



Erasing memory in downtown Beirut

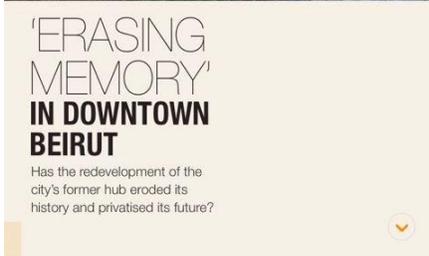


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Words and photos by Habib Battah

A waiter surveys a row of empty tables beneath the Place D'Etoile clock tower seen on so many postcards of Beirut. Once a gritty, bustling hub of the city, the square was sandblasted and transformed into a posh cafe district in the early 1990s after the ravages of the Lebanese war. Tonight, hundreds of glasses and plates are laid on fine place mats, but there is barely a single customer in sight.

"You will be lucky if your restaurant gets two tables per night," says 26-year-old Rami. "If you get three or four, you are king of the street."



He is among a dozen wait staff dressed in starched shirts and vests standing around, waiting for things to pick up. They say they've watched some 13 restaurants shut down over the last year and more closings are scheduled, leaving only a handful of establishments still lit up on the once crowded strip. Beyond the clocktower circle, the slowdown is more grim. Entire surrounding blocks are empty, with hundreds of vacant, dusty glass storefronts lining the pristine cobble stone streets.

Fifty-one-year-old Lina manages one of the few boutiques still open, but with an average of one sale per day, she spends much of her time drinking coffee on the curbside.

And yet rents in the redeveloped old city, rebranded after the civil war as Beirut Central District, are among the highest in the country. Some establishments reportedly pay up to \$150,000 per year in rent alone.



Downtown Beirut was bustling with hooka cafes before the conflict in Syria, catering mainly to wealthy tourists from the Arab Gulf countries. Now waitstaff stand around, fearing the loss of their jobs.

Before the Syrian war began, Beirut Central District-- which spans about two square kilometers--had become a tourist magnet, attracting hordes of wealthy visitors from neighboring states such as Saudi Arabia during summer. But many of those countries have since imposed stiff travel bans on Lebanon, where there is intense hostility toward Gulf states for funding the war next door,

particularly among the many pro-regime parties in the bitterly divided country.

"They think Lebanon is a terrorist country," Rami, the waiter, says. So now he is looking for jobs in other parts of the capital that are still thriving despite the conflict and subsequent fall in tourism. And that, perhaps, underscores a deeper problem with the redevelopment of downtown Beirut: the commonly held belief among locals that the once vibrant old city was reconstructed, not to be used by the Lebanese residents, but as a spectacle to attract foreigners.

"This area was built for Khaleejiyi," Rami says, using the colloquial term for Gulf Arabs. "It's not me and you. It won't come back. Everything that goes away, doesn't come back."

'An island for the rich'

Lebanese economist and former finance minister Georges Corm is not surprised by the disparity between the performance of the central district, which occupies a surface area of less than one percent of the capital, and the rest of Beirut.

"I said from the beginning this project is going to create an island instead of the reconstitution of the social and architectural fabric," he explained from his office overlooking the cranes at work near downtown.

"This was a place where all the social classes would mix. It was the biggest symbol of coexistence in Lebanon. Now it's a kind of no man's land for rich people."

How old Beirut evolved into a luxury district few Lebanese could afford is rooted in an enormous real estate privatization process that began in the early 1990s spearheaded by the late prime minister Rafik Hariri.

Hariri, a billionaire developer, took office in 1992 after a power-sharing agreement to end the Lebanese civil war was signed in Saudi Arabia, where he had amassed much of his wealth in the construction industry and enjoyed close ties to the royal family. Hariri had eyed the Beirut reconstruction process as early as the 1980s and had commissioned a private firm to develop plans to rebuild the city center well before coming to office. It has even been suggested his construction firm, Saudi Oger, undertook demolition works in the 1980s to lay the groundwork for the planned reconstruction.



Over a dozen restaurants have closed on the main strip in the central district this year and dozens more store fronts on side streets remain unoccupied.

In fact in 1990, two years before Hariri came to power, the head of Hariri's Saudi Oger was appointed to lead Lebanon's state reconstruction agency, the Council for Development and Reconstruction (CDR). Once in office, Hariri established Solidere as the lead developer, a private firm traded on the Beirut stock market, in which he would become the largest shareholder. Meanwhile, through a decree signed by his government, the rights of thousands of Beirut tenants and landowners were ceded to Solidere, in exchange for shares, valued by government committees. The decree was signed by then finance minister Fouad Siniora who had previously headed banks owned by Hariri.

Attorney Mohammed Mugarby, who has represented some 50 property rights owners in suits against Solidere, says his clients were denied the right to challenge the company's actions and claims judges were paid by Solidere through the CDR to issue share appraisals, which were exponentially undervalued.

"Solidere is an unprecedented violation of the Lebanese constitution and rule of law," Mugarby says. "Legally it does not exist. Solidere is nothing but an arm of the Hariri establishment."

Despite multiple requests for comment, Solidere's press office and representatives could not be reached for an interview. The company has often argued that an expedited private management structure was the most feasible approach to the reconstruction process at the end of the war.

An image of rebirth

Marked by rows of gutted, bullet-riddled buildings, open sewers and vegetation growing through the streets, the old city center had become an eyesore that interfered with the image of rebirth Hariri had hoped to sell investors during his post-war reign. The Lebanese economy and institutions had been

crippled by 15 years of savage shelling and the lure of multi-million dollar contracts and the promise of renewed business flowing into the capital was undoubtedly a powerful motivator for widespread acceptance of the sweeping changes proposed by the prime minister.

In the 1990s, Solidere told its story in the form of ubiquitous television commercials with time lapse footage of individual buildings slowly restored to their former glory by workers on scaffolding. It published coffee table books featuring large glossy artist impressions of what the city would look like, with vignettes on the offices and marina designs Solidere would borrow from places like Barcelona, Monte Carlo and New York City.

Excluded from this narrative was the razing of entire historic neighborhoods such as Zeitouni, Wadi Abou Jamil, Safi, the Souks and the whole of Martyr's Square, save for its namesake statue.



There are more pigeons than customers on an average day in the city center. Critics say the scheme to rebuild old Beirut created a Disneyland effect, replacing the once gritty streets that drew a mix of social class with an island for the wealthy, divorced from the rest of the city.

Among the hundreds of destroyed buildings were "the last Ottoman and medieval remains in Beirut" wrote American University of Beirut professor Nabil Beyhum in the Journal *The Beirut Review* in 1992.

Much of the damage had been done through unapproved demolitions in the 1980s and early 1990s, bringing down "some of the capital's most significant buildings and structures," wrote UCLA professor Saree Makdisi in the journal, *Critical Inquiry*, in 1997.

To increase Solidere's surface area, relatively undamaged buildings were collapsed through the use of excess dynamite, according to Makdisi.

Seventy-five-year-old Mugarby is also a rights owner himself and says four shops owned by his late father in the vaunted Souks of Beirut were demolished in mid-1983-- not by militias but by bulldozers belonging to Hairy's Saudi Oger.

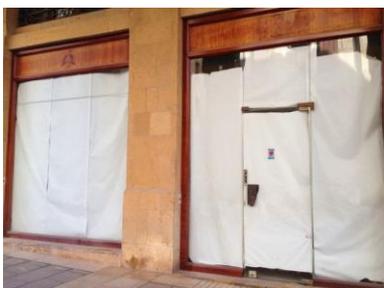
Mugarby and others say they have been punished for opposing Solidere. He claims the company launched an illegal attempt to disbar him and was even jailed for three weeks following his allegations of corrupt payments to Lebanese judges. Mugarby says it has taken a decade to clear his name: "I became so busy defending myself, I had little time left to fight these guys."

Company or country?

Fadi Al Khoury, the owner of Beirut's oldest and most storied hotel, says Solidere has consistently denied him the right to rebuild. Opened in 1929, the St. Georges had been featured in countless films, books and postcards of the city, famed for its water skiing matches, yachting club and James Bond-like guest list. But today Solidere has landfilled the hotel's beach access to build its own marina and the St. Georges is now better known for the giant "Stop Solidere" canvas that covers its still bullet riddled facade.

Al Khoury says his refusal to sell the property to Solidere has resulted in him being repeatedly denied work permits over the last 19 years through the company's vast influence on city officials.

"They are more powerful than the government," he says from his home in the hills above the capital, which he admits to now rarely visiting. "Having one company bigger than the country can disrupt the rights of the people."



With rows of empty buildings, it is unclear how many shops remain vacant in Beirut's central district. Unable to afford the high cost of maintenance imposed by Solidere, most original tenants have been forced to surrender their properties in exchange for shares in the company

Solidere is by far Lebanon's largest company. According to its website, the firm's current real estate and financial assets are close

to \$10 billion, which is nearly one quarter of the country's entire GDP.

Even for the few whose properties were spared by the bulldozers, Solidere has made the price of holding on very high.

The Ahliah School, one of the city's oldest, had managed to stay open during the worst days of the civil war, but was still forced to pay Solidere some \$350,000 to continue operating once the fighting ended, the chairman of the school's board, Nadim Cortas, explains. Solidere had claimed the fee would cover "infrastructure costs" such as road and plumbing work in the Central District, and was calculated as a percentage of a property value.

Solidere would also claim rights over the schools "sky" space. Before the war, Cortas said he had been granted a right to build several additional floors to expand the campus, which has been hosting students since 1875. But now even if the school needs to build an extra room, Cortas says that space must be purchased at market value from Solidere. And because the neighborhood has been transformed into one of luxury towers at the costs of millions of dollars per apartment, the value of land has risen exponentially to thousands of dollars per square meter.

Meanwhile Cortas says Solidere also demolished the Ahliah school's annex elementary building-- which remained intact during the war and was recently renovated-- to make way for a parking lot (thought it had promised to transform the space into a garden.) In exchange, Ahliah received shares in the company, which he says are worth hardly a fifth of the property's current value.

Still the chairman of the board says he has "mended bridges" with the developer. He touts Ahliah, a non-profit institution, as one of the few schools in the Beirut to have maintained a non-sectarian curriculum with a mixed student body, including some 30 percent of students supported by financial aid. He said the school had recently achieved the coveted New England certification and is keen to move beyond the challenges of the past.

Indeed many property owners are reluctant to speak critically about Solidere. The company maintains a say over all approvals and sets very strict building standards, often forcing owners to purchase high cost imported materials.

"Everything we need to fix requires permission," said one property owner on the condition of anonymity. "If I need a new door, they will choose the most expensive paint. If we need to replace a window, they make us buy cedarwood because they say the original windows were cedarwood. So we have to import the windows from the USA.

"If you make a fuss, next time you ask for permission to renovate, they will keep your request in their drawers for six months."

When a property owner fails to comply with Solidere's strict building codes, the owner is forced to vacate and accept shares in the company. And because central Beirut had not been a luxury district, it would be hard to imagine most residents and small business owners could afford lavish furnishings, particularly after 15 years of harrowing conflict.

But, in other cases, more coercive means may have allegedly been deployed. Mugarby produces a court indictment in the case of 11 persons killed during a demolition in February 1996 because, he says, a family refused to move.

Had Solidere offered comment, one assumes they would have denied responsibility for much of the above. Of course accidents happen on construction sites and the notion that change will always be difficult for some parties to accept is a mantra of developers everywhere.

A 'manicured' city

"Any big organization undertaking a task this large is really going to upset people along the way," says Karim Makarem, managing director of Ramco, a Beirut-based real estate consultancy.



Each night the tables are set and the televisions are turned on in the hopes of luring customers. Staff say they would be lucky to fill two to three tables per night.

Makarem blames the current slowdown in the central district on the lack of tourism and says added security measures have made the area difficult to access, even for locals. With the country's parliament and the prime minister's offices close to the Etoile square, streets are often cordoned off due to protests.

"It's extremely uninviting," he says. "The BCD [Beirut Central District] has suffered more than any other area because of the political situation, yet in my opinion, it has the best future."

Despite the high rents, Makarem is confident that there exists a market of wealthy Lebanese living abroad, particularly in newly built Gulf cities like the Abu Dhabi and Dubai, to fill the gap.

"A lot of these people want the benefits of living in a manicured part of town. Once you've been living in that type of sanitary environment, it is very difficult to live in the mess that is the rest of Beirut."

Because Solidere leveled much of the old city, it was able to install new cabling, sewers, power sub stations and sidewalks. Whereas in the rest of the capital--which is roughly 20 times larger than Solidere-- much of this infrastructure had collapsed during the years of war. Power lines are haphazardly strung, street flooding is common and sidewalks are broken or missing.

"There are a lot of positives," says Makarem of Solidere's urban planning. "It's the only place you can walk downtown. I'm very optimistic," he adds. "The minute you get these tourists and expats in the country, I think they will appreciate what the BCD has to offer."

Changing history

Yet critics also question what the Central District has offered the local population. In a country with an average monthly income of around \$1,000, most Lebanese struggle to find somewhere to eat or shop within their price range.

For years, Solidere has promised to build parks, museums and cultural spaces. Much touted projects include an archaeological exhibit, dubbed The Garden of Forgiveness, a city museum to be built beneath Martyr's Square and a lush central park--all announced to much fanfare over a decade ago. Yet today these sites remain vacant, with little indication about completion dates and barely a mention on Solidere's sleek, recently revamped website.



Despite the lack of business, cafe owners are faced with some of the highest rental prices in Beirut. If the lack of tourism continues, the few remaining outlets are expected to close.

Meanwhile, well over a dozen hotel, office and residential towers have gone up over the same period. And in 2007, Solidere had announced plans to create Solidere International, which would help develop multi-billion dollar residential projects in the United Arab Emirates and Saudi Arabia. In an interview with Bloomberg earlier this year, Solidere's general manager announced that the company had amassed over \$700 million in cash, with an annual income of \$50 million--this in addition to land and real estate assets worth over \$8 billion.

"With all the profit that has been made, you don't have one cultural project in a city that in the worst of times had theatres and performances," says architect Mona Hallak.

Hallak is among several activists and academics who have long argued that any project to rebuild the city center should aim to bring original residents back in an effort to stimulate post-war reconciliation over a profit-making enterprise. But she has lowered expectations considerably.

"Just give me one building, that would have shut me up," Hallak says, rolling off a list of promised cultural centers that never materialized. Hallak has spearheaded the Beit Beirut museum, which will be housed in a shrapnel-pierced apartment block that had become the most-feared sniper's nest on the line dividing East and West Beirut during the civil war. Hallak spent over a decade of her life fighting to save the arcaded 1930s-era building, which lies just outside of the Solidere area, and was four days away from demolition in the late 1990s, she says. But the slightly graying activist is exasperated by the battle for the BCD.

"I think we deserve Solidere. The people of Beirut don't understand that it was the biggest rip-off--a real estate company taking over a downtown. I mean, it's crazy. It changed the whole history and identity of the city. For me, Solidere is a question of erasing the memory of Beirut."

Still visions of old Beirut live on.

At his wood-paneled law office in Hamra, a few miles from the city center, Attorney Mugarby leans back in his chair when asked about his final days in the old city. It was 1976. The civil war had gone on for about a year but there was a lull in the fighting. The militias had withdrawn and the barricades were removed. Crowds of shopkeepers and residents had returned to check on their properties. There was a large impromptu gathering at Martyrs square. Even strangers embraced, asking about friends and families. Mugarby pauses and turns away.

"It was touching, I tell you," he says, voice cracking. A slight tremble runs over his lips and wrinkled face. For a brief moment, his eyes fog up.

"It's difficult for me to discuss."

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