

The Neoliberalization of Urban Space Transnational Investment Networks and the Circulation of Urban Images: Beirut and Amman

Doris Summer, Department of Architecture and Design Master of Urban Planning.

Résumé : Cet article étudie « la reproduction périodique » des nouveaux centres ville en tant que centre des affaires et zone résidentielle à revenus élevés dans les zones centrales de Beyrouth et d'Amman. Ces nouveaux espaces monumentaux sont conçus comme « icônes » des villes reflétant leur caractère international. En tant qu'exemples d'illustration des expériences de la politique néolibérale, leur but est de dessiner un espace urbain orienté vers le croissance économique et la consommation des élites. Mis en application par des associations public-privé, la reconstruction centrale de zone de Beyrouth et le projet urbain de régénération d'Al-Abdali à Amman sont des projets urbains prestigieux essayant de réorienter l'image des villes afin d'imposer de nouveau leur capacité concurrentielle dans un contexte de changement rapide des conditions locales, nationales et globales pour lesquelles les villes sont choisies par les investissements internationaux dans un contexte de concurrence intense. La participation du même investisseur dans les deux projets en tant que principal acteur est l'intérêt majeur de cette recherche.

Abstract: This paper investigates the 'serial reproduction' of new downtowns as up-to-date business and financial districts and high-end residential neighborhoods in the central areas of Beirut and Amman. These new monumental spaces are designed as the 'icons' of the cities reflecting their international character. As illustrative examples of neoliberal policy experiments, their overarching goal consists in mobilizing city space as an arena for market-oriented economic growth and elite consumption practices. Implemented through public-private partnerships, the Beirut Central District Reconstruction and the Al-Abdali Urban Regeneration Project in Amman are prestigious urban 'flagship' projects attempting to reorient the cities' image in order to re-enforce their competitive position in a context of rapidly changing local, national and global conditions in which cities are challenged by an intensifying competition over international investments. The involvement of one and the same investment network in both projects as the major agent is of particular interest to this research.

INTRODUCTION

*"What cannot be seen, will not be heard"*ⁱ ... and what wants to be heard has to be seen. The urban landscape is one medium through which dominant discourses and ideologies become visible. If urban space is regarded as the product of, rather than the producer of social effects, the city's built environment becomes a text, through which social rules and power relations become legible.ⁱⁱ More so, as Sharon Zukin states, *"visual artifacts of material culture and political economy reinforce – or comment on – social structure."*ⁱⁱⁱ Henri Lefebvre, in his work on the qualities of social space, speaks about 'representational space' - the space of ideology, which overlays physical space and makes symbolic use of its objects.^{iv} 'Representational space' reflects the ideology underpinning the production of urban landscapes, renders it visible – and makes it heard.

This paper, which is a summary of my ongoing master's thesis^v, looks at the reflections of the currently dominant discourse of neoliberalism on ongoing processes of urban restructuring in two Middle Eastern capital cities: Beirut and Amman. In both of these cities one can observe the emergence of new downtowns taking the form of large-scale entrepreneurial landscapes designed in an effort to, 1991 reorient the image of the city. These projects are the result of dramatic shifts in the ways cities are being managed. Over the last few decades, adjusting to new economic, social and political imperatives the management of cities has turned 'entrepreneurial', as its primary goal is the provision of "good business climate" and the construction of new localities at the service of (international) business interests and elites.^{vi} In this process, the latter become not only client but in the same time producers and imaginers of major urban development projects. The aim of the paper is to introduce and put into context, the strategies and mechanisms employed in Beirut and Amman, through which political elites and transnational investment networks inscribe their presumably liberal ideology and visions of global competitiveness in exclusive urban landscapes. Neoliberal ideology theoretically aspires to create a 'utopia' of free markets liberated from all forms of state interference and generating a fully commodified form of social life; its local applications however, have in practice always been closely associated with state institutions.^{vii} In the following I will illustrate how this ideology gets localized in Beirut and Amman.

THE URBANIZATION OF NEOLIBERALISM 'Global downtowns' for Beirut and Amman

The Post-War Reconstruction Project of the Beirut City Center and the Al-Abdali Urban Regeneration Project in Amman illustrate how *'global urban models'* are currently emerging in Middle Eastern cities. Both projects are broadly representative of the current urban planning trends referred to as New Urban Policies related to the emergence of neoliberalism as a hegemonic discourse. Cities have become a major laboratory for neoliberal policy experiments since the 1970s, with the overarching goal of mobilizing city space as an arena both for market-oriented economic growth and elite consumption practices.^{viii} Faced with a rapidly changing local, national and global context, cities are challenged by an intensifying competition over international investments. Cities without 'up-to-date' downtowns including high-end business and financial districts able to attract international investments are most likely to be off the map.^{ix} The new downtowns in Beirut and Amman, should help to put both cities back on this map.

The *reconstruction* of the war-damaged Beirut City Center took concrete forms with the creation of SOLIDERE (Société Libanaise de Development et de Reconstruction), a private real estate company, established in 1994. The project was the brainchild of the then newly appointed Prime Minister, Lebanese-Saudi businessman and multi-billionaire Rafiq Hariri. His vision was the rebuilding of Beirut's destroyed centre into a modern downtown business district, and to give back to Beirut its pre-war identity as the Paris of the Middle- East.^x The basic idea was to replace the old Beirut, with an up-to-date downtown, including a world trade centre, international business and luxury hotels as well as highend residential areas and entertainment facilities. A global, modern Beirut inspired by Manhattan, Hong Kong and the Arab oil cities, was to replace the negative image of a war torn city. Inspired by the SOLIDERE experience in Beirut, Amman engaged in a similar flagship project in 2002. The newly created public company MAWARED (National Resources Investment and Development Company) is projecting "*a new downtown for Amman (...) offering a lifestyle of global connectivity and cultural significance.*"^{xi} The 1.2 billion project is currently being implemented in partnership with SAUDI OGER, an internationally renowned construction corporation owned by Rafiq Hariri, on a former military area located in the center of Amman.



Figure 1: 3D-projection of the new downtown of Amman, <http://www.mawared.jo>

PPPS: VARIATIONS OF A NEOLIBERAL THEME

The overarching goal of both projects is the boosting of the local and national economies and the attraction of (international) investments in real estate. The master plans are thus designed in order to assure maximum rentability for investors. The shift in urban policies towards a prioritization of pro-growth local development and clearly entrepreneurial strategies is associated with a transition from 'urban government' to 'urban governance'.^{xii} Urban Geographer David Harvey puts at the centerpiece of urban entrepreneurialism the notion of '*public- private partnership*', through which local governmental powers engage to try and attract "*external sources of funding, new direct investments and new employment sources.*"^{xiii} In the following paper I shall introduce the public-private partnership formulas in practice for the downtown projects in Beirut and Amman.

Solidere: The case of Beirut Central District

In Beirut, the private real estate company Solidere has the monopoly for reconstructing the city's damaged city center in order to create what many have criticized as '*an island of*

modernity^{xiv} cut off of the rest of the city. The framework for the creation of a private company had been prepared by the Law 117 that had been voted by the Lebanese Parliament in 1991. However, it was only in 1994, that Solidere was formally established, 50% of its shares being attributed to the former land and property owners, 50% being sold on the stock market to external investors. The creation of a single private company in charge of the reconstruction was justified mainly for two reasons. First, such a project needed an institution that was able to act quickly and efficiently. Second, the Lebanese state could not bear the costs of such a project (although the state does so, as we will see later on), and was not trusted to lead a project of that magnitude given its limited resources and capacities.^{xv} With the creation of this private joint stock company in charge of overseeing the reconstruction of the capital's downtown (rather than its rebuilding) the Lebanese state institutions fully gave away their decision-making powers to the private interests of the new developers. However, this 'privatization of planning' only concerns the 'decision making powers' and not the financial set-up of the project. Indeed, the financial contribution of the state is considerable. On the one hand, it cannot cash any possible tax revenues from the development for the first ten years. On the other hand, and most importantly, it has to compensate the private developer for the infrastructure works by allocating it 600,000 sqm of land reclaimed from the sea, which are allowed to be developed at very high densities.

Al-Abdali Urban Regeneration Project

The company in charge of the new Amman downtown is the Abdali Investment and Development p.s.c. This private shareholding company (whose shares are held to 50% by Mawared, a public company which is developing three former military areas in Jordan with the aim of boosting the national economy, and to 50% by SAUDI OGER, an international construction company) is in charge of the management and master planning of the project and final furnishing of fully serviced lots, very much like Solidere in Beirut. In the Al-Abdali Urban Regeneration Project, MAWARED, the major initiator and 50% financier of the project, is a state owned company with the mission of developing profitable real estate projects in support of the national economy. Its funds derive from the freeing of three former military sites in Jordan. However, if its capital thus emerges from public good, the only 'public' the company seems to be accountable to is King Abdallah himself.

With the creation of private real estate companies for the development of large scale central urban sites, in both cases the state gave away major decision making powers to private actors and has, in both cases, hollowed out traditional planning institutions that are supposedly orienting their action towards public ends. In the institutional set-up of the public-private partnerships in the Beirut and Amman cases, the groups who are empowered by either a *laissez-faire* state (Lebanon) or an 'entrepreneurial' state (Jordan) are the transnational investors who bring in their allied planners. They are the elites who constitute at the same time, the clients, producers and imaginers of these projects.

The New City Builders

In his book with the same title, M.P. Smith advocates 'transnational urbanism' as a research field in order to study the "*socio-spatial agency of transnational social, economic and political networks*."^{xvi} Looking at the two case studies, one has to acknowledge that political elites representing the state have proven to be capable of harnessing private (transnational) capital for both instrumental and symbolic goals, through the stretching of social relations and political networks. Indeed, the entrepreneurial approaches that are adopted by state authorities in the Lebanese *laissez-faire* system, and the Jordanian 'entrepreneurial state'

(which is not without reason said to be a model state for the Structural Adjustment Programs and neoliberal policy initiatives promoted by World Bank, IMF and other international institutions) are directly assisting and reflecting the aspirations of a particular set of local, regional, national and increasingly transnational actors. Former Lebanese Prime Minister Rafiq Hariri as a member of both the political and economic elite in Lebanon and through combination of both economic and political power, managed to realize his vision of a modern Beirut downtown that would be back on the world map of 'global cities'. SAUDI OGER, Hariri's construction company, now is engaging in a similar (but smaller) project in Amman, reflecting the same vision and ideology. This is not surprising, if one takes a closer look at who it is, that stands behind the plans. And indeed SAUDI OGER, as a lead developer, brought with them the planners benefiting from the Beirut Experience such as Ussama Kabbani, who is one of the major fathers of Hariri's Beirut Central District. He was given the task, of coming up with a master plan for the new Amman downtown by Millennium Development, Hariri's strategic consultancy office. Urban designers from Laceco International, another architecture consultancy office closely linked to the Hariri network, are working very closely with planners from Solidere in order to learn from the mistakes made in the Beirut. The practice of investors having allied planning offices and planners seems to circulate, together with the urban models they reproduce. In Jordan e.g. the Koulaghazi family, who is also represented in the board of the newly created Al-Abdali Development and Investment Company, recently established their own architectural consultancy office, Y2K. The latter is now preparing the design work of the Al-Abdali IT district which will be finalized by international architect Norman Forster. Through their practices these networks of investors and allied planners are constructing place-based meanings, identities and expressions of broader scales (national, transnational) that are imposed on the city and its inhabitants. In the following, I will briefly introduce the entrepreneurial strategies and mechanisms employed, through which their presumably liberal ideology and visions of global competitiveness get inscribed in exclusive urban landscapes.

URBAN ENTREPRENEURIALISM IN PRACTICE

Imposing Modernity: City Imaging in Practice

The production of an image that would be attractive to outside investors is central to the two projects. Reading the promotion materials of Solidere and Al-Abdali, Beirut and Amman become '*ancient cities for the Future*', '*business centers*', '*world-class smart urban centers*'. Projecting the future in the form of 'up-to-date' business centers however, is not the only image that Solidere and Al-Abdali are producing. In parallel, the projects are playing the card of a rich architectural and archeological past (which had been imposed, for the Beirut example by public contestation of the futuristic first plans) that is integrated in their marketing program. The 'history card' should be the trump to play in the competition game with other regional cities like Dubai. However, in both projects 'history' is degraded to a mere image. What history is all about in the Beirut city center, as well as in what is meant to become Amman's new down-town, is a cover-up of modern infrastructures with historic facades. The representation of Beirut and Amman as cities for business, but cities for business with a history, is a strategy for city marketing in two directions: "external presentation and internal consumption."^{xvii} Indeed, in the representations illustrated above, a lot is said about the city as a place for business and work, which is attractive to a particular business community; much less, however, is mentioned about the city as a place of social justice, as a place where all the citizens pursue dignified and creative social activities other

than consuming the miraculous world of commodities that is offered to them. In the following I shall turn to these questions and elaborate more on who the new cities are planned for.

Gentrification as a Development Strategy

*“This is where **the shapers of tomorrow’s Jordan** will live, work and play and where **the fortunes of a few** will reap the rewards of early involvement. Be part of it!”*

The promotion video distributed by the Al-Abdali company answers the question ‘Whose new downtown?’ indeed very directly, addressing two distinctive groups of people: First, the elite future residents and users of the new city space, ‘the shapers of tomorrow’s Jordan’ (in other promotional material they are also referred to as ‘*a distinguished business and residential community*’); Second, the investors who may increase their fortunes by their involvement in the project. Looking at the project components, ‘up-market’ seems to be what the projects are all about - ‘up-market’ not only in residential facilities, but even more so in office space and of course retail facilities and businesses.

Designing Exclusivity

One of the major tools through which the gentrification strategy is implemented is *exclusive design*. Indeed, as Marketing Director A. Munem Nahar explains “[...] *you cannot deny people from entering a public site, but you find people naturally who will either go to a more common and public area or they would go to a more posh and exclusive environment. But there are several factors of forces: First of all, the overall ambiance, the environment and of course the pricing strategy.*”^{xviii} The production of a highly exclusive (and highly prized) space consequently constitutes the major tool by which the lower strata of the population, businesses and retail may be kept out the new city centers. Indeed, the new ‘places’ distinguish themselves from the rest of the city, which is presented as unordered, messy, chaotic, etc. through detailed and strict regulation of the design of the built environment and its public spaces.

THE CITY AS A SPECTACLE

The physical aspects of the reconstructed Beirut downtown and the projections of the new downtown for Amman provoke considerable dissent among professionals and non-professionals, locals and outsiders. While some appreciate their massiveness and detail in design – ‘the beauty of urbanity that gives pleasure’ to use the words of the planners themselves, others criticize their disneyesque qualities, finding the new ‘places’ too luxurious, too unreal, too much of a mere representation, lacking authenticity and lived experience – a *spectacle* in Guy Debord’s words.^{xix} Michael Sorkin, in his general critique of such planned urban developments also describes this ‘spectacle city’:

“This new realm is a city of simulations, television city, the city as theme park. This is nowhere more visible than in its architecture, in buildings that rely for their authority on images drawn from history, from a spuriously appropriated past that substitutes for a more exigent and examined present. ... Today the profession of urban design is almost

wholly preoccupied with reproduction, with the creation of urbane disguises.... Here is urban renewal with a sinister twist, an architecture of deception which, in its happy-face familiarity, constantly distances itself from the most fundamental realities. The architecture of this city is almost purely semiotic, playing the game of grafted signification, theme-park building. Whether it represents generic historicity or generic modernity, such design is based in the same calculus as advertising, the idea of pure imageability, oblivious to the real needs and traditions of those who inhabit it.^{xxx}

And indeed, it is not only the newly built place that becomes a spectacle, but social life in it, too. As a place, the new downtowns are merchandised on the global market of real estate commodities. But also within these places, the rule of commodities has taken over as social activities are reduced to working or consumption activities. As Usama Kabbani explains, the soul of both projects, are the shopping malls – ‘the Souqs’, because, as he says, ‘*shopping at the end of the day is a continuation of social life*’.^{xxi} Other practices also, become commodities, e.g. the biking activities taken up and transformed into the commodity ‘*city biking*’ in Beirut Downtown. Such commercialization of citizen’s activities can be interpreted as the only form of ‘citizen participation’ in the process of the making of the new city centers. It appears to me, that the new downtowns in Beirut and Amman precisely reflect ‘the world of spectacles’ that Guy Debord has attacked. Criticizing the imaginary and unreal world that the commodification of everyday life produces, he defines the spectacle as “*capital accumulated to the point where it becomes image*”^{xxii}, and further states:

“The spectacle corresponds to the historical moment at which the commodity completes its colonization of social life. It is not just that the relationship to commodities is now plain to see – commodities are now all that there is to see; the world we see is the world of the commodity.”^{xxiii}

Now this reminds me of the Utopia neoliberal ideology aims for. As stated earlier, neoliberal ideology theoretically aspires to create a Utopia of free markets liberated from all forms of state interference and generating a fully commodified form of social life. This is interesting with regard to what Debord has to say on ideology:

“Ideology is the foundation of the thought of a class society within the conflictual course of history. Ideological entities have never been mere fictions – rather, they are a distorted consciousness of reality, and, as such, real factors retroactively producing real distorting effects; which is all the more reason why that materialization of ideology, in the form of the spectacle which is precipitated by the concrete success of an autonomous economic system of productions, results in the virtual identification with social reality itself of an ideology that manages to remold the whole of the real to its own specifications.”^{xxiv}

Seen from that angle, is it that today’s transformations of the urban landscapes in Beirut and Amman illustrate, how neoliberal ideology has become its own logic, remodeling the world according to its own distorted worldview; no longer at the scale of simple consumer products but at the scale of ‘the city’, which indeed cannot be reduced to its materialization but is precisely defined by the social activities and interaction that take place within it? Are we witnessing in the form of such ‘places’ an earlier version of a fully commodified form of social life? What I tried to illustrate above is that clearly, these newly produced urban images, embody the underpinning neoliberal ideology shared by what I called previously ‘the new city builders’. The creation of such new representational landscapes, in which the underpinning neoliberal ideology becomes locally constituted, not only enables the state as well as local

and transnational elites to establish legitimacy for their neoliberal project, more so, but more so, through its materialization the latter will then remold 'reality' in its own logics, thus assuring its own reproduction.

CONCLUSION

In this paper, I have outlined the practice of neoliberal urban restructuring in Beirut and Amman. The provision of "good business climate" and the construction of new localities at the service of (international) business interests and elites is the major goal of two large scale urban development projects in Beirut and Amman. The modification of a city's image is central to this new urban politics. Principally these images are designed to create a more attractive city to external investors; moreover the new representational spaces play an internal role in promoting the ideology of global neoliberalism. The (re)building of the city happens within an ideologically informed design regime to produce representational spaces of enduring weight. The creation of such new representational landscapes, in which the underpinning neoliberal ideology becomes locally constituted, enables the state as well as local and transnational elites to establish legitimacy for their neoliberal project. What we have seen in the case studies of Beirut and Amman, is a political formation or social group that is able marshal the resources to rebuild space according to its worldview. This group comprises local political elites and transnational investment networks and their allied planners. The city, it seems, becomes their personal playground. Indeed, the recent developments in Beirut and Amman are raising the question of, 'just whose city is it?' How do these urban flagship projects, driven by business and property interests undermine 'the public', and what does this entail with regard to local democracy, in terms of possibilities for citizens to participate in planning processes? Amongst the problems encountered in both projects are the absence of any citizen's involvement, private institutional set-up, and their exclusive planning methods. Indeed, the citizens are neither represented as participants at the decision-making nor implementation levels of the planning process. Moreover, the exclusive entrepreneurial landscapes produced do not constitute public spaces accessible freely to all. Rather, the projects result in the creation of privatized exclusive urban landscapes that increase social and spatial segregation in the city.

It is thus crucial for planners to understand and critically analyze the current processes of

i Crump, 1999, p. 295

ii Rotenberg, 2001, p. 8

iii Zukin, 1996, p.44

iv Lefebvre, 1991

v This paper was first presented to the Student Conference at the Faculty of Engineering and Architecture of the American University of Beirut in May 2005. The Thesis "Neoliberalizing the city" was finalized and submitted in June 2005.

vi Harvey, 1989, p. 10/11

vii Brenner and Theodore, 2002

viii Brenner and Theodore, 2002, p.368

ix Hall and Hubbard, 1998; Swyngedouw, 2002; Jessop, 1998; Harvey, 1989; and others.

x Kassab, 1997, p. 50

xi Newsletter of Mawared, October 14, 2003, www.mawared.jo

xii Harvey, 1989, p.7; Hall and Hubbard, 1998, p. 4

xiii Harvey, 1989, p. 7

xiv Tabet, 1993, p. 95; Makdisi, 1997, p. 670

xv Kassab, 1997, p.51

xvi Smith, 2001, p. 166

xvii Short and Kim, 1999, p. 107

xviii Author's Interview with A.Munem Nahar, Marketing Director of Al- Abdali Investment and Development p.s.c., Amman, March 5, 2005

xix Debord, 1995
xx Sorkin, 1992, p.xii-xiii
xxi Author's interview held at Millennium Development, Feb. 3rd, 2005
xxii Debord, 1995, p.24
xxiii *ibid.*, p.29
xxiv Debord, 1995, p. 212 (emphasis in spacing added by Debord, emphasis in bold added by Summer).

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Adresse de l'Auteur:

Doris Summer

Department of Architecture and Design Master of Urban Planning

E-mail: dws00@aub.edu.lb