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Arab Cities in the Neoliberal Moment: Space, Power, Uprising

Urbanism and Neoliberal Order: The Development and Redevelopment of Amman

Najib B. Hourani, Najib B. Hourani (Guest Editor) & Ahmed Kanna (Guest Editor)

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ABSTRACT:

This article explores the self-representation of market urbanism as an economic project. It does so through an historically situated study of the redevelopment of the Abdali district of Amman. Drawing upon recent fieldwork, press reports, and interviews with municipal officials, urban planners, and architects, the article questions the understanding of property markets and the production of space under contemporary capitalism as rooted in the economic rationality of the market. Instead, it uncovers the degree to which colonial state formation and the production of the Jordanian capital were both outcomes of and vectors for the fusion of economic and political rationalities. The article traces this internal relation between the political and the economic through what the author calls the networked production of space and demonstrates the continued ability of oligarchic networks at the heart of this internal relation to turn

economic reform discourses, including that of contemporary market urbanism, to their own decidedly illiberal purposes.

The Abdali Boulevard Project, 2012. Photo by Najib Hourani.

Notes

For theorizations of neoliberal urbanism in the United States and Europe, see Brenner and Theodore (), Hackworth (), Harvey (,), Low (), Peck, Theodore and Brenner (), and Zukin (). For theoretical statements from the global south see Bayat and Beikart (2009), Caldeira (), and McDonogh and Peterson (2010). Important studies of cities of the the Arab world include: on Amman, Daher () and Parker (); on Beirut, Hourani (); and on Cairo, Ghannam () and Mitchell ().

For an overview of the project and its plan, see MEED, .

Personal interviews with company planners and officials took place during fieldwork in 2009 and 2012.

According to Walpole (), the British did create an agricultural credit bank to assist the new small farmers, but failed to capitalize it, leaving them to borrow from tribal leaders and urban merchant moneylenders at rates ranging from 30% to 100%.

Ministry of Planning, National Housing Strategy, Technical Memorandum no. 10 (1987) cited in Razzaz (, p.128, n. 33).

Material for this section, unless otherwise cited, is derived from Amawi (), Chapter 6.

Ministry of Planning, National Housing Strategy, Technical Memorandum no. 10 (1987) cited in Razzaz (, p.128, n. 33). The minimum plot size for Zone A is 1000 square meters; Zone B, 750; Zone C, 500; Zone D, 300; and Popular Zone, with a plot size of 170 square meters. See Dar al Handassah (1988), Volume 1, Final Report, p. 6.7.

MEED, August 18, 1989. The crisis of the Petra Bank was likely much larger. Details of the investigation into the bank's liabilities were not made public. Riyad Hroub, editor of the weekly Chishan, was arrested on April 25, 1991 for trying to publish them in an interview with former Petra Bank general manager Ahmad Chalabi, the future U.S. choice for post-invasion president of Iraq in 2003. Hroub was held for having threatened "national economic security" (MEED, May 10, 1991).

Egypt faced a similar situation in 1988–89. Mitchell (, p. 30) compares the Egyptian government's bailout of the banking sector to the U.S. government's bailout of the savings and loan industry. While the U.S. effort cost approximately 3% of GDP and was spread out over ten years, that of Egypt was almost twice as large, and, like that of Jordan, was effected in one year.

Among these was the 1993 stipulation that loans not exceed 70% of deposits (MEED, February 10, 1995, p. 22).

Unless otherwise noted, information in the following section has be assembled from the Jordan Shareholding Companies Guide (1996).

A partial list includes the Union Tobacco and Cigarette Factory, the Union Chemical and Vegetable Oil Company, the Union Audio-Visual Company, Union Steel Structures, Union Technical Industrial Company, and the National Industrial Trading Company (MEED,).

For unemployment see Economist Intelligence Unit (). For subsidies and subsequent riots, see Economist Intelligence Unit ().

As Daves () points out, these improvements had little to do with liberalization. The 1991–94 mini-boom resulted from a one-time massive infusion of savings repatriated by the 300,000 Jordanians expelled from Kuwait and Saudi Arabia during the first U.S.-Iraq war. The increase in exports resulted from a U.S.-backed United Nations decision to allow Jordanian exports to Iraq, despite ongoing sanctions. The decrease in debt-to-GDP also resulted from political decisions. As a reward for signing on to the Oslo Accords with Israel, the United States forgave almost 700 million in debt and rescheduled another 58 million, the British wrote off an additional 92 million and other Paris Club creditors rescheduled further large portions. As Daves points out, despite the SAP, foreign direct investment actually decreased from 8.5% of GDP 1990 to 5.7% in 1994 (1997, p. 4), and Pfeifer (, p. 25) shows that the ratio of domestic investment to GDP also did not return to pre-crisis levels.

Khiluw is one of a number of institutions that historically underpinned the production of urban space in the Levant. The term is derived from Khila', denoting emptiness or openness. In a new building, the right to benefit from filling the space belonged to the owner. The owner and the first tenant negotiate the khiluw, which is a payment by the latter to the former not for the space as such, but for the right to benefit from the opening of that space at a later date. The next tenant, then, paid khiluw to the first (with a 10% side payment going to the landlord for his or her approval, though the unscrupulous demand more) and the right to open passes to the new tenant. If an owner wishes to evict the tenant he or she had to pay khiluw to that tenant. Khiluw performed a number of functions. For the landlord, the initial payment enabled recovery of the cost of construction, but also the achievement of profit up front. As a rule, the higher the khiluw, the lower the rent, and vice versa. Khiluw also financed construction through the pre-sale of shops or apartments. For the tenant, khiluw provided security, and an important vehicle for savings. Khiluw was an investment that rose in prestigious areas and busy suqs and could be passed on to heirs.

My own 1998 survey of shop-owners in the area revealed pre-neoliberalization annual rents ranging from 10 to 30 Jordanian Dinar (JD) per square meter (1JD = 1.5 U.S. dollars). In comparison, similar spaces in three newly redeveloped buildings were renting for an average of 266JD per square meter, with an initial khiluw in excess of 200,000 JD (approximately 300,000 dollars), far beyond the means of most area shopkeepers.

Additional information

Notes on contributors

Najib B. Hourani

Najib B. Hourani is Assistant Professor in the Department of Anthropology and the Global Urban Studies Program at Michigan State University. Having received his PhD in Politics (New York University, 2005), Hourani's research today investigates the dark underside of capitalist globalization in Middle Eastern cities. He is currently working on a book-length manuscript, entitled Glass Towers and Heritage Trails: Neoliberal Urbanism in Beirut and Amman. Therein he draws upon extensive fieldwork in Lebanon and Jordan to understand how neoliberal urban development and redevelopment strengthens illiberal politico-economic networks in the contemporary Arab world.