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Rules in Un-Ruled Lands: The Origins of Property Rights in Palestinian Refugee Camp
Sectors across Lebanon and Jordan

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Abstract

Rules in Un-Ruled Lands: The Origins of Property Rights in Palestinian Refugee Camp Sectors across Lebanon and Jordan By Nadya Hajj Parks

Scholars in such disparate fields as philosophy, economics, and political science argue that a system of well-defined property rights is a key factor in economic development and subsequently political stability and security. Despite significant theoretical and empirical support for the positive effects of property rights on economic growth and stability, much less is known about the origins of property right institutions, especially among marginalized groups like Palestinian refugees. On the basis of 152 interviews I test the efficiency, distributional, and socio-historical explanations for institutional formation. Components of the efficiency and distributional approaches were evident in camp sectors in Lebanon. An amalgam of all three approaches was evident in camp sectors in Jordan. Evidence suggests that existing institutional explanations are, alone, inadequate at explaining institutional formation. I discovered that hegemonic powers like Fateh or the Jordanian state can craft secure property rights despite strong distributional motives, in the presence of latent political contestation, long time horizons, and resource scarcity. In addition, intervening variables like common pool resources influence the strategic decision of actors to exploit property rights. Finally, results hold positive policy implications for marginalized groups like Palestinian refugees. Namely, marginalized groups can craft strong property rights even in the absence of a state authority.

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To begin, this research would not have been possible without the generosity and openness of my extended family that lives in Lebanon and Jordan. For the sake of anonymity, I will not name their names but they know who they are. They welcomed me into their homes and facilitated my interviews. Their guidance and support during my many months of research helped keep me safe and sane in difficult conditions.

Next, I would like to thank the many Palestinian refugees that took the time out of their busy days for my interviews. In the scorching heat or on biting cold and windy days they sat with me to talk. Without even knowing me they offered me tea and coffee and welcomed me into their homes and businesses. Despite the incredibly difficult conditions they have endured over the last 60 plus years- that would have broken most spirits- their resilience, cautious optimism, and willingness to work hard are models of human behavior that serve as an inspiration to all that come in contact with them.

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Abbreviations

CSIC- Camp Services Improvement Committee in Jordan

DPA- Department of Palestinian Affairs in Jordan

PLO- Palestinian Liberation Organization

UNRWA- United Nations Relief and Works Agency for Palestinian Refugees in the Near East

Chapter 1: Laying the Ground Work

Introduction- The Importance of Studying Property Right Formation in Palestinian Refugee camps

Scholars in such disparate fields as philosophy, economics, and political science argue that a system of well-defined property rights is a key factor in economic development and subsequently political stability and security. Property rights are a bundle of rights and responsibilities that give an individual or group exclusive right to use, rent, sell, limit access to, protect, and benefit from ownership of an asset or resource. The literature of the New Institutional Economics (NIE) has devoted significant attention to the importance of property rights. The NIE argues that secure property rights provide actors with the incentive to invest in the market around them because individuals can appropriate the benefits of their investments. Despite significant theoretical and empirical support for the positive effects of property rights on economic growth and stability, much less is known about the origins of property right institutions (North 1990, Knight 1992, Alston et al 2004, De Soto 1989, Libecap 1989).¹

Only in recent years have scholars developed institutional approaches that might account for property right formation. I have divided existing scholarship into a basic typology that includes three theories of institutional formation. These theories are referred to as the efficiency, distributional, and socio- historical institutional

¹ Institutions establish the framework for social interaction. Property rights are considered to be institutions because they are pretty stable sets of shared and realized expectations about how people should and will behave in economic, political and social settings with respect to their ownership of a resource or asset. These expectations structure behavior by letting individuals know the consequences of their own actions as well as others (North 1990, Knight 1992, Allio et al 1997).

explanations. Importantly, the existing literature on institutional formation does not clearly specify its theories.

One of the primary tasks of this dissertation is to clarify the three institutional approaches and to create distinct testable hypotheses. To begin, the three approaches share the view that property rights are the result of strategic interactions among actors and their environment. This means that the actions and motivations of actors matter in whether or not and how property rights are constructed. In addition, all three theories maintain that market shocks in the form of price, technological, population, or political changes are necessary conditions for property right formation.

The efficiency approach emphasizes that property rights develop to capture the potential gains from trade. As market changes take effect and new resources or assets become more valuable than ever before then individual agents are motivated to cooperate to form property rights in order to reap the benefits of ownership of those newly valuable resources. In contrast the distributional approach emphasizes that property rights develop because once market changes make certain resources or assets more valuable then powerful actors seek to gain strategic advantage over others by controlling the distributional gains from trade and new resources. Finally the socio- historical approach suggests that property rights develop when actors have the institutional history or repertoires to meet market shocks. This means that not all repertoires necessarily lead to the creation of property rights. When social groups have the institutional experience in forming property right then they will apply customary procedures for handling

transactions and resolving disputes, with little attention to the efficiency or distributional dimensions of the consequences of their choices.

Excepting a few studies, these theories have not been tested in a rigorous manner (Allio et al 1997). Currently, the literature on institutional formation lacks conclusive evidence of the explanatory power of each approach in different political and economic settings. One of the reasons we lack such evidence is that natural experiments, where new social communities form and interact to solve basic collective action dilemmas like the establishment of institutions, are relatively rare.

I overcome the weaknesses in the institutional literature that I described above by taking advantage of the unique natural experiment that Palestinian refugee camps present. The formation of property right regimes in Palestinian refugee camps in Jordan and Lebanon provides us with a valuable opportunity to examine the process of institutional formation in real time. It was only in the early 1970s, following economic and political shocks that camps formed property rights. Interestingly, most of the camp residents initially involved in the formation of property rights still live in the camps today. Also, Palestinian refugee camps provide researchers with an opportunity to examine how property rights form where none had existed before. In effect, we are given insight into how groups emerge from anarchy, or what Palestinians call *fouda*, and create institutions.

In addition, this dissertation contributes to our knowledge of Palestinian refugee camps in Lebanon and Jordan. Recent reports of the destruction and death in Nahr al Bared refugee camp in Northern Lebanon have dominated news sources. It seems that when the world actually hears about Palestinian refugee camps in Lebanon and Jordan,

reports focus on the camps as hopeless locations that serve as breeding grounds for terrorist groups.² Certainly Palestinians have faced seemingly insurmountable obstacles in Jordan and Lebanon. Many Palestinians arrived in the camps in 1948 with only the clothes on their backs. They lived for close to twenty years without clean running water and electricity. They are inured to war and political instability. However, a sad appraisal of destruction and death in Nahr al Bared and other Palestinian refugee camps like it in Lebanon and Jordan only presents a partial portrait of life in the camps. Inside the refugee camps there are multilevel cinder block homes, a myriad of businesses and industries, a complex array of electrical wires, and underground plumbing pipes. Despite the difficulties that the refugee camp life presented, Palestinians have crafted sophisticated property right institutions that governed and organized their behavior inside the refugee camps.

Finally, understanding how Palestinians formed property rights gives us insight into how many other groups around the world today might create their own institutions. Palestinian refugee communities are representative of geographically concentrated populations isolated from formal state structures found throughout regions of Africa, Latin America, and the Middle East.³ Studying marginalized groups that exist on the outskirts of formal state structures represents an interesting case because of the almost

² Helton (2002) noted that indifference to the refugee situation provokes refugees to become radicalized and violent terrorists. Helton (2002) stated, “The radicalism of the hopeless [refugees] will continue to nurture terror and cause instability.”

³ For example, Alston, Libecap and Mueller (1999) and Libecap (1989) consider the effects of property rights among frontier groups located in the Brazilian Amazon. De Soto (1989) examines the formation of property rights among “informals” in Peru. Historically, settlers in the American West developed property rights with respect to water irrigation systems, mining and grazing lands outside the formal structures of the US government (Anderson and Hill 2004 and Umbeck 1981).

“institutionally-free” context in which refugees find themselves, meaning that there were little to no formal laws or law enforcing agencies to regulate the use of resources upon their arrival to refugee camps in 1948. The absence of most state structures meant that Palestinians developed rules in un-ruled lands. My dissertation moves the debate on institutional formation from one of general theoretical abstraction to concrete application by examining the formation of property rights among Palestinians located in refugee camps across Lebanon and Jordan.

Key Research Questions

In order to enhance our understanding of property right formation and Palestinian refugee camps, this dissertation seeks to answer a central question. What explains the origins of property rights in Palestinian refugee camp sectors located throughout Jordan and Lebanon? I describe and test the efficiency, distributional, and socio-historical approaches to institutional formation. I evaluate the three institutional approaches in the real estate and construction industry sectors in five camps located in Lebanon and Jordan. I use a dichotomous dependent variable that measures the presence or absence of property rights that permitted me to exclusively focus my efforts on understanding the origins of property right formation.

Next, as I delved deeper into the origins of property rights in Lebanon, I noticed variation in the strength of property rights. A second research question emerged: What explains variation in the strength of property rights across sectors and what is the relationship between property right origins and strength? An ordinal variable that accounted for property right strength was used. In this case I examined the origins and

strength of property rights in the real estate, construction industry, electricity, and water sectors in two camps in Lebanon. In the upcoming section I explain the logic behind my case selections. Following that discussion, I conclude the chapter by mapping out the structure of the rest of the dissertation.

Case Selection

The unit of observation for this dissertation is the refugee camp resource sector.⁴ In particular I examine how property rights form in two resource sectors in five Palestinian refugee camps located throughout Lebanon and Jordan.⁵ In Jordan I evaluate the real estate and construction industry sectors in Baqa'a, Wihdat⁶, and Jerash refugee camps. Baqa'a is the largest camp in Jordan holding an astonishing 86, 514 refugees (www.unrwa.org). It was established in 1968. Wihdat, established in 1955, is slightly smaller holding 50, 601 residents while Jerash, established in 1968, represents one of the smaller camps in Jordan with just 15, 121 refugees (www.unrwa.org). In Lebanon, research focused on the origins of property rights in Beddawi and Nahr al Bared refugee camps located roughly 3 to 9 miles from the port city of Tripoli. Nahr al Bared was established between 1949 and 1950 and Beddawi was constructed in 1955

⁴ The unit of observation refers to one measure on one unit for one dependent variable and includes information on the values of the explanatory variables (KKV 1994, 117).

⁵ I had originally planned to study the origins of property rights in Palestinian camps located throughout refugee camps in Southern Lebanon as well. Recent fighting in the summer of 2006 between Israel and Hizballah in Lebanon has created a difficult security situation for the researcher. Preliminary research conducted there in the summer of 2004 permits the researchers to make educated inferences about the applicability of results from refugee camps in Northern Lebanon to cases in the South.

⁶ Wihdat camp is also called Amman New Camp. In this dissertation I will refer to the camp as Wihdat because that is what Palestinians call it.

(www.unrwa.org). Nahr al Bared held 31, 303 Palestinians and Beddawi is a smaller camp housing 15, 947 refugees (www.unrwa.org).⁷

In addition to the real estate and construction industry sectors, I examined property right formation *and* property right strength in the construction industry, real estate, electricity, and water sectors in Nahr al Bared and Beddawi refugee camps located in Lebanon.⁸ I chose to closely examine the relationship between the approach to property right formation and property right strength in sectors in Nahr al Bared and Beddawi refugee camps for several reasons.

First, I had unprecedented access to refugee political parties and economic sectors in Beddawi and Nahr al Bared because of my personal background and connections to the region. I have visited the refugee camps in Northern Lebanon since I was a young child because my father grew up in Nahr al Bared and members of my extended family continued to live there until the destruction of the camp in May of 2007. I had strong rapport with refugee residents pre- dating my research project. As a result, during field research I easily gained interviews with older and former Fateh members. In addition, I was invited into the shops and homes of refugee residents that in turn facilitated stronger interviews and better data.

⁷ The population in the Northern Lebanese camps has shifted since the summer 2007 military conflict in Nahr al Bared. Some articles speculate that the population in Beddawi has doubled to roughly 30,000 since 2007 while the population in Nahr al Bared has dwindled to a few thousand (www.unrwa.org).

⁸ The electricity and water sectors might seem like strange sectors to study the formation of property rights in refugee camps because Palestinian refugees do not own the entire resource. In Lebanon, a utility company owned the resources and provided a set amount of the resources to the camp. The electricity and water utility companies did not enter the Palestinian refugee camps so private companies did not govern how the use of their resource was divided among camp residents. Refugees themselves had to create rules that governed the use of the shared resources. These types of property rights are called *usufruct* property rights. This means that some camp residents had the exclusive right to access and enjoy the profits and advantages of the resource.

Finally, my level of access in the camps in Northern Lebanon meant that data was more available than in Jordan. In Northern Lebanon, residents allowed me to view their personal documents and the Camp Committee let me sit in on meetings and allowed me to browse some of their property contracts. In Jordan, this type of personal data was not available to me. Finally, in Lebanon there was variation in the strength of property rights across the resource or asset sectors.

I do not evaluate the origins of property rights in the electricity and water sectors in Jordan because property rights in those sectors pre-dated the arrival of Palestinians in the refugee camps. Prior to their arrival in the refugee camps, utility companies established legal claims to and control of the resources. According to an interview with a former Minister of Electricity in Jordan, most Palestinian refugee camps had the infrastructure in place for electricity and water by the 1970s. Utility companies installed meters to measure usage of water and electricity and Palestinians could use as much as they could afford. In this situation, the water and electricity sectors were not common pool resources governed by Palestinian refugees but services that private companies provided to refugees. The absence of variation in strength among sectors in Jordan made studying variation in institutional strength in Palestinian camps throughout Lebanon a better research location.

Data on Refugee Camp Sectors

The refugee camp sector, the central unit of observation, is an aggregated value. Each unit of observation is made up of a variety of businesses, political actors, and economic actors. For example, the construction industry is made up of businesses in a

variety of sub sectors including steel/iron, carpentry, glass, cinder /tile. In addition, the Palestinian Camp Committee, UNRWA, political parties, and respected camp leaders were important actors to consider when taking account the values on the dependent and independent variables for the construction industry camp sector because they were key individuals involved in the creation of property rights in the late 1960s and early 1970s.

Because each refugee camp sector is an aggregated measure, I collected a variety of data for each sector. Information on how I collected data and the number of interviews is located in Appendix A. I used a combination of survey interview data with businesses in each sector, testimonies of political leaders in groups such as Fateh, statistical and historical data from UNRWA, private documents, and principal investigator observations. When this data was combined in each refugee camp sector, a pattern of evidence emerged that accounted for how property rights formed. In effect, the variety of data sources provided a more complete picture of property right formation.

The myriad of data sources increased confidence in the reliability and validity of the data. In each refugee camp sector, there was congruence among interviews, paper sources, and researcher observations. All the sources painted a similar picture of how property rights formed in each sector. Moreover, by relying on a variety of sources for data I avoided gathering data that was one-sided or biased in its perspective. I was able to ensure reliability of my measures for the process of property right formation through the use of diverse sources.

In sum, examining property right formation in Palestinian refugee camp sectors in Lebanon and Jordan provides us with an optimal testing ground for the efficiency, socio-

historical, and distributional approaches. Moreover, the evidence garnered from my in-depth fieldwork has revealed causal processes, which are inadequately theorized in existing accounts of property right formation.

Dissertation Overview

The central research questions posed in this chapter will be answered through an extensive exposition of the theoretical literature on institutional formation and through a detailed discussion of my original empirical data. The first part of the dissertation will tackle the question of the origins of property rights. Chapter 2 explores the theoretical literature on institutions. Earlier work on institutions tended to treat institutions in a formal manner and ignored the independent influence that institutions had on the behavior of actors. Later studies of institutions began to consider the independent effects of institutions. The New Institutional Economics developed a strong body of work on the economic and political benefits of secure property rights. However, studies on the origins of institutions, like property rights, are less developed. This project contributes to the debate on the origins of property rights by developing testable hypotheses and specifying the conditions under which an institutional approach is likely to hold the most explanatory power in a particular environment.

In Chapter 3, using original data collected in the refugee camps over several research trips, I test the validity of the three institutional hypotheses by exploring the pathways to property right formation that Palestinian refugee camps in Jordan and Lebanon followed. I start by providing background history on the refugee camps in Jordan and Lebanon. In particular I explain the informal system of property rights that

existed there prior to 1969 and 1970. Next, the divergent approaches to property right formation that camps in Lebanon and Jordan followed are described.

Data from Chapter 3 reveals that in each host country a different constellation of actors with specific goals that were balanced against each other in different ways negotiated property rights in distinct economic and political environments. The strategic setting influenced the creation of property rights in each country's refugee camp sector. Evidence suggests that the three institutional approaches are, alone, inadequate in explaining property right formation. In Jordan a hybrid process consistent with the claims of the efficiency, socio-historical, and distributional approaches emerged. In Lebanon the distributional approach and elements of the efficiency approach carried the most explanatory power. In-depth field research reveals that hegemonic actors can, in the face of particular incentives, restrain their distributional goals and create secure property rights.

Chapter 4 examines variation in property right strength in refugee camp sectors in Northern Lebanon. Findings reveal that property rights were moderately strong in the real estate and construction industry sectors and moderately weak in the electricity and water sectors. I test competing explanations for variation in property right strength. In particular economic cost and group characteristic hypotheses were explored. These approaches lacked explanatory power because they ignored the strategic setting in which property rights were constructed. Though components of the distributional and efficiency approach were operational in the cases, the severity of Fateh's distributional goals was graver in the electricity and water sectors because common pool resources altered the

incentives for institutional exploitation. Finally, in Chapter 5 the dissertation concludes by summarizing the key arguments and suggesting the implications and the future directions of study.

Chapter 2: The Institutional Origins of Property Rights

Laying the Ground Work

What are the origins of property rights in Palestinian refugee camps located across Lebanon and Jordan? The institutionalist literature is an encompassing body of scholarship that provides us with the most leverage in tackling the central question of the dissertation. The institutionalist literature includes a diverse body of scholarship that has benefited from a recent revival in social sciences. The literature on institutional formation is interesting because scholars from political science, economics, sociology, history, and philosophy readily engage in fruitful debates. This debate has produced general approaches to institutional formation that might explain how property rights form in the context of Palestinian refugee camps. Using the literature on institutional origins as a foundation, I construct a typology that includes three approaches to institutional formation. The three approaches are the efficiency, distributional, and socio- historical explanations of institutional formation. They often overlap with one another but nevertheless maintain distinct insights.

In the following discussion, the logic of each of the three pathways to institutional formation is examined across different cases and works of scholarship. The discussion will begin with a basic review of the “institutionalist revival” of recent decades and the initial focus on the positive impact of institutions on the economy. Next, we will turn to the new frontier of institutional research by focusing on scholarship that questions how institutions, and in particular property rights, form. The points of overlap among the

institutional approaches and the points of distinction are highlighted. Three hypotheses of property right formation are distilled from this discussion. Notably, because of the under- specification of the three approaches I use my own reasoned expectations in addition to the existing literature to craft distinct testable hypotheses. These hypotheses are narrowly defined so as to facilitate strong tests of the institutional approaches.⁹

Institutionalist Revival

The institutional literature has in recent decades benefited from a revival in the field of political science. The field of political science has always studied institutions, as the “Old Institutionalist” perspective from the early 1950s reveals. But the recent revival emphasizes different ways of understanding the origins and effect of institutions. These new ways of understanding institutions influenced the three approaches to institutional formation evaluated in this study.

Previous studies of institutional formation in the 1950s tended to be extremely formalistic and focused on legal and constitutional documents (March and Olsen 1984, 2005). Most of the studies of institutions during the Old Institutionalist era consisted of examining legal documents and tended to focus on a superficial level of institutions and ignored how “politics really worked” (Eulau and March 1969: 16). The focus on those things was seen as “unpalatably formalistic and old- fashioned” (Drewrey 1996:191). There was little interest in the dynamic negotiations behind the formation of the institutions and the constant re-negotiation of institutions in an ever- changing world.

⁹ Some scholars may contend that the very narrow and rigid hypotheses act as a disservice to the currently broad institutional approaches. However, I intentionally push the literature to greater clarity of hypotheses to contribute to more rigorous tests of our institutional approaches.

The New Institutionalism (NI) that emerged in the 1980s focused on very different aspects of institutions. March and Olsen (1984, 2005) eloquently remind us that institutionalist scholars during the 1980s wanted to invite a “reappraisal” of how political and economic institutions could be conceptualized and the degree to which they have independent implications. This new generation of scholars was concerned with different types of political phenomenon, in particular they were interested in studying how institutions emerged, were maintained, and changed. NI departs from earlier perspectives because it considers the internal strategic debates among groups that lead to the formation of institutions as well as the independent effects of institutions on society. NI defined property rights, a particular political economic institution, in ways that reflected their new way of thinking about institutions and their dynamics. Institutions were considered, “stable sets of shared expectations about how people should and will behave in economic, political, and social settings. These expectations structure people’s behaviors by letting individuals know the consequences of their own actions as well as others” (Allio et al 1997).

Much of the early NI literature on property rights focused on the effects of property rights on society and the market. In particular, the literature of the New Institutional Economics (NIE) began to incorporate institutional theories into economics.¹⁰ These approaches latched onto one of the key insights of NI, that institutions are not only determined by negotiations among political and economic agents but that institutions can independently affect the behavior of actors in the market and

¹⁰ John Harriss and Douglass North are two of the most prominent scholars emerging from this approach.

society. The early NIE work focused on the positive effects of institutions in generating increased security and wealth in communities. Harriss et al (1995) identified property rights as key institutions necessary for the development of economies in the Third World.

Early works on the positive impact of property rights have continued to expand with more sophisticated statistical models. Numerous scholars have studied the positive effects of property rights on economic growth and democracy. Leblang (1994) finds a relationship between property rights and economic growth based on a statistical study of 106 countries using the Gastil and Wright measure of economic freedom as a proxy for property rights. Other studies have argued that by contributing to income growth, effective property rights may help preserve democracy (Helliwell 1994).

There is a general academic consensus that property rights matter and that they are key institutions for economic growth and political stability. Notably though, simple arguments that property rights are “good for growth” have been complicated by two insights. First, the causal argument that property rights cause growth has been problematized. In some cases property rights can result from growth rather than stimulate it (Rodrik 2003). Notably, scholars have argued that even poor countries often have secure property rights but these rights may impede growth because of their distributional features. For example, Clark and Wolcott (2003) note that despite a long history of secure property rights and property right reform in India, growth was uneven across Indian states. Despite strong property rights in India there were inefficient employer-employee relations that contributed to poor economic growth. Though there is indication of significant economic growth in Pakistan, social and institutional progress

has lagged significantly (Easterly 2003). High levels of social polarization contributed to weak property rights even though the country experienced growth. The influence of property rights on growth is more complex than early studies suggested.

Second, private property rights are not always optimal. Collective property rights, or rights of resource ownership that are shared by a group or community, sometimes yield secure property right outcomes when resources are mobile or shared. Ostrom (2000) offers several strong arguments about the benefits of collective property rights in the governance of natural resources. While scholars have developed a vibrant debate about the influence of secure property rights, the literature on the origins of property rights is less cohesive and developed.

The New Frontiers of the New Institutionalism: How Do Institutions Form?

The new frontiers of institutional research have moved away from the independent influence of institutions on individuals in the market and in society to a focus on the origins of institutions. Unlike the Old Institutionalism that did not dwell on the negotiations behind the creation of institutions, the New Institutionalists stressed that institutional outcomes, “are the product of the dynamics of the political process and in particular shaped by the background experience of participants” (Jordan 1990, 481). Interestingly, scholars from a variety of academic fields working on cases located in different parts of the world have focused on institutional formation. Most of these studies proposed different approaches of institutional formation and provided rich tapestries of evidence to develop these approaches. These accounts provided great insight into how

different institutional pathways could be operationalized in real world settings. Also, these studies provided valuable assistance to me as I formulated institutional hypotheses.

An unfortunate drawback of these approaches is that they rarely test other institutional explanations for institutional formation in the same location so one cannot assess the true explanatory power of an institutional pathway when falsifiable hypotheses are not presented. However, using the cases as illustrations of each approach facilitated the formation of hypotheses and assisted in the creation of clear expectations of property right formation in Palestinian refugee camp sectors.

Efficiency Approach

Demsetz (1967) provided one of the earliest and clearest descriptions of an efficiency approach to property right formation and was an early harbinger of the NIE incorporation of institutions into economics. Demsetz argued that the main function of property rights is to internalize, or make less costly, the harmful effects that market changes present by providing long- term security of investments to actors. Groups or individuals are primarily motivated to form property rights in order to take advantage of the new benefit-cost possibilities that the market presents (Besley 1998). Demsetz (1967) provided an example of the efficiency approach using memoirs from an anthropological study conducted by Eleanor Leacock during the early 1900s on the formation of private property rights with respect to land among Native Americans who inhabited regions in Quebec (350-351).

Demsetz (1967) created a chronology of property right formation in the Native American communities in Quebec. Prior to the boom in fur trading, hunting among

Native Americans in the Quebec region was primarily carried out for the purpose of basic survival needs like food and warmth. Prior to the boom in the fur trade, there was no private hunting land ownership that Leacock could identify because families only hunted to fill basic needs. The fur trade brought with it two key changes: an increase in the value of furs and an increase in the scale of hunting. These changes acted as market shocks that caused the Native American hunters to re-evaluate the costs and benefits of their current traditions of hunting. Over hunting and competition over the animals among families increased as the fur trade gained value. Native Americans, in order to capture the potential benefits of the fur trade, were motivated to create hunting and trapping territories that were designated to particular hunting families.¹¹ In sum, Demsetz (1967) saw new property rights emerge through decentralized cooperation of affected parties that sought the creation of rules that helped individuals capture the benefit of resource ownership. This summary of Demsetz's argument provides the foundation for our understanding of the efficiency approach. It suggests that economic agents create property rights through cooperative efforts with one another in order to capture the gains from trade. Also, Demsetz suggests that overcoming transaction costs is a major goal among individuals or groups forming property rights according to the efficiency approach.

Transaction costs consist of the costs of measuring the valuable attributes of what is being exchanged, the costs of protecting it, policing, bargaining, and enforcing

¹¹ One could imagine that even though Demsetz maintains that this is a clear case of an efficiency solution to market shocks, the arrangement in fact took the form it did because of pre-existing communal practices. However, my lack of expertise in the details of the case precludes me from assessing the validity of his argument in this particular context. The way Demsetz presents the facts of the case suggests that the efficiency approach was clearly at work.

arrangements (North 27, 1990). For Native Americans in the Quebec region, there were high costs associated with over hunting once the fur trade increased in value. Even if all actors share the similar goal of maximizing gains from trade, they face the cost of assessing how much an asset is worth and the location of buyers. Moreover, sometimes there exists an asymmetry of information among actors. Some agents might know the true value of a good and have an incentive to conceal its true value. In Palestinian refugee camps it might be difficult for refugees to determine the value of their construction machinery if they are not aware of prices within the host country that surrounds them. Moreover, it is extremely costly for businessmen to pay for the services of guards or watchmen when there is no regular police force to monitor and enforce their property rights. In addition, the absence of formal courts makes it costly to enforce contracts inside the camps.

The high costs of doing business mean that agents need sufficiently strong incentives to overcome them in order to maximize the potential gains from trade. A system of recognized and enforced property rights helps reduce these transaction costs. However, agents will only craft property rights when market changes like price increases, technological innovations, population increases, or the introduction of new political actors create a high potential to capture these gains from trade. These market changes mean that resources become more valuable than ever before. As the size and scope of business activity increase and resources increase in value, economic agents need more complex kinds of agreements to facilitate impersonal exchange (North 34, 1990). This was clear when Demsetz (1967) pointed out that prior to the booming fur trade; Native

Americans saw no reason to create private hunting territories because costs associated with free hunting were so low. It was only after the boom in fur trading that private ownership of hunting territories developed.

Advocates of the efficiency approach stress the enhanced efficiency that property rights provide for economic agents. Indeed, for Native Americans the private hunting lands meant families could enjoy hunting for commercial value without fear of other families' over-hunting their forest area. Such institutions must enhance the status quo for contracting economic agents. The efficiency approach argues that the formation of institutions should be Pareto improving. This means that given a set of allocations and a set of individuals, a movement from one allocation to an alternative allocation must make at least one individual better off without making any other individual worse off. One cannot simply look at the institutional outcome to assess if an institution is Pareto improving. In fact, Pareto efficiency does not necessarily correspond to the maximization of social welfare especially when the status quo is such that there are already high -income disparities or social inequalities (Allio et al 1997, Knight 1992). Instead, the individual intentions of contracting agents reveal if the primary goal in creating an institution is to enhance the efficiency of economic agents.¹²

In sum, the efficiency approach stresses the necessity of a market shock to spur the formation of property rights. In addition, economic or political actors are motivated to create property rights to overcome transaction costs so as to enhance the efficiency or success of their sectors. Ultimately political or economic actors are focused on capturing

¹² The motivation for enhancing efficiency is evidenced in interviews with refugees by a belief of enhancing one's own well being (economically) and perhaps the well-being of their sector.

potential gains from the market. Other motivations, like the desire to control a resource to maintain political power or a desire to use personal historical experiences to meet market challenges are not emphasized.

Distributional Approach

The power distribution and efficiency approaches share some similar views on the formation of property rights. First, market changes associated with a particular resource, like new technology, price changes, population fluctuations, or political changes make a resource much more valuable than ever before. Next, these factors serve as “shocks” to the prevailing equilibrium conditions spurring economic agents to form property rights. Like the efficiency perspective, power distributional scholars emphasize that economic agents must see their welfare “improved or at least made no worse off,” in order for them to support the formation of institutions like property rights (Libecap 11, 1989). In effect there must exist “demand” for the formation of property rights. Without the complex market signals that property rights provide, resources may not flow smoothly or routinely to higher valued uses as economic conditions change (Demsetz 1967, Libecap 1989).

The power distribution perspective departs from other institutional approaches in significant ways. Through a distributional lens, Libecap (1989) and Alston, Libecap and Mueller (1999) offered wonderful illustrations of the formation of property rights. Interestingly, these descriptions stem from studies of different groups with respect to different types of resources. Libecap (1989) examined the formation of property rights in natural resource sectors in the American economy. Alston et al (1999) examined the creation and impact of property rights on the Amazonian frontier states of Para and

Parana in Brazil. These studies were less concerned with the strength of property rights and were more focused on how property rights emerged. Libecap (1989) examined the formation of property rights in common pool resource sectors while Alston et al (1999) studied property rights with respect to both private and common pool resources. The importance of the resource type in property right formation is discussed in later portions of this dissertation.

Libecap (1989) examined the formation of property rights with respect to minerals, federal land, fisheries, and oil field industries in the United States. Like the efficiency approach a market shock is necessary to create a “demand” for the formation of property rights. However, this demand does not mean property rights will form smoothly as the efficiency approach argues. Moreover, property rights according to the distributional approach are more than just, “remnants of past legal and social traditions” (Libecap 1989: 10). In his view property rights were the result of a political bargaining process in which bureaucratic officials, interest groups, and companies with distinct power interests negotiated and compromised. Libecap identified an extensive list of negotiating actors and their particular interests during property right negotiations. He separated contracting parties into three categories: politicians, private claimants, and bureaucrats.

For example, Libecap argued that politicians have the authority “to direct the coercive power of the state to define and enforce particular property rules” (Libecap 1989: 27). In addition, politicians were seeking to maximize their political support while at the same time balancing the demands of influential parties. Libecap traced the impact

of these variables on the formation of property rights. From the perspective of politicians, property rights are important institutions because they assign ownership to valuable resources and by allocating property rights some actors will be excluded from owning the resources. The benefits that property rights provide also suggest that there are “numerous grounds for disagreement” (Libecap 1989: 11). Powerful actors are often motivated to create property rights because they want to take control of a valuable asset to increase their level of political, economic, and social power.

Similar to Libecap’s (1989) study, Alston et al (1999) identified distributional issues encountered during property right negotiations between Brazilian political parties and frontier groups as the key feature to study during the process of institutional formation. Despite the examination of different cases, Libecap (1989) and Alston et al (1999) similarly concluded that after a market shock the provision of property rights depended upon political bargaining. Alston et al (1999) considered how key powerful actors in Brazil: frontier groups and companies, the bureaucracy, politicians at the federal level, politicians at the level of civil laws, and the judiciary interacted to form property rights. Like Libecap (1989), Alston et al (1999) emphasized the size of expected gains associated with the creation of property rights, the number and heterogeneity of bargaining parties, the varying levels of information among actors, and the concentration or skewedness of the current and proposed distribution of wealth with the formation of property rights (Libecap 1989: 21-28). These variables are revisited in later parts of this chapter.

In sum, the distributional approach emphasizes that property rights develop

because market changes make certain resources or assets more valuable causing individuals or groups in a position of power, like political parties or large companies (new or existing), to seek strategic advantage over others by controlling the distributional gains from trade.

It is important to note that although Libecap (1989) and Alston et al (1999) focused their attention on the role of negotiating political groups as property rights form, political parties are not the only actors that have a stake in creating and controlling property rights according to a distributional approach. Any actor in a position of dominance would have strategic interests in creating property rights that advantage their personal goals. Their position of dominance could not only be influenced by political power but also economic power (because they are a large firm) or by their social influence (rooted in their race, religion, language, place of origin, citizenship).

In the past, scholars emphasized the efficiency benefits of cooperation associated with institutional formation and change. Although property rights can help coordination and cooperation, this is an incomplete sketch of institutional formation. A major distinguishing feature of different institutional forms is their distributional consequence (Knight 1992, 26). One cannot just state that property rights are explained by increasing efficiency. Central to the distributional argument is that the final product of property rights is grounded in the intentions and motivations of conflicting actors. In Knight's view,

“Institutions are not created to constrain groups or societies in an effort to avoid sub-optimal outcomes but, rather, are the by-product of substantive conflicts over

the distributions inherent in social outcomes, and the goal of those who develop institutions is to gain strategic advantage vis-à-vis other actors and thus the substantive content of those rules should generally reflect distributional concerns.”

Socio- Historical Perspective

The socio- historical perspective is similar to the previous two approaches in that price, technology, population, or political “shocks” to the market are necessary but not sufficient conditions to induce institutional formation.¹³ However, this approach focuses on different motivations and constraints among negotiating actors during the creation of property rights. The socio-historical perspective does not separate the individuals or groups that create property rights from the general social setting in which they are embedded. Negotiating actors like political parties, tribal leaders, and economic agents act as members of collectivities, like a community or tribe or clan, when they respond to changes in their environment. During the formation of property rights, individuals act as members of a collective that has its own distinct historical and social institutional experiences. Unlike the efficiency approach, actors are not interested in simply enhancing their material well being in the market. The approach emphasizes the

¹³ It is important to clarify this approach’s relationship to the “historical institutionalist literature.” HI as it is presented in the literature, is an approach to studying political institutions that maintains distinct ontological and foundational premises (Hay and Wincott 1998). Components of the HI literature are evident in my “socio-historical approach” to property right formation. For example, both approaches maintain that in creating institutions “actors are strategic and seeking to realize complex, contingent and often changing goals. They [create institutions] in a context which favors certain strategies over others and must rely upon perceptions of that context which are at best incomplete and which may very often reveal themselves inaccurate after the event” (Hay and Wincott 954). Moreover, HI tends to employ an inductive research approach and generally sees institutions as key “intervening variables through which battles over interest, ideas and power are fought” (Steinmo 2001). However, I incorporate aspects of a sociological perspective, like the importance of institutional repertoires, in my approach. Thus components of a historical and sociological perspective are melded in my typology.

contingency of individual or group behavior in response to market changes on their specific historically determined environment. Members of the community seek to preserve their current (and historic) way of life by adapting their previous experiences with property rights to new market challenges. Their previous way of creating institutions and maintaining them are referred to as institutional repertoires. Institutional repertoires include informal and formal institutions like social norms of doing business and legal precedent. This approach suggests that groups with easily accessible repertoires of property right formation will more likely form property rights in response to market shocks.

Acheson (1988) presents a compelling argument for the socio-historical approach to property right formation in his 1977 to 1980 study of the formation of lobstering rights among Lobster gangs, the social units of lobster fishermen at the harbors, in Maine. Lobsters became increasingly valuable in the market in Maine because consumers desired the food and were willing to pay high prices for the item. In addition, there were technological advances in canneries and lobster smacks (special sailing vessels for lobstering) conferred even greater value on lobsters and increased the ease of their extraction. Problematically, if everyone over-fished for lobsters then there would be none left for others or for the future (this happened historically in Cape Cod). Market changes created a clear demand for the formation of property rights with respect to lobster fishing areas.

Unlike the previous institutional approaches, lobster gangs, community leaders, and local government officials created property rights that meshed with the generally

accepted values, attitudes, and ways of doing business of the local harbor towns that formed strong knit communities around lobstering areas. Actors were not primarily concerned with finding the most efficient solution to creating property rights nor were political actors focused on gaining strategic advantage over other groups in Maine. Instead rules were created that adapted an accepted social system, the lobster gangs, as the primary network for the formation and enforcement of property rights.¹⁴ Maintaining the long established network of lobstermen and their families was a primary goal in the formation of property rights with respect to lobstering areas. Most of the rights that developed from these social groups in mainland harbors were usufructuary. This means that some fishermen had the exclusive right to use and enjoy the profits of a particular fishing territory.

Acheson's (1988) description of property right formation along a socio-historical pathway emphasizes the importance of collectivities, like a lobster gang in Maine, in adapting previous institutional experiences when the market demands the formation of property rights. In the context of Palestinian refugee camps it is important to remember that if the host country and Palestinians interact to create property rights then each group has their own distinct institutional repertoire that could be incorporated into the formation of property rights.

¹⁴ Some may critique this account of property right formation presented by Acheson, charging that he downplays the unequal power distribution among lobstering families and that in fact lobster gangs wanted efficient solutions to market shocks and simply used older practices to meet this end. However, based on Acheson's account he presents a clear case of the socio-historical approach and unfortunately I lack expertise in lobstering communities in Maine to challenge his presentation. Moreover, his project does not set out to test other institutional approaches but hopes to illustrate the socio-historical perspective. The important point to take away from his discussion is how a socio-historical approach might operate in a specific setting.

Moving from Institutional Approaches to Hypotheses

Where does this literature review of the three general approaches to institutional formation leave us and how does it influence the key hypotheses tested in the dissertation? Though institutionalism has experienced a revival and flourished in the last few decades, there remains a great degree of ambiguity in institutional explanations of property right formation. Because of the overlap among the approaches some scholars like Hall and Taylor (1996) have pushed toward synthesizing the three approaches. However, I argue that if one really cares to assess our institutional approaches then we must push ourselves to clarify our thinking about the unique logic and process that each institutional approach potentially presents. Before synthesizing the approaches one must first consider what they would actually look like in real world cases if they were operating alone.

Respected scholars such as Jordan (1990) and Peters (1999) question whether the empirical and theoretical claims of institutional theories can be sustained and whether institutional explanations are falsifiable. Indeed, Jordan (1990) claims that many institutionalist arguments are “too ambiguous and preliminary for ready empirical application (483).” This dissertation makes a step toward creating testable institutional hypotheses. Often times I made reasoned guesses based on the existing literature to formulate the hypotheses.

In their chapter titled “Post Communist Privatization As a Test of Theories of Institutional Change,” Allio et al (1997) constructed hypotheses of institutional formation and tested them in post communist Europe. They wished to “frame hypotheses that

distinguished among these [institutional] theories and that they can test, to the greatest extent possible, with the privatization experience of post-communist countries” (320).

Allio et al (1997) emphasized the importance of strategic negotiations among actors with different motivations.

The scholars tested three general approaches to institutional formation but their classification of institutional perspectives differed from the scheme employed in this dissertation. Allio et al (1997) tested economic, distributional, and public choice approaches to private property right formation. They classified the economic and distributional approaches in a manner similar to the descriptions of the efficiency and distributional approaches described earlier in this chapter. However, they ignored altogether a socio-historical explanation to institutional formation. The public choice approach argues that the government is motivated to create property rights to enhance its’ revenue and electoral prospects. The authors admit that the public choice approach could be considered a sub-category of the distributional approach. It does not seem to be a distinct institutional approach. Nevertheless, the authors make great headway in operationalizing each theory in the context of privatization of State Owned Enterprises (SOEs) in post-Communist Europe. Their study is worth a lengthy discussion because it provided a key foundation to the formulation of hypotheses in this dissertation.

The process of informal privatization of SOEs refers to the reallocation of de facto ownership of state owned assets by managers of SOEs. This process began in Eastern Europe when elites consciously started to liberalize political and economic systems to maximize efficiency. Early in their discussion of the privatization of SOEs,

the scholars ruled out the public choice theory because the role of government in privatization was at least initially limited. The distributional interests of the government played no role in the privatization process. The economic theory of property right formation predicted that newly developed private property rights should be more efficient than those under the old system. The distributional theory stressed the importance of resource asymmetry among major societal actors and predicts informal changes in property rights that would be most beneficial to the advantaged groups within society.

Across the post-communist countries where this informal process was occurring one discovers that new firms always maintained links with the parent firms they broke off from and that their success was not determined by efficiency concerns like their technological innovation or prices. Rather, their ability to successfully privatize was the result of their exclusive access to attractive markets, information, or supplies at below market prices made possible by the status of owners. The power and connections of industry owners determined the success of privatization for business owners in post-Communist Europe. Their study provides the most support for the distributional theory.

Allio et al's (1997) chapter has some major drawbacks despite representing the first major attempt at testing explanations for institutional formation. First, the scholars tended to evaluate institutional approaches based on institutional outcomes and not based on the motivations and actions of actors during the negotiations of rules. Evaluating the validity of an argument based on the outcome and not the process is known as the "functionality fallacy/pitfall" in the social scientific literature. Despite their efforts to avoid the functionalist fallacy, they still fall prey to its allure. This pitfall of the project is

closely related to another problem they encounter. The nature of the evidence they used to test the institutional approaches was problematic. Allio et al (1997) did not use primary evidence or first-hand interviews with actors involved in the process of privatizing ownership of SOEs. Instead, they relied on secondary evidence that did not provide strong evidence of the motives of negotiating actors. Considering the heavy emphasis Allio et al (1997) placed on the role of actor motivations in the process of property right formation, the lack of primary data that could reveal their actual intentions was a severe limitation of the study. Despite these shortcomings, Allio et al's (1997) study made great strides in formulating testable institutional hypotheses.

Thelen (2004) is one of the most recent works of scholarship that tests the institutional approaches. Thelen's remarkable study of the origins and evolution of the German vocational system contributes to the Varieties of Capitalism (VOC) literature and also combats the functionalist fallacy. Thelen (2004) asks the central question, "What brought systems of institutions (coordinated vs. liberal market economies) into being and what holds them together today?" For the purpose of this literature review we will focus on her discussion of the origin of the German vocation system and not the subsequent evolution of that institution because this dissertation focuses exclusively on the origins of property rights. Scholars often point to Germany's vocational system as an "exemplary" solution to many coordination problems including getting firms to invest in workers and assuring workers that their training would be of high quality (Thelen 6, 2004). She explains that several institutional explanations offer different views of the origins of the

German vocational system. She characterizes the three institutional approaches in a manner similar to this dissertation.

The efficiency perspective emphasizes that the vocational system is part of a complex institutional configuration that supports employer coordination around “high skill equilibrium” (Soskice 1991). The power distribution perspective argues that the German vocational training system is a reflection of working class strength. Finally, the sociological perspective sees the vocational system as an example of the German mode of self-governance that operates through the country’s social partners without state intervention (Thelen 2004). However, through process tracing and careful study of the historical conditions during the formation of the vocational system she comes to her own conclusions. Contrary to an efficiency perspective, these institutions were not created with the economic interests of the industrial sector in mind. Contrary to a power based argument, the institutions were not the result of worker strength because labor played no role in promoting the original legislation and the Social Democratic Party opposed it. Finally, there was no evidence that social partnership played a role in institutional formation. The core institutional innovation around which the German system came to be built was legislation passed in 1897 by an authoritarian government motivated by a desire to shore up and support a conservative class of independent handcraft producers that could serve as a bulwark against the surging and radical working class movement.

Notably, Thelen does emphasize the strong power distributional component but goes beyond the approach in her study of institutional evolution because she finds that institutions often outlive their founding coalitions. “Institutions designed to serve one set

of interests often become “carriers” of others as well (33). For example, the German vocational training system ultimately served strong union interests but the original framing legislation was mostly aimed at weakening unions. Though this dissertation does not examine the evolution of property rights it is an issue that merits further empirical analysis in future studies of property rights in Palestinian refugee camps.

The strength in Thelen’s (2004) study is her ability to develop expectations of what each institutional approach would look like if it were operating during the formation of the German vocational system. Thelen’s (2004) study of the formation and evolution of German vocational programs are compelling because she avoids the functionalist trap by establishing clear expectations and tracing the process of institutional formation instead of evaluating approaches based on institutional outcomes. She emphasized that institutions are the product of concrete temporal processes and political struggles. The strengths and weaknesses of process tracing are described in depth in the research design section in this chapter. Her study provides a wonderful foundation for formulating falsifiable institutional hypotheses.

Before moving onto those hypotheses it is important to summarize the major gaps of the existing literature on institutional origins. First, existing scholarship rarely tests the three institutional approaches in the same setting. There are many illustrative case analyses of institutional formation but most scholars have not created falsifiable institutional hypotheses that can be tested in real world settings. In addition, because of the ambiguity and overlap among the three approaches there exists no set of formalized indicators for each institutional approach. Finally, even when scholars have attempted to

test the institutional approaches there is a tendency to fall into the functionalist trap of assessing institutional approaches based on their outcome and not the process that led up to institutional creation (Allio et al 1997). Thelen's (2004) use of process tracing provides an important template for avoiding the functionalist trap. In a later section on research methods in this chapter, the importance of process tracing and its role in this dissertation are clarified. The next section presents three testable hypotheses.

Three Hypotheses for Institutional Formation

All three of the institutional approaches inventoried here emphasize the negotiations surrounding the process of property right formation following a market shock. Earlier in this chapter I mentioned Libecap (1989) and Alston et al's (1999) list of key components that impact the creation of property rights. In this section I highlight these components. First, the diversity of actors negotiating the creation of property rights is key in determining the institutional approach that best explains property right formation. Next, the motivations of actors crafting property rights are important. By motivations, one is referring to the primary goals that actors wish to attain through the establishment of property rights. For example, actors might be primarily concerned with overcoming transaction costs and ensuring market success, or they might be primarily concerned with attaining political power, or they might simply want to adapt past forms of conducting business through the establishment of property rights. Finally, the power of each actor's voice during property right formation is important. This variable considers if each actor had relatively equal voice in the creation of property rights or if some actors had more or less voice.

Each institutional approach has distinct expectations of how actors negotiate the formation of property rights. The table below summarizes the expectations of the efficiency, distributional, and socio-historical approaches. The efficiency, distributional, and socio- historical hypotheses are described in greater detail following the table.

Table 1: Competing Approaches to Institutional Formation

Approach	Market Shock	Diversity of Actors	Primary Goal	Actor Power
Efficiency	Necessary but not sufficient	Small and big political and economic actors	Overcome transaction costs and reap benefits of trade or market success	Off-setting power advantages
Distributional	Necessary but not sufficient	Actors in a position of dominance (political parties, big businesses or industries)	Gain strategic advantage over other groups and consolidate power thru control of economic resources and assets	Asymmetrical power advantages and interests among actors
Socio-historical	Necessary but not sufficient	Actors represent collectivities with shared institutional repertoires (like tribal leaders, host country officials, village leaders)	Adapt institutional repertoires and preserve existing social and economic system	Asymmetrical inst. experience among actors

The Efficiency Hypothesis

The efficiency perspective has specific expectations of the motivations and negotiations of actors during the formation of property rights. The efficiency approach hypothesizes that as market changes take effect and resources or assets become more valuable than ever before, economic or political agents are motivated to cooperate and form property rights in order to reap the benefits of ownership of those newly valuable resource. One expects to find a variety of market actors negotiating the formation of property rights. This means that big and small political, economic, and social interests

would craft property rights. The actors would primarily focus on overcoming transaction costs, capturing the gains from trade, and ensuring the market success of their resource. Moreover, negotiating actors should have offsetting power advantages during rule negotiations. This means that though actors would have varied strengths, no single actor could dominate the direction and content of negotiations.

The Distributional Hypothesis

The distributional approach hypothesizes that property rights develop because once market changes make certain resources or assets more valuable than groups in a position of power (new or pre-existing) seek to gain strategic advantage over one another by controlling the distributional gains from trade and new resources. In addition, one would expect that a diversity of powerful actors from different political organizations, businesses, or social groups negotiate property rules. Also, one would expect to find actors with asymmetrical power advantages and interests. In effect, one or a few powerful actors that have distinct interests would have the capacity to dominate the direction and content of negotiations.

The Socio- Historical Hypothesis

The socio- historical approach has distinct expectations of property right formation. In response to market shocks, groups are motivated to form property rights based on their institutional repertoires of property right formation. Groups with more readily accessible institutional repertoires will be more likely to craft property rights. Groups like community members, tribal leaders, or host country officials that represent a collectivity with shared institutional repertoires negotiate the formation of property

rights. These community leaders form property rules in ways that adapt previous institutional experiences to market changes and that preserve their existing way of doing business and living life. One would expect that members of the community with more knowledge or access to institutional templates would have more voice in the way rules were created.

Research Design

In order to test the institutional hypotheses described above, a research design that examines property right formation inside different refugee camp sectors in Lebanon and Jordan is used. From the outset it must be stated that my research design for the origins of property rights provides no real variance on the dependent variable. The no-variance research design was dictated by empirical reality that revealed the presence of property rights in all sectors across all camps in Lebanon and Jordan. An obvious criticism with this type of “no-variance” research project is that researchers will not be able to assert any meaningful causal inferences about the validity of the institutional approaches. In their seminal work, *Designing Social Inquiry*, King, Keohane and Verba assert that one can “learn nothing about a causal effect from a study which selects observations so that the dependent variable does not vary” (KKV 1994: 147). Their argument is certainly appropriate from the perspective of regression analyses however no-variance designs do play a critical role in testing theoretical explanations.

Certainly, in an ideal situation a researcher should find cases in which property rights were present and absent in others (Brady and Collier 2004). However, empirical reality made this type of research design impossible in the Palestinian refugee camps.

Despite the absence of variance in the dependent variables I can still learn a lot about the validity of the institutional approaches in explaining property right formation. KKV (1994) focused on causal explanations for specific outcomes while the bulk of my research interest lies in the process of property right formation. Brady and Collier argue that, “crucial leverage in testing explanations comes from within-case analysis, and this leverage is valuable irrespective of whether the cases are embedded in a full- variance design and no-variance design” (Brady and Collier 2004: 101, Bennett 1997).

By developing clear predictions of the institutional approaches and assessing if key variables were in fact present when property rights formed I was able to disconfirm approaches to institutional formation. Each institutional approach expected the presence of certain variables or conditions in order for property rights to form. When those predicted variables were absent but property rights still formed then I could disconfirm an approach. Through this process of elimination I was able to assess if one of the three proposed approaches held the most causal weight. When I was left with just one causal explanation I could evaluate its internal validity and eliminate spurious claims through process tracing techniques. Below I highlight the strategies I used to disconfirm the institutional approaches and to assess their internal validity.

The institutional approaches are tested using two forms of within case analysis (congruence testing and process tracing) to explain property right formation in refugee camps. Congruence testing allowed me to assess if the predicted key independent variables were in fact present when property rights formed. When property rights were present but an institutional approach’s key independent variables were absent then I

disconfirmed a theory. For example, the socio-historical approach expects collective groups to negotiate property rights. If community groups were completely absent from the creation of property rights then I could disconfirm the approach. The congruence method allowed me to rule out approaches that were not at play in the formation of property rights.

However, establishing a mere congruence between the presence of particular variables and an institutional outcome is not enough to understand the causal mechanisms connecting them. If the outcome of the case is consistent with a theory then it is possible that a causal relationship may exist (George and Bennett 185, 2004). But discovering a correlation between a theory's predictions and outcome is not enough because the relationship between the independent and dependent variables may be spurious (George and Bennett 185, 2004). Process tracing can be combined with the congruence method to assess whether the congruence between independent and dependent variables is causal or spurious. In effect, by using process tracing techniques I can assess the internal validity of the casual approach. My assessment of institutional approaches closely mirrors Thelen's (2004) study. By establishing the sequence of property right formation one can evaluate an approach with greater certainty because the causal mechanisms of the approach lay exposed compared to a correlational approach.

Process tracing can also enrich our institutional theories because it allows the researcher to assess the effect of the strategic environment in which actors operate on the motivations of negotiating agents. Scholars have in the past sometimes used process tracing to tell "stories" about the phenomenon they are studying. This dissertation avoids

telling “stories” by creating a very structured design for tracing the causal process and motivations of contracting agents creating property rights. In this dissertation I identify clear expectations of how each of the key actors should behave according to the institutional approaches.

The first step in process tracing is establishing the timing and sequence of key independent variables leading to property right formation (Pierson 2000). Next, I must examine if contracting agents were reacting to market changes happening around them. If refugees were not responding to market changes when they formed property rights then the researcher would have to re-visit the assumption that market changes are necessary conditions for the establishment of secure property rights. In addition, the researcher should identify if the changes contracting agents perceived in their economic or political environment actually motivated them to create property rights in specific ways. For example, in interviews one would expect individuals to describe the increasing value of a particular resource that in turn spurred them to claim ownership of it. Once the goals of actors are established the researcher must verify if the goals of actors were consistent with actions of actors. But how does process tracing allow me to plausibly assert a causal role for actors’ goals? Or in other words, how would I know if these goals were real and at play if they were ‘to walk through the door’ (Checkel 11, 2005)?

The self- reported goals of various actors could be incomplete and unreliable. Moreover, some might argue that actors sometimes have reasons to conceal their true intentions. But this project limits these mistakes by interviewing a relatively large number and variety of actors with diverse backgrounds and experiences. The goals of a

single actor are not taken at face value; rather they are compared to other respondents' answers as well as to other forms of data like historical documents and UNRWA statistical data. Triangulating across interview responses and a variety of other source ensures data reliability and comparing these motivations and intentions with the theoretically derived predictions ensures the validity of the results. By examining property right formation using within case analyses the researcher gains the greatest leverage in testing the three institutional hypotheses.

Measuring Property Rights: The Key Dependent Variable

A clearly identifiable measure for property rights facilitates stronger tests of the institutional approaches. Property rights refer to a bundle of rights and responsibilities that define an owner's rights, privileges, and limitations for the use of a resource or asset. Previous studies have measured property rights as a dichotomous variable. These studies assess the presence or absence of property rights by determining whether businesses in sectors have formal land titles or not (Alston et al 1996). A title is a formal document issued by a state or federal government that signifies government recognition of an individual's property rights to a land. Alston et al (1996) assessed if resource owners had a formal legal title that was registered with the Brazilian government that gave them the "right to use, enjoy and dispose of the goods, and to receive them back from the power of those who unjustly possess them (Alston et al 1996: 87-88).¹⁵

Though this measure is commonly used it has two deficiencies. First, property rights are considered present if a government issues a formal legal title. However, this

¹⁵ This quotation is from Article 524 of the civil code [of Brazil] that was translated from Fachin (1991).

measure does not consider that community acceptance or recognition of the title is a necessary condition for property right presence. In particular, community recognition is necessary in addition to a government title. In some cases, community recognition and acceptance of a system of property rights is sufficient even in the absence of a government issued title. Moreover, the dichotomous measure is not sensitive enough to measure property rights among marginalized groups. For example, there is no government authority that issues property titles among Palestinians in Lebanon though there is a high level of community acceptance and a recognized local political body that issues titles in the camps.

As a result, I use a dichotomous measure of property rights. Property rights are considered present if two necessary conditions are met.¹⁶ First, property rights are present if a *local* authority and/or a state authority in the refugee camps issued a title for a resource or asset. A local Palestinian Camp Committee could issue a title signifying property ownership. Importantly, the discovery of a single business in a sector with a title claiming ownership of a resource or asset does not mean property rights are coded as “present” in a refugee camp. The second necessary condition for property rights to be coded as present is that the refugee community must implicitly or explicitly accept the titles.¹⁷

¹⁶ Goertz (2006) provides an excellent discussion of technique, including a description Aristotle’s “necessary” conditions approach that scholars can use while attempting to create strong concepts in social science research projects.

¹⁷ Community acceptance is determined through investigator observations and interview responses. First, if the entire community can produce evidence of their title to me (the actual document) then it is likely there is community acceptance. Moreover, in interviews if people state that they believe that their title is necessary to establish their ownership of a resource then this evidences the presence of community acceptance.

The Next Steps

The three approaches present separate and distinct accounts of property right formation. The hypotheses described above facilitate stronger tests of the three institutional approaches because there is a clear expectation of the process of property right formation in Palestinian refugee camp sectors. The theoretical and research design framework developed in this chapter motivate the empirical work that follows in the remaining chapters. The next chapter tests the validity of the three institutional approaches in the context of Palestinian refugee camp sectors located throughout Jordan and Lebanon.

Chapter 3: The Genesis of Property Rights in Palestinian Refugee Camp Sectors

The Foundation for Analysis of Property Rights in Palestinian Refugee Camp Sectors

In this chapter I assess the institutional hypotheses in two different sectors across refugee camps located in Jordan and Lebanon.¹⁸ This chapter addresses two questions: First, what do property rights look like inside Palestinian refugee camps? Next, what institutional approach best explains the formation of property rights in Palestinian refugee camp sectors in Lebanon and Jordan?

In order to answer the questions, the chapter is structured as follows. First, a description of the informal system of quasi-property rights that existed in Palestinian refugee camps prior to the formation of a formal property titling system is provided. Next, I explain how economic and political shocks in the form of increasing remittances and the arrival or departure of Fateh in 1969 and 1970 spurred Palestinians to construct property rights. Then, I describe what formal property rights looked like inside the camps when they initially formed. The next sections, which contain country specific data, will constitute the key assessment of the institutional approaches. Did Palestinian refugees create property rights in similar ways in Lebanon and Jordan?

Though the refugee camps experienced similar initial conditions and timing of market shocks, different “strategic settings” for negotiating property rights emerged in Lebanon and Jordan. Recall that in Chapter 2 the three institutional approaches shared

¹⁸ See Appendix A for more information on the collected data.

the view that property rights were the result of strategic interactions between actors and their environment. The goals and actions of negotiating actors as they interact with each other and their political and economic environment affect how property rights are formed. In each host country a constellation of actors with specific goals that were balanced against each other in different ways negotiated property rights in distinct economic and political environments. The strategic setting influenced the creation of property rights in each refugee camp sector. Evidence suggests that the three institutional approaches are, alone, inadequate in explaining property right formation. In Jordan a hybrid process consistent with the claims of the efficiency, socio-historical, and distributional approaches emerged. In Lebanon the distributional approach and elements of the efficiency approach carried the most explanatory power. In-depth field research reveals that hegemonic actors can, in the face of particular incentives, restrain their distributional goals and create secure property rights.

Initial Conditions in the Refugee Camps

Understanding the initial conditions in Palestinian refugee camp sectors grounds our understanding of the shift from informal to formal property rights. The next paragraphs provide background on the early political and economic conditions across camps in Lebanon and Jordan with a specific focus on how refugees staked claims to resources before the establishment of formal legal titles.

Lebanon and Jordan were ill - prepared to handle the initial influx of Palestinians in 1948 when “al-Nakba,” or the disastrous 1948 war with Jewish settlers, caused Palestinians to become refugees. UNRWA acted as the primary advocate for the

Palestinian people in the host countries. Between 1948 and 1950 UNRWA brokered agreements with host country governments to allocate land for Palestinian use (appendix A: I-3J and I-21L). This agreement was revised in 1967 to accommodate the influx of Palestinians who fled Gaza following the Arab defeat in the Six Day war (appendix A: I-3J, I-2L). Jordan and Lebanon agreed to lease land to UNRWA for Palestinian use for 99 years but the host countries absolved themselves of any role in the division of land among refugees (appendix A: I-3J and I-21L).

UNRWA adopted the role of allocating resources, like land, to Palestinian refugees. UNRWA allotted each family a plot of land and a tent based on the number of family members in each grouping (appendix A: I-2J, I-3J, I-2L, I-3L, I-21L, I-29L). For example, every six to eight family members received a tent and a small plot of land (appendix A: I-2J, I-3J, I-2L, I-3L, I-21L, I-29L).¹⁹ Refugee camps looked like large tented fields that were filled with thousands of Palestinians living impossibly close to one another (appendix A: I-2J, I-3J, I-47L).

Informal Property Rights before 1969 in Refugee Camps in Lebanon and Jordan

Though UNRWA held a lot of authority in initially distributing resources inside the camps, the organization held an explicit policy of not interfering with the informal transfer of resources among refugees (appendix A: I-3J). During the early years in Jordan and Lebanon, Palestinians were given the right to use the land inside the refugee camps and develop it in the way they saw fit without UNRWA or host country

¹⁹ The initial set-up of the camps, in which larger families had larger claims to tracts inside the refugee camp, might suggest that larger families had a greater interest in and more power during the creation of property rights. However, large families were not pre-destined to become key actors during the negotiation of legal titles to resources in the camps because while they had more resources they also had many more family members that had to share the same resource.

interference. Though no one expected the refugee crisis to continue for as long as it has, this agreement gave Palestinians a new lease on life. Palestinian communities could build homes, establish businesses, create plumbing, and sewage systems as well as establish electrical systems in what was otherwise a barren landscape inside the camps. Of course, none of these innovations happened immediately.

Initially most Palestinians simply struggled to exist in Lebanon and Jordan (Sayigh 1978). As time passed, some refugees were able to save up enough money to rent homes in nearby villages so they sold or gave their land plots to family members left inside the camp (appendix A: I-3J, I-21L, I-47L).²⁰ In an informal manner, refugees bought, sold, and traded land plots with one another in Lebanon and Jordan (appendix A: I-47L). Refugees usually transferred property claims to buyers or family members through verbal or oral agreements with other refugees (appendix A: I-3J, I-21L, I-47L). Sometimes, religious officials and family elders witnessed the oral agreements (appendix A: I-47L). There were no organized security forces that enforced property right claims inside the camps. Most refugees relied on their trust in the community and faith in God that their property would be protected (appendix A: I-47L). Finally, Palestinian refugees used tribal traditions to sanction property right violators. Religious elders and heads of family would convene in an ad hoc manner to discuss crimes in the community and to determine appropriate actions in each case. Decisions were largely based on the teachings of the Quran and on community norms of behavior. Though Palestinians had

²⁰ Though some families moved outside of the camps, Palestinians were not legally allowed to own land, a home, or a business in their name in land located outside of the refugee camps. This was especially the case in Lebanon. In Jordan, Palestinians that were not of 1967 Gazan descent could move outside the camps and theoretically own property, but for most it was an unlikely prospect because the cost of owning a house or a business outside the camps was prohibitively expensive during the early decades there.

quasi property right systems in Lebanon and Jordan prior to the late 1960s and early 1970s, strong legal claims to resources and assets had not developed.

Economic Shocks

Several economic shocks struck the camps in Jordan and Lebanon during the period from 1969 to 1970 that spurred camp residents to construct formal property rights in various business sectors. During that time a large number of Palestinians were gaining employment in the oil-rich Gulf and sending remittances home.²¹ Remittances gave Palestinian refugees the capital necessary to invest in a variety of camp resources. Refugee businessmen revealed that the number one source of capital for starting businesses and building homes came from remittances sent by family during the late 1960s and early 1970s (appendix A: Businessmen interviews in Jordan and Lebanon during 2004, 2005 and 2007). Though Palestinians traveled abroad to earn money, Palestinians in the Gulf could not (and still cannot) own a home or a business in their name.

For example, one iron business owner in Beddawi noted that he began his business in 1972 (appendix A: I-11L). He got the money to start the business by working in Libya for ten years. Remittances were more important than UNRWA loans and Islamic bank loans in starting businesses (appendix A: I-11L). For example, UNRWA's financial officer in Nahr al Bared noted that only 70 to 80 projects are funded annually

²¹ Quantifying remittances in Palestinian refugee camps proved difficult. There is no database of Palestinian remittances to refugee camps in Lebanon or Jordan. Personal observation revealed that money was sent to the camps in different ways including through shared international bank accounts or thru individuals that carried money directly from Palestinians working abroad to the camps. Tracking the flow of money into the camps was impossible since money entered the camps in many different and informal ways.

throughout the entire camp (appendix A: I-2L). Each project received roughly \$3,000 (appendix A: I-2L). Budget constraints and the high demand for the loans made it impossible for most businesses to rely on UNRWA (I-2L). Most of the money that caused a real market shock in the camps came from remittances sent by family members (appendix A: I-2L).

The influx of money from remittances caused a surge in the need for building supplies because people could finally afford to improve their homes. Also refugees finally had the capital necessary to start businesses. Many refugees opened businesses on the bottom floor of their land plot and then built homes above the stores (appendix A: I-3J and I-21L). The influx of money into the camps was a necessary condition for the formation of property rights because these economic shocks gave rise to a new class of Palestinian business entrepreneurs who had an interest in developing resources and benefiting from their investments.²² In effect, refugee businessmen and community members demanded secure property rights to protect their newly valuable resources and assets.

Political Shocks- The Arrival and Departure of Fateh

In addition to economic shocks, the abrupt departure of Fateh from Jordan and emergence as a local hegemon in refugee camps in Lebanon in 1969 and 1970 caused a shift in political leadership that was necessary for property right formation. The history of the PLO and its relationship to Fateh can at times be confusing and complex. Please

²² However, the strength of refugee businessmen during property right negotiations was not assured. As I will discuss later, in Jordan the interests of businessmen carried more authority than those in Lebanon.

refer to Appendix D for a general history of Fateh. The change in political leadership in camps throughout both host countries acted as necessary conditions for the construction of a formal property right system because the new leaders had the financial resources and organizational skills to craft formal property rights.

In 1969-1970 Fateh began overstepping its political boundaries inside Jordan. Fateh departed Jordan following a bloody battle known as Black September. By 1970, most Palestinian institutions were destroyed in Jordan (Brand 1988: 15, Table 1.2). The Jordanian state emerged as a powerful force in the political vacuum inside the camps following Black September. Jordanian officials brought financial support and the organizational skills and experiences of its government to the camps. The financial resources and skills of the new Jordanian leadership combined with the economic “demand” for property rights were, according to the literature surveyed in Chapter 2, essential for the formation of property rights.

After Fateh’s departure from Jordan it arrived as a strong political force in Lebanon. On the eve of property right formation in refugee camps in Lebanon, Rubenberg (1983) eloquently states that the PLO, under Fateh’s leadership, “*is the Palestinian people, or the ‘institutional expression’ of their nation and their nationalist movement*” (Rubenberg 1983: 58 and Hamid 1975). Fateh brought with it a lot of financial resources and organizational skills that were necessary for the construction of property rights.²³ The refugee population was primed for a sophisticated formal system of

²³ Though Fateh had only recently gained control of the PLO in 1969, it was well funded by Arab countries like Iraq, Egypt, and Syria. These Arab countries funded Fateh for their own geo-political reasons (Hamid 1975).

property rights because of the simultaneous economic shock that conferred greater value on existing resources inside the camps.

Importantly, not every political “shock” acted as a necessary condition for property right formation in Lebanon and Jordan. There were a variety of political shocks inside the camps prior to 1969/1970 including al- Nakba, “the Disaster,” in 1948 and the Six Day War in 1967. However these shocks did not bring about sweeping changes in the political leadership and were not accompanied by an economic boom. In conclusion, increasing remittances and the simultaneous changes in political leadership inside the camps are individually necessary conditions but jointly sufficient conditions for Palestinians to construct formal property rights in the real estate and construction industry sectors in Lebanon and Jordan.²⁴

The Formal Property Rights System

The establishment of formal legal titles to resources and assets inside the camps changed refugees’ informal understandings about rights of possession that previously existed. The ambiguity of informal property rights that existed in camps in Jordan and Lebanon until 1969 was overcome through the formal registration of property claims with

²⁴ It is difficult to assess the importance of each necessary condition independently because of the simultaneity of the increase in foreign remittances and the change in political leadership inside the refugee camps. As a result, I argue that a market shock combined with a political shock in the condition of the camps are jointly sufficient for property right formation but are individually necessary. Even if one were to create a counterfactual scenario one cannot conclusively argue that a political shock in the form of changing political leadership is sufficient without an economic shock. I hesitate to claim that both conditions are sufficient in all instances of property right formation because of my inability to independently test each factor. Future studies should search for cases where one can isolate economic shocks from political shocks and assess the independent impact of each on institutional formation. Notably, most of the existing institutional literature described in Chapter 2 argues that economic shocks alone are necessary for the formation of institutions. In the literature reviewed in Chapter 2 there is less discussion on the necessity of political shocks. However, the importance of political change (like the entrance of new political actors) is implicit in many discussions of institutional formation.

recognized officials like Jordanian state officials or Fateh officials, the transfer of property using witnessed and notarized contracts, the enforcement of titles using police and security forces, and the sanctioning of title violations using established court systems. Aside from describing the shift from informal to formal property rights, this section captures variation across property rights in countries. In Jordan property rights represented a fascinating hybrid of Jordanian models and Palestinian traditions. In Lebanon, the property right system was less tradition-based and more reflective of Fateh's will.

Formal Property Rights in Jordan

Since the arrival of Palestinian refugees in Jordan, the Jordanian government has worked in conjunction with UNRWA to specifically deal with Palestinian refugee issues. The government has always had a specific branch of the government, linked to the Ministry of Foreign Affairs, which is in charge of dealing with Palestinian refugees (www.dpa.gov.jo/). This branch, known today as the Department of Palestinian Affairs (DPA), has over the decades had a variety of names but formed the same functions. Initially, the DPA was known as the Ministry of Refugees and dealt with issues like the establishment of suitable plots of land for the camps, the issuance of legal documents, and the provision of basic infrastructure and needs (with the help of UNRWA). From 1951 to 1967 the DPA was called the Ministry of Construction and Restoration and the organization at the time focused on the improvement of physical conditions in the camps (www.dpa.gov.jo/). From 1967 to 1971 the DPA was known as the High Ministerial Council and it was during this time period that market shocks in the form of remittances

and political shifts following Black September spurred the construction of property rights (www.dpa.gov.jo/).

The DPA, known as the High Ministerial Council at the time, was a major force in the construction of property rights. The DPA created camp level offices known as the Camp Services Improvement Committees (CSIC) that housed Jordanian officials who were responsible for, among other things, crafting property rights inside the camps with the help of Palestinians (www.dpa.gov.jo/). The CSIC offices were the “local meeting spot” for Palestinian sheiks and Palestinian businessmen to negotiate the transition from informal claims to property to formal legal titles. These negotiations did not occur overnight but were the result of a sustained dialogue and compromise between Jordanian officials and other members of the refugee community. Notably, some actors were absent from the negotiation of property rights and a discussion of the implications of their absence is discussed in the upcoming analysis of Jordan. In this section I focus on what the outcome of the negotiations looked like.

The formation of formal property rights in Baqa’a, Gaza, and Wihdat required refugees to legally register their property claims with the CSIC.²⁵ The CSIC issued legal titles to assets and resources in the camps (www.dpa.gov.jo/). The CSIC’s system of registering existing claims to property mimicked how Jordanians registered property (appendix A: I-2J, I-3J).²⁶ Jordanian officials at the CSIC requested that refugees visit

²⁵ Baqa’a, Gaza, and Wihdat were the three camps that I analyzed. There were formal property rights across camps in Jordan but my research was specifically drawn from those three camps.

²⁶ Specifically, 25 out of 28 construction business owners in Palestinian refugee camps in 2007 claimed that the system inside the camps was exactly like the system of property titles in Jordan. These were responses to distributional question number four.

the local CSIC office and register their existing claims to resources so that formal titles could be issued (appendix A: I-79J, www.dpa.gov.jo).²⁷

Next, formalized property rights permitted refugees to transfer property rights thru the Jordanian officials located at the CSIC. Beginning in the early 1970s, the CSIC presided over basic property transactions in the camps like witnessing and writing contracts for camp residents (www.dpa.gov.jo). The establishment of property rights ushered in police and security forces that monitored property inside the camps. The CSIC maintained the security and order of property in the camps by having police and civil defense stations throughout the camps.²⁸ In addition to the police stations, the CSIC collected payments from businesses and residents to operate a local security force that patrolled property at night (appendix A- 2007 business owner interviews in Jordan). The CSIC enforced property contracts by delivering suspected violators of property to the Jordanian judicial system and in some cases sending violators to the camp's tribal justice system (appendix A- I-71J).

Finally, the Jordanian justice system and the Palestinian tribal system worked in tandem to sanction property right violators. A sheikh in Baqa'a camp revealed many of the intricacies of tribal law in the refugee camps in Jordan (appendix A: I-72J). For example, if an individual stole a piece of machinery from a carpentry business then the victim would notify the head of his family of the problem (appendix A: I-72J). It is likely

²⁷ Disputes over claims to resources were handled in a systematic matter. First, many claims were based on UNRWA's initial numerical allocation to each refugee so those documents were reviewed (appendix A: I-3J). Next, if property had changed hands since 1967, tribal or refugee community members were consulted to review each individual's claim (appendix A: I-79J).

²⁸ The Department of Palestinian Affairs (<http://www.dpa.gov.jo>) in Jordan reports that there was one police station in Wihdat, one in Baqa'a, and one in Jerash. These police stations monitored criminal activity, including property abuse.

that the business owner would have a suspect in mind or would hear through camp gossip the name of the culprit. Camp elders would gather to discuss the case and would bring the Holy Quran to swear on the facts of the case (appendix A: I-72J). The camp elders would bring the suspect and his family to ask for forgiveness from the victim's family and agree on an *atwa* or a document of reconciliation (appendix A: I-72J). This was a legally and religiously binding document that would contain a specific amount of money that was paid to the victim for the price of his machinery or damage to his business. All the relevant parties including village elders signed the document.

The Jordanian system of justice worked in conjunction with the Palestinian tribal justice system during property right adjudication. The sheik in Baqa'a revealed that once the *atwa* has been declared and signed then the camp elders took the letter to a local Jordanian judge where the state decided on how to deal with the guilty man. The judge could decide to incarcerate the man and rule that Jordanian officials could enter the camp with the help of the CSIC to extract the resident. The *atwa* played a role in determining how the state would act. Sometimes the community guaranteed in the *atwa* that they could control the guilty individual so the guilty man could be let out of jail.

Clearly, the evidence reveals that the CSIC issued land titles that permitted Palestinians in the refugee camps to lay legal claim to productive resources inside the camps. Moreover, evidence of the Palestinian refugee acceptance of the formal legal titles is evidence by the fact that refugees eagerly went to the CSIC to obtain titles and I was able to view refugee titles to businesses and homes (appendix A-2007 business owner interviews in Jordan). Every single refugee businessperson had legal titles to their

businesses or homes inside the camps in Jordan (Appendix B- response to question 2 in 2007 business owner interviews).²⁹

Formal Property Rights in Lebanon

Formal property rights formed in sectors in Beddawi and Nahr al Bared camps in Lebanon beginning in 1969-1970. Similar to refugee camps in Jordan, the establishment of formal property rights altered existing notions of property ownership in camps in Lebanon. However in Lebanon, Fateh established Popular Camp Committees that were Fateh's main political offices inside each refugee camp. Fateh officials were in charge of the committee at that time. The Camp Committee offices acted as the local gathering spot for the negotiation of property rights. Similar to the construction of property rights in Jordan, negotiations over the new property right system did not occur over night. Rather, negotiations were an on-going process involving a series of accumulated micro-level encounters between Fateh and different refugee community members like small political parties and businessmen. In this section I will discuss what formal property rights looked like in Nahr al Bared and Beddawi. In the upcoming analysis of property right formation I discuss the implications of key actors that were present during negotiations, their goals, and the strategies they used to attain them.

Fateh officials in the Popular Camp Committee offices issued titles of ownership with respect to a variety of resources and assets (appendix A: I-3L, I-33L, I-55L).

Property titles and copies of property transfers were registered and kept in the Camp Committee offices beginning in 1970 (appendix A- I-33L, I-55L). I was provided with

²⁹ Questions #2 for the 2007 interview questions asked businessmen, "Do you have written documents or contracts that establish ownership of your property?"

opportunities to view records of titles that dated back to the early 1970s (appendix A: I-33L, I-55L).³⁰ Titles were kept locked in cabinets and Fateh set up a system that permitted only its members to hold keys to the locked cabinets filled with contracts of property sales and purchases (appendix A: I-33L, I-55L). Other political groups could not gain access without Fateh's permission.

Beginning in the 1970s, refugees had to go to the Popular Camp Committee to transfer property titles. After examining a few property contracts and confirming the identity of witnesses, I discovered that the signatures of Fateh members were the only ones found on documents for witnessing property transactions. In return for acting as witnesses and drawing up papers for property transactions, Fateh received payment for their services (appendix A: I-33L, I-55L). The document in appendix C is a copy of an actual property title transfer from Nahr al Bared camp. For the sake of anonymity, the names of individuals and any identifying features are omitted. I have translated the document into English for easy understanding. This title is representative of many others I viewed in the camp committee storage cabinets in Beddawi and Nahr al Bared (appendix A- I-33L, I-55L).

The document in appendix C reveals that one seller and two buyers (brothers) transferred a title to an apartment in the camp. The stamp in the bottom right corner identifies that the Camp Committee witnessed the contract and collected payment for the service. Titles like the one in appendix C formalized ownership of assets and resources in the camps and acted as proof positive that legal titles to property have historically

³⁰ Though I was able to examine the documents I was not permitted to photocopy the documents because of client privacy.

existed in camp sectors in Beddawi and Nahr al Bared since their inception in 1969. The new owner of the apartment was given the sole right to reap the benefits of their property and to sell or trade it if desired. The text of this title transfer reveals that refugees clearly delineated property in the camps by specifying the location and the size (in this case square meters) of the space that was owned. In addition, title transfers reveal that property was in fact alienable, meaning that resources could be bought or sold inside the camps.

In Lebanon the manner of property right enforcement did not change when formal legal titles formed in 1969 and 1970. There were no government or Fateh police forces that patrolled the camps to protect homes or businesses from abuse. Community norms and faith in God enforced formal property rights. Also, in some sub- sectors of the construction industry there were private security forces. Private guards were often hired in the tile and cement industry because much of their equipment and material could not be locked up. In addition, some construction sub-sectors like carpentry and iron/steel pooled their money for a private security guard to patrol their businesses at night.

Though formal legal titles were not enforced with state or Fateh security forces, property rights were adjudicated through a formal legal structure inside the camps. The Camp Committee resolved property disputes based on legal precedent. In one instance, I had the opportunity to witness a present-day case that was brought to the Camp Committee for adjudication (appendix A: I-55L). The procedures for resolving disputes have largely stayed the same since the Camp Committees first formed. A woman came into Beddawi's Camp Committee visibly upset about the sale of the roof of her home.

The woman was a widow who lived in the house with her young daughters. Her husband's brother owned the title to the home because the property was left to him for inheritance purposes. The husband's brother needed extra money and decided to sell the roof of the woman's home to a young man so that he could build another level onto the house. In effect the home would become like an apartment building with two different families living on different levels of the home. The woman objected to the sale of her roof because she did not know the family of the young man that bought the roof and she questioned his honorability. She worried that the young man would attack her daughters when she was not there to supervise the home.

The Camp Committee called several members of the committee to decide on the matter. The Camp Committee members consulted with one another and discussed previous cases that were similar. They determined that all the family members had to approve of the sale of the roof in order for the sale to remain legitimate. In the end, the woman decided to buy the roof from her brother in-law so that strangers would not be living above her family. Clearly, the Camp Committee has the authority and ability to use legal precedent to enforce adherence to the system of property rights in the real estate and construction industry sectors.

The refugee camp community in Lebanon accepted this new system of property rights even though it was very different from their previous informal experiences with property rights (appendix A- 2004 and 2007 interviews with businessmen in Lebanon). It is clear that most refugees accepted the property right system since refugees readily bought and sold titled property and there was a large repository of documents at the

Camp Committee dating back to 1970 (appendix A- I-33L, I-55L). Based on the evidence reviewed, formal property rights were present in the real estate and construction sectors located throughout refugee camps in Lebanon and Jordan.

Jordan Analysis

Despite similar initial conditions and timing of shocks, Palestinians faced different strategic settings in Jordan and Lebanon and formed property rights in qualitatively different ways. In this section we will discover that in Jordan there was a strong host state, an absence of local political groups, strong community leaders, and successful businesses balancing interests against one another. In contrast, in Lebanon there was a weak host state, a strong local hegemon, many political groups, and booming businesses negotiating property rights.

There were a myriad of actors with unique goals in refugee camps across Jordan and Lebanon on the eve of property right formation in 1969- 1970. Businesses hoped to create an efficient system of transactions, political parties hoped to gain political power through the control of resources, and tribal leaders hoped to bring to bear templates of social behavior that served them in the past in similar situations. However, under certain conditions some interests will take precedence over others during institutional negotiations. In the upcoming discussion I specify the conditions under which actors in Jordan were more likely to pursue a particular institutional approach to property right formation.

Negotiating Actors

Experienced Jordanian officials, Palestinian sheiks, and successful businesses participated in the construction of property rights. These actors had on-going micro-level dialogues with each other about the formation of property rights. Jordan's victory during Black September provided Jordanian officials with an opportunity to take control of the camps and fill the void that the PLO-Fateh left behind. The Jordanian government set up a specific bureaucratic arm called the CSIC to deal with Palestinian refugees and to negotiate the formation of formal legal titles (appendix A: I-1J, www.dpa.gov/jo). After their victory, Jordanian officials banned Fateh, the PLO, and other Palestinian political groups in the refugee camps because they were a threat to the sovereignty and security of the Jordanian state (www.state.gov). The absence of Palestinian political groups meant that the camps were left devoid of any indigenous political groups.

In spite of the absence of Palestinian political groups, there was an authentic Palestinian voice in attendance during property right negotiations. Community leaders or *sheiks* were respected older gentlemen that represented Palestinian views in the CSIC. Sheiks were repositories of pre-Nakba (1948) Palestinian history and anchored the community's beliefs and values in the context of the refugee camps (appendix A: I-72J).³¹

Finally, the economic boom created a new class of businessmen that had a large stake in the direction and shape of new property rights. Most of these refugees had more assets than other camp residents because they traveled abroad to work and saved their wages to improve their homes and set up businesses in the camps. Some acquired more

³¹ In fact, during my visits to the refugee camps, talking with these older gentlemen provided me with some of my most fruitful discussions because of the wealth of knowledge and information they have stored in their memories.

claims to resources in the camps because other refugees sold their plots to them in order to escape camp life (appendix A: I-1J, I-2J, I-3J). Businessmen that engaged in property right negotiations, with Jordanian officials and sheiks, came from several sub sectors in the housing and construction industry including carpentry, glass, manufacturing and installation, cement and tile production, and iron production.

The evidence reveals that the political battles and economic upturns in Jordan during 1969 and 1970 influenced the cast of actors that constructed property rights. In sum, Palestinian sheiks, Palestinian businessmen, and Jordanian officials gathered at CSIC offices to negotiate the formation of legal claims to the existing system of quasi-property rights in the early 1970s.

Goals of Negotiating Actors

Negotiating actors had distinct goals during the creation of property rights. In many cases it was not easy for me to assess the goals of actors because of limited access to political elites. Through data triangulation I gained a rough account of actors' goals.

First, assessing the goals of Jordanian officials was difficult because most government officials were inaccessible. Findings were based on public data published on government websites (www.dpa.org/jo), interviews with UNRWA officials and construction businessmen that worked closely with the government, and an interview with the former minister of electricity in Jordan. These different perspectives painted a similar picture of the goals of Jordanian officials. Not surprisingly, Jordanians hoped to maintain long-term control of the camps. Also, Jordanian officials hoped to stabilize the refugee camps following Black September. They feared further political unrest in the

camps and hoped to quell Palestinian discontent and secure their long- term control of the camps by providing secure property rights that incorporated Palestinian tribal traditions (appendix A: I-79J).

In addition, Jordanian officials in the CSIC wanted to transform existing refugee claims to property in the most efficient manner possible. They hoped to clearly delineate individual ownership of resources so they could tax revenues from the new legal titles to property. The former minister of electricity noted that Jordanian officials realized the economic growth occurring in the camps (appendix A: I-79J). Official wanted to seize the opportunity to capture tax revenues from Palestinians who were building better homes and establishing lucrative construction businesses (appendix A: I-1J). Creating organized refugee camps in which refugees registered their property, applied for licenses, and paid taxes at the CSIC was a clear priority for Jordanian officials as they negotiated property rules.

Also, interviews with refugee businessmen revealed that Jordanians wanted to increase revenue through control of the property right system. For example, the government educated the refugees on how to navigate the Jordanian system of property registration, how to apply for licenses, and how to pay taxes. These actions suggest that the Jordanian government hoped to facilitate the laying of legal claim to resources so that they could enhance their tax revenues. Palestinian refugee businessmen in the construction sectors noted in interviews in 2007 that while they liked having legal and productive claims to assets in the camps, they disliked (similar to most individuals in the world) the high rate of taxation that went along with owning a title. In addition, the

revenues from taxation would support the Jordanian government in their effort to fund projects or activities that would ultimately increase public support for their regime. The interest in revenue generation reflected a mix of efficiency and distributional motives.

Palestinian refugees did not have a homogenous set of goals during property right negotiations. Refugee businessmen were concerned with enhancing the value of their investments inside the camps. Understandably, they wanted to claim individual ownership of particular assets or resources in order to securely realize the benefits of their investments. Not surprisingly, 78.5% of businessmen revealed that during conversations with Jordanian officials and sheiks about the new formal property right system they desired to create rules that “primarily worked to enhance the success and efficiency of their business.”³²

Refugee community leaders hoped to give Palestinians a “voice” inside the CSIC during property right negotiations. Sheiks wanted a real voice because they had just witnessed the failure of the PLO-Fateh, a group that had once served as the mouthpiece for the Palestinian community. They were concerned that Palestinian perspectives would be obfuscated if they were not present to advocate for the general Palestinian population. As a result, sheiks hoped to incorporate Palestinian traditions of justice into the shape and structure of the new property right system.

Balance of Power

Despite the overwhelming victory of Jordanian forces over Palestinians inside the refugee camps, there was relative equality between host country officials and refugees

³² This percentage was determined by the 2007 responses of refugee businessmen in the construction industry to the question, “Do you think the rules you have crafted primarily work to enhance the success and efficiency of your business?” (Appendix B- 2007 Business Interviews, Efficiency question 4).

during property right negotiations. This finding was surprising because the relationship appeared unbalanced following Black September.

To begin, I suspected that the Jordanian government would dominate property right negotiations because there were no local Palestinian political parties to challenge its authority (Brand 1988, Rubenberg 1983). Evidence that the Jordanian Department of Palestinian Affairs (DPA) controlled the camps through the CSIC seemed to imply that the host country had disproportionate power during negotiations. For example, the DPA exerted almost complete control over the CSIC by setting the yearly budget for each refugee camps' CSIC office (appendix A: I-1J, I-2J, I-3J, www.dpa.gov.jo/). In addition, the DPA selected CSIC members from the camp in coordination with the administrative governor of the area in which the camp is located (appendix A: I-1J, I-2J, I-72J; www.dpa.gov.jo/). Each camp had a centrally located CSIC office with roughly seven to thirteen members representing various camp segments (appendix A: I-1J, I-72J).³³

How could there exist a balance of power between Jordanian officials and Palestinian refugees during the construction of property rights when Jordanian officials had so much authority in the camps following Black September? The sheer number of Palestinians inside Jordan acted as an important counterweight to Jordan's monopoly on power inside the camps. The United States' Department of State reports that in 1966 the population in Palestinian refugee camps throughout all of Jordan was 700,000 (www.state.gov). After the refugee influx in 1967 it grew by 300,000 (www.state.gov).

³³ It is important to note that the refugee camp members that serve on the CSIC do not represent different political parties since political groups are not encouraged in the camps (appendix A: I-72J). This is an important difference between the functioning of local committees in refugee camps in Jordan compared to Lebanon. In Lebanon, a Fateh set up the local committee and different political interest were represented on the committee.

Palestinians were no small force to contend with, and presented latent contestation to Jordanian authority, since roughly one million of them lived in the camps when property rights formed in 1969/1970 (www.state.gov).

Jordanians treated Palestinians as equals during negotiations because of the large number of refugees and their potential threat to Jordanian security and sovereignty. Jordan did not behave in a way that a strong distributional approach would expect.³⁴ Instead of excluding Palestinians from negotiations Jordan pursued a strategy of co-optation to placate and stabilize the refugee camps. It excluded only the most potent threats to their authority like the PLO-Fateh and Palestinian political groups. Jordanians invited Palestinian refugee community leaders and businessmen to the CSIC to engage in a dialogue about the formation of property rights.³⁵ A central question in the surveys asked refugees if they felt the Jordanian government was helpful or a hindrance to their efforts at crafting property rights and reaping the benefits of legal claims to resources. Most refugees responded that the government was helpful in the process.³⁶ Notably, most Gazan refugees in Jerash camp felt the government hindered their efforts but when asked to clarify what they meant, refugees said that the Jordanians made it difficult for Gazans to own property outside the camps.³⁷ Inside the camps, refugees felt on equal footing with Jordanian officials.

³⁴ A strong distributional approach would expect Jordan to exclude all Palestinians from institutional negotiations and to forcibly impose its institutional design on the refugee camps.

³⁵ It is unclear if community leaders inside the camps had strong connections with Palestinian political groups. It is possible that many community leaders maintained connections with political groups though I suspect that if those linkages existed they remained secretive given the political climate. Future research in the camps should explore the linkages between community/tribal leaders and Palestinian political parties and the influence this had on the goals and strategy of community leaders during negotiations with Jordan.

³⁶ See appendix B 2007 questions, question 1-ii under governmental influence.

³⁷ The disparity in treatment of Gazans and non-Gazan Palestinian refugees stems from the fact that Gazan

Aside from potential power imbalances between host country officials and Palestinians, I suspected that there were inequalities within the Palestinian community that would affect bargaining during property right negotiations. Historical records suggested that Palestinian refugees maintained different legal statuses in Jordan based on their year of arrival and area of origin within Palestine. The disparity in legal statuses between Palestinians from Gaza (1967) and non-Gazans (1948) might affect the distribution of power during the negotiation of property with Jordanian officials and refugee sheiks (el-Abed 2004). For example, in 1954 King Abdullah granted Palestinian refugees from the 1948 crisis citizenship and the benefits that go along with this status such as access to courts, police protection, and the right to own property.³⁸ Palestinians from the East Bank and West Bank that had 1948 “refugee status” were granted Jordanian nationality (al-Abed 2004).³⁹

Unlike Palestinians from 1948, Palestinians from Gaza who arrived in Jordan during the 1967 war were not issued Jordanian citizenship because Gazans had previously been under Egyptian jurisdiction (el-Abed 2004). Gazan Palestinians have in effect become refugees twice over. Most of the refugees now considered “Gazans” fled to the Gaza strip for safety in 1948 and remained in refugee camps there until the 1967

refugees are under the jurisdiction of Egyptian rule.

³⁸ Article 3 of the 1954 law states that a Jordanian national is: “Any person with previous Palestinian nationality except the Jews before the date of May 15, 1948 residing in the Kingdom during the period from December 20, 1949 and February 16, 1954.” It is important to highlight that the announcement of formal privileges to property rights for Palestinians did not mean that formal property rights had formed or were present inside the refugee camps at that time. It was not until the departure of Fateh in 1969/1970 and the economic shocks that property rights formed in refugee camps in Jordan.

³⁹ Current West Bank residents that live in the West Bank on a full time basis no longer hold full Jordanian citizenship because they are now under the jurisdiction of the Palestinian authority. Therefore Palestinians that live permanently in the West Bank can now apply for a temporary Jordanian passport and can visit Jordan only on a temporary basis for work, education, or vacation (el-Abed 2004). They must apply for a work permit and for the right to own property from the ministerial council.

war when they were forced to flee to Jordan. With the exception of a few families who had political connections and were able to obtain citizenship through royal decrees, most Gazans were treated as refugees with only partial benefits and sought shelter in Jerash and Hitteen refugee camps (el-Abed 2004). Gazan refugees who hold temporary passports must have a local Jordanian partner or receive the approval of a ministerial council to own property (el- Abed 2004). The chart below summarizes the inequality among Palestinian refugees based on their year of arrival and area of origin.⁴⁰

Origin/Year of Arrival	Residence	Passport Type	Service Accessibility
Jordanian-Palestinian 1948	Permanent in Jordan	5 year passport with National ID number	Full Access- can own property without ministerial approval
Palestinians of Gaza 1967	Permanent in Jordan	Temporary 2 year passport	Needs work permit, Property ownership with approval of Ministerial Council

Table 2: Classifications of Palestinians in Jordan Based on Origins and Year of Arrival

⁴⁰ Notably, the chart has been adapted from el-Abed's (2004) research and charts.

These inequalities suggested that Palestinians with full citizenship and thereby a closer relationship to the Jordanian government would have the strength to control the formation of property rights at the expense of Gazans.

A research design was constructed that tested if the year of arrival and area of origin among Palestinian refugees influenced property right formation in camp sectors. Research focused on three refugee camps that contained populations with different legal statuses in Jordan. Wihdat refugee camp is primarily filled with residents that left Palestine in 1948 and therefore fall under the 1954 law. Baqa'a refugee camp is filled with a mixed population of refugees with roughly 15% of refugees coming from Gaza and the rest from the 1948 crisis.⁴¹ Jerash camp contained Palestinian refugees that mostly came from Gaza and held limited citizenship benefits in Jordan.

It was surprising to discover that the inequality associated with various citizenship levels played no role in property right formation inside the refugee camps.⁴² Jordanian officials treated refugees, regardless of their year of arrival and area of origin, similarly inside the camps. For example, when asked, "Do business owners with full citizenship have it better off in the camps than people without full citizenship in terms of controlling

⁴¹ This percentage is based on interviews with refugee businessmen and officials during my 2007 interviews in Jordan. The list of individuals I interviewed is located in Appendix A. The exact percentage of Gazans in each camp is unknown; nevertheless the percentage reveals that the population in Baqa'a has refugees with varying citizenship backgrounds.

⁴² In order to assess the impact of different levels of citizenship among Palestinian refugees on the process of property right formation, I asked specific questions that determined if one's year of arrival and area of origin mattered in their treatment and power inside the camp. The list of questions I asked during my 2007 interviews can be found in Appendix B. For example, in 2007 I asked refugees "Did some members of the camp have more say in how property rules were formed in the camp?" and followed up with what made some people more or less powerful in the camps. Next I asked, "What is your citizenship status?" and, "In what ways does it impact your ability to own property?" Finally, I asked, "Do business owners with full citizenship have it better off in the camps than people without full citizenship in terms of controlling the ownership of their business?"

the ownership of their business?” every refugee excepting one respondent in Jerash camp answered that inside the camps all refugees are treated the same by Jordanian officials.⁴³ 1967 Gazan refugees encountered problems and had it “rough” when they exited the camps.

Inside the refugee camps, both 1948 and Gazan Palestinians engaged in a sustained dialogue with sheiks and Jordanian officials about the construction of a formal system of property rights. Refugees, whether with 1948 or 1967 status, had the authority to voice their preferences during conversations with Jordanian officials. In response to the question, “Did some members of the camp have more say in how property rules were formed in the camp?” twenty three out of twenty eight respondents replied that inequality among camp actors negotiating property rights was not an issue (appendix A: 2007 Jordanian businessmen interviews). When pressed for why there was little inequality, they all stated that refugees are treated the same way inside the camps because everyone had to apply for and register their titles at the CSIC (appendix A: 2007 Jordanian businessmen interviews). I even asked refugees if larger families with more assets had more power than others and refugees responded that family name or size did not impact the power of individual Palestinians during the continued dialogue over the new system of property rights with Jordanians.

Though the evidence described above reveals that Palestinians and Jordanians had relatively equal power during property right negotiations, some actors had more input into the design of the new property right system. This observation suggests that the

⁴³ See appendix B: 2007 interview script for businessmen, Distributional question, #5.

process of property right formation can be disaggregated into different stages. Further discussion of this observation will be pursued in the concluding chapter. The initial phases of negotiation focused on gaining group agreement on a new property right system. Later phases of institutional formation focused on the appearance and details of the property right structure. Refugee sheikhs and Jordanian officials who had more experience with forming property rights had more authority in the design stage of property right formation.⁴⁴ As the socio-historical approach predicts, sheiks that were older and had more memories of life in Palestine held more authority than younger individuals during the set up of property rights (appendix A: I-72J). Sheiks remembered how property was registered and protected in Palestine before al-Nakba.⁴⁵ The authority of sheiks was consistent with the interests of young refugees who desired to preserve their “Palestinian” way of life and respected the advice of their elders (appendix A: I-72J). This evidence provides support for the socio-historical perspective that expects asymmetrical institutional experiences among actors.

Similarly, Jordanian officials who had more experience in establishing titles in Jordan had greater influence in creating the new structure of property rights in the camps. According to a sheikh in Baqa’a, Jordanian officials provided most of the institutional templates for property rights inside the camps (appendix A: I-72J). Though some actors

⁴⁴ Again, it was difficult to assess the behavior of Jordanian officials because I was unable to speak with many government representatives. However, through conversations with UNRWA officials and Palestinian leaders that worked closely with the government I managed to create a probable account of Jordanian officials during property right negotiations. Supporting data from sheikhs that were present at negotiations and from refugee businessmen confirmed my account of Jordanian officials.

⁴⁵ Data for ascertaining the role of older individuals in the camps in property right negotiations was collected when I asked refugees “Did your age or family name make a difference in terms of having more say in how property rules formed?” (Appendix B- Distribution question 1a). Family name or family size played no role but the age of individuals did matter.

could have dominated the continued dialogues over the new system of property rights, “Jordanians and Palestinians cooperated” and the CSIC acted as a “meeting point for Jordanians and Palestinians to share and exchange ideas about institutions, like property rights, inside the camps” (appendix A: I-72J).

Strategy for Attaining Goals

The ability of actors to assert their own agendas during property right negotiations was influenced by the relative equality of Palestinians and Jordanians. Of course, Palestinian refugees lacked a state apparatus and a military force but the sheer number of Palestinians acted as a significant counterweight to Jordan’s hegemony. Given the political instability in Jordan following Black September, Jordan had to compromise with Palestinians to reach their goals.

Jordanian officials crafted property rights by using their own existing templates to capture revenues from the refugee camps at a low cost (appendix A: I-2J, I-3J).

Jordanian officials worked closely with UNRWA and camp community leaders to organize and to integrate camp structures with the rest of Jordan (appendix A: I-2J, I-3J). The CSIC’s system of registering existing claims to property mimicked how Jordanians registered property (appendix A: I-2J, I-3J). Interestingly, because Jordanians were on roughly equal footing with Palestinians, they could not single-mindedly pursue their desire to increase revenue without consideration of Palestinian goals.

Jordan’s existing system of property rights was often times compatible with the goals of Palestinian businessmen and sheiks. Refugee businessmen wanted formal legal claims to resources that permitted them to reap the benefit of ownership at the exclusion

of non-owners. Palestinian businessmen recognized that the Jordanian system of property rights would help them in pursuit of this goal. In fact, 54% of Palestinian refugee businessmen in the construction industry sector wanted to look to the Jordanian government for “help in teaching them about how to form property rules” through training sessions and databases on the price and value of resources in Jordan.⁴⁶ In a follow-up question about what the refugees hoped to gain from Jordanian officials during property right negotiations, refugees said they wanted training sessions that would teach them about the process of registering existing claims to property, how to manage the paperwork and documentation procedures, and how to sell their titles (appendix B- 2007 follow-up to Efficiency question). In addition, they hoped to learn more about the value of their assets in the camps compared to businesses located outside the camps. Jordanian officials were willing to train refugee business people and agreed to build data resource centers in the camps because it satisfied their desire to enhance tax revenues at a relatively low cost.

Community leaders wanted to ensure Palestinians had some input in the new system of property rights. An illuminating interview with a sheik from Baqa’a provided most of my information on how Palestinian refugees worked to incorporate Palestinian systems of justice during property right negotiations (appendix A: I-72J).⁴⁷ The sheik participated in the 1936 Palestinian revolt against the British, in 1948 he fought alongside the rest of his village against the British and the creation of Israel, and he also witnessed

⁴⁶ This percentage was determined by the 2007 responses of refugee businessmen in the construction industry to the question, “When you were figuring out how to make property rules, did you look to the government for help?” (Appendix B- 2007 Business interviews, Efficiency question 1).

⁴⁷ I relied heavily on this interview because the sheik provided a unique perspective on property right negotiations that interviews with refugee businessmen could not provide.

Black September in 1970. Inside Baqa'a camp he holds a very respected position because of his wealth of knowledge about pre-1948 practices.⁴⁸ These experiences informed his participation in the negotiation of property rights in 1969 and 1970.

Even though Palestinian refugees came from agricultural backgrounds with little experience in construction of formal property rights, they had transportable tribal experiences of meting out justice that could help during the enforcement of formal property rights inside the camps (appendix A: I-72J).⁴⁹ In Palestine, tribal law was historically used to resolve disputes involving murder, rape, and property disagreements (appendix A: I-72J). In the camps, Palestinians resolved to apply tribal law to the creation and enforcement of property rights. Fortunately, Jordanian officials were open to Palestinian input because it satisfied their desire for stability inside the camps (Rubenberg 1983, Brand 1988). Sheiks felt that by incorporating their pre-1948 traditions of conflict resolution that Palestinians would play a crucial and active role in the enforcement and adjudication of property rights. Both sides came to a compromise that permitted elements of Palestinian traditions into the Jordanian template for a property right system. The dual Jordanian-Palestinian system of justice was a reflection of the strategy of compromise that Jordanians and Palestinians pursued.

Institutional Outcome

⁴⁸ During my interview with the sheik a group of young boys and middle-aged men crowded around us to listen to him speak. There were roughly ten people listening to us converse. It was quite obvious from the way the crowd listened to him speak about what Palestinians did prior to al-Nakba that he was a respected person in the refugee camp.

⁴⁹ Doumani (1995) provides a fascinating historical analysis of money lending contracts in Nablus (an area in Palestine) in the centuries leading up to al- Nakba.

Negotiating actors pursued a strategy of compromise and accommodation indicating that no single actor had the power to pursue its goals at the exclusion of others. Interestingly, analysis in Jordan revealed that all three approaches, alone, failed to account for the full empirical reality occurring in Palestinian refugee camps in Jordan. In particular, the distributional approach should be revised. Jordan limited its distributional goals when it had long political time horizons, faced latent contestation of their authority inside the camps following Black September, and worked for control of tax revenues garnered from property titles. Jordan used a strategy of co-optation and compromise instead of exclusion and brutal domination. It was an efficient solution to incorporate training sessions that would enhance Jordan's tax revenues and the success of refugee businesses. Moreover, Jordanian officials constructed efficient solutions to the transaction specific difficulties of resolving camp level disputes through the use of Palestinian tribal conflict resolution mechanisms. Jordan strategically incorporated the Palestinian sheiks' dispute resolution system as long as it ultimately linked into the formal Jordanian system. In sum, the formation of property rights in the real estate and construction industry sections in Baqa'a, Wihdat, and Jerash was determined by the self-limiting behavior of the Jordanian state and resembled a hybrid process consistent with elements of the efficiency, distributional, and socio-historical approaches.

Lebanon Analysis

Negotiating Actors

One of the primary differences that distinguished the strategic setting in Jordan from Lebanon was the cast of negotiating actors. In Jordan property rights reflected the

strategy and experiences of an older generation of institutional architects. In contrast, a young group of Fateh revolutionaries dominated the negotiation process in Lebanon (Brand 1988). The PLO-Fateh organization that arrived in Lebanon was very different from the defeated political group that left Jordan. Though most of the organization's leadership remained intact they developed a new strategy for avoiding host country interference and for controlling the camps.

First, they established sovereignty in the camps through the Cairo Accords before setting about their revolutionary agenda (Hamid 1974).⁵⁰ Their agenda was considered “revolutionary” compared to previous Palestinian movements because it promised international activism, a re-generation of Palestinian consciousness, Palestinian self-sufficiency, and Palestinian generated and managed institutions (Hamid 1974). Once Fateh secured full control of the camps, Fateh set up Camp Committee offices inside each camp where property rights were negotiated between different actors (Brand 1988). Lebanese authorities were excluded from property right negotiations because they relinquished sovereignty during the 1969 Cairo Accords. According to a Palestinian lawyer in Nahr al Bared, Fateh was an unstoppable force in its institutional pursuits because it was the leader of the Palestinian *thawra* or revolution.

In order to co-opt different groups into their revolutionary movement, Fateh invited a variety of refugee political parties to attend property right negotiations at local Camp Committee offices throughout 1969 and 1970 (Brand 1988). Unlike in refugee camps in Jordan, Palestinian political groups were permitted to freely associate in the

⁵⁰ Though the lessons they learned of not mingling in host country affairs and launching attacks against Israel from host country territories did not last. By the 1980s Lebanon forcibly expelled the PLO-Fateh after numerous attacks on Israel and fighting in Beirut.

camps (appendix A: I-3J, Brand 1988).⁵¹ There were a wide array of political parties in Nahr al Bared and Beddawi though there exists no established count of the number of parties present during the 1960s. It is estimated that roughly eight to eleven parties were present at that time (appendix A: I-33L, I-47L, I-55L). These groups espoused a variety of political and socio-economic views. Some were socialist in orientation while others were communist, Arab nationalist, Islamist, or hybrids. Different Arab governments like Syria, Saudi Arabia, Lebanon, or Palestinian groups in the Occupied Territories funded the groups in the hopes of speaking for the Palestinian refugee population (appendix A: I-4L).

In addition to the political parties, Fateh encouraged the new class of successful business entrepreneurs in Nahr al Bared and Beddawi to discuss the formation of formal property rights. The successful businessmen had financial resources that could potentially be used to support Fateh so Fateh courted their interests during dialogues over the new system of property rights. Refugee businesses had a great stake in the formation of property rights. Though these businesses were small by most standards, they had more invested inside the camps than most residents and would see the most returns on investments with the construction of a formal property right system.⁵² A number of businesses attended property right negotiations including businesses in the carpentry, iron, steel, tile, cement, and glass making sub-sectors.

⁵¹ It is unclear what the relationship is between local political parties and tribal/community leaders. I suspect that there are linkages between both groups but further research is required to elucidate the connections.

⁵² For example, businesses in the refugee camps in Lebanon had an average of 4 full time workers and mostly conducted business inside the refugee camps or in nearby villages (from questions A2 and A3 on the background of construction businesses).

Goals of Actors

Actors did not share similar goals during property right negotiations. In order to assess the goals of actors I used a variety of sources like survey interviews in Nahr al Bared and Beddawi, in-depth interviews with political groups and business entrepreneurs, and historical accounts from scholars of the Middle East.

Fateh primarily hoped to increase party revenues and to consolidate authority (appendix A: I-23L, I-33L, I-55L). Fateh was interested in raising party revenues by charging refugees for enforcing and transferring property titles. At the time, Fateh was not a cash-strapped party because many Arab governments financially supported it (Hamid 1974). However, revenues from property titles could be used to pay members in the camps, to pay their allies, and to support poor families that lost their male head's of family. These activities improved the status of Fateh in the minds of Palestinian refugees (appendix A: I-47L). A Fateh party member commented that controlling the ownership and use of assets was key to the party's political goals because it provided an important service to camp residents and bolstered the party's popularity (appendix A: I-48L). Control of the property right system helped Fateh cultivate popular support because it increased interactions between Fateh officials and camp residents. Camp residents began to associate positive change and security in the camps with Fateh officials (appendix A: I-47L). These interactions also bolstered Fateh's image as "umm al thawra" because, as the mother of the revolution, they could guarantee the security of property in the camps (appendix A: I-48L).

While there was clear evidence of Fateh's goals, it was difficult to assess the goals of refugee political parties. Many of the political parties that existed during the 1960s and 1970s have since disappeared and former members were difficult to track down. Though I was able to talk with a few members from different parties, it was impossible to canvas a variety of political parties. As a result, there was less data available on the motives of local political parties compared to Fateh. Based on a few interviews with political party members, reasoned assumptions were made (appendix A: I-26L, I-33L, I-34L, I-48L, I-55L). Parties desired to increase their number of members and they hoped to garner popular support by establishing legal titles to the resources (appendix A: I-26L, I-33L, I-55L). By providing such an important status to refugees, smaller political parties hoped to become leaders of the revolution. Similar to Fateh's intentions, refugee political parties desired to gain power through the control of resources (appendix A: I-48L).

Refugee businessmen had different goals during property right negotiations compared to refugee political parties. Similar to the experiences of refugee businessmen in Jordan, market shocks and the increasing value of assets spurred Palestinian businessmen in Northern Lebanon to create property rights that would help them to overcome transaction costs and to gain the monetary benefits of investments. In order to assess the motives of refugee businessmen I primarily relied on survey data conducted in 2007 and in-depth interview data collected in 2004. Three questions in the survey focused specifically on the goals of businessmen as they sought to craft property rights (appendix B). First, I asked businessmen if they primarily wanted to create property

rights that facilitated long distance business transactions (appendix B: efficiency question 2). Refugees wanted property rights that would facilitate long distance transactions. Next I asked businessmen if they desired rules that made it easier to do business with not only friends or family but also with strangers (appendix B: efficiency question 3). Not surprisingly, refugees wanted to overcome the challenges of refugee camp isolation. They desired a system that let them connect to individuals and companies outside the camps. Finally, I asked refugee businessmen if they wanted to create rules that worked primarily to enhance the success and efficiency of their business (appendix B: efficiency question 4). Again, refugee businessman predictably hoped to create efficient property rights.

While this data gave me a general idea of their goals, in-depth interviews conducted in 2004 gave me greater insight into the high transaction costs businessmen faced and how they sought to remedy the situation with a system of property rights. Most Palestinian refugee businessmen suffered from information asymmetries inside Lebanon because of the political, social, and economic isolation of the camps. Refugees had little information regarding the market value of their assets inside and outside the refugee camps. The information refugees could access was usually the result of personal experiences in factories or shops where they once worked. For example a carpentry business owner, named Ahmad, said that he learned the craft of carpentry, the price of products in Beirut and Tripoli markets, and the value of carpentry assets through jobs he held in wood working shops in Beirut (appendix A: I-15L).

If businessmen did not have personal experiences like Ahmad, there was no systematic database where they could research the value of their assets. As a result of this information asymmetry, many businessmen in the camps sought a database of property titles broken down by business sector, residential vs. commercial, the estimated value of the title, and a history of the property. In effect, refugees hoped to make their titles alienable by knowing the value of their property and how to transfer it. One business owner stated that inside the camps “there was no organization to facilitate communication between businesses,” so that “we could know the value of our assets” (appendix A: I-8L).

Balance of Power

Though a variety of actors participated in the on-going discussions over the new property right system, there were significant disparities in bargaining power. Most local camp actors had relatively little power in terms of financial resources or popular support. In contrast, Fateh was a hegemonic power in the camps in 1969 and 1970 that had lots of monetary support, weaponry, and mass appeal (Brand 1988, Rubenberg 1983). Fateh used their new hegemonic position as an opportunity to control the formation of property rights (appendix A: I-4L, I-33L, I-34L, I-48L, I-54L, I-55mL). For example, a Fateh party member commented that it was “only natural” for Fateh to control the formation and maintenance of property rights because Fateh was “Umm al thawra” or “The Mother of the [Palestinian] Revolution” (appendix A: I-48L). This revolutionary slogan was constantly repeated to me in interviews to emphasize the strength and authority of Fateh inside the camps.

Despite Fateh's preponderance of power, I showed in the previous section that Fateh invited an array of political and economic groups to participate in on-going discussions over the new system of property rights at Camp Committee offices. It is unclear if smaller political and economic groups had less authority during property right negotiations. Evidence suggests that smaller political groups and businesses did not have off-setting power advantages with Fateh during negotiations because they were not "mothers" of the revolution (I-48L). Representatives from smaller parties noted that they had less voice in designing the new system of property rights because Fateh had more political and economic control of the refugee camps than others (I-4L, I-33L, I-55L). In fact, 81% of refugee respondents felt that some individuals in the camps had "more say" in how property rights formed.⁵³

It seemed strange that Fateh included a variety of political parties and business groups in property right negotiations when it had the power to create property rights on its own. Fateh decided to include different political groups in property right negotiations because of the latent contestation that political groups and the Lebanese host state presented. Fateh was not secure in its hold of power in the camps for several reasons. First, Fateh had recently lost military battles against Jordan in Black September, so it feared Lebanese interference in the camps. Next, the small political groups in the camps did not present individual threats but could potentially group together and rally against Fateh's recently acquired authority in the camps. As a result of the latent contestation, Fateh included different political groups in property right negotiations. In addition,

⁵³ This percentage is based on refugee responses to Distributional question 1 from the 2007 survey (appendix B).

Rubenberg (1983) commented that the integration of a variety of political and economic groups into institutional negotiations “has been a conscious policy of Fateh in an attempt to co-opt the commando groups and moderate their behavior through participation in the civil institutions” (Rubenberg 1983: 12).

What was the influence of the unbalanced power dynamic between actors on the acceptance of property rights in Nahr al Bared and Beddawi? Recall that property rights were considered present when two conditions were met: First, a formal apparatus of legal titles must have been in place. Second, there must have been explicit or implicit acceptance of the new property rights among negotiators and community members. In Lebanon, some actors’ interests were not incorporated into the new property right system yet the refugee community still accepted it. This point raises a key question. Does acceptance of property right formation among actors who did not have voice during negotiations imply that their interests were met?

To answer this question one must consider the options of refugee businessmen in Lebanon. If refugee businessmen could effectively dissent or if they could exit the camps when their interests were not met, then one would expect that acceptance of Fateh’s system meant that their interests were, in fact, being met. However, the political climate during 1969 and 1970 prevented refugee businessmen from exiting the camp if they disagreed with Fateh because Fateh was so popular that their dissent was not effective. Moreover, Lebanese regulations prohibited Palestinians from exiting the camps and opening a business inside the host country (Christoff 2004).⁵⁴ Interestingly, the interests

⁵⁴ Earlier I mentioned that many refugees migrate to Gulf countries to find work, hence the large volume of

of different refugee groups like businessmen and political parties had partially overlapping interests with Fateh. Even though not every goal of Lebanese actors was met, the partially overlapping interests, hegemonic status of Fateh, and lack of a viable “exit” option prompted refugees to accept Fateh’s system of property rights.

Strategy of Actors

The cast of negotiating actors and the unequal balance of power among them influenced the ability of actors to develop effective negotiating strategies to reach their goals. In order to enhance their popular support and revenues, Fateh used revolutionary slogans. The *umm al thawra* slogan permitted Fateh to justify their domination of property right negotiations because there could be only one mother of the revolution. In addition, only the mother of the revolution could provide essential services to the camps, like new property rights. Finally, the revolutionary rhetoric was extremely popular among the refugee population.

Other negotiating actors had a difficult time challenging Fateh’s revolutionary rhetoric. Political parties failed to develop their own authentic popular campaigns to bolster their negotiating position because of Fateh’s overwhelming power and popularity among the general Palestinian population. In an attempt to stake some role in the creation of property rights, albeit a marginal one, political groups latched onto to Fateh’s institutional designs. Political parties could claim they were part of the revolution. However, this strategy meant that political parties were not able to independently control

remittances observed in the late 1960s and early 1970s. However, this “exit” option for finding work is different from the ability to exit the camps and establish businesses inside Lebanon and even in the Gulf region. In the Gulf, Palestinians are legally barred from opening businesses in their own names. In Lebanon, Palestinians face legal restrictions in opening businesses.

the new system of legal titles to property and thus could not use the property right system to bolster their own popular support.

In some instances, the goals of refugee businessmen were consistent with the interests of Fateh. Fateh developed Camp Committee offices with organized procedures for registering titles, storing titles, buying and selling titles, and resolving ownership disputes with the intent of increasing party revenue. These goals matched the efficiency goals of businessmen. But Palestinian refugee businessmen never developed a cohesive strategy for getting extensive databases and training sessions like refugee businessmen in Jordan. In sum, political parties and businessmen faced a formidable negotiating partner in Fateh that prevented the development of strong negotiating strategies.

Institutional Outcome

Fateh gained both monetary and non-monetary benefits from providing a titling system. Although the payment for title registration and witnessing seems minimal, roughly seventeen to twenty five US dollars, these substantial sums in refugee camp conditions were used to pay Fateh employees, party members, and allies like large influential families in the camps (appendix A: I-33L, I-55L). Also, the revenue was used as extra welfare payments for the poorest families in the camps who had lost their male heads of family (appendix A: I-33L, I-55L). Popular support among all levels of the population, from the poorest to the wealthiest camp families, was the main non-monetary benefit. Both benefits enhanced the political standing of Fateh as “Umm al-thawra.”

Interestingly, Fateh dominated the property right system in the real estate and construction industry sectors but did not exploit it or develop overly corrupt practices. In

fact, Fateh restrained its political power and behaved in an organized and efficient manner while still serving its own interests because of its desire to control the camps for the long term, the latent contestation presented by many small political groups, and because of the absence of easily exploitable resources (both monetary and non-monetary) that they could have ruled by fiat. The self-limiting behavior of Fateh combined with elements of the distributional and efficiency approaches, as outlined in Chapter 2, account for property right formation in the real estate and construction industry sectors in Nahr al bared and Beddawi.

Conclusions

Olson's (2000) "stationary bandits" theory might explain the "self-limiting" behavior of Fateh and Jordan. Olson (2000) developed his theory of "stationary bandits" after studying historical accounts of Chinese warlords in the 1920s. Olson read that Feng Yu-Hsing was a Chinese warlord noted for his strength and exceptional skill in suppressing warring armies. He discovered that many of the Chinese residents in Feng's domain preferred him to other warlords even though he was a bandit. Why? Olson (2000) theorized that residents preferred Feng because he was strong enough to monopolize power in the area and was strong enough to remain in the area for a long period of time. In effect, he became a stationary bandit. Feng's monopoly of power meant that he had an encompassing interest to control his domain of power and to continue to reap the benefits of controlling the area. However, comparative casework provides numerous instances of stationary bandits completely plundering and exploiting their populations.⁵⁵ Analysis of

⁵⁵ For example, one can point to political leaders like Mobuto, Marcos, and Mugabe as stationary bandits

property right formation in Palestinian refugee camps reveals the key conditions necessary for leaders to self- limit their predations, to provide productive and secure property rights, and to become “benevolent hegemons.”

Though the Jordanian state and Fateh were powerful in the camps they were compelled by particular incentives to restrain their exploitative and distributional behaviors. The key discovery that in-depth qualitative research provides is that that latent contestation, long time horizons, and competition over resources like tax - revenues and popular support, are essential for a leader to become a “benevolent hegemon” and to provide secure property rights.

The analysis of property right formation in Palestinian refugee camps located in Lebanon and Jordan also reveals that there is no single “best” pathway to property right formation. In Jordan, the self-limiting behavior of Jordan combined with elements of the efficiency, socio-historical, and distributional approaches explained property right formation. In contrast, Fateh’s self-limiting behavior acted in conjunction with elements of the distributional and efficiency approaches to account for property right formation in Lebanon. The key difference across camps was the strategic setting in which negotiating actor operated. In Jordan, Palestinian sheiks and experienced officials dominated negotiations while younger Fateh revolutionaries prevailed in Lebanon. This chapter concludes the exploration of the origins of property rights in Palestinian refugee camp sectors throughout Jordan and Lebanon.

that completely exploited their populations.

Chapter 4 delves deeper into cases of property right formation in Nahr al Bared and Beddawi. In particular, I will consider the following questions. Does the institutional approach to property right formation influence the strength of property rights in a variety of sectors? Did Fateh's self-limiting predations, due to latent contestation, long time horizons, and resource scarcity in the real estate and construction industry sectors extend to the electricity and water sectors? In the next chapter, we learn that Fateh was more likely to exploit the property right system in the electricity and water sectors than in the other two sectors examined.

Chapter 4: Understanding Variation in Property Right Strength

Introduction

Unprecedented access to refugees in Nahr al Bared and Beddawi facilitated the exploration of property right formation in the real estate, construction industry, electricity, and water sectors. In particular, camp sectors in Lebanon afforded the opportunity to examine the connection between the origins of property rights and property right strength. Upon closer examination, property rights had varied levels of strength across sectors. What explains variation in property right strength across sectors in Nahr al Bared and Beddawi? Are some institutional approaches linked to weaker or stronger property rights? In order to answer those questions the chapter is organized as follows. First, an ordinal measure is devised to account for variation in property right strength. Next, observations of property right strength in the electricity, water, real estate and construction industry sectors are presented.

The second portion of this chapter evaluates theoretical arguments that might explain variation in property right strength across camp sectors. In particular, self-limiting predation that distinguished the behavior of Fateh during property right negotiations in the real estate and construction industry sectors was less evident in the water and electricity sectors because common pool resources like electricity and water created incentives for Fateh to develop a strategy of moderate exploitation. “Self-limiting predation” and “moderate exploitation” are terms that emphasize Fateh’s different underlying behaviors. Self-limiting predation refers to the restraints Fateh placed on its’

power in an effort to ensure strong property rights. It emphasizes the “self-limiting” nature of Fateh’s behavior in particular resource sectors. The term “moderately exploitative,” refers to Fateh’s abuse of resources that stopped short of complete plundering. Though components of the distributional and efficiency approaches were evident across sectors, the nature of the resource mediated the outcome of property right strength. Finally, the conclusion provides preliminary hypotheses that link property right origins to property right strength.

Dependent Variable

Most studies of property right formation use a dichotomous dependent variable that accounts for the presence or absence of property rights. But a dichotomous measure of property rights does not account for the full variety of components that make up a bundle of property rights. Ostrom et al (1994) note that successful property rights are able to fully extend rights, vigilantly monitor established rules against violators, and effectively sanction violators (267). Ostrom et al’s (1994) case study of property rights with respect to the use of fodder and fuel wood in six villages that lie in the middle Himalayan ranges in the Almora district of India illustrates the ways in which various dimensions of property rights might be operationalized (Ostrom et al 1994, 267). Her operationalization of property rules served as a framework that I used to develop my own measures of property right strength.

Property rights are measured along four dimensions: title formality, excludability, enforceability, and alienability. If different values were discovered across dimensions then an average of the values was taken. For example, in the real estate and construction

industry sectors, property rights were considered strong in two out of four components. Property rights in those industry sectors were coded as moderate along the formality and excludability components. The average of all four components yielded a moderately strong measure for property rights. Next, the dimensions of property rights in Palestinian refugee sectors are operationalized.

Title formality refers to the manner in which actors lay legal claim to their right to access and to use a resource or asset. In addition, it entitles actors to reap the benefits of their labor. Another layer of title formality includes training in the use of and in evaluating the value of one's titles. In the Palestinian refugee community, the establishment of and use of formal legal titles represented a significant departure from previous practices. Many refugees were unaware of how to "reap the benefits of their labor" through the use of formal legal titles. As a result, one would expect that title formality is strong when written contracts exist that establish an actor's ownership of a resource or asset. The contract would be written in front of lawyers or a notary public. Moreover, actors would be formally trained in the use of titles and in the assessment of their value through classes or personal instruction from officials in charge of the title system. If title formality were moderate then one would find contracts written in the name of a non-Palestinian in order to avoid legal restrictions placed on Palestinians.⁵⁶ A witness would also be present during the writing of the contract. However, training sessions for the use of the title would be absent. Most refugees would learn about the use

⁵⁶ The practice of placing a title for a resource or asset in the name of a non-Palestinian is common among Palestinian located throughout the Middle East. One finds most evidence of this practice in the Gulf countries where Palestinians are prohibited from owning property in their own name. Currently, there is very little empirical and theoretical work on this phenomenon. Future research projects might consider exploring this practice.

of titles through personal experiences or through informal channels like family members or friends. Oral contracts or gentlemen's agreements coupled with the absence of training sessions distinguish weak title formality.

Excludability refers to the ability to prevent others from gaining access to one's assets or resources. Ostrom et al (1994) argue that most property rights are not self-reinforcing and thus require formal forces to ensure excludability (274). When property rights are strong in the excludability dimension then one would expect to find that police or formal army forces have the jurisdiction and ability to protect property. Moreover, police or formal army forces do, in fact, protect property from abuse. When excludability is moderate then it is likely private security forces or hired guards protect property. Finally, when excludability is weak then community norms act as the only protection against property abuse.

Enforceability refers to the right to sanction violations of one's property. Ostrom et al (1994) argue that the purpose of sanctions is as much to punish somebody for a crime that was committed as to uphold the authority of individuals that monitor property right compliance (278). A formal legal body set up to settle disputes indicates a strong level of enforceability. Also, this formal legal body settles property disputes based on legal precedent established inside the refugee camps. An informal legal body of family, community, or religious leaders that settles property disputes based on legal precedent indicates a moderate level of enforceability. Finally, non-organized forms of retribution to settle disputes such as inter-family violence/ retribution or a legal body (that may be

formal or informal) that does not evenly enforce law based on precedent mark weak enforceability.

Finally, alienability refers to the right to sell, lease, or leave for inheritance one's asset or resource. Exercising a right of alienation means that an individual sells or leases the rights of access, exclusion, and enforcement. Having alienated those rights one no longer exercises authority over a particular asset or resource (Ostrom and Schlager 1992). One can normally assess if a right is alienable if there is a market for buying and selling the asset. For example, in refugee camps one might find receipts for the sale or rental of construction machinery. Moreover, part of buying and selling titles includes the presence of information about the value of one's or another's resource. For example, refugees would need information about the worth of a resource to facilitate the sale and transfer of titles. Sale or rental contracts that are written in the name of transacting parties and the presence of information (in the form of databases) about a resource distinguish a strong level of alienability. A moderate level of alienability would entail written sale or rental contracts in the name of non-Palestinians in order to avoid legal restrictions placed on Palestinians and the presence of information (a database or informal accounts) on resources. Lastly, oral contracts among transacting parties and the absence of information on property values mark a weak level of alienability. The chart below summarizes the ordinal measure for property rights in refugee sectors.

Table 3: The Ordinal Measure for Property Rights in Palestinian Refugee Industry Sectors

<i>Measure</i>	Strong	Moderate	Weak
Title Formality	Written titles in owner's name made in front of lawyers or notary public, training sessions on how to use titles	Written titles but in the name of non-Palestinian (to avoid legal restrictions placed on Palestinians) in front of witness, informal training through friends or family	Oral titles or gentleman's agreement, no training sessions on the use of titles
Excludability	Police/ army forces have right and actually do protect property from abuse	Private security forces and hired guards	Community norms of trust protect property from abuse
Enforceability	Formal legal body settles property disputes based on precedent	Informal legal body of family, community, or religious elders settles property disputes based on precedent	Non- organized forms of retribution for property disputes or Legal body that does not evenly enforce law based on precedent
Alienability	Written sale or rental of titles in owner's name and databases of information on property value	Written sale or rental of titles in the name of non-Palestinian (to avoid legal restrictions placed on Palestinians) and databases/informal accounts on property value	Oral sale or rental contracts and no information on property values

The Strength of Property Rights in the Four Refugee Sectors

Property Right Measurement in the Real estate and Construction Industry Sectors

Using the framework described above, it was evident there was variation in property right strength in the electricity, water, real estate, and construction industry sectors. In Nahr al Bared and Beddawi refugee camps property rights were coded as “moderate” in strength along the title formality component in the real estate and construction industry sectors. Refugee residents in Nahr al Bared had formal titles issued in their names to them by the Camp Committee. Camp Committee officials witnessed the titles (Appendix C). However, Palestinian refugees were not afforded formal training on how to use the formal titles. Unlike in Jordan, where refugees were provided with

formal classes, Palestinian refugees in Lebanon relied on personal experience, friends, and family to learn how to use titles.

Next, excludability was considered mixed in its coding in the real estate and construction industry sectors. In some cases, excludability was weak because assets were guarded by community norms. There were no formal police forces that patrolled the camp in order to protect homes or businesses from abuse (I-47L). However in some sub-sectors of the construction industry there were private security forces. Private guards were often hired in the tile and cement industry because much of their equipment and material cannot be locked up (appendix A: I-1L, I-13L, I-14L, I-38L, I-39L, I-45L, I-51L, I-52L). In these cases property rights were considered moderately excludable. In addition, some construction sub-sectors like carpentry and iron/steel would pool their money and pay for a private security guard to patrol their businesses in the evening (appendix A: I-11L, I-15L, I-19L, I-22L, I-27L, I-28L, I-35L, I-36L, I-40L, I-41L, I-46L). For the most part though, community norms of trust acted as the only guard against property abuse so excludability was considered moderately weak in strength.

Enforceability of property rules was strong in the real estate and construction industry sectors. The Camp Committee resolved disputes based on legal precedent. In one instance, I had the opportunity to witness a case that was brought to the Camp Committee for adjudication (appendix A: I-55L).⁵⁷ After observing the behavior of the Camp Committee during the dispute it was clear that it had the authority and ability to use legal precedent to enforce property rights in the real estate and construction industry

⁵⁷ I described the details of the case in Chapter 3 and to avoid repetition I will not re- present the information on the case in this chapter.

sectors. Finally, alienability was considered strong because refugees had sale or rental contracts written in their own names and information about the value of their property through Fateh records at Camp Committee Offices (appendix C). As a result of this evidence, property rights were considered moderately strong in the real estate and construction industry sectors. The chart below summarizes my findings.

Table 4: Ordinal Measure of Property Rights in the Real estate and Construction Industry Sectors in Nahr al Bared and Beddawi Refugee Camps

Measure	Land and Home Sector	Construction Industry
Title Formality	Moderate	Moderate
Excludability	Moderate/Weak	Moderate/Weak
Enforceability	Strong	Strong
Alienability	Strong	Strong

Property Right Measurement in the Electricity and Water Sectors

In contrast, the electricity and water sectors held moderately weak property rights. Researcher observations as well as interview data with electricity and water experts in the camps revealed that since the inception of property rights in those sectors, management of property rights has been poor. Interviews with individuals in industries that used high levels of electricity like construction business owners and ice cream manufacturers in refugee camps in Northern and Southern refugee camps throughout Lebanon cited problems with electricity as one of the top hindrances to using their machinery and getting business done in a timely manner (appendix A: I-7L, I-9L, I-10L). In fact, there have historically been chronic electricity shortages and circuit over loads in the refugee

camps. An electrician in Nahr al Bared camp commented that he had to replace melted fuses and circuit boards on a daily basis (appendix A: I-53L). Even during my overnight stays in the camps one could not help but notice the constant flickering of electricity and the repeated switches from electricity (*kahraba*) to private generator (*ishtiraq*) power. Water flow and water pressure into the homes and businesses was equally erratic and weak. One family noted that most homes suffered constant water and electricity shortages (appendix A: I-47L). The family said that this trend has been ongoing since the late 1960s and early 1970s (appendix A: I-47L).

Water and electricity in the refugee camps are allocated in fixed volumes so that each user is allowed to take water or electricity until they have reached the limit of their allocated liters or amperes. When I asked how the quantity of water/electricity per person was determined, the Camp Committee officials responded that each family unit or business unit is entitled to a base level of access (appendix A: I-33L, I-34L, I-55L). In some cases, families experiencing extreme hardship had the cost of resource access waived because the Camp Committee subsidized their usage. Above this basic level of resource entitlement, business owners and families with greater resource needs paid extra to access more of the resource.

The ordinal measure for property rights provided a clear coding scheme to make sense of the strengths and weaknesses of property rights in the electricity and water sectors. First, title formality was coded as moderate because Palestinians in Nahr al Bared and Beddawi had documents that were held in their names and were signed by the Camp Committee that entitled them to a certain amount of electricity or water (appendix

A: I-33L, I-34L, I-47L, I-53L). Refugees had titles to a particular amount of amperes or liters of the resource entitled to them each month (appendix A: I-34L, I-53L). However, similar to the real estate and construction industry sectors, there were no training classes on how to use titles. Refugees relied on informal channels like family and friends for information on how to use the titles.

Next, alienability was considered strong because Palestinians could sell their allocation of water or electricity to other camp residents or to the Camp Committee and there was information about the value of their titles through Fateh's Camp Committee offices (appendix A: I-53L). Camp residents held receipts that proved payment for a particular quantity of water or electricity (appendix A: I-47L). The sale or rental of titles to the resources was written in the name of Palestinian refugees.

Ownership of water and electricity resources was considered weakly excluded and enforced in the camps. Community norms acted as the only enforcement mechanism against potential abuse of water and electricity (appendix A: I-47L, I-53L). Since detecting the abuse of shared and mobile resources is difficult without formal mechanisms like a system of well-managed meters to regulate usage in place; the use of community norms was not an effective guard against resource exploitation (appendix A: I-47L, I-53L). One respondent stated, "If Nahr al Bared were a Lebanese village there would be much more crime, but we have values, strong traditional values that prevent crime" (appendix A: I-5L). Most individuals felt the camp was safe compared to the rest of Lebanon but they also noted that there was no formal mechanism in place to exclude others from tapping into pipes or circuits for extra use of water or electricity (appendix A:

I- 5L, I-55L).⁵⁸ Finally, enforceability of property rights in the water and electricity sectors was coded as weak because the Camp Committee did not evenly enforce contracts on the basis of legal precedent (appendix A: I-53L). Since property rights were moderate on the title formality component, strong on the alienability component, and weak along the excludability and enforceability components, property rights were coded as moderately weak. The table below summarizes my findings.

Table 5: Ordinal Measure of Property Rights in the Electricity and Water Sectors in Nahr al Bared and Beddawi Refugee Camps

Measure	Electricity Sector	Water Sector
Title Formality	Moderate	Moderate
Excludability	Weak	Weak
Enforceability	Weak	Weak
Alienability	Strong	Strong

In sum, property rights exhibited varied levels of strength across sectors in Nahr al Bared and Beddawi. What explains the presence of moderately strong property rights with respect to ownership of resources in the construction and real estate sectors and moderately weak property rights with respect to electricity and water usage in Palestinian refugee camps located throughout Northern Lebanon?

⁵⁸ In response to question C7, “Are their guards or police that watch over your property so that people do not take it away?” most people responded that community norms and trust in God protected one’s property. In addition, respondents noted that the camps were safer than nearby Lebanese cities despite the lack of a police force.

Part 3: Explanations for Variation in Property Right Strength Across Sectors

Economic Cost Hypothesis

Many economists hypothesize that the costs associated with constructing property rights around specific types of resources determine the likelihood that strong property rights will form. Researchers divided resources into two main classifications: common pool and private.⁵⁹ According to economists, property rights should be stronger in real estate and construction industry sectors because they are “private” resources and the cost of the physical infrastructure to deliver and monitor them is relatively low. For example, police forces that patrolled the homes and businesses regularly would likely suffice for monitoring the real estate and construction industry sectors.

In contrast to private assets, common pool resources are characterized as resources that are costly to exclude, either through physical or legal barriers, and the benefits consumed by one actor reduce the benefits available to others (Ostrom 2000). These qualities lend themselves to weaker property rights. Water and electricity are unique types of common pool resources called “mobile resource units” because they flow and are not fixed (Ostrom 2000). According to economists and environmentalists mobile common pool resources are best managed by providing individual rights to the use of the resource (Ostrom 2000). Rules that establish the use of a resource are called usufruct property rights. Establishing individual rights to shared mobile resources enhances the management of a system of resources because one can easily monitor the exploitation of resources when an individual controls the resource. Ostrom (2000) suggests that

⁵⁹ In this chapter I consider both common pool and private resources. The land and construction industry sectors are considered private resources because an individual owns the entire resource.

implementing and operationalizing individual rights to shared mobile resources is far more difficult in practice than in theory. The cost of creating and maintaining an infrastructure for individual use of a common resource is considered prohibitively expensive for most communities. To effectively monitor and deliver such resources the refugee community would need complex plumbing systems, electrical grids, and a specialized labor force that had the skills necessary to keep it all in working order. Coase (1960) succinctly noted that “the reason some activities are not the subject of contracts [property rights] is exactly the reason why some contracts are commonly unsatisfactory-it would cost too much to put the matter right (1960:39).”

Though Coase (1960) argued that weak property rights were inherent to common pool resource sectors because the costs of creating strong property rights was too high, there are in fact many cases of successful management of these types of resources. Acheson et al (2004) provide an illuminating discussion of how Amazonian communities constructed strong property rights with respect to common pool rainforest resources despite the absence of a government authority in those remote regions. Successful management of these resources resulted in sustainable development on the Amazonian frontier. Moreover, early Mormon settlers who traveled to Salt Lake City were able to effectively manage property rights with respect to water during America’s westward expansion without the help of the United States government (Anderson and Hill 2004).

These accounts of strong property rights in mobile common pool resource sectors in communities where an established government played no role have some important implications for the examination of property rights in Palestinian refugee camps. The

fact that water and electricity are shared mobile resources in refugee camps does not necessarily mean that weak property rights must exist. Certainly it is more difficult to create strong property rights given the increased monetary and human cost of monitoring associated with shared mobile resources but it is not impossible for strong property rights to form.

Moreover, it is not impossible to imagine strong property rights forming in the electricity and water sectors in Beddawi and Nahr al Bared. The physical infrastructure for monitoring property rights was present there even though the cost of the system was high (appendix A: I-53L). Evidence revealed that Fateh, along with the assistance of an electric company in Tripoli, Lebanon, installed a system of meters in the late 1960s and early 1970s that measured each residents' and businesses' utility usage (appendix A: I-53L). Though the electric company assisted in the installation of the system, they played no role in monitoring the use of the meters (I-55L). There were also meters installed to measure water usage inside the camps (appendix A: I-33L, I-53L, I-55L).

In theory, these meters were equipped to register the amount of utility usage and to account for over or under use of the resource (appendix A: I-33L, I-53L). Popular Camp Committees announced publicly that if there was abuse of the resource, with some residents or businesses using more than their allotted share, they would have to pay a fine and in some extreme cases be blocked from the pipes and lines that provided them with the resource (appendix A: I-33L, I-55L). Nahr al Bared and Beddawi had the physical infrastructure in place to create strong property rights. This evidence suggests that an “economic cost” argument alone does not account for the variation in property right

strength across sectors. Though the physical infrastructure was in place, the management of it was weak. The Camp Committee's public announcements about a tough stance on resource abuse rang hollow. It seems that the frequent black outs and shortages were reflective of the lack of commitment to actually monitor the use of meters and of deliberate attempts by the leadership to divert water from particular residents.

Group Social Control Hypothesis

Alternative arguments for the variation in property right strength maintain that characteristics of the community that craft property rights influence the strength of property rights. Anderson and Hill (2004) and Edwards (1994) suggest that the homogeneity, hierarchical nature, and size of groups that structure property rights in common pool resources like water or electricity might explain the strength or weakness of property rights. Anderson and Hill (2004) explain how property rights formed and evolved to govern "grazing rights on the vast great plains, how miners racing to gold fields hammered out rules for claiming mining sites along streams or mineral veins, and how irrigators divvied up water in the arid West" (Anderson and Hill 2004: 4). An interesting parallel between Palestinians in refugee camps in Northern Lebanon and the groups that Anderson and Hill (2004) study is that the groups were isolated from formal government institutions. In the case of groups in the American West, the United States government had not yet extended its full authority to Western territories during the early years of expansion.

In their study of water rights in the West, Anderson and Hill (2004) discovered that Mormons developed water rights in Salt Lake City that were much stronger than

property rights constructed by different groups in the same area (Anderson and Hill 2004: 184). The authors hypothesized that “small groups capitalize on homogeneous cultures to enforce property rights and to promote cooperation among group members” (Anderson and Hill 2004: Chapter 11). In the context of refugee camps, one would expect that if the camps were filled with Palestinians that shared similar religious orientations, historical experiences and socio-economic backgrounds then property rights would be strong with respect to all sectors inside the refugee camps.

Anderson and Hill (2004) provide an ambiguous operationalization of what constitutes a “homogeneous” culture. However, it is reasonable to expect that if a group shares similar religious views and practices, has similar historical experiences, and matching socio-economic backgrounds then it likely has a “homogenous” culture. In Nahr al Bared and Beddawi refugee camps, Palestinians mostly practice Sunni Islam. One hundred percent of refugees interviewed in Nahr al Bared and Beddawi refugee camps were practicing Sunni Muslims.⁶⁰ In addition, Palestinian refugees shared similar historical experiences during al-Nakba in 1948 and followed similar paths to the camps. Most refugees suffered violent ejections from Palestine in 1948 and had a long journey on foot to Lebanon before arriving in Nahr al Bared and Beddawi (appendix A: I-47L, Schiff 1995, Brand 1988, Sayigh 1978). Also, the majority of refugees from Nahr al Bared and Beddawi came from villages and towns in Palestine (Appendix B: response to historical question 1). Prior to 1948, most Palestinian refugees were from peasant backgrounds and the majority of refugees worked in agricultural farming communities

⁶⁰ There are no official statistics provided by UNRWA, BADIL, or the Lebanese government on the religious orientation of refugee camp residents in Nahr al Bared and Beddawi but my data suggests that most refugee residents are Muslim.

prior to their arrival in the camps (Khalidi 1988). Moreover, the isolation of refugee camps in Lebanon from host country practices and institutions increased the cohesiveness of the Palestinian community (appendix A: I-47L). Despite the homogeneity of the Palestinian community across camp sectors in Nahr al Bared and Beddawi, property rights remained moderately weak in the electricity and water sectors but strong in the real estate and construction industry sectors.

The explanatory power of Anderson and Hill's (2004) hypothesis is further reduced when one evaluates the group hierarchy and social control components of their explanation. It was the unique structure of the Mormon faith that caused successful property rights with respect to water in the American West. Anderson and Hill (2004) suggest that the hierarchical nature and the high level of social control of the Mormon faith had facilitated greater cooperation and adherence to property systems. Mormon leadership prompted new Mormon settlers to adhere to a water-sharing plan because disobedience meant isolation from their community and faith. Perhaps the nature of Islam, which is decentralized in structure, prevented strict adherence to property right systems with respect to water and electricity in the camps. Despite the fact that Islam is not hierarchical in organization, it is evident from discussions in previous chapters that Fateh created a clear system of hierarchy in the camps. Fateh members and its supporters had greater authority and control in the camps compared to non-Fateh supporters. Members of Fateh had to listen to Fateh leaders in order to maintain their status in the community. In addition, non-Fateh members expressed a great degree of respect and deference for Fateh as "Umm al- thawra." Certainly, the Mormon faith and the structure

of refugee camps are not exact matches but the systems shared many similarities.

Despite the hierarchical nature of the camps and the homogeneous culture inside the refugee community, property rights exhibited varying levels of strength in the four sectors thereby reducing the explanatory power of the group homogeneity hypothesis.

My Argument

The explanations for variation in property right strength assessed above lacked an understanding of the strategic environment in which the architects of property rights operated. Moreover, the explanations lacked an understanding of the influence of the strategic setting on an actor's strategy to exploit or to limit their predations with respect to resource management. I argue that the type of resources around which property rights formed, acted as a key intervening variable in determining the strength or weakness of property rights in Palestinian refugee camp sectors in Northern Lebanon.

I found that the four sectors in Lebanon shared a similar group of institutional architects, with similar goals, and a similar distribution of power, by comparing the data on private asset sectors described in the last chapter to data on the same variables in the electricity and water sectors. Despite the similar strategic settings, different outcomes were observed in the strength of property rights. Using a "similar systems, different outcome" research design, it appears that the key difference among the cases was the type of resource. In short, common pool resources increased incentives for actors to exploit the property right system for their own benefit because common pool resources are costly to monitor. Inside the camps, Fateh moderately exploited the water and electricity sectors as a form of political patronage and revenue enhancement without detection from

the rest of the community. In the next sections the negotiating actors, their goals, and the balance of power among them during institutional negotiations are described.

Negotiating Property Rights in the Electricity and Water Sectors

Initially, refugees lived without running water and electricity inside Nahr al Bared and Beddawi. Palestinians used wood fire, candles, kerosene oil lamps and gas heaters to power daily life and they gathered water from wells in nearby Lebanese villages to sustain themselves (I-3L, I-5L, I-21L, I-25L, I-26L, I-33L, I-34L, I-47L). As part of UNRWA's humanitarian effort, refugees were given gas and clean water rations. In combination with Lebanon's decision to give up its sovereignty in the refugee camps during the 1969 Cairo Accords, the Lebanese government did not provide access to basic services like electricity or water for Palestinian refugees (Peteet 1997). As a result of Lebanon's policy position, it was absent from property right negotiations in the resource sectors. For roughly two decades, Palestinians inside Nahr al Bared and Beddawi lived without access to resources like clean running water and electricity.

Negotiating Actors

When Fateh took power in the camps in 1969 it seized a golden opportunity to provide electricity and water to Palestinian refugees. Fateh understood that these resources were essential for continued growth in Nahr al Bared and Beddawi because the economic boom created a higher demand for those basic resources (I-34 L). Developing businesses required the water and electricity for the production of goods and the new sprawling residences finally had the wealth to pay for access to resources. Fateh's electricity and water expert on the Camp Committee noted that since there were no initial

title claims to electricity and water they had to construct property rights from scratch (appendix A: I-34L).

In their pursuit of a new system of property rights, Fateh leaders first constructed the physical infrastructure so that water and electricity could easily flow into the camps. To begin, Fateh convened formal meetings with a local electricity company and with UNRWA officials during the early 1970s to develop the infrastructure for water and electricity flow into the camps (I-53L).⁶¹ Note that Fateh negotiated the engineering and building of the electrical and water sewage infrastructures with UNRWA and electricity companies without input from other refugee groups (I-33L, I-53L, I-55L). Through these partnerships and donor funds, Fateh was able to build a system of pipes and circuit boards that facilitated resource flow in the camps (I-33L, I-53L, I-55L). Later, refugee groups negotiated the system of property rights with Fateh. But refugee groups were not a part of the negotiations behind the mechanical and engineering infrastructure of water and electricity resources.

Next, Fateh sold individual claims for the usage of water and electricity inside the camps (appendix A: I-34L). It convened several on-going meetings at Camp Committee offices with business owners, religious leaders, and other political parties to negotiate the formation of legal titles to electricity and water. The meetings represented an on-going dialogue between interested parties though Fateh initiated the discussion and invited particular groups while excluding the Lebanese officials and UNRWA officials. Similar

⁶¹ UNRWA and the electricity company played a role in establishing the infrastructure of resource delivery but they were not a part of the property right negotiations. UNRWA held an explicit policy of not interfering with the formation of property rights and the Cairo Accords limited the access of Lebanese political groups (and Lebanese companies too) in the camps. The electricity company could not participate in the camps' institutional negotiations.

to the process of property right formation in real estate and construction industry sectors, Fateh invited an array of local Palestinian political parties and refugee businessmen to a series of on-going negotiations in an effort to consciously co-opt groups through participation in civil institutions (Rubenberg 1983).

The leaders of other political parties like communist, socialist, and Islamist groups participated in property right negotiations at Fateh's invitation. Participating in the negotiations gave local political parties a chance to be a part of institution building process and an opportunity to boost their political popularity. In contrast to the political parties, businessmen had an important stake in the structure and division of property rights in the common resource sectors because the continued success and growth of their businesses depended upon continued access to water and electricity.⁶² For example, refugees in the carpentry sectors tended to use large amounts of electricity to fuel their large electric saws and power tools. In interviews with carpenters they noted that participating in negotiations was important because it determined how electricity would be divided among businesses (appendix A: I-10L, I-15L). Also, tile and cement businesses tended to use more water during the mixing phases of cement and tile production and they noted that access to water was "essential for maintaining high quality cement blocks" (appendix A: I-14L). These business owners attended property right negotiations so they could influence the division of legal claims to water and electricity inside the refugee camps.

⁶² I conducted many interviews with chocolate and ice cream business sectors in Lebanon in 2004 because these businesses depended greatly on the use of water and electricity for production. These businesses commented that ice cream and chocolate manufacturers had a vested interest in the formation of property rights in the electricity and water sectors because of the importance of those resources for manufacturing and preserving ice cream and chocolate products (appendix A: I-7L and I-9L).

Based on this evidence it is clear that similar actors were present during the negotiation of property rights across sectors in Nahr al Bared and Beddawi. Fateh, local political parties, and refugee businessmen gathered to determine the structure of the new property right system in all four sectors. Moreover, the evidence reveals that similar groups were absent from property right negotiations. Lebanese officials and were absent from negotiations because the Cairo Accords gave Fateh sole sovereignty in the camps. Outside actors had to be invited into the camps to by Fateh. Fateh did not want electricity companies or Lebanese officials meddling with their power in the electricity and water sectors. Finally, UNRWA officials were absent because they held an explicit policy of not interfering with refugee transactions.

Goals

The goals of actors during property right negotiations remained constant across different resource sectors. Similar to my discussion of Fateh's goals in the real estate and construction industry sectors in the last chapter, Fateh desired to maintain and to consolidate its power in the camps (I-33L, I-55L). In addition, it hoped to control the revenues from the new property title system in the electricity and water sectors (I-54L). The desire to generate revenues in the camps reflects a combination of efficiency and distributional goals because Fateh wanted to efficiently collect revenue from property right owners but also it wanted to exploit the revenues from resources as a form of political patronage for Fateh's allies (I-47L, I-54L). Also, it wanted to boost its popularity by providing low cost electricity and water access to refugees (I-33L, I-47L, I-48L, I-53L, I-54L, I-55L).

Fateh's goals often conflicted with the goals of local refugee political parties. The smaller local political parties also hoped to enhance their popularity in the camps by controlling the new system of property rights (I-26L, I-33L, I-34L, I-48L, I-55L). Not surprisingly, unless Fateh was willing to turn resource monitoring over to the local parties, it was impossible to see the realization of local political parties' goals. Fateh wanted full control of the monitoring system without constraints from smaller political groups.

Next, though electrical companies and UNRWA officials/donors were absent from property right negotiations they clearly desired a strong system of legal titles in the electricity and water sectors (I- 53L).⁶³ The electrical company provided Fateh with a manual on how to monitor and record the system of meters (I-53L). Moreover, the electric company offered to send maintenance crews to the camps in an effort to maintain and monitor the use of meters (I-53L). However, Fateh denied the electrical company and UNRWA officials from participating in the negotiations and implementation of property rights (I-53L).

Finally, refugee businessmen also desired strong property rights in the electricity and water sectors. In interviews with a variety of businessmen in refugee camps across Lebanon, refugees indicated that one of the top hindrances to sector growth was the lack of effective management of water and electricity. For example Ahmad, a carpentry business owner, stated that a stable and reliable electricity source was his greatest desire in order to have a successful business (appendix A: I-8L). A tile and cinder block

⁶³ Recall, that UNRWA has an explicit policy of not getting involved in refugee resource transactions. As a result, UNRWA did not attend negotiations. Also, private companies did not participate in negotiations because they did not have the authority to enter the camps without Fateh's invitation.

producer in Beddawi, named Hamad, also noted that more efficient delivery of water to his business was his greatest desire when property rights first formed in the late 1960s and early 1970s (appendix A: I-14L). Businesses wanted meters that accurately measured resource usage and they hoped that monitoring officials would actually enforce their usage. In sum, refugee businessmen sought the effective management of electricity and water beginning in the late 1960s and early 1970s.

Balance of Power

The balance of power between negotiating actors in the electricity and water sectors was similar to the power configuration in the real estate and construction industry sectors and influenced the ability of actors to realize their goals. Fateh remained the hegemon in the camps and the rest of the institutional architects participated in negotiations at Fateh's discretion. Similar to the other sectors, Fateh used the "Umm al thawra" slogan to bolster its strength during negotiations vis-à-vis the other actors (I-48L).

Notably, one could argue that Fateh's authority during negotiations was even greater in the electricity and water sectors compared to the real estate and construction industry sectors because it designed the delivery system for water and electricity without the assistance of local political parties, refugee businessmen, or residents (I-33L, I-34L, I-53L, I-55L). Since Fateh controlled the physical infrastructure for water and electricity provision it had more leverage during negotiations in determining how ownership of the resources would be divided among individuals because those that disagreed could not access the delivery system to change the course of resource flow (I-53L). The increased

authority that Fateh held in the electricity and water sectors increased the potential for a strategy of predation during negotiations.

The chart below summarizes the negotiating actors, the balance of power between them, their goals and the institutional outcome of property right strength in each refugee sector. The key distinguishing feature among the sectors, that might explain the different outcomes, was the type of the resource around which property rights formed.

Table 6: Variation Across Sectors in Nahr al Bared and Beddawi Refugee Camps

Resource Type	Actors	Balance of Power	Goals	DV Outcome
Private Asset- Real Estate	Fateh Refugee businesses Political parties No Lebanon No community groups No UNRWA	Fateh was a local hegemon	<i>Fateh</i> - control the resource for increased revenue and political support <i>Refugee businesses</i> - efficient management of resources to assist in functioning of businesses <i>Political Groups</i> - increase political power in camps through resource control	Moderately Strong
Private Asset- Construction industry businesses	Fateh Refugee businesses Political parties No Lebanon No community groups No UNRWA	Fateh was a local hegemon	<i>Same as above.</i>	Moderately Strong
Common Pool- Water	Fateh Refugee businesses Political parties No Lebanon No community groups	Fateh was a local hegemon	Same as above	Moderately Weak

	No UNRWA			
Common Pool- Electricity	Fateh Refugee businesses Political parties No electrical co No Lebanon No community groups No UNRWA	Fateh was a local hegemon	Same as above	Moderately Weak

Resource Type and Negotiating Strategy

The type of resource around which property rights formed acted as a key intervening variable in the process of property right formation because it altered the way Fateh viewed the strategic setting. In turn, this created a different set of incentives for Fateh to pursue a strategy of exploitation or one that limited predation of the new property right system. In this section I explore how electricity and water resources created strong incentives for Fateh than the private resource sectors to exploit common pool resources for its own financial and political benefit. Interestingly, though Fateh used the resources for its own benefit, it moderated its exploitation of electricity and water rights because of a political interest in maintaining popularity.

Electricity and water permitted Fateh to abuse resources for their own benefit without community detection thereby increasing the incentive for Fateh to pursue a strategy of exploitation (Ostrom 2000). For example, it is easy for one to tap into the maze of electrical wires and plumbing pipes in the camps without detection. Fateh discovered that it could divert extra resources to its allies at the expense of its political enemies since their predations were mostly hidden from the refugee community.⁶⁴ In

⁶⁴ Fateh's allies shifted over time as the power dynamic changed in the camps with some smaller political

contrast, any attempts by Fateh to confiscate land, homes, or businesses for its own political and financial interests would be visible to residents and would likely lower community support for Fateh's revolutionary image (appendix A: I-33L, I-55L).

Second, the refugee community viewed ownership of electricity and water resources differently from the real estate and construction industry sectors. The differences in community views created incentives for Fateh to pursue a moderately exploitative strategy in the electricity and water sectors and a strategy of responsible management in the other sectors. For example, the refugee community demanded strong property rights in the real estate and construction industry sectors because of their collective historical experience prior to 1948. Palestinians have strong emotional connections to land and business ownership (Moghadam 1993). It is important to note that every single refugee interviewed inside the camps lost their homes and farms during al- Nakba (appendix A: I-2J, I-3J, I-21L). Evidence of their strong emotional attachment to their land and homes in Palestine is revealed when one discovers that most Palestinians still have the keys to their former homes in Palestine (appendix A: I-47L). Many refugee women continue to wear keys to their former homes on strings of chains around their necks (Morgan 1989). This intense connection to the ownership of a home and land continued inside the refugee camps as younger generations were re-told their collective historical experience in Palestine. These personal experiences meant that camp residents were intolerant of property right exploitation in the real estate and construction industry sectors.

parties carrying more favor with Fateh at different times. Important sheiks and influential families were consistent allies and long-time supporters of Fateh (I-47L).

In contrast, community members did not express a strong demand for strong property rights in the electricity and water sectors. Fateh's supporters desired increased access to the resources at low prices. Indeed, families cared mostly about enjoying extra allotments of electricity and water at low prices (appendix A: I-47L). Fateh's broad need to satisfy the public demand for low cost access to water and electricity and the refugee community's low demand for strong property rights in the water and electricity sectors encouraged Fateh to exploit the resources.

Importantly, some parts of the Palestinian community desired strong property rights in the electricity and water sectors. As I mentioned earlier in this chapter, refugee businessmen in the construction industry sector desired strong property rights that guaranteed them clear ownership of an allotment of water because their economic success depended in large part on the regular flow of electricity and water to power their production efforts. However, refugee business groups did not develop an effective strategy to reach this goal because the construction industry sector could not garner community support for its ideas. The construction sectors were not popular among refugee residents. The refugee community expressed in interviews that they did not like living near the construction businesses because they used too much electricity and water (2004 and 2007 discussions). Community members blamed blown circuits and power outages on the large machines that construction businesses used (appendix A: I-53L). Though the exact causes of these shortages are debatable, the community's dislike for

many of the businesses revealed that the refugee business owners expressed a minority interest.⁶⁵

In 2004 Mohammad H., a business entrepreneur I interviewed in Nahr al Bared camp, said that since the early days of his business he has dealt with complaints from neighbors of the power drains and noise that his business caused. He resorted to working at night to lessen his impact on neighbors. Another business owner in Nahr al Bared noted that he worked from 12am to 6am because of community complaints of the amount of electricity his business uses. However, working at night introduced a host of new complaints that concentrated on the noise machines produced and the disruption this caused for families at night. For the most part, businesses felt that the camp situation was inhospitable to their needs. Most refugee community members felt that businesses could afford private electricity generators and private wells instead of tapping into the community's limited resources (appendix A: I-47L). Businessmen complained that in some cases the cost of the generators was prohibitively high and was not a solution to the problems they faced because complaints of noise would persist. Evidence from interviews with businessmen and community members revealed that the preferences of refugee businesses did not act as sufficient incentives for Fateh to abandon an exploitative strategy in the electricity and water sectors.

Finally, electricity companies that had a vested interest in the maintenance of strong property rights were unable to ensure that the amount of electricity used was

⁶⁵ The electricity and water shortages could very well have been caused by heavy construction businesses that drained power quickly or the power outages could have been caused by Fateh's abuse of the resources or it could be the result of the utility companies outside the camps experiencing difficulties. The exact source of the shortages is unclear but it is clear through interviews that the refugee community blamed businesses in the construction sectors.

commensurate with the level of payment for use of that resource. Unless Fateh invited the electrical company into the camps, they were not permitted entry because of stipulations in the Cairo Accords that granted Fateh full sovereignty. Similarly, UNRWA officials could make recommendations to Fateh for improved resource management but they could not impose their suggestions on Fateh (appendix A: I-21L). The presence of these outside actors inside the camps challenged provisions in the 1969 Cairo Accords that gave Fateh sole sovereignty. As a result, incentives for strong resource management from electricity and water companies were not strong enough to fully limit Fateh's predations.

Notably, Fateh could have aggressively exploited electricity and water in Nahr al Bared and Beddawi. For example, they could have simply diverted the resources entirely to party members at the expense of community needs. Instead, it subtly diverted small amounts of resources to its allies while still providing residents with access (though it was intermittent and weak in flow). After all, property rights were not completely weak in the electricity and water sectors. A moderate amount of attention was paid to maintaining somewhat strong property rights. In sum, electricity and water provided Fateh with the incentive to pursue a moderately exploitative strategy because the resources gave them space to subtly abuse property rights without community detection. However, Fateh stopped short of aggressive plundering and restrained its exploits such that the "Umm al thawra" reputation remained intact.

To conclude, Fateh's strategic goals in maintaining power and enhancing its prosperity thru the control of resources were easily satisfied because it could subtly

exploit the common pool resources for its own benefit and bolster its political support at the same time.

Institutional Outcomes

Fateh's moderately exploitative strategy in the electricity and water sectors had two effects on camp life. Systems of political patronage and *wasta* emerged that increased the political popularity and revenue of Fateh.⁶⁶ Earlier I mentioned that some refugees enjoyed more electricity and water than their allotted share of ownership. The extra water and electricity that residents enjoyed was used as a form of political patronage for Fateh supporters (appendix A: I-48L). Fateh actually diverted extra amperes of electricity or liters of water to particular homes in the camp through the employment of an electrician that tapped into the general electricity grid or a plumber that tapped into the water system. Fateh's electrician and plumber were on the party's payroll (appendix A: I-53L).

Fateh's electrician noted that in some instances, families that were strong supporters of Fateh had longer time periods of steady resource flow (appendix A: I-53L). In return for the extra usage of the resource, support for Fateh would remain high. Mohammad K., a political supporter of Fateh, noted that his family was permitted to overuse the resource while individuals hostile to Fateh often suffered from weaker water flow and more frequent power outages (appendix A: I-47L). The camp electrician noted that he was often instructed to tap into some families' electrical currents and cut or reduce the level of resource flow (appendix A: I-53L). It should be noted that no single

⁶⁶ *Wasta* refers to the use of "influence" to reach one's goals. Refugees used their personal connections and often paid bribes to "influence" Fateh officials such that they could gain greater resource usage.

individual in the camp enjoyed twenty- four full hours of steady electricity usage but some families enjoyed more than others (appendix A: I-53L).

Next, the strategy of moderate exploitation in the electricity and water sectors created a system of *wasta* in Nahr al Bared and Beddawi. *Wasta*, or the use of influence to achieve one's goals, often increased Fateh's revenues because businesses paid Fateh for extra resource usage without having to face sanctions at the Camp Committee (appendix A: I-6L, I-10L, I-11L, I-12L, and I-15L). For example, an ice cream cone manufacturer in Nahr al Bared noted that he paid a significant amount of money every month bribing officials to facilitate the extra flow of electricity he uses for the ice cream cone presses (appendix A: I-6L). An aluminum manufacturer admitted that since he was unwilling to bribe Fateh officials that he resorted to stealing electricity (appendix A: I-10L). Stealing was a risky endeavor because Fateh could bring sanctions against him and charge him large fines (appendix A: I-10L). The camp electrician on Fateh's payroll noted that sometimes individuals in the camp hire him for personal jobs, like to steal electricity for them by tapping into the main gridlines. The electrician agreed to personal jobs in exchange for payment (appendix A: I-53L). In sum, Fateh's strategy of moderate exploitation resulted in sophisticated systems of political patronage and *wasta*. Ultimately this resulted in moderately weak property rights in the electricity and water sectors.

Linking Origins to Property Right Strength: Some New Hypotheses

Chapter 4's in depth examination of property right formation in Lebanon revealed preliminary evidence of links between the origins of property rights and property right

strength. Unfortunately, the cases did not permit analysis of the relationship between the socio-historical approach and property right strength. Despite this limitation, the efficiency and distributional approaches were examined and reasoned hypotheses linking the approach to property right strength emerged.

Based on observations in electricity, water, real estate, and construction industry sectors in Palestinian refugee camps, strong property rights are linked to the efficiency approach. Evidence revealed that refugee businessmen and electrical company officials desired an efficient and strong system of property rights. It seems reasonable to expect that if those actors that desired efficient management of property rights had more influence during institutional negotiations then property rights would have been stronger across all sectors in Lebanon.

In contrast, weaker property rights are linked to the distributional approach. When an actor holds a disproportionate amount of power, does not face challenges to its power, and has short time horizons then weaker property rights are likely. A hegemonic power that faced no restraints on its political and economic appetite and had short time horizons would surely exploit a system of property rights resulting in weak titles and an untrusting public. Despite Fateh's hegemonic status, its need for party revenue, its tenuous hold on power, its desire to hold onto the *umm-al thawra* position for a long period of time, and the competition over scarce resources forced it to restrain its power. Components of the distributional and efficiency pathways combined with Fateh's strategic position inside the camps resulted in moderately strong property rights in the

real estate and construction industry sectors and moderately weak property rights in the electricity and water sectors.

The results also suggest that common-pool resources bias outcomes of weaker property rights because they increase incentives for predation due to the high cost of monitoring. However incentives for predation, even in common pool resources, can be mitigated by an actor's time horizon, political strength, and resource scarcity. As researchers continue to test the links between institutional origins and institutional strength it is essential to consider the impact of intervening variables like resource type on the process and outcome of property right formation.

Chapter 5: Conclusion

Introduction

After conducting 152 interviews in a variety of sectors across five refugee camps, several theoretical conclusions and policy implications emerged. In particular by assessing theories of institutional formation in Palestinian refugee camp sectors in Lebanon and Jordan, a greater understanding of property right formation *and* the Palestinian refugee situation developed. This chapter summarizes the main findings of the dissertation and provides suggestions for future studies.

Refining Institutional Approaches

In Chapter 2 a basic review of the institutional literature was presented. More importantly, testable institutional hypotheses were derived from the pre-existing institutional literature. This task was difficult because excepting a few studies like Allio et al (1997) and Thelen (2004); there were no established institutional hypotheses that had been tested against each other or in different cases. As a result, my reasoned assumptions played a large role in constructing the efficiency, distributional, and socio-historical hypotheses.

Though the literature on institutional formation is broad, some clear points of agreement emerged. The three institutional approaches shared the assumption that market shocks in the form of price, technology, population, or political changes were necessary for institutional formation. The period from 1969 to 1970 was a key period in the formation of property rights in Palestinian refugee camps because of the convergence of several market shocks. For example in Jordan, increasing remittances, the departure of

Fateh, and Jordan's victory during Black September were the market shocks that prompted the formation of property rights. While in Lebanon, increasing remittance flows and Fateh's establishment of sovereignty through the Cairo Accords acted as the key market shocks that spurred property right construction.

The three approaches had diverging views on three key components of property right formation: the nature of negotiating actors, their goals, and the balance of power among them. First, the efficiency approach argued that in response to market shocks, actors are primarily concerned with forming efficient systems of title registration and enforcement so as to enhance the success of their resources or assets. According to this approach, negotiating actors would have offsetting power advantages such that no single interest could dominate institutional formation.

Next, the distributional approach maintains that market shocks cause changes in distributional gains among political and economic groups. These changes motivate groups to create property rights in an effort to gain strategic advantage over other groups. The power asymmetries among political and economic groups strongly influence the negotiation and formation of institutions.

In contrast, the socio-historical approach maintains that in response to market shocks, actors will form property rights based on their historical experiences in constructing institutions. Actors hope to bring to bear their institutional experiences during property right formation. Also, older individuals with more life experience would dominate property right formation.

The institutional hypotheses were strictly delineated so as to provide the clearest tests of each approach in the context of Palestinian refugee camp sectors across Jordan and Lebanon. The set of institutional hypotheses developed in Chapter 2 should prove helpful to other scholars as they study institutional formation in different settings.

Understanding Institutional Formation

In Chapter 3 the conditions under which a particular institutional approach held the most explanatory power were determined. In every refugee camp, a variety of actors with different interests were present. But when did a particular group of actors and their interests dominate institutional formation? In effect, one must consider the strategic setting in which property rights formed and determine why some actors' strategies were successful, or not, in particular environments. In refugee camps across Lebanon and Jordan, no single institutional approach explained property right formation. In fact, evidence suggested that none of the three institutional approaches were adequate in explaining property formation. Initially, the institutional approaches appeared to have distinct predictions. In reality, the socio-historical, efficiency, and power distributional approaches complemented one another. The cases suggest that the institutional approaches are not mutually exclusive.

For example, in Jordan an amalgam of the three approaches worked together. Jordanian officials, Palestinian businessmen, and community sheiks were present during property right negotiations. Jordanian officials responsible for the construction of institutions inside refugee camps used their authority to exclude Palestinian political groups because the wounds from Black September were still fresh and the Jordanian state

could not tolerate political instability inside the camps. This behavior was consistent with a distributional approach. Though Jordanian officials initially appeared to have a disproportionate hold on power in the refugee camps, the strategic setting made it impossible for the officials to assert their influence without considering Palestinian needs. The Palestinian population was so large that it represented a significant counterweight to Jordan's authority in the camps. The roughly equal balance of power between Jordanian officials and Palestinian refugees during property right negotiations forced the groups to compromise. Jordanian officials who hoped to maintain stability in the camps and increase tax revenues listened to the ideas of Palestinian sheiks and businessmen. Palestinian businessmen desired an efficient system of titles that permitted them to easily register their claims and to reap the benefits of ownership. They wanted Jordanian officials to provide them with training courses that explained the new system of titles. Jordanian officials agreed to the training classes because the courses were compatible with their goal of increasing tax revenues. Palestinian sheiks wanted to preserve their social and political prestige, status, and influence under the new institutional arrangements. In particular Jordanian officials incorporated Palestinian systems of conflict resolution, like the *atwa*, in the enforcement of the new property right system.

Preservation of Palestinian traditions was one way for sheiks to maintain power inside the camps. It is interesting that traditions and norms were used not only for cultural reasons but also to shore up the power of a particular social group. This discovery reflects an unanticipated overlap between the socio-historical and distributional approaches that might be explored in other political-social contexts. The strategic setting

in Jordan influenced the process of property right formation and in turn the explanatory power of the institutional approaches. In Jordan there was a highly involved host state, an absence of local Palestinian political groups but Palestinian sheiks and businessmen counterbalanced Jordan's authority and resulted in a strategy of compromise.

Interestingly, despite Jordan's hegemonic status in the camps, it limited predations of the property rights system and compromised with Palestinian community groups and businesses. Jordan's long-term interest in controlling the camps, the presence of latent contestation from the recently defeated Palestinian political groups, and resource scarcity combined with elements of the three institutional approaches to influence the formation of property rights. The table below summarizes the findings in Jordan.

Table 7: Summary of Findings in Refugee Camp Sectors in Jordan

Components of Property Right Formation	Palestinian refugee real estate and construction industry sectors in Jordan	Institutional Approach
Actors	<ul style="list-style-type: none"> • Jordanian officials • Palestinian sheiks (community leaders) • Palestinian businessmen • Absence of political groups 	Combination of distributional, efficiency, and socio-historical expectations for the presence of (and absence) of negotiating actors
Goals	<ul style="list-style-type: none"> • Jordan- gain and maintain power • Sheiks- increase their social influence and power • Businessmen- efficient system of titles and market success 	Jordanians had distributional and efficiency motives and were forced to compromise because of balance of power, sheiks had distributional motives and used historical models as tools to realize them, and businessmen had efficiency motives so created training courses
Balance of Power	<ul style="list-style-type: none"> • Off-setting power advantages, Jordan is new power in the camps but the large number of Palestinians were a potential threat to their 	Efficiency expectations of the balance of power between negotiators

	power	
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In Lebanon, the strategic setting was very different than in Jordan. Fateh was new to the Nahr al Bared and Beddawi camps at the time of property right formation and the group was filled with young revolutionaries that sought to construct new institutions without the input of the older generation of Palestinians. As a result, the socio-historical approach lacked explanatory power because Fateh revolutionaries excluded Palestinian sheiks and their ideas from property right negotiations.

Instead, Fateh, small Palestinian political groups, and Palestinian businessmen were present during negotiations. Fateh hoped to impose its revolutionary order on the camps, increase their political power, and increase party revenue. Fateh had a strong hold on power in the camps but it faced latent contestation from the Lebanese army and the smaller political groups. This power distribution meant that Fateh was willing to provide some concessions to other groups during negotiations in order to preserve its hold on power. For example, it permitted the participation of smaller political groups in an effort to co-opt them into their wider revolutionary project. Next, it set up an efficient system of title registration and enforcement but stopped short of providing training classes to refugee businessmen. In Lebanon the strategic setting prompted a hegemon like Fateh to provide an efficient titling system but still permitted them to dominate the new system of property rights. In sum, components of the power distributional and efficiency approaches operated in tandem. The table below summarizes the findings in Lebanon.

Table 8: Summary of Findings in Refugee Camp Sectors in Lebanon

Components of Property Right Formation	Palestinian refugee real estate and construction industry sectors in Lebanon	Institutional Approach
Actors	<ul style="list-style-type: none"> • Fateh/PLO officials • Local (small) political groups • Palestinian businessmen • Absence of Lebanese officials and sheiks 	Combination of distributional, and efficiency expectations for the presence of (and absence) of negotiating actors, sheiks were absent because of Fateh revolutionaries and Lebanon was absent because of Cairo Accords
Goals	<ul style="list-style-type: none"> • Fateh- maintain power and increase revenue • Political groups- gain some slice of power in camps • Businessmen- efficient system of titles and market success 	Fateh had distributional and efficiency motives, political groups had distributional motives, and businessmen had efficiency motives
Balance of Power	<ul style="list-style-type: none"> • Fateh was a hegemon though it faced latent contestation from other Palestinian groups and surrounding Lebanese state 	Unbalanced distribution of power is consistent with a distributional approach

These results suggest that we need to expand existing explanations for institutional formation. An important discovery of this dissertation is that hegemonic powers like the Jordanian state and Fateh will restrain their own distributional motives in the face of latent (or active) contestation of their authority, of long time horizons, and of competition over scarce resources both tangible (money and common pool resources) and intangible (like popular support). When a group faces such restraints then it is likely to moderate predations, to incorporate the interests of other actors during negotiations, and to form stronger property rights. Though Jordanian officials and Fateh held a lot of power when property rights formed, neither group plundered the system of property rights as a strong distributional approach might predict. In fact, Fateh limited its predations in the

construction and real estate sectors and crafted an efficient system of title registration and enforcement. Not surprisingly Fateh was motivated to limit its predations because Fateh faced potential challenges to its tenuous hold on power from Lebanese military stationed outside the camps and from small political groups inside the camps. Fateh curtailed its exploitation of the property right system because it desired to maintain the *umm al thawra* or mother of the revolution image, to increase its party revenue, and to continue its hold on power. This prediction should be tested on other cases where a dominant actor leads the construction of institutions.

Institutional Formation as Multi-stage Process

Next, institutional formation might be better understood as a multi-stage process with different institutional approaches carrying more power at different stages of the process. The process of institutional formation might be divided into three different but linked phases. For example, after the initial agreement on a property right system actors will turn their attention to property right design, and finally look to the implementation stage. My study revealed that some approaches carry more explanatory power in particular phases of property right formation. For example in Jordan, my fieldwork reveals that components of the distributional and efficiency interests dominated the initial agreement phase. Once the basic structure was agreed upon, the socio historical experiences of Palestinian sheiks and experienced Jordanian officials carried more authority during the design phase. These are insights that go beyond existing approaches to institutional formation and should be explored in different cases.

Improved Measures of Property Rights

Finally, examining property right formation in Palestinian refugee camps forced the researcher to think carefully about how property rights should be measured. A dichotomous measure for property rights is the standard in political economic scholarship. Usually the presence of property rights was evidenced by a system of titles. In Chapter 3 a dichotomous measure of property rights was appropriate because the focus was on the process of property right formation, not the characteristics of the property right system. Though a dichotomous measure was appropriate, there was no standard of how this measure could be operationalized in the context of Palestinian refugee camps. What would a title look like in refugee camps? If the host government did not recognize the title did this mean that property rights were truly “present”?

Operationalizing property rights in the context of refugee camps was challenging. In Jordan and Lebanon, refugees had formal titles to resources and assets (appendix C). In Jordan, the host state played a considerable role in their formation and fully recognized the Palestinian titling system. Property rights were clearly present in refugee camps throughout Jordan. However, in Lebanon, Palestinian refugee camps were relatively autonomous from the host state. I discovered that as long as the community and authorities inside the camps recognized the titles then property rights could be considered “present.” The operationalization scheme in Lebanon reveals that a host government does not have to recognize property rights for them to be present. In order for property rights to be “present” there must be an implicit or explicit community support for the new

institutions. This discovery should help other scholars working to identify property rights in research locations where groups are marginalized from formal state structures.

Linking Property Right Formation to Property Right Strength

In Chapter 4 attention turned to the examination of the strength of property rights in the electricity, water, real estate, and construction industry sectors in Palestinian refugee camps throughout Lebanon. Increased researcher accessibility and the variety of sectors present in Lebanon prompted closer examination of property right formation and its connection to property right strength.

The field's standard of using a dichotomous measure was not sufficient in an examination of property right strength so an ordinal measure was constructed. Ostrom (2001) served as a helpful guide for operationalizing property right strength in the context of refugee camps though there were still some challenges. Property rights were coded along four dimensions: formality, enforceability, excludability and alienability. It was difficult to determine the qualities of property rights that were moderate in their level of strength. Strong and weak property rights could easily be coded because of the great disparities in performance along the four dimensions. An intimate understanding of the refugee context assisted in developing the moderate measure of property rights. In particular, knowledge of the common Palestinian practice of registering property in the name of a non-Palestinian to avoid legal restrictions was extremely helpful in coding along the formality and alienability dimensions. By developing a clear coding scheme for an ordinal measure of property right strength my study took the first steps toward linking the origins of property rights with their strength.

It was clear that property rights exhibited varying levels of strength across refugee sectors in Lebanon. For example, common pool resources like electricity and water exhibited moderately weak property rights while private asset sectors like real estate and construction had moderately strong property rights. A variety of explanations for variations in property right strength were examined in the camps. First, Coase's (1960) economic cost argument was evaluated. In short, Coase (1960) and other economists suggest that weak or non-existent property rights are likely in common pool resource sectors because the infrastructural cost of supporting such a system are so great that no actor will undertake the effort. In fact, a physical infrastructure for property right implementation was present in Nahr al Bared and Beddawi. It seemed that the cost of the infrastructure was not the primary issue. The quality of the infrastructure was not weak because Fateh, electrical companies, UNRWA, and international organizations sunk great costs into outfitting the camp with a working plumbing/sewage and electrical system. Instead, Fateh's deliberately weak management of the system in order to provide allies with extra resources and to gain the general public's support of low-cost resource access caused the poor system of property rights.

Next, the group social control hypothesis was tested. This approach predicted that group homogeneity and hierarchy influenced the ability to create and to maintain strong property rights. Anderson and Hill (2004) argued that when a community is culturally homogenous and when there is a clear hierarchy of authority then stronger property rights were likely compared to heterogeneous groups with weak chains of command. Though this approach seemed promising, Palestinian refugee camps shared similar characteristics

and exhibited Fateh's hierarchical power structures across all sectors yet variation in property right strength persisted. Clearly, this approach did not account for the variation in property right strength.

Previous accounts of variation in property right strength lacked an understanding of the strategic environment in which property rights emerged. One must consider the nature of negotiating actors, their motivations, and the balance of power among them as they formed new institutions. My field research findings go beyond our existing understanding of the institutional approaches. In particular, in all four sectors components of the distributional and efficiency approaches worked in tandem. However, it is clear that even these approaches do not fully account for the observed behavior of Fateh. Despite the presence of incentives to exploit common pool resource sectors, Fateh's long-term political and economic interests moderated its behavior in the camps and prevented full-scale exploitation of the resources.

Interestingly, research revealed that the strategic setting in Beddawi and Nahr al Bared camps was influenced by a key intervening variable: the nature of the resource around which property rights formed. Resource type changed the structure of incentives for actors to exploit or limit predations of property right systems. In the common pool resource sectors there was increasing incentive to exploit because predations could be hidden from public observation and because the majority of the Palestinian refugee community did not demand strong property rights in the common pool sectors. In fact, electrical companies, UNRWA donors, and businessmen in the camp that desired

efficient management of property rights in the electricity and water sectors were marginalized during institutional negotiations.

It remains unclear if resource type would have a different effect on the strength of property rights in a different strategic context. Based on observations from Palestinian refugee camps, it is clear that regardless of strategic setting, common pool mobile resources present increasing incentives for exploitation compared to provide assets. The degree to which exploitation is expressed would largely depend on the strategic setting. It is likely that in a setting of pure efficiency that there would be less incentive for actors to exploit common pool or mobile resources. Future studies should consider testing the influence of resource type on property right strength in a variety of strategic settings.

The Benefits of Property Rights for Economic Development and Growth

Studies have long studied the connection between strong property rights and economic growth (Leblang 1994, Helliwell 1994, Rodrik 1995, Ostrom 2000). Is this literature correct in placing so much emphasis on property rights as a condition for economic growth? What does my study contribute to this growing body of literature?

First, my study reiterates the point that it is difficult to identify the direction of the causal arrow between property rights and economic growth. One of the necessary conditions for the formation of property rights, according to the institutionalist literature, is a “market shock.” Market shocks in the form of price changes and political turnover were essential for property right formation in the context of Palestinian refugee camps. In effect economic growth was already occurring and culminated in 1969-1970 when property rights formed because Palestinians had to have enough economic incentive to

undertake the costly process of property right formation. Interviews revealed that once property rights were secured, Palestinian businessmen in those sectors felt they were more successful than when informal property rights existed.

Importantly Palestinian refugees noted that the host country political situation influenced their overall economic success, regardless of the presence or absence of property rights. This was especially evident in interviews with refugees in Lebanon. When I questioned businessmen about what their expectations of growth were following the establishment of property rights, every single one stated that, “it depended on what the Lebanese were going to do to us and what others were doing to Lebanon.” The political stability inside the host countries played a substantial part in the camps’ economic growth. Perhaps, the host-country political context might be considered an antecedent condition for property right formation and economic growth. Host countries must be somewhat stable and permit marginalized populations a degree of autonomy to develop businesses and institutional experiences. Certainly economic growth inside Palestinian refugee camps is complicated and property rights alone are not responsible for economic growth, though they play a part in the process.

Policy Implications

Aside from contributing to our theoretical knowledge of institutional formation and economic growth, understanding how Palestinians constructed property rights in the refugee camps is relevant and consequential for the policy of governments and international organizations that hope to improve the economic conditions of marginalized groups living around the world. Importantly, the lessons learned from the Palestinian

refugee case are not applicable to all refugee populations. Recall that Palestinian refugees have lived in refugee camps in Lebanon and Jordan since 1948. Their situation is similar to other populations that have deep roots in a particular location and that to varying degrees remain isolated from formal state institutions. New refugee communities that have not lived in refugee camps long enough to consider their situation “semi-permanent” have little incentive to form property rights since they plan on returning to their home country within a short period of time. These “new” refugees would not undertake the heavy costs of setting up a property right system if they felt they were only in the camps for a short time. The lessons learned in Palestinian refugee camps are most applicable to marginalized populations like Amazonian frontier groups in Brazil or isolated communities in Africa that live on the edges of state authority. Some of the major lessons learned from the Palestinian refugee cases are highlighted below.

First, marginalized groups hold the potential to develop positive institutional innovations given the right political- economic conditions. Communities must experience a market shock to spur the formation of institutions. If the right economic conditions do not already exist inside the marginalized communities then international organizations or governments might create an artificial shock. For example, a host country or an international aid organization might introduce a new technology or provide financial aid to the community so people finally have the incentive to invest in resources around them.

Next, it is likely that many host countries and international aid organizations will encounter populations that have never had strong property rights. When groups lack such

institutional experience, outside actors could encourage communities to develop their own institutional innovations by providing training classes. In these classes, one could point to successful examples, like the Palestinian refugee case, so that marginalized communities have a template to work from. Another idea is that host countries could provide tutorials on property right formation by lending their own institutional models to marginalized groups. In this case, countries might follow Jordan's example on how to lend institutional models and blend them with a community's traditions.

Thirdly, in order to construct strong property rights several safeguards must be taken against incentives for community resource exploitation by international organizations or host countries. In particular, if there is a dominant political group inside the community then host countries or international aid organizations must work to create incentives for the dominant actor to compromise during negotiations and to limit its predations in the enforcement of the system. For example, one could attempt to lengthen the time horizon of political groups by assuring financial support. Of course, one must be careful in these types of political engineering schemes such that one group does not benefit disproportionately from outside assistance over others. International organizations and host countries might pursue a different tactic by bolstering the strength of a variety of groups inside a refugee or marginalized community. For example, every political group could receive a set amount of financial assistance such that no political group holds a disproportionate amount of power in the communities. These strategies would lessen the likelihood that strong distributional pathway to property right formation is taken.

Finally, if property rights are constructed in common pool resource sectors then host countries and international organizations should mitigate the incentives for exploitation by contributing to the cost of the physical infrastructure for resource delivery. More importantly, objective third party monitors of the property right system should be positioned inside the communities. This will prevent overuse of a resource and ensure that every individual receives equal access. These basic lessons learned from the Palestinian refugee experience in constructing property rights should help governments and international aid organizations interested in increasing the economic prospects and political stability of marginalized groups.

Conclusion and Cautionary Note

At the time of writing this conclusion *Time* published, “The Ruins of Nahr al Bared” (Butters 3/14/2008). The article provided an update on Nahr al Bared after the spring 2007 military conflict that occurred between Fatah al-Islam and the Lebanese military. Butters (2008) reminded the reader that Nahr al Bared remains in ruins with thousands of Palestinian refugees living in temporary shelters in nearby Beddawi refugee camp. The recent events in Nahr al Bared serve as a cautionary note that we must not think about property rights formation in a vacuum, and that both the durability of property rights, and the prospects of economic growth, in the Palestinian refugee camps are affected by factors about which all three sets of institutional approaches covered here say very little because they lie outside the scope of the study. In particular, the approaches do not consider the influence of host country and regional political stability on the long- term durability of property rights. In many instances, these events are

outside the control of Palestinian refugees though they influence the safety and stability of the camps. These factors are important to consider and should be explored by other studies of Palestinian refugee camps.

The article concluded that given the situation there today it seems “the Palestinians of Nahr al Bared could easily be forgotten [by the world]” (Butters 3/14/08). As the last few chapters suggested, the occurrences inside Palestinian refugee camps are of theoretical significance to our understanding of institutional formation. Certainly, Nahr al Bared and other Palestinian refugee camps like it should not be forgotten. In sum, examining property right formation in Palestinian refugee camp sectors across Lebanon and Jordan improved our understanding of the process of institutional formation and enhanced our knowledge of the Palestinian refugee community.

Appendix A

Data Collection

The bulk of data for this dissertation was collected during three research trips totaling eight months of field research in Jordan and Lebanon conducted in the summer of 2004, the summer of 2005, and the spring of 2007. During these field visits, I lived and conducted research in a total of 14 Palestinian refugee camps. Interviewing figured prominently in this project because there is a dearth of reliable data on Palestinian refugees in host countries. I engaged in semi-structured interviews- a set list of questions was prepared but many of the questions are open ended in nature and naturally led to new questions that could not have been predicted prior to the interview. I carried out semi-structured interviews based on a set of questions in Arabic with refugee businessmen in construction business sectors, ice cream sectors, chocolate sectors, electricity and water technicians, Fateh members, Camp Committees, UNRWA officials in field and central offices, religious officials, community elders, and refugee families.

Learning how to conduct solid field research is a learning process and the questions I asked in interviews reflected this process. Notably, the set of interview questions evolved between my first visit in 2004 and my last visit in 2007. My questions in 2004 focused on basic facts in the camps as I sought to create a general landscape of the market, business sectors, and basic political dynamics. As I gained more experience and gained a better understanding of the theoretical literature, I lengthened my list of questions and I was able to ask questions that better accounted for the processes of

property right formation during interviews in 2007. Appendix B provides documentation of my interview questions.

Due to concerns for the privacy and protection of my interviewees, interviews were not tape-recorded and anonymity was guarded. While the questions I asked were not risky in nature, most of the individuals prefer anonymity because of a general distrust of outsiders. Though I am half-Palestinian, I am still half-American and the Palestinian people in general are doubtful as to how their words will be construed by a Westerner that may not sympathize with their goals of nationhood. This is because of their historical experience of what they consider betrayal by the British and by UN organizations that recognized Israel. My experience last year showed that individuals preferred anonymity for these reasons. Since my research question is not influenced by the names or personal life histories of individuals I felt that automatically granting anonymity increased the chances that subjects will agree to interviews. I assigned refugees numerical identifications and recorded the date, location of the interview, and the type of position held. Interviews were documented using handwritten notes.

In 2004 and 2005 I was fortunate to have an interviewing assistant that took notes in addition to my own. As a result, in these cases I had two transcripts to confirm the validity of what individuals said. This was an especially useful strategy in my early days in the field as I was learning to listen carefully to the interviews that were conducted in Arabic and to take notes in English. Having back-up notes was helpful to ensure that data was not lost. In 2007, I was the only person that took detailed notes of interview responses. My research assistant also served as a guide to show me around the camps

and to escort me in taxis and buses where it is culturally unacceptable for a young woman to travel alone.

The Sample of Interviewees

Prior to traveling to the camps, I established the key sources that I desired to talk with upon my arrival in the camps. There were 5 types of individuals that I sought to interview: business owners (both large and small), UNRWA officials, members of camp political committees, and religious or community elders, and regular camp families.

I selected refugees that came from a variety of backgrounds in an effort to intentionally avoid bias in my sample. Excepting an interview with one female UNRWA official and one women's vocational program instructor, the rest of the interviewees were males. The interviewees possessed a wide range of educational levels. Many attended vocation programs following middle school but some attended college and graduate programs. UNRWA officials usually held the highest educational degrees. I also attempted to interview individuals that came from different political parties so that one view did not dominate my perception of the camps.

When I arrived in the camps I first surveyed the camp for the number of businesses in each construction industry sector such as glass, cement/tile, carpentry, and iron works. I surveyed the camps by walking the camp- grounds and counting the number of each of the businesses or industries related to the construction industry sector. After attaining a count of each of these sectors I randomly selected a sample of each of the businesses in each construction industry sector. I recruited interviewees in the construction sectors by simply walking into their shops and introducing myself. I present a brief synopsis of my research project and then asked the business owners if they were

interested in talking with me. If the business owner was interested then I asked them what time and location would be best for the interview and I explained to them that an interview would last upwards of an hour depending upon their responses but could be as short as 30 minutes. Most business owners opted to conduct interviews in their shops or production facilities in the morning hours when business was slower and there could be uninterrupted questioning and answering.

UNRWA, camp committee officials, and political groups were approached in a similar manner. I asked families in the camps who the main members of each organization were and requested if someone might be willing to introduce me to the group. Usually an older male would introduce me to the officials. After introductions and the customary cup of coffee/tea, or soda, I would describe my project. Most officials were very interested in my project and willingly talked to me though I was careful to conceal their identities for their own protection.

Following is a complete list of informers, identifying occupation, affiliation, and the location and date of the interview. Personal names and specific titles are omitted to protect the identities of the informants.

Jordan

2004

I-1J: Director, Department of Refugee Affairs, PLO, Amman, June 27, 2004.

I-2J: Chief Field Officer, UNRWA, Relief and Social Services, Amman, June 30, 2004.

I-3J: Chief Information Officer, UNRWA, Amman, June 30, 2004.

2005

I-4J: Business owner, Iron production, Baqa'a camp, May 17, 2005.

I-5J: Business owner, Iron production, Baqa'a camp, May 17, 2005.

I-6J: Business owner, Iron and aluminum production, Baqa'a camp, May 17, 2005.

I-7J: Business owner, Carpentry and furniture retail, Baqa'a camp, May 18, 2005.
I-8J: Business owner, Carpentry, Baqa'a camp, May 18, 2005.
I-9J: Business owner, Carpentry, Baqa'a camp, May 18, 2005.
I-10J: Business owner, Cinderblocks, Baqa'a camp, May 18, 2005.
I-11J: Business owner, Cinderblocks, Baqa'a camp, May 18, 2005.
I-12J: Business owner, Glass, Baqa'a camp, May 19, 2005.
I-13J: Business owner, Glass, Baqa'a camp, May 19, 2005.
I-14J: Business owner, Glass, Baqa'a camp, May 19, 2005.
I-15J: Business owner, Carpentry, Zarqa camp, May 20, 2005.
I-16J: Business owner, Iron, Zarqa camp, May 20, 2005.
I-17J: Business owner, Iron, Zarqa camp, May 20, 2005.
I-18J: Business owner, Carpentry, Zarqa camp, May 20, 2005.
I-19J: Business owner, Iron, Zarqa camp, May 20, 2005.
I-20J: Business owner, Carpentry, Zarqa camp, May 21, 2005.
I-21J: Business owner, Iron, Zarqa camp, May 25, 2005.
I-22J: Business owner, Iron, Zarqa camp, May 25, 2005.
I-23J: Business owner, Glass, Zarqa camp, May 25, 2005.
I-24J: Business owner, Glass, Zarqa camp, May 26, 2005.
I-25J: Business owner, Cinderblocks, Zarqa camp, May 26, 2005.
I-26J: Business owner, Glass, Zarqa camp, May 26, 2005.
I-27J: Business owner, Cinderblocks, Zarqa camp, May 26, 2005.
I-30J: Business owner, Cinderblocks, Zarqa camp, May 27, 2005.
I-31J: Business owner, Carpentry, Wihdat camp, June 1, 2005.
I-32J: Business owner, Aluminum and Glass, Wihdat camp, June 1, 2005.
I-33J: Business owner, Iron, Wihdat camp, June 1, 2005.
I-34J: Business owner, Glass and Carpentry, Wihdat camp, June 1, 2005.
I-35J: Business owner, Iron, Wihdat camp, June 2, 2005.
I-36J: Business owner, Carpentry, Wihdat camp, June 2, 2005.
I-37J: Business owner, Carpentry, Wihdat camp, June 2, 2005.
I-38J: Business owner, Iron, Wihdat camp, June 2, 2005.

I-39J: Business owner, Glass, Wihdat camp, June 2, 2005.
I-40J: Business owner, Iron, Wihdat camp, June 3, 2005.
I-41J: Business owner, Iron, Wihdat camp, June 3, 2005.
I-42J: Business owner, Glass, Wihdat camp, June 3, 2005.
I-43J: Business owner, Cinderblock and tile, Wihdat camp, June 3, 2005.
I-44J: Business owner, Cinderblock and Tile, Wihdat camp, June 3, 2005.
I-45J: Business owner, Carpentry, Irbid camp, June 7, 2005.
I-46J: Business owner, Carpentry, Irbid camp, June 7, 2005.
I-47J: Business owner, Carpentry, Irbid camp, June 7, 2005.
I-48J: Business owner, Carpentry, Irbid camp, June 7, 2005.
I-49J: Business owner, Iron, Irbid camp, June 7, 2005.
I-50J: Business owner, Iron, Irbid camp, June 8, 2005.
I-51J: Business owner, Iron, Irbid camp, June 8, 2005.
I-52J: Business owner, Cinderblock, Irbid camp, June 8, 2005.
I-53J: Business owner, Tile and Cinderblock, Irbid camp, June 8, 2005.
I-54J: Business owner, Tiles, Irbid camp, June 8, 2005.
I-55J: Business owner, Glass, Irbid camp, June 9, 2005.
I-56J: Business owner, Tiles and Cinderblock, Irbid camp, June 9, 2005.
I-57J: Business owner, Glass and Aluminum framing, Irbid camp, June 9, 2005.
I-58J: Business owner, Iron, Marka camp, June 15, 2005.
I-59J: Business owner, Carpentry, Marka camp, June 15, 2005.
I-60J: Business owner, Iron, Marka camp, June 15, 2005.
I-61J: Business owner, Iron, Marka camp, June 15, 2005.
I-62J: Business owner, Glass, Marka camp, June 15, 2005.
I-63J: Business owner, Carpentry, Marka camp, June 16, 2005.
I-64J: Business owner, Glass, Marka camp, June 16, 2005.
I-65J: Business owner, Tile and Cinderblock, Marka camp, June 16, 2005.
I-66J: Business owner, Tile and Cinderblock, Marka camp, June 16, 2005.
I-67J: Business owner, Carpentry and Wood distribution, Marka camp, June 16, 2005.

2007

I-68J: Business owner, Iron, Baqa'a camp, March 29, 2007.

I-69J: Business owner, Iron, Baqa'a camp, March 29, 2007.

I-70J: Business owner, Carpentry and Iron, Baqa'a camp, March 29, 2007.

I-71J: Business owner, Iron, Baqa'a camp, March 29, 2007.

I-72J: Sheikh, Baqa'a camp, March 29, 2007.

I-73J: Business owner, Tile and Iron, Baqa'a camp, March 30, 2007.

I-74J: Business owner, Aluminum, Baqa'a camp, March 30, 2007.

I-75J: Business owner, Carpentry, Baqa'a camp, March 30, 2007.

I-76J: Business owner, Tile and Cinder, Baqa'a camp, March 30, 2007.

I-77J: Business owner, Carpentry, Baqa'a camp, March 31, 2007.

I-78J: Business owner, Carpentry, Baqa'a camp, March 31, 2007.

I-79J: Former Minister of Electricity, Phone Interview in Amman, April 4, 2007.

I-80J: Business owner, Iron and Steel production, Wihdat camp, April 5, 2007.

I-81J: Business owner, Carpentry, Wihdat camp, April 5, 2007.

I-82J: Business owner, Iron and steel works, Wihdat camp, April 5, 2007.

I-83J: Business owner, Aluminum, Wihdat camp, April 5, 2007.

I-84J: Business owner, Construction material trader, Wihdat camp, April 6, 2007.

I-85J: Business owner, Glass manufacturing and design, Wihdat camp, April 6, 2007.

I-86J: Business owner, Carpentry, Wihdat camp, April 6, 2007.

I-87J: Business owner, Iron, Wihdat camp, April 7, 2007.

I-88J: Business owner, Building supplies, Wihdat camp, April 7, 2007.

I-89J: Business owner, Iron, Jerash camp, April 11, 2007.

I-90J: Business owner, Iron, Jerash camp, April 11, 2007.

I-91J: Business owner, Carpentry, Jerash camp, April 11, 2007.

I-92J: Business owner, Cinderblock and tile, Jerash camp, April 12, 2007.

I-93J: Business owner, Iron and steel, Jerash camp, April 12, 2007.

I-94J: Business owner, Metal works, Jerash camp, April 12, 2007.

I-95J: Business owner, Aluminum, Jerash camp, April 12, 2007.

I-96J: Business owner, Carpentry with specialization in framing structures, Jerash camp, April 13, 2007.

I-97J: Business owner, Iron and steel, Jerash camp, April 13, 2007.

Lebanon

2004

I-1L: Business owner, Tile and concrete block factory, Nahr al Bared camp, July 4, 2004.

I-2L: Head Officer, Financial Assistance to Businesses, UNRWA, Nahr al Bared camp, July 5, 2004.

I-3L: Camp Leader, UNRWA, Nahr al Bared camp, July 5, 2004.

I-4L: Lawyer, Nahr al Bared camp, July 8, 2004.

I-5L: Area Officer, Beqaa Northern Lebanon region, UNRWA, Tripoli, July 8, 2004.

I-6L: Business owner, Ice cream cones, Nahr al Bared camp, July 10, 2004.

I-7L: Business owner, Chocolate factory, Nahr al Bared camp, July 10, 2004.

I-8L: Business owner, Ice cream production and retail, Nahr al Bared camp, July 10, 2004.

I-9L: Business owner, Ice cream production and retail, Nahr al Bared camp, July 11, 2004.

I-10L: Business owner, Aluminum, Nahr al Bared camp, July 11, 2004.

I-11L: Business owner, Iron, Bedawi camp, July 12, 2004.

I-12L: Business owner, Chocolate factory, Bedawi camp, July 12, 2004.

I-13L: Business owner, Tile factory, Bedawi camp, July 12, 2004.

I-14L: Business owner, Tile and cinder block production, Bedawi camp, July 12, 2004.

I-15L: Business owner, carpentry and furniture retail, Bedawi camp, July 12, 2004.

I-16L: Business owner, Ice cream production, Bedawi camp, July 12, 2004.

I-17L: Business owner, Chocolate factory, Bedawi camp, July 12, 2004.

I-18L: Business owner, Carpentry and furniture retail, Nahr al Bared, July 13, 2004.

I-19L: Business owner, Steel production, Nahr al Bared, July 13, 2004.

I-20L: Field Leader, National Association for Vocation training school, Beirut, July 15, 2004.

I-21L: Chief Public Information Officer, UNRWA, Beirut, July 15, 2004.

I-22L: Business owner, Carpentry, al- Buss camp, July 17, 2004.

I-23L: Leader/Head, Popular Camp Committee, al- Buss camp, July 17, 2004.

I-24L: Head, Najda Vocational Center, al-Buss camp, July 17, 2004.

I-25L: Camp Leader, UNRWA, al-Buss camp, July 17, 2004.

I-26L: Popular Camp Committee Leader, Rashidiah camp, July 18, 2004.

I-27L: Business owner, Iron, al-Buss camp, July 19, 2004.

I-28L: Business owner, Iron, Rashidiah camp, July 19, 2004.

I-29L: Area Officer, Tyre region, UNRWA, Tyre, July 19, 2004.

I-30L: Leader, Najda Micro- Credit office, Rashidiah camp, July 19, 2004.

I-31L: Business owner, Ice cream production, Rashidiah camp, July 19, 2004.

I-32L: Business owner, Ice cream production, al-Buss camp, July 20, 2004.

2007

I- 33L: Popular Camp Committee, meeting with entire committee, Nahr al Bared camp, February 26, 2007.

I-34L: Committee Member, Water and Electricity expert, Nahr al Bared camp, February 26, 2007.

I-35L: Business owner, Carpentry, Nahr al Bared camp, February 26, 2007.

I-36L: Business owner, Steel, Nahr al Bared camp, February 26, 2007.

I-37L: Business owner, Aluminum, Nahr al Bared camp, February 26, 2007.

I-38L: Business Owner, Cinderblock and Tile, Bedawi camp, February 27, 2007.

I-39L: Business owner, Cement and cinderblock, Bedawi camp, February 27, 2007.

I-40L: Business owner, Carpentry, Bedawi camp, February 27, 2007.

I-41L: Business owner, Carpentry, Bedawi camp, February 27, 2007.

I-42L: Business owner, Aluminum, Bedawi camp, February 28, 2007.

I-43L: Business owner, Aluminum, Bedawi camp, February 28, 2007.

I-44L: Business owner, Glass, Bedawi camp, February 28, 2007.

I-45L: Business owner, Tile, Nahr al Bared camp, March 2, 2007.

I-46L: Business owner, Iron, Nahr al Bared camp, March 2, 2007.

I-47L: Meeting with a family, Nahr al Bared camp, March 3, 2007.

I-48L: Fateh party member and party accountant, Nahr al Bared camp, March 4, 2007.

I-49L: Business owner, Aluminum, Nahr al Bared camp, March 7, 2007.

I-50L: Business owner, Plaster and wall décor, Nahr al Bared camp, March 7, 2007.

I-51L: Business owner, Tile and Cinderblock, Nahr al Bared camp, March 7, 2007.

I-52L: Business owner, Tile, Nahr al Bared camp, March 7, 2007.

I-53L: Camp Electrician, Nahr al Bared camp, March 12, 2007.

I-54L: Lawyer, Nahr al Bared camp, March 12, 2007.

I-55L: Popular Camp Committee, meeting with entire committee, Bedawi camp, March 17, 2007.

Current Event Accounts:

A-1: Murder of a woman, Nahr al Bared Refugee Camp, Lebanon, July 4, 2004.

Appendix B

Standardized Questionnaires for Business Owners, UNRWA officials, Camp Committee and Political Officials, Electricity and Water Officials

2004 and 2005 IRB approved questions

Questions to ask business/industry owners in Palestinian Refugee camps:

Market Shocks and Sector Information:

- 1) What type of business or industry are you and what kind of products do you make here?
- 2) How many years have you been in business for?
- 3) Could you tell me a brief history of how your business/industry started and how you got to where you are today? In telling me this history I am interested in hearing about:
 - a) What made you think starting a business was a good idea?
 - b) Why you chose to open the type of business you did?
 - c) Who else helped you get started?
 - d) Who or what has helped you maintain your business?
- 4) How many other firms are there that do similar or related work?
- 5) How much do you earn a month or a year with this business?
- 6) How many employees do you have? How many are full-time or part-time?
- 7) Where do you get your raw materials or in puts from? How much do they cost a year?
- 8) How do raw economic materials enter and how do finished products or services enter or exist refugee camps?
- 9) What markets do you normally sell your products to? Why do sell products to these specific markets and not others?

Measurement of Property Rights:

- 1) Do you have written documents or contracts that establish ownership and protection of your goods?
- 2) Does everyone benefit from the rules of ownership or protection of property or do only a few people benefit from such rules?
- 3) If some benefit from rules and others do not why is that the case?
- 4) How do you monitor your property, are there guards or police forces or recognized people that watch over your property so that people do not try and take it away?
- 5) If someone breaks rules regarding your ownership of property, like steals or takes away your property without your permission how is that person dealt with?
- 6) Can you sell or lease your property resource or asset (machinery or time for electricity usage)?

Origins of Property Rights

- 1) How did rules about the use and protection of property develop? Could you provide me with a timeline or history of how rules developed?

- 2) Who initiated the establishment of the protection of property rights? Who might have opposed them? Did some sort of (in) formal judicial institution exist prior to the actual establishment of the protection of property rights? Did UNRWA have anything to do with all this?

- 3) When did property rights develop? Were huge economic markets available and the rules developed or did rules develop prior to the realization of a large market of demand?
 - a) For example, did a business just start and everyone agreed and recognized your business and investment and you never had a problem protecting your property/business?
 - b) Was there conscious decision making about rules or did it largely develop without deliberation and discussion?
 - c) Or, did you rely on family networks and relations to ensure that your investment was protected, in other words does your family or do your friends play a role in ensuring that your investments are protected?
 - d) Or, did rules develop to protect your property/business/industry that were similar to rules from your home country so you simply followed historical tradition?

2007 IRB Approved Interview questions

Business Owner:

Date:

Camp:

Background:

A) Background on Business

- 1) What kind of business do you have?
 - a. Carpentry
 - b. Cinder block or tile
 - c. Glass
 - d. Iron/ Steel/ Metal works
 - e. Other. Please Specify.
- 2) How many full-time/ part-time employees do you have working here?
 - a. Full time _____
 - b. Part time _____
- 3) Where do you get your raw materials?

Material	Source
----------	--------

 - 1.
 - 2.

B) Market Shocks

- 1) When did you open your business?
- 2) Did you see market opportunity for your business at that particular time?
 - a. Yes
 - b. No. Please Explain.

C) Measurement of Property Rights:

- 1) Do you own the land that your business is on?
 - a. Yes
 - b. No

If No:

 - i. Do you rent this shop space?
 - a. Yes
 - b. No
 - ii. Did you sign a lease or contract for renting the store?
 - a. Yes
 - b. No
 - iii. Who do you rent the property from?
 - a. Family
 - b. Friend or Neighbor
 - c. Business acquaintance
 - d. Other. Please Explain.
- 2) Do you have written documents or contracts that establish ownership of your property?
 - a. Yes
 - b. No

If yes:

i. Where did you register your property and where are the documents kept?

a. Government Officials

b. Camp Officials

c. UNRWA

d. Religious officials

e. Other, please explain.

ii. Were lawyers or witnesses present during the signing of contracts?

a. Yes

b. No

If no:

i. Do you have oral agreements?

a. Yes

If yes, are oral agreements secure? Explain.

b. No

3) Did you have to apply for a government license to open the business?

a. Yes

b. No

If yes:

What steps did you have to go through to establish business ownership?

Step 1:

Step 2:

Step 3:

If No:

i. Did you have to go through any procedures with UNRWA or the popular camp committee to establish business ownership? What were those procedures?

Step 1:

Step 2:

Step 3:

ii. Did you just have a gentleman's (oral) agreement that established ownership?

What assured you that that this type of agreement was safe/ that the person would not cheat you?

4) If you were to sell your business what steps do you have to go through?

Step 1:

Step 2:

Step 3:

5) What do you do if you want to pass on your business/ inheritance to a family member?

Action 1:

Action 2:

Action 3:

6) Do you ever visit an Islamic official or use Islamic law (Shariah) to transfer property?

a. Yes. Why?

b. No. Why?

7) Are there guards or police forces that watch over your property so that people do not take it away?

- a. Yes
- b. No

If yes:

i. Who provides the police/guard function?

- a. Government
- b. Local
- c. Hired security forces
- d. Own guards
- e. Other. Please specify.

If no:

i. Do you have other ways of protecting your property?

- a. Community trust (the belief that your neighbors are trustworthy and would not steal from you)
- b. Other. Please specify.

8) If a person steals or damages your property do you go to court?

- a. Yes
- b. No

If yes:

i. Are the courts effective in your opinion? Please explain.

If no:

i. How do you deal with someone that steals from you?

- a. Family members threaten the criminal's family.
- b. Use Religious Officials.
- c. Go to Camp Officials (popular camp committee)
- d. Other, please explain

From the way you answered the questions I just asked it seems that you have a set of rules that establish ownership of your business. I want to understand a little bit more about how your rules formed. So I am going to ask you a series of questions that might help me understand how you formed rules.

Governmental Influence

1) Did the government create the procedures and rules for how you buy, own or sell your business?

- a. Yes
- b. No

If yes:

i. How did you learn about the particular steps you had to follow to buy, own, or sell your business?

- a. Government agency
- b. UNRWA
- c. Camp officials
- d. Other, please specify.

ii. Is the government mainly helpful or a hindrance in your ability to own property?

a. Helpful, in what way?

b. Hindrance, in what way?

If no:

Where did the rules come from?

a. Islamic Shariah. Please explain.

b. On your own. Please explain.

c. Other, please explain and specify.

Efficiency

1) When you were figuring out how to make property rules did you look to the government for help?

a. Yes.

If yes, were they helpful in teaching you about how to form rules?

b. No.

If no, did you look to other refugee camps for help?

a. Yes

b. No. Why?

2) Did you want you want to create rules that made it easier to do business over long distances?

a. Yes. Why?

b. No. Why?

3) Today, do you mostly do business with people that you know (friends or family) or do you do business with strangers?

a. People you know (friends/family). Why?

b. Strangers. Why?

4) Do you think the rules you have to follow primarily work to enhance the success and efficiency of your business?

a. Yes. Why and how? For example, does having these rules make you feel like your business is more successful than if there were no rules?

b. No. Why and how?

Distributional

1) Did some members of the camp have more say in how property rules were formed in the camp?

a. Yes

If yes:

Did your age or family name make a difference in terms of having more say in how rules were formed?

a. Yes. Please explain.

b. No. Please explain.

b. No

2) What is your citizenship status?

a. Full Citizen

b. Citizen of Palestine

c. Palestinian from Gaza

d. Other, please specify.

3) Does your citizenship status impact your ability to own property?

a. Yes

b. No

If yes:

In what ways does it impact your ability to own property?

a. Access to government assistance (loans)

b. Police protection.

c. Access to courts

d. Other, please specify.

If no:

Why?

4) Are the rules you have to follow to own a property the same or different than those of that are not Palestinians?

a. Same. Why?

b. Different. Why?

5) Do business owners with full citizenship have it better off in the camps than people without full citizenship in terms of controlling the ownership of their business?

a. Yes. Please explain.

b. No. Please explain.

6) Did you get a loan to start your business?

a. Yes

b. No

If yes:

i. Where did you get the loan from?

a. Bank

b. Government

c. UNRWA

d. Political organization (political party)

e. Business association

f. Family member

g. Other, please specify.

ii. Does your family name make you have more or less power in accessing money for loans, determining rules, or gaining market success?

a. Yes, why?

b. No, why?

Historical

1) In Palestine before your family came to the refugee camps did you live in the city or in the countryside?

a. City

b. Countryside

2) What did your family do in Palestine, were you merchants or farmers?

a. Merchants

b. Farmers

3) Did you own land in Palestine?

a. Yes

b. No

4) Did your family rent land in Palestine?

a. Yes

b. No

5) Did you own a business in Palestine?

a. Yes

b. No

6) From your family experiences in Palestine, were you familiar with writing contracts or documents for the ownership of land?

a. Yes. Explain.

b. No. Explain.

UNRWA Questions in 2004, 2005, 2007

- 1) What is the legal status of most refugees in this camp? For example, are they citizens or do they benefit from partial citizenship?
- 2) What is the relationship like between refugees and the host country government? For example is it cooperative or conflictual?

- 3) Does UNRWA or the Palestinian refugees own the land on which the refugee camp is constructed?
 - If yes, could you tell me more about how UNRWA/ Palestinians acquired this land?
 - If no, then how are the Palestinians allowed to stay on this land?
 - If no, do Palestinians have the right to use the land inside the camps?

- 4) Are Palestinian refugees legally permitted to own property **inside** the refugee camps?
 - If yes, who regulates the transfer of property within the camps?
 - If no, why are they not allowed to own property?
- 5) Does UNRWA have rules that regulate the transfer of property within the camps?
 - If no, how do Palestinians establish ownership of property if the government or UNRWA are not involved? For example, do they use community norms or their common religious faith to establish and enforce ownership?
- 6) I have noticed that there are many businesses in the camps, are these businesses licensed and registered somewhere?
 - If yes, who regulates the licenses and where are the registers kept?
 - If no, how do Palestinians themselves regulate these businesses (community norms etc)?
- 7) Do you think the current status of property right ownership in the camp is optimal or do you think certain things could be better? Please explain.

Appendix C

In the Name of God the Most Merciful

Date: 8/8/2003

Palestinian Camp Committee

Nahr al Bared Camp
Phone #: 30/723095

Contract for Selling and Buying (One Seller and Two Buyers)

Seller 1	
Name	
Date of Birth	
Mother's Name	
File Number	
Family Location	
Residency	

Buyer 1 and 2	
Name	
Date of Birth	
Mother's Name	
File Number	
Family Location	
Residency	

The terms of the contract:

The seller: is selling an apartment in a building she owns, which has: four rooms, bathrooms, a kitchen, two balconies, all totaling 130 square meters. The apartment for sale is located: in Nahr al Bared refugee camp on “New Street” and is located on the first floor of the building. The buyers have agreed with the seller to buy the apartment: for \$8,000 American dollars and they have already paid for it in cash. The apartment will become the property of the buyer alone, they alone can benefit from it from trade or sale, and they can do so without the approval of anyone else. This contract was made with full knowledge and with sound body and mind. The sale cannot be reversed because payment has been received in full on: 8/8/2003.

Handwritten note: The two parties have agreed that the electricity and water meters and pumps are jointly owned.

Seller 1:

Buyer 1:

Buyer 2:

Stamp: There is a stamp in the bottom left hand corner that contains a symbol of the Palestinian Camp Committee and states that the “Agreement is authentic” by the Palestinian Camp Committee in Nahr al Bared.

اللجنة الشعبية الفلسطينية

نخيم نهر البارد

ايصال قبض № 0837

وصافي من الأخ محمد الحاج

مبلغ وقدره خمسون ألفاً واربعمائة دينار



وذلك لحساب عمدة شهبه فاطمة

توقيع المسجل

التاريخ 18/8/2002

أحمد محمد علي

بسم الله الرحمن الرحيم

اللجنة الشعبية الفلسطينية

مخيم نهر البارد

هاتف: ٠٣ / ٧٢٣٠٩٥

التاريخ: ٨ / ٨ / ٢٠٠٤

١٠٦ / ٢٠٢

عقد بيع وشراء (البائع واحد والمشتري إثنان)

الفريق الثاني (أ)	الفريق الثاني (ب)	الفريق الأول	
محمد سليمان الخياط	مظفر سليمان الخياط	فاطمة صبر سجاد	الإسم
١٩٦٠ / شهر البارد	١٩٦٧ / شهر البارد	١٩٤١ / الجامعة	مواليد
سبيح	سبيح	هدية	إسم الأم
المعارس	المعارس	٨٨١	رقم الملف
٥٧٩٣	٥٧٩٣	٧٣٧٨	البيان
محمد نهر البارد	محمد نهر البارد	محمد نهر البارد	الإقامة

عرض الفريق الأول: شقة في مدينة تمكلا المكون من: أربع غرف ومطبخ وحمامين مساحة ٢١٢ م^٢.
 تبيع والكان في: محمد نهر البارد - الخياط الكبير - هانا محمد الخياط - الطابوقة الأولى
 ووافق الفريق الثاني على شراء: الشقة المذكورة أعلاه بمبلغ وقدره: ٨٠٠٠ ل.م. كالتالي: الأقساط ٤٠٠٠ ل.م. وأحد
 وأصبحنا ملكا خالصا للفريق الثاني من تاريخه، ونحن له حق الانتفاع به والبيع والتصرف المطلق دون الرجوع
 إلى أي أحد، ويصرح الفريق الأول أن بيعه صادر عن إرادته التامة ووعبه الكامن غير قابل الرجوع عنه لقبضه سلفا كاملا وليس وتعلق حق الغير

به، علما بأن التسليم فتح حصص بتاريخ البيع أي تاريخ: ٨ / ٨ / ٢٠٠٤
 سيطرة: انضم إقرائنا على أنه كونه معترف الحاجة مساحة اللزارة مشتركة بيننا
 الفريق الأول الفريق الثاني (أ) الفريق الثاني (ب)

فاطمة صبر سجاد
 محمد سليمان الخياط
 عند أفندي محمد سليمان الخياط لترفع مع محمد سليمان الخياط
 محمد نهر البارد

أصادق على صحة التوقيعات

لجنة الشعبية الفلسطينية



Appendix D

The PLO had its genesis at the Arab League summit in 1964 when Ahmad Shuqayri was charged with organizing the political structure of the group (Rubenberg 1983). During the spring of 1964 Shuqayri toured the Middle East seeking political and financial support. In May 1964, an assembly of 422 Palestinians from all over the Middle East convened and drafted the Palestinian National Covenant and the General Principles of a Fundamental Law (Rubenberg 1983: 5-6). In effect a declaration of independence and constitution were agreed upon. Through the resolutions of the Fundamental Law an executive, cabinet, parliament and army were created.

At the same time that the PLO was created, a younger generation of Palestinians working in the Gulf region established their own political organization. This group of young and successful Palestinians established the *Palestinian National Liberation Movement* (Fateh), the most prominent of Palestinian resistance movements. Yasir Arafat along with other Palestinians founded Fateh during 1958 to 1959 but the movement did not enjoy widespread popularity until the mid to late 1960s. On January 1, 1965 Fateh leadership launched a revolution among Palestinian refugees that was based on guerilla activities against Israel. It was not until the demoralizing Arab failure during the 1967 war that Fateh's revolution reached the old guard of PLO leadership (Rubenberg 1983). The leadership of the PLO was quickly discredited after the losses in 1967, especially PLO chairman Ahmad al- Shuqayri. On December 24, 1967 Shuqayri resigned as chairman of the PLO and Yahya

Hammouda acceded to the position (Rubenberg 1983). He attempted to unite the PLO and other political/guerrilla groups and stressed unity and promised the reorganization of the PLO. Despite Hammouda's efforts, it was too late for the older generation of leadership in the PLO.

Fateh sought to capitalize on the weakness of the PLO and win the hearts of demoralized Palestinians. In early 1968 Fateh called upon all Palestinian resistance movements to unite at the grass roots level and fight against Israel (Chailand 1972: 63). On March 21, 1968 the battle of Karameh took place when a large group of Israeli forces crossed into Jordan. Palestinian commandos stood strong in a 12 hour-long battle with Israeli forces. Fateh and other guerrilla groups were successful in inflicting substantial losses on Israeli troops according to Fateh and resistance fighters though Israel insists that it was a minor skirmish. Nevertheless, the battle was a key rallying point for Fateh and its supporters. According to Chailand (1972), a firsthand eyewitness to the battle, Karameh was an act of military propaganda directed both at Arab states and at the Palestinian masses⁶⁷. Fateh wanted to demonstrate its power and its ability to stand up to the victors of the Six Day war without tanks and airplanes. This battle was important in the collective memory of Palestinians and assured a respected position for Fateh in the hearts of Palestinian refugees across the Middle East.

At the next PLO national council meeting in February 1969, Yasir Arafat was elected chairman of the PLO. As a result, Fateh became dominant within the PLO

⁶⁷ In an attempt capitalize on the Palestinian/Arab win at Karameh; King Hussein had a photograph taken while standing on top of one of the destroyed Israeli tanks (Chailand 1972: 63).

and the Palestinian National Movement began. This movement, spearheaded by Fateh within the PLO framework, included military activities and a range of social services like education, health, culture and economic development programs. Fateh provided a wide range of social services to Palestinians in refugee camps across Jordan, Lebanon, Syria, and the Occupied Territories.

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