

## Neoliberalism in Lebanon's revamped 2014 Law on Old Rents

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### Synopsis

Studies of modern Arab legal codes tend to focus on the general aspect of the law, beginning with the civil, penal, and commercial codes. Those are analyzed for their own sake, as enacted by state authorities, but without their political, social, and economic underpinnings. As the general codes are stable over time, usually subject to minor revisions and amendments, they give that false impression of completeness and maturity. By contrast the special codes that address labor, tenancy contracts, agriculture, insurance, traffic, medicine, education, etc., are routinely revised, redrafted, and debated in the media, hence subject to public scrutiny, with accusations and counter-accusations as to whom the law really stands for. Due to their specific nature, and their ties to a political economy, such codes are an eye-opener to the social conditions in their respective countries. This paper addresses one such code, regarding tenancy laws in Lebanon since its independence in the 1940s, with a particular attention to the new laws that were enacted with the end of the civil war in the early 1990s. The aim is to discover ties between the law and the economy.

### Keywords

Lebanon—law—obligations and contracts—rental law—parliament—constitutional council

Lebanon is one of those countries that moved away from Ottoman tutelage rather swiftly. By the time Lebanon was under the French mandate, it was still operating under the Land Law of 1858 and the 1877 Majalla (known as the Ottoman Civil Code). Three Codes will place the newly formed nation into the modern area. First, a decree in 1926 that would establish modern cadastral registers, which was followed in 1930 by the Law of Property, and, finally, in 1932 the Civil Code was promulgated, better known as the Law of Obligations and Contracts. All three Codes will open the space for modern contractual practices.<sup>1</sup>

Rents in general, whether for residential, landed, or commercial properties, would simultaneously obey the general Law of Obligations and Contracts, and special laws on rents (*ijārāt*) which have been promulgated and routinely amended, or redrafted over the years with rules-within-rules, creating confusion and economic stagnation. This study addresses specifically the aftermath of the fifteen-year civil war (1975–1990), when a fall in the value of

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<sup>1</sup> The texts are collected in 'Ārif Zayd az-Zayn, ed., *Qawānīn wa nuṣūṣ al-'aqārāt wa-l-binā' fi Lubnān*, Beirut: Manshūrāt al-Ḥalabī al-Ḥuqūqiyya, 2014.

the Lebanese lira in the mid-1980s in relation to hard currencies considerably lowered the value of residential rents (not to mention other types of properties). The solution of lawmakers and legislators was to promulgate laws that “protected” the “old tenants” (those who have been under contract for at least a decade) by giving them privileges, for example, by allowing permanent extensions without adding much to the rent. Only a law voted in parliament in 2014 forcefully addresses the issue of the old rents, claiming to find a permanent solution to this longstanding problem within nine years, but it remains uncertain whether it could be fully applicable.

This paper addresses the practice of old rents through a three-pronged approach. Our prime concern is anthropological: the sociological distribution of old rents and residential properties in relation to their tenants and landlords; their professions, income, neighborhoods, places of residence, family members residing in the property, the value of the rent and its duration, in addition to ethnicity and religion. Regrettably, with all the legislation that has been passed, in particular since the 1990s, not much sociological data is available, so we are unable to provide much in this respect, except few scattered and reliable data. But as numbers are of limited value all by themselves, a fieldwork on the ground could be rewarding, in particular interviews with tenants, landlords, and their families; not to mention studies of neighborhoods where old rents form a large part of the landscape. In this regard, I was able to interview tenants and landlords in west Beirut, and observe over a five-year period the proceedings of a lawsuit in a middle class neighborhood; the landowner’s lawyer was kind enough to give me access to the full dossier of the lawsuit, in addition to other “typical” cases of the same category.

A second level of analysis consists at interpreting the texts of the law. The difficulty here is to bridge law with practice. If we accept the old rents phenomenon as a practice consisting of apartments and homes under contract, and of leases, lawsuits, settlements, compensations, indemnities, media coverage and public opinion, all those cannot be simply “contained” by the law. There are legal texts, some general, others more specific, that attempt to address the phenomenon. But between text and practice there is a distance which cannot be all too easily bridged. Herein lies the notion of discursive practice: what the law does at its best is connect some of the heterogeneous practices, hence becoming a practice all by itself. It is this aspect of the law that we want to explore, by questioning the texts in relation to a “political economy” which promotes itself as “neoliberal” and working for the “security” and wellbeing of the people, with minimal state intervention, a clear demarcation from the statism and *dirigisme* of neighboring countries like Syria, Iraq, and Egypt.

A third aspect of the law consists at deciphering how well it articulates with the “economy” on the ground. When it comes to old rents, for example, once the new law was passed in 2014, it became the centerpiece of political and social debates, which were amply relayed by the media. What is relevant here is that the Constitutional Council (*al-majlis al-dustūri*), which revises all legislative texts, upheld the law on the basis that it creates a “secure” *longue durée* legal system, hence is not the product of its moment: any law in a neoliberal economy must be

capable of sustaining itself on the market, without much state intervention that would favor one group against another, which constitutes its ultimate test. In this regard, the plethora of piecemeal laws that addressed the phenomenon of old rents did so while limiting the freedom of property, hence illegally favoring one group (the tenants) over others (the landowners). A law in congruence with the market, one that accepts the social principles of neoliberalism, would not limit the circulation of property and the freedom of contract between individuals, institutions, and the state. Our approach is not so much an economic analysis of law, but rather an understanding of law as a discursive practice: how at a specific historical juncture, various heterogeneous narratives (rights of tenants, landowners, the value of rent, the neoliberal market, the Constitution, the civil war, sectarianism, etc.) gained momentum into discursive practices that made possible the promulgation of the new law. The law itself would become the new discursive reality out of which other practices would consolidate.

### *Publicizing property*

Concepts of property and contractual obligations in contemporary Lebanon, as for the rest of eastern Mediterranean societies, have been marked by a paradigmatic shift whose time framework coincided with the dismemberment of the Ottoman Empire and the creation of new nation-states by the French and British colonial powers. Even though the Land Law of 1858 required the *registration* in newly designed *ṭāpū* registers of all agrarian properties that were taxed, there were no cadastral registers per se in the Ottoman Empire, nor did the law admit “ownership,” but only temporary “possession” as usufruct. The prime reason for such a lack was indeed the non-existence of proper modern cadastral methods for delineating the space of a property. It was only in 1926, when Syria and Lebanon were under the French mandate, that a cadastral register, known as the *sijill ‘aqārī*, was finally institutionalized. From now on each property would have a cadastral “record” of its own, known as *ṣahīfa ‘aqārīyya*, which consists of the totality of documents that would mark the property as unique in terms of location, topography, modifications, clearances, sale or tenancy contracts, lawsuits and other matters.<sup>2</sup> Such rationalization primarily aimed at rendering such knowledge “public” (*‘alanī*), not only to the state and tax authorities, but to common individuals as well.<sup>3</sup> Thus, if I decide to sell a property of mine to an unknown individual, and if I feel uncertain as to whether he or she would be able to deliver, one way to solve such dilemma would be to request their *ṣahīfa ‘aqārīyya*, which is available for public viewing to private individuals like myself. The record behaves like a U.S. “credit report,” which would mark a borrower as legible for further borrowing. The main difference, however, between a *ṣahīfa ‘aqārīyya* and a credit report is that the former is solely based on the property as *‘ayn*, that is, as the tangible object ready for exchange as commodity (*res in commercio*), while the latter is based on the *performance* of the debtor and his or her success at servicing their debt (bank accounts,

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<sup>2</sup> Wasīm Ḥasan Wehbeh, *Qawānīn al-‘aqārāt wa-l-mabānī*, Beirut: Manshūrāt Zayn al-Ḥuqūqīyya, 2011, 59–99.

<sup>3</sup> *Qawānīn*, 61ff.

mortgages, loans, credit cards, and bills). Perceiving individual owners in terms of their ownership of tangible properties rather than debt points to a worldview where what matters is what the individual fully possesses (*māl*), which in itself acts as a source for status and capital. Things have not changed much since the mandate, as it is still the tangible object as *‘ayn* that matters: to win a lawsuit of property recuperation, I must prove against my opponent-tenant that I do not own anything *in full* but the leased property; hence the legal necessity (*ḍarūra*) for recuperating the property for my personal (family) use; the only other necessity in the eyes of the law is that of demolition (*hadm*) either for safety reasons, or else for the purpose of a new project.

The law that organizes property as such came four years later in 1930: first the properties had to be demarcated in a cadastral register, as required by the 1926 Law, then the law at *defining* property was promulgated. Besides distinguishing between movable and immovable properties, another category is that of “incorporeal properties,” that is, all the rights, obligations, insurances, and lawsuits concerning a tangible property.

By the time the Second World War was nearing its end and the French had granted Lebanon and Syria their independence in 1943, the economies of both countries were, by regional standards, quite good, which led to an abundance of a much needed cheap labor in the cities. That was probably even more so in Lebanon than Syria, considering how much the potential for agriculture was reduced. By 1943–46 the surplus of agrarian labor was migrating to the coastal cities in flocks (the second such wave, following the great migration from the mountains to the cities in the late Ottoman period), creating a need for leased apartments at affordable prices, in particular in the capital Beirut. In an attempt to foster local industries, new manufacturing plants were established in the suburbs of the capital, thus areas like Dekwāneh and Shuwayfāt which were traditionally satellite villages with large property holdings became epicenters of manufacturing plants which were serviced by labor migrating from the north, east and south of the country. When the new tenancy laws were promulgated in the post-mandate period, it was precisely this new labor force, seeking affordable rents over long periods, that jurists and lawmakers had in mind.

The majority of tenancy contracts in the world are normally set for specific time periods, usually for one year, with clauses permitting the tenant for renewal for an additional year, but *only if the landlord wishes to do so*. The latter would thus have no obligation to provide any excuse, personal or otherwise, to reject the one-year renewal offer. Such *limited* renewals share many benefits, irrespective of the society or the time period in question. First of all, the market would not get clogged with old rents, which would have to be extended on special terms, prompting for new legislation every once and a while to fix the rent value and update it on inflation. Second, the property market would remain competitive, as landlords would not live in fear of having their properties occupied on long terms, if not permanently, creating shadow-landlords in lieu of quasi-permanent tenants. Third, the sale of properties would not get artificially inflated either; nor would there be pressures on landlords to pay monetary

“compensations” for leaving tenants.

### *The right of extension*

The Lebanese market would have been in that category of open competitiveness were it not for the tenancy law of 1944 which institutionalized the distinction between leases that were “renewed” (*tajdīd*) amid an explicit joint willingness from both landlord and tenant, on the one hand, and others that were “extended” (*tamdīd*) beyond what the contract had originally stipulated, which is usually one year, on the other.<sup>4</sup> It is indeed that kind of opening towards a legalized “extension” that would ultimately spell out the well known crisis of low rents. But it was only at the beginning of the 1980s, once the Lebanese lira fell apart, amid the Israeli occupation of Lebanon in 1982 and the expulsion of the Palestine Liberation Organization to Tunis, that the weight of the old rents became significant; hence even in the early stages of the civil war in 1975–76 the “extension” motto did not seem to have created the much anticipated widespread shortages on the market. What Lebanese legislation harnessed on in three decades, in the 1944–1974 interim, was precisely the link between “renewal” and “extension,” providing ample reasons to go for the latter. In those prosperous decades, up to the early 1980s, the economy was doing reasonably well with acceptable inflation, low unemployment, cheap and abundant local labor, affordable housing, and a strong lira in relation to the dollar and other robust currencies. So why not opt for yearly tenancy contracts? Why legalize “extension”? It is usually assumed that with the end of the French mandate, a larger than expected rural or mountainous population moved to the cities, in particular Beirut, which formed the backbone of manufacturing and industry. Being unfamiliar with city life and its risks, the law sought to mitigate that uncertainty by legalizing the prolongation of contracts whenever the tenant felt legible to do so. At the time neither landlords nor tenants had much to complain about, considering the economy’s good standing.

### *The woes of recuperation*

To see what had happened in the interim, one need go no further than the tenancy law of 1974, which was the outcome of small increments and amendments to the original 1944 text, and which unwittingly served as a blueprint text for the yet to come fifteen-year civil war (1975–1990). The broad established rule in the texts of 1944–1974 is that “the end of the *period* of the lease contract would not *ipso facto* imply that the tenancy is over and done with,” implying that tenants have every right to renew, while owners cannot reject such right. A corollary, which was also a norm on the eve of the civil war, is that extension is not solely the tenant’s right, but also, in case of his or her death, that of the spouse and their children. Moreover, even “relatives” who were “associated” with the deceased and were occupying the property had their rights maintained in case they opted for extension. Hence the “family” spectrum was fairly broad as to who enjoyed that right. The other side effect of prolongation is

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<sup>4</sup> Farid Joseph Ḥaddād, *Majmū‘at qawānīn al-ijārāt, 1944–1982*, Beirut, 1982.

that the law stipulated that proprietors have the right to “recuperate” (*istirdād*) their leased properties whenever there is an urgent need to do so, and in such instances the tenant would have to be “compensated” (*taʿwīd*) for the loss of contract. Lawsuits became normative whenever the proprietor would demand recuperation on the basis of an absolute necessity. Judges and lawyers tend to agree that it is such lawsuits, whose numbers have dramatically sprawled since the sudden end of the civil war in the early 1990s, which have contributed to the overall decline of old rents from their 50 percent highs in the 1980s to their current 25–30 percent lows.<sup>5</sup>

What is of interest to us is the notion of recuperation (*istirdād*) in conjunction with the lawsuit aimed at recuperating the property from the tenant. Chief among the conditions is the notion of “family necessity” (*darūra ʿāʿiliyya*). The landlord must argue that he needs his property back because he has no other place to go, that he possesses no other property but the one under litigation as his *only* place of residency. For example, he may argue that he has been for years living in a rented apartment, paid hefty rents, and that it is now time to recuperate his own apartment, considering that its rent is running low, much lower than the cost of his rented apartment; or that he has been living with his parents since he graduated from college, and now that he got his first full-time job he needs to be on his own; or that as an outcome of the civil war he has lived abroad for many years, and he badly needs to get back home; or that he is now a married man with a family, and his apartment fits better with his current needs. Several factors could be at play here: anything from the respective ages of the proprietor and tenant; their employment status; whether they have families; whether they live in Lebanon or abroad; and if they do, how often do they come back to Lebanon. Obviously a lot is left to the judge’s discretionary powers, beginning with that ability to discern individual situations, favoring one variable against another. For example, it would be hard for a landlord who is young, single, and a college graduate who just landed on her first job, and lives with her parents, to displace a tenant who is much older and the head of a family. Considering how much kinship is important in such societies, it is customary for young men and women to live with their parents even after graduating from college; since a bachelor is not considered someone responsible of a family, there is no urgency for single people to live on their own. As all such family matters are factored by the judge in his verdict, what remains in the final analysis is that notion of “necessity”: is it that indispensable for the landlord to evict his tenant, even in the aftermath of an equitable indemnification?

What plays a preponderant role in such litigations is nothing else but the “cadastral record” (*ṣaḥīfa ʿaqāriyya*) which respectively lists all the properties owned by landlord and tenant.

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<sup>5</sup> My special thanks to judge ʿAfif Shamsuddīn for our numerous conversations in Beirut in July 2012, in helping me sort out such complex social, economic, and legal issues, which by and large have remained undocumented, even though Lebanese newspapers are regularly filled with accounts of dissatisfied tenants and landlords, amid the new tenancy laws which are routinely discussed in parliament. However, as there is no convincing narrative that would account for the historical failure of the system, we are limited to fragments of the here and now.

Considering that the “cadastral record” plays the role of a U.S. “credit report”—even though the two are essentially dissimilar (the former is rooted in tangible properties, while the latter is into credit and debt)—what would tilt the verdict in favor of either proprietor or tenant is whether any of them has a *single property owned in toto*. The cadastral report is open for inspection and made public for any person who wishes to do so: if I need to inquire about my tenant’s properties, all I have to do is request her personal record at the General Directorate of Cadastral Affairs for a minimal fee. The report would list all my tenant’s properties, their number, location, and the percentage of the owned shares (*ashum*; s. *sahm*). The latter would prove the crucial denominator in a lawsuit: as the totality of a property constitutes 2,400 shares, if either landlord or tenant possess *any* property in toto, they may lose the verdict. Obviously, the nature of the property is of prime importance: if I am suing to recuperate an apartment that I own, and my cadastral record indicates that I also own a 100-percent share in a land in the same city which is used as a parking lot and out of which I am generating profit, the two properties that I own in toto are qualitatively so dissimilar that one would not compensate for the other. Put simply, I won’t be able to live in a parking lot, and this is enough evidence that I badly *need* my apartment, assuming that other prerequisites set by the court are met. In sum, a lot is at stake regarding both the landlord and tenant “needs,” “necessities,” and “familial obligations,” in conjunction with what they fully or partially own on the market. The *partiality* of ownership is a common trait in Middle Eastern and Islamicate societies, considering how much the Islamic rules of inheritance are adamant at dividing properties among male and female heirs (wills that favor an heir over another are not permitted). Hence it is not that uncommon to find proprietors and tenants with dozens of properties listed on record but without a single one fully owned. Obviously, in preparation for the lawsuit, both sides might artificially work out a reshuffling of their properties among family members: I register *part* of a property that I fully own under my wife’s or daughter’s name to avoid a negative verdict. As such practices are fairly common, councils and judges tend to look closely at the cadastral record in search of faked fragments, potential inconsistencies, or last-moment shuffles, even though such tasks are no easy matter.

Besides “familial necessity” which remains the most lucrative feature in the recuperation lawsuits, owners could bring other matters to court: the right to recuperate a property that is adjacent to another owned by the same owner; the owner’s desire to tear down the property in question for the sake of a new construction project; the tenant has failed to pay his rent for at least two months; and so on.

For those familiar with Beirut’s topography, the sight of dilapidated buildings, elevators that don’t work, tenants at war with one another, and building committees that only make decisions on paper without any follow up, have become all too familiar, most of which are the outcome of low rent policies which have accumulated and been protected by law since the 1940s, only to reach their climax in the 1980s. The only breakthrough came in 1992 with the

Free Contract Law.<sup>6</sup> Article 1 of the new Law revokes art. 543 of the Law of Obligations and Contracts (which stands as the Civil Code) which stipulated that “if the period of lease is more than three years, it cannot be beneficial for a third person unless the lease contract has been registered in the cadastral register. The renewal would assume the same rule.”<sup>7</sup> The ability to renew beyond the initial three years, which became normative since 1944, has been withdrawn in favor of “open contracts,” albeit still assuming a three-year lease (but only for a new one) rather than one or two only, hence the law is not that far from the one-year leases common in many countries.<sup>8</sup> The 1992 law constitutes therefore a bold attempt to regain the confidence of owners which in the 1980s have shied away from either investing in residential or commercial properties (unless the intention is forthrightly to sell), or else have sought for their residential properties non-Lebanese tenants, or tenants that are known “not to last that long.” That said, Law 160/1992 would not solve the problem of leased properties prior to 1992, whose “real rents,” once inflation and the value of the lira have been factored off, are at dismal lows. (A Law approved by parliament in 2014, which is discussed below, forcefully addresses the issue of all pre-1992 low rents.) Moreover, there seems to be a contradiction between “the freedom to contract” (*ḥurriyat al-ta‘āqud*) and forcing landlords to de facto approve three years for *any* lease, residential or otherwise, stipulating that even if contracts were initially set for one year only, they must nonetheless be approved for up to three years, if the tenant wishes to go that long.<sup>9</sup> The law has nonetheless been extolled, in particular by landowners and venture capitalists, for limiting post-1992 leases to three years.

#### *When landowners are ready for a lawsuit*

We are now ready to proceed with a prototype of a recuperation lawsuit, based on the 1992 law of free contract. (The 2014 law, to be discussed below, proposes a different compensation scheme.) The four-bedroom apartment, located in an upper middle class neighborhood in west Beirut, was originally leased in 1971 upon the completion of the building for L.P.11,860 (\$4,000) a year.<sup>10</sup> By 2007, on the eve of the lawsuit, the lease amounted to no more than L.P.1,929,585 (\$1,282),<sup>11</sup> which besides the obvious loss vis-à-vis the dollar does not account for inflation and for how much valuable \$4,000-a-year could do at the time in the 1970s. When the 2011 verdict came through, denying the defendant-tenant any right to renew the contract, the latter received as indemnity a large cash sum (more on that later), but he also *privately* settled with the proprietor for a one-year extension of his lease as an “open contract,” based *informally* on Law 160/1992. Strictly speaking, the old pre-1992 laws require that if the verdict

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<sup>6</sup> Afif Shamsuddin, *Qānūn al-ijārāt bayna al-aṣl wa-l-ta‘dīl*, Beirut, 1994, which thoroughly documents Law 160/1992.

<sup>7</sup> Shamsuddin, *Qānūn*, 265.

<sup>8</sup> It goes without saying that a tenant may opt for one to two years only.

<sup>9</sup> Shamsuddin, *Qānūn*, 267–8.

<sup>10</sup> In the 1970s the dollar was three liras, a rate that would be maintained until 1982.

<sup>11</sup> At a rate of 1,505 liras to the dollar, which is still the current rate.



summons the tenant to vacate the premises within two-three months, he may request, at the landlord's discretion, a paid extension, which remains undefined by the law. Moreover, the landlord has no right to make use of the property except for his own personal use for three years, after which he may lease or sell it or continue using it. Nonetheless, legalities aside, with the excuse that "I need some time to settle in my new apartment," which the tenant alleged he had already purchased but still needed a lot of work (even though he provided no evidence of that), the tenant went for the price of \$32,000-a-year, which is fair to say represents the "street price" as evidenced by the apartment right below his which carried the same price tag.

### *Family necessity*

When in 2008 the counsel of the plaintiff-owner pleaded in court on behalf of his client, he wrote to the district judge that

even though the plaintiff currently resides in the United States, he nonetheless has plans to return permanently to Lebanon and find work in his home country. Moreover, whenever he returns home he is forced to stay with his parents, which are kind enough to accommodate him with all his belongings; not to mention his personal library, composed of thousands of books, since my client is a professional writer and academic with many published books and articles on record. In spite of his parents' generosity, my client does not feel anymore at home in such constrained space. Considering that my client needs a space of his own, so that he can create and produce by his own standards, we accordingly request the full recuperation of the apartment that is solely his.

The counsel quotes a section of Law 160/1992, which even though is restricted to "free contracts," nonetheless reiterates the same rules as previous pre-1992 laws on recuperation:

The proprietor has the right to recuperate his property either for his own use or the use of one of his children for a family necessity, on the proviso that he does not own anything else that would be valid for residential occupation...We therefore demand that the apartment be recuperated due to a family necessity...

The defense obviously rebuffed such claims, alleging that

the plaintiff only expressed his *desire* to return to Lebanon from the United States, where he currently holds a full-time position at an institution of higher learning, which is different from *actually* settling here. The mere desire to return is thus no evidence of a family necessity...

The counsel's second target was the plaintiff's properties. He argued that the proprietor did own three other apartments in the same building, albeit as the judge would later point out in his ruling, none of which were *fully* owned; none even had a 50 percent ownership. In his verdict in mid-2011 the judge noted that the crux of the matter from a legal standpoint is the notion of "family necessity," which is not "hooked to everlasting notions," "but it rather gives

privilege for someone to use his rights in a natural and customary way without harming anyone else...” He thus rebuffed the defense claims regarding differences between the *desire* to return versus the *act* of returning to Lebanon from the U.S., adding that the plaintiff has every right to return, having expressed his desire to do so, but considering that none of the properties listed by the defense represent more than a 50-percent share, the plaintiff has no other option under such conditions but to stay with his parents. At this point, having been in favor of the plaintiff, the judge proceeded with an estimation of the value of the property in consideration for the indemnity to be paid to the tenant. The court expert had placed the value at \$3,500 per square-meter in conformity with the prices in the neighborhood which he had examined in 2010, in disagreement with what the plaintiff’s counsel had estimated, namely \$2,000 per square-meter. The judge, demanding the immediate evacuation of the property, once the lease is over, calculated that the property’s price tag was \$1,015,000 (for 290 square-meters), placing the compensation at 35 percent of the total value for a price tag of \$355,250.<sup>12</sup> Even though not a law requirement per se, but more of a practice than an official theory, the indexing of the compensation as one-third of the property’s value seems to be the adopted rule of thumb.

Even though the verdict took three more years, the structure of the case is fairly simple, and is representative of such lawsuits. It consists of the two counsels’ reports; the court expert who investigated the property, building, and neighborhood, setting a price tag based on the municipality’s estimates (which it routinely assesses for taxation purposes); interviews with neighbors and proprietors in the neighborhood; and the verdict, which took Law 160/92 as reference. The crux of the matter amounted at dissecting where “family necessity” lies: was there an absolute necessity for the owner to reclaim his property? And if so, on which grounds exactly? Did the owner own at least one other property that would have been suitable for his living conditions? The two conditions are fairly flexible, in particular the notion of “family necessity,” which evolves in time. In this case, the plaintiff was a mid-aged *bachelor*, a fact that was not even mentioned by the two counsels, and for good reason: not a long time ago, the defense counsel would have made a fuss about it; but the post-civil war mores of Lebanese society are moving slowly toward recognizing individual over family rights, hence everyone has a right to settle in his or her own property, assuming that the plaintiff only fully owns the one property under litigation. For that very reason owners tend to spread the ownership of properties among family members. With this in mind, Law 160/1992 is a major breakthrough, albeit it left unresolved a 25–30 margin of low-rented properties, which the newly passed 2014 law may finally put at rest (see the following section); but it played favorably at encouraging proprietors to reclaim their properties through court action, even if that entails paying hefty compensations to tenants, which some have judged unjustified and uncompetitive for a liberal economy. The Law has nonetheless managed to reduce the crippling effects of low rents, first by opening the clause of “free” three-year non-renewable leases, and second, by

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<sup>12</sup> All amounts were in dollars in the original, in spite of the fact that the lira has been pretty much stable since the 1990s.

promptly processing suits in favor of owners who wish to recuperate their properties.

The special arrangement between owner (lessor) and tenant (lessee) was in summer 2014 in its third final year. Initially based on a court ruling in 2011, the tenant was supposed to vacate the property in February 2012, once the compensation payment would have been fully completed. The special arrangement gave him an additional two-year lease, which he *indirectly* paid through his indemnity, as the new \$32,000 annual rent was deducted on two counts from the compensation that the owner owed him. It was, indeed, only in the third year of the exceptionally “extended rent,” in February 2014, that the tenant began monthly payments (of rents and assessments) outside the compensation. He even proposed that, starting early 2015, all future leases be subjected to the 1992 law of “open contracts.”

In the first year of the extension, 2012–13, the ruling of 11 February 2011 was acknowledged by both parties, on the proviso that the owner would pay his tenant an indemnity worth \$355,250, which roughly amounts to one-third of the apartment’s value, as estimated by the court’s expert.

Original compensation, as required by the court’s ruling in 2011, roughly amounting to one-third of the estimated property’s price	\$355,250
Adjusted compensation, as proposed by the landlord, so that the tenant would lose his right of appeal	\$375,000
18 July 2011, signature of the agreement, and first payment by the landlord	\$200,000 payment
18 August 2011, second payment	\$100,000 payment
Remaining sum to be paid upon the delivery of the apartment on 28 February 2012	\$75,000
\$32,000 deducted as a “new special lease” for one year only, ending effectively on February 2013	\$43,000
\$32,000 deducted for a second special lease, until February 2014	\$11,000

Originally the compensation, as required by the judge’s ruling, was set at \$355,250, roughly one-third of the estimated property value. However, the landlord, acting on his own behalf to avoid the routinized process of appeals and counter-appeals, proposed to his tenant a minimal “bonus” in the compensation, up to \$375,000.

A document was signed upon the tenant’s demand for a “special extension.” The owner still owed his tenant \$75,000 as the final installment of the compensation package, as required by the July 2011 agreement. Obviously, in order to avoid legal hassles that would look in violation

of the July 2011 settlement, the new agreement was signed as “a modification of a previous contract.” The new arrangement stipulates that considering that the tenant had encountered difficulties at vacating his apartment at the required time, a special one-year extension was accorded by the owner until the 3rd of March 2013. The amount would be deducted from the remaining \$75,000 that the owner owes his tenant as part of the settlement-compensation. Interestingly, no specific sum was mentioned as value for the “new rent”—the document even avoids all such overt language. Instead, a close notes that what is left of the indemnity—\$43,000—would be delivered by the owner once the tenant vacates on March 2013. A second special agreement was signed then, claiming this time that the final installment of \$11,000 would be delivered on March 2014. Since then the two parties have opted for an official lease, in conformity with Law 160/1992.

Strictly speaking, from a legal point of view, and in light of the court ruling in 2011, what owner and tenant indulged into in the last couple of years, is “illegal.” What does that mean? The court proceedings, initiated by the owner in 2007, when the lawsuit was filed, were conducted on the basis that the owner *urgently* needed his apartment for the “family reasons” that he pledged for. Suffice it to say that, in light of the special arrangements between owner and tenant, such pleas de facto, if not de jure, become “bogus,” as they lose all their rationale, with a tenant that still occupies the same apartment but with a much higher rent at the established competitive street price. However, the “illegality” in this instance proves meaningless as owner and tenant are indulging into a consensual arrangement that fits them both. Moreover, such arrangement would not need *stricto sensu* any court endorsement. To wit, the court *may* declare it “illegal” only if it becomes “informed” of the modalities of the special arrangement. But who is going to “inform” the court, and on which basis exactly? Certainly not the owner-lessee: there is nothing to gain on his part through another court action. The only party that may indulge at informing the court of the “illegality” of the special arrangement is certainly the tenant. He may, for instance, argue that he “tricked” his landlord into that kind of arrangement as evidence that there was no “family necessity,” as was initially claimed by the owner.

It goes without saying that the arrangement between landowner and tenant is based on a *mutual risk*: either one knows damn well that they could be harmed by the opposing party going to court and risking a lawsuit that would place the opponent in an uncomfortable situation, where more claims for compensation would be at stake. What is really at stake in such situation are indeed the transaction costs, whether landowner and tenant accept their new mutual arrangement for the years to come, or whether one of them decides that it is time to break up the entente. Herein lies the “successes” of such ententes: the court system is used in phase one, whereby landowner and tenant ferociously fought in court their respective viewpoints. Pre-trial negotiations did not work all too well at this stage, as both parties surmised that the court ruling would be beneficial to them. It was only once the court ruling finally materialized in 2011 that owner and tenant negotiated *at the margins of the law*, and, one should add, by bypassing what the law explicitly states. Once the verdict was enunciated,

the tenant took note of the fact that vacating a property that he has been occupying for decades became all of a sudden a certainty, to be reckoned with. He realized that it would be perhaps more affordable, and more realistic, to indulge into an extension of the same rent, albeit at a more competitive price, than shopping for a new apartment. He therefore approached his landlord for a solution to their problems in that direction: let's renew the lease, but with a price tag that you determine. The owner could have refused the offer, but refrained from doing so: it was for him, like for his tenant, a question of transaction costs. Sure, the court verdict was what he exactly expected and wanted, but it was also costly: it required him to occupy the vacated apartment for three years, before deciding on any further action. On both sides, therefore, there are incurring costs for breaking the status quo, which has been at works since the early 1970s. They have both opted to persevere with the status quo ante, with all the legal risks that such measure would entail, in order to minimize all transaction costs.

*What the new 2014 revamped law would bring, if approved*

The text of the new rental law that was passed in parliament in April 2014, and which in principle should put permanently at rest the episode of old rents by 2025 at the latest, has been under the hood for many years, prior to its publication in the Official Journal in early May 2014. Even though the law may still be revised, the published text is worth our attention for its own sake, considering how much controversy it has already stirred.<sup>13</sup> What is certain, however, is that once the rental law passes the “constitutional” (and political) test, rent control would finally become a thing of the past.<sup>14</sup>

The core of the law is article 15 which gives the possibility for landowners to “win back” their properties within a nine-year period, a strategy that would prove an *alternate* scenario from the one explored above, in particular for owners who would be unable to afford the hefty compensation fees. Each strategy comes with its own risks, perils, and costs. The strategy explored above, which generally required court action, unless owner and tenant consensually agreed on a compensation scheme, would have normally taken four years, from the filing of the suit to the verdict, but, due to the required indemnity, the cost could be higher for the owner than what the new 2014 law would propose in this regard.

The tenant would pay the new full rent, known as *qīmat badal al-mithl*, gradually over a six-year period; but only by the sixth year would the rent mature in its final street price. The legislation thus progressively increases pre-1992 rents over six years and eventually gives free

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<sup>13</sup> “Qānūn al-’ijārāt fi Lubnān,” *Al-Shahriyya*, Beirut, 127 (May 2014), 4–7: “the rental law is a new gate to waste public money.”

<sup>14</sup> The association of “Lebanese Landlords” has expressed fears and concerns on its website at <http://www.almalikoon.net/>. A letter to Kofi Anan was addressed on behalf of the association when he was secretary general of the United Nations, urging for the “freedom of contract” in Lebanon, which is protected by the more general law of “obligations and contracts,” which stands as the civil code of the country.

access to property owners by the ninth year. Moreover, the value of the new rent should not exceed the five percent of the value of the property itself “in its current condition,” once vacated. The *badal al-mithl* is thus the key component of the new law, as everything else gravitates around the value of this new rent, from the gradual yearly increase, to the indemnity to be accorded to tenants in case owners wish to reclaim their property for a “family necessity” or for demolition.

How is the “new rent value” addressed? Article 18 states that the “new rent” must be bargained for either consensually or in court, *raqāʿ-an aw qaḍāʿ-an*: either tenant and landlord consensually agree on the new rent, or else they would seek court arbitration.<sup>15</sup> Once the new rent has been agreed upon, it would be instated only gradually, within six years, when it would reach its full value. In the sixth, seventh, and eighth years, the tenant would pay the new rent in full, and by the ninth year the contract would become “open” for the first time, as it would become subject to a “free” negotiation for a new value, or else the owner may request from his tenant to vacate the premises. Only poor households would be able to extend their stay for twelve years.<sup>16</sup>

The law was published as a “special appendix” to the Official Journal on 8 May 2014, then for a second time, because the Constitutional Council deemed the first publication unconstitutional. The then-president of the republic, Michel Suleiman, had opted for his constitutional rights in not appending his signature to the law, but also in not sending it back to parliament for review. There is nevertheless a period of appeal that in principle is fifteen days from the date of publication: the president himself, the house speaker, ministers, and at least ten parliamentarians could pose a challenge to the new law within the fifteen-day probation period from the date of publication. Otherwise the law would become operative six months as of its publication, which it did, despite all controversies,<sup>17</sup> in December 2014.<sup>18</sup>

Article 18, whose section B–4 was revoked by the Constitutional Council,<sup>19</sup> solves the mystery

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<sup>15</sup> Considering how low the old rents are, in practice the new rent amounts to five percent of the property’s estimated value.

<sup>16</sup> Yasmine Alieh, “New rental law passed by Parliament,” *Lebanon Opportunities*, May 2014, 74–77.

<sup>17</sup> As Michel Suleiman’s presidency was in its final week (May 25, 2014), with no successor in sight yet, the sitting president decided, based on article 19 of the constitution, to summon the Constitutional Court regarding the constitutionality of the new rental law approved by parliament and published on May 8th. For its part, the union of leased properties summoned all officials not to revoke the text of the new law, so as not to further extend the plight they have been going through for forty years: “We’ve been informed that six members of parliament have signed a petition on a memo that pretends to represent the interests of the tenants in order to revoke the new law... Such names would be for ever in the consciousness of the old landlords, and the memory of their sons and families, simply because such revocation, if applied, would constitute a serious attempt at confirming the illegalities of the illegitimate takeover of the old tenants of the properties of their landowners, so that they would be inherited by their grandsons and granddaughters...” (*An-Nahār*, Beirut, 20 May 2014).

<sup>18</sup> *An-Nahār*, Beirut, 10 May 2014.

<sup>19</sup> In its August 1st, 2014 meeting, in a seven to three majority vote, as well as articles 7 and 13, which

as to how the new rent (*badal al-mithl*) would be negotiated.<sup>20</sup> It would be in principle “consensually” settled between tenant and landowner. In case of conflict, within three months of the law’s publication, the lessor should seek the expertise of two professionals accredited by the courts, which would help in determining the new rent. Once notified, if the lessee is unsatisfied of the proposal, he or she may in turn seek the appointment of two legal experts. If the two reports, the one initiated by the landowner and the other by the tenant, prove to be incompatible, then landlord and tenant could seek the expertise of the committee appointed for the muḥāfaẓa where the lease is at stake. The lease would be in the five percent range of the value of the property *in its current state*, if empty (article 20).

Article 22 states that in case the owner would like to recollect his or her property for a family necessity (*darūra ‘ā’iliyya*) or demolition (other excuses could also be valid, if appropriate) in the first year of the special nine-year extension period, then the tenant would receive a compensation valued at a four-year rent for the family necessity excuse, based on the new street-based value of the tenancy contract; if, however, the property is reclaimed within the nine-year period for the purpose of demolition or whatever other reason, the indemnity should be calculated on the basis of a six-year rent (as calculated in article 15). However, whatever the case, if the tenants wish to leave after the seventh year, they will not be entitled to any indemnity. In our case history above, we have noted that the compensation was estimated at roughly one-third of the property’s value, as determined by the court’s expert. If the value of the new lease, in the 2014 law, is estimated at five percent of the value of the property in its current state, if empty, then a compensation worth a four-year rent would be at best in the range of twenty percent, while a six-year rent would be close to thirty percent, which is roughly similar to what the old law unofficially stipulates. That said, our landlord above would have probably saved ten to fifteen percent or more to reclaim his property under the family necessity rubric, assuming he sues immediately from the first year once the law becomes applicable.

Article 3 stipulates that a credit fund (referred to as the *ṣundūq*)<sup>21</sup> that manages rents for disfavored lessees would be set to help the tenants whose income is less than three times the minimum monthly salary (currently at \$450, based on a decree from 2012 that regulates salary scales for public institutions and minimum wages in general). In case the tenants’ income is less than two times the minimum wage, the fund will pay on their behalf the difference between old and new rent. If the income is between two and three times the minimum wage (\$900 to \$1,350), the fund will cover the difference between the new rent and thirty percent of the income. But then nothing is envisaged to help property owners which have suffered from low rents for decades, as if they are “wealthy” by definition. Moreover, article 8 gives the

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address the constitutionality of the committee that should revise the “new rent” in case of conflict between owner and tenant, see, *An-Nahār*, Beirut, August 7, 2014.

<sup>20</sup> The parliament should revise those articles, but even if it does not, the law would anyhow become effective on 28 December 2014.

<sup>21</sup> The fund intended to assist the tenants with “limited income.”

tenant the right to request a special aid from the account set for that purpose, which means that the rent increase is “frozen” until the committee decides on the request. No time framework is given as to how long that would take, although the tenant must pursue his request in the first year (out of nine) of the special “extension” within two months after a decision has been made on the *badal al-mithl*.

Some have argued that the whole “crisis” of low rents, which has preoccupied parliament since the end of the civil war in the 1990s, is overblown, hence does not merit the attention that is normally accorded to it. On the one hand, the argument goes, the 1992 Law of open contracts has de facto encouraged negotiations between landlords and tenants, whereby compensations were consensually agreed upon. For others, the road *is* already open for court action, as was the case for our landlord above. On the other hand, and with the end of the civil war, between the sprawling newly built apartment complexes, and the demolition of old ones that were too old or defective, the margin of old rents has been considerably marginalized, as all new leases would be automatically subject to the 1992 Law. Moreover, as unofficial figures from 2011 point out, even within the already marginalized sector of old rents, the tenants in dire conditions would not exceed an estimated 13,000 out of a total of 81,500: 13,000 of which are foreigners; 3,000 are considered wealthy; 5,000 are tenants and landowners at the same time; 18,000 are in the hostels and tourist businesses; 6,000 are independent professionals; 13,000 are workers from the lower classes, the only category that needs to be subsidized under a new law.

It has been further estimated that by the end of 2011 Lebanon had a grand total of at least 422,000 built properties,<sup>22</sup> based on a work published by the Central Bureau of Statistics, and funded by the European Union. This is an increase of 13,485 units from 2004, when the built properties totaled 408,515. It is also estimated that 20,000 new apartments are completed each year, with an average of 10 apartments per building, which means on average 2,000 new buildings a year. That said, 21 percent of the buildings were completed after 1990, when the civil war was technically over; while 57 percent go back to the 1955–1989 period; and 22 percent are pre-1955. More specifically, in Beirut, 45 percent of the buildings are pre-1954; 38 percent were constructed between 1955 and 1987; 17 percent are post-1987; 11 percent in the 1990s, and only 6 percent are post-2000. There are therefore lots of old buildings in Beirut which the so-called “landed lobby” attempts to “systematically” erase by various legal or illegal means (the “protection” of “historical” buildings is practically non-existent).

For Joseph Zougheib, Chairman of the Syndicate of Owners of Leased Property, once the new law is approved, “There will be a cash flow injected into the economic cycle. The State will also make more money out of the taxes it will acquire from transactions, new rents, registrations for more residential units that were blocked before.” Some buildings will be demolished and replaced by new ones. “Many of the tenants who cash in their compensations

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<sup>22</sup> *Al-Akhhbār*, Beirut, 16 May 2012.



might pay them as a down payment for owning a new apartment.” This would activate demand on residential units which is ailing nowadays. One of the advantages of this new law is that it liberates thousands of blocked properties. Owners can rehabilitate the property, if they have the means to do so. The Syndicate of Owners has based its numbers on a study conducted by the Ministry of Social Affairs, which showed that pre-1992 owners total 80,000, but with no further breakdown as to income.<sup>23</sup> Moreover, with the old rents becoming inoperative since 2012, and yet no new law in operation, some proprietors have initiated lawsuits based on the more general law of contracts and obligations, which stands as the country’s civil code. However, to my knowledge, such suits are still pending, probably with the hope that the new law would become operative by August 2014.

### *The “sécurité” of the law*

Parliamentarians can address objections to the Constitutional Council regarding the constitutionality of the laws passed by the parliament itself. Ten parliamentarians out of 128 addressed a plea to the Council once the 2014 law was re-published in the *Jaridah* (Official Journal) on 26 June 2014.<sup>24</sup>

Besides the fact that the ten represented a tiny parliamentary minority, which on other occasions would not have acted together, the list does not point to a particular confessional and political orientation. If a leading member of the Phalanges is side by side, in this particular instance, with another fellow member associated to the Hezbollah, and another one from the Armenian Tashnāq, it is because the law cuts across social spectrums: anyone could be affected, even if individuals, groups, and neighborhoods, are unequally and disproportionately represented. Such inequalities could be even anecdotally observed from daily observations. A cab driver from the quintessentially Christian Ashrafiyyeh neighborhood, who is on a new \$600 monthly lease, told me that he is glad he escaped the ordeal of old tenants and their unlucky owners; and he added that for sure Ashrafiyyeh is the prime area of concentration of old rents in Greater Beirut (which includes the crowded Armenian neighborhoods of Dawra and Burj Hammūd). The assumption here is a socio-political reality whereby in Christian neighborhoods a “natural bond” exists between tenants and landowners, to the point that tenants receive more accommodations from their landowners, will lesser eviction prospects than fellows in other neighborhoods.

The Council convened on 6 August 2014 to address the appeal. The parliamentarians’ original memo nurtured all kinds of suspicions apropos the constitutionality of the new law, beginning with its publication for a second time in the Official Journal on 26 June 2014 when Lebanon had no acting president (the seat was still open in 2015). Second, based on the Constitution,

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<sup>23</sup> “New rental law,” 77; some of the figures come from the Central Administration of Statistics.

<sup>24</sup> ‘Āref Zayd al-Zayn, ed., *Qānūn al-ijārāt al-jadīd, al-ṣādir fī 8/5/2014*, Beirut: Manshūrāt al-Ḥalabī al-Ḥuqūqiyya, 2015.

the new law does not take into consideration “the commonality of living (*al-‘aysh al-mushtarak*),” the right to life and habitat, nor does it take seriously the right of fairness and equality in the law. For instance, articles 3 and 10 of the law summon the formation of a “fund,” *ṣundūq*, to help lower-income tenants pay the new rents. But the petitioners complain that such “fund” favors one class over others, hence is unconstitutional. Never mind that it helps the poorest of all tenants! The “fund” poses other problems on the “inequality” side, regarding the modalities of payments, and who is entitled to what or who is denied financial help; or concerning the formation of the committee that would look at individual conflicts, in case landowners and tenants would disagree on the value of the new rent (or, initially, an assessment of the value of the property).

In its thoughtful response the Council made a subtle distinction, kept in French in the original text, between “promulgation” and “publication,” both of which tend to be wrongly conflated as *nashr*. The Council argued that the Constitution looks at the promulgation of the law as the basis of its constitutionality, not its date of publication. Moreover, the president of the republic was still active at the time, and he could have revoked the law and passed it back to parliament for review. But by not enacting the law—that is, by denying it his personal signature—and by not sending it back to its original source, the law becomes *de facto* valid and enacted in law, *nāfidh ḥukman*, a month after the law was at the president’s office.<sup>25</sup>

#### *Abus de droit*

Now we come to the core of the matter, namely, apropos claims of social injustice and inequality. The Council notes that there should be no *abus de droit* (in French in the original Arabic text), and that the law should not favor any group in particular or be abusive towards one party against another. It notes the fact that everyone is entitled for a property and a place of residence, *ḥaqq al-tamalluk wa-l-sakan*. Moreover, as tenancy contracts are within the domain of “private law,” “public law” should not be contradicted except in few well determined and well defined instances. However, in the span of seven decades, due to special emergency laws, the right of property has been strongly limited. The Council is obviously addressing the plight of owners for having been restricted to do as they wish with their properties, adding that social policies should encourage the free right to property, construction, and transport, at a rate that would avoid the “*ruralisation des villes*.”<sup>26</sup> Thus legislations that tend to slow down the freedom of property, for instance, by imposing limits on the rights of owners to freely dispense with their properties, would inevitably lead to shortages in availability; hence *de facto* contributing in people migrating from the countryside to shanty neighborhoods. What is needed, according to the Council, using a French concept, is the *sécurité juridique* of social actors involved in contractual transactions. There is no more *sécurité* once the law limits the ability of owners to contract freely. To wit, the limits imposed

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<sup>25</sup> Zayn, 53.

<sup>26</sup> In French in the original.

on owners for seventy years could be considered as trespassing over property rights in many civil systems. The notion of *sécurité* means that nothing is subject to the law of “fixity (*thabāt*),” as everything needs to be assessed in a process that takes into consideration all the involved parties, which in this instance means landowners and tenants without favoring the interests of one over others. The implication is that contractual obligations between two or more parties, as espoused in all Napoleonic codes since the nineteenth century, are not enough per se: a third party is needed under the norm of *sécurité*, which means society must be secured *as a totality* from the randomness of private contracts. Which is precisely where the law is located: at the interstices of private contracts, be it between individuals, institutions, or the state. The *sécurité* acts like a third-person “society” “outside” the private contractual interests. Its purpose is precisely to minimize social risks, those that are enacted between private parties. It boils down to trust, *thiqa*, the kind of trust that minimizes usurpation or damage.<sup>27</sup> In this regard, the Council argues, the new law places old tenants within a time framework of nine years that gives them the chance to adapt to new conditions, hence minimizing damage (*darar*).

On the other hand, the Council sides with the plaintiffs regarding the constitutionality of the committee that is supposed to review the contracts between landlords and tenants in case of conflicts, in particular in the evaluation of the value of the new rents, which should not exceed the five percent of the total value of the property. As required in article 7 of the 2014 law, the five-member committee should be presided by an acting or retired judge, a person on behalf of the landlord, and another on behalf of the tenant. A third person represents the ministry of finance, and a fourth the ministry of social affairs. This committee must thus have a judiciary function. Which is precisely the problem: Why should such committee be endowed with a judiciary function? What are the criteria? Only the presiding judge is endowed with a clearly defined judiciary function, while the four other members do not have such a power to rule and enact the law. Moreover, by sheer number they may veto the judge’s decision. The judge, the only person to have a judicial capacity, may be marginalized by the others who clearly are not endowed with such capability. For those reasons the council has voided articles 7, 13, and 18–B4, all of which are in relation to the committee in question.<sup>28</sup>

The law became operative on 28 December 2014. But it was only in July 2015 that the first case was heard at the appellate level, in a *maḥkamat isti’nāf*.<sup>29</sup> Case after case the appellate courts have argued that the law is still valid in spite of the invalidation of two articles and an item in a third article. The language of the law comes as a last resort in the midst of political and economic controversies.<sup>30</sup> The law argues in terms of *sécurité* and *sûreté*, safety and security,

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<sup>27</sup> Zayn, 62.

<sup>28</sup> A parliamentary committee is now charged to review those articles.

<sup>29</sup> *An-Nahār*, Beirut, 8 July 2015.

<sup>30</sup> A case in point was a statement made by the house speaker, Nabih Birri, who as soon as the Constitutional Council invalidated some articles, claimed that the CC had in effect invalidated the law *in toto*.

on the basis that laws and regulations, such as those addressing old rents, which have been “extended” with special amendments for decades, are “exceptional” in their nature, hence they have that character of being “improvised” every once and a while, undermining the mission of the law, which promotes long-term stability and the safety of individuals, institutions, and groups. If the law does not promote *sécurité*, its social and economic mission would fail, as the mission of the law is to defend society as a whole, and not simply individual private contracts, as the law of obligations and contracts does. The notion of *sécurité* acts like a third-party safety net which regulates the overall pattern of private contracts and obligations, as it takes care of inconsistencies in the law, for instance, when due to an instability in the political, social, and economic arenas, there are discrepancies to be observed, if not illegalisms in the law itself. That is the condition of the low rents, when for close to seven decades landowners suffered from severe limitations placed on the freedom to contract.

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Never mind that the house speaker does not have such authority to declare a law valid or invalid, the statement disseminated wide enough, in particular among tenants and their syndicates, to have created enough confusion. This is clearly a political case where the house speaker was not behaving in his legislative function, but in his political role as the leader of the Shi‘a Amal organization, and, indeed, of the Shi‘a population at large.