chapter investigates the involvement of several public agencies (local and central planning agencies) and public actors (as private agents) through two channels: (i) the production of urban regulations that legislated Hayy el Sellom's development and (ii) the involvement of public actors in its production. The chapter is divided in three sections. The next section presents a brief methodological note on studying "the state" followed by a presentation of the main arguments. Section 4.B looks at the practice of public regulations, contrasting adopted legal texts and exemptions issued simultaneously. Section 4.C looks at the trajectories of a number of public actors who were involved in the operations of the land and housing market in Hayy el Sellom. The chapter concludes on the necessity to re-conceptualize the role of the state in informal settlements, to re-examine the effects of different modes of public involvement on the

production of low-income housing, and to learn from the accumulated experiences of public agents involved in informal settlements.

4.A.1   A Methodology for Studying the Role of the State in Hayy el Sellom

In contrast to the conceptualization of the "state" as a monolithic body defending a coherent set of laws, a recent publication looking at states and illegal practices argued that the state is a cluster of institutions of political and executive modes of control that are not necessarily coordinated together (Heyman 1999). These authors proposed an analysis based on observing what they called the "empirical state" (as opposed to the "ideal state") (Heyman and Smart 1999) and the "messy processes" in which governance occurs in order to account for the internal complexities, the multiplicity of agents, as well as the complicated procedures of enacting the law across posts, bureaucracies, justice systems, and regional groups (Smart 1999). They suggested viewing states "from below", "from within", and "from above" (Heyman and Smart 1999: 15).

These arguments echoed earlier methodological notes on studying the state. For instance, in 1977 Philip Abrams noted that research was often hampered by the difficulty of conceptualizing the "state" as an actor. In a seminal article in which he described the difficulty of studying the state, Abrams argued that: "It [the state] is itself the mask which prevents our seeing political practice as it is. [...] There is a state-system [...]; a palpable nexus of practice and institutional structure centered in government and more or less extensive, unified, and dominant in any given society. [...] There *is* too, a state-idea, projected, purveyed and variously believed in different societies at different times" (Abrams 1988: 82). Rather than undertaking the impossible task of studying the state, Abrams suggested that researchers should either investigate the modes, effects, and variations of the state-idea or the sources, structures, and variations of the state-system.

Taking the "state system" as their object of analysis, Heyman and Smart (1999) managed to provide innovative accounts of illegal practices and showed how these practices were intricately tied to the state. Rather than isolating illegal practices as deviant and separate from everyday life, the authors introduced a number of ethnographies that looked at a variety of illegal practices (e.g. bribes, drug trafficking, illegal fisheries, illegal migration, etc.) that were embedded in "pieces of the state" in higher and lower income countries (Heyman and Smart 1999). They also described how illegality moves between actors in unequal positions within the state

(Heyman 1999). In the final analysis, their description of public actors' involvement in illegal practices questioned the separation of legal and illegal realms, but also of state and society, in line with other recent studies of informality (Nugent 1999, Varley 2002).

Following this approach, I have documented the processes that make up "state" involvement in Hayy el Sellom. I first mapped a number of urban regulations initiated by public sector actors and agencies and compared them to the formally sanctioned regulations issued by the same agencies. I then documented the practices of public sector actors and their involvement in this informal settlement. I therefore adopted a "processual analysis" of the state as a regulator of urban space and attempted to reinterpret the "ideal image of the state" through observations of its activities on the ground. These observations were based on interviews with actors and archival searches in public agencies, as was described in detail in the methodology section (Chapter 1).

4.A.2 Chapter Arguments

My findings in Hayy el Sellom lead to a number of points that I list briefly below and detail throughout the chapter:

I argue that two parallel modes of public governance were simultaneously at work in Hayy el Sellom. In fact, throughout the neighborhood's history, there is a clear clash between, on the one hand, the regulations decreed by public planning agencies (especially the DGU) in their effort to organize urban spaces and, on the other, how public agents and institutions actually regulated this environment. Two different mechanisms are at play here. First, there were two modes of regulation, the rule and its exception, that constituted together the regulatory environment of the neighborhood. While public urban regulations were decreed almost continuously over the past 50 years (Table 2-4), it is possible to trace an array of "exceptional" measures or "special" "one-time arrangements" that in reality legislated the production of space in Hayy el Sellom, often in violation of public regulations decreed by the very same institutions. In doing so, public planning agencies participated, along with other actors, in directly producing the informal norms and regulations that organized the development of the neighborhood.

Second, many public actors played two roles concurrently: they were public agents representing public institutions and at the same time informal developers participating in the production of illegality. My mapping of public agents involved in the neighborhood produced an impressive and diverse array of public institutions and actors involved in the making of Hayy el

Sellom. These included elected officials and appointed public agents. Some of these actors, notably low-level bureaucrats or policemen, were residents of the neighborhood and actors in its production. Others saw the neighborhood as an impediment to the production of the urban environment that they tried to foster and, to the contrary, actively participated in designing alternatives for its eradication. Nonetheless, it is clear that an important component of the Hayy el Sellom market went through a loop of public actors who were all key producers of this informal settlement, as will be described throughout the chapter.

The motivation of the public agents involved in the production of illegality in Hayy el Sellom did not correspond to stereotypes of such public agents as corrupt politicians seeking votes in exchange for favors or benefits (votes or bribes). To the contrary, many among them were well-meaning and honest public agents who thought they were serving the "public good" that they each defined according to their own understanding of the city. A few among them showed concern about inclusion and the ability of low-income dwellers to find housing. Others described severe political and social pressures. Many were concerned about retaining some level of control over urban spaces and/or insuring the sustainability of public service agencies, in the face of widespread illegalities. In addition, public actors who set out businesses selling legality in the neighborhood justified their practices with concerns for low-income urban dwellers and a critical outlook on the Lebanese state and its exclusive regulations.

The outcomes of these illegal practices also contradicted their usual characterization as corruption. Although they circumvented public regulations, exceptional measures allowed public agencies some flexibility in their practices that, in turn, limited the amount of illegality in the informal settlement under study and kept open a channel of communication between residents and public agencies. In fact, the fifty years traced in this chapter will show that during the phases when public agencies limited these exceptional procedures and sought to crack down on informal settlements, their ability to regulate these spaces was reduced while, conversely, when they were willing to compromise with exceptional procedures, they encouraged residents to keep illegality to a "regularizable" level.

Similarly, the practices of public agents sometimes allowed the circulation of information about state regulations and facilitated their implementation for many residents who would have

otherwise been unable to follow them.[1] Chapter 3 showed that developers learned about and adopted many elements of the formal building law (e.g. setbacks) through their interaction with "public sector entrepreneurs", although they adapted the categories to their needs and ignored many other legal requirements. In this chapter, I will show that many residents who acquired formal papers also relied on the services of informal public actors who facilitated their task of abiding by the law, even as they were themselves trespassing the boundaries of legality. These stories illustrate how processes of "upholding law" do not necessarily follow the conception or trajectory that was conceptualized by lawmakers, since formality is too clumsy to be the only way things are done (Smart 2001).

These modes of governance and the balance between them directly impacted the housing market throughout the neighborhood's history. Indeed, different modes of public involvement in the regulation and the production of illegality corresponded to changes in the forms of community mobilization, to different roles played by political parties, and to different attitudes adopted by public actors vis-à-vis the neighborhood (Ward 1999). While they attest to a flexibility on the part of public agencies, these forms of governance also eloquently illustrate the inability of public agencies to revise their own regulations or to let go of ideals of the "good city", even when these are clearly inapplicable. Furthermore, such exceptions are clearly insufficient public interventions in these low income neighborhoods where more direct public recognition and involvement in upgrading and consolidation is needed in order to prevent the later day rapid degradation of living conditions.

In developing my arguments in the sections below, I have covered all three phases of the development of Hayy el Sellom outlined in previous chapters (early, war, and post-war periods). These correspond roughly to three forms of state involvement in this informal settlement (and others) and three eras or periods of public policy: (i) A period of containment and control, in which public agencies attempted to limit the development of the neighborhood (but did not criminalize its residents) and during which residents maintained a façade of legality, (ii) a phase of de-facto management in which public agencies tried to impose after the fact regulations and fees, while residents defied their rule and obtained services and built illegally, and (iii) a postwar phase that extended the de-facto public management, with harsher policing, and residents lost

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[1] This is not to say that there were no reverse effects as well: many public agents also duped residents at times into thinking they were obtaining formal papers when they were not, or forced them to pay large bribes, as we will see below.

some of the entitlements and benefits they had accessed before. These phases will be further clarified as the chapter unfolds.

4.B   THE LEGAL TEXT AND THE PUBLIC PRACTICE

According to the strict text of urban regulations, state agencies are legally required to eradicate/ destroy all buildings that do not comply with their urban (land use and lot subdivision) and construction regulations.

> *All buildings that do not comply by planning and construction codes or could conflict with the planning or beautification of a city has to be eradicated to bring back things to their original forms at the expense of their owners. If an owner refrains from doing so within the deadline he is given, the public administration is to implement this regulation at the owner's expenses and responsibility.[2]*

It implies that if urban regulations were strictly implemented, all informal settlements (squatter settlements and informal land subdivision) should be eradicated, at the expense of their residents, and without any compensation. This requirement is reiterated in the successive decrees that allowed for the regularization of buildings in violation to construction codes in exchange of financial fees.

These public regulations have important consequences for the residents of Hayy el Sellom, since most constructions in this neighborhood are built in violation of construction and urban codes. Moreover, the very high number of constructions built on squatted riverbanks, on approved road enlargement trajectories, on highway and public project paths, and others should also be destroyed, their residents fined and evicted with no compensations (figures 4-9).

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[2] This is the first comprehensive building law adopted under the French Mandate, in 1940, Law 61/LE. The quoted text above is section 7, article 79 of the Law, published in the official gazette in 1941 p. 7775. Translation is mine.

Note that similar texts have appeared in subsequent construction and regularization law. For example, Law 324, issued in 1994 stipulated:

> *All buildings or parts of buildings constructed in violation of the following codes should be destroyed without compensation to their occupants and at their cost: [...] Buildings in violation to property rights in private or public land, [...] buildings that fall in approved project trajectories, on river banks, and other public domain, [...]. Beginning with the enforcement of this regulation and until its implementation, residents will be fined yearly without considering these yearly fines as equivalent to the regularization of their status in any case.*

In practice, however, and despite a limited number of eviction attempts,[3] public agencies have throughout the fifty years and more of the development of informal settlements in Beirut tolerated these illegalities. Furthermore, they have always found ways to renegotiate or temporarily revise their regulations. In order to illustrate these processes, the next section describes three common regulatory procedures internationally adopted in urban regulations and implemented in Hayy el Sellom during the period under study: the provision of building permits (4.B.1), servicing (4.B.2), and expropriation of land for public projects (4.B.3).

4.B.1   Building Permits: Procedures and Practices

(a)   The 1960s: Attempting to control illegal developments

In 1940, under the French Mandate rule (1920-1943), the first comprehensive building law was initiated in Lebanon (Law 61LE/1940). The law regulated the conditions for obtaining building permits and made the latter mandatory prior to construction within municipal domains, which includes Hayy el Sellom that already fell then within the jurisdiction of the Choueyfát and Mrayjeh municipalities.

Date	Type	Legislation
1940	Building Law; 61LE/1940	First comprehensive building law: regulates the conditions for obtaining building permits (issued by municipalities), introduces housing permits to attest conformity of construction to permit as a pre-requisite for servicing.
1961	Building Law; Decree 6709	Institutes building permit as mandatory in all areas (issued by municipalities and approved by the Order of Engineers); reiterates housing permit as pre-requisite for servicing.
1971	Building Law, Law 59/71	First amendment/ comprehensive building construction code to the 1964 building code. Lists and details all building regulations (e.g. height, FAR) in Lebanon. Reiterates housing permit as pre-requisite for servicing.
1983	Building Law, Law 69/1983	New amendments to the law with tighter regulations. Imposes the role of the Directorate of Urban Planning in the building process.
1994	Refugee Permit Legislation 322/94	Allows refugees to build and restore constructions with "refugee building permits" that violate building law without official permit or fees. Law renewed in 1996 and 1999.

Table 4-1: Building Permit Legislations in the Lebanese Code

Building permits were (and are still) obtained from municipal authorities (except in municipal Beirut where they are attributed by the Governor known as the *Moháfiz*).[4] Law

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[3] There is no recorded eviction attempt in Hayy el Sellom.

[4] As of 1961, and with decree No. 6709, building permits are mandatory everywhere.

61LE/1940 also imposed the "residence permit[5]" that attests to the conformity of a construction with the obtained building permit, which later became a prerequisite for a building to be serviced, traded, rented, or inhabited. These building codes were later supplemented and revised by several decrees (Table 4-1).

All codes acknowledged the building permit requirement and subsequently increased conditions for its delivery, imposing new regulations such as compliance with the successive zoning and land use plans (Table 4-2).

Date	Type	Legislation
1964	Master Plan Decree 16 948	The first comprehensive master plan of Beirut and its suburbs, delineated as the municipal city and surrounding areas up to a 400m altitude. The plan regulates constructions, zoning, and land uses in this area. It also imposed land subdivision in compliance to a "subdivision project" that requires approval from public agencies.
1970	Master Plan Decree 14313	Amendment of the 1964 master plan. It dictates minimum lot areas and land uses, including industrial zones (Table 4-3).
1973	Master Plan,	This master plan regulated construction heights and types in the airport vicinity.
2003	Master Plan Proposal	Proposed master plan for Choueyfat , it regulates areas bordering Hayy el Sellom but does not go inside the neighborhood.
2003	Master Plan Proposal	Proposed master plan to regulate construction in the airport vicinity.

Table 4-2: Master Plans for Beirut and its Suburbs.

The first approved master plan to organize zoning and land use regulations in Beirut and its suburbs was issued in 1964.[6] The master plan regulated minimum lot areas, minimum lot on which construction was allowed, maximum height, minimum longitudinal length of facades, and other factors (Tables 4-2). This master plan was revised in 1971 (Tables 4-3, figure 4-1). In addition, industrial land use regulations were issued in 1996, but did not amend the 1971 land use plans.

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[5] In Arabic, Rokhsat Iskān or "رخصة اسكان".

[6] The first "master plan" was however approved on September 14, 1953, through decree no 2 616. Known as Egli Plan, this master plan was a revised version of a 1943 road plan proposed by the French planner Ecochard to the Lebanese government and never approved (Verdeil 2002, Ghorayeb 2000). However, this master plan was only dictated a road plan with regulations in the vicinities of the Khaldeh boulevard. It did not include planning guidelines for Hayy el Sellom.

The authors of these master plans considered the area in which Hayy el Sellom fell to be an agricultural zone, and, as a result, they sought to minimize construction in it. The ensuing regulations restricted construction in most of the neighborhood to lots of 1,000m^2 and above, and allowed only 20% of the floor area to be built, with a maximum exploitation ratio of 0.8 of the lot surface.[7] Moreover, a minimum 2,000m^2 lot area was required for new lot subdivisions (Table 4-3). These were, in fact, the most stringent regulations applied in the entire suburbs of the capital city.

Area	Land Use	Min. subdivision area (m^2)	Min. length of lot (m)	Min. depth of lot (m)	Min. existing lot area (m^2) to build	Set back (m)
A2	Residential & Commercial, or Industrial(‡)	2,000	30	30	1,000	-
B2	Residential & Commercial, or Industrial(‡)	600	16	16	250	-
Area	Min. façade of lot (m)	Min. depth of lot (m)	FAR(*)	TER(†)	Max. number of floors	Max. height
A2	20	20	20%	0.8	4	17
B2	10	10	40%	2	-	-

Table 4-3: Zoning regulations for Hayy el Sellom (1971 Master Plans)

(*)FAR: Floor Exploitation Ratio
(†)TER: Total Exploitation Ratio
(‡) See map in figure 4-1

These regulations restricted the neighborhood's residents' ability to build "legally",[8] and in fact, consecrated them as "illegal" from there on. Indeed, when they were adopted, these regulations were already impossible to implement in the context of this low income neighborhood where residents were purchasing small parcels as shares in larger lots, with areas of around 100m^2 and less sometimes, (some fifteen to twenty times smaller than the legislated minimum lot size). However, these regulations have not been revised, and the last proposal for a master plan to the area of Choueyfât, put through in 1999, went around the neighborhood and

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[7] Known as the FAR and TER, these are the essential components of Lebanese zoning regulations, along with land use.

[8] Many residents in Hayy el Sellom in fact refer to the master plan as "an orchard", in reference to the name of the French planner who had first designed it. Several residents (more educated than the average) also complained about how ill adapted the work of the "French" planner was to their own context.
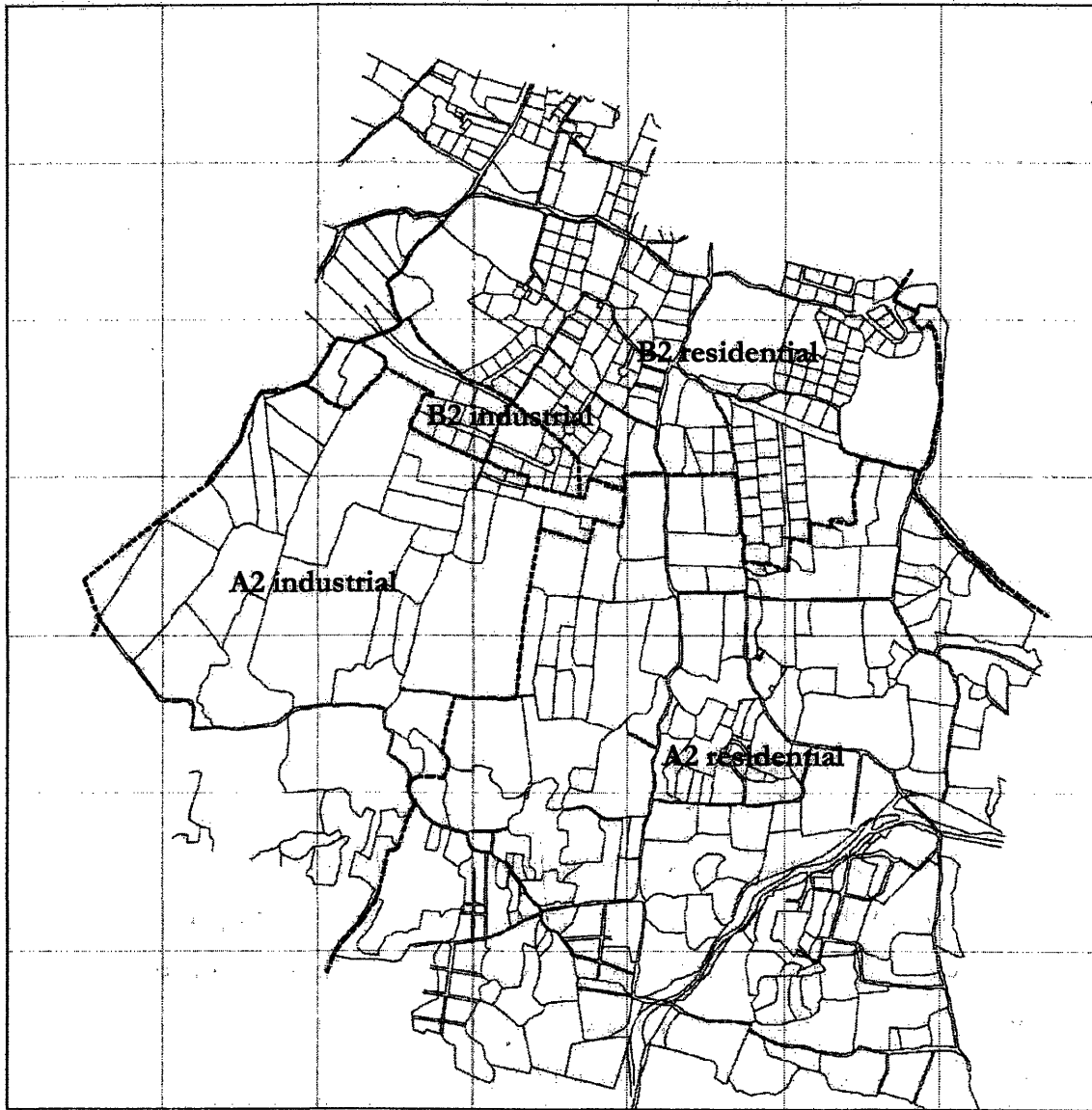
Figure 4-1:   Current zoning regulations in Hayy el Sellom, approved in 1970.
Guidelines on Table 4-3.

Source: DGU Archives, Beirut and base map from BTUTP.

did not question regulations within it.[9] Furthermore, by creating industrial zones within the neighborhood, there seems to be a public effort to contain the development of Hayy el Sellom by increasing land prices in the vicinity and encouraging other types of uses.[10]

In reality, the practice never followed these regulations directly. During the first phase of development (1960s-1970s), while the 1964 legislation renewed in 1970 made the conditions for obtaining a building permit more stringent, the Choueyfât Municipality and the Directorate General of Urbanism (DGU) issued a number of "exemptions" or "administrative arrangements". Known in the language of public officials as a *tadbīr idāri* [11] (administrative arrangement), these exemptions are written or oral decisions issued by high-ranking officials or the Council of Ministers and applied over a determined period. The *tadbīr* could be in violation of one or several urban codes. Here is how three different interviewed DGU employees described it:

> *A tadbīr is an exceptional procedure that is adopted without having to go through all the public and legal procedures of a law (stamps of approval from the government and the parliament), especially if it is necessary to allow things that do not comply with the strict texts of the law.*[12]

> *The tadbīr is essentially meant to circumvent regulations when no legal provision is possible. It is usually an oral decision, taken by politicians who don't want to leave traces of their acts. [...] It also can be revoked at any time.*[13]

> *The tadbīr is their* [high level public agents] *preferred way of running things* [in reference to building permits and urban regulations here], *exceptional measures... and there are so many of them!* [14]

These statements indicate that "exceptional procedures" were and are still common in DGU practices. The different positions and age groups of the interviewed actors quoted here (a

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[9] In fact, new planning guidelines are now being adopted with the Choueyfât master plan under study (commissioned by the DGU) in order to bring them in line with the level of urbanization of the area. However, the master plan for the area excludes Hayy el Sellom (see above).

[10] According to a high-ranking public agent, since the 1960s, zoning an area as "industrial" immediately raised land prices and encouraged land speculation. As a result, public planners might have well followed this strategy around Hayy el Sellom (and other informal settlements, such as Za'aytriyyeh) and zoned as "industrial" the immediate residential extensions of these neighborhoods, sometimes the neighborhood residential areas themselves.

[11] In Arabic, it is spelled " تبير اداري ".

[12] Interview with Y.D., high-level official in DGU, held on July 28, 1999. Y.D. has served in several posts in the DGU. In 1999, he was heading the Aley offices. However, in 2003, he was in charge of a unit in the Beirut central offices. Further quotes are taken from this and another interview I conducted with him on April 14, 2003.

[13] Interview with M.C., clerk at the DGU, held on May 2, 2003.

high level official, an old clerk, and a young engineer) indicate that this is also no secret but a process with which they were all familiar. Interviews and archival searches indicated that at least two "exceptional procedures" or *tadbir* were adopted by public agencies in the mid 1960s and 1970s vis-à-vis the provision of building permits to applicants in Hayy el Sellom. In the local DGU offices (Aley Branch) in charge of Choueyfāt (and hence Hayy el Sellom), a *tadbir* allowed all shareholders in a lot, and irrespective of the size of their shares or the maximum allowed built-up area on a lot, to obtain a so-called "50m² building permit". This *tadbir* therefore provided a state-sanctioned (albeit illegal) procedure to bypass the urban and construction codes that were being approved by the very same agency, around the same time. Soon after, another *tadbir* used by the Choueyfāt Municipality allowed municipal agents to extend Law 42/71 of 1971, a law that exempted small constructions (below 60m²) from building permits in areas where no land use and urban regulations had been issued.[15] Again, the *tadbir* publicly sanctioned the (illegal) extension of this regulation to Hayy el Sellom, even though the neighborhood had clearly approved planning guidelines.[16]

Whatever the exemption applied or the conditions of its application, it is certain that the archives of the Choueyfāt Municipality and the DGU-Aley branch both contained a substantial number of 50m² building permits dating back to this period (figures 4-2, 4-3, 4-4, and 4-5). Furthermore, these permits were granted practically everywhere in Hay el Sellom, including in areas zoned as "industrial".

The provision of the 50m² permit sometimes took additional measures. As the number of migrants increased in the late 60s, initiatives were taken to limit the number of permits granted on one lot. One such initiative was the so-called "*master plan*" for a lot[17], a subdivision map designed by an architect at the DGU (on the request of the head of the

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[14] A young engineer (M.A.) at the DGU, commenting on the multiplicity of illegal procedures in the agency. Interview held on April 5, 2003.

[15] In these areas, the permit was replaced by a *tasrīb*, a requirement to inform the municipality.

[16] Despite many efforts, I was not able to obtain the texts of the two *tadbir*. According to some of the interviewed public actors, it was never written but rather the subject of an oral agreement that remained in effect. Others, notably the former head of the DGU in Aley insisted that they have seen this text, but none was able to provide me with a copy.

[17] This terminology was used by the DGU clerks who informed me of this procedure.

DGU at the time), which organized the lot subdivision and the location of future 50m² houses. The plan was first developed when requests for building permits on lot 1400 began to be filed (the largest lot in Hayy el Sellom, with an approximate area of 30,000m²). The public agency sought a way to take over and duplicate the task of the informal developer, perhaps in more "legal" form. The plan bore the signature of the head of the DGU, and clerks explained that they provided permits on its basis. The implementation of the "*master plan*" however proved to be more difficult, when it became clear that developments did not comply with the proposed guidelines, and that some developers were able to use these plans to their advantage (Chapter 3). As a result, the experience was discontinued after three or four attempts.

How were these exceptions extracted? According to several actors involved in the DGU and in the neighborhood during the late 1960s-1970s, exceptional building permits were issued as a result of popular mobilization behind political social movements, notably *Haraket al-Mahroumin*[18], the "Movement of the Deprived", a social justice movement that was lead in the mid 1960s by the Shi'ite cleric Musa al-Sadr. This movement called for the enlargement of the public sphere in order to include underprivileged groups (Shi'ites specifically) in the administrative structures of the state and to improve their political representation and their access to services and employment (Nasr 1985, Ajami 1986, Norton 1987). At the time, al-Sadr was also in the process of founding the Higher Shi'ite Council (*Al Majlis Al Shi'i al A'la*), an official body representing Shi'ites in the country and legislating their matters[19], and many of the activities he conducted were geared towards reclaiming the rights of what he termed the *Mahroumin*, literarily the "deprived", those whose rights had been taken (Ajami 1986). *Haraket al-Mahroumin* did not seek to provide backing to residents to build with no state oversight (the way later political parties did). Instead, a popular

mobilization pressured public figures in planning agencies and municipalities to alter regulations and provide permits to the Hayy el Sellom residents.[20]

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[18] *Haraket al Mahroumin* or the 'Movement of the Deprived' was later to become Amal, a main political party in Lebanon and an important militia during the civil war. For more on Amal, see Chapter 2.

[19] The Higher Shi'ite Council made it through the parliament in 1967 and was finally instituted in 1969, with Al Sadr as its chairman (Ajami 1986).

[20] Although no documentation exists of other neighborhoods, the repeated visits of Al Sadr to other informal settlements in the capital city, such as Nab'ah suggest that such measures were also issued for other informal settlements in Beirut.

Figure 4-2: Cover for 50m² building permit for lot # 1441, in 1970. The form carries the signatures and fingerprints of all lot owners, certifying their agreement to the new owner's right to build. The permit is signed and stamped by a civil engineer and stamped by several DGU offices, the Order of Engineers and Architects, and the Municipality of Choueyfât.

Source: Municipality of Choueyfât archives.

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At the time, the DGU was the highest planning agency in the country. In 1967, it was headed by Mitri al-Nammār who was known to have political and institutional leverage.[21] Pressured by rising social movements that were requiring change, he and other members of the planning agencies of the time, were able to use their leverage and reach a compromise. Here is how a former head of DGU-Aley described it:

> *Think of this legal arrangement (tadbīr qānounī) as the outcome of interventions from politicians and clerics, notably Musa al-Sadr. [...] The political debate at the time was about the inclusion of certain deprived groups in state structures. [...] The decision was taken by a number of public officials, notably the then head of the DGU, Mr. Mitri el Nammār, to allow every person who had purchased shares in a large lot to obtain a building permit and build an area of 50 m². [...] This was irrespective of what the FAR dictated.*[22]

In another interview, he explained:

> *Mitri el Nammār was a very influential person in the administration and his word was widely respected among the ministers. He was, after all, the cousin of Eliās Sarkis [Lebanese President, 1976-1982], he also belonged to the clan of the Shehabs [a political movement of the time named after President Fuad Shehab 1958-1964]. As for al-Sadr, he was then instituting the Shi'ite Higher Council, and had many public relations and broad respect. If they thought it was a necessary measure, there was little room not to implement it [...].*[23]

There were other motivations for public agents to accept these exemptions. Several officials acknowledged that the 50m² allowed minimizing "irregularities". In addition, exemptions had cascading implications, such as the 1964 decree that exempted 50m² structures and below from building a bomb shelter, another mandatory prerequisite for obtaining a building permit.[24] It also was meant to contain illegal constructions. In the words of this official, "They hoped that these exemptions would limit the development".[25]

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[21] Mr. Metrī el-Nammār, the head of the DGU between 1967 and 1973, was the cousin of the future Lebanese president Eliās Sarkis (1976-1982). He was an architect by training and an influential member of the Lebanese administration. He had also headed the *Direction des Bâtiments*, a public agency entrusted with building public works, prior to this post. Later on, he will be selected to head the reconstruction efforts of Beirut downtown in 1976 (Verdeil 2002: 99). Fore more on the institutionalization of elite families in planning agencies, see Ghandour (2002).

[22] Interview held with Y. D., *op cit.*

[23] *Ibid.*

[24] Decree No 7563, September 9 1961.

[25] Interview held with Y. D., *op cit.*
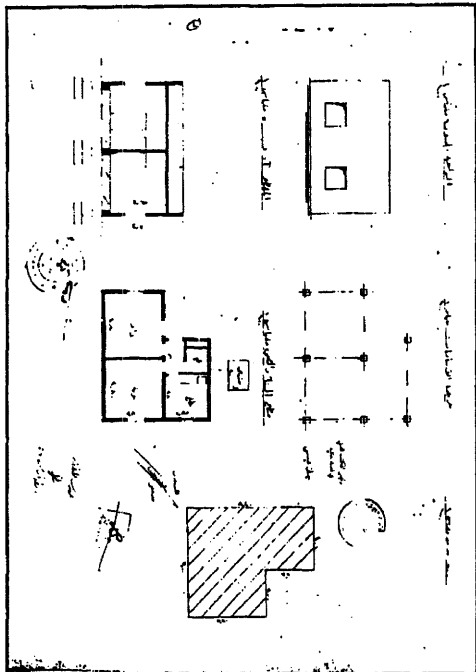
Figure 4-3 (a): Floor plan and sections.

Figure 4-3 (b): Cover sheet.

Figure 4-3: Typical 50m² building permit for lot # 1400, in 1970. The permit includes floor plans and an (informal) land subdivision plan. It is signed and stamped by a civil engineer and stamped by several DGU offices, the Order of Engineers and Architects, and the Municipality of Choueyfât.

Source: DGU Archives, Aley.
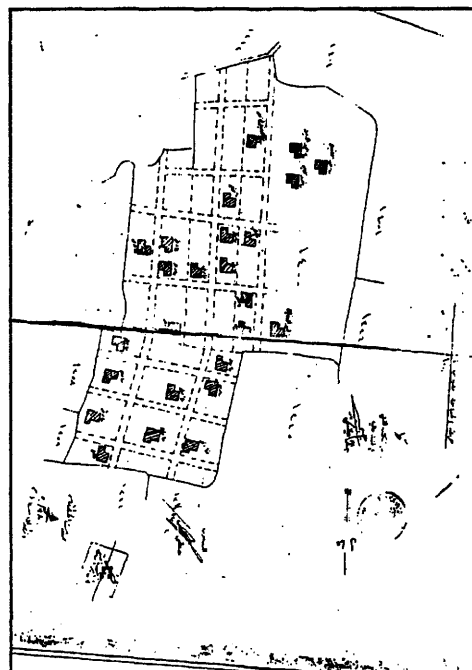
Figure 4-3 (c): (informal) Subdivision plan.

Moreover, all agents acknowledged that such permits were granted based on need rather then regulations. It was a measure deemed by a number of public officials as "humanitarian":

This was a humanitarian decision: these were poor people and they could not obtain housing otherwise.[26]

Logically, there was no other means that they [the residents of Hayy el Sellom] *could obtain housing, and the administrators saw it.*[27]

Nonetheless, these exceptional permits and regularization laws did not alter the general disposition of the public sector vis-à-vis the residents of this informal settlement. While planning agencies were issuing exemptions in the late 1960s, they were simultaneously reiterating their own regulations, with the 1970 zoning and urban regulations (Decree 14 313, Table 4-3, Figure 4-1) that came to affirm Hayy el Sellom as an "agricultural zone", with very large minimum lot sizes. Furthermore, the failure of "master plans" developed for lots in Hayy el Sellom to control illegal development encouraged public authorities to adopt more radical eradication measures. They came in the form of a highway exchange, designed (in 1973) explicitly to strike through the center of the neighborhood and wipe away a very large section of it (see below).

(b)   **The 1980s: After the fact management**

With the outbreak of the Lebanese civil war in 1975, and the ensuing weakness of the public sector, the ability of planning agencies to control building and restrict illegalities was considerably reduced. Furthermore, the militia groups[28] who then controlled the area encouraged newcomers to defy state authorities and build without permits, under their "protection". As a result, the number of building permit applications dwindled during this

[26] Interview held with Y. D., *op cit.*

[27] Interview held on August 10, 1999 with W.S., notary public who worked closely with several informal developers.

[28] By 1975, *Haraket al-Mahroumin* was formally known as *Amal*, and turned into a militarized group that was part of the *Harakeh al Wataniyyeh* (The National Bloc) in Lebanon that also comprised the communist party, various factions of the Palestinian Liberation Organization (PLO), the Popular Socialist Party (PSP) lead by Kamal Jumblat, and others (Salibi 1976, El-Khazen 2000). It was the *Harakeh al Wataniyyeh* that was in control of the neighborhood and other sections of what had then become West Beirut. After the late 1970s, and according to militias then on the ground, Amal controlled the neighborhood solely until the "war of the suburbs" in 1989 that forced in *Hizb'Allah* next to *Amal.*

Figure 4-4 (a): Table of permit costs.

Figure 4-4 (b): Cover Sheet.
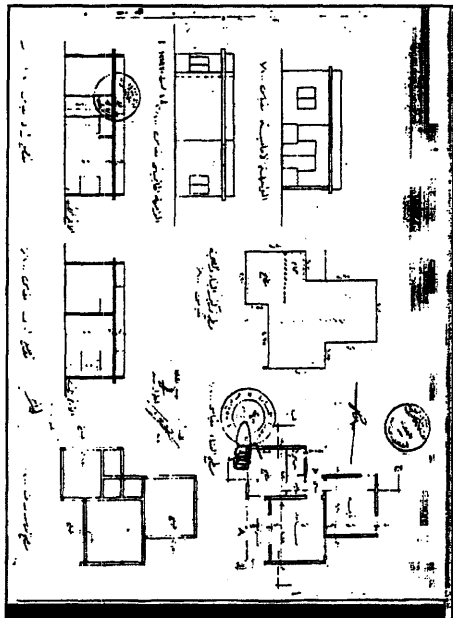
Figure 4-4 (c): Floor plan and sections.
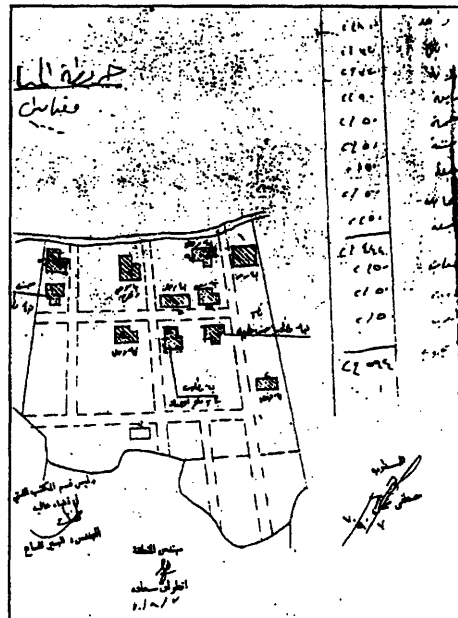
Figure 4-4 (d): Subdivision plan.

Figure 4-4: Typical 50m² building-permit for lot # 1441, in 1970. The permit includes plans and the map of the informal land subdivision. It is signed and stamped by a civil engineer and stamped by several DGU offices, the Order of Engineers and Architects, and the Municipality of Choueyfāt.

Source: Choueyfāt Municipality archives.

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era,[29] and so did the importance of *tadbirs*. Unable to impose their rule (here and elsewhere in the city), and desperate to retain some control over the city, public planning agencies shifted to increase their regulations, rendering the neighborhood "even more illegal" without managing to control its rapid physical development.

The 1983 building law provides a good example of this process. In 1983, the DGU developed and passed a revised version of the 1970 building law, Law 69/1983, which imposed new pre-requisites for the acquisition of building permits. It came at the outset of a period of relative calm, following the one-month Israeli invasion of the Lebanese capital (September 1982), and sought to respond to major urban changes, including the proliferation of squatter settlements in the south-western suburbs of Beirut (Charafeddine 1991).

According to the former head of the DGU, one of the main authors of the 1983 building law, the agency was very concerned with the spread of illegal constructions and sought, through intensified regulations, to limit their development. Thus, several revised regulations were issued in order to address existing legal loopholes that were identified as having "facilitated" illegal practices. Noting, for example, that many residents had bought land on lots marked to be expropriated for approved public projects (such as roads), the DGU required that land registration or building permit applications be accompanied by a recent "certificate of planning" (3 months old or less) that listed all approved projects on the lot. Furthermore, the DGU issued a regulation preventing the registration of land sales on lots where illegal constructions had been built. This is how this well-meaning public actor explained the DGU perspective:

> *The developers were abusing poor people coming from rural areas. People didn't know about plans and so they would sell them lots where there are approved alignments and they would not know... Then, if they came to obtain permits, we cannot provide them with permits! [...] We were hoping to protect people from these illegal crooks [...].*[30]

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[29] The archives of DGU Aley were flooded and partially destroyed during the civil war. However, assuming that an equivalent number of building permits were lost for each era, the distribution of building permits issued in Hayy el Sellom reflects this trend: 99 building permits were issued in the 1960s, 214 between 1970-1975, the heyday of exemptions, and only 42 between 1976-1990. Thus, the number of permits issued during the first fifteen years (1960-1975) was several folds higher than the second fifteen years (1976-1990).

[30] Interview conducted with M.F. in his office in July 27, 1999. M.F. has held several high-ranking positions in the Lebanese public sector. Between 1999 and 2003, he has allowed me at least ten extensive interviews in which he explained the details of urban regulations. Specifically, in 1999 he was answering my questions about urban regulations, in 2002 he was answering to industrial zones, highway projects, and the 1983 building law, in 2003 we were again talking on expropriation and public projects in detail. All further quotes refer to these interviews.
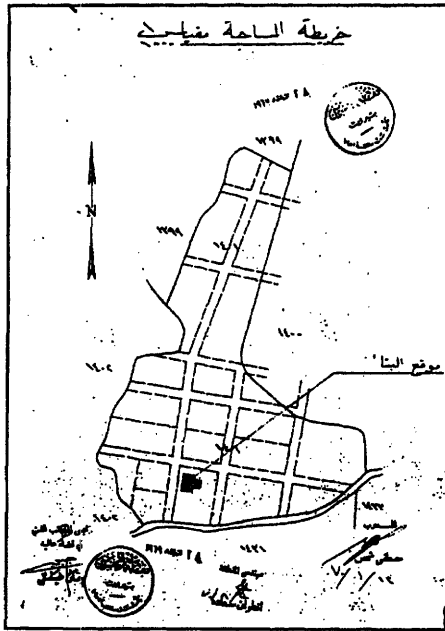
Figure 4-5 (a): Subdivision plan.
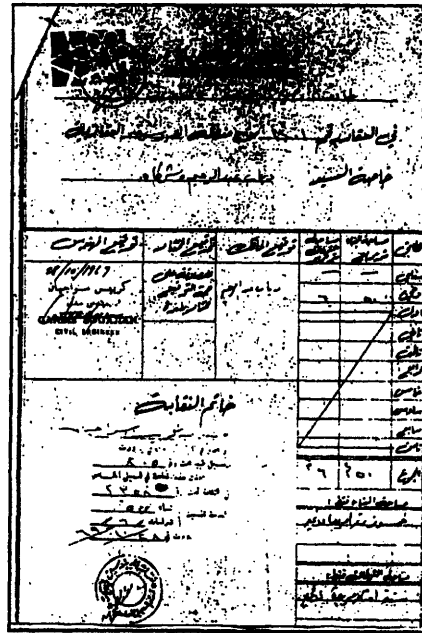
Figure 4-5 (b): Cover Sheet.
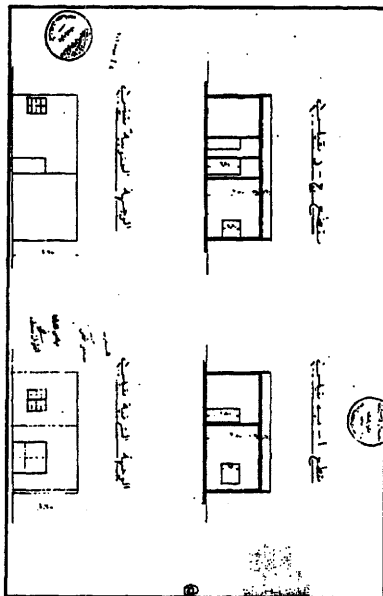
Figure 4-5 (c): Sections and elevations.
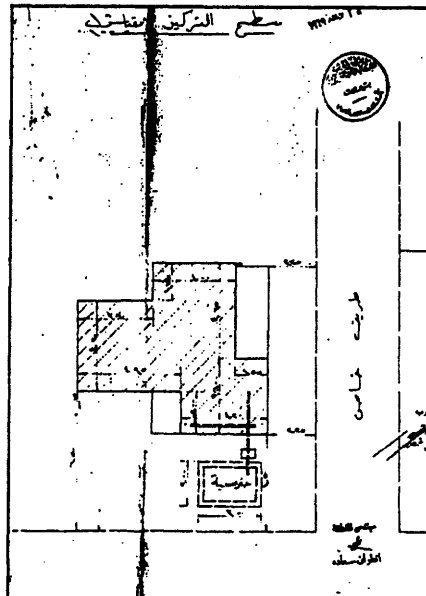
Figure 4-5 (d): Sections and elevations.

Figure 4-5: Typical 50m² building-permit for lot # 1401, in 1969. The permit includes plans and the map of the informal land subdivision. It is signed and stamped by a civil engineer and stamped by several DGU offices, the Order of Engineers and Architects, and the Municipality of Choueyfat.

Source: Choueyfat Municipality archives.

These legal provisions had however strong repercussions for informal settlements. They implied that no land transactions in informal settlements could be registered in the public Land Registry or in notaries' registries. As a result, sales registrations in official records became subject of bribes. They also implied that individuals wanting to register in public record a business, a medical clinic, a school, or any other facility were unable to do so and were therefore encouraged to operate without state accreditation (though many individuals preferred to get them, especially doctors and others). They also rendered registration (even when legal) substantially more difficult and complicated, especially during a period of war when it was not easy or safe to travel between agencies in order to secure up to date forms, such as the three-month planning certificate. Finally, while public records were well updated on existing conditions, they gradually became poorer in information about sales and property rights (especially informal ones).

Eventually, circumventing these regulations became possible through facilities provided by other public institutions, notably the Choueyfāt Municipality. Acknowledging that applying these regulations was impossible in Hayy el Sellom, the municipality began to provide in the mid-1980s so-called "clearances" [31] in order to ease the acquisition of building permits and to facilitate business registrations, which could then generate tax revenues for the municipality.[32] "Clearances" were issued, for example, *in lieu* of the certificate of planning required by the DGU after 1983 (this facility was stopped in the late 1990s). They were also issued in order to attest that no illegal constructions had been built on a lot, even when this was not the case. This was important for residents who needed proof of the legality of their buildings in order to register their businesses. "Clearance forms" continued to be disbursed until recently.

(c)   The 1990s: A "special" construction permit for the "displaced"

During the post-war era, the municipal practice of issuing "clearances" remained in effect. In addition, the municipality and planning agencies continued to turn a blind eye vis-à-vis illegalities in building applications and to process applications, irrespective of "minor" illegalities.

Between 1994-1999, a new "exceptional" building permit was also in effect, the "special construction permit for the displaced" that provided "exceptional facilities" and "exemptions"

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[31] In Arabic, this is referred to as *bara'at thoummā* " براءة ذمّة ".

[32] A facility is known in Arabic as *Tashīl.* It is unclear as to why the municipality would issue such "facilities", other than most likely in exchange of favors/ bribes. It is a well-known fact that during the war, several actors in the Choueyfāt municipality enriched themselves considerably, especially after the death of the old mayor.

Figure 4-6 (b): Refugee permit, informal subdivision plan attesting that no projects are planned on the illegally subdivided lot (and not the lot).

Source: DGU Aley archives, 1999.

Figure 4-6 (a): Refugee permit, attesting that a displaced person from Ba'albak needs to "return" to Hayy el Sellom.

Source: DGU Aley archives, 1999.

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to any Lebanese citizen who could prove that she/he had been displaced by the war. Law 322 of 1994, the *Displaced Permit Law*, provided "citizens displaced by the war" with construction permits for areas of 120m^2 and smaller, even if constructions were in violation of building and urban codes, as long as they were building in the "village" from which they had been evicted (Article 1). The idea was to encourage people to move to their "areas of origin" after the war.

Permits were disbursed on the basis of a "certificate of displacement" issued by the Ministry of Displaced. However, the Ministry of Displaced, whose illegal practices are well known, has disbursed displacement certificates casually to anyone with "proper social networks" or "good backing" (see Chapter 5). As a result, some informal settlements residents were able to enlarge their houses with the help of the Displaced Permit that enabled them to build "legally" additional sections on their houses (figure 4-6), despite the fact that they might not have been displaced from the neighborhood and that they were building extensions to their houses and not replacing destroyed homes.

In several ways, this building permit recalls the 1960s concessions given to rural migrants: it is a conditional special exemption that allowed residents to build small additions in this neighborhood (and elsewhere), provided they are identified as "displaced" by the war, and hence the result of an exceptional situation rather than the normal course of urban development.

Building permits were not the only way public institutions circumvented their regulations. Another relevant example is the legal procedure for acquiring public services, such as water, phone, and electricity.

4.B.2 Authorization for Services

According to a 1961 legal provision, Law 7279, "it is forbidden to connect property owners or residents of a lot with phone, service, or electricity if s/he does not provide a residency permit".[33] Suspended momentarily in 1967 (Law 53/67), this provision was reinstated by the 1971 building code and reconfirmed in 1983. It applies to all public agencies providing services, including the Water and Electricity Agencies. There is no large-scale private service provision in the country.

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[33] The residency permit, *Rokhsat Iskän* or "رخصة سكان" in Arabic attests, as pointed above, to the conformity of a construction with the building permit provided for this construction.

The implications of this regulation were severe for informal settlement dwellers since it prevented them from accessing urban service legally. However, this regulation was never strictly applied in practice, since residents in every phase found a way to defy it, as shown below.

(a) The First Phase: 1960-1975

Throughout this phase, most residents acquired services as "special favors" from politicians who intervened on their behalf. Lebanese politics in these days were tightly organized around patron-client networks of power (Khalaf 1968, Gilsenan 1986).[34] As a result, it was the feudal political authorities of the community, by then ministers and/or parliamentary representatives, who provided the political leverage to divert urban services towards the neighborhood.[35] They were eager to service the residents since mounting social mobilization (especially among the Shi'ite populations and *Haraket al Mahroumin* mentioned above) threatened their until-then unchallenged authority over this community and they found providing urban services a way of retaining their control.[36][37]

The process was relatively simple. Once a lot was sold, and new residents began to build their houses, they formed a committee that paid a "visit" to the politician in charge and asked him to intervene in their favor. Here are some of the residents' accounts:

> *I came in 1967, obtained a 50m² permit and built a house... but I could not get the services. [...] We were just coming from the South. So we went to Kamel Beck al-As'ad who was our representative* [then Member of Parliament and Minister of Water and Electric resources.]. *He helped. He gave every building a water meter. [...] He then gave us a contact in order to get electricity. The Agency was reluctant and we had to go there many times. I was getting angry and I picked up a huge fight at the agency.* [long story of how he broke the chair, etc.] *Then the director called up Kamel Beck and within a few days we had electricity.*[38]

> *We first did a small water pool where we collected water but it was very difficult. In the early 1970s, we went and visited Kamel Beck* [Kamel Al As'ad] *and he agreed to send the*

[34] The specificity of patron-client relations in Lebanon is that they are strictly constructed around sectarian lines (Gilsenan 1986). As a result, the competition between feudal authorities and rising political movements at the time remained confined within the sectarian boundaries of every group, in this case especially Shi'ites.

[35] Among these, Kamel al-As'ad, the son of Ahmed al-As'ad and himself heavily involved in (feudal) politics, was appointed Minister of Water and Electric resources, a privileged position for accessing service agencies.

[36] On the As'ad- Al Sadr rivalry, see Ajami (1986), on Shi'ite authorities, see Mervin (2000).

[37] In another informal settlements in Lebanon, known as Nab'ah, residents called the street names after the two main feudal lords: Sabri Hamadeh (Biqa') and Kamel al-As'ad (South).

[38] Interview with Hassan, a developer of the second generation with limited practices in Hayy el Sellom, on July 30, 1999.

water as long as we paid for the pipes, which we all did. He just said that we needed to show the property rights.[39]

Services were gradually extended as neighborhoods developed and residents visited these political leaders. These services were facilitated because residents did not violate property rights. Feudal authority rested on the respect of property rights and no violators of these rights could access services through them. Several interviewees reported that they were advised to go to the Public Water Agency with their property titles in hand.

(b)   The War Years

During the war era, residents acquired the services through illegal hook-ups (with the help of militias). Unable to prevent this illegal process, public agencies recurrently attempted to collect payments for de-facto obtained services. Since they were not entitled to collect fees from areas where there were illegal constructions, public agencies needed an official cover to do so.

Records of ministerial meetings indicated that as of 1977, both Water and Electricity (Public) Agencies put forth requests to the Council of Ministers in order to obtain permission to charge for illegal service hooking, and, shortly after, for illegal buildings altogether.[40] The ministerial decisions that ensued suspended the law through an "exceptional decision" that had no legal grounds. It was a de-facto response to the weakness of public institutions that recognized the impossibility of preventing illegal hook-ups. These exemptions, first restricted to a number of violations and limited to short periods of time, were gradually extended to include other forms of illegalities and longer time spans.

The first of these ministerial decisions was issued in 1977, two years into the civil war, in a period of relative calm. It stated that:

> [...] *in an exceptional manner, public* [Water and Electricity] *agencies are allowed to collect fees from water and electricity usages in buildings* [...]*that have either not secured proper building permit or been built in violation to existing codes and urban regulations.* [41]

This decision was based on a proposal of the Minister of Water and Electric Resources who, records indicated, was motivated by financial stress: the necessity to collect fees for already acquired services. It applied only to violations of construction (and not property) codes and was

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[39] Interview conducted with Hajjeh Hanneh, in June 15, 1999.

[40] Decision No. 2 of the Council of Ministers meeting held on June 30, 1977.

conditional to the regularization of these violations within a maximum period of three years. A few months later, this decision was widened in scope in order to entitle a broader number of agencies to benefit from this collection but reduced the delay for regularization to one year only.[42]

During another period of relative calm, in December of 1982, a similar decision was taken by the Council of Ministers who by then had extended the permit to all forms of violations without specifying the necessity to regularize these illegalities. However, the ministerial decision specified that public authorities did not acknowledge any right to residents who paid fees for services and were entitled to rescind this authorization anytime. It also limited the application of the law to one year,[43] though it was later extended for an additional year.[44] In October 1984, the Council of Ministers also allowed public agencies to extend their connections to illegally built structures on the condition that these structures regularized their situation within a period of three years or less. Citizens who requested such service connections were given 2 months to apply.[45] Like the 1977 decision, the 1984 decision emerged from public agencies who needed to recover costs and not residents' claims. Here is how the public official who proposed this measure explained it:

> *In 1983, residents did not request service permits. They had taken the services by force. [...] It was the Minister of Water and Electric resources, on my request (I was then a board member at the Water Agency), who put forth this proposal to the Council of Ministers. The Public Agencies were losing a lot of money, it was becoming unsustainable, and they had to do something to collect the fees. [...] Of course, this decision was illegal; it was a ministerial decision that countered a legal text. No law was issued to repel the pre-requisite for a residency permit. [...] It was nonetheless a decision taken for the public interest.*[46]

Ministerial records indicated that after 1984, while this procedure was not legally renewed by the Council of Ministers, a memo of the Minister of Water and Electric Resources actually allowed its extension throughout the period of the civil war.[47] In 1991, the Council of

[41] *Ibid.*

[42] Decision No. 15 of the Council of Ministers meeting held on October 5, 1977.

[43] Decision No. 1 of the Council of Ministers meeting held on December 15, 1982.

[44] Decision No. 22 of the Council of Ministers meeting held on January 28, 1984.

[45] Decision No. 1 of the Council of Ministers meeting held on October 27, 1984.

[46] Interview with M.F., held on

[47] See references in Decision 21 of the Council of Ministers meeting held on October 10, 1993 (in background information).

Ministers met to discuss the necessity to improve the performance of public agencies and extended again a qualified permission for servicing illegal structures. In 1993, the Council of Ministers again renewed this measure, excluding this time buildings in violation of property rights, unless they were inhabited by "displaced individuals".[48] This decision has, since then, been renewed yearly at least until 1999.[49]

(c)   The Post War Years

As we have seen above, exemptions for services were still in vigor long after the end of the civil war (1990). However, an important change happened as of 1996 when the Electricity Agency began an actual survey of the neighborhood and numbered its streets and houses. The agency installed meters that were locked and difficult to tamper with and they changed the electricity lines in the neighborhood in order to reduce, if not prevent illegal hookups. Through these measures, agencies finally managed to implement the informal regulations they had issued in the late 1970s. However, the outcome of their intervention could have had unintended negative impacts on the residents of the neighborhood: as the costs of services increased and the economic recession loomed, many households who had until then accessed electricity illegally shifted to private electric generation, relying on small neighborhood generators that considerably increased street level pollution in a very congested neighborhood. This is also the case of small-scale industries, for which the costs of public services were prohibitive.[50]

4.B.3   Expropriation procedures

A third and last example of contrasting legal provisions and state practices is expropriation.[51] The expropriation procedure is a legal provision that allows public planning agencies to expropriate land at cost (irrespective of the will of owners) when this can be justified in the name of the "public good". Projects that require expropriation are generally public facilities, such as schools, hospitals, roads, and others.

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[48] Decision 21 of the Council of Ministers meeting held on October 10, 1993.

[49] Given limited access to public archives, I was not able to know whether this decision was renewed since 1999, although we know that structures are still connected.

[50] This is not to say that illegal hook-ups have completely disappeared in the neighborhood. After a couple of years of compliance, many households have managed to revert to the old system. However, the new cables are more difficult to tamper with. Furthermore, strengthened policing has limited these processes to those who could claim solid protection from political parties and/or policemen.

[51] There are several legal texts for expropriation procedures. The founding text was Law 4 or November 30, 1954.

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The expropriation procedure requires public authorities to compensate property owners for expropriated land and all legal construction built on it. A clear procedure is dictated by the law: A designated expropriation commission (appointed per governorate in the country and delegated by the Ministry of Works) evaluates the value of the property to be expropriated. Conflicting jurisprudences disagree on whether buildings in violation to construction codes can/cannot be compensated, but it is generally agreed that no compensations should be paid for illegal buildings. This practice is relevant to the study because it is one of the means by which public agencies tried to control Hayy el Sellom's development.

In practice, expropriation is a very political and contentious process: the trajectory of a road and the location or a public facility are highly contested, since property owners attempt to deviate projects away form their property, often in the hope that they eventually benefit from the real estate rent generated by the project. Public planning agencies also politicize this tool since they realize its potentials in providing a good cover for displacing undesired populations at low political costs. These practices have been common in Lebanese planning history (Deboulet and Fawaz 2004) and elsewhere (Yiftachel 2000). However, they do not always materialize the way planners conceptualize them. In order to illustrate the discrepancy between the expropriation text and its practice, I have taken two examples from Hayy el Sellom: the Lebanese University School of Sciences project in 1968 and the highway project designed in 1973 and renewed several times (but never executed).

(a)   Expropriating Land for the Lebanese University[52]

In 1965, as a result of a public decision to build a School of Sciences for the Lebanese University in Hadath (East of Hayy el Sellom), a legal decree was issued and the expropriation committee in charge evaluated the costs of land. The site was partially occupied by a number of families who had purchased shares in lots and built small houses without construction permits, in a similar fashion to Hayy el Sellom. Following the texts of the law, public agencies issued an evacuation order that provided indemnities covering the price of land for 97 families who owned land in shares in that location. The prices estimated by the expropriation commission were, at the time, considerably lower than what residents could have obtained if they tried to purchase

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[52] This section is based on interviews with three residents in Hayy el Jame'a in April 2003, among which was one held with the oldest resident of the area who had moved back to Ba'albeck. I met him in his house in the village on April 4, 2003. Two more households were interviewed within this neighborhood, on April 18, 2004. I had originally heard about this neighborhood from my interviews in 1999. Y.D. and M.C. at the DGU completed the story.

land in a similar area.[53] Furthermore, public agencies did not account for the costs of (illegal) houses.

Families threatened by the displacement decision protested loudly and appealed to their political representatives[54] and to other important political figures of the time.[55] Support to these families finally came, in the late days of 1968, from Imam Musa al-Sadr. The Imam used the leverage of the Higher Shi'ite Council and his own political clout to secure a housing option for the displaced families in neighboring areas.[56] It is said that the interventions of the Lebanese president and the governor of Beirut were necessary for this procedure. Nonetheless, at the end of 1968, land was purchased from a family in Mrayjeh through the mediation of the Higher Shi'ite Council who then appealed to the topographer working with Abu Raymond in order to organize an informal land subdivision: lots were subdivided in 100-200m² areas, boundaries were marked with poured concrete, sales were registered first in notary registries and later, once the entire lot was sold, in the Public Land Registry. Residents were given land in exchange of expropriated land, and allowed to purchase additional area if they could afford to. They were also granted an exceptional 3 month period to build houses without building permits, and hooked to the public and electricity networks without residency permits, but never given legal papers.[57]

This was perhaps the most eloquent example of public sector agencies circumventing their own regulations and adopting the practices of informal developers as a model for their work. The neighborhood, Hayy el Jami'ah, is today one of the sub-neighborhoods of Hayy el Sellom (figure 4-7). Furthermore, many of these displaced families commissioned the construction of their houses to Hayy el Sellom builders. However, unlike other sub neighborhoods of Hayy el Sellom that were initiated through the efforts of developers and family early comers, Hayy el Jami'ah was built on the initiative of a semi public agency and

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[53] It is estimated, as shown above, that informal developers sell land to residents in small shares for almost the double of what they buy it in large portions: as a rule of thumb, they sell the dra' (9/16m² at the price they purchase one m². This discrepancy explains the difference between the prices estimated by the expropriation commission and what residents had in effect paid at the time.

[54] They visited the Shi'ite leaders mentioned above, notably at the time Sabri Hamadeh and the As'ad family.

[55] Among these, these families went to the leader of the National Movement, Kamal Jumblat, who was operating on a platform of social justice.

[56] As described previously in the chapter, the Higher Shi'ite Council was then in the making.

[57] A few years later, when phone lines became available and residents went to reclaim them, their request was rejected because their houses were "illegal".

Figure 4-7: Hayy el Jami'ah appears clearly on the 1978 aerial photograph. It is possible to see the well-subdivided two lots, in the upper left corner.

Base photo: *Georges Stephan et Fils.*

through the permission and patronage of public agencies and officials who allowed the head of a semi-public agency to replicate the procedures developed by informal developers.

(b) Expropriating land for a highway

Since the early 1970s, a highway project looms over Hay el Sellom and threatens to wipe out a large section of the neighborhood and to displace its population (figure 4-8). The adopted scheme (developed by a French engineering firm, BCEOM) is a two ways, 4 lanes highway scheme with an interchange crossing over Hayy el Sellom to form the main southern entrance/exit of Beirut. The 80m wide highway design has no pedestrian overpasses.

Testimonies of high-ranking officials indicated that the expropriation tool was adopted at the time as a relatively easy mechanism to wipe out the neighborhood. Indeed, the expropriation law states that once a project is approved, the state appointed Governorate (*Muhāfathah*) expropriation commission prepares a detailed expropriation file for every lot, without any negotiation with landowners. This provides many advantages to a public actor that wants to avoid negotiations with the displaced populations, and it seems that policymakers were well aware of these advantages:

> *The highway allowed them to expropriate the land with no discussion. [...] The expropriation law is clear, you invite the commission to evaluate the costs and you pay those who have rights. If the owners do not agree, they can appeal once. There is not much room for give and take.*[58]

Thus, the Hayy el Sellom highway had been explicitly designed to go through this settlement, as a strategy to displace the population and dismantle the growing popular mobilization that was gaining visibility by the early 1970s.[59] By then, "security incidents" were multiplying in several informal settlements in Beirut and the army had been deployed repeatedly around them (El-Khazen 2000, Salibi 1976).[60] My investigations indicated that the highway's location was directly dictated by a high ranking public official:[61]

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[58] *Ibid.*

[59] Several political parties were then actively mobilizing the neighborhood populations: the Communist Party, the Mourabitoun, and especially Amal were recurrently mentioned by residents in interviews.

[60] Newspapers in 1973-74 are full of daily incidents between informal settlers and police or military forces. This was because the former were then mobilized by the National Block and close to the Palestinian Liberation Organization while the army was close to right-wing militias who opposed these trends (el-Khazen 2000).

[61] While I was able to verify closely this information, officials were promised secrecy on the name and position of this authority.

Figure 4-8: Highway trajectory as designed by BCEOM in 1973, laid over Hayy el Sellom 1978 base map.

Source: Unknown.

*The idea of the highway was a political decision, not a technical one. It was in the early
1970s. Public authorities wanted to erase Hayy el Sellom. [...] When the French
consultants [BCEOM] arrived, they were requested directly by [...] to place the interchange
over Hayy el Sellom. There were already many houses in the neighborhood, residents had too
many claims, political parties were actively mobilizing for them, especially Musa al Sadr
[...]. It was not that the highways were not needed; to the contrary, they were part of a
project and design to modernize the country. [...] However, you can hardly justify technically
the necessity to place a highway exchange over a residential neighborhood... especially with
the form of urbanization at the time.*[62]

This highway story could evoke an all-powerful Foucauldian image of the state in line
with analysis that characterizes planning as a rather violent process oriented to the vision and
advantage of ruling elites (Yichtafel 2000). Yet, if one looks at the implementation of the
highway, a contrasting image arises. The outbreak of the Lebanese civil war in 1975 interrupted
the highway implementation. Besides a short-lived period in 1983, during which the plans were
discussed again, it was only 20 years later, after the end of the civil war, that the highway plans
were revisited. A Lebanese consulting firm, *Khatib & Alami*, was assigned the task of designing
the details of the highway. The planned highway path was slightly modified, but it still cut the
neighborhood in half, displacing approximately 800 households.[63] Over this period, the highway
trajectory was re-approved twice (1993, 1996) but never executed.

During the post war era (1990-to date), no road project was implemented in Lebanon
without paying compensations to the displaced population. While the official expropriation
commission evaluates the rights of legal owners, the Ministry of Displaced compensates
households who will be displaced, although they have no legal entitlement. The rates of
compensations have varied from project to project, but since 1999, a ministerial decision (and
not a legal text) has set prices for each type of compensation in order to reduce the negotiation
phase.[64] There are no legal grounds for these compensations, and no clear criteria for who can be
considered "a displaced person", knowing that the majority of residents have no plans to "go
back to their areas of origin". Nonetheless, in the post-war era, these compensations began

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[62] Interview with M.F., *op cit.*

[63] Actually, none of the consultants working on the project counted the number of displaced household, arguing
that this will only factor in during the final execution phase. This figure was suggested by students in a course I co-
taught with Mona Harb and Isabelle Peillen at the Lebanese University, School of Urbanism, in 1999.

[64] Decision No. 32, issued by the Council of Ministers on July 12, 2001. The decision adopted a price list for
compensations, based on the quality of construction and the occupied surface area. There are no distinctions
between legal and illegal land occupation, since land is compensated separately by normal expropriation procedures.
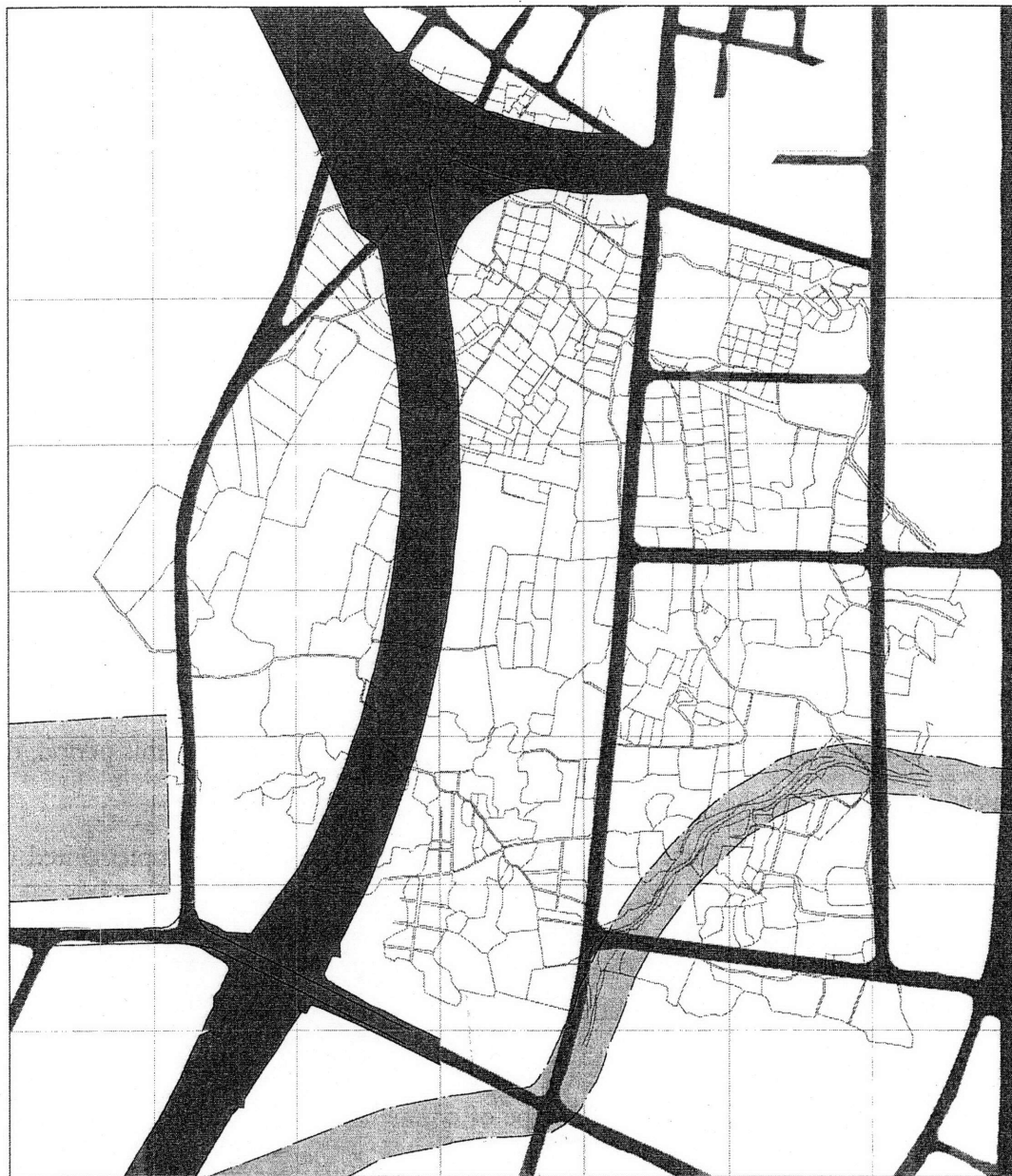
■ Approved highway and roads   ▨ Public domain, river and airport

Figure 4-9: Approved areas for expropriation in Hayy el Sellom in 2003.

Source: Information and base map from BTUTP.

rising[65] so much so that they sometimes made up, along with expropriation costs, the most important component of a project's cost. According to the head of a (now dissolved) public agency, compensations and land prices made up to 75-90% of project costs in the capital by the mid 1990s.[66] These compensations therefore began to determine whether a public project would be implemented or not. This is how, an illegal compensation, originally adopted to facilitate the implementation of state projects, became a determinant of national transportation policy.[67]

In 1994, the Mount Lebanon Expropriation Commission sent engineers to Hayy el Sellom and marked the houses located on the highway trajectory, causing serious ruckus in the community. Landowners hurried to evict tenants (in order to accumulate all possible compensations for themselves) and political parties were alerted to the possibility of a confrontation with the state. However, the Commission was by then familiar with similar problems in nearby neighborhoods where highways were being implemented. Here is how one of the engineers on the commission described it:

> *We went to the site and saw the number of houses. There was really no need to count. It was clear that there would be no political possibility to remove all these residents: compensations would be too high. [...] Of course, as a commission, we do not compute illegal compensations. We just look at what is legal, and what is legal excludes all what is built. It would therefore be the Ministry of Displaced who would eventually have paid them, but they are illegal. [...] We sent a report and we knew it would not be followed through with a case. There was no need to negotiate with the political parties. The case was clear. They never asked us to go back.[68]*

It was the political mobilization of residents elsewhere in the city with the support, help, and incitement of political parties that lead to modifying the expropriation measures, and, eventually, the highway trajectory. Indeed, several failed attempts to cut other informal

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[65] This is especially due to the backing of political parties to residents of informal settlements. In order to insure their positions as brokers between the state and residents, political parties encourage residents to reclaim high compensations. This strategy then forces public agencies to go through political parties in order to reach an acceptable settlement with the population (Harb 2000).

[66] This figure could be exaggerated and others brought it down to 50%. However, all interviewed public actors agreed that compensations and expropriation costs were the single highest cost components in public projects and that they provided the basis for decisions on project implementation over the last decade.

[67] This is especially the case in the southern suburbs of the capital where the two main active political parties, Amal and Hizb'Allah, compete over residence allegiance by negotiating higher compensations. In order to implement projects in the area, the approval of the political parties has become necessary since they had proven their capacity to mobilize residents. Furthermore, the power of decision-making is not isolated from the state, since these parties have penetrated state structures and participate in its decision. This is notably the case with Amal whose leader, Nabih Berri, is also the head of the Lebanese parliament.

[68] Interview held in June 2003 with Mr. Z.S. in the Ministry of Public Works.
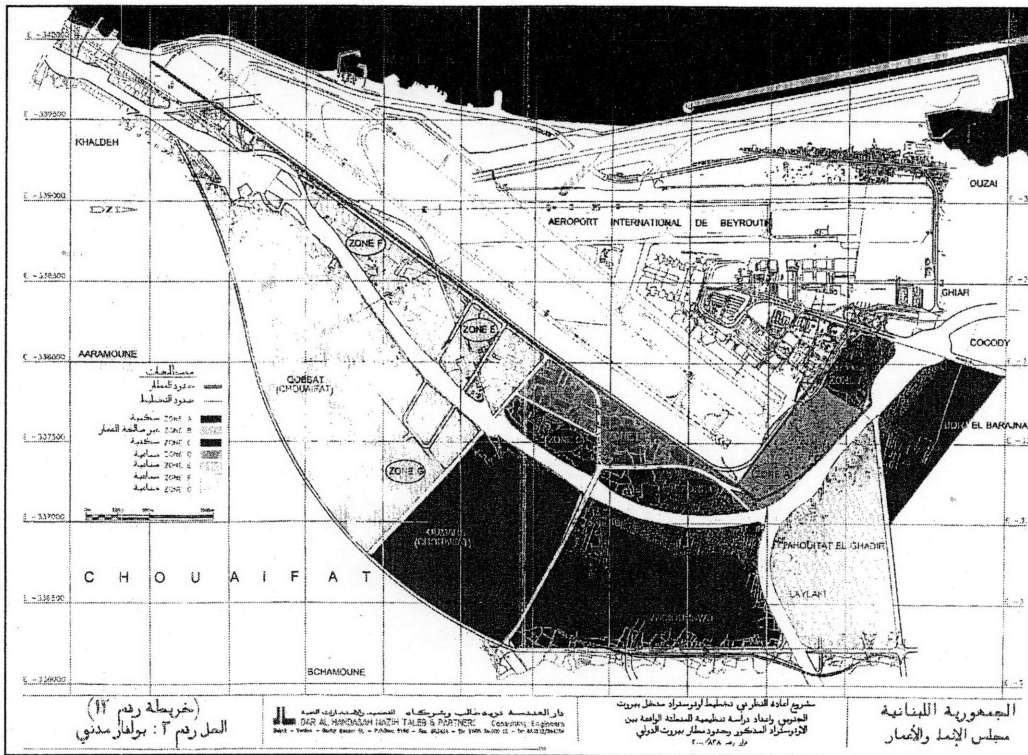
Figure 4-10 (a): Proposed zoning for the area between the Airport and Hayy el Sellom. The planning goes around the neighborhood.

Source: Council for Reconstruction and Development.
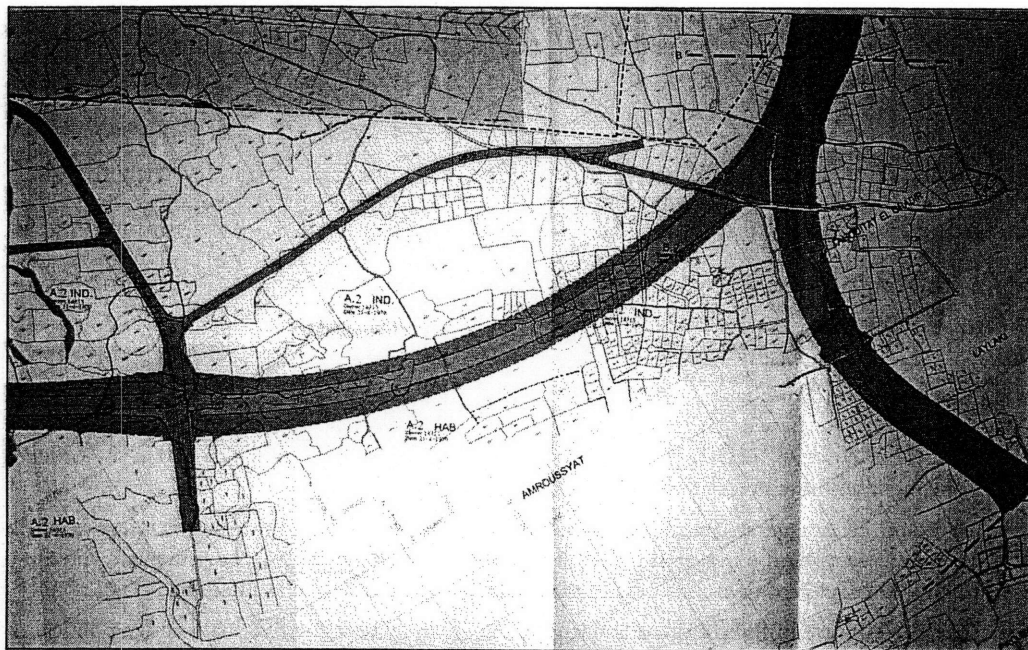
Figure 4-10 (b): Projected highway plan over Hayy el Sellom. This is the proposed (and rejected) 2003 revised version that sought to narrow down the highway trajectory over the neighborhood.

Source: Council for Reconstruction and Development.

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settlements in the southern suburbs of Beirut had lead to violent outbreaks[69] and/or strong political mobilization that coerced state agencies into paying large indemnities to residents who were being displaced. Here is how the engineer in charge of the project in the Council for Development and Reconstruction describes the situation:

> *Given the kind of mobilization that we were encountering to move 10 houses in* [the informal settlement of] *Raml* [also in the southern suburbs of Beirut] *on the highway before reaching Hayy el Sellom, it was clear that something had to be done to deviate the trajectory. We did not really get into the negotiations of the highway. It was pointless.*[70]

Accordingly, the highway plans have been considerably modified over the past decade. An alternative 2+2 lane highway was designed to cut through the airport domain, in order to avoid expropriation and compensation costs. Later, in 2003, another consulting firm, *Dar el Handassah*, proposed to narrow down the current highway trajectory to a 2+2 lane "urban boulevard". The main political players, the Ministry of Works and the DGU, have however rejected it.[71] This rejection, according to this engineer and all others interviewed, is a political rather than technical issue:

> *When we studied the southern entrances of the capital city, we knew that we would still need the two lanes that were not executed in the airport. So technically, the problem was clear, the highway is needed. [...] The problem is however political. We will not be able to implement the highway because of political opposition. [...] Neither my children nor I will see this highway but, we owe it to our children to at least preserve its path. [...] It is not scientific; it is Hizb'Allah and Amal.*[72]

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[69] The most famous such incident is the Ouzāï Highway design. Faced with the impossibility of executing a highway and displacing populations, public authorities resort to the design of a 16m wide bridge that would run over the existing road. Violent protests of residents and shop owners on the existing South Lebanon road lead to the beating of the personal advisor of the Prime Minister who was coming to the area in order to place the project's first stone. The plan has since then been suspended (*An Nahar* and *As Safir* dailies in June 2002).

[70] Interview held with Engineer A. A. in the CDR in June 27, 2003.

[71] It was the Prime Minister, a relentless entrepreneur, who proposed himself this alternative pathway. He saw the necessity of implementing the highways as a pillar of his NERP plan but also feared the accumulating costs of compensations. Here is how one of his closest advisors describes it in a meeting held in his office in June XX:

> *We were flying out to Paris and the issue of the Southern exist of Beirut was very much of the Prime Minister's mind. We were getting tied with unbelievable compensation costs [...]. The political parties were encouraging people to ask for higher prices... As the plane took off, he began to see the congestion in the neighborhood and then the space in the airport domain so he said to me: "why don't we just go through the airport". He called up the CDR and that was it. The highway went through the airport.*

[72] Interview held with Mr. A.A., engineer at the CDR on June 27, 2003 in his office. This was followed up with an interview in November 12, 2003, in which he explained that the 2+2 lanes highway had been rejected.

4.B.4 The Practice and the Law

The review of expropriation procedures, building permit provisions, and service delivery indicates that while public agencies dictated a clear set of laws in order to regulate the process of construction, servicing, and expropriation, these laws were not systematically implemented. Instead, public agencies resorted to ad-hoc regulations, thereby circumvented their own urban regulations that were impossible to implement, especially given the particular social and political contexts in which they were imposed.

It is interesting to contrast the conditions under which different exemptions were issued and how these conditions changed over time. The provision of building permits in the 1960s-70s, even if in the form of exceptional building permits, implied de-facto recognition of the *right to build* in the city, which was sealed by public officials and state accredited actors. Although it was delivered under somewhat exceptional procedures, this type of permit recognized the presence of new urban dwellers in the city and their right to build and occupy its (albeit marginal) spaces. These permits, or the recognition of a right to build in the city, were the result of a political mobilization challenging exclusive modes of urban governance and reclaiming recognition for rural migrants as urban dwellers. Similarly, the 1969 expropriation procedures that entitled displaced households to rebuild their houses and access services elsewhere recognized their long-term presence in the city and their right to continue to live there. In contrast, urban services such as water and electricity were "granted" during the same period as "favors" from feudal powers that allowed the extension of their patron-client networks without questioning the "public order". Threatened by rising political movements, we have seen above that these political figures fought, through such favors, in order to maintain popular allegiance to their rule (Ajami 1986).

Furthermore, none of these exceptions resulted from political mobilization alone. The necessities for public agencies to control urban development, limit illegal growth, and insure their own sustainability and legitimacy in the city were also main factors for these practices. It is in fact possible to describe exceptions as modified versions of the building law that were still acceptable to the powers that be. Similarly, elected representatives were only willing to provide "favors" to those who could show their ownership title, for their authority rested on property, but not the respect of building codes. Even within the municipality, which had given in to political pressures and paved a few roads within the neighborhood, heated debates occurred

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among a number of politicians and municipal engineers who called for the regularization of the area in order to contain its growth.[73]

However, authorities maintained this conciliatory attitude only as long as they thought they could contain Hayy el Sellom's development. The sequence of events that lead the DGU to move from engaging informal developers with master plans and 50m^2 permits to commissioning a highway to cut through the neighborhood eloquently illustrates the frustration of public agents in containing this development, and their unwillingness to negotiate its growth outside of their own terms. This antagonistic public attitude was not limited to highway plans. At the time, the Mayor of Choueyfât also began to exert pressure on Abu Raymond whom he summoned on several occasions to his office and urged to stop his business. The Mayor also continued to be adamantly opposed to the idea of a regularization policy that was beyond the scope of concessions the municipality was willing to make.[74] This general antagonism vis-à-vis Hayy el Sellom coincided with a broader change in the outlook of public officials vis-à-vis informal settlements in the city: with mounting political mobilization everywhere, they began to see in informal settlements a threat to public security and they therefore increased their attempts at curtailing their development.[75]

By the early 1970s, militias began to take control of this neighborhood and they actively recruited members among its populations. These militias encouraged residents to disrespect public regulations and offered their "protection" to cover for illegal practices. As a result, most residents shifted strategies from seeking to engage authorities and gain public recognition to relying on militias in order to acquire services through illegal hook-ups, build without regard to construction codes, and rely on a militia to face the threat of displacement posed by public projects.

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[73] An important (and missing) piece of this puzzle is the sectarian dimension of these negotiations, which goes a long way in explaining the development and outcomes of these processes. Indeed, in the early 1970s, the competition between political parties (especially Al-Sadr) and feudal lords in the State was strictly limited in Hayy el Sellom within the confines of the Shi'ite community. Furthermore, the reluctance of the Mayor of Choueyfât to give in to popular resistance and regularize the neighborhood must have also resulted from the religious denomination of this community (Muslim Shi'ite), while his Druze and Christian constituency was reluctant to recognize the penetration and permanence of other religious groups in this area. Further investigations would however be required before the scale and implications of this sectarian play are fully developed.

[74] Here too the religious/sectarian dimension should be recalled, along with their visions and aspirations of the "good city".

[75] In informal settlements where the presence of militia groups was clearer and more direct, armed forces were recurrently sent with failed attempts at eviction (Chapter 2).

The outbreak of the civil war drastically changed the position of the state. In 1976, a considerably weakened public sector faced the residents of Hayy el Sellom who were now less troubled by the legality of their construction. Concerned about their financial sustainability, public service agencies were themselves requesting that exceptions be made to entitle them to formally service illegal areas (while in the previous phase it was residents who had sought recognition). Moreover, unable to ignore the scale of widespread illegal urban developments and incapable of preventing them, planning agencies went through extra measures to render "illegal" practices even more illegal, requesting even more paperwork and imposing ever more stringent regulations on illegal construction. These measures however only resulted in higher levels of illegality and lower state-society interaction. They also never halted the process of exceptional regulations that continued to be issued for years to come.

It should be noted that exemptions were not only introduced for poor urban dwellers. To the contrary, many exemptions were issued for upper income developments, such as exclusive beaches that closed-off public lands for the rich in the 1960s (Verdeil 2002). The mastery of Al Sadr was to force similar exemptions in favor of poorer urban dwellers. Furthermore, violations to urban regulations seemed to have been widespread throughout the city since in 1971, the first (of three) regularization law was issued, allowing owners of constructions built in violation to particular construction codes to adjust their legal status in exchange of a fee. Designed to increase state revenues, according to their authors, these regulations are also the acknowledgment that public agencies were no more capable of containing irregularities in the city and had to resort to after the fact management.

Despite its prevalence, the practice of "exceptional regulations" was however never recognized by public agencies as a pattern of ruling. Instead, even as they issued exceptional procedures, planning agencies continued to legislate exclusive urban regulations that did not take into account the neighborhood's urbanization. This has been true since the pre-war era, when, for example, the DGU simultaneously designed "special master plans" for individual lots in Hayy el Sellom and approved land-use and zoning regulations that dictated large lots and limited constructions in the neighborhood. Furthermore, planning agencies have not let go of their ideal scenario of totally eradicating Hayy el Sellom. The highway plans that were put forth for as of 1973 explicitly proposed a (disguised) large-scale eviction plan for the neighborhood. Despite a recognized inability to implement such a policy, and several suggestions by engineers to deviate the trajectory of this highway, public agents have continued to hold on to this decision.

Rather than questioning this approach to governance, the dominant post-war reconstruction came to reassert it. The war provided the opportunity to re-label all informal settlers as "war refugees" and describe them as "temporarily displaced populations" to whom "special refugee permits" should be granted. Furthermore, as new land use and zoning regulations were developed for the areas surrounding the neighborhood (south and south-west), in order to account for its new urbanization, these plans systematically stopped at the fringes of the neighborhood which continues to be legislated with the previously inadequate master plans. In order to reassert their rule, public agencies increased policing over the area, opening a police station at the edge of Hayy el Sellom for surveillance. Conversely, and well in line with earlier practices, public agencies continued to issue refugee building permits and special clearances.

	Public Actors	Role
Elected officials	*Mukhtār*	Facilitates "trust" by acting as an identifier of community members.
	Deputy in the Parliament	Intervened in favor of residents for services.
Street –level employees	*DGU Clerk*	Issues illegal papers, processes illegal permits, facilities.
	Notary Public	Registers land sales, even when lots are illegally subdivided.
	Municipal Employee	Can issue exemptions and facilities or turn a blind eye to illegalities.
	Policeman	Allowed illegal building, in exchange for bribes.
Accredited actors	*State Accredited Topographer*	Organizes and secures processes of lot subdivision.
	Engineer, accredited by the Order	Signs building permits and facilitates processing.

Table 4-4: Public Actors in Hayy el Sellom

4.C ACTORS WITHIN AND OUTSIDE THE STATE

Not only did public actors produce exceptional regulations that circumvented their own rule, but a group of them also participated in the production of illegal spaces over Hayy el Sellom's various phases of development. Far from the normally ascribed roles of state actors as processing requests, insuring compliance with urban regulations, and (when all is in order) issuing legal authorizations, a number of public agents participated in the production of illegality and used laws as the basis of a private informal enterprise sustained and protected by public agencies.

As shown in Chapter 3, part of the network of informal developers in Hayy el Sellom consisted of public sector agents. Some agents were involved in registering informal transactions (*mukhtār* and notary public), while others were involved in accrediting informal developments

(state-accredited topographer, engineers). There are also lower level clerks in the Municipality and the DGU, and policemen in the local or central police stations. Some of these actors were elected officials, going from the lowest level neighborhood authorities, such as the *mukhtār* or municipal council members,[76] all the way to elected representatives in the country's parliament.[77] These also included appointed officials, such as notaries,[78] policemen, and other street-level bureaucrats in charge of urban regulations (e.g. Directorate General of Urbanism, DGU), record keeping (e.g. notary, Land Registry), and service provision (e.g. public water and electricity authorities).

In parallel to the generations of developers, it is possible to trace generations of "public entrepreneurs" in the neighborhood, those who managed to make legality their business and eventually passed it along to their children or apprentices. Many of those who work in Hayy el Sellom today were trained under the first generation of "public entrepreneurs". These include the state accredited topographer, the notary public, the municipal clerks, and others.

A detailed investigation of Hayy el Sellom's development showed that one family, the H family, lead a strategy of state penetration as of the 1960s, providing mediation between the state and the residents of Hayy el Sellom, and developing a business of selling legality. In total, five H family members have been public servants. Mohamad H was an employee in the Ministry of Public Works in the 1960s. His brother Fawzī was and remains a DGU clerk. Fawzī's two children and nephew are employed at the Municipality: two as policemen and the third as a clerk. Finally, Mansour (Fawzī and Mohamed's brother) has attempted to take up the position of *mukhtār*.[79] This section follows the trajectories of two brothers, Mohammad and Fawzī H, the nephews of Hajj Hamad H (refer to Chapter 3). Fawzī is also married to Hajj Hamad's daughter.

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[76] We have seen in Chapter 2, *Political Organization in Hayy el Sellom*, that local elected representatives such as the municipal council members are almost completely unaccountable to the residents of Hayy el Sellom who in vast majority continued to vote in their areas of origin rather than in the capital city.

[77] These are, as shown below, elected representatives from the areas of origin of the population (South Lebanon and Biqaʾ).

[78] As described in Chapter 2, notaries play a key role in Hay el Sellom since registration of property titles in their records is an important market guarantee. Around five notaries have played important roles in the area. The notary registers land sales, in shares, and become after 1983 the only legal way to register transactions. They are in fact illegal, but some notaries have not abided by the law.

[79] The *Mukhtār* (or مختار in Arabic) is an elected representative, entrusted with the identification of populations and the certification of papers for the state.

The H Brothers

When they arrived to Hayy el Sellom in 1955, the H brothers were children. Their families had fled the Biqa', following their uncle, after tribal rifts intensified. The children of a Lebanese army soldier, the brothers soon began to look into public sector employment in order to earn a living. As an early comer of the H family, their father briefly worked as an intermediary in the land business of Abu Raymond, along with his brother, Hajj Hamad, and the two young men quickly understood the benefits that could accrue from their participation in the construction sector (Chapter 3).

In the early 1960s, Mohammad H, the older of the two brothers, found employment in the Ministry of Public Works and obtained a low level clerk position where he was paid a meager salary. At the time, the DGU —where permits were processed (but not granted) – fell under the jurisdiction of this Ministry of Works and many engineers and architects came to the ministry to follow through their applications. Mohammad had therefore many opportunities to meet engineers and architects who were sometimes willing to sign $50m^2$ standard building permits. Over time, Mohammad had strong enough relations with some of these engineers that they were willing to sell him their whole quota, the maximum allocated yearly construction quota that every engineer had from the Syndicate of Engineers and Architects. Here is how he described the process: [80]

> *I first began to work in the provision of building permits. A building permit would cost a client between 250-300LP. At the time, I used to work with one engineer mostly, [...], but then there were others as well [...]. The engineer would sign the permit and then I would follow up on the procedure in the Order of Engineers and at the Municipality. There were times an engineer [...] would sell me his whole quota.*

> *At the time, I was a clerk in the Ministry of Public Work. [...] The DGU was under the jurisdiction of this Ministry, which facilitated my task considerably. I could meet the right people, learn the procedures, and follow up from within on requests.*

> *Over time, I learned how to make the plans and became known to many residents as a 'Mouhandess' (Engineer) myself. [...] I would fill the entire application forms, do the drawings and gather the information. That would limit my reliance on the engineers to the signature. It became cheaper.*

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[80] All four quotes are taken from interviews with M.H., *op cit.*

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Sometimes, the engineer would make us sign a form attesting that he was not responsible for the construction itself. It was fine with us. [...] We really didn't need their expertise. We built high and never saw anything crumbling.

So next to being a public agent, Mohamad developed his own private business: the provision of "building permits" for residents to build their houses in Hay el Sellom but also, he explained, in Laylaki, Ouzāī, Raml, and other informal settlements in the vicinity, in exchange for a fee (figure 2-3).

Over time, Mohammad had met enough architects and developed enough social relations that he did not need his public sector position anymore. Furthermore, he had formed a construction work team and bought some construction equipment, and this growing construction business was requiring his attention and time. He was also beginning to consider subdividing lots on his own. By 1969, he was so overworked that he decided to resign his job in the public sector.

As for Fawzī, he has been a full-time employee at the DGU since the late 1960s, moving between positions. For most of his carrier, Fawzī has been a *moudarreb*,[81] a clerk entrusted with verifying building permits and insuring their compliance to urban regulations in several branches of the DGU. At times, he has also played the role of "escort[82]" to the director". Next to this public position, Fawzī has also kept a private business in Hayy el Sellom, where he has held an office specialized in the provision of building permits. Fawzī has also assisted his brother with land sales, contracting (especially connections to public services), and construction.

Fawzī's private business rested on his public sector employment. As an employee of the DGU, Fawzī was able to build good connections with engineers and architects, the same way his brother did before him. Furthermore, as an employee of the DGU, Fawzī was able to insure the circumvention of regulations from within, when it was impossible to insure their formal compliance from without. He explained that in the phases when exemptions from maximum built area could not be insured, and hence other clerks refused to deliver permits (for a reason that he always believes was "political"), he went directly to the DGU archives where he hid previously delivered permits, confusing public records and allowing for the provision of a larger number of building permits than was legally sanctioned. Here is how he described the process to me:

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[81] There is no direct translation to this position, known as *Mudarreb* or "مدرب" in Arabic.

I used to go in the archives and hide the old permits. [...] So say it was possible to provide 50 permits, once 50 permits had been delivered, All I had to do was go in the archives (where I needed to for my work anyway) and hide 25 of these 50 permits, so that more permits could be delivered without pleading or bribes! [83]

He also sold this service to people who wanted to review their old permits:

One of the services I provided was hiding records inside the archives so people could trick other public agents in the DGU. [...] Once I hid an original permit in the archives, the only remaining reference was the copy of the permit that was left with the building's owner... [...] If that building owner had altered his permit, it would be difficult for the public agents to know ... [...] since the agent who looks for the original document will not find it ... and all he can do is trust the document brought by the applicant, even if it had been modified! [84]

Over time, as Hayy el Sellom became more established, Fawzī became bolder in his violation of state regulations. He struck a deal with the police station to replace, whenever necessary, the building permit with a personal permit he delivered, which was then approved by the police station. Hence, he used the legal requirement to create a private business from which, eventually, the state was excluded. At times, the choice of processing a legal permit turned to basic economics:

There were still several reasons to apply for a legal building permit: Sometimes, the "price" of the police got too expensive, even prohibitive, so it was cheaper to get a legal permit. [...] Also, sometimes clients needed registration papers from the municipality to be able to register a business for example, and so we knew it was preferable to be legal. [85]

During the war, less and less people believed in state capacity to implement its regulations and as a result, the business of permit provision declined. However, since the return of the state in the post-war era, Fawzī picked up his practice again, aided by his son, Ali who has been employed as a municipal clerk since 1993. Fawzī continued to follow-up on procedures and help developers obtain permits. He assisted, for example, Mr. Darwish, Mr. Barakāt, and other large-scale developers of the last generation in obtaining legal permits and a quick look at

[82] The escort is *mourāfeq* or "مرافق" in Arabic.
[83] Interview held with Mr. Fawzī H, *op cit*.
[84] *Ibid.*
[85] *Ibid.*

records indicated that these permits have a number of illegalities that were somehow overlooked.[86]

From his position as a public sector servant, Fawzī also attempted to encourage residents to regularize their legal status when the first regularization law was issued in 1971. He then invited a number of engineers he knew to help groups of lot owners build a regularization case, and provided his own services to follow-up the procedures through:

> *In 1971, there was a regularization law that was passed for all Lebanon. We did the maps for a few lots, and then we began to lobby to obtain a waiver for the fees. However, by the time the DGU sent someone to investigate the site, it was a year and a half later and many people had built much more so the whole process was stalled. [...] This was the case for lots 1400, 1401, and lot 1371. On 1371, there were 19 houses that we wanted to regularize for the Hannoun, Nahleb, or Hamiyyeh families [the lot, he says, was 17000sq.m]. I brought a draftsman and a DGU clerk [he names them], and we developed a file based on the regulations (exploitation ratio allowed). As it turned out, we would have had to pay 4 millions! The municipality agreed to let us pay them in installments but nobody paid!*[87]

Nonetheless, Fawzī declared he was far from convinced that the "state" cared for the residents of the neighborhood. He believed all public institutions were extremely biased and disinterested in the fate of low-income residents, especially the Muslim Shiʿite among them.[88] As someone in charge of implementing the law, he is far from convinced of its fairness:

> *You, the State, are forcing me to do illegal things, I am not wrong... All I have is a cow and a donkey and I want to send a kid to school and pay the fees and I only own a small piece of land. [...] The state has harsh regulations... and they do it on purpose to show that we are bad people. I can give you many examples where important Christian officials wanted to impose terrible regulations on us so we cannot build. [...] They changed the regulation in all of Lebanon except for Hayy el Sellom: 2000m², what a joke?! [...] This zoning it totally sectarian... otherwise, why would Hayy have 2000m² and nearby Mrayjeh and Hadath [Christian towns] be zoned B.1.1 [600m² lots] and their residents allowed to build more on smaller lots?*[89]

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[86] There are clearly some irregularities in the permits of these large projects, and I believe that Mr. H and his son have been able to process these permits with irregularities in them. For instance, the ʿAbbās Complex was granted a building permit in 1994 for a residential complex while the lot is partially zoned for industrial usage since 1970! What raised my suspicion more towards the legality of these permits and the role of the H family was the disappearance of the building permits for the ʿAbbās and Barakāt complexes the same day I was granted permission to access the municipal records (in front of Mr. ʿAli H). Mr. ʿAli H had just mentioned to me that "these permits are full of illegalities", and I unwittingly responded by saying I was precisely interested in those.

[87] *Ibid.*

[88] Until the 1990 Taʾef agreements that ended the Lebanese civil war, Shiʿites were considered traditionally as excluded of public institutions and marginalized in political decision-making (Ajami 1986, Norton 1988, Salibi 1988, El-Khazen 2000).

[89] *Ibid.*

Aside from public employment, members of the H. family have sought involvement in public elections and some of them ran for public offices. As mentioned in Chapter 3, the Hs had transferred their family's legal registration to Choueyfāt and they were thus able to participate in local elections. It was unusual for rural migrants to follow these steps because they usually derived their political strength from connections to political representatives (deputies in parliament) in their areas of origin. However, the Hs (and several other families) saw advantages in this transfer. "When we moved here", explained Mohamad Hassan H, "we were ostracized from our village (*tha'er*), so we had little hope of going back to our area of origin. While others appealed to politicians or feudal lords, we put all our resources and lives here and decided to transfer our voting power here". Based on this transfer, the H brothers tried to take up officially elected positions. One of them, Mansour, sought the position of *mukhtār*, a locally elected representative whose main task consists of certifying information about registered residents of a neighborhood for public records. This position does not formally benefit a developer in his practice, but it was common among developers in the neighborhood to appeal to a *mukhtār* for "official" representation upon an agreement on land sales. This position also provides important social relations and prestige that can indirectly serve the purposes of a developer. "We were hoping to have my brother Mansour instituted as a *mukhtār* [...], but we have so far not succeeded. We will try in the next round (election every four years in theory). [...] Everybody in the family already refers to him as the *mukhtār*" explained Mohammad H. His other brother, Fawzī, already an employee of the DGU, also ran for a seat in the Choueyfāt municipal council in the 1998 municipal elections but did not win either. Nonetheless, Fawzī H who had already succeeded in appointing his son 'Ali as a municipal clerk in 1993, succeeded in placing his younger son and his nephew as municipal policemen after the elections. Here is how he described the process:

> *I ran against his* [current mayors'] *list in the* [1998] *municipal elections to establish that a Shī'ite can present himself in Choueyfāt and win. I know that I won in the elections, we are from this area and many people know us. We have important social relations. I know that I "broke in their list" [...]. They then delayed the election results for a whole week and after that week, they said that their list won entirely [...] that was the list of Mīr Majīd* [Arslan, important feudal family in the area] *and there was an agreement with his rival* [MP Walīd, another feudal family in the area with a long history of involvement in the war] *Jumblāt that his list would be entirely voted in ... later, they employed my son and my nephew in the Municipality as a sign of recognition.* [90,91]

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[90] The results of the elections being extremely politicized and muddled with corruption, it is impossible to verify whether Fawzī's claim that he had won enough votes to be on the municipal council but was nonetheless excluded

Today, 'Ali plays an important role in the municipality where the Mayor has appointed him representative of Hayy el Sellom to follow up on the neighborhood issues: he collects complaints in the neighborhood, processes permits if need be, follows up on procedures, etc. According to the Mayor, the scale of the problems that emerged daily from this neighborhood convinced him of the necessity to appoint a full-time employee on this task.

The H brothers were not the only actors crossing between roles inside and outside the state. Many other low-level public servants played similar roles in the neighborhood, making a business out of legality but, simultaneously, facilitating the circulation of regulations from and to the residents and the application of the law, often in distorted ways. In fact, it is impossible to imagine the development of this neighborhood without the circulation of these actors and the services and securities they provided. In Chapter 3, it was clear that various public actors, in their capacity as "state accredited actors" and hence part of the "ideal state", played a central role in the production of illegality or informal housing development in subdividing land, securing land sales, or providing credentials as "engineers" for residents. This was, for instance, the case of the notaries who systematically registered transactions and hence provided the necessary security for a well-functioning land market, even when regulations prevented them to do so after 1983. Most of them felt close to the people and understood their prerogatives enough to violate regulations they thought were not fair, albeit always at a profit for themselves. Here is how Wa'el, the notary, described this practice:

> *The residents of Hayy el Sellom are from the most popular classes, they don't have much money. In my opinion, any project that tries to abide by formal regulations such as legal subdivisions and some of the construction codes is bound to fail because it does not account for the priority of this population group that is very strapped for cash. [...] They would rather pay 50 thousand dollars for shares in a lot where they can build several stories and house their children's families than buy one legally subdivided apartment for the same price. [...] This was already the problem in the 1960s, before I started working, and it continues to be the same issue.*[92]

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is correct, especially because conflicting claims (in the municipality) insist that he barely collected any votes. The results of the 1998 Municipal elections in Choueyfāt, the first elections since the 1960s, were withheld for a few days because of political pressures before the entire list of Talāl Arslān, one of two feudal leaders in the area, was entirely announced victorious over the municipal council.

[91] Interview with Fawzī H, *op cit.*

[92] Interview held with W.S., notary in the area, August 10, 1999.

Nabîh, a state accredited topographer who had trained under the first topographer who worked with Abu Raymond and continued the practice with the second generation of developers echoed this opinion:

We played a role in helping low income people in this area access housing and protect their rights afterwards, when the state did not care to do so. [...] There are no adapted regulations for low-income areas but the capital city should not be the exclusive right for certain population groups or classes. [...] Illegal land subdivisions are the result of urban regulations that enable the subdivision of small lots; poor public regulations got us where we are.[93]

Furthermore, the notary explained that he truly believed public regulations to be counterproductive and was therefore willing to circumvent them anytime he was provided with a legal cover:

In order to register a lot, we needed proof that there was no illegality on the lot. So I accepted the certificate of the municipality, even if I knew it was not compliant with reality. The municipality, in turn, was relying on the police force to provide them with information on what was occurring on the ground and they knew it was fraud... so it was enough for the resident to bribe the policeman who would write a report and attest that there was nothing built on a lot to enable us to register a sale.[94]

The notary was also confident that informal agreements were valid and widely respected, and that, if need be, they could well be enforced in courts:

An amicable contract, once written, is an official document with all the legal prerogatives. It can be enforced in court. [...] Given the scale of the construction that occurred in the area, we had very few conflicts, really close to nothing.[95]

Here too, the topographer held the same discourse:

We always kept a copy of subdivision maps but rarely had to resort to them. People respected the guidelines and there was little room to violate them anyway: roads were executed on the lot before residents began to build. [...] No one ever needed a judge; our plans were sufficient.[96]

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[93] Interview held with the topographer in his office in Mrayjeh on August 17, 1999.
[94] Interview with W.S., notary in the area, *op. cit.*
[95] *Ibid.*
[96] Interview held with the topographer in his office in Mrayjeh, *op cit.*

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As for potentially enforcing agreements that would disfavor clients, such as registering land sales for clients on lots allocated for expropriation, thee notary was firm that no one bought a land without knowing:

> *We did have clients who refused to buy within the perimeter of a planned project and were willing to pay more to be sure they were not in this condition. No one bought land on a lot to be expropriated without knowing. Many just didn't believe the state would ever implement the project, especially when implementation was pending for many years.*[97]

The narratives of these public actors indicate that Hayy el Sellom could not have been created without the help, support, and partnership of an array of public sector actors who were and are still willing to cross the boundaries across the two spheres (state/ non-state) in order to circulate regulations, facilitate compliance, and articulate more flexible regulations. They also show that these actors were not simply taking bribes, but also had some sympathy for the residents to whom they felt accountable.

4.D   DISCUSSION OF FINDINGS

The confrontation of state laws to processes of state ruling in this chapter attests to the necessity of unpacking the "state" from its monolithic representation as an urban regulator. The chapter described an array of actors whose activities, taken together, provide a rich picture of the multiplicity of roles played by public agents in the organization of the city and the diversity of regulatory practices that did not conform to the one dimensional "state idea" one can get from just looking at official urban regulations. Furthermore, the chapter described the diversity of motivations that encouraged actors to engage in informal practices, be they high status regulators or low-level bureaucrats.

Two peculiarities of the Lebanese state structures are worth mentioning before discussing the main chapter findings. First, none of the housing agencies figures on the list of public agencies involved in the production of Hayy el Sellom or its regulation.[98] This is because Lebanese authorities have never conceptualized informal settlements as a "housing problem" and, as a result, housing officials have always considered these neighborhoods to be outside their

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[97] Interview with W.S., notary in the area, *op. cit.*

[98] One could expect that any of the Ministry of Housing (now dissolved), the Public Corporation for Housing (currently the highest housing agency, under the Ministry of Social Affairs), or the Housing Bank (recently privatized) be present or have a role in the management of a housing problem of this scale.

jurisdiction.[99] Second, the structures of the Lebanese voting system (described in Chapter 2) that attach voting rights to area of origin rather than place of residence have important repercussions on the citizen-state relationships since locally elected officials such as the *mukhtār* or municipal authorities are not accountable to these large populations of rural migrants. To the contrary, these elected officials are accountable to a minority of old-time residents who view informal settlers unfavorably and are reluctant to see any services disbursed to them. These two peculiarities of the Lebanese system might go a long way to explain why local authorities did not play the role that the current decentralization literature expects them to, and why, conversely, it was planning agencies that consistently emerged as major players in the making of Hayy el Sellom.

Based on this complex picture of the public sector, it is possible to derive an alternative understanding of the organization of urban issues in Hayy el Sellom for the past 50 years. Neither the product of the shady practices of informal developers, nor the outcome of public planning policies, the neighborhood was organized by a combination of tightly interconnected formal and informal regulations. At a time when many practitioners and policymakers still talk of the necessity to regularize informal settlements and bring them to the "legal realm", the evidence of public agencies' involvement in the production of illegality provides yet one more example of why it is important to drop the dualistic understanding of the city (Benton 1994, Razzaz 1998, Varley 2002).

The form of development that Hayy el Sellom took could be read as the result of a process of state-society negotiations that dictated, during different phases, dissimilar practices of space management that always diverged from the declared intentions of public policies at the time they were issued. Public urban management was particularly influenced by the form that political mobilization took at a particular period, especially whether this mobilization sought the acceptance of state agencies or challenged their authority. The form of management also resulted from planning agencies' needs to control urban growth and to provide urban services in sustainable form. The negotiations were however always limited by the ceiling on concessions that public agencies imposed, notably their consistent refusal, throughout the fifty years of development of the neighborhood, to recognize informal dwellers' legitimate claims to the city.

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[99] To be fair, foreign consultants invited to evaluate the housing conditions in the country have not abided by this stand. For example, both Doxiadis housing evaluations (1959 and 1999) included sections on "illegal settlements". However, public agencies have never considered acting on such recommendations that both called for the eradication of informal settlement and their replacement by modern housing policies.

Thus, even when back-door permits were disbursed or residents were forgiven through exceptional procedures, there was no attempt at changing existing policies to formally include them.

This refusal to recognize informal dwellers opens interesting scopes of analysis for the students of state-society relations. In a recent publication, Chatterjee (2004) described what he called "popular politics in most of the world". In contrast to the widely held vision of a homogenous national conception of citizenship put forth during independence days in many Third World cities, Chatterjee argued that governmental administrations have dealt with populations as multiple groups to be addressed with multiple and flexible policies. One of the main distinctions between these groups is between "populations" and "citizens". Populations are the subjects of public policies to whom benefits were distributed (often as a result of popular mobilization) but entitlement was never recognized. Citizens are expected to share in the sovereignty of the state and as a result, they have recognized authority over the city. Since policies (in "most of the world") systematically dealt with low-income dwellers as populations and not citizens, it was possible for current neo-liberal trends to withhold services and facilities that had been granted earlier, given that these services were favors and not entitlements (Chatterjee 2004). In many ways, my findings echoed Chatterjee's analysis. Clearly, the 1960s represented a special period where breakthroughs in public governance did occur and public agencies began to recognize the rights of urban dwellers to "build" in the city. However, this recognition never materialized in a revision of the modes of governance that would make public authorities accountable to low income population groups, or recognize their "full-fledge citizenship" along Chatterjee's conception of the term. To the contrary, access to citizenship remained beyond the reach of these populations whose arrival in the city had to be confined to a limited set of facilities and practices that, once transgressed, triggered public agents' open hostility. Within this conceptual framework, it is possible to understand public planning regulations as a result of a particular set of parameters that were unquestionable because they responded to the visions or needs of recognized citizen groups, even as they excluded others whose entitlement to the city was and continues to be unrecognized.

Within the limitations imposed by this context, it is however possible to suggest that it was during the phases when public agencies were issuing the highest numbers of exceptions and when the largest number of public agents were directly engaged in the production of illegalities that residents abided the most by legal urban regulations. For example, the highest number of

permits disbursed in Hayy el Sellom, according to DGU records, coincided with the first period of its development. As of the early 1970s, when public agencies began to change their attitude vis-à-vis the neighborhood (prior to the war), the number of permits dwindled in public records. Similarly, many residents who built their houses during this phase explained that they had learned about many public regulations, such as setbacks and maximum building height, from their interactions with "public engineers", often the H brothers, who had delivered their "building permits". There are also many indications that even illegal permits (delivered by Fawzī H. and sanctioned by the local police station) managed to devise an applicable ceiling for illegality by which residents abided. In fact, there are several recorded attempts by resident groups during this phase to file for regularization, notably when the 1971 regularization law was first issued. Many residents attested that they had learned about this procedure from local public agents and attempted to apply for regularization through them. Compliance to public regulations (as well as milder pressures on urbanization) had managed to preserve the neighborhood's physical space, which residents described to have been an "adequate housing option" for them during this early period.

Conversely, antagonistic positions taken by public officials and stringent urban regulations reduced public agencies' capacity to implement their own plans or control illegal urban developments. As public agencies began to deliberately impose higher sanctions on those who violated their regulations, they encouraged residents to resort to militias' protection. When they prevented informal sales registration in notary's records, they lost the detailed information they possessed about land transactions and property titles in the neighborhood. The most striking example is the 1983 Building Law that came out of public agencies' frustration vis-à-vis the widespread illegal urban developments but which, indirectly, also prevented residents from registering sales, creating more confusion in public records and larger opportunities for unscrupulous developers to abuse uninformed clients, precisely the problems the law sought to address. Furthermore, when the door for such exceptional procedures was closed, it became more difficult for public sector entrepreneurs to encourage residents to apply for regularization or learn and respect public records.

The post-war era corresponds to the lowest level of state-society negotiations. Indeed, threats of displacement and poor information have increased residents' reliance on political parties to represent them before public agencies. Today, the only link with the state for the residents of Hayy el Sellom is 'Ali H, Fawzī's son and the grandson of Hajj Hamad H. who is

employed at the municipality to follow-up on the affairs of the neighborhood. The sheer size and visibility of the neighborhood have forced the municipality to provide some minimal services but in no public quarter is anyone discussing strategies of upgrading the neighborhood. In many ways, public policy in fact contributes to the deterioration of the informal settlements. By policing the neighborhoods and allowing only large-scale developers to build huge structures, public agencies have allowed a rapid densification of the area. Furthermore, by imposing the costs of electricity, they have encouraged reliance on cheaper locally generated electricity. Both of these practices have contributed to the deterioration of the neighborhood environment considerably.

In short, the willingness of public agencies to disburse exceptional permits and the direct involvement of public agents in illegal practices should not be dismissed as malpractice or corruption. To the contrary, these procedures attested to the flexibility of these public agencies, the ingeniousness of its agents, and an unsuspected ability to negotiate its regulations. These findings could be specific to the Lebanese context, especially with the exceptional weakness of the state during the war. They however provide important insights for further research.

Chapter 5

Buying a Home in Hayy el Sellom

5.A INTRODUCTION

The previous chapters described important changes in the Hayy el Sellom housing market over the past fifty years. Most importantly, they indicated a gradual shift towards formal channels of housing production (e.g. credit from banks, obtaining building permits for buildings, formal channels of advertising), growing presence and policing of public agencies since the mid 1990s, and large-scale urban changes in Beirut with significant impacts on the relation of the neighborhood to the city.

This chapter explores the impact of changing market conditions from the perspective of low-income urban dwellers who arrived to Hayy el Sellom looking for housing in the suburbs of Beirut over the past fifty years, with focus on three particular processes:

(i) Accessing the *basic necessary resources* for purchasing housing in the city, such as information about the housing product (e.g. price and quality), credit in order to finance the purchase, and protection from the police;

(ii) Insuring a *minimum level of security* in the transaction: terms of the deal, knowing that the developer would not default;

(iii) Building *retaliation capacity* in case the developer defaults.

The chapter shows that like developers, residents systematically relied on a mix of formal and informal channels throughout these three processes of housing acquisition. Nonetheless, interviews with residents indicated that it was primarily on social networks, and the access they provided to both formal (e.g. planning agencies) and informal institutions (e.g. reputation), that homebuyers in all phases relied in the process of housing acquisition. My investigation in Hayy el Sellom shows that as the housing production mechanisms shifted towards stronger reliance on formal institutions (such as banks for credit, advertisement for information, or public agencies for security), the settlement gained more security of tenure, given its sheer population size and its de-facto integration in the "suburbs" of Beirut or *Dāhiyah*, but its residents became considerably more (and not less) vulnerable to market default (i.e. developer not complying with the terms of the agreement). In large part because of the difficulty of complying with the costs of legal housing production, the last generation of developers (Chapter 3) defaulted more often on its agreements with clients than previous generations. In addition, their clients were left with weaker opportunities for recourse than their predecessors, when default occurred, because market (e.g. contracts) and public institutions (e.g. court of law) remained inaccessible to them. They were therefore willing to settle on less favorable terms.

These findings contradict dominant trends in the economics and urban planning literature, which have argued that higher reliance on formal market mechanisms and institutions on the part of developers and greater integration in the citywide housing market create better market conditions for low-income dwellers looking for shelter. In particular, it is theorized that the shift to formality brings with it better access to information in more transparent channels, higher levels of security in transactions, and –perhaps most important– better retaliation capacity in case the developer defaults through formal public agencies (notably courts of law). It is also theorized that formality provides clients with better sales conditions (our concern here), since they can rely on formal, reliable, and all-inclusive public agencies rather than informal

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institutions.[1] This chapter shows that the purported enlargement of market opportunities by the de-facto legalization on balance worsened rather than improved the conditions of low-income urban dwellers looking for housing in Beirut.

The questions raised in this chapter limit the scope of this investigation to residents who purchased housing in the neighborhood over the course of the three phases of its development.[2] My research therefore covers land purchases (and construction material and labor) in the first two phases, and apartment sales in the last. The interviewed sample includes a continued flow of rural migrants since the 1950s[3], waves of populations displaced by the war in the 1970s and 1980s[4], several population groups displaced by post-war reconstruction projects (especially the rebuilding of downtown) in the 1990s, as well as young couples (coming from various neighborhoods of the southern suburbs of the city, including Hayy el Sellom, and from low-income neighborhoods of Municipal Beirut) looking for affordable housing in the suburbs of the Lebanese capital city. De facto, therefore, the "community" studied in this chapter excludes the poorest residents of Hayy el Sellom who generally access housing (or a room) through rent (such as recent rural migrants or international migrant workers). It also excludes the limited number of squatter residents who have occupied public or religious (Waqf) land in the neighborhood.[5]

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[1] This claim is generally supported by economists who have emphasized the necessity to formalize informal markets in order to expand their economic opportunities (Barr 1996, De Soto 2000). Also, the imposing body of literature that argues for "regularizing" informal markets and informal settlements builds on the implicit assumption that "formalization" is better.

[2] For methodological details and sample size and selection, refer to the methods section in Chapter 1.

[3] My interviews in Hayy el Sellom indicate that rural migrants arriving to the neighborhood during the last decade are relatively poorer than earlier migrants, these families therefore rent apartments because they are unable to purchase. For migration to Beirut, see Chapter 2 and Faour (1981).

[4] See chapter 2 for details.

[5] Squatting in the neighborhood was always very limited. It is concentrated in time especially in the first years of the civil war and extends to the Ghadīr river sides, the railway trail (North-East of the neighborhood), and a couple of terrains owned by the Orthodox religious authorities (Waqf land). See Chapter 2 for more.

5.B   A HOME IN HAYY EL-SELLOM: INFORMATION, MOBILITY, AND LEGALITY

5.B.1   The Early Days: 1950-1975

> *News would spread in the village that there is a new lot to be inaugurated [...], and those who want to purchase a unit would hurry to get in touch with the developer and/or his mediator and secure their place.*[6]

The above comments of a long-time resident of Hayy el Sellom illustrate social networks' efficiency as channels of communication during the first years of the neighborhood's development. Kinship or geographic social networks carried the news about a lot to be subdivided to potential clients in their villages. All interviewed residents who purchased lots in Hayy el Sellom over the 1950s-1970s period, whether they arrived to the neighborhood directly or via other suburbs of the city, described processes of information gathering that relied on relatives and neighbors (including mediators) in order to learn about lots for sale. They also relied on these networks in order to meet the developer, gain his trust, and secure appropriate sales conditions. Those who rented units for a few years before they decided —or were able- to purchase a lot described patterns of information gathering that were engrained in the web of social relations within the neighborhood itself, including relatives, new neighbors in Hayy el Sellom, neighborhood stores and bakeries in which news and gossip was shared, as well as their own observations of the developers' practices.

This process of information sharing fit well the pattern of migration to Hayy el Sellom during its early days. Until the mid 1970s, the majority of residents arrived to Hayy el Sellom in family or village groupings. The choice of home ownership, as opposed to rental, reflected an old agrarian ideal that valued land over any other investment. This choice however already forced them in the informal settlements of the capital city, because of affordability issues, although they often had no clear understanding of the deficient legal status they were acquiring. At the time, Hayy el Sellom was one of several informal settlements built on illegally subdivided lots in the far suburbs of Beirut, in proximity to industrial developments (Chapter 2, Figure 2-3).[7] Newcomers often chose Hayy el Sellom over other similar informal developments because

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[6] Interview held with an early comer to Hayy el Sellom, Hajjeh Khadījeh, in her house, on June 4, 1999.

[7] I have described in Chapter 2 that Hayy el-Sellom was one of four neighborhoods in the far suburbs of the capital city, along with al-Za'aytriyyeh, Rouwaysāt, and Hayy el-'Ayn in the eastern suburbs, that were subdivided in informal land lots during the later phase of urban development of the capital city. See Chapter 2 for more details.

of the presence of co-village and/or family members in the neighborhood. Hayy el Sellom was attractive because of its calm environment and green landscapes and its proximity to employment opportunities in nearby factories and agricultural fields.

During this first phase, the need for accurate information about transaction security was relatively limited. This was in part because choices were restricted: once a client set out to purchase land via Abu Raymond or one of his mediators, the developers' monopoly over land sales and the relative stability of land prices during this period[8] reduced the necessity to learn about real prices and devise bargaining methods. Moreover, despite the complexity of the housing product at the time (land, labor, and construction materials instead of a finished apartment), the tight control that Abu Raymond held on the process of housing production and its various linkages (materials, labor, financing) considerably reduced the need for data gathering. Residents who purchased land from Abu Raymond were forced to use specific channels of housing production (labor and materials) since the developer often imposed how and where materials will be purchased (from his and Hajj Hamad's sons), who will build the house (mediators), and himself provided the financing scheme. In short, Abu Raymond's clients benefited from their social networks to access information and loan guarantees but they were simultaneously trapped by these networks in the process of housing production; since they relied on a family or village mediator to introduce them to the old developer (and guarantee their sale), they were often forced to resort to the particular builder (generally the mediator) whose commission from Abu Raymond consisted in part or whole of the construction rights.[9]

Furthermore, the need for information about the legality of the transaction was limited because most newcomers during the 1950s-1970s period had poor knowledge of urban and construction codes and did not appreciate the implications of violating these regulations. Although they were aware and respectful of property rights, they were poorly informed about urban guidelines (e.g. minimum lot sizes, allowable land use) and construction codes (e.g. mandatory building permits, maximum allowable built-up area, the 1983 prohibition to purchase or build a lot once an illegal construction had been reported) (Chapter 4). To date, many refer to their "lot" as the sub-lot area that was subdivided and numbered by Abu Raymond, rather than

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[8] A review of Abu Raymond's books confirms the stability of land prices described by residents. Furthermore, both the developers' son, residents, and mediators confirm that a formula was adopted to determine land prices: Abu Raymond charged the dra' of land to residents the same price he purchased the square meters from owners, making profit with the difference in measurement since a dra' is 9/16 of a square meter.

[9] See Chapter 3 for more details.

the actual lot registration numbers of the official cadastral. Furthermore, most of them considered that they were entitled to services and security since they had legal property rights and did not realize that public agencies provided services on the basis of residency permits. Many were also poorly informed of the possibility of public projects threatening to expropriate their land (such as highway or road trajectory) without compensating their constructions, since the latter were considered illegal.[10] This is not to say that residents were altogether ignorant of the illegality of their transaction or that they did not care about this illegality. To the contrary, most of the 1960s-1970s clients went through extra measures to insure some elements of legality in their housing and several attempted to regularize their lots when the 1971 regularization law was issued. However, to most of these residents, the boundaries between the legal and illegal realms were not clear, and they were not always aware of the legality (or illegality) of their constructions or the implications of this legal status on their tenure security or their ability to sell their lot.[11]

Over the years, the repeated official dismissals of the neighborhood as "illegal", and their refusal to service the neighborhood on these grounds, have attuned residents' perception to their illegal status. Over fifty percent of residents who arrived prior to 1975, and who responded to the survey on perceptions of illegality I conducted in 1999 in the neighborhood (Chapter 1 and Appendices 1) admitted wholeheartedly that they had built their houses in violation to construction and urban regulations, but were not able to describe which regulations they had violated. Almost all of them also recognized that there would be some advantage to legalizing their status: 25% mentioned security of tenure, 5% services, and a little less than 20% better prices and access to credit.

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[10] It was generally only at the last step of the land sale, when they went to register their lots in the property registry that buyers realized that some planning project was designed to go through the lot where they had purchased. By that time, they had generally paid all the price of their lot and had lost much negotiation power. Developers also went through extra effort to convince them that such public regulations were irrelevant and would not be implemented. This however was no negligible threat. The increasing number of public projects planned in the neighborhood and never executed that began with a few inner road enlargements and culminated with the enlargement of the Ghadir river banks and especially with the main highway interchange wiping out a large portion of the western section of the neighborhood after 1973 quickly became a serious source of insecurity in transactions that new buyers would have had to account for if any of these projects was executed (figure 4-10).

[11] In fact, none of the residents was planning to sell the lot they had just purchased. These new urban dwellers were purchasing housing to establish themselves in the city.

5.B.2 Phase Two: The War Years

The civil war years altered the conditions of housing acquisition in Hayy el Sellom, as they altered the process of housing production in the neighborhood (Chapter 3). This housing market was then controlled by mediators turned developers who were often tied to their potential clients through kinship or geographic networks, and newcomers continued to rely on social networks in order to gather information about housing opportunities and adequate sales conditions. They also continued to follow earlier family and village migration patterns. However, the civil war quickly brought new sources of insecurity that triggered changes in the strategies of information gathering. Unlike their predecessors, newcomers began to prioritize proximity to members of the same religious group over proximity to employment. Furthermore, as a result of the division of the city in two belligerent sections (Chapter 2), low-income rural migrants (mostly Muslims Shi'ite) looking for housing in Beirut were faced with higher restrictions on potential housing opportunities, since most of the old industrial suburb (eastern suburb) was now closed to them. As a result, housing demand increased considerably in Hayy el Sellom during these years, fuelled by continuing rural to urban migration and several waves of war related population displacements (figures 2-9, 2-10).[12]

Heightened demand, combined with relatively limited land supply increased the possibility of default. Stories about developers and builders cheating in land measurements or reducing the number of steel bars in their constructions began to circulate in the neighborhood.[13] Several Hayy el Sellom residents who had purchased housing during this phase explained that the population size had reduced the capacity of social networks to provide secure information, at a time when public agencies were unable to play their pre-war role. These changes increased insecurity in transactions and lead potential buyers to take more time in selecting a housing option. Many preferred to rent for years before they decided to purchase housing. These newcomers (especially those coming from other neighborhoods with no prior relations in the Hayy) "incrementalized" their relationship with the developer; they took the time to learn more about his practices before they committed to a transaction.[14]

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[12] Most of these lacked the financial means to purchase housing and resorted to renting apartments in the buildings of the earlier phase that gradually expended vertically, creating an important rental market in Hayy el Sellom.

[13] Cheating in the measurement processes occurred by allocating smaller lots to clients who had little room to verify measurements. This was especially possible with the reliance of official records on metric measurements, while the practice of the neighborhood was to rely on the dra' (agrarian measure).

[14] This is also not an unusual mechanism in relatively insecure markets: in his investigation of consumers' strategies to cope with ignorance, Klein described similar patterns in many spheres of market interaction, referring particularly

Given the weakness of the public sector and the rising power of militias in the neighborhood during the civil war, people were encouraged to dismiss legality and to rely on militias' protection for illegal construction and service hook-ups. Thus, information about legality became less relevant. This was all the more the case when, in the late 1970s, service agencies allowed legal service provisions to all lots, irrespective of their legal status, and in the 1980s, in an effort to prevent illegal land sales, planning agencies made it illegal to register land sales for lots that had any illegal construction (Chapter 4). These legal measures had a reverse effect on the neighborhood's residents who began to perceive legality as irrelevant since they could obtain services anyway and were not able to register their sales in public records, whatever they did. During this phase, the weakness of the public sector also left little qualms to the neighborhood's residents about the possibility of a public project going through their lots, reducing expropriation threats, and therefore their concern about a public project designed to go over their lot.

This attitude is translated in the actions and perceptions of legality among the population of the neighborhood who arrived during this period. I have shown in the previous chapter that few among these residents applied for building law, or went through the legal procedure, in contrast to residents of the earlier period (Chapter 4). Responses to the survey on perceptions of illegality showed somewhat similar answers to their predecessors: Many recognized their illegal status but were not sure which regulations they had violated. As for advantages of regularization, 25% mentioned security of tenure, 2% services, and 15% access to credit and ability to sell at a higher price. Other answers provided by the respondents also attested to the fact that they did not really understand why their constructions were illegal and what were the implications of regularization. For example, four respondents mentioned "the ability to build more" as an advantage of regularization, others expressed surprise at the opportunity for regularization, many simply answered that they were "like everybody else in the neighborhood".

5.B.3 Phase Three: The Post-War Era

As the urbanization of the settlement increased and a new generation of developers and clients arrived to Hayy el Sellom, information channels were modified to include, next to social

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to "incremental choices" where "trusters" take the time to observe and gain information in order to reassess their relationship with a developer (Klein 1997: 102).

networks, formal market advertisements such as mass media, pamphlets (figure 3-9) and billboards.

These changes should be understood in the background of the rapid transformations that were happening in the capital city by the end of the civil war. During the post-war era, large waves of population displacements were triggered by so-called reconstruction projects (e.g. reconstruction of Beirut downtown, highway projects, etc.). In the mid 1990s, these population groups began to look for housing in the city, often with the limited budget of US $5,000-10,000 that they had obtained as displacement compensations. They were faced with an exclusive Beirut housing market with few housing opportunities given the lifting of rent control, soaring real estate prices, and no credit targeting low income groups (Samaha 2000, Fawaz 2003).

In this context, Hayy el Sellom provided one of the cheapest options to purchase a house in Beirut. Several interviewees among the neighborhoods' last generation of residents explained that they moved to Hayy el Sellom (whether individually or in family groupings) because of its "cheapness" or "the lack of another option". Coerced by competitive market choices and the limitation of affordable places in the city, these new comers often arrived to Hayy el Sellom with little hope to find housing elsewhere in the city. Here is how one interviewee described her decision-making process: "The reason we came here is very simple: it's all cheap [...]. Food, rent, clothes, you name it. Everything is cheaper here [...]. We used to rent an apartment nearby, in Ouzāī [squatter settlement in the southwestern suburb], and we came here regularly for the *souq* (the market). Then we had problems in Ouzāī and we had to move out, so we came here [...]. My mother and sisters followed, they all rented places elsewhere, here they could buy an apartment".[15] Others described a prohibitive market elsewhere that forced them to the Hayy: "It is well-known", explained one resident of the 'Abbās Complex, "that an apartment in Bchāmoune [formal, middle-income suburb of Beirut] would be better built and provide higher security, [...] but how am I to afford it? [...] My brother purchased an apartment there and he paid the double amount of money".[16] Other latecomers echoed her words. They described a newfound attractiveness of Hayy el Sellom based on its affordability, strengthened by the lack of choice elsewhere, rather than the neighborhoods' own attraction or the presence of one's kin or village group members.

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[15] Interview held with three sisters and their mothers, in front of the mother's house in Hayy el Sellom (Hayy ez-Zahra') on June 18, 2003. The three sisters and the mother had moved in the neighborhood over the course of the year preceding the interview.

[16] Interview held with 'Abla, in the 'Abbās Complex, in June 2003.

An eloquent proof of the lack of a better housing choice is the poor construction quality of the apartments that these clients were purchasing. Many interviewees complained about physical services in the building, the dangers generated by poorly insulated electric wires, and especially the quality of piping and plumbing in the building; typically five years after construction, almost all residents had already changed the plumbing system in their apartment, often at a cost equivalent to 10% of the apartment purchasing price. Others also worried about the structural instability of the building, especially after several large complexes in the suburbs of Beirut (but outside the Hayy) crumbled because of poor construction quality, killing many of their residents.[17] Asked if they were unaware of these conditions when they purchased the house, many acknowledged that they had suspected or known about them, but that they had no better alternative.

Apart from affordability, another factor that influenced migration to Hayy el Sellom during the 1990s is the position of the neighborhood in the city, especially its integration in *Dāhiyah*, Beirut's Shi'ite suburb (see Chapter 2, Harb 2003). To be incorporated in *Dāhiyah* has meant that, now, only Shi'ite Muslims look for housing in the neighborhood, in line with the overall patterns of human settlement in the capital city since 1975.[18] This is in continuity with the patterns of early settlement in this neighborhood, when it also predominantly attracted Muslims (Shi'ites and some Sunnis). Early settlement patterns can be explained through movements of urban migration in Lebanon and the divergence in socio-economic backgrounds across religious groups: migration to the capital city from Jabal 'Āmel and the Biqa' (predominantly but not exclusively Shi'ite areas of Lebanon) was one of the later waves of migration towards the capital and it corresponded to its later phase of industrialization, at the time when Hayy el Sellom grew to be an informal settlement (Nasr and Nasr 1974, Faour 1981, Nasr 1985). However, the proximity of Hayy el Sellom to Mrayjeh and Tahwītat al-Ghadīr, predominantly Christian villages of pre-war Lebanon, preserved somewhat a proximity to families of different religious groups. This situation was reversed by the civil war that transformed most of Beirut into religiously homogeneous enclaves, and made of Hayy el Sellom and the entire southern suburbs of Beirut an almost exclusively Muslim Shi'ite zone.

Within these powerful urban forces, people located in the post-war city following opportunities announced by advertisement channels. While all interviewees highly valued living

[17] See for example *An-Nahar* daily newspaper, Nov 13, 2000.
[18] Renting is different for migrant workers who escape the sectarian categories of the Lebanese society.

near their family, many reported increasingly individualized processes that responded to tight economic conditions and strict religious lines. For example, a low-income Shi'ite Muslim family or individual looking for relatively legal and affordable housing to purchase in the city (this time in the form of apartments) has few choices outside of Hayy el Sellom, the eastern suburbs remaining largely closed due to communal tensions and a painful recent history of evacuation (despite some easing noticed recently with the return of some of the pre-war displaced residents to their old neighborhoods). As a result, many new residents of the neighborhood reported having reluctantly moved away from their relatives and individualized the housing search because of affordability constraints. This was especially the case for many lower middle income young couples, who had to settle on living in Hayy el Sellom's housing complexes because they could not afford to live near their parents and families in the city. Others reported that they chose Hayy el Sellom because it allowed them to maintain their family networks and live in proximity to each other. These include the populations displaced from the old city core who had developed strong communal ties over the fifteen years of civil war and sought to reproduce their proximity to each other, in their new housing. For example, around 30% of the apartments in the 'Abbās Complex were purchased by families coming from Wadī Abu Jmīl (evacuated neighborhood of the old city core) who had shared information about this housing opportunity.[19] Similarly, the last floor of Block 1 in the Jawād Complex (6 apartments) was bought and occupied simultaneously by a group of households belonging to the same extended family.

As for the circulation of information, interviews indicated that information about the housing product circulated through formal channels of advertisement that described the availability, type, and costs of housing. The developer then completed these ads with details about sales conditions, including credit. In Chapter 3, I described how during the 1990s, elaborate pamphlets and billboards promised potential clients exceptional amenities and services. Such ads attracted potential buyers: eight of the forty residents I interviewed in large housing complexes explained that they had learned about their apartments through radio or TV advertisements. Many others saw billboards posted in front of construction sites within the neighborhood, while they were looking for housing in the area. Through these advertisements,

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[19] Based on the figure provided by the assistant of Mr. Darwīsh, in an interview on June 10, 2004 in his office.

many developers attempted to distance themselves from the image of the "old" and "poor" Hayy el Sellom.[20]

Another information channel mentioned by several interviewees are grocery store owners. Over the last decade, several grocery store owners in Hayy el Sellom have taken up the practice of advertising apartments for sale or rental and organizing the sale in exchange of a fee, often 5% commission on the transaction, paid by the seller. These grocery owners transformed their shop-windows into advertisement panels that informed potential clients of housing opportunities. As insiders to the neighborhood, they were able to provide their clients with sufficient anchoring, history, and knowledge of the housing product and therefore to provide a minimum level of security for clients who were otherwise strangers to Hayy el Sellom.

None of the newcomers to Hayy el Sellom however relied solely on ads to choose an apartment. Instead, more than half the interviewed clients of the last generation reported relying on friends and relatives to verify information about the housing product and learn about going prices. Social networks thus considerably amplified the power of ads. This was the case, for example, of populations displaced in the mid 1990s from downtown Beirut; several family groupings described how information about a housing opportunity often began with someone hearing a radio announcement, following through, and informing everyone of the opportunity.

A new type of information also circulated through social networks during this last phase; interviewees reported that information acquired through friends and family was often used to calibrate their expectations about what to anticipate in terms of the quality of their future apartments in a prohibitively expensive city, with no government control on construction quality. Therefore, this information was useful to know, prior to purchasing an apartment, that the developer would never deliver the promised amenities and that one should accept it since this was "the way things happen in Beirut". It was common during interviews for residents to declare they had recommended friends and family to select the same apartments about which they were themselves complaining. While almost all the residents of the last generation described themselves as "cheated" by the developer who promised more than he delivered, they also, in the course of the interview, signaled that they were at least partially aware, at the time of the

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[20] This was especially the case of the 'Abbās Complex whose developer managed to create an image of high standing among the neighborhood's residents. During the first period of its construction, the 'Abbās Complex was recognized by many residents of Hayy el Sellom as a "superior" housing option that provided "legality of tenure", and "higher quality services" without leaving Hayy el Sellom.

purchase, that the quality of the housing product sold did not live up to the advertisement claims.

As for information about legality, its relevance and importance is dubious and fluctuates with the threat of public projects in the neighborhood. This is because few residents still believe in the possibility of obtaining legal individual property titles and/or resident permits, rendering full information about the legal status of a purchase almost irrelevant. If the large complexes, especially the 'Abbās Complex, maintained an aura of legality over a short period, most of their residents declared that this was a trap some of them had fallen for. As one resident put it, "there is no legal individual property ownership in the neighborhood... Hayy el Sellom was bought and sold in shares, and whoever tells you they thought they would be legal is a lying".[21] Another resident explained that "the price tells you about the legality, why is a house in Hayy el Sellom half the price of a house in Bchāmoune?"[22]

Furthermore, wherever people were displaced for a highway or urban renewal project, state compensation was disbursed to legal and illegal residents alike, rendering relative "legality" of tenure vis-à-vis squatters almost irrelevant (Chapter 2). To the contrary, the example of evicted downtown squatters who were paid relatively high indemnities and relocated to better housing complexes in Hayy el Sellom created a hope for better days, if one was evicted. The dwindling physical and living conditions in Hayy el Sellom, especially because of high population density and poor environmental conditions (Chapter 2), pushed many of its residents (old and especially newcomers) to hope to be displaced, for example by the execution of the projected highway (Chapter 4). Even most newcomers to the Hayy declared they would be happy to be paid indemnities and displaced again. Some even explained that the developers who sold them their apartments promised them entitlement to all public indemnities for displacement, if they had completed their payments.

Nonetheless, most Hayy el Sellom residents have given up on the hope of being forcibly displaced by public planning projects in the books since the 1960s, especially that plans were changed several times but never executed. This is how one local school director put it:

> *The plans were changed a million times, so people have no faith in them; they have decided to ignore them and adopted a position that they don't exist or at least, that they will never be implemented.[23]*

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[21] Interview held with Rosy in front of her house in Hayy el Sellom on June 18, 2003.

[22] Interview held with 'Abla on in Al 'Abbās Complex in Hayy el Sellom on June 5, 2003.

[23] Interview with Mustafa, director in one of the neighborhood's schools, held in the school on July 30, 1999.

Finally, I should point out that residents' attitude are unsure about the neighborhood's future. In fact, almost all 100 interviewees in the neighborhood were convinced that some public project was already designed to wipe out their house.[24] In times when highway projects are implemented in the vicinity of the neighborhood, belief in the possibility of displacement is momentarily revived and people actively discuss strategies of securing appropriate compensations, political parties organize residents' meetings, and after a short period when nothing happens, things go back to normal.[25]

5.C   TRANSACTION SECURITIES

The second task in the process of housing acquisition is the insurance of a minimum level of transaction security in order to avoid the risk of the developer defaulting on his sale promises. Several default scenarios were described throughout the three generations, such as swapping between lots or apartments, selling the same apartment to different buyers, defective construction quality, selling smaller lots, delay in handing over the house, and others. The practice of multiple sales was especially recurrent during the last phase of the neighborhood development since many developers, in an effort to compensate for the inability of their clients to pay installments on time, sold more housing units than they actually had built. However, since buyers are generally only entitled in the apartment once they had made most payments, many families paid most of their installments before they realized that the developer had defaulted and they lost their money to the developer.

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[24] Rumors about public projects transcend these roads, to sometimes include large scale international conspiracies that aim at wiping out the neighborhood, such as the often repeated theory that claims that the neighborhood is to be transformed into either a military base –a project that would be done with the consensus/help of the American government– or a high-end hotel area near the airport for transit visitors –"like in Europe" – to stay for a few nights without having to go to the city. None of these projects is grounded in reality and, despite efforts; I could not detect any newspaper article or official reference to any of them. Nonetheless, their wide acceptance among the residents of Hayy illustrates well the level of insecurity that they feel vis-à-vis their living arrangements.

[25] I was lucky to witness such an upheaval in October-November 2003. As a result of a public decision to slightly widen a number of narrow streets in Hayy el Sellom and displace a few families, the rumor spread in the neighborhood that the highway was to be executed. Everyone in the neighborhood was actively looking for information, panicking about the strategy to adopt in order to make sure that proper compensations would be paid. Few residents seemed actually anxious about their displacement, a few old people thought they would go back to their villages and build houses there. Others who were not to be displaced were relieved of a potential lower density in the neighborhood. For more on this issue, see Deboulet and Fawaz 2004.

My investigations showed that in order to reduce transaction costs, residents relied on a mix of formal and informal institutions. In this section, I describe two main forms of "securities" recurrently mentioned by Hayy el Sellom's residents: reputation and contracts.

5.C.1 Reputation

The investigation of developers' strategy in Chapter 3 showed how the "positive" reputation of a developer, that is general opinion of his trustworthiness, proved to be a valuable asset to establish himself on the market, and that such positive reputation was built over the course of the decades through elaborate strategies and alliances.[26] Seen from the residents' perspective, it is undeniable that a developer's good reputation played an essential role in securing market transactions in Hayy el Sellom, especially during phases when the neighborhood was small and social networks tight. More than a dual or symmetric system binding the developer to his clients, "positive reputation" is inscribed in vast social nettings connecting a variety of actors extensively dealing together. To use Klein's terminology, it is a "reputational nexus", or "a constellation of extended dealing" that is formed in the neighborhood, in which an economic agent (here the developer) finds incentives to enhance his trustworthiness in dealings, even if his dealings with each individual actor is limited, because of multiple triangular relations that connect every actor to potential clients (Klein 1997: 125). In this case, and although few clients purchased more than one lot in their lifetime, their relation to the developer still extended over time through the dealings of friends and family who constitute potential clients to the developer. Residents' descriptions of their process of housing acquisition confirmed the importance of "reputation" throughout all three generations; most of them appealed to "reputation" in order to explain how they secured their transactions. Reputation might not be a sufficient condition for the transaction to occur, it is nonetheless a necessary pre-requisite outside of which a client rarely engaged in a transaction.

Reputation was a powerful mechanism during the settlement's early days. Of the thirty first-generation residents I interviewed (arrived 1950-1975), twenty-nine expressed surprise when I inquired about "securities", or the "possibility that Abu Raymond defaulted" on the sale. Asked why they thought Abu Raymond would not default, most attested that "he was an honest man", or "he was the father of the poor". Several also explained that he was "respectable" and

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[26] For more on reputation, refer to Chapter 3.

"well visited" and that they felt they could "trust him". This is not to say that the developer never defaulted. The thirtieth person interviewed was not surprised by my questions because Abu Raymond had violated his agreement with her. The sale was organized in the early days of the civil war, right before he left, and Abu Raymond took the money, never paid back landowners nor registered the sale.[27] This was, however, the only occasion I found in which Abu Raymond defaulted on a land sale this way. Other cases of default committed by the developer were limited to swaps between lots and were easily settled.

What explains the "good reputation" of a developer in the eyes of his clients? In Chapter 3, I described how Abu Raymond's reputation was in large part the result of the developer's efforts to create and sustain his social standing by building an image and maintaining a solid network of social relations. Describing the developer's positive "reputation", many of his clients recalled his standing and respectability in the neighborhood. In addition, all of the thirty interviewed clients mentioned his extensive dealings as a source of respectability; Abu Raymond was "selling houses to everybody". This perception was strengthened by the patterns of migration towards the neighborhood that followed kinship and regional ties, many of Abu Raymond's clients were able to list several family members or fellow village members who had purchased a lot from the developer before and after them. In short, the sheer size of the developer's business had established the ground for his positive reputation. This was also true of the next two generations of residents who explained that they trusted a developer's reputation on the basis of the scale of his practices.

Another condition for a developer to earn and maintain a positive reputation is his ability to secure at least some level of legality in the transaction. In fact, developers who could secure actual property titles achieved the ultimate standing. However, since 1983, this has been impossible.[28] As a result, residents have settled for certified subdivision plans, building permits, registration in notary's offices, and other elements of legality. During the last phase of development, most of the large-scale complexes' residents insisted that they trusted the

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[27] It was also a time when Abu Raymond became addicted to gambling and lost a lot of money as a result.

[28] As seen in Chapter 4, registration at the official Land Registry became impossible after 1983, when new urban regulations imposed a clearance on the legal status of all constructions on the lot before final registration can be processed in notary's or public record. In practice, these regulations have implied that registration occurs now at the notary public, in the form of sales contracts (and not property title transfer) and they therefore reduce the security of the transaction legally for clients.

developer when they saw that he had secured a building permit prior to construction and, as a result, felt they could encourage others to purchase apartments in the building.

One more condition for a developer to achieve a positive reputation is the "professional management" of his business. In the early days, "professional management" implied that the developer involved "state accredited" actors, especially an "engineer" (topographer) who organized lot subdivision and supervised their distribution on the ground, reducing the potential for fraud. References to "professionalism" in these early days were also made in relation to the developer's accountability and his willingness to act as a mediator if conflicts arose over property boundaries. Latecomers described "professional management" in very different terms; they expected an office within the vicinity of the neighborhood where they could follow up on construction and discuss issues with the developer or any of his representatives. They also expected the developer to keep some regular personnel in the office and to be accountable for defective services.

Reputation however does not systematically mean "trust" or "faith" in the honesty of the developer. Based on my conversations with the neighborhood's residents, it was clear that residents (in all three generations) equated a developer's "good reputation" to his ability to access a wide array of social networks that connect him to public agencies and/or political parties and figures, and who could therefore secure his own illegal practices and those of his clients. Many long-time residents dwelled on Abu Raymond's "connections" with public agents, going from the police station to high-ranking public actors, such as Michel Khouri, the son of the first Lebanese president. This connection could be interpreted to signify (for some) that such a "respectable man" would not act like a crook. But to those who are more versed in the history of local politics in the neighborhood, it especially entails that the developer was "protected" and so was his business, and that they could therefore trust that the transaction will be well concluded, that policemen will not prevent them from building their houses once they acquired the lot, that public agents will not arrive requiring taxes as soon as they moved in. This "protected reputation" gained importance especially during the early 1970s, when public planning agencies lost control over the neighborhood to the advantage of political parties and the local police station, who both sought to extort bribes from residents building their housing.

Thus, boasting about the good reputation of Hajj Hamad H, an old woman exclaimed: "Hajj Hamad controlled the police station around his little finger!"[29]

The same argument, with a similar conception of reputation, was recurrent in descriptions of the reputations of the last generation of developers. In chapter 3, I described how these developers were known as "crooks" and "thieves", rather than respectable community members. Yet, these developers secured the necessary "good reputation" of strong "backing" that was necessary for them to conduct their business. Their reputation was essentially derived from the visibility of the projects they built, which was interpreted in the neighborhood as a sign of "acceptance" from public agencies that would have otherwise prevented their construction. Thus, when asked how they "trusted" the developer was not selling them an "illegal good", several residents of the large housing projects whose houses were threatened by highway projects (e.g. Jawād Complex) responded with statements such as "a building this size could not have been built at night",[30] that "this building is not a piece of jewelry you can hide",[31] that eloquently explained that in their view, even if the building was not entirely legal, it was "safe enough" since its developer was "protected" and therefore "capable" of building.

In short, whether it is the result of "good backing", "professional management", the ability to claim legality, the capacity to build extensively, or faith in good intentions, "reputation" was steadily evoked by many residents who did not ascribe the same meaning to it. In fact, the component of respect and trust seemed to have been dropped over time, reducing "good reputation" to the insurance of a "well protected" developer whose product was acceptable to the forces that be. As for "reputation" preventing a developer from defaulting on a transaction, interviews indicated that its prevalence in early days was gradually reduced. Most residents of the last generation explained that the risk of the developer defaulting could be reduced, as I will show below, but could not be eliminated.

5.C.2 Contracts: Written or Oral

Another method of securing transactions over the course of the fifty years of investigation was contracts. A survey of the different types of sales agreements or contracts

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[29] Interview held with an old resident, Hajjeh Basmah, in her house in Hayy el Sellom on June 14, 1999.

[30] Interview held in the Jawād Complex with Radwān, a young man who had purchased a small apartment in the complex, on June 17, 2003.

[31] Interview held in the Sharour Complex with Saniyyah, a single mother of three who had purchased a small apartment in the complex, on June 13, 2003.

between developers and residents showed that these were almost always done in writing but that over the course of the fifty years, they were increasingly formalized, requiring interventions from specialists such as a lawyer to draft their terms and the signature or presence of a notary and/or other witnesses, sometimes public agents (notably a *Mukhtār*). They also indicated that the terms of the contracts prepared by the last generation of developers and their lawyers placed clients in vulnerable legal standing vis-à-vis developers, since they tended to impose asymmetric terms on parties, as will be described below.

The clients of the first two generations of developers relied essentially on oral contracts, wherein the period of payment and the location of the lot mutually agreed and held in good faith by both parties. Abu Raymond and later his mediators turned developers only exchanged payment receipts or "*cambialat*" in writing with their clients. Upon agreement on payments, Abu Raymond issued these payment receipts, one for each installment to be paid by a client, which only in the late phase began to include pre-set payment dates (figure 5-1).[32] These receipts were held by the developer who returned them to client upon payments. Once all payments were made, the client could present the receipts to the developer and expect formal registration of the sale –provided all other lots were also sold. If, for any reason, payments were delayed, Abu Raymond could choose whether he would register the shares in the lot in the buyer's name before full payment was made or alternatively, register the lot in the name of any of his children, who would later transfer the shares, once full payment was made. A review of Abu Raymond's records indicated that installments were generally made regularly.

The receipts drafted by Abu Raymond were in two forms. Sometimes, the developer used simple hand-written forms on unofficial white paper (figure 5-1). At other times, he used printed forms purchased from stationary stores to make his receipts (figure 5-2). Most receipts indicated the number of the lot that was being subdivided, the size of the purchased plot, the agreed payment per square meter (sometimes also listed in dra'), and a summary of paid and outstanding installments. These receipts were generally signed by the developer and his client, sometimes in the presence of a witness (especially the mediator). According to residents, these receipts were widely adopted during the first phases of land sales in the neighborhood, although I was unable to obtain copies of such contracts other than Abu Raymond's personal records. Most residents explained that once they had registered the lot, there was little interest in keeping

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[32] This too is a replication of a formal market mechanism. However, unlike formal *cambialat*, informal ones were rarely stamped and never sanctioned by public agents.

Figure 5-1 (a): Receipt for transaction between Abu Raymond and a *wasīt*, Abu Mehdi, in 1974. The receipt includes the lot number, the area (or *hara*), the lot size, what the mediator has paid and what is due. It is signed by the two men.

Source: Abu Raymond personal records, courtesy of his family
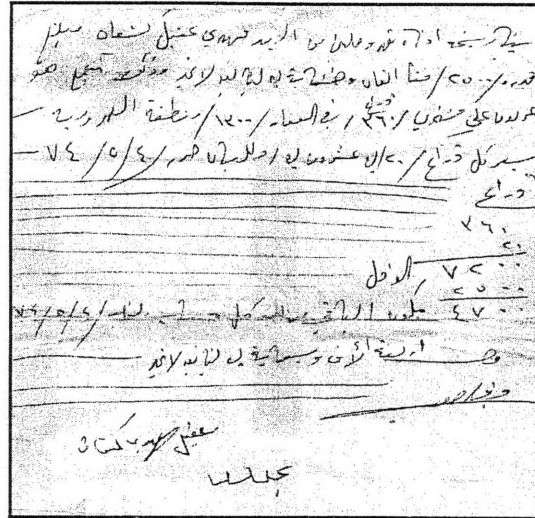
Figure 5-1 (b): Receipt for transaction between Abu Raymond and another *wasīt*, mostly known as a builder in the area. It lists in 1974 what has been paid and the next two payments to be made.

Source: Abu Raymond personal records, courtesy of his family
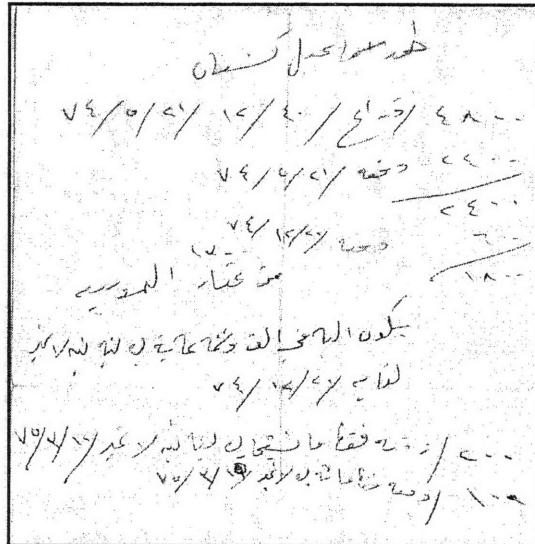
Figure 5-1 (c) and (d): Sample receipts between Abu Raymond and two members of the same family, signed by both parties. The receipts indicate the lot number, the area, paid and outstanding installments.

Source: Abu Raymond personal records, courtesy of his family
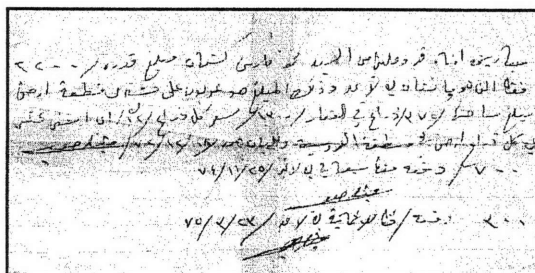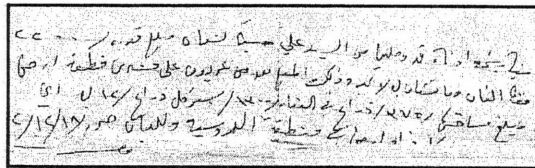
such unofficial records, the property title being the only official record that was valued by this generation of clients.

The contracts that legislated the client-developer relation during the last period were very different from earlier ones. Although most of the interviewees explained that their agreement with the developer was "oral" and that the written document came only as a final seal, the terms of the written contracts appeared rather exhaustive, especially when compared to Abu Raymond's payment receipts. These contracts were often drafted by lawyers and approved by the two parties, sometimes in the presence of a lawyer, a notary public, and/or other witnesses (figure 5-3, 5-4).[33]

Many clients explained that practice of resorting to formal contracts was the choice of developers and they declared that they had worked with the developer's preferences. It is also clear that many (if not most) clients were ignorant of the terms of the contracts they had signed. Many interviewees showed me the contracts and asked if I could explain to them some of the terms on which they now disagreed with the developer, especially the process of sales registration and who of the two parties was to pay registration fees. As a result, contracts imposed an asymmetric relation that favored developers and entitled them to penal provisions in case their clients defaulted, but seldom provided similar protection to clients.

It is worth noting that these contracts were not drafted in the form of property transfers but rather in the form of regular sales contracts (drafted by notaries) that could be used for any other commodity, such as a car. Therefore, these contracts bounded the developer, not the property, to his clients. The form of the contracts therefore already substantially weakened their claim over property vis-à-vis a defaulting developer.[34]

Another reason for clients' vulnerability was the terms of contracts. I will briefly review the terms of the contracts that I was able to consult below[35] (see figures 5-3 and 5-4).

All contracts contained a description of the housing product: its location in the neighborhood (lot number, legal jurisdiction) and in the building (apartment floor, etc.) and size (in square meters). Contracts also specified the final price agreed upon between the two parties,

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[33] A number of developers required "trusted" witnesses, such as a *mukhtār* (local public representative) or an old family member. Others require the presence of specific notary publics, and refused to deal with others, suggesting mutual trust and permissiveness on the side of these notaries.

[34] I am indebted Lebanese Attorney, Karim Kobeissi, for this legal explanation.

[35] I was able to consult several contracts for four large-scale housing complexes in the neighborhood: Madinat al-'Abbās, Barakāt, Al-Shahrour, and Al-Jawād.
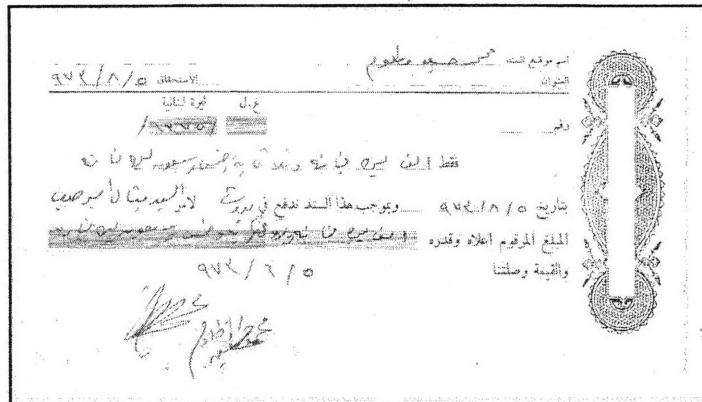
Figure 5-2 (a): "Sanad" or certified payment receipt, made by the notary to Abu Raymond in 1973.
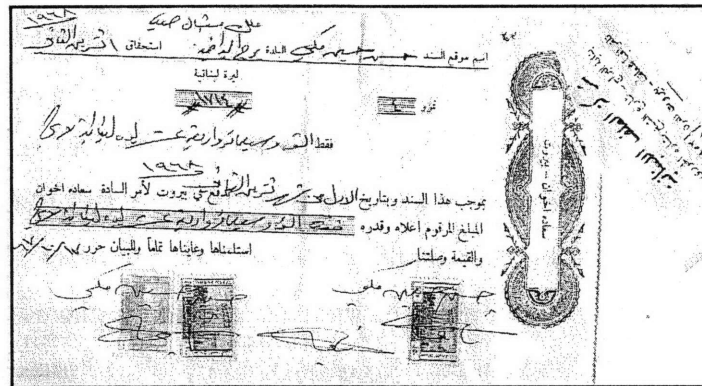
Figure 5-2 (b): "Sanad" or certified payment receipt, made to Abu Raymond in 1968.
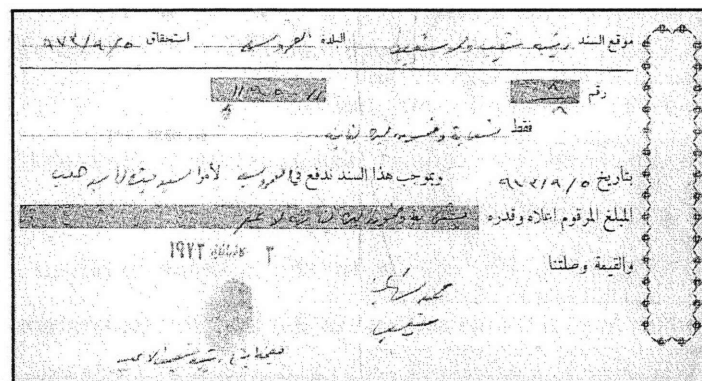
Figure 5-2 (c): "Sanad" or certified payment receipt, made by an illiterate resident (signed in fingerprints) to Abu Raymond in 1973.

Figure 5-2: Samples of "Sanads" or certified payments.

Source: Abu Raymond personal records, courtesy of his family.

including first down payment, installments (amounts and increments), and a benchmark payment (generally half the installments) after which the client was entitled to move into his/her new apartment, provided it was completed. Finally, contracts listed the duties of the two parties vis-à-vis each other. The terms of these agreements differed from one contract to the other. However, the terms binding the developer were generally limited and vague, rarely including any penalty provisions in case he defaulted. For example, sales contracts in the Barakāt Complex committed the developer to "submit the sales product subject of this contract to the second party [i.e. the client] when works are finished and a resident permit is provided".[36] It also committed the developer to register the transaction in the official land registry, once all installments were paid. However, the contract did not stipulate any time limit for the project termination, providing the developer with open leeway for delays. As for the 'Abbās Complex, the time binding clause that initially appeared in the contracts (1994) and required the developer to finish his project in four years was dropped in later contracts (1996, 1998) and replaced by the vague terminology of "upon project completion" which was then conditioned by "full-payment of all dues prior to taking possession of the apartment".[37]

One clear duty imposed on all developers in sales contracts was the final property registration, once the sale was completed. The type of registration depended on the legality of the building: if the apartment was sold as "entirely legal", which means that it could be legally subdivided in order to create independent property titles for each apartment, the developer committed to proper registration in the Public Land Registry, once all installments were paid and construction terminated. Alternatively, developers committed to registering units at the notary public in shares, if the complexes they built could not be legally subdivided for one or another reason (see chapter 4). One developer (Jawād Complex) even revised his registration commitments in later versions of the contracts he delivered. He had only realized later that it would be impossible to legalize and register apartments. As a result, latecomers to the Jawād Complex had handwritten revisions on their contracts amending the original commitment to registration with a new clause that stipulated that registration would be processed "in case the 1993 expropriation mark on the lot is lifted".

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[36] *Commitment to a Sales Agreement*, The Barakāt Real Estate Company, p.1. Source: records of the Choueyfāt Municipality. See figure 5-3.

[37] *Commitment to a Sales Agreement*, The Darwīsh Real Estates Project, Source: records of the Choueyfāt Municipality. See figure 5-4.

Figure 5-3 (b): Contract from Barakāt Complex, page 2

Figure 5-3 (a): Contract from Barakāt Complex, page 1

Figure 5-3: Barakāt Complex sales contract. The contract carries the signatures of both parties. A handwritten note on p.2 indicates a deadline for the submission of the apartment.

Source: Municipality of Choueyfat

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Conversely, the terms of the contracts for the client were always clearly defined: they often required on-time payment, stipulated harsh penalty provisions for defaulting clients, and sought to limit their ability to resort to the legal system for retaliation in case the developer defaulted. Looking first at contract provisions for clients who do not pay their installments on time, all reviewed contracts provided no leeway to clients who were to lose their right to the apartment and sometimes all their paid installments upon one defaulting payment. For example, the Barakāt Complex contract specified that clients committed to "on time payments with no delay or procrastination" and "if any payment is overdue [...], all the remaining sum is considered judicially and legally over standing, without any need for prior notification or warning, the second party [the client] loses his rights in this contract, which are all nullified, and the first party [the developer] is entitled to deal with the object of sale in this contract as he wishes, the way any property owner can take deal with his own property [...]". The Barakāt contract did not leave any space for a client to default since one overdue payment was sufficient (if the contact was literarily implemented) to annul all the clients' rights, force him/her to complete all payment, and anyway lose access to the apartment. The terms of sale for the Jawād Complex reiterated the same conditions exactly, as if the contract was drafted by the same lawyer or directly borrowed its format. As for the various versions of the 'Abbās Complex contracts, they stipulated that if the client defaulted on a payment, "the contract is annulled, with no possible legal or judicial recourse" and "all payments are kept by the first party", that is the developer. In the Shahrour Complex, conditions appeared a little milder: a defaulting client lost immediately his first down payment, as well as the apartment, but he/she was not forced to complete all future installments.[38]

Contracts also sought to limit the ability of a client to resort to legal measures that could protect his/her rights in public records. All reviewed contracts dictated that clients were not allowed to place any mark in public records to indicate that they were in the process of acquiring the apartment before they completed all payments and were allowed to do so by the developer. Contracts also dictated that clients were not entitled to resort to the court of law if, upon a late payment, the developer took back possession of the apartment. These clauses indicate that the lawyers who drafted such contracts were well aware of a number of relatively cheap and

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[38] I was able to read and copy the terms of a contract from Ghādah, one of its residents. I was however not able to get a copy of the contract. Despite this more forgiving clause, the developer had registered a higher down payment than the actual agreement on the contract, a measure that Ghādah interpreted as "generous", but which could also expose her to losing more money had the developer accused her of default.

Figure 5-4: Sales contract for a store in the 'Abbās Complex, in 1998. It is signed by both parties and a witness.

Source: Choueyfāt Municipality Records.

accessible legal measures that buyers could otherwise have relied on. Conversely, residents appeared to be rarely aware of their rights or of the potential recourse they could find in the formal legal system. It should be noted that the loose contractual terms (e.g. no apartment delivery date) binding developers made them immune to defaulting on their contracts while their clients were bound to timely monthly installments.

Before closing, it is worth pointing out that despite asymmetric contract terms, my observations clearly indicated that contracts were never enforced according to these terms. In fact, residents did not acknowledge "developers' rights" as they were stipulated in the contract. For example, even if the contract entitled the developer to take back an apartment when his clients defaulted on their payments, none of the clients recognized this right. Instead, developers who tried to implement these terms (after several months of defaulting payments) were labeled as "crooks". Similarly, developers did not implement their contracts as is, always giving residents more time and facilities to pay their installments than the contract stipulated. This was partly due to the residents' mutual recognition of retaliation capacity. The last section of this chapter describes this concept further.

5.D   RETALIATION POWER

Next to reducing the risks involved in a transaction, potential buyers and residents also relied on their *retaliation capacity* when the developer didn't abide by the terms of agreements.[39] I use retaliation capacity to refer to the capacity of residents to respond to a developer *seen as* defaulting on the terms of agreement, either by forcing compliance or by achieving a more favorable compromise. The first concept that comes to mind when discussing retaliation is the court of law that legally provides the space for an aggrieved client to sue a defaulting developer. This section investigates the ability (or lack thereof) of courts of law to play a role in case of default. It then investigates an informal practice, "social backing", that proved to play a more powerful role to this end in the informal settlement under study.

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[39] Retaliation capacity is also important in cases where neighbors don't abide by the rule of the game, trespassing on a lot, either physically or by opening windows that can overlook private areas, etc. In later phases, trespassing on public passages (agreed on in the terms of contracts) also becomes recurrent.

5.D.1 Legal Retaliation or The Court

In the language of the law, retaliation entails legal recourse, which implies that the aggrieved party attempts to recover his/her rights by taking the developer to court where public authorities can force compliance to the terms of an agreement; detailed contracts with elaborate provisions bind transacting actors and make them accountable to a legal public authority. Previous research showed that in some cases, courts have been able to arbitrate such conflicts even when access to property was illegal, such as in Jordan (Razzaz 1998) or India (Chatterjee 2004). We also know from previous research that economic actors (including formal businesses) generally prefer to resolve conflicts directly, rather than resort to long and (economically and socially) costly legal cases. More often than not, aggrieved parties prefer more flexible and advantageous agreements that they can reach informally to the terms of contract or the words of the law (Macaulay 1963). In Hayy el Sellom, I will show that it was clearly the latter scenario that was at work and that legal institutions were unable to arbitrate conflicts or help aggrieved clients retaliate when developers defaulted.

Threatening to resort to the court of law only entered the web of possible retaliation strategies for the neighborhoods' residents during the last decade. It accompanied the gradual shift towards reliance on written sales contracts drafted with the participation of public notaries and lawyers. However, the formalization of sales contracts and the potential of suing a defaulting developer did not materialize in necessarily make the court of law a reliable institution for clients seeking retaliation against a defaulting developer. This is attested by the low number of lawsuits brought against any defaulting developer in the neighborhood, despite a high rate of sales default and the dissatisfaction of new clients with the apartments they had purchased. While most interviewed residents in large scale housing complexes complained about the legal status of their newly purchased housing (inability to regularize the status of the construction despite the promise to do so and therefore no individual legal property titles), the poor quality of their building (e.g. water leaks, poor electric wiring, sometimes unreliable structure of construction), unsatisfactory terms of contracts (e.g. parking space unavailable, no pool, mosque, or playground despite the promise), and others issues, they exhibited no hope that these complaints could be solved in court (and often no where else). Of the 535 housing units of the 'Abbās Complex, only eight court cases had been brought, all by Lebanese expatriates who had purchased units as long term investments rather than in response to an immediate housing need, and non of them

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actually residing in the complex. According to public records, there were no other lawsuits in other large-scale housing complexes in the neighborhood.[40]

Why are courts unable to solve the problems of otherwise legal property owners in Hayy el Sellom, when the literature tells us that elsewhere (in Jordan or India, for example), it is possible for courts to settle cases even in the absence of ownership rights? I found several answers to this question.

First, most of Hayy el Sellom's residents declared that they distrusted the public sector in general and courts in particular. This distrust can be explained by the absence of information in the neighborhood (and among members of the networks of social relations of these residents) about a positive legal precedent where aggrieved clients successfully sued a developer. In other cases, such as in the settlement of Yajouz in Jordan, a favorable court decision encouraged aggrieved clients to take their property disputes to court, even without legal property rights (Razzaz 1998). In Lebanon generally, and in Hayy el Sellom in particular, low-income residents have no recollection of a legal settlement that favored an aggrieved client over a defaulting developer. To the contrary, informants often quickly dismissed the legal system as a possible recourse and described legal cases as unpromising, even when they did not doubt the legality of their transactions or their entitlement to a better settlement.

This is well illustrated in the case of Feryāl, a 25-year-old woman who had moved to the neighborhood four months prior to the interview date.[41] Feryāl explained that she and her husband had been engaged for six years and paying installments on an apartment (located elsewhere in the suburbs of the city) for two years when a disagreement broke out between them and the developer; the construction of the building had been stalled for months and although they had already paid US $19,000, it seemed that they would not be able to recover their money or access their apartment in the near future.[42] Hence, when the developer suggested an alternative apartment in a housing complex he had built earlier in Hayy el Sellom, they jumped on the occasion. Feryāl explained that they were worried about losing their money and ending up with no apartment at all. Under these conditions, settling the case (even unfavorably) was a

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[40] This was until May 28, 2003, when I last went to the land registry.

[41] This section (including all quotes) is based on two interviews held with Feryāl, in the Jawād Complex in Hayy el Sellom on June 17 and 22, 2003.

[42] Feryāl and her husband had paid the developer a first down payment of US $10,000 and monthly installments of US $375 for two years when the disagreement between them broke out. Because Feryāl's fiancé worked in the Gulf at the time, he did not have the opportunity to check the construction progress. Feryāl did not possess a car and was not able to check on the construction either.

preferable option. Nonetheless, the apartment did not correspond to her expectations: she disliked the location, which was too busy and far from the city, and she complained that none of the promised services (such as parking and gardens) were available. Although she recognized that as a latecomer to the complex, she had been warned by neighbors about the defective housing quality and the developer's false promises, she still believed she had no alternatives. When I inquired about the possibility of suing the developer, Feryāl dismissed the opportunity altogether:

> *My husband's cousin who is a lawyer strongly advised us to settle outside the court and not to spend our last pennies on court expenses. He said that we were much better off if we could get any apartment in order to regain at least some of our money.*

In the course of the interview, Feryāl also recalled stories of misfortunate friends who were caught in similar binds and unable to force a developer to comply:

> *My friend had purchased an apartment like us in Mrayjeh and she ended up dragging the developer to court. However, she has still not received a settlement four years later [...]. We didn't want to go to a ten years long court cases, we needed to get married and settle, so this is how it ended.*

Second, the legal process was often dismissed as too expensive, but more importantly, as in conflict with individual housing (and life) projects, given its long-term inscription in time. Indeed, law cases can extend over several years, while the housing project is often urgent, either because it is tied to other important life projects, such as getting married or having children,[43] or because it results from a sudden forced displacement, such as families evicted from Beirut downtown by its "reconstruction" project in 1996 and needing an immediate affordable housing solution. The urgency for the family to find housing is reinforced by the mismatch between housing prices and household income, forcing many couples to wait for years before they can gather the necessary down payment to purchase a house (and hence get married).[44]

The centrality of marriage in women's experiences in today's Lebanon (Wehbi 2002) should be noted here as one of the clients' main vulnerabilities that exacerbates the mismatch in time scales of court cases and housing needs. As long as the couple is only engaged, a woman

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[43] For description of housing trajectories and their connection with social trajectories, see Brun (1993) and Deboulet (1993).

[44] To give the reader an idea about the mismatch between the price of an apartment and low-income dwellers' incomes, it is sufficient to know that the minimum wage in Lebanon for a full-time employment is US $225, while the cheapest new house in a complex in Hayy el Sellom was sold for US $12,000 in buildings that would not be formally subdivided.

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risks losing her opportunity to get married in a society where marriage hold a central place in women's lives. As a result, Feryāl and her female friends described their compromise on the quality if housing to be a necessary step if they were to preserve their couple, which was socially and personally more important to them than the "good" house.[45] However, seen objectively, Feryāl's settlement had no reason to fail in court: she possessed a written sales contract signed by the developer which included a penalty provision that insured an additional US $5,000 payment to any of the two parties, if the other defaulted. Instead, she and her husband agreed to pay an additional fee for switching apartments and continued to pay the developer monthly installments in order to complete the full price of the apartment (US $30,000), despite the fact that most of their neighbors paid less for their houses.

The third reason why aggrieved buyers don't appeal to court in Hayy el Sellom is because direct knowledge of the developer's story and economic conditions make them believe that the developer was unable to solve the physical and legal problems of their housing complex. Their opinion was substantiated by the fact that many of these developers were on the run and/or had already been to jail because they defaulted on bank loans repayments. The fact that banks failed to collect their investments although they forced the developers to jail (because the developers were genuinely bankrupt) convinced them that a lawsuit was unprofitable. Under these conditions, the positive potentials of a lawsuit against a defendant who is not in a position to provide a better settlement seemed superfluous. Many dissatisfied clients explained that the developer who had defaulted was not a wealthy person and that he had defaulted, in large part, because he lacked the financial and professional capacity to run the project. Others blamed their neighbors for not paying their full dues and pushing the developer towards bankruptcy, rather then blaming the developer.

For example, Ghādah, a young mother who had moved in the Chahrour Complex almost eight years prior to the interviews I conducted with her,[46] oscillated between blaming the developer for her misery:

> *I am so worried about the quality of the construction, what a dilemma! [...] I am in such pains about it, and no one listens. How could he do this to us?*

and sympathizing with him:

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[45] This points actually to the necessity for further research to "gender" the housing project, given these conditions.

[46] I conducted two interviews with Ghādah, on June 13 and 22, 2003, in her apartment in the Shahrour housing complex. Her stories and quotes are taken from these two interviews.

[...] My neighbors blame him from not installing the building's elevator, but most of them have enlarged their kitchen by building inside the elevator shaft... what do you expect him to do? He couldn't deliver even if he tried.

Ghādah had been evicted (with her parents) from Downtown Beirut and she had used the US $5,000 she was paid as displacement compensation as a first down payment for the apartment where she moved with her husband. In many ways, the apartment did not correspond to Ghādah's aspirations or the developers' promises: the "three room" apartment had only two, the construction quality was poor, many of the services –especially the elevator– were missing, etc. However, Ghādah did not consider a lawsuit at all:

A lawsuit, poor man! He was already in jail for a year... The poor man, he has never hurt me! I don't want to sue him. He was nice to us from the beginning, but... we need to register this sale.

Similar sentiments were abundant among informants.

Others did not credit the developer with good intentions, but still believed it impossible for him to solve any problem, given the legal and financial trouble he was in. To them, the case clearly needed a public sector intervention that would settle outstanding legal issues and allow for the regularization of the building complexes. For example, Malik who had purchased along with his brothers apartments in the 'Abbās Complex, dismissed his brother's attempt to sue the developer as ineffective:

My brother lives in Belgium anyway, so he is not following up his case. [...] Besides, what can a lawsuit do? Force him to subdivide the building into individual apartments and give us individual rights? The law anyway MANDATES him to do so; he doesn't do it because he cannot do it before he reconciles all the illegalities in the building, which is costly. [...] I could go through the pain of placing a mark on his legal record and paying fees to the Ministry of Finance in order to protect my rights legally, if I felt that I needed to, but I would never sue Darwish! [47]

A fourth reason for not suing the developer emerged out of the widespread sense of disempowerment among residents, coupled with a feeling that they had no other housing choice anyway and that rather than risking to lose their money, they were better off settling with anything. Feryāl's story is not unique. Many others echoed her experience, complaining about prices of apartments, poor economic conditions, and the absence of public social policies to help them. While all 40 interviewed residents in large scale complexes described in length unfulfilled

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[47] Interview held with Malik and his family, in their apartment in the 'Abbās Complex on June 12, 2003.

promises and defective housing, often accompanied with horror stories, such as the doorman who died electrocuted because of poor electricity insulation in the 'Abbās Complex, the US $3,000 paid to reinstall piping in the apartment in almost every unit, the flooded (illegal) seven story basement of the Barakāt Complex that threatened the building's stability, or the shaky building foundations in the Shahrour Complex, none viewed their case as exceptional. Instead, they explained that most people who were purchasing apartments nowadays were subjected to the same vulnerabilities. This is how Sandra summed it up:

If you want to purchase a house, you have to be very careful. People now almost
prefer to rent, because they know they can leave if they don't like it! [48]

Rather than blaming the developer or considering a lawsuit, many residents identified (rightfully) the soaring housing market of the 1990s as the source of their housing problems; a new apartment in an informal settlement cost at least 50 times the minimum monthly wage and housing loans from public agencies were well beyond their reach.[49]

However, once they had taken possession of the apartment, buyers lost all their bargaining power vis-à-vis the developer who would not undertake any improvement, once he had handed over the keys. Some of the developers even entered contract clauses to this effect, such as Mr. Darwīsh ('Abbās Complex), whose contract stated that complaints about construction would not be entertained after the client had taken possession of the apartment. Thus, their clients were cornered by the risk of losing their investment or establishing possession of an unsatisfactory apartment.

This situation is eloquently illustrated by the case of Zoheir[50], an employee of the private bank that had financed the construction of the 'Abbās Complex. Zoheir was first advised by his employer to purchase a unit in the 'Abbās Complex and agreement was made on a small unit with street view for which he placed a US $4,000 down payment and regular monthly installments thereafter. A few months before Zoheir was to take possession of his apartment, he

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[48] Interview held in the Jawād Complex with Sandra and 6 other families that went in and out the apartment. They were the above-mentioned families who came together to Hayy el Sellom and bought the roof of Block 6. They all agreed to her comments.

[49] A quick comparison of the minimum required salary by the Public Housing Corporation (PHC), the only public agency providing housing credit to "lower income groups" with the distribution of incomes in society according to the National Agency for Statistics (ACS) indicated that publicly subsidized PHC loans were limited to the 30% richest section of society (Fawaz 2003).

[50] I interviewed Zoheir and his wife Ranā twice in their apartment, on June 6 and 12, 2003. All quotes are taken from this interview.

found out that another family had already moved in. Zoheir appealed to the bank director and a compromise was reached with Mr. Darwīsh over a larger and more expensive apartment. Zoheir clenched but accepted since he was frightened to lose his lifetime savings. Like Feryal, Zoheir never considered legal recourse, in part because he was by then engaged and ready to get married, and in part because he did not want to risk losing his money and the apartment:

> *I felt compelled to take possession of the apartment and move in. [...] I was able to
> secure an alternative, many others were not... and once I moved in, it was too late. I
> could not ask anymore for proper plumbing or parking space. I had to fend for myself.*

Having finally taken possession of their new apartments, Zoheir and many others felt they had been lucky since many others had lost payments and installments with no hope of recovering money or apartment. The threat of these scenarios provided a dissuasive incentive to retaliate, even if taking possession of the apartment signified the loss of all bargaining power.

One last reason why residents did not sue the developer is that many among them benefited from the blurred legal situation and the flexibility it introduced to their relation with the developer. The developer's defaulting allowed them to behave in ways that otherwise would be considered morally unacceptable and legally exposing. Instead, clear evidence of the developer defaulting on earlier agreements, especially a written contract, allowed them to make late payments, refrain from paying settlements for several months, occupy additional space, and other similar practices. Many among them acknowledged that with the current economic downturn, they would have been unable to complete their monthly installments and they were somewhat relieved by the flexibility gained from this legally fuzzy situation. They therefore withheld their last payments, claiming that they would not complete payments before the complex was properly registered, but admitted that they did not have the money to pay these installments anyway.

Perceptions and implications of these legally blurred conditions were however far from equal. Those who rented their apartment, and this had become common among residents in the last decade, suffered from the spatial encroachments of owners who felt entitled to expand their hold on the complex. Similarly, those who were relatively better off and had managed to pay all their installments on time blamed those who did not for the legal status of the compounds. However, the vast majority of residents, after loudly condemning the developer for not settling the contract appropriately, admitted in the course of the interview that they also took advantage of this situation. Thus, when the private bank that had financed the construction of the 'Abbās

Complex stepped in to take possession of the complex, resolve legal disputes, and recover some of its losses, many residents refused, arguing that the bank was imposing higher regularization fees or other unfavorable conditions.[51]

5.D.2 Informal Retaliation or Securing One's "Backing"

The most common form of "retaliation" mentioned by my informants was "good backing[52]". In the language of Hayy el Sellom, a "well-backed" client is one who, by virtue of the social networks he accesses (or his social capital), can secure a better deal, display enough deterrence for the developer not to default, and retaliate if the developer defaults.

To this end, social networks connecting actors to any sufficiently powerful entity or actors such as public agents, political parties, influential families, or a large social group that includes potential clients are valuable. The relative importance of each of these sources of support changed considerably over time, depending on several factors, such as the neighborhood's size, the relative strength of political parties vis-à-vis the state, or the availability of housing alternatives elsewhere. This section focuses on three forms of "backing" that were often mentioned in Hayy el Sellom: family networks, political parties, and public agents and/or agencies.

(a)   Backing through family and co-villagers' networks

Historically, the first source of "backing" in the neighborhood was derived from family and co-villagers' support. Members of large family or village groupings who could show large social support had sufficient power to change a transaction's terms and coerce a defaulting developer to alter his behavior. This was achieved through several mechanisms such as the threat of recourse to physical violence and gossip, or the ability to circulate negative information about a developer.

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[51] In fact, the bank had not even declared its clear conditions to residents and it seemed that it was going to charge residents for registration and the costs of regularizing any illegalities they had committed. However, many residents did not have the money to pay regularization or registration fees. Many also claimed that they did not realize when they had signed contracts that they were responsible for registration fees while they still withheld US $2,000-3,000 as final payment upon registration.

[52] In Arabic, *labou thaber or* "لا ظهر".

Threat of or Recourse to Physical Violence

The threat of recourse to physical violence was often mentioned as a retaliation strategy among members of tight family and geographic networks, notably tribal ones, and appeared as mostly effective during the first twenty years of the life of this neighborhood. Whether in retaliation to default or as deterrence power, members of large social groups can physically threaten "an outsider", in this case a developer, and manage to alter his behavior. While violence is not more predominant in Hayy el Sellom compared to other areas of the city, the tribal legacy of many of its families (especially early comers) allowed tribal judicial concepts to be operative in the area, including the practice of *solhah* or community rulings in resolving conflicts between community members, but also *tha'er* or revenge, which can go as far as endorsing the murder of a violater.[53] These practices allowed a solid role in conflict resolution, particularly for elderly and/or respectable community members who have relatively high social standing. However, when respectable voices in the community cannot be heard, physical threat can also be a serious deterrence.

This is the case of 'Issam J.,[54] an old resident of Hayy el Sellom who described how he was able to forcibly access his son's apartment in the 'Abbas Complex, after they had paid over half the installments and found out that their apartment had been occupied by another client. "We had an agreement about an apartment, and were paying our dues regularly. [...] When stories of multiple sales became common in the neighborhood, I got worried [...]; I asked the developer to let my son in the apartment before all payments are made, but he refused. He said he had many financial difficulties, and stood strong by the policy of not letting anyone in unless they pay their full dues. [...] A couple of months later, someone told me that they had seen a family move into 'our' apartment. I went to check and sure enough, there was a whole family! They said they had an agreement with the developer too. [...] My cousins advised me not to talk to Darwish. Instead, we went there, a group of twenty men, and we broke into an empty apartment and took it over. We then changed the lock".[55] The developer knew better than to retaliate. The Js are not a large tribe, and he had, until then, thought he could "mess with them".

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[53] There are however no cases in the neighborhood where such bloody revenge was imposed on a developer.

[54] Accounted collected in three interviews with two members of the J family in Hayy el Sellom, in front of their house, in July 1999.

[55] This main narrative was collected in the first interview, on July 27, 1999.

However, their ability to organize twenty men and impose their viewpoint instructed him otherwise. 'Issam now established his status as a "well backed" person.

Another example of the power of tribal networks is illustrated in the case of Tareq Z., a member of one of the most powerful tribes of the Biqa'. The Zs were traditionally poorly represented in Hayy el Sellom until the mid 1970s because they had established themselves in the eastern suburbs of Beirut where one of the largest informal settlements carries their name (to date). Tariq arrived to Hayy el Sellom in 1994, attracted by a Radio announcement advertising the 'Abbās Complex, where he purchased an apartment and a store. As of 2001, and next to the supermarket he runs in the 'Abbās Complex, Tariq has been acting as a mediator, helping dissatisfied homeowners resell their apartments in the complex. At the time of the interview, Tariq had already sold 15 apartments, all in the complex. Asked how he secured his practice, Tariq laughed and said: "I am a Z. No one messes with a Z".[56]

Physical violence is however the simplest form of "backing" that has lost a lot of ground in the later days of the settlement, especially when political parties circulated weapons and monopolized violence in the area. It is also restricted to the few members of large families and tribes. A more intricate and democratic form of "backing" that operates though family networks is gossip.

Gossip

Gossip, the "informal, private communication between an individual and a small, selected audience, concerning the conduct of absent persons or events" (Merry 1997: 51), has been consistently another powerful sources of retaliation power for members of large social groups in Hayy el Sellom. Because of its ability to travel quickly through close social groups, gossip provides an aggrieved party with the capacity to respond to a defaulting developer by ruining one of his most important assets: his reputation in the community. As a result, gossip allows direct retaliation by reducing the pool of a developer's potential clients in the neighborhood. Furthermore, gossip exposes a developer publicly to retaliation (since he has cheated) and therefore allows aggrieved parties to retaliate with otherwise socially unacceptable behavior (e.g. defaulting on payments).

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[56] Interview held with Tareq Z. in front of his "supermarket" in Hayy el Sellom, on June 6, 2004.

In her seminal article on gossip and scandals, Merry argued that gossip contributes in small societies "to processes of information sharing" and helps "create or destroy the reputation of actors within this community" (Merry 1997: 52). Furthermore, gossip acts like a "database of information" that guides the activities of members of tight social groups and can thus "impose strong social, political, and economic sanctions in particular social contexts, such as stable, morally homogenous, and close-knit societies where escape is realistically difficult" (Merry 1997: 69). Thus, such informal social controls weaken in the transition from small, face-to-face societies to large and complex settings.

Two points of this argument are relevant to explain the ability of gossip to realistically act as a deterrence force in favor of an aggrieved client in Hayy el Sellom. First, gossip is only effective when close social ties connect members of the society in which it circulates and weakens when societies move from small, face-to face contact, to larger and more complex settings. Evidence from Hayy el Sellom showed that as long as newcomers arrived following family or village groupings and relied for access to information and interaction with the developer on the mediation of kinsmen and fellow villagers, family and/or co-village membership provided solid backing for a newcomer. It secured her/his position vis-à-vis the developer or the mediator who would be weary of her/his potential capacity to threaten his reputation.

Karimeh K., a member of a large K family that counted several mediators and one important developer in the neighborhood, explained how she could rely on family networks and the threat of gossip to secure her transaction:

> *When we arrived, the family was well established in the neighborhood. I went to see Abu Raymond with my brother who had purchased a lot before me, and a mediator of the K family. [...] With an introduction like this, Abu Raymond received us very well. [...] After all, the Ks have a strong presence and he would not want to ruin his reputation with us. He would lose to many clients! [...] He also gave me special leeway: my husband is blind and I was working in "porcelain" [in the Laceco factory nearby] so he saw that I had a hard time make ends meet. I was given a longer time to make my payments. [...] It helped me to have many family members here.[57]*

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[57] Interview conducted with Karimeh in her apartment in Hayy el Sellom on June 16, 2003. Ironically, Karimeh lived on the one land that Abu Raymond defaulted with, hence her feeling of empowerment was not well placed in this case.

Her story was echoed by many other members of the first two generations of residents who also referred to their ability to marshal large groups and threaten the developer's reputation with gossip if he defaulted.

The second precondition for gossip to be an effective means of retaliation, also proposed by Merry, is the necessity for a "difficult realistic escape". This precondition applied to the first two generations of developers who had no escape out of the neighborhood and were therefore accountable to its gossip networks. All these developers were multi-trades men who ran an array of economic activities that included land sales, along with a grocery store in the cases of Abu Raymond and Abu 'Ali, a gas station for Abu Mehdi, a small school for Hajj Hasan, etc. All their economic activities were rooted in Hayy el Sellom and they derived a living from projects in the neighborhood; they cut across economic specializations but not geographic location. These developers were therefore particularly vulnerable to rumors, which they attenuated through relations with important families. These developers also actively nurtured a reputation of "trustfulness" and "straightforwardness", insisting that they immensely valued their "good reputation" in the neighborhood (Chapter 3).

This is one of the points that distinguished them from the last generation of developers who were not professional developers either (see chapter 3), but who conducted businesses outside the neighborhood and appealed to a web of clients that were not confined to Hayy el Sellom. These developers were therefore less vulnerable to gossip as a form of pressure. This explains why gossip has lost its power in Hayy el Sellom. A developer who had ruined his reputation in the neighborhood could still initiate projects elsewhere in the city and attract other clients.[58]

This is not to say that gossip lost all power during this last phase. Gossip retains an important role by allowing clients, themselves engrained in tight social networks, to retaliate against the developer (by defaulting on payments, refusing to fulfill all requirements) without threatening their own reputation and social standing within their social groups. Indeed, unlike developers, clients had life projects in the neighborhood and they generally feared social sanctions if they were perceived to be the defaulting party. They therefore needed to justify in

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[58] All the third generation of developers actually initiated other projects as their projects in Hayy el Sellom were being severely criticized. Those who had lost everything in the Hayy, such as Darwīsh, had already sold dozens of housing units elsewhere in the city by the time the bank took hold of the two projects. Others, such as the developers of the Chahrour and Jawād complexes are now initiating projects elsewhere in South Lebanon, capitalizing on demand generated by the Israeli withdrawal from this part of the country.

the eyes of the local community the retaliation strategies they adopted when they refrained from paying installments or called on a political party or a public agent for help. By attacking a developer's reputation, gossip entitled them to do so without being socially stigmatized in their community. The circulation of gossip was therefore a pre-requisite for all other forms of retaliation in the neighborhood. It would otherwise be impossible to publicly justify, in a context of tight social relations and relatively high claims of morality (strengthened by rampant religious morals), the retaliation strategies that residents openly described in the interviews.

(b) Backing from/ Backing by the State

Another source of "backing" that was recalled in the collected narratives of residents in Hayy el Sellom was their ability to appeal, through social networks, to various echelons public agents to force a defaulting developer back in line or to alter the terms of the agreement to their advantage. In Chapter 3, I described how developers relied on networks with public agents to facilitate their business and obtain *wasta* or special services from these public agencies. I also showed how social linkages to the state bestowed on developers better social standing and a stronger ability to overtly defy regulations. Similar advantages could be listed for residents who were *well backed* by a public agent (whether in the form of a cousin working as a policeman or a nephew employed in a planning agency). This state backing allowed residents not only to defy public regulations, the way developers did, but also to improve their bargaining power vis-à-vis the developer and therefore alter the asymmetric terms of agreement that tied them together. I however found examples of this form of backing in the neighborhood only during its last phase of development, once social pressures failed to convince developers to stand by their word or provide further payment facilities and when other, perhaps more orthodox appeals to the public sector (such as court cases), did not succeed. The story below provides a typical example of how such backing operates.

Latïfah[59] first met the developer of the Charhour Complex in 1993, when she and her husband were looking for housing in the neighborhood. They quickly made a deal: the price was affordable (US $10,500), the option legally acceptable (they would obtain property in shares), and the credit comfortably extended over five years. Their interaction was positive; the developer agreed to let the family move in one year after they began to pay installments,

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[59] Information collected in two interviews with Ms. Latïfah in her grocery store in Hayy el Sellom, on June 13 and 22, 2003. All quotes are taken from these two interviews.

although the original agreement was for three, and they finished their payments in three years, instead of five. In short, it was a "mutual agreement", and, according to Latīfah, "a humanitarian interaction, not really contractual". In her words, they had become "friends", although they did not interact socially outside of the economic exchange.

Since then, however, things have deteriorated. Once all installments were paid, Latīfah and her husband agreed to purchase a store at the entrance of the complex, where they opened a grocery store. An oral deal was made; the couple paid its first down payment and was allowed in the store. However, a few months later, the developer changed his mind and reclaimed the space, calling off the deal. The parties had not signed any contracts, but Latīfah and her husband refused to take back the three thousand dollars down payment they had made. Instead, she explained, "after many discussions with him [the developer], he would not change his position [...]. So we called a relative of my husband's who works in the Ministry of Finance, and he registered the store in our name in the tax records. [...] Now, the store is "officially" ours and registered in public records, [...] although we have to pay taxes, we know that we have proof of ownership". Much of this transaction is in fact illegal, since the ministry cannot legally register a store without proper ownership title and a legal rent contract (if need be). However, Latīfah explained: "In this country, you have to be backed. My husband's relative backed us in this case, so we won". At the time of the interview, the developer had not regained possession of the property, and Latīfah refused to pay installments for the store so long as he did not draft a sales contract. She had then run the store for seven years, based on her "good backing" from a low-level clerk in the public sector who managed to inscribe her "legality" in public records. The developer, on the other hand, was wary of further intervention from the Ministry of Finance and refrained from making more noise. He was, by then, considerably weakened by a few months spent in jail for defaulting on the repayment of his bank loans. Latīfah did not feel guilty at all vis-à-vis the developer, he had defaulted on their deal, he had also defaulted on their housing agreement repeatedly: the promised elevator was never installed in the building, the lobby was not finished, and the building gate had not been mounted.

The case illustrates the easy shift from "mutual trust" to "retaliation" in the context of poor social ties and a developer's ruined reputation that entitled clients to get back at him. It also shows that "backing" in this case was secured by a good connection in the public sector, but also circumstantial conditions: the attempts of the Ministry of Finance to increase registered stores at the time made it easier for Latīfah to register her store and obtain some form of legality.

Latīfah's ability to appeal to a public agent is not exceptional. Several store owners in the neighborhood described similar strategies, which included registering their stores either for municipal taxes or at the ministry's records in order to gain some level of legitimacy vis-à-vis the developer and sometimes withhold their monthly installments. The public agencies' policies to "facilitate the process of registration" in order to encourage "some level of legality", a municipal engineer explained, allowed the registration of stores that were otherwise illegal, but also created a new way of being "backed" in the neighborhood.[60] During this phase, the municipality issued many "clearances" that were often facilitated by members of the H family (chapter 4) who processed applications for store registrations. But it is not only storeowners who are "backed" in the transactions with the developer. I have also heard residents employed in the public sector, especially soldiers in the army, recurrently threatening to bring weight of their connections to the public sector to bear, if the developer did not provide them leeway in their payments.

It is worth parenthetically noting that backing from public agencies was not limited to client-developer relations, but also extended to state-resident relations, especially the relation between residents building illegally and policemen imposing prohibitive bribes. In some cases, well-backed residents were able to reduce or eliminate bribes by appealing to other policemen who could provide their protection or backing. This, however, is also relatively recent in the history of Hayy el Sellom, since residents of the first two phases of the neighborhood's development heavily relied on developers for state backing and rarely struck their own deals with the police station. However, as the neighborhood expanded and these developers' influence shrank, many residents had to develop their own connections with the police station in order to build what they wanted. Today, all those who had already begun to build their houses incrementally in earlier eras need "strong backing" in the police station in order to continue construction.

This is the case of Hajjeh Mariam,[61] who arrived with her family to Hayy el Sellom in 1980. After renting a unit for six years, Hajjeh Mariam purchased a lot from Hajj Hamad H where she built two stories and opened a vegetable store on the ground floor. When she first built her house, in the mid 1980s, Mariam explained that "it was the war, you could build what you wanted". However, when her eldest son was to get married in the early 1990s, Mariam

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[60] Information collected in an interview held with Mr. Hassan in the Choueifat Municipality on July 1, 2003.

[61] Interview held with Hajjeh Mariam in her vegetable store in Hayy el-Zahra (Hayy el-Sellom) on June 18, 2003 in the presence of her daughters. All quotes are taken from this interview.

attempted to build an additional floor above her house but was stopped by the police. At the time, Mariam could appeal to her cousin: "He was a friend of the previous head of the police station. [...] So they came to see us and granted us a month to finish all works [...]. And we did". Since then, however, the head of the police station was changed. When Mariam attempted to add another floor for her second son in 1996, she could not do so. The police patrol arrived and, she said, "They asked for US $8,000. [...] They said the situation was very difficult and they could be jailed themselves [...] so they wanted proper compensations! [...] We attempted to negotiate but couldn't reach an acceptable compromise. [...] My son rented a house nearby. We have not been able to build".

These cases illustrate the types of connections that are required for "good backing" through the public sector. Generally, residents could not appeal to an important politician for backing. Instead, "state backing" in Hayy el Sellom implied one's ability to appeal to a low-level bureaucrat who could intervene on one's behalf to alter the conditions for a limited period. These were ephemeral and reversible changes (such as the case of Latīfah who has protected her supermarket *for now*). They nonetheless allowed residents to change their negotiation power vis-à-vis the developer.

(c)   Backing from political parties

The last source of "good backing" I identified sprang from connections to political parties (or parties with military presence in the neighborhood). As of the late 1960s, political parties (first non-militarized and later militias) invaded the neighborhood and have continued, to this date, with new political parties gaining control. The initial monopoly of *Amal* (that was to become the Shi'ite militia during the war) was challenged by several other parties (many of which have now disappeared) and gradually ceded to Hizb'Allah. Today, as part of *Dāhiyah* , Hayy el Sellom is controlled jointly by the two Shi'ite forces, Amal and Hizb'Allah, along with the Syrian secret services.[62]

The presence of these political parties supported the developers' practices and enabled them to strengthen their control over the market (Chapter 3). Simultaneously, members of Amal, Hizb'Allah, and the Syrian Secret Services had strong backing and as a result, they were able to

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[62] In Chapter 2, I explained the significance of Dāhiyah as the Shi'ite suburb of Beirut (Harb 2003), and introduced these political parties. A proper explanation of the presence of the Syrian Secret Services is too long and outside the scope of this study. However, it is important to know that in this neighborhood, my investigation indicated that as far as housing exchanges and backing are concerned, their role is equal to other political parties on the ground.

influence their interaction with the developer, sometimes coercing him into more flexible payment schedule or lower prices. Backing from political parties has gradually trumped backing from the state in Hayy el Sellom, since the war period, and has enabled a number of residents to build without bribes altogether. Several residents attested that they had appealed to members of the Amal party in the early 1980s and built without paying any bribes to the police. Here is how Hajjeh Ftûreh described her story:

> *When I paid for the price of land, I did not have any money left. We lived for months in a small wood shack, so when I was finally able to build a couple of rooms, I was not going to waste my money on the police patrol! [...] The developer who had sold me the land was a member of Amal, and he talked to the policemen. They came back several times, but every time, the developer would stand in their way [...]. By then, two of my sons had also joined Amal, so the patrol did not want to mess with them anymore.* [63]

Over time, militia members were able to help residents in case developers defaulted. However, since local developers were in some cases members of these political parties, the ability of these parties to provide backing against them was relatively limited (Chapter 3). Nonetheless, when Abu Raymond (by then an outsider to the neighborhood's political structures) defaulted in the mid 1970s, right before his departure, it was members of the Amal militia in 1981-82 who forced him into compliance. According to a number of residents and to the developer's records, Abu Raymond sold one lot (1300) to 10-12 families in the mid 1970s, without paying property owners their dues. The latter, taking advantage of a short period of relative calm in 1983, came to inspect their lands and evict the "squatters". The "squatters" appealed to Amal who helped them establish contact with the property owner's lawyer. Amal members eventually took charge of the case and were able to come to a settlement with Abu Raymond. According to residents, it was the local militia's help that forced the developer into compliance. [64]

The story of Hasan, an old time resident of the neighborhood who had rented an apartment in the 'Abbās Complex for four years at the time of the interview, provides a more recent example of political backing in the post-war era. [65] Hasan contrasted his situation to his landlord's and recurrently referred to "good backing" in order to explain, somewhat bitterly, why

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[63] I Interviewed Hajjeh Ftûreh twice, in June 10, 1999 and again in June 13, 2003.

[64] This story is based on three interviews with residents on lot 1300. I also found mentions of the case in Abu Raymond's personal records. All three residents were members of the K family, which is well connected to Amal.

[65] Interview held on June 5, 2003 in Hasan's apartment in the 'Abbās Complex in Hayy el Sellom, in the presence of his wife. All quotes in this paragraph are from this interview.

he was in worse financial standing. "He is a Syrian, and he knows many people in the Syrian secret services *(Moukhabarāt)*. [...] While all my neighbors paid US $25,000- $30,000 for their apartments, he was only charged US $12,000". Hasan explained that his landlord knew the local representative of the Syrian secret services in the Hayy, and that the latter intervened on his behalf. "Darwīsh [the developer of the Abbās Complex] had no choice, he wanted to keep working in the area, so he had to make do with what the *Syrians* were telling him to do", Hasan said, a statement later confirmed by Darwīsh's assistant, Hasan's neighbor, and a municipal officer who had followed the case. Hasan's landlord had not occupied his apartment yet because he lived in Ouzā'ī, a war-era squatter settlement in the sea-front area of Beirut's south-western suburb, which is stated for removal, where he was hoping to get compensation for displacement. Given his "backing", Hasan expected the landlord to get a large pay and not to come back to Hayy el Sellom at all.

Several other narratives corroborated these stories, indicating that many residents in the neighborhood had relied on political parties in order to force the developer to reduce the apartment's price, to refrain from demanding payments for a few months, or other similar facilities in a context where the developer, forced to work in the area, had no choice but to accept. In appealing to political parties to gain leverage with developers, the residents turned the developers' strategies against them.

To close this section on "backing", I should note that "being backed" in Hayy el Sellom is different from having good "social capital" in the sense that it is a defensive, protective measure aimed at improving one's bargaining power in transactions and retaliating in case of default, rather than improving one's social standing, the way Bourdieu uses it. Furthermore, since political powers are not viewed favorably in society, being "backed" does not necessarily provide "respect" or "admiration" in the community, the way Bourdieu defined "social capital". To the contrary, it is often viewed with denigration, to indicate that the "backed" actor is somewhat involved in corrupt practices. However, as we showed before, gossip (provided through other forms of backing) can ease such negative impacts.

5.E   SUMMARY AND DISCUSSION

The changes that marked the Hayy el Sellom housing market over the fifty years and the diversity of resident groups who arrived in the area illustrate, to a large extent, the scope and

richness of these newcomers' strategies, the multiplicity of information channels, and the diversity of solutions devised to improve housing acquisition. Thus, the same residents relied on family, geographic, and religious securities but did not dismiss connections with state agents and political representatives and valued the few symbols and pieces of legality they could gather. Through this mix of "securities", they were able to insure their transactions. The analysis of the process of housing acquisition however indicates that social networks played the most central role for the low-income urban dwellers that arrived to Hayy el Sellom in all three phases.

However, the types of social relations that were needed changed across time; while family relations were extremely valuable in early days, their importance declined in favor of connections to political parties or state agents that occupied the central place in the array of "securities" and "retaliation capacities" that a resident could accumulate. The review of the three processes of information gathering, security, and retaliation indicates a number of important points about the process of housing acquisition in the neighborhood.

(a) Differential Access to Housing

Reliance on social networks points to a highly differential process of housing acquisition in which individuals looking for housing are not in equal standing vis-à-vis each other or vis-à-vis the developer. By introducing the concept of social capital (developed by Bourdieu) in the introduction in order to develop an understanding of housing networks, I attempted to show that the understanding of the impact of such networks should be broadened to include their consequences on the ability of an actor to negotiate a role in the production of housing in a particular social context. This understanding of social networks and social capital illustrates eloquently residents' positions in the process of housing acquisition. Those who were able to appeal, through their own efforts or their endowment to broader networks had better access to information, higher transaction security, and higher retaliation capacity. Those who weren't had to settle for dissatisfying options for the lack of better opportunities, even though they knew they had been abused.

In order to develop this point, I will go back to the concept of "good backing" developed above. Clearly, not all residents of Hayy el Sellom have "good backing" vis-à-vis developers or state agents. To the contrary, "good backing" depends on the "position" of an actor, which can be summarized by the type of networks s/he possesses and/or has been able to develop, given particular macro-parameters that empower certain groups with respect to others,

in particular circumstances (e.g. neighborhood controlled by militias or by state agencies, strength and density of family and village ties).

For example, Hasan, who I quoted above describing his "well backed" landlord, also recounted how his family had been forced out of their previous apartment: "Unlike the migrants who came from Ba'albak, we came with relatively few and poor networks, because we fled the South, when the war began. [...] We arrived to Hayy el Sellom in 1978, and immediately rented an apartment with all its facilities from one of the families who built and owned several buildings in the neighborhood. [...] However, they kept raising the rent, and coercing us to pay more. [...] When the old man died, his children began to threaten us. [...] Families are way less powerful than they were before, but this one can still coerce people like us, so when the children threatened us physically, we left the house, [...] with no renter's indemnities, although we lived there for over 20 years and we were entitled to them".[66] Hasan's two narratives illustrate how differential backing, whether family or militia backing, creates differential positions among residents in the neighborhood, between those who can appeal to their social networks and activate their "good backing" and those who cannot. The former have generally secured better prices, insured they obtained apartments, and coerced developers to accept late payments. The latter, on the other hand, might have well subsidized the former with more expensive apartments and sometimes no apartments at all.

Differential access to social networks (or social capital) also impacts one's ability to access and /or circulate information about a developer. It thus directly impacts one's ability to activate a gossip network, or the ability of the gossip network to actually alter a developer's reputation, the strongest among them (such as Abu Raymond) being virtually untouchable because of their solid networks with landowners.

(b)   A General Decline in the Conditions of Housing Provision

Based on this chapter's findings, one can argue that there was an overall decline in the conditions in which low-income urban dwellers acquired housing in Hayy el Sellom over the past fifty years, despite the fact that the later phase market relied more on formal market mechanisms. We can recall from chapter 3 that the last generation of developers had secured building permits and enrolled architects and engineers in the design and execution of their

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[66] Interview held on June 5, 2003 in Hasan's apartment in the 'Abbās Complex in Hayy el Sellom, in the presence of his wife. All quotes in this paragraph are from this interview.

projects. They had also relied on more "open" or "democratic" channels of information, such as advertisement channels, on "formal" financing mechanisms, such as banks credits, and on formal agreements, such as contracts prepared by lawyers and often certified by notaries. However, during this third and final phase of the development of Hayy el Sellom, new comers faced harsher market conditions: access to accurate information had become more difficult, securities were poorer, and when developers defaulted (which had become more frequent), they had little space to retaliate. As I described above, very few members of large families could still claim they were "well backed" by their family and a limited number of others were able to appeal to other forms of good backing to protect them. Most residents had to rely on paper work provided by the developer as their main source of information and security, and they found themselves in difficult standing, dragged into commitments that did not please them because they otherwise would risk loosing their apartments and their savings. Many also signed contracts although they didn't understand their conditions and were thus placed in a weak position vis-à-vis the developer.

Conversely, the inability of formal procedures, such as contracts, or formal institutions such as courts of law, to secure residents' rights or improve their retaliation power increased the vulnerability of the last generation of clients. Rather than allowing a better process of housing provision, these mechanisms placed residents in an awkward legal standing, allowing developers to force them into agreement they had limited abilities to question or reshape. Ten years later, the complexes built by these developers ironically leave their residents in a legal standing at least as flimsy and awkward as the one provided during earlier phases, in fact, sometimes worse. The multiplicity of illegalities and the scale of the project disempowered residents (and sometimes even banks) in the face of problems such as outstanding legal issues, inadequate property titles, and multiple claims over a single apartment.

Residents have to rely on weakened social institutions, or, alternatively, on political parties, strengthening the hold of the latter on the local population. It is therefore with political parties that most residents tried to resist unfair market settlements. It is also through political parties that they challenged, when they could, the public ban on construction or that they resisted the threats of eviction generated by public projects, such as highways, or insured that proper compensations were paid.

Furthermore, all interviewed residents in the third phase explained that they were dissatisfied with the quality of the housing product. Many complained about their poor

knowledge of the structures of the buildings in which they lived and several described themselves as "seriously worried or distressed" because they thought the developer might have unscrupulously reduced costs by compromising on the quality of the construction. All of them also complained that water piping in the buildings was mediocre and that they had paid or were planning to pay several thousand dollars in order to reduce water leakage. Residents also expressed dismay at the false promises of the developer, at the incomplete finish (building common facilities were rarely completed). They also disliked the spatial quality of their apartments, the congestion, the proximity of buildings to one another, and many other aspects of living in large housing complexes.

Simultaneously, it is evident that low-income dwellers looking for housing in Beirut had little choice to move elsewhere, given the prohibitive costs of land sales in the city. They therefore have to put up with a higher level of insecurity. While most residents of the early phase had arrived to Hayy el Sellom with high hopes for a better future, most of the later phase residents explained that they had come reluctantly with no other alternatives given their financial means.

Chapter 6

Summary & Conclusions

This dissertation proposed an investigation of housing markets based on analyzing over time relationships between the *attributes of the social agents who intervene on this market* (social standing, religious affiliation, gender55, etc.), developed and/or activated *rules-institutions systems*, and the *macro political-economic context* that govern their development. The thesis developed a case study on one neighborhood located in the suburbs of Beirut, Hayy el Sellom, where it followed three groups of actors: developers, public agents, and homeowners who participated in the establishment and organization of the neighborhood's land and housing markets. The thesis extended its investigation over a fifty-year period, tracing how (actor-institutions) relations were affected by shifting historical conditions, including the political mobilization of the 1960s, the outbreak of the civil war in the 1970s, post-war reconstruction policies in the 1990s, and others.

This chapter brings together the analyses of the actors, the rules-institutions systems, and the changing macro political economic context put forth in the preceding chapters in order to elucidate how changes in these three parameters influenced the *character of the land and housing*

market (e.g. facility of access, number of players, ability to retaliate, types of securities, prevalence of default, etc.) and therefore the relative ability of low income urban dwellers to access housing. The chapter then contrasts these findings to current paradigms of the planning literature that describe how land and housing markets function in third world countries. The thesis concludes with a number of policy recommendations.

6.A THREE PHASES OF LAND MARKETS

It is possible to distinguish three types of housing markets, in the fifty-years investigation:

6.A.1 Phase 1 (1950-1970): A Negotiated Informal Market

The first phase corresponds to the establishment of the Hayy el Sellom housing market and to its most tightly regulated period. This was in no means an "easy entry" market, as one might expect an early informal settlement market to be. To the contrary, the market, during this twenty-year period, was a monopoly of one land developer, Abu Raymond. Abu Raymond was an original resident of the area who worked in close contact with landowners. He sold small parcels of land (100-200m²) to newcomers (mostly rural migrants) and organized the construction of their houses. He operated, first alone, and later with the help of intermediaries or *wasits*, early comers to the area who played the role of mediators between him and members of their family, village, or religious group. By the end of his carrier, this developer, along with his children and a number of *wasits*, monopolized he entire process of housing production, including access to land and building materials and construction, so much so that it was virtually impossible to access housing in this neighborhood without going through him.

Abu Raymond's ability to monopolize the production of housing for twenty years rested, as we have seen, on his capacity to build and maintain a tight web of social networks that connected him to public agents (e.g. state accredited agents, clerks in planning agencies, policemen, etc.), political figures (e.g. elected officials), landowners, and mediators. Abu Raymond's relations with landowners were perhaps the most valuable social relations he possessed because they insured access to land, which was the most difficult aspect of the business. The developer managed to mediate the relation between clients and landowners who would otherwise not have met, and to create a secure space for the two to exchange land. His

connections to the public sector also allowed his clients to follow-through with construction, with or without building permits. His control of this land market however also rested on his ability to appeal to a number of public institutions and rely on their accreditation or market securities (e.g. Land Registry) in order to sustain minimum levels of safety for the market to operate.

This phase coincides with the time when most modern planning agencies were established in Lebanon, when the dichotomy between "legal" and "illegal" building was created, since new land use and zoning regulations made it more difficult to build.[1] However, records indicate many public agents were directly involved in the production of "exceptional" planning regulations that would allow the settlement to continue to grow, despite its newly legislated "illegal" status. As a result, this informal settlement was built in negotiation with planning agencies that were well aware of its growth. It also benefited from the "protection" or "favors" of political figures.

These public practices had important implications in the development of the market. First, they insured a containment of the level of illegality, such as the absence of squatting from the area, a necessary pre-requisite for public sector indulgence (since there is no fundamental questioning of the public order, which was based on the protection of private property). They also allowed the transfer of property and its proper registration, which maintained relatively up to-date public land registries and therefore clear property titles and the ability to appeal to public records in cases of disagreement. They also contained physical construction to what residents then perceived as "potentially regularizable". Indeed, at the time, many residents highly valued their legal status and repeatedly sought its adjustment, in view of facilitating their access to services and/or clarifying inheritance. Their attitude towards the law was in part the result of the type of political mobilization of the era: the political leaders speaking in the name of low-income urban dwellers (especially the Muslim Shi'ite among them) were then lobbying for the right to be included as full-fledge citizens within state structures, they were not just looking for "protection" to bypass the law.[2]

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[1] This is not to say that there were no earlier building law guidelines, or other construction pre-requisite. However, the imposition for example of zoning and land use regulations in 1964 and a mandatory building permit in 1961 to everyone, as described in Chapter 2, only dates back to this phase.

[2] This was especially the case of Imām Musa al-Sadr and *Haraket el Mahroumin* (Chapter 2, see also Ajami 1986, Norton 1985).

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Taken from the residents' perspective, this period is the most organized and secure phase of the neighborhood's development, since relatively few disagreements on sale or default were noted. For low-income urban dwellers (mostly rural migrants) looking for shelter in the city, the process of housing acquisition was relatively simple and safe, once they had gained the trust of the developer, through the mediation of a family member or fellow village man. Abu Raymond's arrangements were also relatively flexible and well adapted to their needs. True, there was little flexibility in the options available, once they had committed to acquiring land from this developer. However, the transaction itself was relatively safe, with several guarantees from public agents as well as their own social networks, and they knew the developer was accountable if they felt cheated.
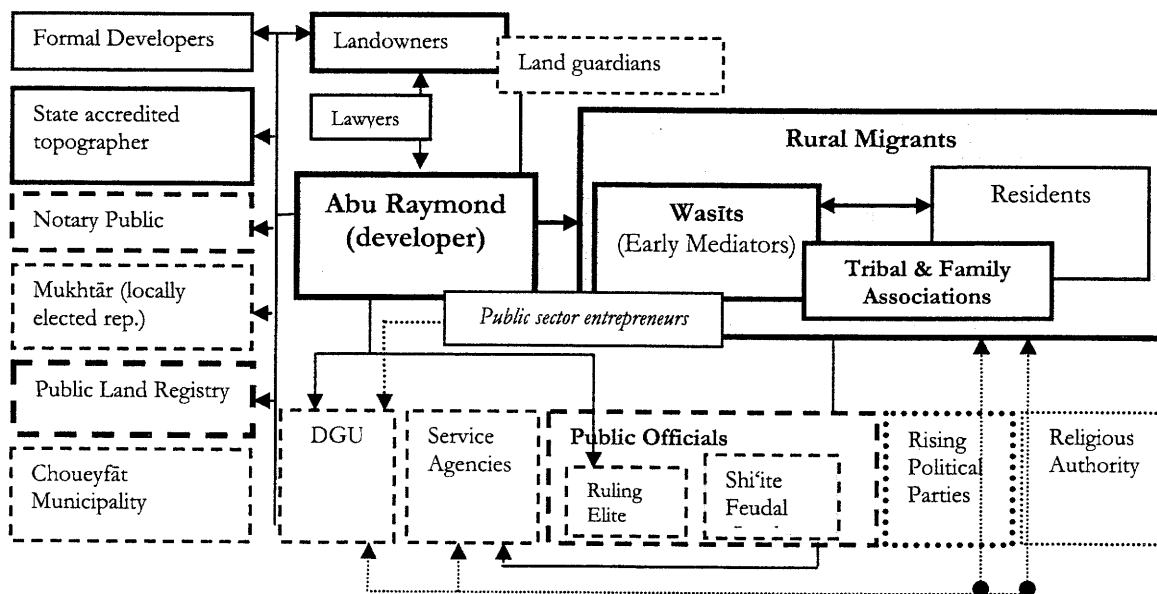
Figure 6-1: Phase 1, Hayy el Sellom Housing Market

Figure 6-1 summarizes the set of relations that governed the Hayy el Sellom housing market at the time. The figure shows three types of actors: The developer and his assistants (in full thick lines), clients (in gray) and public agencies (in dashed lines). Political parties and religious authorities also play a minor role and are shown as marginal (in dotted lines) on the corner of the figure. The diagram maps the thick web of social networks (in arrows) that connected the actors in the neighborhood. As the recipient of the largest and heaviest set of social networks (or social capital), Abu Raymond is in the center of the diagram with solid networks (thick arrows) connecting him, on the one hand to the public agencies and public

officials, and, on the other, to the communities of clients via wasīts. The weight of these arrows also reflects the hierarchy between and among actors, indicating for example the importance of the Land Registry over all other public institutions because of its ability to guarantee the validity of the transactions (for buyers) and security (for the developer). It also shows the overlap between local *wasīts* or mediators, public sector "entrepreneurs," and the developer. Finally, the figure shows the type of social networks within the community of homebuyers, predominantly rural migrants tied together through family and geographic associations.

6.A.2 Phase 2 (1970-1992): De-facto Management

The second phase was characterized by relatively open market opportunities where a larger number of developers engaged in housing production. This is not to say that the market became a "typical" informal market with "easy entry" and "flexible" financial arrangements. However, I was able to count at least ten developers who, during this phase, participated in the production of housing. They still sold small lots (100-200 m²) to rural migrants and populations displaced by military conflicts in the country and organized access to material and construction. All these developers had worked as mediators or *wasīts* with Abu Raymond and they had learned the practices and accumulated the necessary social networks through this experience. These developers also established the basis for their institutional control over the land market. Most of them were founding members of the neighborhood committee and many of them had been associated with the local political party, Amal, when it was first established in Hayy el Sellom. As a result, these developers did not really compete with each other. To the contrary, they continued to coordinate activities in order to protect their business and prevent outsider competition, the way the first developer did (Chapter 3).

The ability of these developers to participate in the production of housing rested on several factors. First, there were changing circumstances in the city, such as the weakening of public authorities (and hence greater ability to skirt public regulations) and the proliferation and control of militias over the area. As a result, the developers of the second generation needed to be well-connected with political parties, rather than public institutions. In addition, there were changes in power relations among actors, notably landowners who then faced the risk of squatting and were therefore eager to sell their land. Conversely, lower levels of security in the city meant that many clients needed a mediator they could trust with their life savings, shifting the control of the market (from those who can access land) to those who can insure a relative

level of "trust" through their own reputation and through social networks. Given these circumstances, it is not surprising that the developers of this phase had to be internal members of the community who relied in their practice on backing from militias and direct family and social relations with clients.

During this phase, the housing market developed with substantially greater violations of public regulations. This was the outcome of the weakness of the public planning agencies, but also of their changing dispositions vis-à-vis informal settlements. As described in Chapter 4, threats of displacement (e.g. highway projects) and more stringent regulations for land registration (especially after the 1983 building code that prevented the registration of sales in the Public Land Registry when there were illegal constructions on a lot) gradually reduced the space for negotiation between state agencies and residents and eventually lead to further undermining of the public "order" in the neighborhood. Moreover, unlike pre-war mobilization, the militias that controlled Hayy el Sellom (and the southern suburbs of Beirut) during this period encouraged residents to defy state authority and offered their protection in the process. As a result of these changes, violations of construction and urban codes became more blatant: services were obtained through illegal hook-up, residents added several stories to their old structures, and riverbanks and other public lands were squatted upon.

The multiplicity of developers, the creation of new institutions such as the Neighborhood Committee, and the intervention of militias in the housing market began to establish a new type of market, controlled by a group of developers connected through tight social relations. This market was relatively less secure than earlier ones, especially that the number of developers cheating on measurements or selling land earmarked for public projects was on the rise. However, such swindles remained limited and controlled, and, given the social and geographic proximity of residents and developers, it was possible for residents to retaliate with gossip or social pressure on the developer. Rather than an open market, one can talk of a tight network of developers who colluded to close the market to their advantage and protect each other's practices, but who nonetheless saw in their publicly perceived honesty a necessary pre-requisite for continuing their practices.
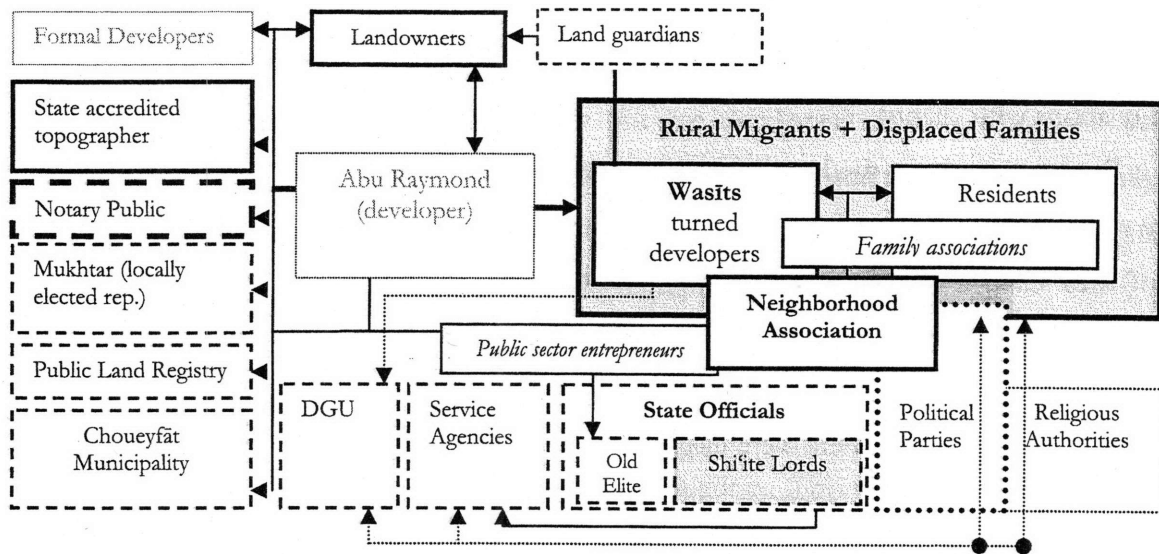
Figure 6-2: Phase 2, Hayy el Sellom housing market

Figure 6-2 illustrates these changes. Compared to the precedent market scheme (figure 6-1), one first notices the disappearance of Abu Raymond (in very light lines) and instead, the emergence of a thick web of social networks within the residents' group (in gray), binding *wasīts*-turned developers to clients and, through the newly created Neighborhood Association and public sector "entrepreneurs," to public agencies and actors as well as the political parties. The latter had appeared marginally in the precedent diagram (figure 6-1) while their role has expanded and penetrated the web of the neighborhood's residents in this figure, showing an important shift in power away from the public sector. Finally, the hierarchy among public agencies has shifted, notably with the Land Registry losing its role to the Notary Public who was still able to register (informally) land sales transactions.

6.A.3 Phase 3: The Reconstruction Phase (1992-2003)

This third phase coincides with the present penetration of a new market dynamics to the neighborhood. This housing market relies considerably on formal market mechanisms (i.e. bank loans and formal channels of advertising) and institutions (e.g. formal contracts), without completely supplanting earlier channels (social networks, political parties, etc.). It is controlled by a limited number of developers, those who can marshal the necessary funds to organize construction in a prohibitively expensive post-war context. Given these pre-requisites for

operating on this market, it is a new class of urban developers, de-facto outsiders to the neighborhood, who operate at the scale of the city's suburbs, with networks in banks or other money lending agencies, rather than within the community, who have taken control of the market. They are selling apartments, mostly to impoverished urban lower middle classes (who often grew up within the city) with no previous connections to the neighborhood or populations displaced by post-war reconstruction, two groups who could not afford to purchase housing anywhere else in the city, rather than to rural migrants. The latter have now resorted to rental, because they cannot afford purchasing housing in the city anymore.

The nature of the housing product has considerably changed during this period. Rather than purchasing land parcels (now too expensive), the last generation of Hayy el Sellom homebuyers is purchasing apartments in large-scale, multi-story housing complexes. Most of these compounds began as legal projects, with formal building permits and the accreditation of a number of architects, engineers, and notaries. However, hindered by their clients' delinquent payments and their lack of professional experience, all these developers have defaulted on the sales they organized, selling more apartments than they had built, building more apartments than their permits allowed, and using poor quality materials in construction. Furthermore, they have all been unable to return the money they borrowed from banks and, as a result, all of them have been jailed for a period. This situation is in large part the result of the times in which these developers operate. Indeed, in the post-civil war reconstruction phase, the scarcity of land and its prohibitive prices as well as vigilant state policing to curtail further informal developments imposed different modes of production and hence stricter market entry.[3]

Taken from these new residents' perspective, this phase marks the worse market conditions in all fifty years. Indeed, weakened social networks and inaccessible formal market or public agencies (e.g. courts) have together reduced their capacity to gather sufficient information prior to purchasing a house, insure sufficient transaction security (e.g. favorable contracts), obtain flexible payment facilities that fit their tight economic conditions, or retaliate in case the developer defaults. To the contrary, based on their friends' and relatives' experiences, many of these new residents have lowered their expectations and settled for poor and expensive housing, often with no legal registration of their new apartments. Those among them who have sufficient

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[3] It is possible to argue along neo-liberal lines that the problem is to have more credible institutions and mechanisms to allow the market to function better. However, these market institutions have not materialized, here and elsewhere.

backing from political or public agencies can still negotiate better deals (e.g. lower prices), or benefit from the "blurred legality" of the complex to occupy more space (e.g. elevator shaft, close balconies) or default on payments, but for many residents, it is a highly insecure market that they are forced to accept.

Moreover, this phase marks the lowest level of public-private or state-resident negotiation. Indeed, the threats of displacement (e.g. execution of public projects) and the absence of communication channels with public agencies have increased residents' reliance on political parties who now constitute the only liaison between public agencies and residents of informal settlements. The latter seem to have lost interest in the legalization of their buildings, because they are more concerned with deteriorating living conditions and the neighborhood 's poor physical environment.
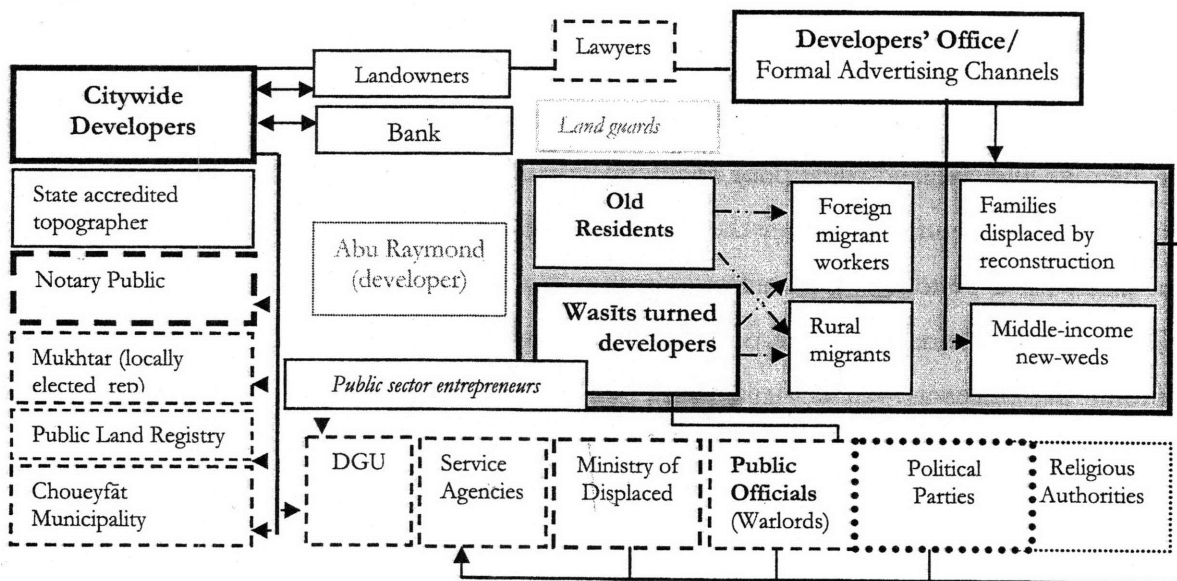
Figure 6-3: Hayy el Sellom housing market, phase 3

Figure 6-3 illustrates these changes. It shows the shift from a thick social web of relations within the neighborhood to the creation of a new network of formal relations, exemplified by the (developers-bank-advertisement) channels relations. It also shows how the channels of housing production now center outside the neighborhood that has received several groups of new homebuyers (families displaced by post-war reconstruction projects and newly married couples), while rural and foreign migrants are renting rooms or apartments (dashed arrows) from impoverished (earlier) neighborhood residents. Figure 6-3 also illustrates the

absence of reciprocal channels connecting developer to clients: while the old residents-developers relations were legislated by social networks that insured a minimum level of reciprocity, the new developer-resident relations are legislated by advertisers, lawyers, and agents hired by the developer to protect his interests from the clients.

6.B   LEARNING FROM THE HAYY EL SELLOM HOUSING MARKET

The previous section described three types of "markets" that operated in different periods in Hayy el Sellom. It would be possible to lump all markets under a category called "informal". However, within this category, these markets showed dissimilar characteristics: they relied on different institutional schemes, empowered different kinds of developers, and served the housing needs of different population groups. Furthermore, different levels of accessibility, flexibility, and levels of security for low-income urban dwellers looking for shelter characterized these markets. This study therefore suggests the necessity to step away from the formal/informal categories, not only because they are inaccurately dualistic, but also because these categories conceal other market characteristics, such as varying levels of openness, flexibility, and security, that are more important to investigate for those interested in understanding low-income housing markets and, ultimately, improving their operations. As a result, the thesis findings differ from widely held views about "informal markets" on several levels.

6.B.1   On Social Networks and the Housing Markets Characteristic

The three phases of the Hayy el Sellom housing market functioned on an array of formal and informal institutions that always co-existed in the organization of the neighborhood and that were simultaneously requisite for its functioning. However, it is undeniable that social networks consistently played a central role in the organization and management of this market.

Social (housing) networks were of many different natures in Hayy el Sellom: some of them connected families, tribes, and co-villagers in the neighborhood together. Others enabled developers and residents to connect to public agencies, political parties, or market agencies. Some of these networks were based on old kin or geographic relations, while others were consciously built to organize and manage the processes of housing production and acquisition. However, as the neighborhood grew in size and as linkages with the citywide land and housing

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markets increased, local social networks lost importance relative to other networks that connected actors in this neighborhood to others outside it, such as political parties, public authorities, and banks.

The thesis documented two interconnected ways in which social networks operated. First, social networks acted as housing networks (Smith 2003), providing actors with access to the necessary resources to produce or access housing. Thus, homebuyers relied on social networks in order to gather the necessary information about the housing product and secure their market transactions, while developers relied on social networks in order to access land and financing, or to secure transactions. Second, these social networks could be accumulated as a form of capital, enabling actors to reposition themselves within the social hierarchies of the neighborhood, and hence build a better reputation, acquire higher credentials, or build solid "backing" on the basis of which they secured better deals (price or payment period) or retaliated in case of default.

Based on these changes, it is possible to trace a correspondence between housing market characteristics and the type of social networks (and institutions more generally) that were operating in every phase of the neighborhood's development. One can already conclude from this research that the unique clusters of social relations that result from particular historical circumstances and specific actors' strategies produce particular housing outcomes (type of housing product, type of developer-client relation, level of security). In this case, the three types of social network arrangements that were sketched in the preceding section (figures 6-1, 6-2, and 6-3) heavily influenced the market conditions (closed/open markets, flexible/inflexible payment arrangements). More specifically, when the social networks governing market relations were rooted within the neighborhood, a limited entry market was in place, with a relatively high level of transaction security and an acceptable housing product that was controlled by homebuyers. However, once the neighborhood expanded, widening the web of social networks to the scale of the city and bringing in actors to Hayy el Sellom whose operations relied on networks outside the neighborhood, market entry became easier to outsiders, while, conversely, the possibilities of default became larger, transaction security dwindled, and the housing product deteriorated.

These findings appear to be corroborated elsewhere. Lawson (2001) has suggested similar findings in European housing networks, arguing that differences between the traditional Dutch social rental housing and the Australian liberal laissez-faire housing sector could be explained in large part by the unique cluster of social networks underlying housing arrangements

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in each country (i.e. property, finance, welfare relations). They suggest the necessity to look further into the correspondence between social institutions and market conditions, and to predict the impact of city-wide factors and public policy on the development of particular institutional schemes and hence, market conditions.

6.B.2   On the Informal Public Sector

My dissertation documents the tight connections linking various public institutions and agents to the production, organization, and distribution of (illegal) housing in Hayy el Sellom. It also shows that the different forms that were taken by this "illegal" or "informal" housing development over the course of the investigated fifty years were always mediated by the public sector.

First, my findings show that "informal" developers and their clients relied on public institutions and rules, at least in part, to organize their activities and secure their exchanges. In Hayy el Sellom, all "informal" developers relied on public and professional sectors' symbols in order to build a credible image to potential buyers. They also borrowed and transformed public urban regulations in order to develop a pseudo-legal set of rules that were crucial in preserving an adequate living environment for residents. Those who organized land sales and construction (1950-1990) directly applied public building and urban regulations, such as set backs or maximum floor areas ratios, in order to dictate the construction guidelines that formed the basis for an "acceptable", "potentially regularizable" settlement. Many of these developers also relied on public institutions and formal market agencies in order to secure their transactions from buyers defaulting in cases of land dispute settlement or loan repayments. Similarly, homebuyers in this neighborhood relied on public agencies in order to assess the reputation and credibility of a developer and secure their purchases. Many residents also depended on public agents as a source of "strong backing" that empowered them to challenge public regulations or to reset the terms of an agreement with a developer.

Second, my thesis findings indicate that many "pieces of the state", to borrow Heyman's terminology (Heyman 1999), directly participated in the production of informality. To begin with, well-meaning public agents, unable to let go of their dreams of designing the "good city" with its European standards, but faced with political and social pressures as well as their need to retain some control over urban growth, allowed for exceptional, so called one-time measures, that circumvented the regulations they had themselves written. In fact, they ruled the city

through "exceptional measures" that ultimately generated a repertoire of state sanctioned informal regulations. Furthermore, low-level public agents directly participated in the operations of the illegal/informal market, by trading "legality" as a commodity, in the form of building or service permits, property titles, or simply protection from police forces. While they could be dismissed as "corrupt", these public agents also directly contributed to the implementation of state rules in the neighborhood, and therefore knowledge and sometimes respect of public regulations. They also assisted low-income urban dwellers who were otherwise unable to enjoy home ownership altogether.

Such findings inform our understanding of the role of the "public sector" in informal settlements. To begin with, the influence of publicly sanctioned urban regulations on developers' and residents' practices and strategies reveals the centrality of state legal structures and their importance in regulating informal transactions. Furthermore, while controversial in some sense, the cooperative attitude of state actors indicates some level of flexibility and a capacity to accommodate informal transactions in ways that contradict the rigid perceptions we have of state agencies. However, this flexibility, the thesis showed, was limited in this case study to concessions and exceptions and never translated into making urban regulations more inclusive from the outset, or intervening to adjust market conditions, as the policy recommendations below suggest.

6.B.3 Formalization, Market Conditions, & Opportunities for Capital Accumulation

Based on current institutional theories, it is expected that the formalization of market institutions is the automatic outcome of these markets' need to grow, improve their performance (e.g. higher security), and increase their potential for capital accumulation (World Bank 2002, De Soto 2000). My findings differ from this school of thought on several grounds.

To begin with, this study indicates that formal institutions are not a necessary condition for capital accumulation. Even though well-defined formal property rights were not in place in Hayy el Sellom, the area developed continuously because it offered many alternative opportunities for capital accumulation. It suggests that there may even be an inverse relationship between formal rules and capital accumulation: lack of formal rules regarding property rights may create opportunities for private capital accumulation while generating adverse social costs, such as high density, pollution, and other negative externalities, which are today the greatest concern for Hayy el Sellom's residents. Hence, residents built additional floors, rented rooms

and apartments, and in fact benefited from the low-end market niche afforded by the lack of formality. In addition, residents' narratives indicate that at least some of them managed to accumulate additional capital and facilitate their access to housing from the "blurred" legal status that granted them additional payment flexibility because the developers could not enforce their contract legally.

Furthermore, while it is true that the Hayy el Sellom housing market increased its reliance on formal market institutions (e.g. formal contracts, bank loans, advertisement channels, etc.) over the past fifty years,[4] this study shows that this shift did not stem from the necessity for this market to grow, as proponents of regularization and titling policies tell us. Higher reliance on formal market institutions, the thesis showed, was triggered by changing parameters in the costs of housing production, especially rapid increases in the price of land, and a larger and more pressing volume of housing demand. These changes created new conditions for the production of housing, such as the necessity for large financial investments (and hence bank loans) or wider advertisement channels. Higher reliance on formal market institutions resulted therefore from changes in the conditions of housing production (triggered, most certainly, by urban processes outside the neighborhood), not an inherent necessity for this market to grow.

Does this formalization of market exchanges nonetheless improve market conditions (e.g. higher transaction security, better financial arrangements) for low-income urban dwellers looking for housing? This case study indicates that rather than providing a higher level of security, reliance on formal market institutions such as contracts (that they could not negotiate) or advertisement panels (they could not verify) placed low income homebuyers in more vulnerable standing vis-à-vis the developer (Chapter 5), while weakened social networks (given that they had no prior relations to developers) and the inability of public agencies (especially courts of law) to provide recourse for aggrieved parties when default occurred (Chapter 5) worsened their market conditions. In comparison to early comers who were trapped in tight social networks that dictated the conditions for their housing provision, these latecomers had perhaps more options to choose from. However, they ultimately had less recourse and control over the process of housing acquisition.

Does formalization automatically increase the opportunities for capital accumulation? Proponents of titling policies predict that the formalization of market transactions necessarily

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[4] Higher reliance on formal market channels does not however cancel out social networks or political parties that continued to play an important role in the production of housing and acquisition for both developers and residents.

improves economic opportunities (World Bank 2002, De Soto 2000). According to De Soto, people cannot create capital because they are confined in their transactions to "circles" of "people they know", they cannot access loans and cannot capitalize on their assets (De Soto 2000: 8). This prediction is somewhat accurate in Hayy el Sellom where new conditions for housing production in post-war Beirut pushed out of the housing market the second generation of developers who were confined to their circles of friends and relatives in the neighborhood and had limited knowledge and relations in the public sector and within market institutions. However, the new generation of developers that replaced them by virtue of their connections to public and market institutions did not find lucrative market conditions. To the contrary, the thesis has shown that most developers in the 1990s ended up bankrupt, something that had not happened to earlier generations. Furthermore, my findings suggest that further deterioration of market opportunities can be expected, since many interviewed homeowners, embittered by their experience, confessed that they would advise others to rent rather than purchase housing because rental provided a safer option under current market conditions.

What about the effect of formal property rights titles on tenure security? Despite a wide body of research showing that tenure security and formal property rights are not necessarily a pre-requisite for tenure security (Razzaz 1993), UN-Habitat's campaigns have continued to focus on titling as the necessary policy option. This case study confirms that it is not clear that well-defined private property rights provide homeowners with a higher sense of security. Indeed, the main risk faced by the residents of Hayy el Sellom today are highway and road projects that threaten to displace a large section of the neighborhood' population. However, these road projects equally threaten residents with different forms of property claims and entitlements.

This is not to say that property titles are irrelevant. For example, I have seen several old women in the neighborhood flaunt their title as a sign of social distinction vis-à-vis a quarreling neighbor. Several residents have also complained that they would like to have their children inherit "proper titles" rather than the contested shares they now possess. Thus, private property in this traditionally rural and agrarian society still carries an important social value. It is thus primarily as a set of social relations that property rights are evoked in this neighborhood, as scholars of Law and Society have informed us previously, and public interventions in favor of titling –even if desirable– need to understand that this is the goal they are serving.

In sum, higher reliance on formal market institutions in Hayy el Sellom cannot be expected to automatically improve opportunities for capital accumulation, increase transaction

security for low income urban dwellers looking to access housing, or improve tenure security. This is not to say that informal institutions automatically render the market more efficient or that the creation of new public institutions serves that goal either. It is rather to show that the efficiency of a housing market (its ability to secure transactions and insure some level of capital accumulation) is the result of particular historical and circumstantial factors and particular groups of actors who together produce the appropriate institutional conditions for market transactions to occur. In this case, social networks, geographic and family institutions, public agencies (e.g. Land Registry), and other political and communal institutions provided the grounds for the development of a market that functioned relatively well over the course of forty years and allowed for a modest process of capital accumulation throughout that period. During the last phase, and although the opportunities for capital accumulation continued, the scale of default and the dissatisfaction of clients and developers indicate that this institutional set-up had not resisted growing urban pressures, while a new institutional framework did not develop to support these new market conditions.

These findings question the basis of the current housing paradigm and the centrality of improving market mechanisms and formalizing transactions as necessary steps for improving housing provision. Indeed, the integration of these markets as segments of broader housing markets seems already well under way, and its impacts are far from proving positive for low-income urban dwellers.

6.B.4 On Differential Power Relations in Housing Markets

The institutional analysis of the Hayy el Sellom land and housing market showed a dialectic actor/institution relationship where the ability of particular actors to participate in this market (in producing or purchasing housing) depended on their capacity to tap on existing institutions and position themselves favorably in the social hierarchies of this neighborhood, while the institutional map that was built over time was largely influenced by these actors' strategies.

In Chapter 3, I argued that the ability of developers, in all three generations, to participate in the production of housing depended on building and maintaining the necessary social networks that enabled them to penetrate key institutions (public or private) in these markets. The accumulation of such networks, I showed, building on Pierre Bourdieu's theory of social capital, altered a developer's position in the community, formed the basis of his "good

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reputation", and facilitated his market activities. Social networks and the resources they provide are thus only one part of the story. They need to be seen in light of how the accumulation of social capital can alter actors' social positioning and facilitate their practices.

In Chapter 5, the concept of "good backing" that determines a buyer's ability to negotiate a more favorable deal, such as lower price or longer installment duration, or influences a buyer's ability to retaliate in case of default, recalled the concept of social capital again. It showed that developers and residents constantly sought to reposition themselves relative to each other in order to obtain favorable terms for their deal. "Good backing" in the neighborhood depended on the "position" of an actor, which can be summarized by the type of networks s/he possessed and/or had been able to develop, given particular conditions (e.g. neighborhood controlled by militias or by state agencies, strength and density of family and village ties) that empowered certain groups over others. Other forms of capital, such as one's symbolic capital (still following Bourdieu 1986), had less influence on the outcome of these transactions, unless such capital could be transformed into a source of backing (e.g. credit in the eyes of a political party).

These descriptions underline the complex and unequal nature of this housing market and the uneven opportunities it opens for buyers and sellers. On the one hand, not everyone can be a developer, since only those who managed to acquire sufficient social and financial capital positioned themselves adequately and controlled the key institutions that enabled them to play this role (Chapter 3). On the other hand, not all buyers are equal vis-à-vis developers. Those who are able to appeal to broader networks, through their own efforts or endowment, have better access to information, higher transaction security, and higher retaliation capacity. Others have to settle for dissatisfying options for the lack of better opportunities, even though they know they have been abused. As a result, some secured favorable deals (e.g. lower prices, longer repayment periods), sometimes at the expense of the developer, while others lost their lifetime savings, with little hope for recourse (Chapter 5).

These findings bring to the analysis of land and housing markets the issue of differential power relations between actors and their impact on the outcome of market transactions. This issue was raised by Durand-Lasserve (1994) in francophone Sub-Saharan Africa, where he showed that land prices depended on who one is dealing with, rather than the strict mechanical intersection of supply and demand curves. However, this aspect of markets' operations is generally neglected, despite ample evidence that market transactions entail inherently power-

ridden negotiations. This is not surprising since the planning literature itself has often failed to account for power as a main component of project design and implementation (Flyvbjerg 2002, Yiftachel and Huxley 2000). Similarly, analyses of housing and land markets in Third World countries (mostly conducted by planners) have rarely accounted for "power" or "differential social positions" embedded in market choices. Evidence from my fieldwork however revealed that this form of power plays an important role in determining who can intervene in the market. It is, for example, not coincidental that all developers were men, throughout the 50 years of Hayy el Sellom's development,[5] and that most of them either belonged to large influential families and tribes, or were affiliated to central political parties (Chapter 3). Power also plays an important role in determining the outcome of market negotiations, including prices. It was not exceptional in this market to see that prices differed sometimes by 100%, for equivalent opportunities, depending on the client's ability to force price discounts– (Chapter 5). These findings reiterate the necessity to acknowledge and account for differential power relations in housing markets. Furthermore, and given the nature of housing as a social good, it requires public intervention in order to adjust market conditions and reduce the vulnerability of weaker groups.

6.B.5 On Informal Settlements & Changing Urban Conditions

Over the course of the fifty years of investigation, it is possible to observe important modifications in the social and physical map of Hayy el Sellom, as well as the place of this neighborhood in the city. Indeed, given the sprawling growth of Beirut, Hayy el Sellom has gone from being a remote neighborhood in the far suburbs of the capital city to being another neighborhood of its (relatively close) southern suburbs. During this phase, the pool of homebuyers has also considerably changed, going from rural migrants with no prior experience in the city to an impoverished class of urban lower middle income families who are unable to afford housing elsewhere in the city. In the meantime, rural migrants have been pushed towards the rental market, since home ownership has become unaffordable to them, while migrant foreign workers were pushed towards renting rooms instead of apartments, in even worse physical conditions. The nature of the housing product in Hayy el Sellom has also considerably

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[5] To be accurate, one woman, Fatimah, played the role of mediator in Hayy el Nahr. Her work was however limited to one or two lots in the neighborhood and she never became a "developer" later.

changed during these fifty years, going from self-help, small-scale and limited enterprises to large scale, industrially produced apartment complexes.

In this process, control over the market and the ability to develop land, build housing, and provide construction material and credit, which was originally controlled by the neighborhood's residents, has shifted towards city-wide developers who are outsiders to the neighborhood and rely in their operations on formal market mechanisms. In sum, the attributes of what made "informal housing" a viable self-help housing option until the 1980s, or what made housing a "verb" in Turner's (1972) words, have been replaced by an industrially produced neighborhood in the sense that local initiative and control have been considerably reduced.

Finally, living conditions have considerably worsened in this neighborhood. Almost all interviewed residents complained about the very high density, the absence of sunlight and proper ventilation in houses, the lack of public spaces, water, noise, and air pollution, and traffic congestion. Many wish a highway would actually be implemented and demolish their houses, provided they could be paid indemnities and helped to move elsewhere (Deboulet and Fawaz 2004). In fact, some of them even organized a delegation that visited the Prime Minister and requested the implementation of this highway.[6] In short, most of these residents do not think that the neighborhood provides them with an adequate housing solution anymore.

These changes point to the interconnectedness of so-called informal settlements and city wide changes, and, perhaps more importantly, to the vulnerability of informal arrangements to city-wide changes. Indeed, the changes traced in Hayy el Sellom over the past fifty years (providing different opportunities for housing acquisition and production, different types of housing products, etc.) are paralleled by a gradual impoverishment of urban populations over the past decades observed in Lebanon (Haddad 1996) and elsewhere (UN-Habitat 2003, Davis 2004). They are also paralleled by an (unregulated) increase of land prices everywhere in Beirut (Aveline 2000, InfoPro 2003), as well as wide waves of population displacements as a result of urban renewal or squatter evacuation projects (under the banned or post-war reconstruction). The arrival of many of these displaced population groups to Hayy el Sellom suggests that this informal settlement has become attractive to those who, twenty years ago, would have never accepted to live in it. While my findings cannot demonstrate a direct connection between neo-liberal urban policy, changing urban conditions, and worse living conditions in Hayy el Sellom,

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[6] Interview held with Ahmad, activist resident of Hayy el Sellom in July 20, 1999.

this strong correlation suggests the necessity to look into relations between such city-wide urban changes, exclusive urban policies, and the impacts they can have on low-income urban neighborhoods.

These dynamics also raise important questions about current changes in informal settlements in Lebanon and elsewhere, and the abilities of low-income urban dwellers to control and manage the process of housing production and acquisition. They first challenge the validity of earlier assumptions that informal settlements are a potential housing "solution". Hayy el Sellom could indeed have been an adequate housing solution when Turner and others were making their claims in the 1960s (Turner 1967, 1972). The neighborhood seemed then to be set on a "positive" trajectory in which low-income urban dwellers were accessing adequate shelter, with limited physical densities, and services were provided through political interventions (e.g. water) or self-help projects (e.g. sewers). However, the picture looks different today, with the steady deterioration of conditions, a gradual densification of the neighborhood, and the residents' loss of control over the production and organization of their living spaces. They point to the need for urban policies that can protect informal arrangements, address the deficiencies observed in the physical environment, and improve securities, as the last section of this thesis will argue.

6.C   LESSONS FOR PLANNERS

How can these findings help in the formulation of better urban planning and housing policies?

There are at least two different forms of necessary public interventions. On the one hand, it is important for public agencies to intervene today in Hayy el Sellom in order to improve living conditions in this neighborhood. On the other hand, it is necessary to learn from the processes through which this neighborhood developed in order to strengthen existing and viable arrangements for housing production.

6.C.1   Formalizing Informal Markets and the Current Policy Paradigm

The current policy paradigm calls for "integrating" informal housing markets within formal ones and increasing their reliance on formal market institutions (e.g. property rights,

contracts, etc.). This policy recommendation seems somewhat redundant in Hayy el Sellom where the process of housing production was directly affected by citywide factors and the housing market heavily relied on formal market institutions. Thus, whether policymakers advocate it or not, integration within the citywide housing market is unavoidable for low-income housing markets subjected to the types of urban pressures described in Hayy el Sellom. Furthermore, my dissertation showed that higher reliance on market institutions does not necessarily improve access to housing or opportunities for capital accumulation for low income urban dwellers. To the contrary, higher reliance on formal market institutions in Hayy el Sellom pushed an entire generation of developers and clients (e.g. rural migrants) out of the neighborhood's housing market that was rendered unaffordable to them. It also created new forms of vulnerability to market default for both homebuyers and developers because, as described above, formally drafted contracts were unable to provide the necessary security and trust in market exchanges and public agencies (especially courts) were unable to provide the possibility for appeal, once developers defaulted.

Given these findings, the first recommendation that comes out of this dissertation is for policymakers to look at the details of how particular housing markets operate, the form and level of reliance on formal market institutions, and the consequences of particular institutional set-ups on different groups of actors (homebuyers and developers) in order to design the necessary interventions that respond to the weaknesses of particular market arrangements (e.g. closeness, affordability, flexibility, etc.). Within this perspective, several types of interventions can be suggested in Hayy el Sellom, in light of the market investigation this thesis has conducted.

To begin with, my research showed the absence of accessible, affordable, and rapid public recourse for homebuyers when a developers defaulted on a transaction. Chapter 5 highlighted the difference between two groups of homebuyers, those who had "retaliation capacity" and were therefore able to secure better market settlements and respond in case of default, and those who didn't. The latter either settled for unsatisfactory housing options or lost their lifetime savings with little or no hope to recover them. Guided by this understanding of market defaults, a well-informed public intervention could provide accessible and rapid legal recourse for homebuyers in order to compensate for their weak knowledge of contractual agreements and provide them with accessible legal recourse. It is thus possible to imagine a local court of appeal that appeals to local developers, topographers, public sector entrepreneurs, and

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residents in this neighborhood and settles conflicts on multiple sales and payment default, without addressing the legal status of housing.

Second, my research showed developers' vulnerability to payment defaults, given that they rely on regular monthly installments in order to finance construction and repay their bank loans. It also highlighted homebuyers' vulnerability vis-à-vis developers once they commit contractually to regular installments despite their irregular incomes. These findings point out the need for a flexible system of credit provision that compensate for irregular incomes and insure a regular flow of money to developers. This financing mechanism should not seek to replace the developer's credit provision, only to supplement it with additional security in case of default. The planning literature has described successful housing credit schemes elsewhere, such as in the Philippines where housing micro-finance proved to be an adequate public housing intervention for low income groups (Berner 2001b). It is possible to imagine similar, locally adapted schemes in this context.

Finally, the case study showed that market default could be reduced if building and zoning regulations were designed to limit the scale of housing projects to more manageable sizes.[7] Indeed, the number of multiple sales or the rate of dissatisfied homebuyers increased with the size of housing projects in Hayy el Sellom. So did the complexity of legal entanglements and the difficulty to legalize tenure status. For example, since they are all tied to one housing project, all 535 households in the 'Abbās Complex are required to regularize their legal status simultaneously, despite the fact that their apartments do not violate building regulations equally and that these homebuyers have different stands vis-à-vis legalization policies. The very scale of this endeavor and the difficulty of settling on a satisfying option for all 535 households rendered the regularization of the Complex close to impossible. In these circumstances, it would be appropriate to adopt building standards that limit the scale of housing projects (such as maximum rather than minimum lot size) and reduce the number of households who are tied together within one legal procedure, in order to limit legal.

6.C.2 Physical Upgrading and Appropriate Standards

Based on the dissertation's findings, another policy recommendation is to implement a physical upgrading project in the neighborhood in order to address its poor living conditions.

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[7] Current construction and zoning standards, as shown in Chapter 4, limit minimum —not maximum— construction sizes.

The dissertation described how living conditions in Hayy el Sellom have considerably deteriorated over the past decade, as a result of the very high density (1,200 persons/ha), the lack of open space, the poor quality of urban services (water and sewerage), and the high street level (air and noise) pollution. These changes point to the necessity for a public intervention that could limit the neighborhood's density (e.g. punctual demolitions, displacements), reduce the level of pollution (e.g. regulating uses, reducing car access), and improve infrastructure networks. This recommendation echoes other policy recommendations in the planning literature that have recently argued for the need to address deteriorating living conditions in many informal settlements around the world through physical upgrading projects, rather than limiting public interventions to improving market conditions (Mukhija 2001). These recommendations raise, once again, questions about how to set the "minimum standards" according to which an upgrading project can be implemented in this neighborhood (Durand-Lasserve and Tribillon 1995), and how to eventually maintain and enforce them.

The history of Hayy el Sellom suggests that although they did not correspond to the aspirations of educated planners or to formally sanctioned urban regulations, "minimum enforceable standards" were well in place during the first thirty years of the development of Hayy el Sellom. For example, setbacks were observed in order to provide adequate passageways, openings were designed in ways that could preserve neighbor's privacy, and building heights were relatively limited. Furthermore, these standards (and the context from which they developed) limited lot sizes to very small parcels that enabled future urban dwellers to organize and control the construction process (Chapter 3).

These "minimum enforceable standards" were the result of a set of public-private partnerships that generated the necessary institutional basis for the local generation of standards and their successful enforcement. These standards were thus put in place by developers, in partnership with public sector entrepreneurs, in dialogue with public planning agencies, and with the cooperation of residents. They were thus developed and enforced by actors who had direct relations, knowledge, and experiences in the neighborhood and who were involved in its production. They were also elaborated in relation to and knowledge of public authorities and sometimes the direct involvement of public planning agencies. The latter had a strong hand in planning, since their provision of urban services was conditional on a minimum legal enforcement and their authority over the city had not yet been challenged in the same ways it would later be.

However, these standards were not sufficient to maintain adequate living conditions in Hayy el Sellom once the arrival of new groups of developers and clients created new conditions for housing production in the neighborhood. Thus, by the mid 1980s, these standards were neither sufficient to leave way, for example, for open spaces, nor did they possess the necessary institutional basis to be adequately implemented. At this critical juncture when the construction of large scale developments was just beginning, a public intervention that could have engaged actors in this neighborhood to develop a new set of regulations could have prevented the later day scenario that was described in Hayy el Sellom. Public regulations could have imposed, for example, a ceiling on the number of constructed housing units in one complex[8] or within one area, preserved some open spaces by purchasing lots in the neighborhood, and prevented polluting workshops from settling in the neighborhood (e.g. noise and air pollution), in consultation with different types of developers and resident committees in the neighborhood. In the absence of such a coordination process, the new generation of developers appealed selectively to state sanctioned construction guidelines that enabled them to build very large-scale housing complexes, bring in new populations, with no concern for open spaces or the neighborhood's density. As a result, the neighborhood today requires a larger scale public intervention that could rehabilitate its physical and living conditions.

Furthermore, standards have very important implications on the ability of different groups of actors to intervene in the process of housing production. It is worth recalling here one of the main debates of the 1960s, which centered on the relation between building standards and the ability of "users" to control the process of housing production (Turner 1972). Almost fifty years later, this debate still carries important implications on the process of housing production in Hayy el Sellom, which has gone from user-controlled, self-help housing to industrially produced, large-scale housing complexes in which local initiative and control have been considerably reduced. My research showed that publicly sanctioned urban regulations encouraged this process by imposing large lot sizes (2000m²) and no upper ceilings on project sizes (e.g. 535 housing units in the 'Abbās Complex). However, weaker control over the process of housing production, the dissertation showed, had negative impacts for low-income urban dwellers looking for housing, especially in terms of poorer market conditions (e.g. more default,

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[8] It is worth recalling here that Mr. Darwīsh who built 535 housing units in Hayy el Sellom in one complex between 1994 and 1996 brought in during these two years the same number of families that were brought by Abu Raymond during his twenty years of practice.

less recourse), higher user dissatisfaction with the housing product (e.g. leaks, layout, etc.), and ultimately, poorer living conditions in the neighborhood. Instead, one could have foreseen a set of regulations that encourage the local regulation of space and enable groups of 2-3 families to pool together in 200-300m^2 lots, the way developers organized them in the 1970s, and allow for 50-100m^2 construction permits in this and other areas. Such standards would also have higher chances of being implemented since their end-users, the residents of the neighborhood, are themselves empowered in their application.

These factors point to the necessity to develop, in conjunction with actors, a set of flexible and enforceable regulations that define the minimum acceptable housing standards, empower low-income urban dwellers to take charge of the process of housing production, and act as a premise for any type of upgrading project in this neighborhood. The dissertation has shown that such standards can only be developed through a public-private partnership that generates the necessary incentives for developers, residents, and public sector agents to cooperate and re-create the institutional basis that would be necessary to determine what such standards could be and who/how they would be enforced. In this context, the most difficult challenge facing the development of standards is the possibility for instituting public-private partnership at a time when state-society relations are strictly mediated by political parties and state legality has been severely challenged. The growing dissatisfaction of low-income urban dwellers with their living conditions could provide an opportunity for planning agencies to engage them in a new form of partnership, in view of setting standards and improving living conditions. It would be important for planning agencies, through their local actors, to invest in this process.

6.C.3   Learning from the Informal Public Sector

Perhaps one of the most important lessons for planners seeking to learn *from* this neighborhood's development is the relative success of "illegal public practices" in controlling and managing the city in comparison to formal public regulations.

Since the 1950s, planning regulations imposed first by the Ministry of Plan and later by the Directorate General of Urbanism do not reflect an adequate understanding of social urban realities. Most of these regulations were borrowed from the French tradition and, hence, rely on assumptions regarding the appropriate role of the state, markets and communities that are from a different period and social context (Chapter 4). These regulations, especially those dictated by

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successive master plans in this area, sought to impose particular visions of what constitutes an acceptable urban environment (low density, individual houses on large lots) that do not reflect an adequate understanding of the housing needs of low income urban dwellers in the given urban, social and economic conditions in which they were seeking housing.

Conversely, the thesis showed that many of the "exceptional" or "one-time" measures that were adopted by public sector agents as a result of the demands of low income urban dwellers were more successful in organizing the urban space and encouraging residents to abide by public regulations, or at least in maintaining a "regularizable" situation. The overview of some of these "exceptional" measures (Chapter 4), notably the 50m^2 building permit and the informal land subdivision organized by a semi-public agency in the neighborhood (Hayy el Jami'ah), showed that these regulations encouraged urban dwellers to restrict the volume of their constructions and to seek regularization.

The relative success and respect of "exceptional" measures over publicly sanctioned plans indicate that we need to learn from these planning processes. Indeed, these regulations stemmed from a direct dialogue between political parties representing local populations, public agents forced to engage with the realities of urban development and urban pressures, and populations who were convinced that their abidance by urban regulations could improve their living conditions (e.g. provision of services). Such a process depended however foremost on the willingness of these agents to recognize the need for other types of urban developments and to negotiate their form.

This is not to say that such exceptional measures were ideal. First, these exceptional measures fell short of acknowledging this form of planning as legitimate and modifying formal urban regulations to account for the needs of low-income urban dwellers and their needs. They therefore did not establish an institutionalized process of partnership between planning agencies and low-income urban dwellers (or developers) that could sustain the challenges put forth by later forms of political mobilization that were antagonistic to the state as well as the weakness of public planning agencies during the war. Second, these exceptional measures raise again the challenge posed by the discretionary power of bureaucrats and the necessity to simultaneously benefit from the flexibility provided by this discretion while maintaining the systems of checks and balances that could avoid the types of scenarios that eventually developed in Hayy el Sellom, trading forms of legality at the expense of low-income urban dwellers. Is it possible to imagine

that a public recognition of this form of urban development or hence a formal process of checks and balances could reduced the opportunities for abusing the trust of residents?

It is not clear at this point what type of system should be put in place and which public arrangements could create such as "ideal" scenario. However, my findings indicate that the valuable experiences of informal developers, which several studies are now hailing (McAuslin 2003, Berner 2001a&b), need to be complemented by the accumulated experience of public planning agencies and actors who have engaged in informal practices. Further research needs therefore to be done in order to see how and where, if any, such systems of checks and balances were successfully implemented, especially in the event that social networks, which in this case study rendered public agents accountable, were very unequal in their effects and gradually lost their effectiveness when the neighborhood grew in size.

Along these lines, several researchers have recently pointed to the "positive effects" of "corruption". For instance, Evans (1997) has alluded to the possibility that "embedded" state-society relations be the repository of development rather than corruption, by improving communication between these two groups. Similarly, through his investigation of bribery in China, Smart (1999) suggested that the involvement of public agents in "corrupt" practices could be read as involving "Schumpeterian entrepreneurial officers" who would be creating "new market opportunities" and maybe helping in "the formation of a different kind of developmental state" that is based on the "unfolding new political economy of competition between different systems of property rights at the local level" in which "corrupt practices have useful unintended consequences" (Smart 1999: 117). These observations point to new channels of conceptualizing state-society relations and imagining ways in which public sector interventions could integrate and capitalize on informal processes of housing production.

Before closing the policy section, and despite the important lessons we can derive from the practices of these (and other) public actors, it is worth acknowledging the limited role that public sector planners have had in the making of this neighborhood. The history of Hayy el Sellom suggests that city planners were only one set of actors, and rather weak ones, amidst a thick web of social and political relationships with many other actors, including several types of developers who played more direct and central roles over the past fifty years. The last two policy recommendations highlight these factors.

6.C.4 Dealing with the City Factors

The dissertation documented many of the effects that citywide changes had on the development and workings of the Hayy el Sellom housing market over the past fifty years. It showed that a number of citywide changes, such as land prices increases or waves of population displacement caused by urban renewal projects, directly influenced the type and quality of housing that was produced as well as who was producing it.

These findings indicate that the improvement of living conditions in Hayy el Sellom is not independent from citywide factors and would require primarily easing the housing pressure off this neighborhood by creating opportunities for adequate, affordable, small scale housing elsewhere in the city. It also requires limiting the types of projects that influence negatively low income housing, such as urban renewal projects trigger large waves of population displacement over short periods of time. It is thus not sufficient to limit public interventions in informal settlements to the improvement of market mechanisms or upgrading physical conditions. Unless the forces that destroyed otherwise well-working mechanisms of housing production are limited, it is unlikely that any intervention within this or other low-income neighborhoods subjected to similar forces can succeed.

6.C.5 Rethinking the formal/informal divide

This dissertation illustrated the multiplicity of scenarios or processes of housing production that are lumped in the "informal category", showing, for example, that there are many types of "informal" developments that vary from small-scale, self-help projects to large scale, industrially produced complexes. The dissertation has also shown that there are several types of developers who responded to different forms of market opportunities and ultimately represented distinct styles. These developers had different resources and social networks; they also followed, implicitly, different codes of conduct regarding the extent to which they were willing to break formal regulations.

These variations within "informal" processes of housing production must be understood by professional planners who are interested in building on informal market institutions and forging new forms of "private-public partnerships", especially with developers working in informal settlements. To tap the entrepreneurial energies of the developers of various kinds without subjecting their operations to close scrutiny will not be an easy task. Understanding how best to manage and control "informal" developers without unduly inhibiting their energy and

resourcefulness will require a strong and smart local authority. They will need to understand that to achieve public-private cooperation they have to address the conflicts among the multiple stakeholders (Sanyal and Mukhija 2001). The thesis showed some of these conflicts, for example, between local authority and political militias. Such conflicts have to be addressed innovatively, acknowledging the political landscape of the area.

Furthermore, professional planners need to transcend the current conceptual dichotomy between formal and informal markets, or social and public institutions and regulations, as if they belong to two different domains of social action. The dissertation clearly demonstrated their entanglement and mutual influence. This dynamic interaction between social norms and formal rules and between actors within and without the public sector has to be understood before effective planning policies building on the existing capacities of these neighborhoods can be formulated. It is important, for example, to understand why some types of interaction between formal and informal rules and institutions may be more beneficial for urban low-income dwellers than others. Based on this dissertation, it is clear that early market arrangements provided more secure market transactions and better housing products from their users. Such analysis will demonstrate how interactions between public and private actors evolve over time, influenced as they are by both micro variables particular to specific geographic areas, such as the religious and social backgrounds of actors in this area, and macro issues, such as Lebanon's wars or reconstruction policies.

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APPENDIX 1:
HOUSEHOLD SURVEY CONDUCTED FOR UN-HABITAT IN JUNE 2002

The following household survey was conducted as part of the UN-Habitat Slums of Beirut Report in June 2002. It covered in total 25 households. It was conducted with the help of Hiba Bou Akar and Sirine Kalash.

a. Household Indicators
a.1	Household type and their percentage (including women headed households)
a.2	Income by quintile and household type
a.3	Household size
a.4	Birth/fertility rates
a.5	Type of tenure and household ownership (status of the land, tenants/owners)
a.6	Literacy rates by age and group and sex
a.7	Occupancy ratios (means persons per household)
a.8	Length of household residency

b. Costs of Living
b.1	Commuting to work (time, distance and money)
b.2	Price of water and other services
b.3	Rental rates (informal and formal)
b.4	Availability of housing finance'
b.5	Health problems
b.6	Discrimination (employment, education)
b.7	Victimization and insecurity (including individual and neighborhood mass evictions)
b.8	Psychological trauma (suicide, violence)
b.9	Financial expenditures for the typical slum household: housing, food, transport

APPENDIX 2:

SURVEY OF ACCESS TO LAND, LEGAL STATUS, AND PERCEPTIONS OF LEGALITY

The following questionnaire was conducted with 300 head of households, all property owners, mostly form the first two generations of Hayy el Sellom residents in August 1999. Following 7 months of qualitative survey, this questionnaire was meant to corroborate and verify the collected information. It was conducted with the help of Mohammad Shihadeh, then a student at the Lebanese Public University School of Architecture and to date a resident of Hayy el Sellom.

a. Survey Form

Date   *Survey Sheet*

Purchase Information
Lot Number   *Building on lot*   *Number of floor*
Date of Land Purchase   *Form (Shares/ Total)*
Mediator/ Developer involved in the transaction
Date of Building   Phase 1   *Phase 2*   *Builder?*
Rent/Ownership ratio in building:

Legal Information
Do you have a building permit? What type (Normal/ 50m², Displaced)
What type of irregularities do you think exist in your building?
- *No building permit*
- *Disrespect of the permit*
- *Violations of Building Law (Which?)*
- *Problems with respecting lot boundaries*
- *Property disputes*
- *Building in the location of approved public project*
- *Other*

Regularization
Are you aware of a regularization law (Past or present)?
What does it do?
Have you thought of submitting an application for regularization?
If No:
- *Unaware*
- *Costs*
- *Unable to legalize because of type of violation*
- *Hopes for an amnesty*
- *Other*
If Yes:
- *Did you follow up? Has it been legalized?*
What do you think are advantages of legalization?
- *Get a loan*
- *Ability to sell*
- *Services (water and electricity)*
- *Security*
- *Other*

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b. Survey Results:

Lot Purchase			Construction				Legal Status			Regularization Law				Benefits		
Lot	Date	Tenure Status	Developer	Year	Floors	Bldg permit	Type of Illegality		Bldg Law	Heard?	No apply		Amnesty Process	Security	Services	Credit
							No permit	Non. Abidance			Costs	No benefits				
1400	1972	Shares	AR & Haydar	1973	4	N	Y			Y	Y					
1400	1972	Shares	N/a	1972	4	N	Y			Y	Y					
1400	1973	Shares	N/a	1974	5	N	Y			Y	Y					
1400	1973	Shares	Haydar	1973	4	N	Y			Y				Y	Y	
1400	1977	Shares	AR	1980	5	50m²		Y		Y						
1400	1967	Shares	AR & Shatila	1967	3	N	Y			N	Y					
1400	1967	Shares	AR & Shatila	1971	2	N				N						
1400	1967	Shares	AR & Shatila	1972	2	N	Y			Y	Y					
1400	1967	Shares	AR	1971		50m²		Y		Y						
1400	1967	Shares	AR & Shatila	1972	3	50m²		Y	Y	Y						
1400	1967	Shares	AR & Fatima	1967	4	50m²		Y	Y	Y						
1400	1967	Shares	AR & Fatima	1967	5	50m²		Y	Y	Y						
1359	1987	Shares	AR	1987	3	Refugee		Y	Y		N					
1359	1964	Shares	AR	1965	4	Regular		Y	Y	Y	Y	Y				
1361	1972	Shares	X	1974	1	Regular		Y	Y	Y	Y	Y	Y			
1365	1982	Shares	X	1982	6	Regular		Y	Y	Y	Y	Y	Y			
1365	1983	Shares	AR	1984	2	N	Y			N						
1365	1983	Shares	AR	1984	3	N	Y			N			Y			
1365	1982	Shares	AR & Haydar	1984	2	Regular		Y	Y	Y	Y			Y		
1365	1978	Shares	AR	1980	5	50m²		Y	Y	Y	Y	Y			Y	
1365	1978	Shares	AR	1978	5	50m²		Y	Y	Y	Y	Y	Y			
1365	1978	Shares	AR	1979	1	50m²										
1365	1976	Shares	AR	1976	6	50m²		Y	Y	Y	Y	Y				

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Lot Purchase				Construction			Legal Status			Regularization Law						
		Tenure				Bldg	Type of Illegality				No apply			Benefits		
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non. Abidance	Bldg Law	Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
1365	1978	Shares	AR	1979	3	50m²	Y	Y	Y	Y	Y			Y	Y	Y
1365	1979	Shares	AR	1982	5	50m²	Y	Y	Y	Y				Y		Y
1365	1980	Shares	AR	1980	2	50m²	Y	Y	Y	Y	Y			Y		
1365	1978	Shares	AR	1979	3	50m²	Y	Y	Y	Y	Y		Y			
1356	1987	Shares	Kassim	1987	5	50m²			Y	Y	Y	Y				
1356	1976	Shares	AR	1980	5	50m²			Y	Y	Y	Y				
1357	1973	Shares			1	50m²										
1356	1970	Shares		1970	4	50m²		Y	Y	Y	Y	Y	Y	Y	Y	
1361	1970	Shares	AR	1970	5	50m²		Y	Y	Y	Y	Y	Y			
1358	1986	Shares	El-Sabe'	1989	4	Regular		Y	Y	Y	Y	Y				
1358	1986	Shares		1995	5	Regular										
1358	1994	Shares		1996	5	Regular				Y	Y			Y	Y	
1363	1961	Shares	AR	1962	2	50m²		Y	Y	Y	Y	Y		Y	Y	
1362	1977	Shares	AR	1977	4	50m²		Y	Y	Y	Y	Y				
2209	1958	Shares	AR	1958	2	50m²	Y		N	Y	N					
1363	1974	Shares	AR	1974	5	N	Y			Y	Y	Y		Y	Y	
1363	1962	Shares	AR	1963	2	N	Y		Y	Y	Y	Y				Y
1363	1956	Shares	AR	1957	4	50m²		Y		Y	Y	Y		Y	Y	
1363	1956	Shares		1957	2	Regular		Y	Y	Y	Y	Y				
2152	1956	Shares	AR	1956	2	50m²			Y	Y	Y	Y	Y	Y	Y	Y
2154	1962	Shares	AR	1962	5	50m²			Y	Y	Y	Y	Y			
2154	1964	Shares	AR	1964	4	50m²			Y	Y	Y	Y	Y	Y	Y	Y
2178	1955	Shares	AR	1957	4	50m²			Y	Y	Y	Y				
1365	1985	Shares	AR	1985	5	Regular			Y	Y	Y	Y		Y		
2177	1995	2400		1995	4	Regular			Y	Y	Y	Y		Y	Y	Y

| Lot Purchase | | | | Construction | | | Legal Status | | | Regularization Law | | | | | | | |
| | | Tenure | | | | Bldg | Type of Illegality | | | | No apply | | | | Benefits | | |
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non. Abidance	Bldg. Law	Heard?	Costs	No benefits	Amnesty	Process	Security	Services	Credit
2143	1976	Shares	AR	1980	3	50m²	Y	Y	Y	Y	Y						
2144	1972	Shares	AR	1976	2	50m²	Y	Y	Y	Y					Y		Y
2144	1976	Shares	AR	1976	3	50m²	Y	Y	Y	Y	Y						
2145	1962	Shares	AR	1962	3	50m²	Y	Y	Y	Y					Y		Y
2145	1959	Shares	AR	1960	4	50m²	Y	Y	Y	Y	Y						
2146	1959	Shares	AR	1959	3	50m²	Y	Y	Y	Y	Y			Y			
2147	1962	Shares	AR	1962	3	50m²	Y	Y	Y	Y	Y				Y		Y
1371	1956	Shares	AR	1956	1	50m²											
2182	1956	Shares	AR	1956	3	50m²	Y	Y	Y	N	Y						
2182	1956	Shares	AR	1956	5	50m²	Y	Y	Y	Y	Y						
2181	1956	Shares	AR	1956	5	50m²	Y	Y	Y	Y	Y						
2181	1957	Shares	AR	1957	2	Regular	Y	Y	Y	Y	Y			Y	Y		
2181	1956	Shares	AR	1956	4	50m²	Y	Y	Y	Y	Y				Y		
2177	1957	Shares	AR	1957	5	50m²	Y	Y	Y	Y	Y						
2177	1958	Shares	AR	1958	4	50m²	Y	Y	Y	Y	Y			Y	Y	Y	Y
2177	1957	Shares	AR	1957	4	50m²	Y	Y	Y	Y	Y			Y			
2177	1954	Shares	AR	1954	1	50m²	Y	Y	Y								
1372	1958	Shares	AR	1958	1	50m²	Y	Y	Y								
1372	1959	Shares	AR	1959	2	50m²	Y	Y	Y	Y	Y				Y		Y
2179	1990	Shares	AR & Shatila	1994	7	Regular	Y	Y	Y	Y							Y
1371	1998	Shares	Fatimah	1998	2	Regular											
1372	1984	Shares	AR	1985	3	Regular	Y	Y	Y	Y	Y				Y		Y
1375	1958	Shares	AR	1958	4	50m²	Y	Y	Y	Y	Y				Y		Y
1374	1956	Shares	AR	1956	1	50m²	Y	Y	Y						Y		Y

Lot	Date	Tenure Status	Developer	Year	Floors	Bldg permit	No permit	Non Abidance	Bldg Law	Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
1375	1957	Shares	AR	1957	1	50m²										
1375	1956	Shares	AR	1956	1	50m²										
2150	1954	Shares	AR	1954	2	50m²		Y	Y	Y						
1377	1950	Shares	AR	1950	1	Regular		Y		Y						
2117	1996	Shares	Haydar	1997	9	Regular		Y	Y	Y	Y					
2117	1996	Shares	Haydar	1997	9	Regular		Y	Y	Y						
1373	1955	Shares	AR	1955	1	50m²										
1371	1973	Shares	AR	1973	3	N	Y			Y	Y		Y			
1371	1973	Shares	AR	1973	4	N	Y			Y	Y					
1371	1976	Shares	AR	1976	2	50m²		Y	Y	Y	Y	Y				
1371	1977	Shares	Haydar	1977	3	50m²		Y	Y	N						
1371	1978	Shares	Haydar	1978	4	50m²		Y	Y	N						
1371	1980	Shares	Haydar	1980	3	50m²		Y	Y	Y	Y					
1371	1965	Shares		1965	4	50m²		Y	Y	Y	Y					
1371	1963	Shares	AR & Haydar	1963	4	50m²		Y	Y	Y	Y					
1371	1962	Shares	Haydar	1962	2	50m²		Y	Y	Y				Y		
1357	1975	Shares	AR & Haydar	1975	4	50m²		Y	Y	Y						Y
1357	1965	Shares	AR & Haydar	1966	1	N	Y			Y	Y	Y				
1401	1972	Shares	AR & Haydar	1972	2	N	Y			N						
1401	1978	Shares	Haydar	1978	1	N	Y			N						
1400	1966	Shares	Hakam	1966	4	50m²		Y	Y	Y				Y		
1400	1975	Shares	AR	1975	4	50m²		Y	Y	Y	Y					Y
1400	1969	Shares	Haydar	1969	4	50m²	82-86-94	Y	Y	Y	Y					
1400	1978	Shares	AR	1978	4	50m²		Y	Y	Y	Y					
1400	1979	Shares	AR	1979	4	50m²		Y	Y	Y	Y					

	Lot Purchase			Construction		Bldg	Legal Status				Regularization Law			Benefits		
		Tenure					Type of Illegality				No apply					
							No	Non		Law		No	Amnesty			
Lot	Date	Status	Developer	Year	Floors	permit	permit	Abidance	Bldg. Law	Heard?	Costs	benefits	Process	Security	Services	Credit
1400	1979	Shares	AR	1980	2	N	Y			Y	Y					
1400	1975	Shares		1975	2	N	Y			Y	Y					Y
1401	1969	Shares	AR & Haydar	1969	5	50m²		Y	Y	Y				Y		
1401	1994	Shares	Haydar	1996	6	N	Y			Y						
1401	1971	Shares		1971	3	50m²		Y	Y	Y	Y		Y	Y		Y
1401	1973	Shares	Haydar	1973	2	50m²		Y	Y	Y	Y			Y		Y
1401	1974	Shares	AR	1974	4	N	Y			Y	Y			Y		Y
1431	1986	Shares	Haydar	1986	1	N	Y			N						
1329	1996	ShARES	Barakat	1996	7	Y		Y	Y	Y	Y					
1365	1976	Shares	AR	1976	3	N	Y			Y	Y					
1468	1969	Shares		1969	1	N	Y			Y						
1468	1969	Shares		1969	2	N	Y			Y						
1458	1969	Shares	AR	69	1	N	Y			Y	Y					
1458	1984	Shares		1987	2	N	Y			Y	Y					
1469	1973	Shares		1973	5	N	Y			Y	Y					
1469	1969	Shares	Haydar	1972	4	N	Y			Y	Y					
1469	1972	Shares		1972	4	N	Y			Y	Y					
1302	1980	Shares	Haydar	1980	1	N	Y			Y				Y		Y
1302	1985	Shares	Haydar	1985	1	N	Y			Y				Y		
1302	1984	Shares	'Amhaz	1985	5	50m²	Y	Y	Y	Y				Y		Y
1302	1983	Shares	Haydar	1983	3	50m²	Y			N	Y					
1450	1979	Shares	AR	1980	1	N	Y			Y	Y			Y		Y
1450	1979	Shares	AR	1980	5	50m²	Y	Y	Y	Y				Y	Y	
1450	1983	Shares	Kan'an	1983	3	Regular	Y	Y	Y	Y				Y		Y
1310	1982	Shares	Tawil	1982	3	N	Y			N						

Lot Purchase			Construction				Legal Status			Regularization Law						
		Tenure				Bldg	Type of Illegality				No apply		Benefits			
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non Abidance	Bldg Law Abidance	Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
1310	1987	Shares	Kan'ān	1987	3	N	Y			Y	Y					
1309	1988	Shares	Kan'ān	1990	3	N	Y			N						
1310	1993	Shares	Kan'ān	1993	1	N	Y			N						
1309	1994	Shares	Kan'ān	1995	3	Regular										
1309	1994	Shares	Kan'ān	1995	4	Regular		Y	Y	Y						
1309	1988	Shares	Kan'ān	1989	4	Regular										
2448	1980	Shares	AR	1982	6	Regular			Y	Y				Y	Y	Y
1309	1990	Shares	Kan'ān	1992	3	GF	Y	Y	Y	Y	Y					
1311	1989	Shares	Kan'ān	1990	3	Regular		Y	Y	Y	Y					
1303	1984	Shares	Haydar	1984	2	N	Y			Y	Y					
1303	1984	Shares	Haydar	1985	2	N	Y			Y	Y					
1303	1982	Shares	Haydar	1986	3	N	Y			Y	Y					
1303	1994	Shares	Haydar	1994	1	N	Y			Y	Y					
1302	1992	Shares		1993	2	N	Y			Y	Y					
1298	1980	Shares	Kan'ān	1980	1	N	Y			Y	Y					
1302	1980	Shares	Haydar	1982	5	Y		Y	Y	Y	Y			Y		Y
1305	1983	Shares	Kan'ān	1983	4	50m²		Y	Y	Y						
1305	1980	Shares	Kan'ān	1980	4	50m²		Y	Y	Y						
1305	1994	Shares		1995	4	Regular		Y	Y	Y	Y					
1305	1993	Shares		1994	5	Regular		Y	Y					Y		Y
1305	1973	Shares	Haydar	1973	5	Regular										
1305	1978	Shares	Haydar	1979	4	Regular		Y	Y	Y				Y		Y
1305	1980	Shares		1980	4	N	Y		Y	Y						
river	1983	Shares	Kan'ān	1983	2	N	Y			N						
1300	1984	Shares	Kan'ān	1987	2	N	Y			Y	Y					

	Lot Purchase			Construction			Legal Status			Regularization Law						
		Tenure				Bldg	Type of Illegality					No apply		Benefits		
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non Abidance	Bldg. Law	Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
1300	1978	Shares	Kan'ān	1978	4	50m²		Y	Y	Y	Y					
1300	1978	Shares	Kan'ān	1978	4	50m²										
1300	1978	Shares	Kan'ān	1978	4	Regular		Y	Y	Y	Y					
1300	1979	Shares	Kan'ān	1979	4	50m²		Y	Y	Y	Y					
1299	1992	Shares	Kan'ān	1993	4	N	Y			Y			Y			
1299	1989	Shares	Kan'ān	1989	4	Regular		Y	Y	Y				Y		Y
1299	1980	Shares	Kan'ān	1990	3	Regular		Y	Y	Y	Y					
1298	1989	Shares		1989	4	Regular		Y	Y	Y						
1298	1989	Shares		1989	4	50m²		Y	Y	Y	Y					
1295	1976	Shares	AR	1977	2	50m²		Y	Y	Y	Y					
1295	1978	Shares	Haydar	1979	3	Regular		Y	Y	Y	Y					
1295	1974	Shares	Haydar	1975	4	Regular		Y	Y	Y	Y					
1307	1979	Shares		1979	2	Regular		Y	Y	Y	Y					
1307	1979	Shares	AR	1979	4	Regular		Y	Y	Y	Y					
1307	1980	Shares	AR	1981	3	Regular		Y	Y	Y	Y					
1441	1969	Shares	AR	1969	4	50m²		Y	Y	N	Y					
1441	1968	Shares	AR	1968	3	50m²		Y	Y	Y	Y					
1441	1970	Shares	AR	1970	2	Regular		Y	Y	Y	Y					
1441	1972	Shares	AR	1973	2	50m²		Y	Y	Y	Y					
1441	1972	Shares	AR	1972	2	50m²		Y	Y	Y	Y					
1441	1971	Shares	AR	1971	3	Regular		Y	Y	Y	Y					
1441	1972	Shares	AR	1972	2	N	Y	Y		N						
1441	1975	Shares	AR	1975	2	N	Y	Y		Y	Y					
1441	1971	Shares	AR	1971	3	50m²		Y	Y	Y	Y					
1441	1973	Shares	AR	1973	1	N	Y	Y		N						

Lot Purchase				Construction			Legal Status			Regularization Law					Benefits		
		Tenure				Bldg	Type of Illegality				No apply						
							No	Non			No	No					
Lot	Date	Status	Developer	Year	Floors	permit	permit	Abidance	Bldg Law	Heard?	Costs	benefits	Amnesty	Process	Security	Services	Credit
1441	1974	Shares	Haydar	1974	1	N	Y			N							
1441	1969	Shares	AR	1969	2	N	Y			Y	Y		Y				
1441	1967	Shares	AR	1967	4	50m²		Y	Y	Y	Y						
1441	1976	Shares	AR	1976	4	N	Y			Y	Y						
1446	1966	Shares	AR	1966	2	N	Y			Y	Y						
1446	1963	Shares	Haydar	1963	2	50m²		Y	Y	Y	Y						
1446	1962	Shares	AR	1963	3	N	Y			Y	Y						
1446	1970	Shares	AR	1970	2	50m²		Y	Y	Y	Y						
1314	1964	Shares	Haydar	1964	2	50m²		Y	Y	Y	Y						
1314	1965	Shares	Haydar	1966	3	50m²		Y	Y	Y	Y						
1314	1976	Shares	AR	1976	3	N	Y			Y	Y						
1314	1976	Shares	Haydar	1976	2	50m²	.	Y	Y	Y	Y						
1314	1978	Shares	Shabin	1979	2	N	Y			Y							
1314	1979	Shares	Doulani	1979	2	N	Y			N							
1314	1980	Shares	Msheyk	1981	1	N	Y			N							
1314	1979	Shares	AR	1979	2	N	Y			Y	Y						
1314	1981	Shares	AR	1981	3	N	Y			Y	Y						
1314	1981	Shares	Mansour	1981	3	50m²		Y		Y	Y						
1314	1983	Shares	AR	1983	3	50m²		Y		Y	Y						
1436	1978	Shares	el-'Arab	1978	3	N	Y	Y	Y	Y							
1436	1981	Shares	el-'Arab	1981	4	N	Y	Y	Y	N							
1436	1981	Shares	el-'Arab	1981	2	N	Y			Y							
1390	1961	Shares	AR	1961	3	50m²		Y		Y							
1248	1980	Shares	Haydar	1980	4	N				N					Y		
1248	1987	Shares		1987	4					Y	Y				Y		

| Lot Purchase | | | Construction | | | | Legal Status | | | Regularization Law | | | | Benefits | | |
Lot	Date	Tenure Status	Developer	Year	Floors	Bldg permit	Type of Illegality No permit	Non Abidance	Bldg. Law	Heard?	No apply Costs	No No benefits	Amnesty Process	Security	Services	Credit
1439	1984	Shares	'Assaf	1984	3	N	Y			Y	Y					
1439	1982	Shares	'Ahmed	1982	5	Refugee		Y	Y	N						Y
1439	1974	Shares	AR	1975	3	N	Y		Y	Y	Y					Y
2420	1993	Shares	Nasser	1995	5	Regular		Y	Y	Y				Y		Y
2345	1996	Shares	Haji-Hassan	1996	3	Regular		Y	Y	Y				Y		Y
1377	1976	Shares	Haji-Hassan	1976	4	Regular		Y	Y	Y				Y		Y
2418	1995	2400	Haydar	1995	5	Regular		Y	Y	Y				Y		Y
1287	1979	Shares	Kan'ān	1986	4	Regular		Y	Y	Y				Y		Y
1287	1979	Shares	Kan'ān	1985	4	Regular		Y	Y	Y				Y		Y
1287	1979	Shares	Kan'ān	1988	3	Regular		Y	Y	Y				Y		Y
2343		2400	AR		3	N	Y		Y	Y				Y		Y
1439	1976	Shares	AR	1976	3	50m²		Y	Y	Y	Y					
1439	1976	Shares	AR	1978	4	50m²		Y	Y	Y	Y					
1439	1976	Shares	AR	1980	3	Refugee		Y	Y	Y	Y					Y
1317	1976	Shares	AR	1976	4	Refugee		Y	Y	Y						
1317	1978	Shares	AR	1978	5	Regular		Y	Y	Y	Y			Y		
1317		Shares	AR		5	Refugee		Y	Y	Y	Y					
1317	1976	Shares	AR	1976	2	Regular	Y									
1317	1976	Shares	AR	1998	2	N	Y			N						
1317	1979	Shares	AR	1979	4	Regular			Y	Y						
2410	1988	2400		1994	6	Regular			Y	Y						
2409	1992	2400	Haydar	1992	6	Regular		Y	Y	Y				Y		Y
1408	1990	2400	Haydar	1990	5	Regular			Y							
2405	1993	2400	Hamdan	1994	4	Regular		Y	Y	Y	Y					
1265	1982	Shares	AR	1982	3	Regular		Y	Y	Y	Y					

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Lot	Date	Tenure Status	Developer	Year	Floors	Bldg permit	No permit	Non Abidance	Bldg. Law	Heard?	Costs	No benefits	Amnesty	Process	Security	Services	Credit
1265	1973	Shares	AR	1973	3	Refugee		Y	Y	Y	Y						
1265	1973	Shares	AR	1980	4	Refugee		Y	Y	Y	Y						
1265	1974	Shares		1974	2	Regular											
1265	1976	Shares	AR	1977	4	Refugee		Y	Y	N							
1224	1988	Shares	Yasine	1988	4	Refugee		Y	Y	N							
1224	1976	Shares	Ibrahim	1977	4	N	Y			N							
1224	1986	Shares	'Asmar	1987	3	Refugee		Y	Y	N							
1224	1987	Shares	'Issa	1987	4	Refugee		Y	Y	Y	Y						
1224	1992	Shares	Karim	1992	3	N	Y		Y	Y	Y						
1224	1993	Shares	AR	1993	2	Refugee		Y	Y	Y	Y						
1224	1986	Shares	AR	1986	4	Refugee		Y	Y	N	Y						
1225	1991	Shares	AR	1991	3	N	Y		Y	Y	Y						
1225	1972	Shares	AR	1973	5	50m²		Y	Y	Y	Y						
1225	1975	Shares	Haydar	1975	2	50m²		Y	Y	Y	Y						
1220	1983	Shares	AR	1984	4	N	Y		Y	Y	Y						
1220	1993	Shares	AR	1993	2	Refugee		Y	Y	Y	Y						
1220	1991	Shares	Haydar	1991	3	N	Y		Y	N	Y						
1220	1992	Shares	Mansour	1994	3	Refugee		Y	Y	Y	Y						
1219	1990	Shares	Haydar	1990	3	N	Y		Y	Y	Y						
1216	1986	Shares		1986	2	50m²		Y	Y	Y							
1216	1992	Shares	Msheyk	1992	5	50m²		Y	Y	Y							
1266	1978	Shares	Mansour	1978	2	50m²		Y	Y	Y					Y		Y
2192	1984	Shares	Mansour	1984	3	50m²		Y	Y	Y							
2352	1972	2400	AR	1973	4	Regular		Y	Y	Y					Y		Y
1306	1983	Shares	AR	1983	4	50m²		Y	Y	Y					Y		Y

Lot	Date	Tenure Status	Developer	Year	Floors	Bldg permit	No permit	Non Abidance	Bldg. Law	Heard?	Costs	No apply No benefits	Amnesty Process	Security	Services	Credit
2438	1974	Shares	AR	1974	5	Regular		Y	Y	Y	Y			Y		Y
1340	1982	Shares	AR	1982	3	50m²		Y	Y	Y	Y					
1330	1986	Shares	AR	1986	2	Refugee		Y	Y	Y				Y		Y
1400	1979	Shares	'Issa	1979	2	Refugee	Y		Y	Y	Y	Y				
1400	1967	Shares	AR	1967	5	50m²	Y	Y		Y	Y		Y	Y		Y
1400	1971	Shares	Neighbors	1971	5	N	Y			Y			Y	Y		Y
1400	1980	Shares	Neighbors	1980	3	N	Y		Y	Y			Y	Y		Y
1242	1970	2400		1970	3	Regular		Y	Y	Y						
1220	1967	Shares		1967		N				Y				Y		Y
1448	1973	Shares	Haydar	1974	5	Regular		Y	Y	Y	Y			Y	Y	Y
1448	1968	Shares	AR	1968		N	Y			Y		N				
1448	1967	Shares	Neighbors	1968	4	Y?		Y	Y	Y						
1301	1980	Shares	Neighbors	1980	6	N	Y			Y	Y					Y
1301	1970	Shares	Neighbors	1970	2	Refugee				N	Y					
1301	1960	Shares	Haydar	1994-5	1	N	Y			N	Y					
1301	1969	Shares	AR & 'Arab	1969	4	N	Y		Y	Y			Y			Y
1310	1974	Shares	AR & Haydar	1977	5	N	Y		Y	Y	Y					
1401	1967	Shares	AR	1968	5	Regular	Y		Y	Y	Y	Y	Y			
1363	1960s	Shares	AR	1970	4	Regular				N						
1362	1987	Shares	Neighbors	1987	2	N	Y			N			Y	Y		
1363	1955	Shares	AR	1956		50m²	Y			N		Y				
1363	1964	Shares	AR	1964	2	50m²				N						
1361	1980	Shares		1980	3	N	Y		Y	Y	Y	Y	Y			
1365		Shares	Kazän		4	N	Y			N	Y					
2178	1958	Shares	Neighbors	1958	4	50m²		Y	Y	N				Y		

| Lot Purchase | | | Construction | | | | Legal Status | | Regularization Law | | | | | | |
| | | Tenure | | | | Bldg | Type of Illegality | | | No apply | | Benefits | | | |
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non Abidance	Bldg Law Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
U	1957	Shares		57	2	50m²		Y	Y						
U	1962	Shares		1962	5	50m²	Y	Y	N						Y
U	1967	Shares	AR	1967	2	N			N						
1332	1963	Shares	AR	1963		50m²			Y	Y	Y				
U	1968	Shares	AR & Haydar	1975	5	50m²		Y	Y	Y	Y		Y	Y	
U	1967	Shares	AR & Haydar		3	N	Y		N						
1401	1971	Shares	AR & Haydar		2	N	Y	Y	Y			Y	Y	Y	Y
U	1975	Shares	Kan'ān	1975		N			Y				Y		
1473	1974	Shares	AR	1973	3	N	Y		Y						
1475	1975	Shares	AR & Haydar	1984	2	N	Y		Y				Y		
1478		Shares			4										
1475	1974	Shares	AR	1974	3	N	Y		Y			Y	Y		
1475	1972	Shares	AR	1972	2	N	Y		Y	Y	Y				
1475	1977	Shares	AR	1977	2	Regular					Y				
1342	1963	Shares	AR	1963	4	N	Y		Y	Y		Y	Y		
1342	1971	Shares	AR	1971	3	N	Y		Y			Y		Y	
1342	1979	Shares	AR	1979	3	N	Y		N		Y				
1348	1970	Shares	AR	1974	4	Regular		Y	N				Y		
1348	1974	Shares	AR	1974	5	50m²	Y		Y						
1347	1972	Shares	AR	1974	4	50m²	Y								
2448	1982	2400	Tawīl	1982	6	Regular									
1342	1966	Shares	Safri	1966	4	N	Y		N						
1342	1968	Shares	AR	1970	3	N	Y		Y				Y		
1345	1973	Shares	Haydar	1973	5	50m²	Y		Y	Y		Y		Y	Y
1345	1976	Shares	AR	1976		N			Y	Y		Y	Y	Y	Y

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Lot Purchase			Construction				Legal Status			Regularization Law				Benefits		
		Tenure				Bldg	Type of Illegality				No apply					
Lot	Date	Status	Developer	Year	Floors	permit	No permit	Non Abidance	Bldg Law	Heard?	Costs	No benefits	Amnesty Process	Security	Services	Credit
1342	1969	Shares	AR	1969	4	N	Y			N	Y	Y		Y		
1317	1970	Shares		1970	6	50sq.m		Y		N	Y					
1317	1963	Shares	AR	1963	5	N	Y			Y	Y			Y		
1317	1970	Shares	AR	1980	4	N				Y		Y				
1317	1970	Shares		1970	2	N	Y			Y				Y		
1317	1977	Shares	AR	1977	3	50sq.m		Y		Y				Y		
1611	1982	Shares	Haydar	1983	3	N	Y			Y	Y			Y		
1216	1980	Shares	Neighbor	1981	3	N	Y			Y				Y		
1441	1965	Shares	AR	1970	3	?			Y	Y						
1441	1964	Shares	AR	1969	2	50sq.m		Y		N				Y		
1266	1970	Shares	Haydar	1973	3	50sq.m		Y		Y	Y			Y		
1245	1980	Shares	Kan'ān	1982	5	N	Y			Y				Y		
U	1974	Shares	AR	1974	3	50sq.m	Y			Y	Y	Y		Y		
U	1992	Shares	Haydar	1993	4	N				N				Y		
1282	1960	Shares	AR	1965	3	50sq.m	Y			N						
1280	1970	Shares	AR & Kan'ān	1975	5					Y	Y					
1281	1969	Shares	AR	1969	4	N				Y	Y			Y		
1281	1969	Shares	AR	1969	4	N				Y	Y		Y	Y		
1285	1972	Shares	AR	1972	6	N				Y	Y			Y		
1307	1983	Shares	Nakhleh	85	4	N	Y			Y	Y					
1307	1986	Shares	Hassan	86	4	N	Y			N				Y		Y
1310		Squat			1	N	Y			N						
1310	1983	Shares	Kan'ān	1984	2	N	Y			Y	Y					
1248	1976	Shares	Haydar	1991	4	50m2				Y				Y		
1345	1965	Shares	Haydar	1970s	5	50m2	Y			N					Y	