



Mediterranean Cultural Network to Promote Creativity in the Arts, Crafts and Design for Communities Regeneration in Historical Cities - MEDNETA

Report on the Arts, Crafts and Design Sector and Urban Change in the Beirut District of Mar-Mikhael

FINAL Report

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Executive Summary

Funded by the European Union under the ENPI CBC Med programme, the MEDNETA project aims at improving the economic and social returns of the Arts, Crafts and Design (ACDs) and particularly reinforce the role of these trades in the regeneration of historic urban environments. MEDNETA brings together partners from six different cities located around the Mediterranean basin.

The lead partner is the National Technical University of Athens (Athens, Greece) while seven other partners share with NTUA the implementation of the project: Greek Italian Chamber of Athens (Athens, Greece), Social and Economic Research Centre for the South of Italy, (Gabbiana, Sicily, Italy), Higher Institute of Artistic Industries (Florence, Italy), Valencian Institute for Conservation and Restoration of Heritage (Valencia, Spain), Association for the Safeguarding of the Medina of Tunis (Tunis, Tunisia), Gaia-Heritage (Beirut, Lebanon), Birzeit University Faculty of Engineering (Palestine).

In each MEDNETA City, the project activates a dialogue through cross-border cooperation centred on creativity and the creative process to transfer best practices and devise appropriate tools to enable the ACDs improve their creative process, their production and the marketing of their products. A network of participating cities and ACDs built around an Urban Observatory based in Beirut will continue the work of the project. Compiling and documenting the work of the different partners, the observatory plays an essential role in institutionalising and supporting the exchange of knowledge between the partner cities. The project will culminate with an exhibition showcasing the products created through this Mediterranean cooperation.

This report presents the first set of results for the neighbourhood of Mar Mikhael, selected as the place of implementation of MEDNETA in Beirut. A living mixed place, it is confronted today with different issues and challenges common to neighbourhoods in a situation of rapid economic and physical urban change. Mar Mikhael preserved original urban and social tissue, the heterogeneity of its economic activities and the high concentration of creative industries in the neighbourhood makes it the place of predilection for the studies conducted in the framework of the MEDNETA Project in Lebanon.

In Beirut, the first stage of the work within MEDNETA has consisted in the updating of knowledge about the neighbourhood, its morphology and its expected evolution, the changes in its society and economy, and the development of its ACD emerging cluster. A second stage that followed naturally has been the understanding of the increasing risks on the social and economic mixity of the neighbourhood through its increased visibility on Beirut's real estate and leisure maps and of the issues at stake for the sustainability and further development of the ACDs cluster.

The study of the morphological evolution of the neighbourhood established that, under the current status quo two impacts are likely to occur: skylines of the neighbourhood keep rising through regroupment of plots for large real estate projects while the public space will be increasingly occupied and gradually absorbed into the private sphere of rapid gains. To confront excessive gentrification, four proposed measures could be envisaged: stabilisation of the existing rental pattern through special legal and regulatory measures addressing the needs of

the numerous low income families; working toward the preservation of both the original inhabitants and the ACDs through an increased economic and social interaction of both while at the same time controlling the rhythm of increase of the night leisure economy and imposing on this sector the regulatory requirements for its functioning; protecting the urban fabric and improving the general quality of life in the neighbourhood by better and more public spaces.

The socio economic study for its part has revealed that nearly 80% of those living in Mar Mikhael feel that “everything” should change, attesting for their discontent regarding the current state of the neighbourhood. They expressed demands for regulations and sanitation of public places and for public gardens. They equally strongly advocated for the creation of spaces for children. As for the ACDs, they are equally concerned with the quality of life in the district. In addition, all consider that the accessibility and availability of affordable spaces as much as the original cachet and particular spirit of the neighbourhood are the major benefits Mar Mikhael offers; the challenge is then to preserve these advantages in a changing urban environment. Throughout the investigation, it became increasingly apparent that the link between the ACDs and their environment is crucial for their development while today, it remains weak.

Finally, a one-day public event including an exhibition of the neighbourhood ACDs production culminated in an open debate on the analysis of Strength, Weaknesses, Opportunities and Threats (SWOT) for the neighbourhood. Bringing high-level experts from the academia, institutions and decision-makers from the Government with a broad range of ACDs, the SWOT analysis put the results of the aforementioned studies to the test by confronting them with a large audience.

Based on the assessment of the different results presented in this study while taking into consideration the outcomes of the SWOT conference, the following set of recommendation can be deducted:

- Protect the existing urban fabric and prevent the appropriation of public spaces by the private entities;
- Enforce urban and architectural building regulations;
- Strengthen the application of the rule of law in the neighbourhood, notably with regard bar and restaurants regulation;
- Work toward the creation of an active community of ACDs through active support, funding and training and, finally;
- Install a multidisciplinary working group to engage the issue of ACDs development and devise solutions and tools.

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A. Introduction

General Framework

The European Union funded project “Mediterranean Cultural Network to Promote Creativity in the Arts, Crafts and Design for Communities Regeneration in Historical Cities – MEDNETA” is part of the multilateral cross-border cooperation "Mediterranean Sea Basin Programme" of the European Neighbourhood Policy and of its financing instrument (ENPI).

Historic urban quarters regeneration remains a topic of debates: there is no universal solution that balances between heritage conservation and presentation, its insertion in the general economy and strategy of a city while at the same time avoiding over gentrification or the excesses of a tourism led economy. How to transform forgotten and derelict or over touristified historic urban places into thriving mixed places where the inhabitant and the visitor, the youth, the families and the elderly benefit together from the public spaces, housing and commerce, and from the social services available to all remains a subject of experiments.

Concurrently, the arts, crafts and design industries (ACDs) are being increasingly recognized as important contributors to the creation of wealth and employment opportunities. The “creative economy” is now everywhere and, in the minds of many, it is considered as a remedy to many economic diseases. Like tourism a few years ago, creativity is now thought to be the secure tool of historic fabric regeneration. But and as it had been proven for tourism, creativity alone would fail as much as tourism alone has failed. The issue is about integration and mixity, about balancing between the interests of a variety of actors and of citizen.

In the last twenty years, the ACDs have demonstrated their ability to accompany and often to lead the economic regeneration of quarters, as long as these ACDs products are not geared solely towards satisfying the needs of tourism: once ACDs production have a market and use values in the overall economy, then they acquire a long-lasting role not subject to changing tastes of visitors and to the competition of low-cost mass produced tourism sector products. In other words, use value and quality are what gives ACDs a propelling role in a place economy.

The MEDNETA Objectives and Basic Concepts

The MEDNETA basic objective is to enhance a cross-border cultural dialogue and cooperation among multiple stakeholders to support creativity in the Arts, Crafts and Design (ACDs) as a means for the regeneration of communities living in the historical cities of the Mediterranean Basin (MB).

The MEDNETA partnership is composed of a mix of partners with different competences ranging from heritage conservation and management specialists, urban planners and economists, crafts and arts specialists. It provides a comprehensive experience and knowledge that help ensuring the expected success of the project. It assembles around its lead partner, the National Technical University of Athens, the following:

- Athens, Greece
- Beirut, Lebanon
- Florence, Italy
- Hebron, Palestine
- Tunis, Tunisia
- Valencia, Spain

Towards this objective, the project is expected to contribute to the following:

- Increasing the competitiveness of contemporary creative ACDs to turn them into a leading economic factor in historical cities.
- Improving cross-border cultural dialogue among multiple stakeholders in ACDs across the Mediterranean Basin.
- Revitalizing local communities and web of economic activities, which form the urban and social setting of historical Mediterranean cities.
- Exploiting partners' comprehensive experience to spread knowledge and know-how: Mediterranean Partner Countries cities can offer the "essence" and "memory" of traditional products and techniques, and European Union Mediterranean Countries cities can share and transfer scientific and technological knowledge, providing strategies to MPC cities.

MEDNETA employs an integrated methodology with feedback between theory and practice at both the methodological and strategic levels. Building on existing local networks, the project methodology allows to reach local problems with local actors and open up new possibilities to tap on external experience by expanding cross-border synergies. It includes interviews with communities representatives to accurately assess their needs and problems and host participatory workshops with beneficiary groups in each city in order to define strategies and actions that will address their aspirations in their field of interest.

Expected Results

Upon its completion, the project is expected to have achieved the following results:

- Devising sustainable urban strategies and pilot projects for the socio-economic revitalization of historic cities, including programmes for the regeneration of ACDs.
- Creating new permanent forms of cross-border cultural and economic cooperation and networking in the ACDs among participating localities.
- Producing innovation through development of synergies, exchange of best practices, transfer of knowhow and infusion of new technology.
- Delivering a Mediterranean ACDs Lab network as an open virtual lab of multicultural dialogue and a MEDNETA observatory to monitor the ACDs Lab-net functioning.

The Local Setting

The choice of Mar Mikhael for Medneta was based on several considerations. The high concentration of ACDs present in the neighbourhood makes it a place of predilection for such an exercise. The location of Mar Mikhael and the affordability of its rents, the charm of its "preserved" original urban tissue and society or the heterogeneity of its economic activities attract the young creators and start-ups.

Located in the North-East of Beirut, the district still bears witness of the architectural evolution of the city from the French Mandate to modern times; ranging from traditional to neo-traditional style. It developed around the railway station of Beirut, built by the French mandatory power in the early 20th century. Immigration makes up a large chunk of Mar Mikhael's identity. At the time, Armenians migrants escaped ethnical conflict and settled

down in the neighbourhood. A second wave of migrants hit the neighbourhood in a gradual process of rural exodus, draining people from the countryside into the city. By 1960, the population had drastically increased in the neighbourhood laying the foundation for its modern development. The economic activities in Mar Mikhael were mainly composed of small metalwork shops, car repair and spare parts shops.

Today, Mar Mikhael still distinguishes itself from other neighbourhoods. Its urban, social and economic characteristics attest of the predominantly Armenian refugees origin of the neighbourhood with small-size self built houses or small buildings, garages and mechanic shops making up an important part of its identity. Designers and artists started renting spaces to turn them into art galleries, workspaces and showrooms, bringing to Mar Mikhael dynamism and a touch of contemporaneity. Today, Mar Mikhael's ACDs are becoming the main creative cluster in Beirut outside of the digital arena. Ranging from fashion design to 3D printing, along with street art and furniture design, it provides a good sample of the creative life present in the city.

A Cumulative Approach

Inasmuch as urban living places are complex structures and cannot be apprehended and managed through a single discipline (planning, economics, social, etc.), assessing the role and impact of ACDs in urban dynamics is as difficult to grasp. Though imperfect and a first step, this report regroups several views targeting each a different component of the neighbourhood of Mar Mikhael and its different stakeholders and forms. As such, it represents the first attempt to decipher the terms through which creative activities could influence and partly guide urban regeneration.

The report sheds light on five key elements for the understanding of urban dynamics under severe conditions of rapid change. Starting with morphological consideration, the report addresses the issue of the evolution of the built environment in the district and then dedicates its attention to the process of rapid and unregulated gentrification occurring in Mar Mikhael, looking for ways to slowdown this process. The following chapter studies the inhabitants' needs and expectations from their neighbourhood. This socio-economic study is here a core element of the report, as it provides results bringing into the equation the inhabitants' perspective on the changes occurring in the district. The survey of the ACDs of Mar Mikhael adds to the previous contributions by unravelling the history of their insertion in Mar Mikhael, the development of their activities, their needs and potential for growth. It also addresses the threats they are confronted with.

It is followed by a brief note on nightlife in the district, a dynamic that – in Beirut - changes and often destroys neighbourhoods by overuse. Building up on the present studies, the SWOT Conference brought together representatives of all stakeholders of Mar Mikhael, decision makers and academics, who all addressed together the issues at stake and the potentials of the place.

This report presents the results of the studies and provides an overall view of the place, of ACDs and of their role in the urban change taking place in the district. It serves as a basis for the design of a strategy acting towards the realisation of the MEDNETA goals in the particular context of Mar Mikhael.

B. Morphological Considerations¹ (Aline Raad)

I. Introduction

This chapter explores the evolution of the urban fabric of the neighbourhood of Mar Mikhael, it investigates how the built environment spontaneously developed around large infrastructure such as the harbour and the railway station and how the zoning laws in effect helped shape the production of space in this particular neighbourhood. It investigates the processes of urban growth in the neighbourhood of Mar Mikhael, and explores the socio-economic, cultural and environmental forces that shaped its spatial configuration through the relations between buildings, space and infrastructure.

The analysis of the neighbourhood's urban fabric shows complex morphological interactions that generate synergy, richness and a highly connected urban space. This chapter seeks to examine the patterns of its different components, such as the urban grain (street pattern, lots and their aggregation into street-blocks and building pattern) as well as patterns of land use and occupation.

The results are presented hereafter in a series of maps accompanied by explanatory texts: as both texts and maps are necessary for a comprehensive understanding of the morphological structure of the neighbourhood. It is divided as follows;

- An overview of the site and situation delineating the relationship between the neighbourhood and the city of Beirut.
- A topographic analysis displaying the general landform and ground surface variability of the area in question.
- A review of the existing zoning regulations in each area of the district.
- A series of maps illustrating the general patterns in the urban fabric and building typologies.

A brief summary closes this chapter by compiling on one map all the data mentioned previously.

To conclude, the report reviews the evolution of the built environment and urban fabric, and contrasts the current land use patterns and land occupation modes with those of 1963.

II. Historical Considerations

The spatial structure of the neighbourhood is generated by a long history of organic processes, small-scale changes and abrupt interruptions, which amassed over time and produced the current morphological patterns with their geometrical and functional complexities.

¹ Detailed maps of this chapter are provided in annex.

Mar Mikhael neighbourhood is located within the districts of Rmeil and Medawar at the northern entrance of Beirut, bordering Gemmayzeh to the West, Beirut's River to the East, the Port to the North and Achrafieh hill to the South. Historically it was built around the Tripoli road (the northern entrance to Beirut) a train station, and a busy commercial fabric. The neighbourhood, known for its traditional buildings mostly from the era of the French mandate and modern buildings from the 1950s, has always been busy, restless and buzzing with activity. Its rich urban fabric evolved spontaneously around mixed-use patterns that combine living, working and leisure.

Multiple demographic shifts in the city have had a restructuring effect on the spatial form and the social occupation of the neighbourhood; the arrival of Armenian refugees to Beirut in 1922 who settled in a camp in Medawar in Qarantina then relocated to neighbouring areas such as Badawi Street in Mar Mikhael, Karm-el-Zeitoun in Achrafieh and Bourj Hammoud, the rural to urban migration in the 1930s which accelerated in the 1960s and the wave of displacements in response to financial reasons and ethnic conflicts during the civil war.

The neighbourhood, characterized by its ethnic diversity and social mixity was considered to be a popular, low-income neighbourhood up until recently, when the influx of artists and young professionals has induced a process of upgrading where bars, boutiques, restaurants, art galleries and recording studios replaced garages and small antique shops, attracting new investors and new residents, changing thus the face of the neighbourhood and unsettling the economic process by which it operates.

The proliferation of cultural and commercial industries accompanied by the rapid spread of leisure activities considerably changed the rhythm of the neighbourhood; conflicts between old residents and newcomers erupted mainly due to noise levels and traffic generated by restaurants and bars. However the nightlife economy nuisances are outweighed by daytime uses which include specialty retailing (book-stores, music shops, avant-garde fashion) and private galleries and venues. Mar Mikhael mixed use changed, separating day and night economy, where the alternative and mainstream cultural scenes are heavily present in both public places and private spaces.

Formal public places are almost non-existent in the neighbourhood; instead they take the form of stairs (Vendome Stairs in Mar Mikhael) and dead-end streets. These urban elements that are adapted to the Achrafieh cliff have become the open informal public spaces and act as urban incubators where people meet for movie festivals, art exhibitions and other forms of cultural manifestation. Traditional public space practices such as informal occupation of sidewalks by vendors and residents are a behavioural pattern specific to popular neighbourhoods. These informal occupations of public spaces and the spontaneous use of the streets, which creates permeability between the inside and the outside, are aspects of good civic practices and an inclusionary public culture in general.

All the recent manifestations and changes in the socio-economic profile of the neighbourhoods' residents, the surge in tourists and consumers visitors foster greater diversity and contribute to the neighbourhood mixity. Moreover, the availability of cultural and recreational amenities increase the neighbourhood's desirability and emphasize its trendy aspect, all of which eventually contributed to the rise in property values and subsequent rental prices; it thus attracted investors and real estate developers eager to capitalize on culture.

The study seeks to know whether the evolution of the neighbourhood from a residential space into a cultural and economic cluster has been comprehensive, and whether this spontaneous process will lead to gentrification and exclusionary displacement within the current neoliberal model of urban governance.

III. Situation

The Study area is located within the districts of Rmeil and Medawar at the Eastern edge of Beirut, bordered by the Beirut River to the East, the Port to the North, Gemmayzeh (within the Saifi district) to the West and the Achrafieh hill to the South.



Map 1: The Situation

The Site

Mar Mikhael is a predominantly residential neighbourhood including as well commercial, cultural, institutional and religious functions. It grew around Armenia Street that stretches from the Electricité Du Liban (EDL) building to Corniche-Al-Nahr area (Orange line in the map), where Karantina and Bourj Hammoud intersect. It is bordered by avenue Charles Helou to the North and Getawi to the South. Mar Mikhael accommodates mixed-use buildings with neighbourhood serving retail stores, service, and other uses on the ground floor; and residential units above the non-residential space. A key feature of the neighbourhood is the presence of the Mar Mikhael railway station, which was the Western terminus of the Beirut – Ryak – Damascus rack line². It occupies the largest single plot in the

² Lebanese State Railways

neighbourhood and belongs to the State railway administration. The space of the station has been closed to the public since the eruption of the civil war in 1975, but part of it was reopened in the summer of 2014 as a privately managed nightlife venue.



Map 2: The Site

Topography

The limits of the identified study area define an irregularly shaped land surface, where its most relevant feature lies in the regularity of its topography. The difference observed between the lower extreme area and the upper portion is of 20m, a fairly level gently sloping as it progresses towards the Achrafieh hill.



Map 3: Topography

Zoning

The land use pattern is primarily residential; however demands for commercial space have been on the rise in recent years. Industrial spaces are located in Medawar district mainly around the Port and Beirut River. The neighbourhood is divided in five zoning classifications: 2, 3, 4, 6, and 7. In all but zone 2 the zoning law in effect allows for high density, unlimited building heights and flexibility when it comes to the façade alignment to the street, compromising thus the existing urban morphology and built environment of the neighbourhood. The floor area ratio and the gross floor area mainly define the building heights and sizes creating an irregular skyline in the neighbourhood and the absence of strict regulation of street-aligning facades, the neighbourhood's space becomes less homogenous.



Map 4: Zoning

Built Environment

Blocks

There are 5 different types of blocks within the study area: rectangular, triangular, linear, trapezoidal and polygonal. There is a disparity in the size of some blocks in relation to others; polygonal islands are the largest, followed by trapezoidal and rectangular blocks, leaving the last place to triangular and linear islets. Blocks cover 75% of the area of the neighbourhood, while the road network occupy the remaining 25%. Regular shaped blocks are more common in the flat land that is situated to the North of Armenia Street. Irregular polygonal blocks are located toward the Achrafieh hill and are the result of the traditional widening streets across the natural slope of the site.



Map 5: Blocks

Road Network

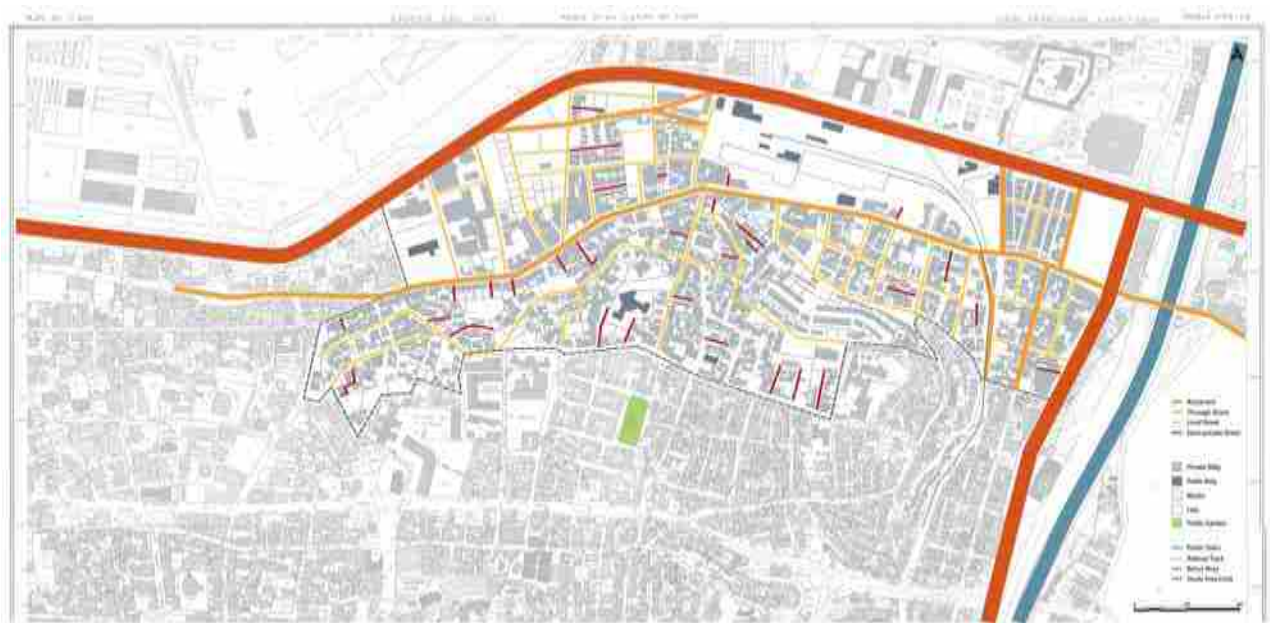
Street patterns in Mar Mikhael neighbourhood evolved around the construction of the road to Tripoli and the Railway to Damascus and adapted gradually car use. Several street patterns can be found in this particular neighbourhood, loops and cul-de-sac are located in the Southwest area where at the start of the Achrafieh hill, while the rest of the neighbourhoods benefits from oblong grid-like schemes and fragmented parallels.



Map 6: Road Network

Road Hierarchy

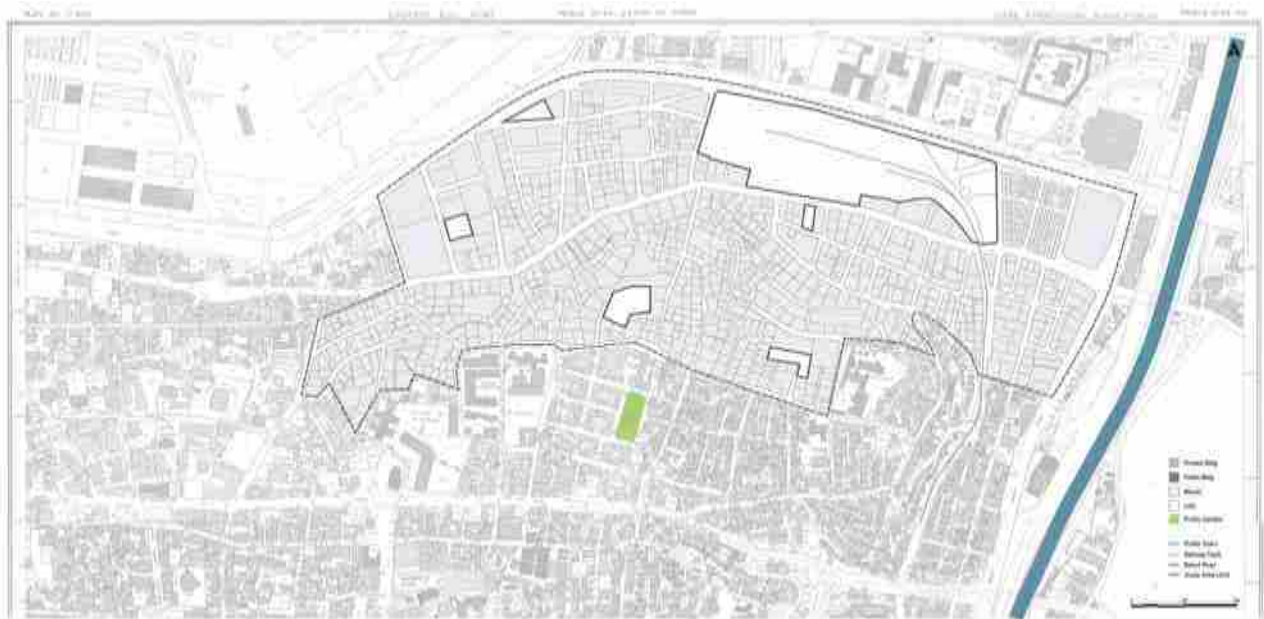
The neighbourhood is delineated by two arterial roads that carry large volumes of traffic; Charles Helou to the North and Pierre Gemayel to the East. It evolves around a linear axis, Armenia Street, Gouraud's extension in Mar-Mikhael. Local streets run perpendicular to urban boulevards and through streets and are used to gain access to property. Dead-ends and cul-de-sac are largely present in the neighbourhood due to its traditional formation around the land topography. Sidewalks and discontinued areas of paid parking exist along Armenia Street, benefiting the commercial activity in the neighbourhood.



Map 7: Road Hierarchy

Plots

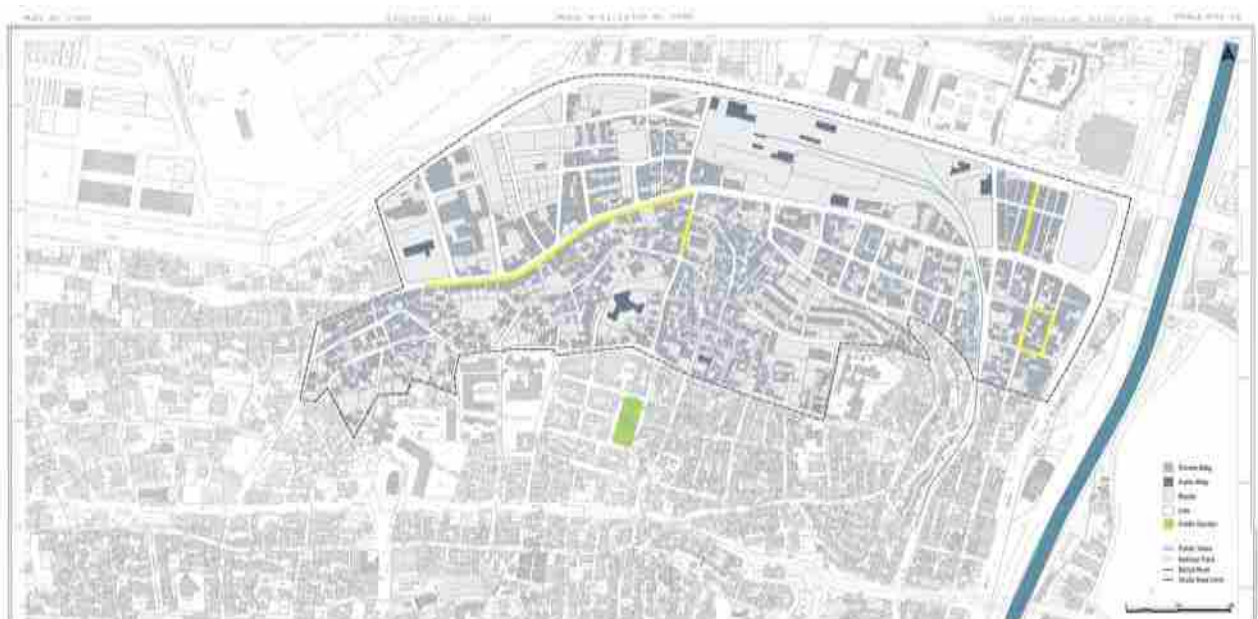
Plots within the study area can be divided into two categories: regular shape (rectangular, triangular, trapezoidal and L shaped) and irregular polygonal plots. Plots follow the same pattern created by the road network and blocks: they are irregular towards Achrafieh and systematic across the rest of the neighbourhood. Plots are of medium size except those that belong to the state railway and cover 16% of the area of all the plots combined, and the small size plots that exist at the intersection of Al Kouz and al Abiad streets at the East-North side of the neighbourhood. The diversity in the size of the plots, the zoning law in effect and the presence of five different zoning areas in the neighbourhood have produced an irregular skyline and a diverse built environment.



Map 8: Lots

Buildings

The built up area is equal to 39% of the total plot area. The neighbourhood displays a difference in the distribution, density and shape of the existing buildings, creating thus a fragmented and somewhat hierarchical perception of the streets. As an exception to this general rule, an alignment of the buildings to the streets is observed in some blocks and is highlighted in yellow line on the map. The largest buildings in term of ground floor space occupation are the public buildings.



Map 9: Buildings

Summary

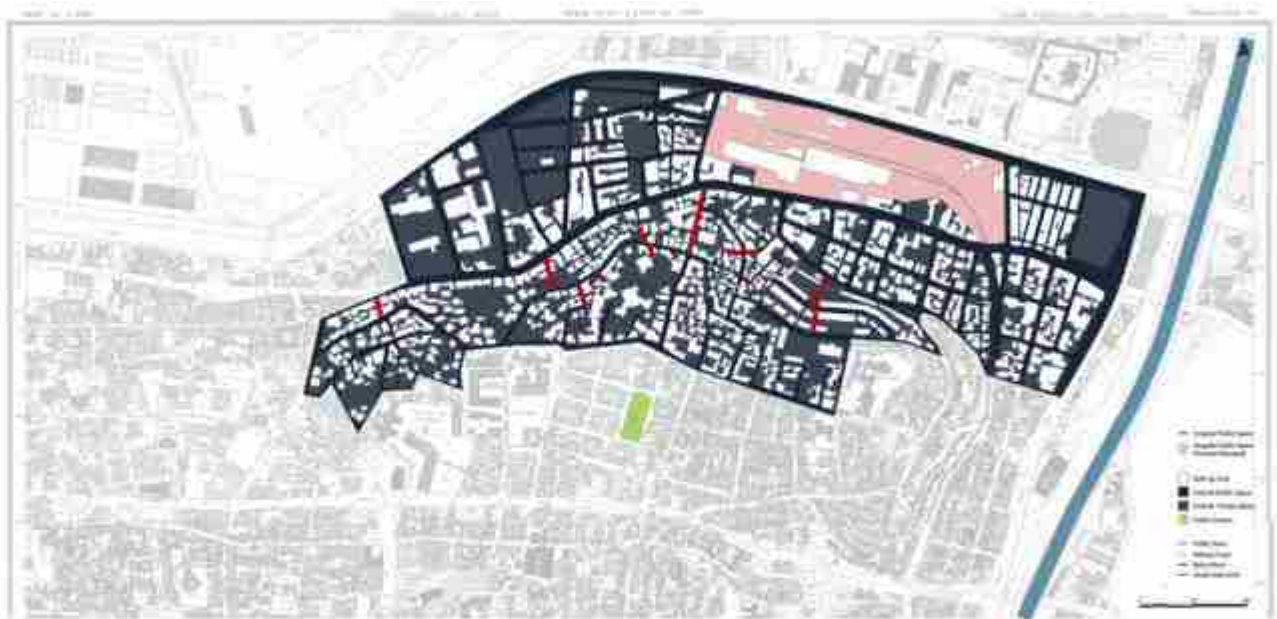
Before moving on to the next section, this map summarizes and compiles the different elements aforementioned till now. The urban fabric of the study area in question evolved with its own identity, based on the structuring of public spaces, stairs, roads, infrastructure (the harbour), public buildings (Religious amenities, Landmarks, EDL) and natural topographies (Beirut River, Achrafieh hill).



Map 10: Summary

IV. Available and Built Spaces

Undeveloped private space is dominant when compared to the built-up private area. It consists mainly of residual spaces and unbuilt plots. Unbuilt public space is however primarily made up of the road network. Public places are per se almost non-existent; the closest to it are the stairs network of Mar Mikhael. These urban promontories which traditionally linked adjacent districts were created due to the topography of the Achrafieh cliff, have now been acting as subsidiary public spaces where informal social gatherings take place. In summer 2014, a space occupied by the mar Mikhael train station was converted into a nightlife venue, turning part of the biggest public space in the neighbourhood into a privately managed space with a public appearance.



Map 11: Available and Built Spaces

Buildings Evolution From 1963 till Present

This map documents the evolution of the built-up system from 1963 until 2013. Few buildings have been demolished and replaced with new constructions. It is important to note that the railway track was fully functional in 1963 and little of its trace remains to date.



Map 12: Evolution of Buildings From 1963 till Present

Blocks Evolution From 1963 till Present

Map showing the shape, dimensions and connections of different roads before 1963. At the exception of two plots, one at the Northeast side of the neighbourhood and the other at the Southwest side, the urban blocks have preserved their shapes and sizes. No road widening projects have taken place and existing infrastructure is not evolving to increase road capacity and accommodate current traffic demand. The projected road that links Achrafieh to Charles Helou highway is a project activated by the Municipality of Beirut based on a 50 year old decree. It is an integral link of North Beirut Entrance's planned urban road network primarily servicing the Achrafieh area. The link extends from Alfred Naccache Avenue at Charles Malek Avenue intersection to Charles Helou Avenue on Northern Coastal Highway. This road cuts through different parts of the district and if implemented could drastically change its morphology.



Map 13: Evolution of Blocks from 1963 till Present

V. Conclusion

The spatial Analysis of the neighbourhood of Mar Mikhael explains the structural elements that formed the neighbourhood's building fabric, street network configuration and the geometrical features of the different urban forms.

The study also focused on the evolutionary process of the urban morphology: by examining the complexities of the physical form of the neighbourhood we have tried to have a better understanding of the ways it has grown and developed. In the particular case of Mar Mikhael, the existing systems and urban features have been resistant to change. Street networks and building block patterns remain almost the same while buildings and particularly private ones have witnessed considerable transformations in recent years.

Recently however, since three to four years, Mar Mikhael has been going through drastic changes through new developments by private investors in situations where the public authorities neither implement all the existing regulations nor develop special regulations to a fragile neighbourhood. Functional transformations and assigned land use patterns are fixed by the general urban master plan for Beirut and are improbable to change in the near future. Therefore, under the current status quo two scenarios are likely to happen:

- The skyline of the neighbourhood keeps rising as older 2 and 4 stories buildings are demolished and substituted with higher structures thanks to the ability of regrouping adjacent parcels, hence dramatically increasing volumes;
- The remaining open public space is slowly occupied and redefined by private initiatives and absorbed gradually into the private sphere.

Further in-depth research should consider the interface between building and street, and in consequence the relationship between private and public domain. It could also profitably address the long-term impact that changes in ground-floor usage, building facades and setbacks could have on block-faces, street perception and the overall urban experience of the neighbourhood.

Gentrification of Mar Mikhael: Potential Response Strategies

(Serge Yazigi)

VI. Introduction

Gentrification is the phenomenon of social change taking place in areas that are going through a process of economic revival: a new and wealthier population, more upmarket activities, replace former occupants and take over the economy of the neighbourhood. If some gentrification is often accepted as a cure for the revival of places, a rapid process can destroy the mixity of the place, harm the previous residents and kill its attractiveness. In some of Beirut's neighbourhoods and because of lax urban regulations, it is often accompanied with substantial alteration of the urban fabric, with the destruction of heritage dwellings and their replacement with high-rise buildings.

Gentrification is a complex phenomenon that is taking place in most pericentral areas of the Lebanese capital, Beirut, although at different rates and intensities. Mar Mikhael district, due to its history and geographical location, is an area that currently faces important challenges regarding the preservations of its built and social fabrics.

To confront and regulate gentrification in the neighbourhood, one needs to reflect on several measures and acknowledges that it is not possible to stop gentrification as such. Instead, one should rather think of possible ways to limit and reduce its negative effects.

VII. The Strategic Importance of an Assessment

A strategic assessment of the situation on what is taking place is a crucial first step that should provide the needed information to understand the dynamics of the place and to envision adapted solutions. Mapping private and public spaces, historic buildings and urban morphology (as presented in the previous chapter of this report) will be complemented with an assessment of the socio-economic fabric (see further in the report) including activities (with as special focus on the newly settled ACDs - as it is the case in Mar Mikhael - and with information on the physical dimension and changes (building permits, rotation of commercial activities, of rents...).

The assessment would also cover information on the displacement of the most vulnerable population such as the elders, the disabled and those with limited income. The neighbourhood small trades and shops, groceries, artisans and the recent ACDs, as it is the case in Mar Mikhael, will be the first to suffer from high rental prices. Further studies including the use of indicators such as renter-to-homeowner ratios, vacancy and abandonment rates, affordability indexes (rent or mortgage as percentage of household income), spatial analyses of nationalities (origin and actual) and poverty levels could turn out to be essential to better understand and eventually control the situation.

In this context, the socio-economic survey conducted by the team from Université Saint-Joseph (see next chapter) constitutes a sound start in the "community mapping" and hence, helps in envisioning the necessary policies and implementing the corresponding steps. Monitoring the situation on the ground would also allow communities and stakeholders to have a better sense of their priorities and be ready to take action.

VIII. Measures to be Considered

There are four major actions that would help regulate the gentrification of a neighbourhood. Together, they form the basis for an anti-displacement strategy. The first two measures to be considered can be described as “containment measures” as they aim at preserving the social and built fabric and decelerate the destructive pace of gentrification. The later two correspond to a more “pro-active approach”, and should be considered as accompanying measures to the first ones.

i. Stabilize Existing Renters

In the absence of any affordable spaces for housing or business at the national level (or even at the local/ municipal level), possible remedial actions seem to be limited. Existing rental laws may have contributed, as some experts consider, to keeping some tenants in the neighbourhood, while at the same time leading some owners to sell their properties for developers. As the new rental law is currently still being discussed by the Parliament, it is difficult to foresee the possible repercussion on Mar Mikhael, notably in terms of population and businesses displacement.

In this unclear legal context, actions must be undertaken in cooperation with the Banking sector even if clear public policies are still lacking. Indeed, the existing banks housing loans conditions are still largely out of the reach of some residents or non-adapted to some certain type of businesses, as it is the case for the emerging cluster of ACDs³. In this context, initiatives could be considered to convince the banking sector to develop products adapted to a neighbourhood like Mar Mikhael and its inhabitants.

Interestingly enough, similar mechanisms, notably in the field of energy efficiency, have already been implemented in Lebanon and could serve as an example for other similar projects. Indeed the Central Bank of Lebanon with the help of different partners, among others the European Union, has put in place a national financing mechanism: the NEERA (National Energy Efficiency and Renewable Energy Action), that allows private sector to apply for subsidised loans in the field of energy efficiency. One can subsequently imagine that such mechanism could also be adapted to help directly or indirectly some of the tenants to become owners, or even some owners to rehabilitate and restructure their properties. Best practises of the kind exist, as several countries have successfully set up such financing operations.

In Parallel special measures have to be introduced to stabilize and reinforce the creative industry, as the ones suggested by Gaia-heritage: these recommendations evolve mainly around the following: The importance to preserve the cachet of the neighbourhood and work towards the establishment of an active community of artists. In addition, different possibilities should be studied to strengthen the capacity of the existing funding schemes and foster their access to the actors of the creative industries. Finally and most importantly, measures focusing on the creation of the sustainable environment in the neighbourhood should primary

³ It is to be noted that under the impulsion on the Central Bank of Lebanon and with the help of KAFALAT, funds are becoming available in Lebanon for the creative economy, providing competitive facilities and support.

focus on the enforcement of laws and regulations. As of today, this essential objective is still not achieved.

ii. **Preserve the Built Fabric**

For reasons mainly related to the existing rental law and to the lack of adapted heritage preservation measures together with lax urban regulations, gentrification in the specific case of Beirut pericentral areas, such as Mar Mikhael, has the particularity of being coupled with substantial heritage destruction and urban morphology alteration.

As prevailing measures have failed so far in the objective of preservation, practical and innovative measures must be considered:

- **Stop the authorization for parcelling** (redistribution and grouping of parcels) in the area and put an end to the granted exemptions in the building code notably regarding height regulations, knowing that both measures have a direct relation to the high rise towers' erection in the area. The decision and the responsibility of the implementation of these regulations fall under the authority of the High Council of Urban Planning (HCUP), although the municipality of Beirut can exercise substantial leverage on the later instance.
- **Put the district "under study"** as per the local urban planning code, through a decision by the Beirut Municipal Council and a request of the latter addressed to the Directorate General of Urban Planning. Knowing that the reduction of actual building ratios will be faced with fierce political and financial resistance, this measure will at least have the benefit of stopping any new constructions, though temporarily. It might also open the door for some new innovative protection measures. Once the study is conducted, results could help gather substantive political support. The **opportunity for a special Master Plan** would constitute a basis to revise some out-dated administrative measures, mainly expropriations and roads alignments, which threaten the existing urban fabric. The Fouad Boutros highway project is a prominent example of it. More generally, through a comprehensive study of the neighbourhood strategic decisions can be considered and presented to the relevant stakeholders, thus leading to their successful implementation.
- Reconsider the **introduction of the numerous prevailing stairs** in the area and that are a typical landmark of the place **on the list of "protected heritage"**. Inscription on the list is indeed currently limited to "heritage" buildings. This measure, if applied with the "buffer zone" concept on both sides of the stairs could also have some beneficial impacts on the preservation of the urban fabric. The ministry of Culture could play a leading role in this regard.

iii. **Enhance the Quality of life in the Neighbourhood**

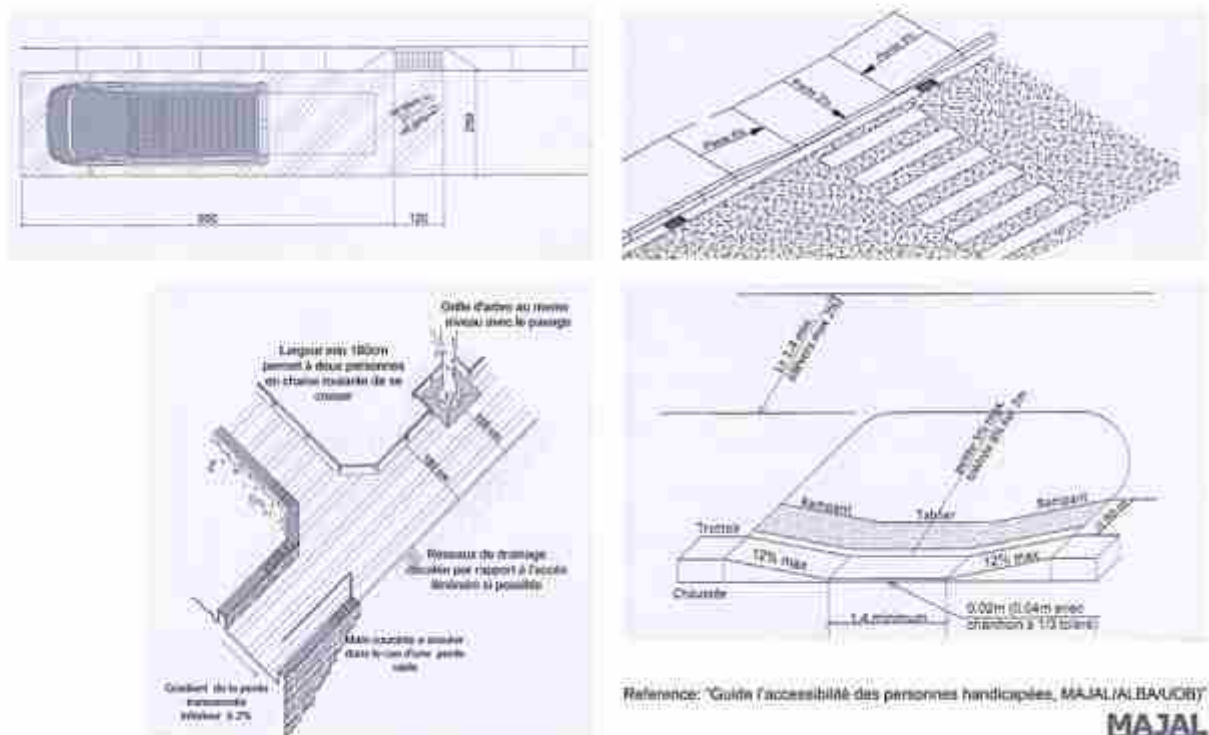
The transition of Mar Mikhael neighbourhood from a semi-industrial towards a creative hub and quality residential area cannot be undertaken without major efforts to enhance the quality of life of the residents as well of the users. Indeed, as mentioned in the introduction, this measure aims at mitigating the negative externalities of the gentrification process.

Priority should be given to actions in favour of the public spaces. Pavements, roadsides and stairs are in great need of refurbishment. In this matter, it is essential to take into

consideration not only the aesthetical aspect, but also security and accessibility, mainly for the elderly and children. Recommendations in this regard are being considered by Majal/Alba (UOB) and have to be submitted to the Municipality of Beirut for approval. These include, among others the redesign of the sidewalk pavements in order to remove any physical obstructions and make them more accessible to all categories of population while enhancing the connections with the existing stairs. An extract of the proposal follows.

Figure 1: Extract of the recommendation plan submitted by Majal

Public Spaces - Details of the sidewalks :



The lack of parking space is an equally worrying point for the quality of life in the neighbourhood. The few plots still vacant could prove too expensive for the Municipality to expropriate and other solutions should to be found. As mentioned earlier, the Municipality could put restrictions on new construction permits, putting an emphasis on the creation of parking spaces with every new development projects. In doing so, the Municipality could offer financial incentives / retributions to encourage the developers under the condition that the parking places to be provided should be accessible to the public. Directly linked to the lack of parking spaces in the neighbourhood, residents equally complain about the valet parking system that has taken control of the streets.

Figure 2: Obstructed Sidewalks



The inhabitants of Mar Mikhael also face major discomforts linked to the uncontrolled growth of the food and beverage industry that is taking over most of the commercial spaces in the main street of the district. These bring with them various pollutions: noises from bars and pubs until very late at night, smells from badly ventilated kitchens, visual pollution and erratic occupation of the sidewalks, all resulting from the sporadic and unorganized recreational industry present in the neighbourhood. The Beirut Municipality and the Ministry of Tourism have a leading role to play in this regard, as administrative and legal framework do exist in most cases, but lack of correct implementation.

I. Mobilization of Civil Society Actors

To face complex issues such as gentrification, the different stakeholders should unite and push toward their vision of the neighbourhood. As such, civil society, corporate bodies and associations have to present their cases and defend their interest as united and structured entities. This is not the case in Lebanon, where cooperation amongst these different actors still remains too limited and unorganised. Initiatives, such as communication campaigns conducted in the framework of the EU funded MEDNETA Project could, with time, contribute to ignite a sense of togetherness.

The residents must re-appropriate their neighbourhood. However, within the actual political context, especially with the presence of many refugees, this might prove difficult to reach. They are the ones who best understand their own priorities and can advocate for them in the most effective way. Active lobbying could prove to be the only driving force towards change,

particularly when it comes to push forward for the implementation of administrative measures. The network of contradictory and intertwined interests of the different stakeholders of the neighbourhood makes such lobbying actions a necessity. The creation of a special body representing the ACDs must be undertaken.

II. Conclusion

In all, **the four measures considered attempt to address the same issue; the absence of the rule of law.** Starting with the enforcement of existing laws as well as the role of concerned authorities, namely the Municipality of Beirut, is a crucial step to regulate the pace of gentrification, or at least, to mitigate its impact on the neighbourhood in general, on the ACDs and on the social and physical structure of the neighbourhood in particular. Intervening quickly on the public spaces through measures mentioned such as the preservation, the securing and the valorisation of the existing, sidewalks and stairs could help in the maintaining of the cohesion of the fabric of Mar Mikhael.

To confront excessive gentrification in this local context, the implementation of the four proposed measures is essential: the stabilisation of the existing renter pattern, working toward the preservation of both the original inhabitants and the ACDs, the protection of the urban fabric and the improvement of the general quality of life in the neighbourhood. Finally, measures should help the mobilisation of the civil society as suitable solutions could emerge from a debate between local authorities and civil society.

Changing the way the neighbourhood evolves requires the implementation of the actual legal framework. In this challenging process of reconciliation of different and sometimes conflicting interests, the various stakeholders need to agree on a common vision for the area. Within such framework, Mar Mikhael could constitute an opportunity to bring forward new effective approaches to the urban revitalization of Beirut's peri-central areas and to drive forward a contemporary economy in the city.

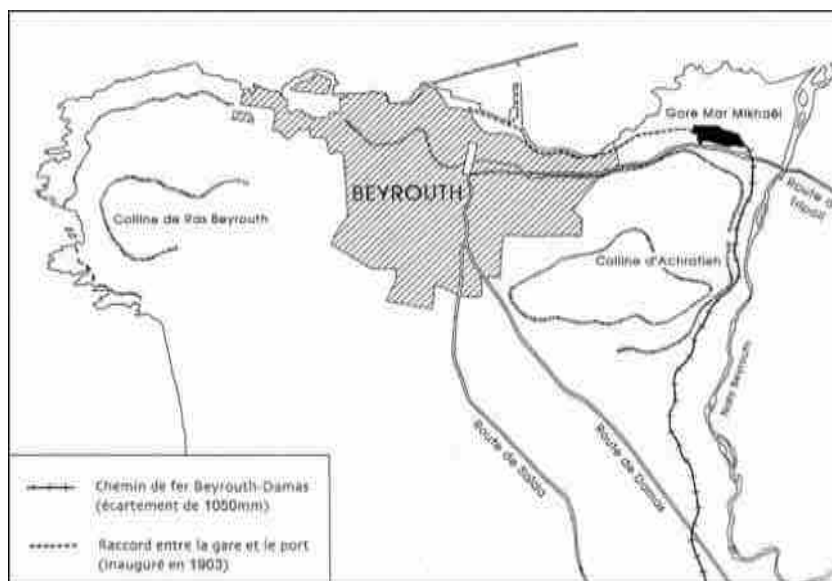
C. Socio-Economic Analysis: the Residents of Mar Mikhael (Liliane BUCCIANI-BARAKAT and Nizar HARIRI)

Historical Overview

During the nineteenth century, the small coastal town of Beirut (5,000 residents) developed through its port and experienced a high population growth, from 20,000 in 1840 to 60,000 in 1860 and about 120,000 in 1895, right about the time when the Mar Mikhael railway station was first inaugurated.

The station was built outside the city in a non-urban area. It established a direct connection to the active centre of Beirut, al-Hamidie⁴ Square. From there, three major railroads lead to Damascus, Tripoli and Saïda. As it was expected that the railway be extended to the docks of Beirut port, we can assume that this is why it was located on the road to Tripoli, the present Armenia Street. The railway reached the port in 1903.

The urbanization of this area is linked with the arrival from Turkey of Armenian refugees. Lebanon accommodated a large influx of refugees to Beirut, which was their favourite destination. In 1922, they were grouped into four camps, the largest being the main camp that stretched from the trams yard to Mar Mikhael Church. A small camp “Hadjin Nor” had developed between Nahr Beirut and the station.



Map by AFAC-Liban representing the station in the early XXth century.

In 1930, thanks to the strong commitment of the Armenian organizations abroad and with the agreement of the French High Commissioner, three urban ensembles were built in this area

⁴ The Square was subsequently renamed “Place des Canons”, “Place de l’Union” and finally “Place des Martyrs” under the French Mandate.

and the locality of Medawar. This was the starting point for urban development and dense residential districts nowadays surround Mar Mikhael station.

Until today, the railroad still crosses the Armenia Street by a metal bridge "Jisr al-Hadeed", which is a landmark in the district of Mar Mikhael.

Located in the heart of Beirut between Gemmayzeh, Bourj Hammoud and Getawi, the district attracts by its original appearance. This former industrial area and residential district has gradually become since 2006 the new heart of Beirut's creative force: designers, stylists, architectural and design firms mingle with restaurants, nightclubs, cafes, and pubs.

The aim of our study is to compare the socio-economic data collected during the survey conducted in Mar Mikhael from 19 to 27 June 2014 with the most recent statistics on the Lebanese population⁵.

Methodology

According to the Mukhtars⁶ of Mar Mikhael, the district would count nearly 20,000 residents. Since we found it impossible to conduct a comprehensive survey of all residents, we decided to establish a simple random sampling. This is the easiest sampling method to apply and the most commonly used. The advantage of this technique is the simplicity of its application and the fact that the sample is geographically distributed throughout the population.

In simple random sampling, each member of a population has an equal chance of being included in the sample. Each combination of members of the population also has an equal chance to compose the sample.

As a first step we divided the administrative map of the district of Mar Mikhael in 9 sectors cutting along lane and road patterns. We numbered them from I to IX. The rationale beyond this division of the neighbourhood is to acquire an accurate and representative reading of the neighbourhood. In this process, size and building density were taken into consideration to achieve a representative sample. In addition, teams have been organized in a way to ensure an optimal use of human resources. Each team covered one sector and was composed of two persons.

The survey has enabled us to track the broadest and most general demographic characteristics of the population of Mar Mikhael and compare them to the national levels. This comparative study then allowed us to identify the socio-economic characteristics (type of economic activity, housing, etc.) that could explain the attitude of the local population of Mar Mikhael. In the last part, we focus on the specific social practices of these residents and their perception of recent developments in their district, particularly in relation to the creative and recreational turns being taken by the neighbourhood.

Finally, we conclude on the role of these two turns in the regeneration of Mar Mikhael and try to draw some recommendations.

⁵ Sources including: CAS Najwa Yacoub, Lara Badr, Population and housing in Lebanon, 2021 (data focusing on 2007 which is referred to here by CAS 2007); and CAS MICS 3, 2009, which is referred to here by CAS MICS 3, 2009

⁶ A « Mukhtar » is an elected civil officer in-charge of personal official documents and registrations.

I. The demographic data

The sample covers 286 households divided equally among the 9 sectors, with one respondent per household. This sample is representative, given the size of the district.

Studies of CAS⁷ on "The Socioeconomic Conditions of Lebanese Households" (Najwa Yacoub, Lara Badr 2012), and "Population and Housing in Lebanon" (CAS 2007) take samples of 3,000 households for the entire Lebanese territory.

Population and marital status

Gender ratio: The district is populated by a slight majority of women (54.2%), a rate that is very close to the percentage of women in the Lebanese population, confirming the representativeness of our sample. One specificity to note is sector VI, corresponding to Rmeil, which has a high percentage of women (70%).

Q2- Gender distribution (Mar Mikhael, 2014)	
Male	45.8%
Female	54.2%
TOTAL	100%

Marital Status: Mar Mikhael population is characterized by a much lower proportion of single people than the national average, while the share of married, separated, divorced and widowed is much higher. This could be explained by the aging population of Mar Mikhael.

On a national level, the Lebanese population is composed of a majority of singles (56%) and a minority of widowed, divorced or separated couples (5%). Finally, 39% of married people live in couples.



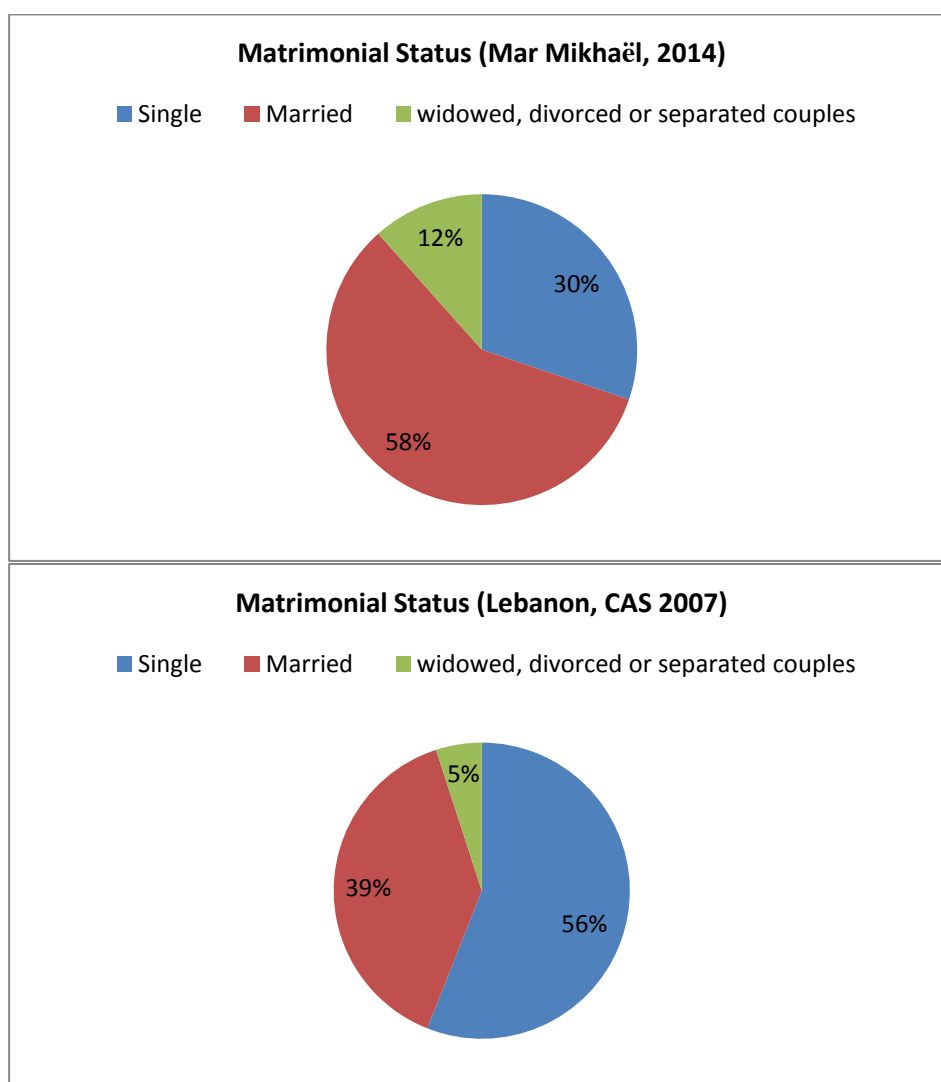
⁷ Central Administration of Statistics : see <http://www.cas.gov.lb/index.php/demographic-and-social-en>

Matrimonial Status (Lebanon, CAS, 2007)	
Single	56.0%
Married	39.0%
Widowed, divorced or separated couples	5.0%
TOTAL	100%

By contrast, our investigation reveals that the population of Mar Mikhael consists of a majority of married people, and is characterized by a ratio of "separated, divorced or widowed," which is at least twice the national average.

Q4- Matrimonial Status (Mar Mikhael, 2014)	
Single	30.2%
Married	58.2%
Widowed, divorced or separated couples	11.6%
TOTAL	100%

The two graphs below show the inverted structure of the marital status of the population of Mar Mikhael, a phenomenon that can be explained by the existence of a much older local population than the national average.



However, sectors V and VI are characterized by a high rate of singles (47%) unlike the rest of the district. The proximity of schools and particularly of a university centre could explain the propensity of young graduates, students or interns, renting accommodations closeby. This suggests a change in the population of this sector, namely the arrival of new households that settle near Sagesse University.

Moreover, sector IV is mainly composed of renters, the percentage of homeowners being 38%, which is well below the average of the district, and two times lower than the national average. Similarly, the percentage of renters paying old rent fees is 63%, which is one of the lowest in the district.

B. Age Pyramid

An aging Population: The Lebanese population is relatively young when compared to OECD countries. But compared to its neighbours, the Lebanese population is the oldest in the Arab World. It has the highest rate of seniors aged 65 and over (7.8% according to Eurostat 2009 and 9% according to CAS, 2007), with a proportion of 40% of people aged 40 and above. This aging phenomenon is accentuated by the immigration of people of working age. Finally, the active population (between 15 and 64 years) represents 66% of the total population.

Lebanese Population by Age Group (CAS, 2007)	
>15	25%
15-24	20%
24-64	46%
65 & +	9%
TOTAL	100%

In Mar Mikhael we find an even older population than the national average. Almost 70% of the population is 40 or above, including 32.51% between 55 and 70, so that the distribution of the local population of Mar Mikhael by age-group is rather close to that of Europe of the 27 (EUROSTAT, 2009), where 60% of the population are over 40 and above, including 17.2% who are 65 and older.

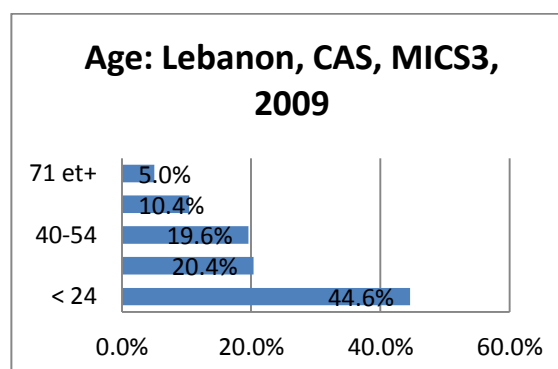
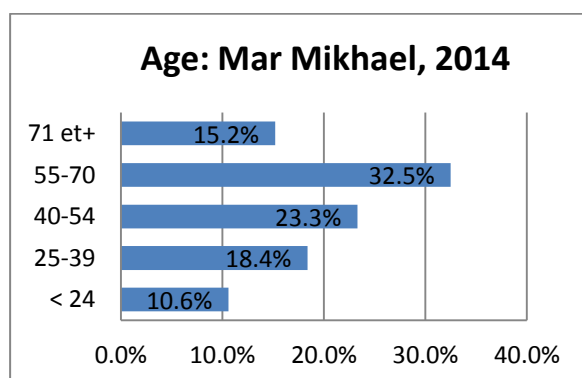
It is noteworthy that the sector with the highest concentration of seniors is sector I (44% of residents over 71) between the station and the corniche of the river. This zone corresponds to the first clusters of housing built in 1930 to relocate the Armenian refugees living in the camp Nor Hadjin.

In national surveys, the CAS usually divides the population into 4 age groups. We chose in our survey a different distribution of population by age groups (five age-groups instead of four) to better emphasize this aging of the local population. We then compared the distribution of the Lebanese population according to these same age groups used for Getawi:

Q3- Age (Mar Mikhael, 2014)	
< 24	10.6%
[25 - 39]	18.4%
[40 - 54]	23.3%
[55 - 70]	32.5%
71 &+	15.2%
TOTAL	100%

Age. Lebanon, CAS (MICS3, 2009)	
< 24	44.6%
25-39	20.4%
40-54	19.6%
55-70	10.4%
71 &+	5.0%
TOTAL	100%

As such, these two tables enable us to obtain a simplified age pyramid that compares the age structure of the local population with the age structure nationwide, excluding however the gender distribution:



The base of the pyramid is much narrower in Mar Mikhael, while the top is wider: it is inverted and represents an old and ageing population the numbers of which will decrease through the years. These results are confirmed by data collected on the rooting of Mar Mikhael residents in their district, where we notice that the resident population in the district has been living there since a long time: the share of people living there since more than 50 years is largely overrepresented (23.4%), a fact corroborated by the age structure of the local population.

54% of residents in sector I live there since 50 + years, which reinforces the fact that this is one of the first residential areas to have developed near the Station. The survey also shows that 64% of its residents were born in Mar Mikhael. In sector IX, which is a continuation of sector I towards the hill of Achrafieh, we find that 62% of residents were born in the sector. Part of this sector has been subdivided and built by the Mandate authorities (white pavilions) to relocate the Armenian refugees.

A population very rooted in its district: a large proportion of residents in Mar Mikhael was born in the district (39.2% according to Q5), and the percentage of those who work there is in the same range (39.5% according to Q18). An overwhelming majority chose it as their main place of residence (83% according to Q8). Finally and most importantly, the majority of residents in Mar Mikhael have lived there for 30+ years (51.4% according to Q9).

Q8- Place of primary residence	
Mar Mikhael	83.3%
Elsewhere in Beirut	11.7%
Another City	3.9%
Village	1.1%
TOTAL	100.0 %

Q5- Place of Birth	
Mar Mikhael	39.2%
Elsewhere in Beirut	26.9%
Another City	29.7%
Another Country	4.2%
TOTAL	100.0 %

Q9- How long have you been living	
[2 - 10]	15.7%
[11 - 30]	30.8%
[31 - 50]	28.0%
50 years and more	23.4%
TOTAL	100.0 %

Q18- Place of work	
Mar Mikhael	39.5%
Elsewhere in Beirut	45.7%
Another City	14.2%
Village	0.6%
TOTAL	100.0 %

Analytical summary:

An aging population characterizes the district - almost 70% of the population are over 40 years, with 32.51% of the population being between 55 and 70 years old. Most of this population was born in Mar Mikhael and has spent its life in the district: 82.2% have lived there for more than 10 years, including 51.4% living there for over 30 years (refer to the proportion of older people) and 39.5% of residents also work in Mar Mikhael. **This aging combined with the deep rooting factor makes this population very fragile in the face of any changes** directly affecting its lifestyle and social and institutional framework or intervening in its urban environment (e.g. new law on rents, the recreational turn of the district, or high-rise buildings and the unregulated gentrification).

II. Housing

The relation of the residents to their district is primarily affected by the proportion of renters and owners. Many empirical studies show that an increasing share of owners is associated with an improvement in the level of commitment of residents to their district (cleaner environment, more respect for private property, higher quality life, etc.), and with a decrease in crime, delinquency, urban violence.

Similarly, the number of years lived in the district is likely to affect the behaviour of renters: they show a greater level of engagement with the increase in time spent in their district, and eventually become more rooted than the new owners (which is largely the case in Mar Mikhael). It is for this reason that the older residents, renters and landlords, look with greater distrust to the new comers in their district, be they renters or owners. The local population of Mar Mikhael does not seem to be an exception to this rule⁸.

⁸ A large majority of respondents focused on the large number of „foreigners“ who settled recently in the district of Mar Mikhael, who are not „respectful“. This is in any likelihood Syrians refuge who fled the war and whose number in the neighbourhood worries the local inhabitants.

More importantly, the risk of eviction of a large part of the population of renters with the new Rent Law poses two specific problems to the district: 1) the eviction of the local population due to the high rate of renters and, 2) the resulting collapse of the social fabric following the destruction of the social ties that this deep-rooted population of Mar Mikhael has forged with its district.

Owners and Renters

The vast majority of Lebanese (71%) own their main place of residence, apartment or house. Mar Mikhael population is divided in two almost equal parts: 51.76% renters and 48.25% owners. These results contrast with the national distribution where we find that the owners' share is at least twice as much as that of renters.

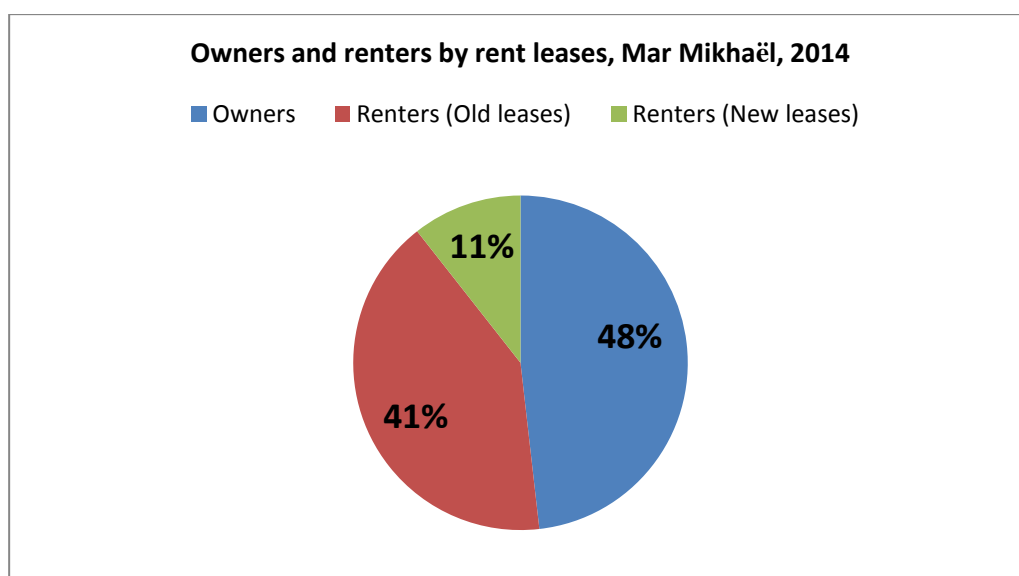
Q10- Owners/renters (Mar Mikhael, 2014)	
Owners	48.2%
Renters	51.8%
TOTAL	100 %

Owners/renters (Lebanon, CAS, 2007)	
Owners	71.0%
Renters	29.0%
TOTAL	100 %

Among the renters, there is an overwhelming majority of old leases; almost 80% of the renters are paying old leases for old small apartments (almost 44% of the apartments in Mar Mikhael have an area less than 100 m²). For example 25% of renters pay an annual rent below USD 500 and 10% of renters pay annual rents between USD 600 and USD 700 (average monthly rent of USD 55).

It is noteworthy that 56% of residents in sector IX pay new leases. This sector has breathtaking views of the sea and the valley of Nahr Beirut and is witnessing an increase in leased apartments in recent years. The survey found that nearly 40% of the residents of this sector have a second residence in the mountains.

Thus, the residents can be divided into three groups: owners, renters paying old leases and renters paying new leases.



Living space and expenses

Renters in Mar Mikhael constitute 52% of the total population, with 80% paying old leases. Hence, the proportion of a household budget dedicated to housing is much lower than the national average. While the national average stands at one third of the annual total expenditure of a household, ranging between 26% of total annual expenditure for the richest households to 47% for the poorest households (with less than 6 million LBP in annual revenue). In comparison, only 3% of annual expenditure is spent on restaurants and hotels, and 4% of the annual expenditures are devoted to cultural and recreational expenses (excluding restaurants and hotels). In Mar Mikhael however, the overrepresentation of renters paying old leases explains the weakness of annual expenditures on housing. In the future and if the new rent law is applied, the population of Mar Mikhael will face an increase in its housing spending that will be larger than the national average. Studies show that the share of housing spending (in total annual expenditure) tends to decrease with increasing household size and increases with the decrease of the latter. Indeed, since the average number of people living in the same household in Mar Mikhael is below the national average, this population will face an exponential increase in housing spending in case of eviction.

Q12- Annual Rent, Mar Mikhael, 2014		
Annual Rent USD	Percentage	
[100-200[0.98%	Percentage of renters with old leases (less than USD 6000): 78,83%
[200-300[	3.92%
[300-400[	3.92%
[400-500[	5.88%
[500-600[	9.80%
[600-700[	10.78%
[700-800[	4.90%
[800-900[	5.88%
[900-1000[	5.88%
[1000-2000[	16.67%
[2000-3000[	2.94%
[3000-4000[	2.94%
[4000-5000[1.96%	Percentage of renters with new leases (more than USD 6000): 22,17%
[5000-6000[	0.00%
[6000-7000[	1.96%
[7000-8000[	5.88%
[8000-9000[	0.98%
[9000-10000[	1.96%
[10000-15000[1.96%	
15000 et +	0.98%	
No answer	9.80%	
TOTAL		100%

Almost 80% of renters in Mar Mikhael pay an annual rent below USD 5,000, which is consistent with the 80% share of renters paying old leases. It is also likely that a small segment of the population sublet their apartment to increase their monthly income. Given the population distribution based on paid rent, we can assume that people who have not given answers are almost exclusively renters paying new leases. We shall therefore avoid to analyse the characteristics of this population and rather concentrate on old leases.

A simplified table provides a better reading of the results:

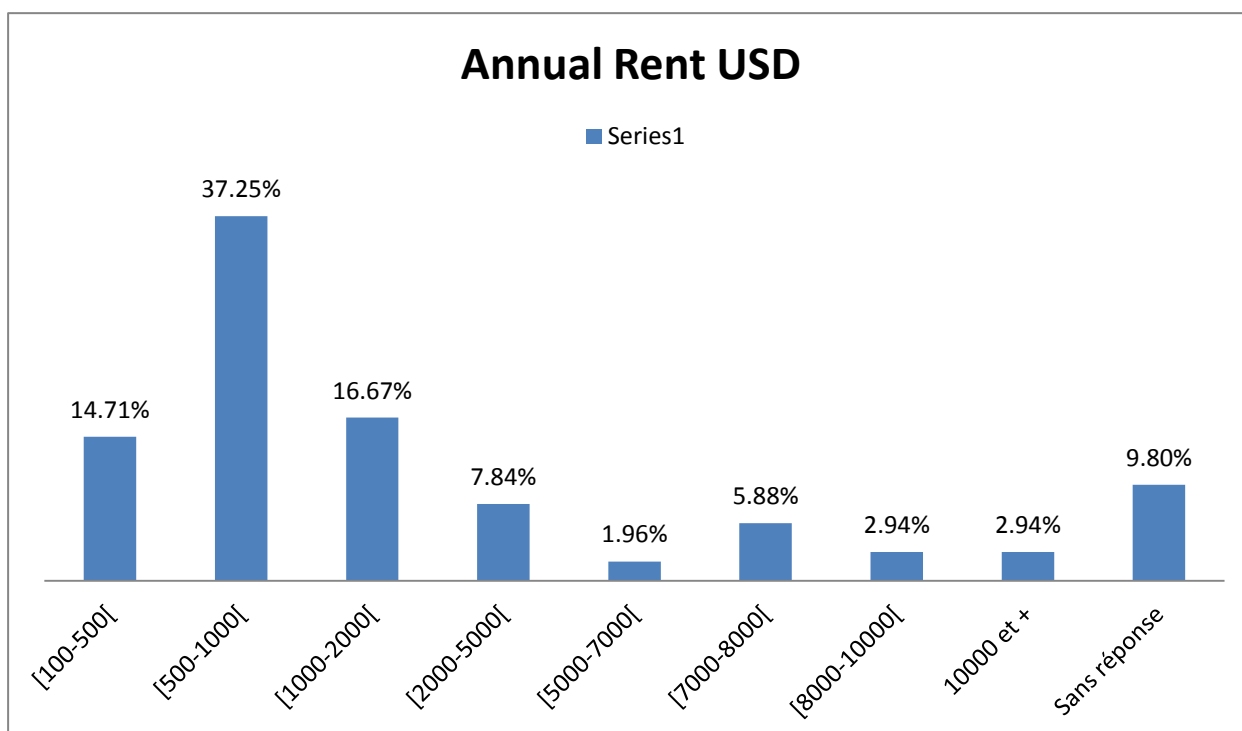
We see that a majority of renters (almost 52%) pay an annual rent of less than USD 1,000. Households paying an annual rent of between USD 500 and USD 1,000 constitute the largest share (37.25%).

Q12- Annual Rent, Mar Mikhael, 2014	
Annual Rent USD	Percentage
[100-500[	14.71%
[500-1000[	37.25%
[1000-2000[	16.67%
[2000-5000[	7.84%
[5000-7000[	1.96%
[7000-8000[	5.88%
[8000-10000[	2.94%
10000 et +	2.94%
No answer	9.80%
TOTAL	100.00%

Such a distribution gives us an average annual rent of USD 2,171 and a median annual rent of USD 835. The high proportion of “no answer” biases these estimates. For this reason, we simply calculate the average for the old rents, where the average annual rent is USD 1,012 and the median annual rent is USD 700.

Place of Secondary residence: The survey showed that nearly 55% of Mar Mikhael residents possess no other houses than the one in which they reside. This reinforces the hypothesis of the deep rooting of the population in its district, especially in these sectors surrounding the old Station.

On the other hand, some residents located in sectors around the building of the EDL, sectors that are a direct extension of Gemmayzeh district, do own a second residence. As everywhere in Lebanon, urban residents retain strong ties with the village of origin; the survey data confirm this, and the majority of second homes (over 50%) are located in the



"village."

A small proportion of residents (13%) of sectors facing the Getawi street between the two hospitals (the Lebanese Hospital and the Greek Orthodox Hospital) have a residence in another country. As early as 1977, the destruction of the downtown caused a rapid modification in the commercial and residential fabric of Getawi, a district that was well integrated in the spatial and commercial network of East Beirut. The district⁹ became denser, hosted several families who were displaced¹⁰ by the war and new buildings and new businesses emerged. This witnessed its peak in the late eighties with the opening of two shopping centres in Getawi, St. Rita Centre within the walls of the building of the Jesuits in 1985, and Bejjani Centre in 1989 east of the street. In addition, a third type of commercial spaces, smaller in number, was directly in the hands of former militias members: amusement centres, beauty salons and various grocery stores served as rewards for the fighters.

Similarly, sector II, concomitant to Getawi, is also inhabited by an aging population, with 40% of retirees. On the contrary, sectors V, VI, VIII and IX (all located on the Northern side of Armenia Street) concentrate the largest percentage of young people, renters most of whom pay the "new leases". For example, in sector IX we found 23% of young people aged below 24, 70% renters, among whom 56% pay new leases. This leads to the conclusion that this part of the district was far more affected by the change in the population, whereas sectors I, II, III, located across Armenia street (around the station) have not changed much, having the highest rate of old people.

Household Size: On a national level, housing spending decreases when the size of the family increases. One person living alone will spend 44% of her annual budget, but for a household composed of 4 persons the housing spending will be 29% of the annual budget. In Mar Mikhael, the household size is smaller than the national level:

Q14- Number of person per household (Mar Mikhael, 2014)		Number of person per household, Lebanese population (CAS, MICS3, 2009)	
1	13.7%	1	8.0%
2	25.0%	2	13.7%
3	28.9%	3	16.2%
4	18.0%	4	22.5%
5	11.6%	5	20.2%
6 & +	2.8%	6 & +	19.4%
TOTAL	100%	TOTAL	100%

The average size of a Lebanese household is 4,3 persons but the average size in Mar Mikhael is 3 persons per household.

⁹ The urban development of this district is to link, as for Mar Mikhael, to the arrival of Armenian families (1915-1922) who settled in the eastern part of the Getawi street. The second settlement movement is channeled and organized by a charity association from Qartaba who bought lands in this district in 1927 to house the families that had been displaced during the First World War. This settlement movement led to the establishment of the Getawi hospital in 1927 managed initially by the Maronite sisters of Sainte-Famille and of the School Filles de la Charité.

¹⁰ The Lebanese civil war has displaced 90,000 families. The transfer of populations from both sides of the dividing lines in the capital, accounted for over 35% of the total.

Analytical Summary:

In Mar Mikhael, the overrepresentation of renters paying old leases explains the low level of annual expenditures on housing. However, in the future and through the expected new law on rents the eviction of this population would be unavoidable.

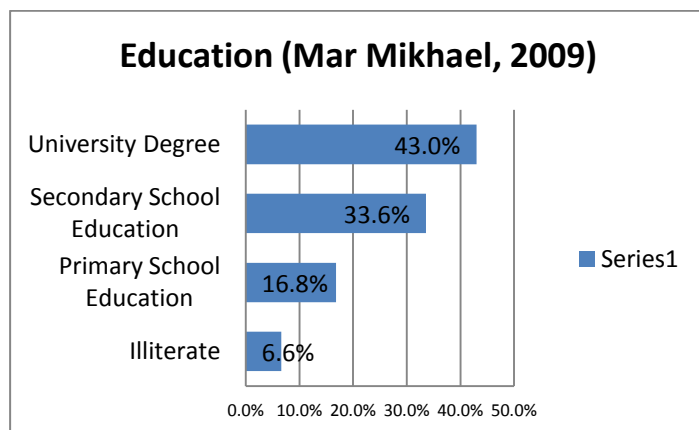
Studies show that the share of housing spending (in total annual expenditure) tends to decrease with increasing household size and increases with the decrease of the latter. Indeed, since the average number of people living in the same household in Mar Mikhael is below the national average, this population will face an exponential increase in housing spending in case of eviction.

III. Economic Activities and Social Practices

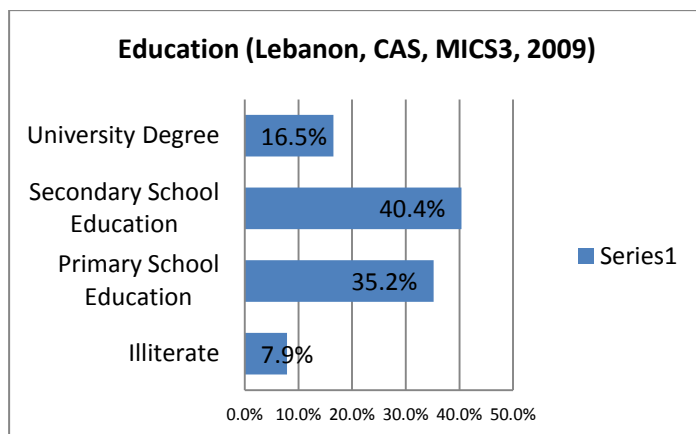
Education

The population of Mar Mikhael is relatively more educated than the rest of the Lebanese population. It is mainly distinguished by the large proportion of people with a university degree (42%). The highest rate (55%) is found in the sectors facing Getawi street that was mentioned above. As already said, the district has two hospitals, several schools, a branch of the Sagesse University and technical institutes the presence of all explaining the high percentage of university degrees or even high school diplomas as last earned degree.

In some sectors (VII and IX) however, the survey found that a quarter of the population is illiterate which contrasts with the whole district. As already said, the population is relatively old compared to national averages. This high rate of illiteracy is probably due to the fact the population of these of rural migrants who came to Beirut in search of jobs and who had little or no education.



Q16- level of Education (Mar Mikhael, 2014)	
Illiterate	6.6%
Primary School Education	16.8%
Secondary School Education	33.6%
University Degree	41.6%
TOTAL	100%



Level of Education (Lebanon, CAS, MICS3, 2009)	
Illiterate	7.9%
Primary School Education	35.2%
Secondary School Education	40.4%
University Degree	16.5%
TOTAL	100%

Economic Activity: Free Time and Work Time

The local population of Mar Mikhael is more educated than the Lebanese population. However, the larger share of university graduates is offset by a larger number of retirees, so that the labour force in Mar Mikhael is comparable to the national level. Sectors I and II, the oldest islets where our survey indicated an older population than the national average, have as expected, a percentage of retirees greater than 30%.

Although the level of education is relatively high in the district (41.61% of university graduates, which contrasts with the relatively high average age) we see that there is a high unemployment rate (23.8 % unemployment, which roughly corresponds to the national average). It is sector V, opposite the building of the EDL, which has the highest percentage of unemployed (44%) and has a relatively "younger" population (25% are between 40 and 54 years) than other Mar Mikhael sectors. In this sector, we find a set of old houses dating from the late nineteenth century with indoor gardens mingling with more recent ones dating from 1950-1960 period.

The sector includes a high percentage of young people still living with their parents who belong to the old Beirut bourgeoisie. Similar to the national figures, it is a young educated population but that has difficulties finding an employment.

Socioeconomic Activity, Lebanon (MICS3, 2009)	
Student	16.3%
Active	43.6%
Unemployed	5.6%
Retired	2.4%
Inactive	32.1%
TOTAL	100%

Q17- Socioeconomic Activity (Mar Mikhael, 2014)	
Student	7.7%
Active	52.8%
Unemployed	23.1%
Retired	16.4%
TOTAL	100%

Our research also showed that 53% of our sample consisted of an active population, higher than the national rate of 44%. It works mainly in Beirut (almost 60%). On the other hand, 39% of the surveyed population works in the district of Mar Mikhael, close to their homes.

We also find that one-third of Mar Mikhael residents have no cars. In a country with a huge number of cars per family, this may be surprising. But several factors may explain this:

- The aging of the population: when one is retired, maintenance of a car can become expensive.
- People are rooted in their district (more than 39% were born there) have their habits and can find their everyday needs not far from their homes.
- The high percentage of active residents who work in the district and can walk to work.

An important specificity of Mar Mikhael population is its almost equal distribution between active and non-active:

- The non-active population: the unemployed, pensioners and seniors account for just over 50% of the population. The low rents (52% of renters) currently provides them with a decent standard of living in Mar Mikhael, which would be more difficult in another districts of Beirut.
- The active population: apartment owners or newcomers who pay new leases (often excessive), but for whom Mar Mikhael is a trendy district that meets their expectations – village life style but alive through the ACDs and the nightlife, restaurants and cafés.

As we have already noted, residents of Mar Mikhael include a significant number of unemployed and pensioners whose monthly income is relatively lower than the national average.

This fact undermines the sustainability of this way of life in the district for the following reasons:

- The new law that foresees rent increases will harm a large part of the population of Mar Mikhael who will struggle to cope with new leases.
- Same for the ACDs who settled in the district, attracted by low rents. They may try to relocate to other places or simply close their business, but the cluster will possibly disappear.

With the strong expected increase in rents (due to the combined effect of land development, the recreational turn of the district and of the new rent law), it is expected that the share of annual housing spending increases in the budget of the residents of Mar Mikhael much faster than the rest of the population not to mention for the ACDs.

The expected increase in mortality due to the aging population in the coming years will free several apartments and some old houses. This will accentuate the control of property developers on the urban and social landscape of the district like the process that developed before the war of 1975 in Hamra and Verdun and nowadays in Achrafieh and Sioufi unless action is taken to stop this process of land and property seizure.

On the other hand, the survey showed that residents of the district are a population with a lot of free time: 52% of respondents have free time every day, which they often spend in the district (41.85%) most often with family, friends or neighbours, but rarely in pubs or in restaurants. This is especially true for the inhabitants of sectors I and II (70%), a result that once again confirms the affiliation of the riverside residents to the district's life.

But when it comes to spending time outside of Mar Mikhael, they go to commercial areas (39%), to shop (27%) or to a restaurant (almost 30%). Some residents of sectors IV and V leave their district to practice sports (around 30%). Yet the majority of residents in sectors I

and II prefer to spend their free time in Mar Mikhael (+ 70%). Only 20% of residents in sectors II, III, IV and VIII go outside of Beirut during their leisure time.

IV. Perceptions and Attitudes Towards ACDs and Recreational Industries

Our study sought to better understand the attitudes and perceptions of Mar Mikhael residents towards the ACDs and their installation in the district that started some 10 years ago, but also towards the phenomenon of increased nightlife and the recreational industries.

In this respect, Mar Mikhael can be divided into four sectors:

- The first and oldest part corresponds to the area where we identified the oldest population and the one that is most deeply rooted in the district: Sectors I and IX where residents are very sensitive to changes that affect their traditional environment.
- Sectors III and IV (continuation of Gemmayzeh district) seem much less affected and interested in ACDs and recreational industries that were established there. Is it the distance of these two sectors from the heart of Mar Mikhael and their location in-between (Charles Malek Avenue and Charles Helou Avenue) which inevitably turns them towards either the port of Beirut or Achrafieh, that explain the lack of interest in creative and restoration activities that affect their sectors?
- Sectors V, VII and VIII, as we have seen above, identify themselves much more to Getawi than to Mar Mikhael district. On the one hand, their population is much less affected by the noise pollution of restaurants, pubs and cafes. On the other hand, their inhabitants prefer to go to commercial places in Achrafieh (such as ABC Mall) for their shopping and other leisure activities rather than visit ACD spaces.
- Finally sectors II and VI where life is intense all day long: shops, mechanics, creative activity, recreational activity and heavy traffic. The residents of these two sectors do not like the new night restlessness. Over 50% of residents say they are disturbed by noises (uncivil behaviours, loud music, voices, yells, drunkenness, etc.) but mostly by the grabbing of the few parking spaces by valets, congestion of the highway and sidewalks without forgetting the heaps of garbage in the dumpsters at morning (that attract cats and stray dogs) and the dirty sidewalks.

Attendance to ACD Spaces

The arrival of young ACDs does not seem to have caused much excitement among Mar Mikhael residents. Some sectors show a mild interest towards these new activities: these are sectors III, XVII and XVIII. An aging population, the rather lethargic district after 15 years of civil war and the "soft" intrusion by ACDs could explain this: nearly 80% of the population seem to be relatively little affected by the new activities.

To the question "do you visit them", it was during weekends or holidays that over 30% of the population did so. In these figures, we must add the 10% of people who go there at least once a week.

They go there to take a walk (70% of residents in the sector I) or to visit creative friends (50% of sector II), to go to the cafes nearby, but few make purchases. The residents of Sectors I, II

and IX go there to buy gifts proving once again their deep rooting in the district. They support the creative industries.

Concerns at the Recreational Turn of the District

If Mar Mikhael residents do not show a strong interest in the progressive implantation of young ACDs, this soft intrusion did not change the traditional atmosphere of the district and attracted a new young clientele. By contrast, residents do not appreciate the nocturnal restlessness of Mar Mikhael except Sector VI where a quarter of the population seems to enjoy the new environment.

However, the responses show that locals frequent much more recreational places than ACD shops: nearly 80% of the population of Mar Mikhael regularly visit restaurants; in second place come cafes (almost 80% of residents of Sector I), followed by pubs.

Perception of Residents Regarding Changes

When asked "has the district changed?" The inhabitants of Mar Mikhael said yes unanimously with eloquent percentages: 90% to 100%.

Since 2006, the "forgotten" district of Beirut, entered into a process of unregulated transformation. The arrival of recreational industries since 2010 disrupted the peaceful life of the district, now much alive at night than during the day. Confronted with drastic changes in the life of their neighbourhood, most of the residents consider Mar Mikhael to be still a residential area (65%) while a third considers that it keeps its small village functions with small shops and commerce of proximity; a third of those interviewed finally considers that it has kept its mixity.

Only a quarter of residents in sectors I and II believe the district assumes a cultural and creative vocation. The industrial function that prevailed before the Civil War is almost non-existent since no responses emphasized it except sector VII (30%).

V. Conclusions and recommendations

Evolution of the District and the Level of Satisfaction of its Residents

As described above, Mar Mikhael has evolved rapidly and we wanted to assess the degree of satisfaction of residents facing the new image now emerging in the district.

The assessment is divided between:

- Do not like: 30% of responses.
- Enjoy moderately: 40%.
- 30 % are very happy

Once again, residents of sectors I and II appreciate the new image that is emerging in the district in 2014. We asked them about the negative changes in their neighbourhood and we received a large number of responses; these can be grouped under three categories:

- The harmful effects of recreational activities predominate: lack of free parking spaces, too much car traffic, too many pubs and restaurants and the noise they emit.
- In the second place, residents talk about the large influx of newcomers they call foreigners. They are mainly Syrian refugee families whose numbers in Lebanon is

growing. Worry is perceptible through the answers mainly by fear of demographic change.

- In the third place, residents are worried about the systematic destruction of the old houses in Achrafieh and the disappearance of some houses in their district. Many cite the towers that will disfigure the area, new buildings that will introduce a wealthier population with no relationship with Mar Mikhael, no memory and that will gradually transform it. Pressure from the part of property developers threaten the image and future of Mar Mikhael.

Private and public spaces

In Beirut, public spaces are limited to a few small public squares and gardens, sea-side roads and stairs. There are even fewer public spaces in Mar Mikhael. Half of the residents do not visit these public spaces.

Public stairs are very important to the local population in Mar Mikhael, especially for people living alongside these stairs: they are considered as public spaces (100%). 50% of the local population frequent these stairs, especially the one linking Armenia Street in Rmeil to La Sagesse School. Concern for the lack and misuse of sidewalks are cited in second place (60%).

Recommendations

Our survey asked Mar Mikhael residents what developments and improvements they would like to see in their district. Nearly 80% of people feel that “everything” should change, all over the district. As mentioned above, they complain of a series of issues that fall under the responsibility of the Municipality of Beirut (80% of the replies). They express the need for its actions, regulations and sanitation in public places. They want flowers, public gardens, spaces for children and for seniors and an end to the massive influx of Syrian refugees in the district, which is perceived by residents as being very dangerous and destabilizing.

D. The ACDs' Perspective (Gaia-Heritage)

This report presents the result of a survey conducted among the ACDs of the neighbourhood of Mar Mikhael in Beirut during spring 2014; it covered 54% of the ACDs mapped in the neighbourhood, giving a sound representation to the results presented hereafter. The survey followed the guidelines provided by the National Technical University of Athens, lead partner of the EU funded project MEDNETA.

Besides establishing a concise socio-economic portrait of the arts, crafts and design in Mar Mikhael, the survey unveiled interesting elements in terms of the needs and expectations of ACDs. It also brought to light the relatively weak link between the ACDs and their environment, thus providing useful information to understand how ACDs could contribute to urban regeneration. Yet the survey showed also that the recent changes in the neighbourhood, the increase in rental prices and the appropriation of public spaces by nightlife, the changes in the morphology of the district, have negative repercussions on the creative industries and might end by destroying the still emerging ACDs cluster.

I. Introduction

Since 2008, date at which GAIA-heritage started surveying the district, Mar Mikhael has undergone a number of significant changes. The community of ACDs which had started to settle there has rapidly increased, bringing in its wake an important number of nightlife leisure activities and, more worryingly, new large scale real estate development projects attracted by the still low land prices and the new trendiness of the place. This led to a noticeable transformation of the urban pattern bringing new challenges to the neighbourhood and the creative industry.

This report addresses these issues as perceived by the respondents; it presents different socio-economic information including a set of variables ranging from stakeholder analysis, gender, age and education to the production process as well as the perceived advantages and disadvantages to be located in the neighbourhood. The analysis of this data serves the purpose of enhancing the fundamental understanding of the arts, crafts and design sector in Mar Mikhael, of their needs and potentials.

The first part presents the adaptation of the methodology to the particular setting of the survey, taking into consideration the context of the neighbourhood. The understanding of ACDs has been adjusted to provide a full sample of the creativity present in the neighbourhood by including the artists painters, specialised bookshops, art galleries, conceptual restaurants and the supporting trades.

In a second part, the report focuses on the identification of the different ACDs present in the neighbourhood, the development of their activities as well as the nature of their needs. This analysis sheds light on the changes occurring in the area, due among others, to the arrival of different new economic actors in the neighbourhood. A particular emphasis is given to the question of their needs and expectation in term of support and protection.

Finally, a study of the relationships the ACDs entertain among themselves and with their environment concludes this work.

II. Methodology

Variables

The set of variables tested in this survey, have been taken from the methodological framework conceived by the National Technical University of Athens. In the particular case of Mar Mikhael, the challenge has been to adapt the directive to the particular setting of the neighbourhood, especially in the identification of the ACDs. As such, according to the received documents, the following points were taken into consideration in their adaptation to the local context:

- Type/sector of ACDs – General information (*activity/enterprise, location*)
- Identity of productive category/group (gender, age, level of education of the ACDs owner)
- Relations with professional bodies/unions (membership in commercial/craft/art organizations/champers etc, legal type)
- Activity/Enterprise origin (family or local tradition of the activity/enterprise, succession)
- Evaluation of activity/enterprise location (advantages of the location e.g. accessibility to new techniques, cooperation and networking with other ACDs, determination of spatial identity based on the specific identification of the place: location in the urban tissue, levels of relationships with other urban functions, etc., disadvantages, level of satisfaction of the location, urban environment quality)
- Activity/ Enterprise production structure (description of the ACDs sector/type, raw materials, final products, production techniques, cooperation with relevant and complementary activities, integration of innovation and tradition)
- Marketing/Trading of products (distribution routes, markets, problems, methods of promotion, trade with the EUMC and MPC)
- Relations with Stakeholders (universities, research centres, trade and professional associations, funding sources, etc.)
- Quality of final products (tradition, originality, territorial distinctiveness)
- Trends- perspectives - alternatives ideas / proposals to achieve optimization of the utilisation.

Sampling

The project describes ACDs as « *creative arts and craft (i.e. ceramics, goldsmiths, cloth, tapestry) and design (i.e. Fashion, jewellery)* ». Adapting the definition provided by the beneficiary of this project to the reality of Mar Mikhael, we included the artistic and supporting industries into the present definition, as they are crucial actors in the neighbourhood. As such, artist painters, galleries, collectors and bookshops are equally included. Along the same line, Ironwork, 3D printing or framing of artistic painting are included into the crafts

category. Finally, the design section similarly takes into consideration industrial, fashion and interior design as well as architects.

An exhaustive survey of the ACDs in the neighbourhood of Mar Mikhael, identified 71 ACDs located in the district; number that is constantly changing, as new ACDs arrive and others leave. The survey addressed the 71 ACDs of Mar Mikhael of which 40 ACDs have completed the survey (54%).

Subdivision of the Neighbourhood in Three Zones

The district has been divided in three sectors: West Mar Mikhael, the Mar Mikhael Cluster sector, and East Mar Mikhael/Geitawi.

“West Mar Mikhael” has been retained for its proximity to Gemmayzeh to its West: a nearby neighbourhood that witnessed a similar boom in term of investment and construction a few years ago. As of today, real estate prices are relatively high in Gemmayzeh pushing developers to look eastwards, i.e. towards Mar Mikhael, for new attracting business opportunities.

The “Mar Mikhael Cluster” is composed of what this survey considers to be area with the highest concentration of ACDs, besides being the first location where ACDs started settling down in the district. This area is centred on three streets: Madrid, Pharaon, and Ibn el Rabih. It regroups more than one third of the ACDs of Mar Mikhael ranging from fashion design, interior design, vintage design to artist workshops, bookshops and architects.

The “Mar Mikhael Cluster” is particular for it is a mix of different industries. At the crossroad between traditional handicraft, design or architecture, it equally includes garages as well as bars and restaurants. This mix of trades gives the neighbourhood its unique identity. It is the core area of Mar Mikhael.

“East Mar Mikhael/Geitawi” sits at the Eastern edge of Mar Mikhael. There, ACDs follow a different pattern in their settlement in this neighbourhood: they remain dispersed and the limited number of ACDs having already settled there does not constitute – yet - a cluster. Crafts activities constitute the ACDs of this sector while large spaces attract designers and art related activities. The sector remains mainly residential and exempt of the hurdle of bars and restaurant.

[illegible]

III. Mar Mikhael's ACDs and Stakeholders

The ACDs of Mar Mikhael

The majority of the neighbourhood's Arts, Crafts and Design (ACDs) is composed mainly of *Designers* (interior, graphic, fashion and jewellery designers) and *Craftsmen* together with some *Supporting Industries* and a few *Artists*. The design component of the ACDs dominates. Indeed, the notoriety of Lebanese designers on the international stage, notably through the work of international star fashion designers such as Elie Saab or Rabih Keyrouz, has turned this activity into a thriving economic actor for the country and is attracting many hoping to follow the steps of their elders.

The crafts sector present in the neighbourhood is mostly composed of professional framers while most of the handicraft such as furniture, jewellery or clothing artisans working for the ACDs are not based in Mar Mikhael itself but rather disseminated in suburbs – mainly in the close-by predominantly Armenian suburb of Bourj Hammoud, or nearby villages. ACDs Mar Mikhael's contribute to filling the orders books of these craftsmen - the economic impact of ACDs thus stretching beyond their neighbourhood.

Mar Mikhael is also rich in supporting industries to creativity. These include spaces such as art galleries, bookshops or expression spaces, which somehow operate as a substitute to the lack of public spaces in the neighbourhood. These supporting industries contribute to the vitality of ACDs and hence to the revitalization of the neighbourhood, providing places for people to gather for exhibitions, concerts or movie screenings, and giving the artistic community of the neighbourhood opportunities to meet and expose their respective work.

The following tables present (1) the list of all ACDs present in Mar Mikhael at the date of the Survey (April-June 2014); (2) the list of those who have replied to the Survey questionnaire; (3 to 6) the sectoral classification and sub-sector contents of the ACDs as used for this survey.

List of Present ACDs at the date of the Report

Table 1: Listing of Identified ACDs

Number	Name	Sector	Subsector	Location	Description
1	Jean Marc Nahas	Artist	Painter	West Mar Mikhael/Gemmayzeh	Private Painting Studio
2	Zohrab	Artist	Painter	Cluster	Painter's Workshop

3	Rapid Manufactory	Crafts	3D Printing	West Mar Mikhael / Gemmayzeh	3D Printing, Design, Gallery, Café, Ceramics
4	Joe Fayad	Crafts	Framework	West Mar Mikhael / Gemmayzeh	Picture Framing and Painting Gallery
5	Khalil Bros	Crafts	Framework	West Mar Mikhael / Gemmayzeh	Frames Wholesaler
6	Silor	Crafts	Jewelry Design	West Mar Mikhael / Gemmayzeh	Silverware Design
7	Sarafian Jewels	Crafts	Jewelry Design	West Mar Mikhael / Gemmayzeh	Jewelry Design & Manufacturing
8	Atelier Ara	Crafts	Ironwork	Cluster	Artistic Ironwork
9	ICA	Crafts	Plexiglass	Cluster	Plexiglas Design and Manufacturing
10	Euro Art	Crafts	Framework	East Mar Mikhael	Picture Framing & Painting Gallery
11	Joseph et Rita Chubair	Crafts	Framework	East Mar Mikhael	Picture Framing
12	Coin d'Art	Crafts	Framework	East Mar Mikhael	Picture Framing & Printing
13	Brut	Crafts	Woodworking/Community Space	East Mar Mikhael	Woodworking Workshop and Community Space
14	Cadrart	Crafts	Frames	East Mar Mikhael	Picture Framing

Number	Name	Sector	Subsector	Location	Description
15	Atelier 130	Design	Architecture	West Mar Mikhael / Gemmayzeh	Architecture & Design

16	Kubik Graphic Design	Design	Graphic Design	West Mar Mikhael / Gemmayzeh	Graphic Design and Digital Communications
17	Galerie Trad	Design	Interior Design	West Mar Mikhael / Gemmayzeh	Wood Furniture
18	PS LAB	Design	Interior Design	West Mar Mikhael / Gemmayzeh	Lighting Design & Manufacturing Company
19	Madame Rêve	Design	Jewelry Design	West Mar Mikhael / Gemmayzeh	Vintage Jewelry
20	Joe Fish	Design	Graphic Design	West Mar Mikhael / Gemmayzeh	Graphic Design & Social Media
21	Cynthia Raffoul	Design	Jewelry Design	West Mar Mikhael / Gemmayzeh	Fine Jewelry
22	Sara Mrad	Design	Fashion Design	West Mar Mikhael / Gemmayzeh	Wedding & Evening Dresses
23	Schizzo	Design	Interior Design	West Mar Mikhael / Gemmayzeh	Design & Art Gallery
24	Layers	Design	Graphic Design	Cluster	Design Studio
25	Ralph Masri	Design	Jewelry Design	Cluster	Fine Jewelry
26	Vanina	Design	Jewelry Design	Cluster	Jewelry & Fashion Accessories
27	Magdalena Diab	Design	Interior Design	Cluster	Interior Design
28	Liwan	Design	Fashion Design	Cluster	Home-wear & Fashion items
29	Spare Arts	Design	Interior Design	Cluster	Lighting and Furniture Design
30	Jum	Design	Fashion Design	Cluster	Hand-crafted Jewelry & Accessories
31	Nayef Francis	Design	Interior Design	Cluster	High-end Furniture Design
32	Karim Bekdache Showroom	Design	Interior Design	Cluster	Architecture & Vintage Furniture
33	Maria Halios	Design	Interior Design	Cluster	Concept Tailor-made Furniture
34	Blak & Co	Design	Interior Design	Cluster	Furniture & Household Items
35	Andrea Wazen	Design	Fashion Design	Cluster	Hand-made Luxury Footwear Design
36	Tan	Design	Fashion Design	Cluster	Hand-made Fashion items

Number	Name	Sector	Subsector	Location	Description
37	Rosa Maria	Design	Jewelry Design	Cluster	Lebanese Avant-Garde Jewelry Designer
38	Mellow	Design	Fashion Design	Cluster	Organic Clothes & Soap
39	Diane Ferjane	Design	Fashion Design	Cluster	Handmade Fashion Items
40	Pink Henna	Design	Fashion Design	Cluster	Hand-made Vintage Accessories
41	The Vintage Shop	Design	Interior Design	East Mar Mikhael	Reusable Materials Design Studio
42	Nizar Sabbagh	Design	Architecture	East Mar Mikhael	Architecture, Design, and Research
43	Far Architects	Design	Architecture	East Mar Mikhael	Architecture Firm
44	Imad Gemayel Architects	Design	Architecture	East Mar Mikhael	Architectural and Landscape Design Firm
45	Arch & arts	Design	Architecture	East Mar Mikhael	Architecture and Interior Design
46	Atelier Nanou	Design	Fashion Design	East Mar Mikhael	Abayas, Furniture & Accessories
47	Beyt by 2b Design	Design	Interior Design	East Mar Mikhael	Turning Brokenness into Beauty
48	Creative Space Beirut	Design	Fashion Design	East Mar Mikhael	Free School for Fashion Design
49	Bleu Objet	Design	Interior Design	East Mar Mikhael	Interior Design Consultancy

Number	Name	Sector	Subsector	Location	Description
50	Film Pudding	Supporting industries	Creative/Political Space	West Mar Mikhael / Gemmayzeh	Video Production
51	Ink Tattoo	Supporting industries	Graphic Design	West Mar Mikhael / Gemmayzeh	Tattoo Studio
52	Zawal	Supporting industries	Art Gallery	West Mar Mikhael / Gemmayzeh	Ephemeral Exhibition Space
53	Galerie Yared	Supporting industries	Art Gallery	West Mar Mikhael / Gemmayzeh	Art Gallery
54	Raw Space	Supporting industries	Photography / Community Space	West Mar Mikhael / Gemmayzeh	Photography Studio, Workshop Venue
55	Galerie Tanit	Supporting industries	Art Gallery	West Mar Mikhael / Gemmayzeh	Contemporary Art Gallery

Number	Name	Sector	Subsector	Location	Description
56	Papercup	Supporting industries	Bookshop	Cluster	Art, Architecture & Design

					Bookshop
57	Tinta Negra	Supporting industries	Bookshop	Cluster	Spanish Bookshop & Gallery
58	Atelier NS	Supporting industries	Art Gallery	Cluster	Visual Art Gallery
59	Nasawiya Café	Supporting industries	Creative/Political Space	Cluster	Feminism, Social Justice and Cakes
60	HQ	Supporting industries	Interior Design	Cluster	Artistic Workshop
61	Clandestino	Supporting industries	Creative/Political Space	East Mar Mikhael	Video Production
62	Radio Sevan	Supporting industries	Creative/Political Space	East Mar Mikhael	Armenian Radio
63	Art Lounge	Supporting industries	Creative/Political Space	East Mar Mikhael	Art Gallery, Club & Bar
64	98 Weeks	Supporting industries	Creative/Political Space	East Mar Mikhael	Artist Organization and Project Space
65	Plan Bey	Supporting industries	Art Shop	East Mar Mikhael	Bookshop & Art Gallery
66	Galerie Tabbal	Supporting industries	Art Gallery	East Mar Mikhael	Framing & Art Gallery
67	Da Bandit Bay	Supporting industries	Graphic Design	East Mar Mikhael	Hip-Hop Shop
68	The Outpost	Supporting industries	Magazine	East Mar Mikhael	Magazine
69	Tawlet/Souk El Tayeb	Supporting industries	Restaurants	East Mar Mikhael	Farmer's Market & Lebanese Cuisine
70	Sweet Lake	Supporting industries	Fashion Design	East Mar Mikhael	Meditation Shop
71	One Line Graffiti Central	Supporting industries	Graphic Design	East Mar Mikhael	Street Art Gallery & Painting Equipment

Survey Respondents

Table 2: Survey Respondents regrouped by location

Name	Sector	Subsector	Location
Cynthia Raffoul	Crafts	Jewellery Design	West Mar Mikhael/ Gemmayzeh
Raw Space	Crafts	Photography Studio	West Mar Mikhael/ Gemmayzeh
Madame Rêve	Design	Jewellery Design	West Mar Mikhael/ Gemmayzeh
Joe Fish	Design	Graphic Design	West Mar Mikhael/ Gemmayzeh
Sara Mrad	Design	Fashion Design	West Mar Mikhael/ Gemmayzeh
Tanit (Galerie Tanit)	Design	Galleries	West Mar Mikhael/ Gemmayzeh
Rapid Manufactory	Design	3D Printing	West Mar Mikhael/ Gemmayzeh

Blak & Co	Crafts	Interior/Furniture Design	Cluster
Rosa Maria	Crafts	Jewellery Design	Cluster
Imad Geymayel	Crafts	Architecture	Cluster
Nayef Francis	Design	Interior/Furniture Design	Cluster
Bekdache Karim	Design	Interior/Furniture Design	Cluster
Maria Halios	Design	Interior/Furniture Design	Cluster
Andrea Wazen	Design	Fashion Design	Cluster
Tan	Design	Fashion Design	Cluster
Mellow	Design	Fashion Design	Cluster
Diane Ferjane	Design	Fashion Design	Cluster
Pink Henna	Design	Fashion Design	Cluster
Nasawiya	Design	Political space	Cluster
Ferronerie Ara	Design	Ironwork	Cluster
Papercup	Design	Bookshop	Cluster
Tinta Negra	Design	Bookshop	Cluster

Name	Sector	Subsector	Location
Far Architects	Design	Architecture	Cluster
Vanina Design	Design	Jewellery Design	Cluster
HQ	Supporting industries	Interior/Furniture Design	Cluster
Bleu Design	Supporting industries	Interior/Furniture Design	Cluster

The Collectors	Crafts	Interior Design	East Mar Mikhael
Beyt by 2b Design	Design	Interior/Furniture Design	East Mar Mikhael
Burners	Design	Graphic Design	East Mar Mikhael
Coin d'Art	Design	Frames	East Mar Mikhael
Joe Fayad	Design	Frames	East Mar Mikhael
Silor	Design	Silverware	East Mar Mikhael
The Vintage Shop	Design	Interior/Furniture Design	East Mar Mikhael
Schizzo	Design	Interior/Furniture Design	East Mar Mikhael
Atelier 130	Design	Architecture	East Mar Mikhael
Tawlet/SeT	Supporting industries	Restaurants	East Mar Mikhael
Creative Space Beirut	Supporting industries	Fashion Design	East Mar Mikhael
Nanou (Atelier Nanou)	Supporting industries	Fashion Design	East Mar Mikhael
Cadrart	Supporting industries	Frames	East Mar Mikhael

Sectorial Classification

Table 3: Sectorial Classifications

Design	Crafts	Supporting Industries
Interior Design	Frames	Art Gallery
Graphic Design	Silverware	Bookshop
Jewellery Design	Ironwork	Restaurant
Fashion Design	Other	Painter
Industrial Design		Medias (magazine, radio)
Architecture		Creative/political space

Table 4: Classification of the Design Sector

Design (35)	Interior, Furniture Design (12)	Karim Bekdache; Bleu Objet; Nayef Francis; Spare Arts; Blak&Co; Maria Halios; Magdalena Diab; Schizzo; PS Lab; Beyt by 2B Design; Galerie Trad; The Vintage Shop, spare Arts
	Fashion Design (10)	Liwan; Mellow; Tan; Atelier Nanou; Andrea Wazen; Creative Space Beirut; Sara Mrad; Pink Henna; Jum; Diane Ferjane;
	Jewellery Design (5)	Rosa Maria; Cynthia Raffoul; Madame Rêve; Ralph Masri, VANINA
	Graphic Design (3)	Joe Fish; Kubik Graphic Design, Layers
	Architects (5)	Nizar Sabbagh; Far Architects; Imad Gemayel Architects; Arch&arts; Atelier 130

Table 5: Classification of the Crafts Sector

Crafts (12)	Framers (6)	Joe Fayad; Josef Chubair; Coin d'Art; Euro art; Cadrart; Khalil Bros
	Ironwork (1)	Atelier Ara
	Jewellery (2)	Silor, Sarafian Jewels
	Other (3)	Rapid Manufactory, Brut, ICA (Arakelyan)

Table 6: Classification of the Supporting Industries

Supporting industries (24)	Painter (2)	Zohrab, Jean-Marc Nahas
	Art Galleries (5)	Galerie Tanit; Galerie Yared; Galerie Tabbal; Atelier NS, Zawal
	Collectives, Political Spaces or Education (6)	98 Weeks; Nasawiya; Art Lounge; Nahwa al Muwatinya Office, clandestino, HQ
	Conceptual Restaurants (1)	Tawlet (Souk el Tayeb);
	Specialised Bookshops (3)	Papercup; Tinta Negra; Plan Bey
	Radio (1)	Radio Sevan
	Other (7)	Film Pudding, the Outpost, Raw Space, Ink Tattoo, Da Bandit Bay, sweet lake, Online Graffiti central

IV. The ACDs' Identity

Age and Gender

On average ACDs tend to be strongly represented by women aged between 35 and 44; they account for two third of the ACDs. However, gender is greatly correlated with the different sub-industries. As such, each sector of activities has a gender bias. In fact, all single persons active in the craft industry are men, whereas to a large majority designers are women.

Table 7: ACDs Age Range

Which age group do you belong to		
Answer Options & age-groups	Response Count	Response Percent
15-24	1	2,6%
25-34	9	23,7%
35-44	13	34,2%
45-54	9	23,1%
55-64	4	10,5%
65+	2	5,3%
<i>answered question</i>	38	97,4%
<i>skipped question</i>	1	2,6%
TOTAL	39	100%

Table 8: ACDs Gender Classification

Gender		
Answer Options (Principal Owner)	Response Count	Response Percent
Male	14	35,9%
Female	25	64,1%
<i>answered question</i>	39	100%
<i>skipped question</i>	0	0
TOTAL	39	100%

Education

ACDs tend to hold university degrees and to be educated in the field of their work; Interior Designers are those with the longer period of education. Some ACDs however have not attended university: artisans perfectly exemplify it as their skills are best learned outside formal education.

Table 9: ACDs Educational Level

Education Level		
Answer Options	Response Count	Response Percent
High School	4	10,3%
BA	13	33,3%
Masters	22	56,4%
<i>answered question</i>	39	100%
<i>skipped question</i>	0	0%
TOTAL	39	100%

Employees

The creative industries of Mar Mikhael are small structures i.e. less than 10 employees while only three employ more, namely: Silor, a silverware factory; Tawlet, a conceptual restaurant promoting rural Lebanese products and dishes, and Rosa Maria a jewellery shop with several stores abroad. Interior designers tend to employ between six to seven people trained in the relevant field (artisans, architects). On a whole, 59% of survey respondents declared hiring employees qualified in their field of production.

Table 10: Average Number of Employees Per ACD

Number of Employees		
Answer Options	Response Count	Response Percent
0	6	15,4%
1 à 3	18	46,2%
4 à 10	12	30,8%
10 +	3	7,7%
<i>answered question</i>	39	100,0%
<i>skipped question</i>	0	0
TOTAL	39	100,0%

Table 11: Type of Employees

Qualified Employees		
Answer Options	Response Count	Response Percent
YES	23	59,0%
No	9	23,1%
<i>answered question</i>	32	82,1%
<i>skipped question</i>	7	17,9%
TOTAL	39	100,0%

Union Bodies

Most of the ACDs surveyed (85%) do not belong to a Union. This raises the question of the attractiveness and the availability of such unions to the ACDs as well as that of their ability and will to join or create a union representing them.

Table 12: ACDs Relation with Union Bodies

Connection with Union Body		
Answer Options	Response Count	Response %
YES	6	15,4%
NO	33	84,6%
<i>answered question</i>	39	100,0%
<i>skipped question</i>	0	0
TOTAL	39	100,0%

Origins, activity and establishment

As expected, the emerging creative industry of Mar Mikhael draws mostly on individual initiative and entrepreneurship while only four ACDs (10.3% of respondents) have inherited their businesses either through acquired knowledge or by inheriting the business. The transmission of know-how traditionally occurs from one generation to the other; it mostly stays within the same family. The second type of inheritance sees one generation transferring a family business to the following. The combination of these two patterns is equally possible. Indeed, in the case of inheritance of the family's business property, a transmission of the know-how does not necessarily occur.

Certain businesses nevertheless fall outside of this categorisation. For instance, "*The Collectors*", as neither the skills nor the location were inherited. In that case, the owner inherited a stock of furniture crafted throughout the lifetime of her husband.

Table 13: ACDs Inheritance of their Business

Inherited		
Answer Options	Response Count	Response %
YES	4	10,3%
NO	35	89,7%
<i>answered question</i>	39	100,0%
<i>skipped question</i>	0	0
TOTAL	39	100,0%

A considerable share of the surveyed ACDs has not responded to the question whether they intend to transmit their activities. Only eight ACDs consider possibilities of ownership succession. Without entering into details, this Survey Report proposes a few explanative suggestions.

The relatively young age of the ACDs and of the creative economy in Mar Mikhael could be the reason why little thought has already been given to this question.

Table 14: ACDs Possibilities of Succession

SUCCESSION		
Answer Options	Response Count	Response %
YES	7	17,9%
MAYBE	1	0,0%
<i>answered question</i>	8	20,5%
<i>skipped question</i>	31	79,5%
TOTAL	39	100%

The first ACDs to settle in Mar Mikhael did so in 2005. Since then and even though fluctuating, the boom is still going on. After a first wave of establishment prior to 2000, a drop in the opening of new creative activities has been noted between 2000 and 2005. Out of the surveyed ACDs, roughly 30% have been active since the 1960's and 1980's, notably the craftsmen – Coin d'Art (1995), Cadrart (1980), ARA (1960), Joe Fayad (1980) and different designers.

Table 15: Starting Year of Activity

Origin of Enterprise/Activity		
Answer Options	Response Count	Response %
before 2000	11	28,2%
2000-2005	4	10,3%
2005- 2010	16	41,0%
2010- now	8	20,5%
<i>answered question</i>	39	100,0%
<i>skipped question</i>	0	0
TOTAL	39	100,0%

V. Production Process

Production Type

A majority of ACDs consider their production to be traditional; many use handmade production techniques and various other forms of specialised craftsmanship. In addition, an important number equally complement this traditional type of production process by the use of new technologies.

Table 16: Use of Traditional Techniques

Traditional production		
Answer Options	Response Count	Response %
YES	26	66.7%
NO	6	15.4%
<i>Answered question</i>	32	82%
<i>Skipped question</i>	7	18%
TOTAL	39	100%

Table 17: Use of New Technologies

Use of new technologies		
Answer Options	Response Count	Response Per cent
YES	22	56.4%
NO	11	28.2%
<i>Answered question</i>	33	85%
<i>Skipped question</i>	6	15%
TOTAL	39	100%

Imports

Many of the ACDs complained about the lack of raw materials in Lebanon. 43.6% of the surveyed ACDs rely solely on import of primary materials compare to a mere 7.7% who use exclusively local products. It is to be noted that some ACDs prefer to remain silent on the origin of the raw material of their products. In addition, as some neither export nor import any product, such as the architects, a relatively large ratio skipped this question

One reason for the relatively high degree of reliance on import lies in the fact that the quality of imported raw material the ACDs need is not matched by the local Lebanese production. ACDs thus import from Europe, the Middle East, Asia and North America despite high import taxes that reflect back on import costs of primary goods (metal, woods, chemical substances etc.) as well as finished goods (furniture, books, art work).

Table 18: Imports of Raw Material

Imports		
Answer Options	Response Count	Response %
YES	17	43,6%
NO	3	7,7%
LOCAL & IMPORT	9	23,1%
<i>answered question</i>	29	74%
<i>skipped question</i>	10	26%
TOTAL	39	100%

Table 19: Origins of Imported Raw Materials

Origin of Imports		
Answer Options	Response Count	Response %
EUROPE (Italy, France, Spain)	11	28,2%
Middle East (Turkey, Egypt, Syria, Lebanon)	8	20,5%
ASIA (China, Korea, India, Indonesia)	6	15,4%
North America	2	5,1%
<i>answered question</i>	27	69,2%
<i>skipped question</i>	12	31%
TOTAL	39	100%

Several reasons for such a high import ratio could be identified in the following set of questions. Some ACDs (interior and fashion designers) complain about the quality of the work and the relatively high prices of local artisans.

Many ACDs have found ways to circumvent the production problems linked to the quality of local raw material. They keep a trustworthy relation with artisans, whom they have been working with for a long time and are assured of the quality of their work. These artisans' addresses and identities are kept secret, as ACDs are not eager to share them. A better integration between production and creativity is thus laudable, allowing for more transparency and cooperation between ACDs.

Certain ACDs equally complain about the lack of artistic 'maturity' or cultural understanding of clients and local inhabitants and of Lebanese society in general. Some ACDs alluded especially to a lack of sensibility to graffiti, biological products, and creative furniture or clothes.

In addition, certain ACDs located outside of the cluster, at the far edge of Mar Mikhael in streets crowded with small repairs shops, complained about the lack of interest that from the local inhabitants for their work.

Table 20: Problems Encountered in the Production Process

Problems encountered in the Production Process		
Answer Options(multiple selection)	Response Count	Response %
Unpunctuality/Lateness of artisans	7	19,4%
Problems of supply of raw materials (quality, availability)	5	13,9%
Custom Fees	10	27,8%
Quality of handicraft	3	8,3%
Craft prices	4	11,1%
Prices of raw materials	5	13,9%
Lack of technology	2	5,6%
Lack of artistic maturity/comprehension of clients	5	12,8%
Intellectual property problems	1	2,8%
Censorship (political, religious)	2	5,6%
answered question	36	92,3%
skipped question	3	7,7%
TOTAL	39	100%

Exports

As presented in table 21, a considerable part of the Design activities rely on export for their revenues. In all, 41% of ACDs export their products abroad. Some of them depend entirely on export: Beyt 2B (shop in the US), Madame Rêve, Blak & Co (exclusive distributor of its brand in the Middle East), Rosa Maria (shop in Paris), Liwan, Nayef Francis, PS Lab. Moreover, some ACDs such as Nayef Francis went as far as saying that because of the limited Lebanese demand for products an option would be to emigrate the business so they would be able to keep a shop in Beirut. The biggest single exporters are: Beyt 2B, Bleu Objet, Rosa Maria, Nanou, Silor, Nayef Francis, Madame Rêve. The biggest markets are the Gulf and Europe.

Table 21: Exports

Exports		
Answer Options	Response Count	Response %
YES	16	41.0%
NO	20	51.3%
Answered question	36	92.3%
Skipped question	3	7.7%
TOTAL	39	100%

Table 22: Destination of Final Product

Places of Export		
Answer Options	Response Count	Response %
USA	4	10,3%
Japan	3	7,7%
Gulf (Kuwait, Qatar, Dubai, Saudi...)	11	28,2%
Europe	9	23,1%
Africa	1	2,6%
Answered question	28	72%
Skipped question	11	28%
TOTAL	39	100%

Marketing and Business Development

The majority of ACDs use the Internet and especially social media to promote their activities. Online methods are principally used because it is very costly for ACDs to advertise in other ways (specialized press, such as a fashion or design magazines).

Table 23 ACDs Advertising Strategy

Advertising		
Answer Options	Response Count	Response %
No Advertisement	6	15,4%
Specialised Media	14	35,9%
General Media	8	20,5%
TV	7	17,9%
Internet	29	74,4%
Expositions	17	43,6%
Word of Mouth	8	20,5%
Answered question	39	100,0%
Skipped question	0	0,0%
TOTAL	39	100%

Beside the price of publicity, other reasons have been noted. As depicted in table 25, the political and economic situation in the region as much as its repercussions on the presence of foreign tourists ranks second. The lack of clear marketing strategy is equally noted as a challenge.

Table 24: Main Problems in Trading and Marketing

Main problems in trading and marketing		
Answer Options	Response Count	Response %
Lack of strategy/commercial use	7	17,9%
Political and economic situation	8	20,5%
Cost of publicity	9	23,1%
Lack of <i>Walk In</i> Customer	2	5,1%
Answered question	26	66,7%
Skipped question	13	33,3%
TOTAL	39	100%

Table 26 presents the results of the question addressing the life cycle of Mar Mikhael's ACDs. It further gives an impression on the satisfaction of the stage of their business development.

The majority of ACDs consider their activity to be 'stable' or 'mature', those who consider they are 'starting' have existed for a year or less. The average time of existence for those who consider themselves 'developing' is 3 years, 'stable' is 4.5 years and 'mature' is difficult to calculate but never before 4-6 years.

Table 25: Life Cycle of the Business

Life-cycle/ self appreciation		
Answer Options	Response Count	Response %
Starting	6	15,4%
Development	8	20,5%
Stable	11	28,2%
Maturity	11	28,2%
Decline	2	5,1%
answered question	38	97,4%
skipped question	1	2,6%
TOTAL	39	100%

VI. Real Estate

Similarly to the neighbourhood of Gemmayzeh and in the continuation of the real estate bubble in this neighbourhood, Mar Mikhael has undergone a spectacular increase in real estate prices over the last few years. Reason for this surge in property prices is the newly acquired trendiness of the neighbourhood. Artists and designers progressively settled down in that part of town, attracting attention to the neighbourhood. The recreational industries were second, followed by the real estate developers. Mar Mikhael is now the hotspot of Beirut.

This traditional pattern of development is well known in the Lebanese capital. Trendy spots follow a pattern of rotation between districts where a translation from a neighbourhood to another takes place roughly every five to six years. As for now, Mar Mikhael is the trendy place. By way of consequence, the increase in popularity of the neighbourhood has brought along its own set of challenges: rapid increase in real estate prices, overcrowding and unregulated public spaces, anarchic private take over of public services, massive growth of uncontrolled night life.

The recent trendiness of Mar Mikhael has seen a shift in terms of buyers of newly built apartments. Today, the average buyer of a new apartment in Mar Mikhael is likely to be either a young couple with no children - DINKY (double income no kids yet), or a working single.

New users and residents of the neighbourhood came to appreciate it through its nightlife scene that has somehow eclipsed the original identity of the neighbourhood. The young and wealthy moving to Mar Mikhael equally express a need for differentiation and originality as opposed to the traditional and classical identity they parents stand for¹¹. Bottom line is that the alternative atmosphere Mar Mikhael stands for particularly attracts them.

In addition, under current Lebanese renting laws, many inhabitants of the neighbourhood still enjoy renting price that are far below market value. Old rental contracts, transmitted from one generation to the following, have kept renting price extremely low, preventing the owner from raise the rent but also from investing in the maintenance of their property, hence the fairly poor condition of most of the buildings. This gives the neighbourhood a particular tinge; middle age and wealthy buyers tend to look down on it.

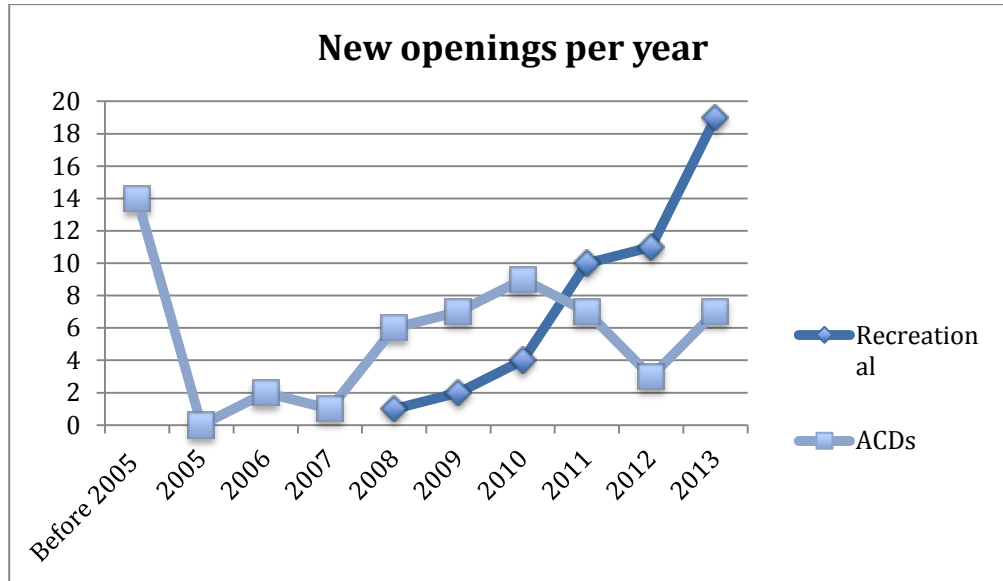
Creativity and Recreational Trends

The introduction of ACDs in the neighbourhood and its increased visibility as a trendy place at a period where real estate development was booming in Beirut and in need of cheap land has brought a rapid development of the real estate prices in Mar Mikhael. Preceding the establishment of the food and beverage industry, different pioneers (Liwan, Papercup, Coin d'Art, Euro Art, ICA, Karim Bekdache and Maria Halios...) helped pave the way to put Mar Mikhael as a hotspot on the map. Once known, Mar Mikhael subsequently attracted a great number of bars and restaurants in the neighbourhood. The two phenomena are correlated.

As depicted in figure three, the comparison of the evolution of the number of ACDs with that of recreational activities in Mar Mikhael is quite informative. Before 2005, creative activities in the neighbourhood were limited to craftsmanship. As of 2005, the increase in the creative community started. This trend further developed from 2007 to reach a peak in 2010 with the highest number of opening. Contrasting with the previous surge in ACDs opening, the time span between 2010 and 2012 has borne a light slowdown in terms of new opening.

¹¹. /idem

Figure 3: Annual Numbers of ACDs and of Recreational activities Opening in Mar Mikhael



Looking at the pace of establishment for the creative and recreative industries in the neighbourhood, the year 2010 marks a turning point. Whereas between 2005 and 2010 creative activities dominated the neighbourhood with an average of five new openings per year, starting 2010 recreational activities took the forehead with an average of 13 new openings annually. The gap between these two activities has turned to the advantage of the leisure industry.

The first appearance of recreational activities in the neighbourhood dates back to 2008. Since then, their number has been continuously increasing. A study conducted by *Le commerce du Levant* in 2011 reveals that the number of restaurants in Mar Mikhael grew that year by another 50 establishments; this accounts for a growth rate of more than 200% for the sector or in other words an increase of more than 3,000 seated places¹².

Before bars and restaurants settled down in the neighbourhood, the district was certainly not the trendy place it is today; rather it was very much perceived as a low middle class neighbourhood of Beirut. The ACDs were among the first to bring some kind of visibility to the neighbourhood. However, it is hard to sustain that they are the sole reason behind the neighbourhood increasing popularity. In fact, as their activities are targeting a specific clientele, they attract a limited number of people, mostly young urban professionals (colloquially referred to as *yuppies*). Bars and restaurants on the other hand, attract a much greater audience, mainly as during the night.

Part of the success of the bars of the neighbourhood is due to the competitive prices they are able to offer their customers since, in the beginning of the gold rush towards Mar Mikhael, low rental price help bars and restaurant to offer attractive prices.

¹² Le commerce du Levant, 2014, Aout, Hors Série

In addition, the lack in the enforcement of rules and regulations help turning public spaces and sidewalks into private terraces for bars and restaurants. As a substantial part of the clients drink on the sidewalks, bars generate a non-negligible part of their income out of public-spaces use that they appropriate to the detriment of the local residents and passer-by. Parts of Armenia Street's sidewalks are completely jammed and remain inaccessible to pedestrians.

Finally, the main street of Mar Mikhael is a two-way traffic. This trivial fact has nevertheless contributed substantially to the success of the neighbourhood's nightlife since, in term of accessibility, it represents a significant asset compared to the endless one-way car lines of other neighbourhoods.

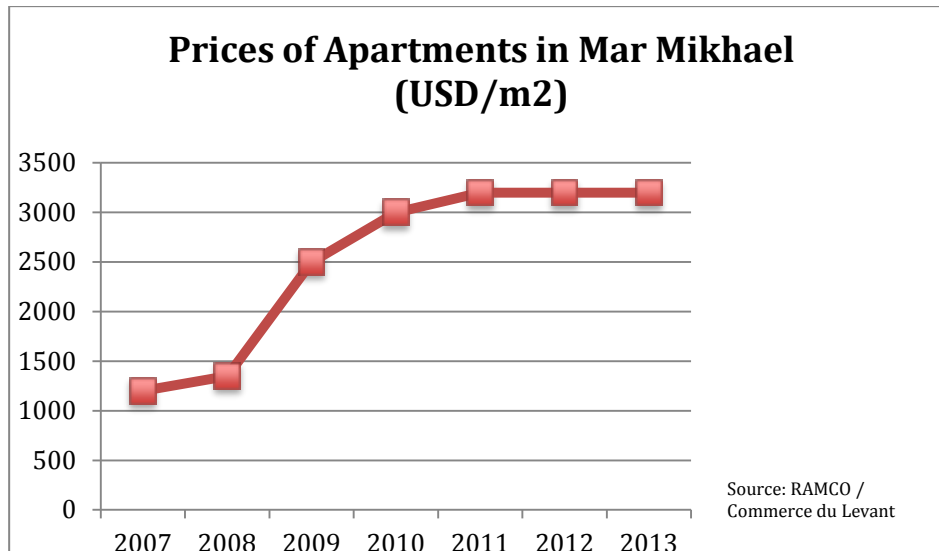
Rea Estate Prices

The evolution of real estate prices in the neighbourhood of Mar Mikhael did not go unnoticed. The tremendous increase in properties prices has been put down by regular survey conducted by the real estate consultancy company RAMCO. Based on the numbers they ran as well as on different interview conducted in the neighbourhood, the following can be said regarding the real estate market in Mar Mikhael.

The sector has seen a rapid increase in prices between 2008 and 2010. After 2010, prices seemed to have reached a peak, stagnating since then. In parallel to the price increase, the average size of apartments has been reduced, usually lying between 90 and 220m². In the light of the current economic and political turmoil the potential to target high purchasing power foreign buyer is reduced. As such, real estate developers are tapping into domestic demand, reducing size of apartment while keeping prices up.

With a view to bring more coherence to the following numbers, real estate prices listed below correspond to the price of one square meter for a new apartment located on the first floor. As of June 2014, the price per square metre sits just above the bar of the 3,000 USD/m² for new units. In the old segment building, it is nearly impossible to find anything for less than 2,000 USD/m².

Figure 4: Purchase Price of Apartments in Mar Mikhael between 2007 and 2013 (Gaia 2014)



Crowding Out Effect

Creative and recreative industries have both shed light on the neighbourhood of Mar Mikhael. As they both benefit from this new trendiness of the neighbourhood, they yet face a common challenge: the reliance on affordable renting spaces. As the food and beverage industry is able to generate more earnings, confronted to the challenge of finding rental spaces, they are willing and able to afford higher renting prices. As a matter of fact, the combination of both the competition for affordable business locations and the discrepancy in financial means has resulted in the pricing out of different ACDs.

The lack of available spaces is indeed an important challenge for all the economic actors of the neighbourhood. Bars and restaurants have surged in the neighbourhood and strongly increased the pressure on Mar Mikhael's real estate market. In all logic, landlords are more inclined to rent their spaces to bars and restaurants as they can charge higher rental prices. As prices continue to increase in Mar Mikhael, potential newcomers with limited budget, as it is often the case for ACDs, see themselves deter from settling in the area. ACDs with lower budgets prefer to go further down towards the East as such locations are substantially cheaper.

All in all, the development of the real estate market in Mar Mikhael has increased the pressure on ACDs' budget, pushing them to consider relocating to cheaper locations. As a matter of fact, two of the surveyed artists have already seen their rent increased enough to push them out.

Ownership and spaces

A substantive number of the surveyed ACDs rent the spaces where their activity is housed. Only four of them own their space in Mar Mikhael. As 84.6% of them are renters the vast majority of ACDs find themselves in a delicate position. Indeed, as rent is constantly increasing in the neighbourhood, the threat of relocation is becoming acute.

Table 26: Establishment in Mar Mikhael

Year of establishment in the area		
Answer Options	Response Count	Response %
Before 2000	4	10.3%
2000-2005	0	0.0%
2005-2010	15	38.5%
2010-now	18	46.2%
<i>Answered question</i>	37	94.9%
<i>Skipped question</i>	2	5.1%
TOTAL	39	100%

43.6% (17) of the surveyed ACDs were in another area before coming to Mar Mikhael. Their neighbourhoods of origin range from Tabaris, Achrafieh, Saifi, Downtown and Gefinor, to Beit Mery and, Antelias. All came to Mar Mikhael because of the inexpensive rent, the charm and appeal of the neighbourhood and the semi-industrial character. The other 22 surveyed ACDs established their business directly in Mar Mikhael.

Table 27: Housing

Housing		
Answer Options	Response Count	Response %
OWNED	6	15.4%
RENTED	33	84.6%
<i>Answered question</i>	39	100%
<i>Skipped question</i>	0	0%
TOTAL	39	100%

Concerning the size of the ACDs shops or ateliers, most of those who replied occupy spaces with an area between 50 and 100m²; however the table below shows that ACDs have spaces of all sizes from very small to over 200m². Half of the surveyed ACDs also disposed of additional space such as storage space, studios or other shops. The ACDs who are using the biggest spaces are much more concerned by the rise of the rent, such as Karim Bekdache who rents a large space on Madrid Street.

Table 28: Average Size of Spaces

Average Size of Spaces		
Answer Options	Response Count	Response%
1 à 50m ²	9	23,1%
50 à 100m ²	15	38,5%
100 à 200m ²	8	20,5%
200 + m ²	6	15,4%
<i>answered question</i>	38	97,4%
<i>skipped question</i>	1	2,6%
TOTAL	39	100%

VII. Opinion About the Neighbourhood

Index of Satisfaction

Results show that less than half of the respondents are not satisfied with the current setting of the neighbourhood - 41% of them are not satisfied with their urban environment. A minority of responders stated mixed views regarding their neighbourhood. They do not necessarily see any difference with the situation within the Beirut as a whole. The remaining 48.7% of responders share the opposite opinion; the neighbourhood being an added value to their activities.

Table 30: Satisfaction with the Location

Satisfaction with urban environment		
Answer Options	Response Count	Response %
YES	16	41,0%
NO	19	48,7%
YES & NO	3	7,7%
<i>Answered question</i>	38	98,0%
<i>Skipped question</i>	1	2,0%
TOTAL	39	100%

Despite the large share of ACDs expressing their discontent with the current environment of the neighbourhood, the large majority of them still intend to remain in Mar Mikhael and continue to invest in their businesses. Only five of the respondents intend to re-situate their business in the immediate future. Out of these five, three of them attribute their departure to the increase in rental prices. The majority of ACDs who intend to relocate their business belong to the cluster sector.

Table 29 Possibilities of Relocation

Imminent Relocation		
Answer Options	Response Count	Response %
YES	5	13,2%
NO	26	68,4%
MAYBE	7	18,4%
Answered question	38	100%
Skipped question	0	0
TOTAL	38	100%

Advantages

This survey helped identifying the values ACDs appreciate most in the neighbourhood. The cachet certainly plays an important role in the decision of the ACDs to settle in the neighbourhood. ACDs strongly valued the central location of Mar Mikhael. Interestingly enough, roughly the half of the ACD's consider the artistic cluster present in Mar Mikhael to be a clear advantage although most of them equally note the lack of collaboration among their peers. Finally, ACDs seem to value the fact that spaces are still largely available and that the architecture of buildings are suitable for creative activities. The following table summarises the main results related to the perceived advantages of the neighbourhood for the ACDs.

Table 32: Advantages of the Location

Advantages perceived by the ACDs in the neighbourhood		
Answer Options	Response Count	Response %
Accessibility, centrality, walking customer,	18	47,4%
Low operating costs	18	47,4%
Available spaces, size and appropriateness of buildings	8	21,1%
Collaboration with other artists, benefits derived from the atmosphere of the neighbourhood	17	44,7%
Cachet, charm, potential of the neighbourhood, cultural heritage	26	68,4%
Answered question	38	100%
Skipped question	0	0%
TOTAL	38	100%

Disadvantages

When it comes the disadvantages that the ACDs encounter in the neighbourhood, the lack of urban infrastructure ranks first.

ACDs of West Mar Mikhael/Geitawi complain about the poor state of the sidewalks and stairs, the latter being an essential part of the historic urban fabric of the neighbourhood and one of its few public spaces. The impracticality of sidewalks, which is worsened by the impressive number

of cars that park on them exemplifies this issue. The lack of parking in general is a major complaint tied to the boom of hospitality activities. As a matter of fact, the law imposes a specific amount of parking spaces for each building, including for bars, restaurant and any other businesses. However, most bars and restaurants operate under temporary licenses and are not legally bound by the rules; they contract valet parking companies that take over public space, thereby congesting the street. Restaurants and valet parking make their profit out of public space that they use free of charge.

Another important concern is the constant increase in rents. As a direct consequence of the new visibility of the neighbourhood, real estate prices have surged. About a third of the interviewed ACDs complained about it. Interestingly enough, almost half of the respondents complained about their lack of visibility, which would mean that potential spill over from the trendiness of the neighbourhood onto ADCs' businesses still remains largely untapped.

Table 30 Disadvantages of the Location

Disadvantages		
Answer Options	Response Count	Response %
Lack of communication among artists	4	10,5%
Accessibility	4	10,5%
Uncleanliness	5	13,2%
Lack of public spaces and greenery	7	18,4%
Traffic	10	26,3%
Invasion of pubs and restaurants	10	26,3%
Increase in rent prices	11	28,9%
Building in poor condition or badly deteriorated, no capacity for expansion	11	28,9%
Lack of visibility, no walk in customers	12	31,6%
Lack of or poor infrastructure (parking, stairs, sidewalks)	24	63,2%
Answered question	38	100%
Skipped question	0	0
TOTAL	38	100%

ACDs Expectations from the Project

This survey has confirmed the confluence of ACDs concerns and needs with MEDNETA's objectives: ACDs' expectations mostly converge with the intended impacts of the project on the technical, economic, social and policy levels. Results from the survey have established the clear and marked interest of the ACDs in the MEDNETA project activities. More than 90% of surveyed ACDs declared to be ready to take part into activities improving their neighbourhood and consider the project to be an opportunity to do so.

Several ideas have been put forward by the ACDs for the development of creativity. Isolation and lack of exchanges and communication among themselves has been recognised as an issue to be addressed. About 40% expressed the need for a stronger collaboration among ACDs.

Various terms were used to describe this collaboration such as ‘belonging’, ‘community’, ‘lobbying’, ‘pressure group’, and ‘union’.

To that effect, ACDs are interested in participating in events of various forms in the neighbourhood and the creation of a space dedicated to creativity. Many mentioned the need for a public sector intervention, particularly with regards to the cleanliness of the neighbourhood, its lighting and the provision of green spaces.

A significant number of ACDs would welcome workshops and tutorials to further develop their skills and competences. Some ACDs see commercial and marketing tasks as a hindrance to their creative activities, as they do not necessary possess the training to develop a coherent and structure communication strategy. In addition, ACDs active in fashion design as well as publishing complained about the lack of integration of their field of competences into the universities curriculum. The difficulty to access funding both public and private, or at least the lack of knowledge to work these of funding scheme out, has come out of the survey as a point of potential improvement. As such, as much as providing new funding scheme and a facilitated access to finance, it is equally important to provide the ACDs with expertise regarding how to tap the full potential existing schemes offer.

Table 34: ACDs Expectations from MEDNETA Project

Expectations From the Project		
Answer Options	Response Count	Response %
Events	14	35,9%
The promotion of collaboration between ACDs	15	38,5%
Promotion/Advertising	11	28,2%
Workshops to enhance skills (social media, commercial)	13	33,3%
Tourism	4	10,3%
Enhancement of the neighbourhood	9	23,1%
Finding solution to export products	5	12,8%
Loans and other funding opportunities	3	7,7%
Reinforcing local handicraft	2	5,1%
Answered question	31	79,5%
Skipped question	8	20,5%
TOTAL	39	100%

This part of the report draws a line between the results presented earlier in this report and the differences between subsectors. As such, the followings paragraphs do not aim at dwelling on the detailed situation of every subsector but rather provide the reader with a chilling reminder of the different information in relation with the respective ACDs.

Fashion Design

The sample of creative industries chosen to conduct the survey contains eight out of eleven fashion designers mapped in the neighbourhood. They are: Sara Mrad; Atelier Nanou; Mellow; Tan; Creative Space Beirut; Andrea Wazen; Diane Ferjane; Pink Henna.

Liwan, one of the first fashion and objects designers to settle down in the neighbourhood in 2006, created the momentum for others to follow. From 2008 onwards, other fashion designers followed and the great majority of them are willing to collaborate to improve their neighbourhood. They favour the area of the cluster (around Pharaoh Street) where most are located. However, the rise of the rent prices has already pushed two of them to relocate in secondary streets outside the cluster.

This category of ACDs mainly encompasses young women whose age stands between 24 and 34 years old. Most of them started their activity immediately after the completion of their studies in a relevant field. Universities in Lebanon offer fashion design studies up to the bachelor's degree; those who have pursued their studies have done so abroad.

The fashion design sector employs less than 10% of the total workforce of the surveyed ACDs of the neighbourhood. The average size of the company is 3 to 4 persons; the great majority of them are well trained in their relative field.

Production is handmade. Fashion designers work with tailors located outside of the capital. Some of them create clothes inspired by local traditional fashion (Liwan, Nanou and Diane Ferjane). Textiles are imported from Europe, the Middle East (Egypt, Syria) and Asia (India, China) and only 30% of them will actually export their products; mainly to Saudi Arabia, Dubai, Jordan and Africa.

The marketing of the final product is often based on retail stores; online sale is limited. Designers lack skills and knowhow to increase the visibility of their activity and as such, tend to rely on social media and exhibitions for the promotion of their products. This sector is weakened by its dependency on a rich clientele and/or the presence of tourists, the numbers of which have greatly decreased in the recent years due to the turmoil in the region.

Interior & Furniture Design

The ACDs sample surveyed included eight out of twelve interior and furniture designers mapped in the neighbourhood: Bleu Design; K. Bekdache; Nayef Francis; Maria Halios; 2B Design; The Collectors; Schizzo; Black and Co.

Interior and furniture designers are mainly concentrated in the cluster, expanding towards the West of Mar Mikhael. As their success is highly dependent of the way they exhibit their work, they tend to rent bigger spaces in comparison to other ACDs.

Starting in 2008, Karim Bekdache and Maria Halios were among the first interior and furniture designers to settle in Mar Mikhael. In their own words they were looking for large spaces at lower prices. As for many ACDs, the *cachet* of the neighbourhood has played an important role. Beirut's nostalgia of old neighbourhoods continues to attract new designers despite the imperfect quality of its urban environment, the lack of infrastructure and the rising rental prices.

Most of the interior and furniture designers are middle-age women aged between 35 and 50 with a master's degree in interior design or in architecture. As such, they happen to be a bit older than the fashion designers.

This sector employs a bit less than 30% of the total workforce of the surveyed creative industries - the highest ratio in our study. Each business employs less than 10 persons, many of whom possess a university degree in a corresponding field.

All agree that finding good craftsmen is hard. Designers complain about their unpunctuality and the high prices they charge. Nevertheless, they collaborate with a wide range of craftsmen from the surrounding suburbs of Beirut. This includes ironwork, carpentry, tapestry, leather, glazing, and concrete craft. In addition, many designers combine both traditional and new ways of production: handicraft and laser cutting or 3D printing. Access to new technologies remains however quite selective, as their price is relatively high.

While looking deeper into the production process of interior and furniture designer, custom fees represent here as well an obstacle to the industry. A large part of the necessary raw materials is imported, principally from Europe (wood, iron, cloth and leather). Nevertheless, in spite of these difficulties the Interior and furniture design sector is one of the rare sectors that export a significant part, not to say the majority, of its production. As such, 71% of the respondents active in that sector export to Europe, the USA and the Gulf. Lebanese design is particularly appreciated in the Gulf States.

Regarding the willingness of the surveyed designers to take part in actions towards the rehabilitation of the neighbourhood, interior and furniture designers have been particularly responsive to it. In addition, interior and furniture designers advocate for public support, subsidies and the organization of events in the neighbourhood. They strongly identify themselves with the goal of the MEDNETA project and are highly motivated by the objectives of the project.

Jewellery Design

Four out of five jewellery designers mapped in the neighbourhood were interviewed: Madame Rêve, Cynthia Raffoul, Rosa Maria and Vanina Design.

Like fashion designers and other ACDs, jewellery designers are attracted to the neighbourhood particular cachet. They tend to be located in traditional buildings of Mar Mikhael: *Cynthia Raffoul* opened her shop in what was an old milk factory; *Madame Rêve* showroom is located in an old building and *Rosa Maria* opened her space in a disused chocolate factory.

The owners are middle-aged women with educational background in business and design. This sector, which appeared in the neighbourhood in 2008, employs roughly 15% of the total workforce of the creative industries in Mar Mikhael. Jewellery businesses are small enterprises that do not employ more than 12 persons each. Distribution of products occurs mainly through retail shops. To be noted is that most of the Jewellery designers export to foreign markets: some as much as 90% of their production mainly to the US, Japan and Europe (France, Italy, Spain and Germany).

All those working in the production of the jewellery are specialised craftsmen in the different trades needed in this product: design development, 3D designing, casting, crimping and

polishing. In addition, as designers fear for their intellectual properties, they tend to exclusively contract some trusted craftsmen, keeping a shortlist of them.

Another difficulty jewellery designers encounter in their production process is common to the whole of the creative industry, namely the supply of raw material. They import all their raw materials such as chains, stones, gold and silver principally from Europe and Asia.

As for the promotion and marketing of their work, jewellery designers, regardless of the size and level of development of their respective companies, make a widespread use of social media and advertisement in the printed and audio-visual media. Whereas it remains true that many cannot afford TV ads or PR agencies, a recurrent problem remains that designers, as they admitted, often lack the expertise to efficiently advertise for their products.

Crafts

Six out of the thirteen craftsmen active in the neighbourhood have been surveyed: Cadrart, Coin d'Art, Joe Fayad, Silor, Ara, Rapid Manufactory, Atelier Nanou.

The sample of craftsmen chosen for the survey includes a selection of crafts present in the neighbourhood. Many small ateliers and shops such as carpenters, mechanics, fabric retail shops or ironwork have been left out of this survey as they do not quite fit with the definition of ACDs since their links with the ACDs of the neighbourhood is hard to identify. Most of these ateliers meet local need and address around-the-corner small orders and, as such, do not create but rather fix items.

The history of Mar Mikhael is closely related to the craft industry that has been established since long ago in the neighbourhood. Most of these activities started in the 1960s and continue until now as family businesses. As some of their owners have grown old without finding suitable people to continue their craft, shops close down. In addition, the new popularity of the neighbourhood has equally pushed a few of them to sell or rent their spaces.

A notable concentration of their activities can be observed in the East of Mar Mikhael. Ranging from 47 to 58 years old, Craftsmen are on average older than their fellow ACDs. The great majority of them are men with a low educational level.

This sector employs about fifteen per cent of the total workforce employed by the creative industries as a whole. In the sample, all craftsmen are highly qualified in their field of expertise. The size of their businesses is relatively small with an average of 4 employees per unit and always remains small. Finally, amongst the craftsmen interviewed, none was member of a union.

Craftsmen are satisfied with their urban environment. As a significant percentage of them own their workshop, the industry seems exempt of the negative consequences of rent increase. Some of them welcomed positively the restaurants and the new comers to the neighbourhood while others expressed their concern, notably regarding the preservation of the public spaces.

Craftsmen use a mix between traditional techniques and new technologies throughout the different steps of their production process. Though most of the work is handmade, some steps require the use of new technologies. As an example, new framing machines (*Joe Fayad*,

Cadrart and *Coin d'Art*) and laser cutting (*Silor* and *Atelier Ara*) have helped improve the quality of production.

Concerning trade and promotion, several craftsmen complained about the high custom fees on already expensive imported raw materials. The production is exported to different countries; *Silor* and *Coin d'Art* rely mainly on the Gulf markets.

Exhibitions and advertisement for products are not common in that sector. The majority of craftsmen benefit from a well-established network of regular clients and customers. Survey results revealed a lack of competition between craftsmen, each and every one of them retaining his share of the market and clientele. *Rapid Manufactory*, the newest craft activity in the area, advocated for more collaboration between the different stakeholders of that industry.

Supporting Industries

Supporting industries regroup different businesses that assist, in a way or another, the culture and the arts in the neighbourhood of Mar Mikhael. They differ from the stakeholders in the sense that they bring to creativity the by-product of their activities rather than the prime goal of their business. In other words, their goal is not to support and promote the culture and arts, but rather to pursue an economic rationale in their field of activities. Nevertheless, their presence in the neighbourhood is essential for creativity to flourish. These industries include bookshops, conceptual restaurants or community spaces.

In the category of supporting industries nine out of the twenty-five businesses that were identified in the neighbourhood have been interviewed: *Papercup* (book-coffee shop), *Tinta Negra* (bookshop and Hispanic artistic gallery), *Tawlet /Souk el Tayeb* (Farmers' market/concept restaurant), *Seza* (Armenian restaurant), *Raw space* (Photography studio and open space), *Nasawiya* (community space), *Galerie Tanit* (Art Gallery), *HQ Gallery*, *Burners Graffiti shop* (street art shop).

The first supporting industry to open in the neighbourhood was *Papercup* that acted as a magnet for the others to enter the neighbourhood - its book-signing events and the advertisement it created around it attracted the attention of many others. As for now, four shops (Bookshops and community spaces) are established in the cluster area.

Supporting industries employ about just less than 25 % of the total work force of the creative industry in Mar Mikhael. Interestingly enough, the supporting industries equally feel the threat of relocation. Two of them have already mentioned that, in case of further rent increase, they will have to relocate. Possibilities of direct collaboration and networking among designers and the supporting industries equally played a role. In addition, collaboration between the supporting industries and several ACDs exists to a certain extent. For instance, *Papercup* displays and sells products from *Rapid Manufactory*.

Owners of supportive industries resent the degraded urban environment, the lack of public spaces, the multiplication of valet parking and the lack of public transport – all threats to the visibility of their work. Many complained about the lack of pedestrian accessibility in the area and the privatisation of public spaces as parkings and extension of paid leisure on the sidewalks. Difficulties in term of marketing and promotion were also raised. Many player of this

industry rely on the use of social network and the word of mouth to promote their activities. Prices for professional marketing agencies remain beyond their financial means.

In their understanding of the neighbourhood, supporting industries see a need for increased collaboration with the ACDs as well as an increase in government involvement. They hope for concrete steps from the government to regulate the rapid growth of Mar Mikhael.

VIII. Results and Conclusion

The survey conducted by GAIA-heritage in the neighbourhood of Mar Mikhael covered 71 ACDs - artists, craftsmen and designers.

The first stage of the work was to identify these businesses, the agents, how they work and their role in the economy. A particular emphasis was added to the question of their needs and expectations in term of support and protection.

The set of results highlights the needs for improvements in different areas regarding the situation of the ACDs in the neighbourhood. Throughout the investigation, it became increasingly apparent that the link between the ACDs and their environment is crucial for the development of this particular sector even though this link still remains weak. Here, all consider that the accessibility and availability of affordable spaces as much as the original cachet and particular spirit of the neighbourhood are the major benefits Mar Mikhael offers.

The sudden popularity of the neighbourhood and the rapid expansion of commercial activities, notably the food and beverage industries, are affecting the situation by pushing real estate prices to surge and triggering a wave of real estate development. These rapid changes increasingly threaten the link between the ACDs and the neighbourhood they inhabit. Possible ways of reflections should take the following elements into consideration:

The dialogue among ACDs needs to be reinforced. As the survey points out, 44.7% mentioned the possibility to work and collaborate with other ACDs as an advantage of the neighbourhood (c.f. table 30) whereas looking at the actual degree of collaboration on the ground, very little cooperation is actually present. ACDs do not fully use the capabilities of cooperation and exchange they obtain from their location. It must nevertheless be mentioned that, to some extend, a cluster has been informally formed, notably in the interior and furniture design field. It allows for some degree of cooperation although ACDs have not yet created a community.

More collaboration and coordination between ACDs could greatly contribute to the development of their activities, thus bringing benefits to all; ACDs and neighbourhood. The data collected in the framework of this survey will play an essential role in establishing greater ties between the different actors and work towards the creation of an active community. Mapping operations of this community and organisation of workshops oriented on their needs and expectations could positively contribute to the development and the tightening of that community.

A second element this report helped identify is the importance of preserving the particular "sense of place". The cachet of the neighbourhood is of particular relevance to the creative activities and contributes by giving character to their products. The recent changes in the morphology and life of Mar Mikhael have put a substantial pressure on the ACDs and their activities. Several aspects must be considered. 68.4% of the ACDs mention the particular cachet of the neighbourhood as an advantage for locating their activities there.

But finding a solution to foster the development of the creative economy in such a district can become a double edge sword by contributing to an excessive gentrification that would end by pushing out the ACDs that contribute to the sense of the place. Solutions must then foster and develop the activities of Mar Mikhael's ACDs while preserving the charm and original cachet of the neighbourhood: hence, management of the public spaces and the creation of public gardens or squares are an essential component of any solution since they will directly improve the life of the residents and enable better pedestrian circulation.

Such measures focusing on the creation of the sustainable environment in the neighbourhood should primarily focus on the enforcement of laws and regulations. As a matter of fact, the repercussions of the lack of rule of law are very much felt on the neighbourhood as a whole. The appropriation of public spaces by bars and restaurant, as well as the use of roads as parking spaces by the *valet parking* companies is a concern to other economic actors of the neighbourhood. This lack of enforcement of the rules is partly responsible for the socio-economic changes in the urban pattern of the neighbourhood. Enforcing the existing regulations on all in the neighbourhood, will improve living conditions, harness gentrification and turn the place into a thriving mixed and human district.

In addition credit and investment facilities still remain beyond the reach of some ACDs or are unknown to them. Different possibilities should be studied to strengthen the capacity of the existing funding schemes and improve access to the beginners. Appropriate schemes, specific incubators¹³ and a creative space would wonderfully complement these measures and help the ACDs navigate their way in the complexity of the different procedures to access funding opportunities and to develop their work.

In the end and more generally speaking, the challenges and difficulties encountered by the creative economy in Mar Mikhael – and in the Country as a whole - are a consequence of the culture of instantaneity that characterises the Lebanese economy, i.e., the rule of quick and direct profits and safe opportunities (banking, retail, real estate). The acceptable time between the investment and the return on it is too short to allow for a real take off of creative industries. In such an environment, creative industries need to be surrounded, supported and protected to develop their activities.

¹³ Such as the successful ones devised for the digital sector in Lebanon.

E. The Nightlife Carousel

(Liliane BUCCIANI-BARAKAT)

I. The Lebanese scene

The Lebanese capital is well known across the world for the extravagance and the quality of its nightlife. In a region prey to the development of fundamentalism rigor and radicalization of some parts of society, the Beirut nightlife represents an important touristic asset for the country.

Another important factor helps keep the Beirut nightlife particularly attractive - its constant renewal. The leisure activities are used to some kind of urban nomadism within the different neighbourhoods of Beirut. In doing so, they set the trends in the capital, turning their subsequent location into the new hotspot of the capital.

II. Historic review

In the second half of the 1990s, Monnot Street was the trendy place of post-war Lebanese nightlife. As this street is located a couple of meters away from the former demarcation line and in the immediate proximity of the perimeter of the reconstructed city centre of Beirut, it quickly became an iconic place symbolizing both renaissance and renewal of Beirut after years of civil war.

Since 2000, the opening of a high-end French bakery "Paul" at the corner of Gouraud Street attracted the attention of the leisure industry on the neighbourhood of Gemmayzeh. A strong investment helped trigger a wave of openings in this neighbourhood. The competitive rental prices and the large surfaces available quickly turned that district into the heart of the Lebanese nightlife. Simultaneously Monnot Street begun to decline; by the end of 2006 the majority of bars, restaurants and nightclub had migrated to the new hot spot, Gouraud Street.

It did not take long before the owners of the major bars and restaurant started planning their next relocation: Mar Mikhael, a district situated between Gemmayzeh and the Beirut River. Besides the original cachet of this sector, rental prices were very competitive allowing high returns. In addition and since 2006 the neighbourhood equally hosts an important community of artists, craftsmen and designers, giving it a cultural note.

Starting in 2010, the very same nightlife actors of the recreational industries begun investing in Mar Mikhael, turning this residential area into the latest hot spot for nightlife in Beirut. Restaurants, cafes, pubs, boutiques and galleries quickly became the new centre of gravity for the Lebanese youth and the cultural elite. Armenia Street and adjacent roads are now hosting an important number of new bars and restaurants with more than 50 locations and a capacity of nearly 2,900 seats.

Since 2013, 26 new stores have opened. Bars and restaurant with international cuisine targeting the middle price segment, and concepts such as local food production have strongly established themselves in the neighbourhood.

In this game of musical chairs, the residential component of the neighbourhood is often left out of the equation. Local residents are for the majority aggrieved by this excessive intrusion of the nightlife industry in their neighbourhood. They complain about noise, problems of parking and garbage littering on the sidewalks. As in previous cases, the neighbours are the main victims of

the negative externalities the uncontrolled food and beverage industries helped creating. These include; traffic jam, lack of parking spaces, appropriation of public spaces by the valet parking and of the sidewalks by tables and chairs, not to mention the increase in property rental prices.

As the gold rush seems to slowly come to an end in Mar Mikhael, the industry is looking for the next neighbourhood. Early signs of the downfall of Mar Mikhael seem to validate that latter point. In 2014, we noted that some brands closed. Mezzo di Pasta, Wine and V as other small pubs and snacks were the first to fall under this irresistible quest of renewal.

III. The new hot spots

In downtown Beirut, below the Samir Kassir Square, a narrow road is growing in popularity. For three years in a row, Uruguay Street has successfully attracted different brands. As for now, 19 of them are present there, targeting the upper-middle price segment. Although it surely is a serious candidate to become the next nightlife hotspot of the Beirut capital, the relatively high prices and the lack of cachet of the downtown location poses still a few challenges.

From now on, the new trendy and rapidly developing neighbourhood of Beirut is Badaro. Strategically located behind the National Museum of Beirut, it is easily accessible. Furthermore, Badaro proposes a new concept. It targets the middle price segment and focuses as much on daylight activities as on nightlife. Cafes and restaurants are open the whole day. The 15 new opening recorded since 2013 testify for the strength of this new trend: about one new opening a month. The total number of bars and restaurant in the neighbourhood equals today 42.

In the present case, as the nightlife industry already starts investing in new places, most notably Badaro, Mar Mikhael seems very much to be following a similar fate to Monnot and Gemmayzeh. In the Beirut nightlife the only element that seems to be somehow permanent is the motto of that industry: *The show must go on...*



F. SWOT Analysis (Gaia Heritage)

Executive Summary

The “Creativity and Regeneration in Mar Mikhael” conference, hosted by GAIA-Heritage, was held on July 17th at “the Grande Brasserie du Levant” in Mar Mikhael.

The conference was held in the framework of the **MEDNETA project**, a cross-cultural network aiming to promote creativity in the arts, crafts and design for the regeneration in historic cities, as part of the ENPI CBC MED Programme. The conference brought together creative business owners, financial experts, urban studies specialists, economists, sociologists and civil society actors to assess the Strengths, Weaknesses, Opportunities and Threats to the creative economy and to urban regeneration in the Mar Mikhael district. This analysis was both timely and relevant in light of the significant urban and economic changes this district is experiencing.

The conference addressed two key issues pertaining to the transformations occurring in the neighbourhood: a) the state of the Lebanese creative economy in light of the limitations of the local market, import and export laws, as well as funding schemes and, b) the broader urban environment of Mar Mikhael discussing the effects of gentrification and receding public space on its Arts, Crafts and Design sectors.

A public of more than 250 from ACDs, students, academics, diplomats and the public sector and professionals, attended the conference. In addition to the panels and the roundtables organized during the conference an exhibition presented the works of various artists, designers and architects of the neighbourhood.

Critical and significant proposals were made throughout the conference proceedings. In the closing session, H.E. the Lebanese Minister of Culture, Mr. Raymond Arayji issued a strong call for the establishment of a working group to address the issues discussed. A consensus amongst panellists and audience members was made in order to appeal to local governing bodies to strengthen the application of the rule of law in the neighbourhood. Moreover, a detailed analysis of the issues discussed will continue to take place within the MEDNETA project and through the coming establishment of an urban observatory and the eventual connection of ACDs with much needed funding schemes. Finally, the conference opened the door for future collaboration amongst those present, a first step towards cooperation and joint action in favour of the creative economy and the Mar Mikhael district.

I. Concept and Objectives

In the past decade, the neighbourhood of Mar Mikhael has witnessed a rise in the establishment and opening of creatively inclined businesses such as architecture, furniture and fashion design firms, galleries, and jewellery production and related trades. All have successively opened in an

increasingly concentrated area in Mar Mikhael, forming what is referred to as an “Art, Crafts and Design (ACD) cluster”¹⁴.

GAIA-Heritage has been surveying the evolution of this cluster since 2010 and today, within the project MEDNETA: ‘cross-cultural network to promote creativity in the arts, crafts and design for communities’ regeneration in historic cities’, it has conducted an extensive survey of the neighbourhood’s creative economy and of its socio-economic and built environment¹⁵. This study included identifying and interviewing the sector’s principal actors, i.e. creative business owners, referred to here as “ACDs”. Results of the survey revealed a series of issues facing the sustainability of the ACDs artistic, design and commercial endeavours, namely the rapid rise in real estate development projects and property prices, as well as an overwhelmingly growing recreational sector and a lack of communal entente required for the exchange of ideas and innovation¹⁶.

Three distinct groups inhabit the neighbourhood: the local residents, the ACDs, and the recreational businesses. While the ACDs, commerces and other trades occupy the neighbourhood during daytime, the leisure economy takes over in the evening. As for the local residents, live and work in the district. There is little overlap and contact between these three disparate groups. They live side by side but seldom trade or meet together.

As a segue from the initial analysis of the Mar Mikhael district, GAIA-heritage hosted a day-long conference between the neighbourhood’s ACDs, stakeholders, and MEDNETA partners on **July 17th, 2014**. The conference entitled *Creativity and Regeneration in Mar Mikhael* and held at the Brasserie du Levant, aimed to assess the **Strengths, Weaknesses, Opportunities and Threats** to Mar Mikhael’s ACDs and their environment.

The use of the **Brasserie du Levant**, an abandoned industrial building, was in itself symbolic of Mar Mikhael’s urban history. A former brewery, the Brasserie constituted an economic motor of the neighbourhood as a significant employer of local residents. Later, the building hosted numerous festivals and public celebrations during the pre-war Lebanese apogee. The Brasserie embodies the popular and working class of the district; it is a monument to Beirut’s celebrated urban past. It is now abandoned, presenting an ideal example of an industrial setting for an incubator of creative industries.

The large open built spaces available in the Brasserie enabled the organization of an **exhibition** of various Mar Mikhael ACDs’ work during the conference, which provided participants the opportunity to explore the different creative activities in the area.

The conference centred its discussions on two major issues. In a first panel, the issues afflicting Mar Mikhael’s creative economy in light of the rapidly changing neighbourhood, national instability and the limitations of the local market. The second panel, the conference shifted its attention towards ACD’s relationship with their environment, touching upon themes such as the

¹⁴ John Newbigin, “The Creative Economy: An Introductory Guide”, Creative and Cultural Economy Series/1, (London: British Council, 2010), 37.

¹⁵ See section D of this report

¹⁶ Newbigin, “The Creative Economy”, 49.

ACD's need for public spaces or concrete measures to safeguard the creative cluster that is present in the neighbourhood.

By treating these issues in two roundtable discussions, the conference allowed for an exchange of best practices, knowhow transfer between those ACDs present, and an active debate on the strengths, weaknesses, opportunities and threats to Mar Mikhael's creative Neighbourhood. The presence of stakeholders and decision-makers from the finance and urban fields and from the international community offered possible opportunities of identifying answers to the reinforcement of the cluster and to turning Mar-Mikhael into a creative district that could become a good practice of urban regeneration for other places in Lebanon.

The conference theme further revolved around topics of urban planning, regeneration, and public space. Indeed, cultural districts are site-specific and therefore, a detailed exploration of the creative economy cannot occur without an understanding of its broader urban context. This is particularly poignant in the context of Mar Mikhael, which has attracted considerable attention in recent years due to its traditional nature and growing popularity.

By assessing the existing situation in Mar Mikhael, the conference allowed speakers and attendees to consider the broader perspective of the role of creativity in the traditional urban sector.

II. Programme and Agenda

9:30-10:15	Introduction <ul style="list-style-type: none"> ❖ Opening ❖ Presentation and overview of the MEDNETA Project ❖ Presentation of the Results from the MEDNETA Field Research ❖ Presentation of the MEDNETA Communication and Visibility plan 	<ul style="list-style-type: none"> • Dr. Georges Zouain (Principal, GAIA-heritage) • Professor Sofia Avgerinou-Kolonia (MEDNETA project Coordinator, National Technical University of Athens - NTUA) • M. Panagiotis Stratakis (Geographer, Msc, Senior Researcher-GIS Expert MEDNETA) & M. Ioannis Spyropoulos (Urban and Regional Planner, Msc, Junior Researcher MEDNETA) • M. Theodoros Giannakopoulos & Mrs Kyriako Petousi (Greek Italian Chamber of Athens)
10:15-10:30	Preliminary Results - Socio-economic survey of Mar Mikhael	<ul style="list-style-type: none"> • Prof. Liliane Buccianti-Barakat (Head of Cultural and Tourism Planning, Department of Geography, FLSH, USJ) • Dr. Nizar Hariri (Faculty of Economics, FSE, USJ)
10:45-12:45	The Creative Economy: Issues of Sustainability in the Context of a Rapidly Changing Neighbourhood Moderator: M. Ibrahim Nehme (Editor "The Outpost")	<ul style="list-style-type: none"> • Dr. Khater Abou-Habib (<i>Chairman KAFALAT</i>) • M. Emile Nasr (CEO l'Agenda Culturel) • Mrs Sarah Hermez (Principal "Creative Space Beirut") • Mrs. Rosa Abourousse (Principal "Rosa Maria Jewellery") • Mrs Doreen Toutikian (Director, MENA Design Research Centre) • Prof. Stephen Hill (Economist, Sohar University)
13:45-15:45	The Mar Mikhael Neighbourhood: Arts, Crafts, and Design's Engagement with the Public Space Moderator: Dr. Elie Haddad (Dean LAU School of Architecture & Design)	<ul style="list-style-type: none"> • Dr. Mona Harb (Associate Professor Urban Planning, AUB) • M. Serge Yazigi (Urban Planner, head of MAJAL and lecturer at ALBA) • M. Nabil Itani (Head, Cultural Heritage and Urban Development project) • M. Mario Khoury (Central Bank, Investment Department) • Mrs. Maria Halios (Owner, Maria Halios Design) • Mrs. Christine Codsí (Partner, Tawlet/Souk el Tayeb) • M. Karim Bekdache (Owner, Karim Bekdache Architecture Studio)

16:00-18:00	<p>Closing session:</p> <p>Conclusion and future steps</p> <p>Moderator: Dr. Georges Zouain</p>	<ul style="list-style-type: none"> • H.E. M. Raymond Arayji (Lebanese Minister of Culture) • H.E. Mrs. Catherine Boura, (Ambassador of Greece) • M. Alexis Loeber (EU, Head of Cooperation Division) • M. Ibrahim Nehme (Editor “The Outpost”) • Dr. Elie Haddad (Dean LAU School for Design & Architecture) • Professor Sofia Avgerinou-Kolonias (Director of Urban and Regional Planning Department, NTUA)
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III. Report of Panels

Introductionary Panel

The conference introduction was led by **Dr. Georges Zouain**, Principal of GAIA-heritage, accompanied by **Professor Sofia Avgerinou-Kolonia**, **Mr Panagiotis Stratakis** and **Mr Ioannis Spyropoulos**, from the National Technical University of Athens and **Mr Theodoros Giannakopoulos** and **Mrs. Kyriako Petousi**, from the Greek Italian Chamber of Athens. The introduction contextualized the conference within the MEDNETA project and presented the conception of the project for Beirut.

Professor **Sofia Avgerinou-Kolonia** presented the MEDNETA project's objective to enhance cross-border cultural dialogue and cooperation among multiple stakeholders with the aim to support the ACDs as a means for the regeneration of communities living in historical cities in the Mediterranean Basin. She also exposed how MEDNETA's objectives were to be implemented in light of democratization, Euro-Mediterranean cooperation and the increased competitiveness of Arts, Craft and Design in order to foster economic development.

Professor Sofia Avgerinou-Kolonia also highlighted the project's expected results:

- Formulate sustainable urban strategies and pilot projects for the socioeconomic revitalization of historic cities, including programmes for the regeneration of ACDs.
- Establish new permanent forms of cross-border cultural and economic cooperation and networking in the ACDs among participating cities.
- Validate and promote innovation through development of synergies, exchange of best practices, transfer of knowhow and infusion of new technology.
- Create a Mediterranean ACDs Lab network as an open virtual lab of multicultural dialogue and a MEDNETA observatory to monitor the ACDs Lab-net functioning.

Mr Panagiotis Stratakis and **Mr Ioannis Spyropoulos** went on to present the other SWOT seminars that had taken place as part of the MEDNETA project in Athens, Tunis and Valencia and concluded by highlighting the need for cooperation between the different partnering countries. **Mr Theodoros Giannakopoulos** then presented the MEDNETA communication plan and the Greek Italian Chamber of Athens's support to GAIA-heritage to establish agreements between the participating institutions to achieve an economic framework for development.

Dr. Georges Zouain, Principal of GAIA-Heritage presented the vision and action-plan of the MEDNETA project for Beirut and the target neighbourhood of Mar Mikhael. He stressed on the importance of establishing the Urban Observatory in light of the rapid economic changes taking place in Beirut and other Mediterranean cities. This phase of the project would best validate the studies and interventions completed on Mar Mikhael and act as a tool of cooperation between neighbouring Mediterranean cities for joint action, exchange of know-how and best practices.

The morphology and architecture evolution of the neighbourhood have been characterized by consistency: urban fabric, volumes, types of construction, materials, functions did not change since Mar Mikhael begun to develop: a succession of different owners and workers from the harbour as much as from the railway station used the same materials and followed similar

patterns to the exception of a few three to four storey apartment blocks and some sizable family houses with gardens.

The establishment of the creative hub in Mar Mikhael centred in Pharaon Street which started with designers such as Liwan, Maria Halios and Karim Bekdache and businesses such as the Papercup bookshop resulted in the existence of over 70 ACDs today¹⁷. While bringing a welcome modernity to a sleeping district, they have also attracted nightlife venues and real estate entrepreneurs; both operating under conditions of limited urban and architecture regulations.

These pose a threat to the creative activities in Mar Mikhael, through rising rent prices, the new real estate projects as well as the fast expansion of recreational activities - the first signs of an all too well know phenomenon in Beirut, namely an accelerated and uncontrolled gentrification¹⁸.

Furthermore, the social, urban and economic mixity of Mar Mikhael is an important asset of the neighbourhood and the ACDs: it brings a sense of place lost in other districts of Beirut and keeps the rents at an acceptable level. The level of real estate development in the neighbourhood was moderate: construction occurring according to private needs, resulting in small shops and small apartments. Today, and despite the modest size of the land plots, the rule of law is not respected: plots are regrouped to maximize the returns by high rise and out of proportion buildings, sidewalks are occupied, sanitation and regulations are not respected and new developments are, transforming the urban pattern and encroaching on public domain.

Dr. Zouain concluded his presentation by identifying the needed environment and support to ensure the growth of the ACDs and an adapted economic development of Mar Mikhael. They are: a) a deeper political involvement and a rule of law that is applied to all; b) reaching an equilibrium between exchange and use value in real estate and, c) an adapted speed of regeneration in Mar Mikhael. In a final note, there is a definite need for a professional network of ACD's to ensure better supply of resources (material and financial) and an access to foreign markets.

Prof. Liliane Bucciante-Barakat and **Dr. Nizar Hariri** from the Saint Joseph University presented the preliminary results of their socio-economy study of the Mar Mikhael neighbourhood carried out by the MEDNETA project. **They went on** explaining the socio-demographic study. The survey, which was conducted by 10 students in different sectors of the neighbourhood, aimed to include as large a sample as possible. Result from the survey showed that the neighbourhood is composed of three disparate yet co-existing groups: the original residents, the creative industries owners and the patrons of the district's evening economy.

¹⁷ Design: interior, graphic, fashion and jewellery designers; Crafts: furniture, jewels or clothes and other primary material; Alternative Art Forms: Bookshops, art galleries, and popular education spaces.

¹⁸It is equally important to note that the creative industry is to a certain extent drawn to the presence of leisurely businesses in Mar Mikhael (bars, restaurants, cafes, etc.) as they attract a wide range of clientele and contribute to the neighbourhood's cachet as a "Place of Creativity".

They further described the preliminary results obtained from the study. The sample of 286 responders demonstrated an aging population, where 40% of the population was born in Mar Mikhael and 51% lived there for the last 30 years, indicating that the new population of the neighbourhood remains a minority. 24% of the population is unemployed, corresponding to the national rate, and 52% of the employed population has considerable free time. 42% of the population also has university degree.

Results show that only 1 out of 3 residents of Mar Mikhael is interested in the creative industries of the neighbourhood and 22% were slightly interested. Similar proportions reflected the interest in the nightlife and recreational activities of the neighbourhood with the difference that residents are not bothered by the creative activities while they do suffer from the new nightlife. The study further showed that 41% of the residents appreciate the changes in the neighbourhood but also that the residents' were showing growing concern with lack of public spaces, lack of parking and noise pollution due to the neighbourhoods' growing recreational sector.

Panel A: The Creative Economy: Issues of Sustainability in the Context of a Rapidly Changing Neighbourhood

Panel 1 took place in the morning and brought together one moderator and six speakers:

Moderator: **M. Ibrahim Nehme**, editor of the "The Outpost" Magazine

Speakers:

- **Dr. Khater Abou-Habib**, Chairman KAFALAT
- **M. Emile Nasr**, Chief Editor, l'Agenda Culturel
- **Mrs Sarah Hermez**, Principal, "Creative Space Beirut"
- **Mrs Rosa Abourousse**, Principal, "Rosa Maria Jewellery"
- **Mrs Doreen Toutikian**, Director, MENA Design Research Centre
- **Prof. Stephen Hill**, Economist, Sohar University

Mr Ibrahim Nehme started by inviting **Dr. Khater Abou Habib** to speak, Kafalat having been at the forefront in supporting the creative economy in Lebanon.

Dr. Khater Abou Habib exposed how the behaviour of people who come seeking Kafalat grants has demonstrated a surge in Lebanon's creative sector. Kafalat provides grants in five sectors: agriculture, industry, tourism, traditional crafts and technology and foster specialized programmes. Although the activity has taken off exponentially, it still faces difficulties particularly in the lack of sufficient command of the ground, accompanied by a faster rise in the creative economy than the creation of funding schemes to accommodate it. Similarly, other new economies had also been rising particularly fast, such as the digital sector, which results in an increasing number of sectors seeking financial support.

Mr Ibrahim Nehme then asked whether Dr. Khater Abou Habib thought there has been a slowing in any of the five sectors mentioned.

Dr. Khater Abou Habib answered that the e-economy had been growing faster than design as digital industries profit from incubators while the design industry does not. He consequently said that **the development of a strategy for the development of the design industry is needed**. In addition, the *Economic and Social Fund for Development (ESFD)*¹⁹ provides grants for smaller projects. Kafalat's programmes cover larger undertakings such as venture capital to support the growth of firms in order for them to access international markets; Kafalat also provides institutions that carry out crowd-funding, guaranteeing a portion of funds.

Dr. Abou Habib highlighted the many potential and actual financial sources that are easily accessible by determined individuals, including creative, who wish to carry through their projects including seed finance, venture capital, and crowd funding. He also mentioned that these schemes should certainly be made available in other parts of the country and expanded beyond the current sectors (i.e. the 5 mentioned earlier). The novelty of Kafalat's approach has not attracted the traditional funding schemes yet, as they remain averse to the high risks of such investments. For this very reason, Kafalat has created a guarantee programme to encourage commercial banks to interface more effectively with the creative sectors.

He also stressed that financing creativity required considerable effort while promoting creativity to investors and credit guarantees requires both hype and considerable effort on the ground. Though he was optimistic about the KAFALAT's role in this phenomenon, he believed that more should be done.

M. Emile Nasr, Chief Editor of l'Agenda Culturel noted how Mar Mikhael was a well-chosen neighbourhood full of creativity and yet experiencing rapid changes. The lack of infrastructure and the rise of gentrification will affect creativity. A perspective on this problematic is not only required to help Mar Mikhael survive but to help it become more prosperous. It is then essential to find individuals such as Dr. Abou Habib who believe in the added value of creative activities and will guide us in finding the right funding schemes.

The reasons why ACD's face difficulties are multiple. Simply including them in platforms, articles and exhibitions will not be sufficient to help them prosper. Opportunities and chances to develop and grow inside Lebanon are needed. In this case, the success story of Berytech is exemplary, where the marriage between Saint Joseph University (USJ) and the Berytech chairman, Mr Maroun Chammas, convinced 10 big banks and 6 companies to finance what was at the beginning a small space on the USJ campus²⁰. Berytech was later expanded thanks to a private public partnership with the Ministry of Telecommunications in order to launch the Beirut Digital District in Bachoura²¹. Drawing from this example, technology and creativity are "cousins" and the latter sector should inspire itself from its "cousins" and strive for a development that goes beyond the development of Mar Mikhael's main road, i.e. Armenia Street.

¹⁹ ESFD is part of the Euro-Med partnership between the European Union and the Government of Lebanon. The fund provides credit to SMEs through commercial banks. <http://www.esfd.cdr.gov.lb/>, last accessed August 19th, 2014.

²⁰ "About Us: Berytech", <http://www.berytch.org/content/view/123/414/lang.en/>, last accessed August 20th, 2014.

²¹ "About Us: Beirut Digital District", <http://beirutdigitaldistrict.com/aboutBDD.html>, last accessed August 20th, 2014.

Mrs Doreen Toutikian then spoke about *Beirut Design Week* and its third edition in 2014. She briefly introduced the MENA Design Research Centre, a crowd-funded Lebanese NGO that organizes *Beirut Design Week*. Its goal is to foster the development of Lebanon's creative industry, youth and the social scene.

Striving towards a community and strengthening through it the local market, Mrs Toutikian exposed how *Beirut Design Week* aimed to bring a positive image to the MENA region. With the goal of providing a platform for designers in Lebanon Beirut Design Week has succeeded in turning the Lebanese capital into the design capital for the region; despite the recurrent brain drain of young artists and designers, Beirut demonstrates the highest concentration of artists and designers in the Arab World. This initiative has exposed them to a great deal of media attention, providing them with networking opportunities and enabling contact with Universities.

Furthermore, *Beirut Design Week* has been an opportunity to promote entrepreneurship skills through workshops, lectures and films dedicated to the different sectors. *Beirut Design Week* was also awarded the Social Entrepreneurship Award following the success of the event: it had 52 participants the first year, and 93 in its third event. Mrs Toutikian concluded by saying that the results obtained would not be possible without the help of their participants and the international guests that support them. This initiative alone was primordial in fostering a much-needed sense of community amongst Beirut-based designers.

Mrs Sarah Hermez then presented *Creative Space Beirut* by saying how it is dedicated to free creative education through which design is used as an effective tool for social change as well as a push for local design. *Creative Space Beirut* believes in free education as a tool for social inclusion and promotion. Currently, nine students from different communities are enrolled in the school. The full-time programme creates a community for people to come and share their skills resulting in a very collaborative experience. In addition, *Creative Space Beirut* is launching its own brand to ease market entry for its students and graduates. Ending her speech on a negative note, Mrs Hermez mentioned the fact that *Creative Space Beirut* may need to relocate outside of Mar Mikhael due to rising rents.

Mrs Rosy Abourousse then presented her brand "Rosa Maria", which she began in 1998 after significant activism during the Lebanese civil war. Most particularly, she coached refugees in producing products to survive the imposed embargo. Mrs Abourousse recalled her first shop, located in Chehade Street, in Achrafieh. She described Chehade Street as a microcosm of today's Mar Mikhael: a small area particularly dedicated to creative industries. Chehade street eventually became a high-rise building area, making it difficult for creative industries to survive. With the help of a Kafalat funding scheme, she relocated to Mar Mikhael. The space seeks to host a variety of creative forms in addition to Rosa Maria jewellery: these include photography, arts and design. This melting pot for visual arts and hosts events and has become a staple of the artist community in the Mar Mikhael neighbourhood.

Mr Ibrahim Nehme then asked if Mrs Rosy Abourousse believed the destiny of Mar Mikhael to be like Chehade St. in Achrafieh with the creation of an elitist neighbourhood.

Mrs Rosy Abourousse responded that she believed that it would take Mar Mikhael families longer to sell their properties, since they seem to be more eager to keep their mode of life and

the sense of place of their neighbourhood. In addition, bars and restaurants are not necessarily disadvantages during the day as they help attract “hip” people to the neighbourhood.

Dr. Stephen Hill started by asking the following question: “can you predict the success and economic prosperity of a neighbourhood?” Conducting research on Lebanon’s creative industries for over a decade, he has studied the various factors contributing to a neighbourhood’s “attractiveness” as well as the motors behind urban economic growth in the field of creativity. In the case of Mar Mikhael, Dr. Hill underlined the pressing issue of public versus private space: the appropriation of public space in Mar Mikhael (by valet parking, shop fronts, etc.) is one of the neighbourhood’s most significant problems. Increasingly, the distinction between private and public space is disappearing to the benefit of the private sphere.

The cyclical nature of urban neighbourhoods has to be acknowledged: the trendy place is continually changing. To slow this process, it is paramount to recognize the non-market benefits of the cultural sector and allow the municipality or entities like KAFALAT to intervene on its behalf. There is an unavoidable link between the recreational and creative sectors: the latter provides business opportunities for the former, yet the recreational sectors make it more difficult for the creative economies to survive, boosting rent prices and occupying amenities such as parking spaces.

Dr. Stephen Hill also said that the market would ensure the repayment of Kafalat or the municipality’s investment in creative industries. He concluded by stating that he did not have a solution, for if a solution could be applied everywhere, everywhere would be prosperous. Solutions must be context specific for in each case reaching the balance between private and public space is achieved differently: if this balance is not achieved “trendy spots” will shift to somewhere else. It is thus crucial to advocate for public spaces but in order to achieve this balance; echoing Dr. Zouain’s comment, the municipality must apply the necessary regulations.

Mrs Doreen Toutikian responded that in Lebanon this is precisely where the problem lies. Public bodies do not take the necessary actions to prevent the increasing privatization in all sectors. This point is reflected in *Beirut Design Week*’s experience with governmental institutions. This initiative faced quite a few challenges to convince the government of their relevance in term of impact. As *Beirut Design Week* is celebrating its third birthday, Ms Toutikian hopes that they may finally catch the attention of public establishments.

Dr. Khater Abou Habib supported the previous comments by saying that any project with the aim of far-reaching public impact requires time.

Dr. Georges Zouain followed by identifying the paradox that pertains to any emerging new activity: there is a need for guidance that is often resented due to the nature of the market economy and the creative sector. Dr. Zouain added that an effective way of addressing creative industries is to consider them as a financial issue, by considering them in a perspective that will ensure their growth. However, these industries are not only asking for growth: they are in need of a public sector, public spaces, laws and regulations. Any emerging activity has to start working in a safe environment; the issue at hand here is that the environment is not safe.

In summary, the Panel *The Creative Economy: Issues of Sustainability in the Context of a Rapidly Changing Neighbourhood* identified a number of perspectives and opportunities for Mar Mikhael’s creative sector. Discussion amongst panellists revealed the variety of financing

opportunities for Mar Mikhael's creative industries, and a standing commitment from KAFALAT to continue and expand their existing support.

The debate equally revealed that much remains to be done. The role of local public bodies in supporting creative activities should not be discounted: the example of Berytech is a proof that lasting intervention can serve to spur the success of an industry (the rising digital economy is a result). In addition to new initiatives, the panel considered that it is necessary to strengthen the existing rule of law to regulate the growth of private businesses in the neighbourhood. The audience reacted favourably to this idea by proposing to **create a platform of collaboration amongst creative industry owners** in order to appeal to both stakeholders and the government for the revision of import and export laws as well as the implementation of much needed laws and rules.

Panel B: Arts, Crafts and Design Engagement with Public Space

The second panel took place in the afternoon and brought together the following participants:

Moderator: **Dr. Elie Haddad**, Dean LAU School of Architecture & Design

Speakers:

- **Dr. Mona Harb**, Associate Professor Urban Planning, AUB
- **M. Serge Yazigi**, Urban Planner, head of MAJAL and lecturer at ALBA
- **M. Nabil Itani**, Head, CDR-CHUD WB project
- **M. Mario Khoury**, Central Bank, Investment Department
- **Mrs Maria Halios**, Owner, Maria Halios Design
- **Mrs Christine Codsí**, Partner, Tawlet/Souk el Tayek
- **M. Karim Bekdache**, Owner, Karim Bekdache Architecture Studio

Dr. Elie Haddad briefly introduced the main theme of the panel by discussing some of the aspects of the gentrification process in Lebanon, and comparing the problematic of 'urban regeneration' to similar cases that arose in London and other cities. He then posed several questions that could serve as points of discussion, namely: what is the impact of urban regeneration on the local economy? What is the potential role of the government and the municipality in controlling speculation in the real estate business? How can the media and social networks help in developing an appropriate urban regeneration approach, and finally, is there a role for the private sector in that process? And what roles does public space play in what could become, in Mar Mikhael, a pilot project of balanced development?

Dr. Mona Harb started by discussing how the experience of space characterizes Beirut in a very specific way. On the day of the conference, the Brasserie Gellad was the perfect example of appropriation: an abandoned brewery that has been given a different meaning for the day by being transformed into a conference hall. Dr. Harb exposed the two different values given to space in urban studies, its perception as land with a real estate function and thus part of an economic cycle with an exchange value and an intrinsic value of meaning that is not taken into consideration by urban planners or governments. In the past few years real estate speculators in Beirut have started seeing Mar Mikhael as a growth machine, and this has altered the balance between the neighbourhood's open and public space. The arrival of entrepreneurs and

recreational activities imposed a different scale of economic growth and imposed themselves on the streets and alleys: high-end projects, residential and commercial, and gentrification became the name of the game.

Dr. Harb then mentioned the phenomenon of valet parking as a reflection of the shift in social practice of the neighbourhood. Valet parking is now the authority regulating the space. The neighbourhood, which had been operating as a lived space, has now become a conceived space dominated by powerful groups. Moreover, the lack of an active Municipality attending to its responsibility of protecting the ordinary people, makes these issues difficult to address. Dr. Harb concluded by saying that **civil society actors should demand more access to the right to live in a city and to have access to the planning process**. In order to do so, there needs to be **regulation of the growth machine**.

M. Serge Yazigi then shared his dream for Mar Mikhael. He described how Mar Mikhael could be used as the link between Solidere and Bourj Hammoud: the development opportunities that would be derived from this vision would extend creative economies and their synergies to Bourj Hammoud. M. Yazigi then discussed how urban planning is an asset and how Mar Mikhael has the opportunity to develop it in communion with its active creative sector.

M. Yazigi equally pointed out that in the pursuit of this goal, data collection is essential. For that matter, the MEDNETA project has the advantage of assessing the needs of the neighbourhood. However, in order to control the gentrification process three factors were to be addressed: keeping locals in the neighbourhood (in this case aided by the rent control law); preserving the local social makeup of the neighbourhood encouraging local labour to increase interaction; preserving the built environment and the space that houses the local community (including the roadside, stairs, and sidewalks). All these points are difficult in Lebanon because of the need to implement a master plan which needs to be done by the municipality: civil society groups can only go so far.

M. Nabil Itani then presented the World Bank funded Cultural Heritage and Urban Development project as a case study of urban development through cultural heritage. The project, led by the Council on Development and Reconstruction, and financed by the World Bank, the Italian Cooperation, the Agence Francaise de Development and the Lebanese Government is taking place in five Lebanese cities: Baalbek, Byblos, Sidon, Tripoli and Tyre, three of which are on the UNESCO's World Heritage Sites list. Through this concentration, the objective of the project is to create a motor of economic development through the preservation, presentation and use of cultural heritage in urban settings. By doing so, the project also aims at institutional strengthening and building capacity by implementing solutions that are site specific and which consider both social and political factors. The CHUD is therefore similar to MEDNETA in that it focuses on urban regeneration, albeit through a different path: MEDNETA's goal in Mar Mikhael is to develop, support, and sustain creativity and the creative economy.

Mrs. Christine Codsí then presented "Souk el Tayeb", a social entrepreneurship based in Mar Mikhael. A multifaceted organization, Souk el Tayeb houses a variety of activities in addition to Tawlet, its local restaurant. Mrs Codsí emphasized Souk el Tayeb's concern with the neighbourhood, considering it as a primarily residential area. As such, Tawlet does not open in the evenings to avoid any disturbance to the neighbours. In seeking to blend in with the urban environment, Souk el Tayeb also enlists the help of local cooks, from Beirut and beyond, to

prepare regional delicacies for its customers. Therefore, the organization aptly balances both its role as a centre for leisure and a local business, which aims to remain conscious of its urban and social environment, while maintaining a creative and cultural flair.

M. Mario Khoury spoke about three schemes the Central Bank holds and that target creativity. He first exposed the existence of many subsidized loans, for tourism, industry, IT or crafts and design of which KAFALAT is a part. As these schemes are meant to encourage crafts and design M. Khoury took great care in underlining that they do not fund real estate development or land buying. These schemes have an important impact on the overall economy. As a matter of fact, many creatives in Mar Mikhael have benefited from them.

Incentive loans schemes cover all sectors, under which fall the subsidized scheme and all other sectors, except for real estate development. The economy also benefited from the Central Bank's legal reserves exemption (Incentives 2009 programme) which lowered the lending interest rate charged on final beneficiaries, and which benefited Mar Mikhael activities. On the other hand, the total allocated amount of all incentive categories falling under incentives 2013 programme in other words the facilities from Banque du Liban to commercial banks - amounts to USD 1.8 Billion USD. Out of this amount, Energy and Environmental loans to date amount to roughly USD 230 millions of which Mar Mikhael also directly and indirectly benefitted from. M. Khoury went on to explain that although these energy loans do not cut directly in the social aspect of the neighbourhood, they benefitted clients in a substantial way.

M. Karim Bekdache then started by reminding the audience that six years ago, when he moved his showroom to Mar Mikhael, few people knew about the neighbourhood. Creative activities have little financial power and resist major changes with difficulty: indeed when creative industries came to the Mar Mikhael, they were looking for large spaces with low rents in a central location. The neighbourhood has a *cachet* but this was not the major attraction; creative industries came for the real estate, not the public spaces or the social mixity. The natural process of things resulted in real estate developers starting to show interest in the neighbourhood. M. Bekdache stated that if Lebanon wants to live in a free economy it also has to accept real estate fluctuations. However, what is unusual is the speed of the changes occurring compared to other countries: the rent rises and creative industries cannot rise with it as fast.

M. Bekdache then went on to state that KAFALAT poses a problem by issuing loans not only to creative activities but also to restaurants without imposing quality geared regulations which hospitality and food activities abide to by in other countries. The lack of regulations and consequent fees for negative externalities (smell and noise pollution, sidewalk occupation, safety) to be abided by recreational activities negatively affects ACDs. Insufficient licensing is another issue and only the rule of law may resolve this issue. M. Bekdache also said that the residents of Mar Mikhael were not bothered by the creative industries in the area but are by the recreational ones. M. Bekdache concluded by saying that an easily implementable solution must be found to preserve Mar Mikhael: stopping real estate is not such a solution.

M. Khoury responded to M. Bekdache's speech by saying that KAFALAT only issues loans to restaurants and recreational activities of which it believes its goal. **M. Bekdache** answered that this is not relevant when they are financing illegal activity by providing loans to restaurant owners who do not have full permits.

In summary, *Arts, Crafts and Design's Engagement with Public Space* sought to analyse the neighbourhood of Mar Mikhael through the lens of urban studies and the perspective of public space. It was noted that the neighbourhood suffers from receding public space, wherein private enterprises are taking over public space. This dynamic finds its root in the insufficient implementation of the existing regulations and the power of investors in real estate and the hospitality industry. The Municipality could lead the district regeneration through an appropriate urban vision and by enforcing the present regulations on all. Opportunities for change remain therefore possible. Indeed, the availability of funding schemes, as well as successful models of urban development presented in the Cultural Heritage and Urban Development Project provide sound paths.

The ACDs expressed a certain dissatisfaction with Mar Mikhael's urban environment. The need to control and prevent the process of gentrification in Mar Mikhael was thus reiterated in this second panel. Recreational activities such as Souk el Tayeb, which seeks to accommodate the locals needs in its business, are prominent examples of a successful balance between recreational and creative industries operating in the same spaces. In a similar vein to conference's earlier discussion, this second panel closed on the hope that an effective lobbying would represent an essential tool in pushing the municipality to take a tougher stance in the application of rules and regulations in the neighbourhood.

Concluding Remarks

Dr. Georges Zouain, Principal of GAIA-heritage, moderated the concluding remarks. The session brought together three institutional figures as well as the moderators from the two panels and the MEDNETA project coordinator.

- **H.E. M. Raymond Arayji**, Lebanese Minister of Culture
- **H.E. Mrs Catherine Boura**, Ambassador to Greece
- **M. Alexis Loeber**, Head of Cooperation Division, EU Delegation in Lebanon
- **M. Ibrahim Nehme**, Editor "The Outpost"
- **Dr. Elie Haddad**, Dean LAU School for Design & Architecture
- **Professor Sofia Avgerinou-Kolonias**, Director of Urban and Regional Planning Department, NTUA

His Excellency the Minister of Culture, M. Raymond Arayji, stated that from his first day in office as Minister for Culture he has not ceased to discover the multitude of initiatives and projects taking flow in Lebanon, through the inexhaustible reservoir of talent that the Lebanese society represents. Despite the obstacles and various difficulties the country has faced, the courage and perseverance of Lebanese artists is exemplary. They have kept, freedom, democracy and culture aflame in the country. It is in this framework that we are united in favour of a sector, which miraculously survives.

The talent of architects, painters and designers is being exported on the international scene and gains success and recognition; yet the support of the State remains to this day insufficient. In the current political and economic setting, the cultural sector comes second in place. In addition, the government does not seem to fully grasp the potential artists represent for the economic development of their country. This conference goes much in the direction of shifting the attention toward the cultural sector in the same way as tourism.

The Minister then went on to say how the MEDNETA project, through the financing of the European Union, and in collaboration with the National Technical University of Athens sheds great hope for the young artists of Beirut. He stated the full support of the Ministry of Culture to this initiative, saying that it is a unique opportunity that benefits both the cities and the artists in them.

This has to be put in place both by instruments of support and training as well as by the active support of Lebanese authorities; ensuring and preserving an adapted and adequate environment and adopting measures to favour this sector. The state must find appropriate ways to help artists finance their activities without having to support the weight of their original credits.

For the first time and thanks to this conference, actors concerned with the development of Mar Mikhael and of the creative industries assembled and discusses common issues. They came from a variety of fields such as: finance, economy, urban management, universities and cultural sectors. This occasion is a springboard for sustainable and profound work to turn this project into a pilot project for other regions and places.

In this respect His Excellency **called for the constitution of a working group with the objective of protecting and supporting artistic creation in Mar Mikhael and elsewhere.** This work group would encompass representatives of the ministry of Culture, artistic sector, the financial sector, Kafalat, the Central Bank, representatives from Universities, of the municipalities of Beirut, and of the MEDNETA project.

H.E. Mrs Catherine Boura, Ambassador of Greece thanked the organizers of the conference for inviting her and expressed her enthusiasm for being here. In the light of the Mediterranean scope of the MEDNETA project, in particular the cooperation with National Technical University of Athens, we can only welcome and wish more cooperation amongst artists of this incredibly rich region that the Mediterranean is. The Ambassador stated her support for the MEDNETA project and the initiative in Mar Mikhael.

M. Alexis Loeber, Head of Cooperation Division of the EU Delegation to Lebanon then discussed how arts, crafts and design are a major driving force for economic development. The example of Mar Mikhael could become a good illustration of the preservation of architecture and the urban fabric. The district thus consolidates the identity of Beirut. Restaurants and bars blossoming at a very fast pace have brought about a rapid increase of rental prices which have become a major obstacle for other commercial activities and have already triggered a massive exodus of activities outside of the neighbourhood. The brewery illustrates and embodies the necessity of reinventing the story of the neighbourhood while carefully maintaining the artistic cluster that has developed in it. As much as the six Mediterranean cities in this initiative are representative of the creativity in the region, the similarities in the experienced problems does not necessary mean that there is one size that fits all solutions. M. Loeber thus ended by saying that it is important to share solutions and develop best practices strategy.

M. Ibrahim Nehme summarized the proceedings of Panel 1. The creative sector may need to take a page out of the proceedings of the digital economy and the Berytech example in order to resurface.

Dr. Elie Haddad, then recapitulated the proceedings of Panel 2. The discussion had engaged in a very lively discourse on the neighbourhood and on the requirement for a balanced

development. He reiterated that we are witnessing the threats of real estate speculation and its effect. We should thus strive to find new ways to reach a balanced development and re-think the condition of the urban development of the city.

Dr. Georges Zouain then concluded by considering that the conference had enabled a reflection, a debate and increased the interest in the creative sector. The subject at hand is much larger than Mar Mikhael; it is a discussion pertaining to the national economy and how ACDs can fully contribute to it. The means to reach this goal are known as artists have the potential to become a driving force for the development of the neighbourhood, provided the authorities guarantee the full application of the rule of law.

SWOT Graph

A selection of the different analyses and estimations discussed has been compiled in the following SWOT matrix.

Strengths	Opportunities
<ul style="list-style-type: none"> • Dense creative cluster • Social mixity • Surge of night life and tourism in the neighbourhood • Geographical location close to the city centre and well connected by road networks • Creative economies work in synergy with artisans in Bourj-Hammoud • Real estate prices remain moderate compared to Gemmayzeh and downtown 	<ul style="list-style-type: none"> • Common interest in the sector shared by all attendant to the conference • Network and sense of community in the neighbourhood are reinforced by <i>Beirut Design Week</i> and other initiatives • Presence in Beirut of a successful cluster development Digital Economy • Assess and monitor the neighbourhood from the planner's perspective: opportunity to conduct a rigorous study • Opportunity for the Municipality to turn Mar Mikhael into a best practice for the region
Weaknesses	Threats
<ul style="list-style-type: none"> • Absence of rule of law • Lack of compliance to regulations: needed for balanced development • Tension between nightlife and leisurely activities with both the residents and the creative sector • Because of the leisure industry, People visit the neighbourhood during night when ACDs are closed. • Lack of collaboration and networking amongst ACDs: • Trouble accessing funding • Import/export laws are hard to handle • Lack of public space • Private entities use public spaces to the detriment of citizens 	<ul style="list-style-type: none"> • Rising rental prices and the new rent law could result in the pricing out of ACDs • Real estate could rapidly change the neighbourhood and kill the sense of the place • Rapidity of the transition to the leisurely sector • Ripe for real estate speculation at high speed

Concluding Remarks

The presentations and discussions that took place throughout the conference “Creativity and Regeneration in Mar Mikhael” brought to light the strengths, weaknesses, opportunities and threats of Mar Mikhael’s ACDs. This report summarises them as a first step in the reflection towards a local strategy for the reinforcement of arts, the crafts and design in the regeneration of historic cities.

The conference confirmed that Mar Mikhael presents a dense creative cluster inscribed in a mixed milieu in which three distinct groups inhabit together: local residents, ACDs, and recreational businesses. The progressive installation of firstly creative and then recreational industries has resulted in a recent surge of local tourism to the neighbourhood.

Mar Mikhael sits between the city centre and Bourj Hammoud, forming a bridge between Beirut and the predominant Armenian suburb where small crafts of all types dominate. Several creative economies work in synergy with Bourj Hammoud, maintaining relationships with craftsmen in the area. Real estate prices also remain moderate compared to neighbouring Gemmayzeh and to the rest of the city. Although local residents have not fallen to real estate pressure yet this might be the case once the new rent law is implemented²².

An analysis of the neighbourhood, however, also demonstrated substantial weaknesses relevant not only to Mar Mikhael but to Beirut as a whole. The lack of rule of law and the weakness of the local authorities in balancing between the exchange value of real estate businesses that benefit a few and the use value of the many, the lack of compliance and/or enforcement of existing regulations all make for an imbalanced development system that leads to immediate returns but destroys the place.

A discord between leisurely activities on the one side and the residents and ACDs on the other side results not only in tensions but also in economic shortfalls and deterioration of the living environment. For instance, people do not come to the district at appropriate times in order to benefit ACDs, and restaurants and bars open without proper regulation and disturb local residents. Other weaknesses include the lack of collaboration amongst ACDs, resulting in a sector that is too weak and too dispersed to challenge a system privileging leisure. The lack of public spaces and of maintenance of already very narrow sidewalks, preventing visitors and locals from walking and shopping without the use of a car is another hindrance.

ACDs also do not have sufficient access to funding; the limited local market and difficult import/export laws restrict them. Furthermore, the lack of public space, seen through the miss-use of sidewalks, hinders the ACDs’ and inhabitants’ environment.

Nonetheless, multiple opportunities for the reinforcement of arts, the crafts and design in the regeneration of Mar Mikhael were uncovered throughout the conference. The network and

²² The new rent law proposes to abolish rent control and switch to substantively liberalised real estate market. According to the new law, tenants under pre-1992 rental contracts will face rent increases in yearly increments over a six-year period, until annual rents reach the current market value of the house.

community of ACDs that already exists, reinforced by *Beirut Design Week*, have the potential to become yet another successful community, drawing on the lessons learned from Berytech²³.

The possibility for creative and recreational industries to work jointly and reinforce one another exists and needs to be given further thought. Cooperation between these entities, notably during the evening when both activities overlap, remains an interesting option. ACDs and residents could also advocate for public space and insist that the municipality apply regulations. Educating recreational industries would also have an effect when regulations are not concretely enforced: one restaurant, Tawlet/Souk el Tayeb, has taken upon itself to close in the evening not to disturb residents.

The case of Mar Mikhael is also an opportunity to assess and monitor the neighbourhood from a planner perspective to maintain its urban character. The issues discussed are moreover a chance for the Municipality to work towards the protection of the neighbourhood.

The conference at the Grande Brasserie, through the participation of all those with a common interest in the sector, was an occasion to attract the participation of public bodies and a chance to build on the identified opportunities. It is essential to address these issues quickly, in order to reinforce the role of ACDs in the neighbourhood. This is a first step towards the resolution of the larger issue of the creative economy as a driving force for development in Lebanon and for the unlocking of forgotten places.

Addressing opportunities is also key in minimizing the effects of the major threats to the neighbourhood's creative economy and to its environment as a whole.

Threatening the inhabitants and ACDs of the neighbourhood, the rising rental prices are likely to progressively push ACDs to move: already some are considering moving soon. Another major threat is the overly rapid transition towards a mono-economy of leisure that is being witnessed in the neighbourhood at a pace two to three times as fast as in similar neighbourhoods in cities such as London (Hoxton) and New York (Soho). This factor has contributed to making Mar Mikhael ripe for high-speed real estate speculation, where new residents and ACDs cannot keep abreast of the rising prices. The scrupulous enforcement of laws and regulations is finally, an essential part of preventing the planning of space to become the de-facto entitlement of real estate development groups.

²³ Berytech is the first technological pole in Lebanon and the region that provides a conducive environment for the creation and development of startups, through incubation, business support, counseling, funding, networking and company hosting, hence taking part in the economic revival of the country, participating in wealth and job creation, and retaining graduates and hi-level skills in Lebanon.

G. Conclusion

As this report falls within the framework of the EU funded project MEDNETA and in accordance with its guideline, it identifies, understands and maps the different declination of creative industries present around the Mediterranean. The work conducted by GAIA-heritage in the neighbourhood of Mar Mikhael provides the necessary data to understand and analyse the neighbourhood shedding light on different issues. Compiling the results of the different studies composing this report, the following conclusions are presented. At different scope, different problems and threats were identified.

The **results of the morphological study** provide a spatial analysis of the neighbourhood of Mar Mikhael and help establish the existing systems and urban features of the neighbourhood of Mar Mikhael. Until recently they have been resistant to change. Indeed, street networks and building block patterns remain almost the same, while buildings, private ones in particular, have witnessed considerable transformations in recent years.

Coupled with the **study on gentrification**, the morphological study helps understand the different threat that the neighbourhood faces. To confront excessive gentrification in the neighbourhood of Mar Mikhael, the implementation of **four proposed measures** has been deemed as essential:

- Stabilising the existing renter pattern,
- Working toward the preservation of both the original inhabitants and the ACDs,
- Protecting the urban fabric and,
- Improving the general quality of life in the neighbourhood through an increased involvement of the public authorities.

Finally, measures should help the mobilisation of the civil society as suitable solutions could emerge from a debate between local authorities and civil society to form a common vision for the neighbourhood.

While the morphological and the gentrification study looked at the neighbourhood from an urban planer perspective, the **socio-economic studies focuses on the inhabitants of Mar Mikhael**. Beside the establishment of a precise and detail socio-economic profile of its inhabitants, the computing of the obtained results has underlined three main outcomes.

- To begin with, the ambivalent degree of satisfaction the resident experience with regard to the recent changes in the neighbourhood. 30% of respondents do not like it, 40% moderately enjoy the changes whereas 30% describe themselves enthusiast about it.
- While asking about the negative change in the neighbourhood, answers concerning harmful effects of recreational activities predominate: lack of parking spaces, increased car traffic, increasing number of pubs and restaurants and the noise they emit.
- Furthermore, residents talk about the influx of newcomers in the neighbourhood. Referring to families of refugees fleeing the war in their country and whose numbers in Lebanon is growing, the demographic changes in the neighbourhood are a point of concern for the inhabitants.

Partly explained by the predominance of an aged population of the neighbourhood - roughly 50% of the inhabitants are more than 55 years old, this aversion against newcomer is further reinforced by the present communal tensions. In addition, residents are worried about the disappearance of some houses in their district. Many consider the towers in construction as a threat to their perception and relation with the neighbourhood.

In a similar approach, the **study of the ACDs** of Mar Mikhael confirmed that **the link between the ACDs and their environment is crucial for the development of this particular sector**. The study of their activities and needs helped highlight elements of particular relevance for the creative industries. These include: the accessibility and availability of **affordable spaces** as much as the **original cachet and particular spirit** of the neighbourhood. Interestingly enough, this particular element is also a point of concern for the inhabitants of the neighbourhood.

The **dialogue among ACDs needs to be reinforced**. ACDs do not fully use the capabilities of cooperation and exchange they obtain from their location. The bottom line remains: more collaboration and coordination between ACDs could greatly contribute to the development of their activities. The data collected in the survey will play an essential role in establishing greater ties between the different actors and work towards the creation of an active community. Mapping operations of this community and organisation of workshops oriented on their needs and expectations would positively contribute to the development and the tightening of that community.

As this survey helped identify, the **protection of the particular cachet of the neighbourhood** is primordial. Most of the ACDs (68.4%) consider the cachet of the neighbourhood as being an advantage for their business. Measures focusing on the **creation of a sustainable environment** in the neighbourhood should focus on the enforcement of laws and regulations on all the different actors of the neighbourhood.

Furthermore, **credit and investment still remains mainly beyond the reach of small artists, craftsmen and designers**. Different possibilities should be studied to strengthen the capacity of the existing funding schemes and foster the access to them for the actors of the creative industries. In addition, a creativity incubator would complement these measures and help the ACDs to navigate their way in the complexity of the different procedures to access funding and market opportunities.

The conference at the Grande Brasserie, through the participation of all those with a common interest in the sector, has been an additional occasion to attract the participation of public bodies and a chance to build on the identified opportunities. It is essential to address rapidly these issues to reinforce the role of ACDs in the neighbourhood. This is a first step towards the resolution of the larger issue of the creative economy as a driving force for development in Lebanon.

H. Summary of Recommendations

The following summarizes the recommendations that came out of the conference and of the SWOT exercise.

On the Morphology and Physical Aspects

- Stabilizing the existing renter pattern
- Protecting the urban fabric and returning appropriation of public spaces to the inhabitants (case of valets parking and sidewalks)
- Improving the physical urban features for the quality of life: better public spaces, parking lots, green spaces, children playgrounds...
- Mobilizing civil society to engage in a constructive dialogue with local and municipal authorities.

On the Socio-Economics

- Enforcing regulations on the leisure industries
- Enforcing urban and architectural building regulations
- Acting on the influx of refugees in a way to prevent tensions
- Developing beautification actions with the local population
- Preserving the particular charm of the urban fabric as it is key element to the creativity process and of the social and economic mixity in the neighbourhood.

On the ACDs

- Reinforcing the dialogue between the community of ACDs
- Working toward the creation of an active community of ACDs
- Conducting further research on the effect of current Import-Export regulations on the creative industries as a whole.
- Creating a specialized incubator and funding schemes dedicated to the ACDs
- Installing a multidisciplinary working group to engage the issue of ACDs development and devise solutions and tools.

Annexes

I. Contributors

By alphabetical order

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II. **Maps**

Hereafter follow the different maps listed in this report. They are listed by order of Appearance in the report.