

CONFERENCE REPORT

CREATIVE ECONOMY, SOCIAL JUSTICE AND URBAN STRATEGIES:

The Case of Mar Mikhael

Marieke Krijnen



**AUB POLICY
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THE CASE OF MAR MIKHAEL***

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CONTENTS

06

ABSTRACT

07

BACKGROUND

Mar Mikhael and the right to affordable housing 09

Methodology 10

11

WORKSHOP FINDINGS

Commercial gentrification 11

Residential gentrification 11

Displacement pressure 11

12

DISCUSSION OF FINDINGS

14

NEXT STEPS: A RESEARCH AGENDA

Displacement (pressure) 14

Ownership structures 14

Commercial gentrification 14

Mapping real estate pressures 14

The institutional set-up: public/social partnerships 15

Maps 15

16

CONCLUSION

17

REFERENCES

18

APPENDIX 1: INTERVIEW QUESTIONS

Displacement 18

Commercial gentrification 18

Alternative strategies 19

20

APPENDIX 2: SURVEY RESULTS

*“Pre-
gentrification”
shops and their
tenure 20*

*“Post-
gentrification”
shops and their
tenure 21*

*Residents and
their tenure 21*

*Buildings, shop
tenants/owners
and residents
under threat of
demolition and/or
eviction 22*

*Shops
experiencing
client loss 22*

*New real estate
projects and/or
recent building
permits 23*

24

APPENDIX 3: MAPS

ABSTRACT

In March 2015, the Issam Fares Institute for Public Policy and International Affairs and the Master's in Urban Planning and Policy (MUPP) in the Department of Architecture and Design, Faculty of Engineering and Architecture, American University of Beirut (AUB), contributed to a workshop titled Creative Economy, Social Justice and Urban Strategies: The Case of Mar Mikhael. The workshop was conducted in partnership with GAIA Heritage, a heritage consulting company based in Beirut, and the Master's in Regional and Urban Strategy at Sciences Po, Paris. Seven students participated in this workshop: three from the AUB-MUPP program¹ and four from the Master's in Regional and Urban Strategy at Sciences Po, Paris.² The overall goals were to assess current urban transformations in the neighborhood of Mar Mikhael (Beirut, Lebanon) and investigate the impacts of creative industries on the area. The AUB-MUPP and the Issam Fares Institute contributions focused on social justice and the right to housing in a context of ongoing gentrification. The research was conducted in the context of the Issam Fares Institute's project, Social Justice and the City, coordinated by Associate Professor of Urban Policy and Planning Mona Fawaz. A subset of a larger project investigating issues of justice in the region, this program seeks to articulate a framework that combines active research and partnerships between scholars and activists in Lebanon (and beyond), advocating for more inclusive cities. The program also builds on the research and studio findings produced by students and faculty in the graduate programs in Urban Planning, Policy and Design (MUPP-MUD) at AUB. As part of Social Justice and the City, scholars and activists will be able to share reflections, experiences, and strategies (i) documenting, analyzing and reflecting on ongoing urban processes affecting the organization and life of the city, (ii) sharing and validating research with activists, affected communities, and other social groups who are potentially interested in sharing both the acquired competence and the pool of research tactics, and (iii) supporting and informing with the hope of influencing change through direct action, interventions in the media, lobbying and policy advocacy, and/or social mobilization.

Given Professor Fawaz was on sabbatical leave for the AY2014-15, Professor Mona Harb, MUPP-MUD programs coordinator, was the administrative coordinator of the workshop. The scientific coordination was led by Ms. Marieke Krijnen, former AUB MUPP graduate student and currently PhD-candidate at the University of Ghent. Ms. Krijnen produced a concept note and fieldwork guidelines to orient the data collection process during the workshop. She also authored the present report, which synthesizes under the SJC's framework the workshop's data with her ongoing research about gentrification in the neighborhood. Graduate students participation was limited to collecting data from field visits in Mar Mikhael over one week's time, and producing analytical mapping—available at the end of this report.

This document aims to report on the workshop context, actors, and findings. Following a brief background outlining current transformations in the neighborhood in the context of gentrifying Beirut, the report outlines the goals and methods adopted by the workshop and relays the main discussions and findings that occurred.

A separate document was produced by Sciences Po students for GAIA, whose task was to report on possible strategies related to slightly different objectives that were framed for this workshop (i.e., reconciling support for the creative economy with the need for Mar Mikhael's inhabitants to stay put in the area). Their report came as a fulfillment of their Capstone Project under the advisory of Professor Eric Verdeil.

¹ These were: Yara Hamadeh, Yara Najem and Daria El-Samad. We restricted the workshop to MUPP students as its topic did not address urban design issues.

² These were: Lisa Gerbal, Nicolas Hrycaj, Camille Lavoipierre and Marissa Potasiak.

BACKGROUND

The neighborhood of Mar Mikhael (Beirut) is situated amidst an unrelenting process of gentrification that has affected the entire city of Beirut, to differing degrees, since 1990. While the real estate boom has stagnated since 2012, primarily due to the regional political crisis, Mar Mikhael has seen a specific form of transformation that includes, next to the residential gentrification typically observed in other neighborhoods of Beirut, commercial transformations. Around 2009, several arts, crafts and design industries (ACDs from hereon) settled in the area. Simultaneously, Mar Mikhael became a spillover basin for nightlife from the neighboring Gemmayzeh district. Attracted by relatively lower land prices in a context of booming real estate, pub owners and real estate developers began to rent spaces and acquire plots. The architectural typology of local buildings that date back to the first decades of the previous century as well as the presence of ACDs allowed for a rebranding of this lower middle-income residential neighborhood as the ‘hip’ place-to-be, targeting a specific clientele that appreciates “authenticity”, the proximity of ACDs, and a vibrant nightlife.

It is important to locate Mar Mikhael’s transformations within the wider patterns of transformation that have reshaped Beirut over the past two decades. Rather than driven by a coherent urban policy and/or strategy, these transformations are directly organized and enacted by property developers and facilitated by state interventions such as tax breaks and/or the liberalization of rental contracts in the early 1990s (Achkar 2011; Krijnen & Fawaz 2010; Krijnen & De Beukelaer 2015; Bekdache n.d.). This falls within the trends of a national policy that considers real estate a key sector in the Lebanese economy and encourages local and foreign investments in this sector. It also bodes well with the notorious market liberalism that has characterized Lebanon’s policy-making process, its tradition of resisting the role of a social provider, and its focus on facilitating and promoting foreign direct investment, services, and finance (Gates 1989; Dibeh 2005; Traboulsi 2007).

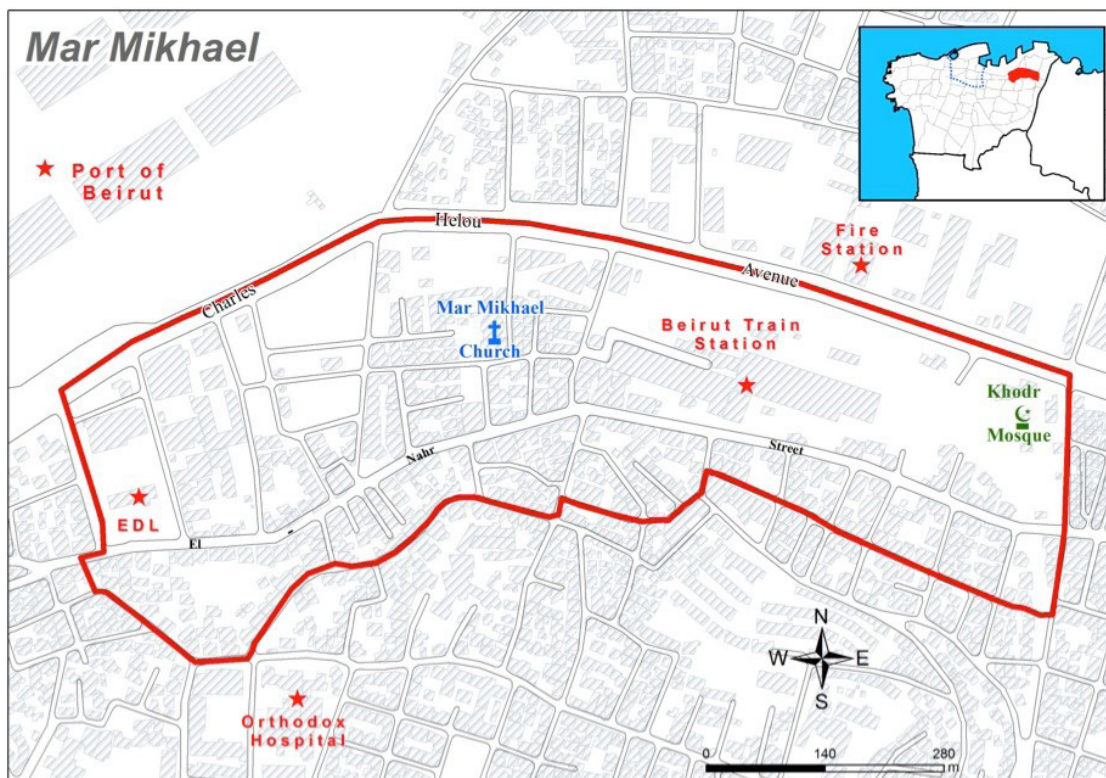


Figure 1
Map 1-Location of Mar Mikhael in Beirut (c) Vicken Ashkarian.

During this period, urban gentrification was propelled by a flow of transnational capital, driven by divergent forces and interests, but converging to Lebanon, and heavily invested in the real estate sector. Some of these forces were the direct outcomes of public policies; one example, is the Lebanese Central Bank regulations that steered the banking sector away from risky financial instruments such as derivatives and other securitized products and avoided hence some of the impacts of the 2008 financial crisis. As a result, many diaspora Lebanese and Gulf investors transferred their deposits to Lebanese banks in 2008, resulting in enormous liquidity ratios that were thence directed towards (partly subsidized) mortgages and loans to developers at favorable rates for the banks (Krijnen, Bassens & van Meeteren, 2016). Moreover, diaspora Lebanese have, often in partnership with companies from the Gulf, invested in and developed real estate themselves. Several projects in Mar Mikhael, such as the AYA project, provide clear examples of this trend.

Gentrification was also facilitated by the context of the old rental law and its recent liberalization, as well as the regulatory framework that guides construction activities in the city since the 1950s. Analyzed together, these forces point to an enormous rent gap (Smith 1987) that rendered neighborhoods such as Mar Mikhael attractive to developers. Indeed, the 1950 zoning plan had allocated the highest exploitation ratios to areas closest to the city center, and real estate developers can generally exceed height restrictions by applying for a permit through the Higher Council for Urban Planning (Krijnen & Fawaz 2010).

Conversely, the stringent controls imposed on rent contracts signed before 1992 (maintained through political mobilization) and high maintenance and/or renovation costs of older buildings have resulted in low returns to landlords whose buildings have been held under the so-called 'old rent contracts' since the 1970s. At the same time, the existing high exploitation ratios via zoning and construction laws and the continuous demand for apartments by investors and the Lebanese diaspora has meant that large profits can be reaped by demolishing low-rise structures and replacing them with 20 to 40-story high-rises. Construction costs are low, as building materials are relatively cheap and there is an abundance of- typically Syrian- labor that can be hired for low wages and no social protection. In the most typical building scenario, a group of developers buy several adjacent small lots, pool them (through a legal planning procedure termed *damm wa farz*, i.e., regrouping or land pooling) and pay compensations to evacuate remaining tenants. Then the remaining structure is demolished - and merely a façade is preserved - to construct a high-rise.

Transformations in Beirut cannot hence be described as state-led. With the exception of the reconstruction of the city's historic core, where a development area was earmarked and delegated to a real estate company (Solidere) in a form of public-private partnership, the city's authorities do not earmark zones for protection and/or development. Instead, transformations are driven by real estate developers and investors who have enough political clout to lobby for the necessary legal changes that consolidate their interests and obtain the needed exceptions for their building practices (Krijnen & Fawaz 2010). The process is facilitated by the economic intersection between real estate developers and political figures. Aside from approving building permits and providing minimal services (e.g., roads), the municipality of Beirut has not exerted much influence on these urban transformations.

Based on the scale of current transformations (and in the absence of a thorough review of property transactions), it is premature to describe real estate developers as having taken over the area. One possible explanation for this delay, besides the current stagnation of the real estate market, is that many older buildings now house pubs on their ground floors. These pubs pay allegedly very high rents, thus possibly providing an income to landlords who are less willing or pressured to sell. These and other scenarios were explored in the workshop. Findings are outlined at the end of the report.

Mar Mikhael and the right to affordable housing¹

Contemporary changes in Beirut fall within the pattern of wider global processes typically labeled as “neoliberalization.” These changes describe a trend in which the logic of the market takes precedence over sectors of life that were, until then, managed through “social” or “political” processes (Dikeç 2006; Harvey 2005). Even though the Lebanese state has never acted as a social provider, the current transformations of Beirut into a high-end enclave—where every plot of land is judged for its potential to accumulate profit—is supported by a construction legislation that is increasingly connected to the interests of local and transnational capital investors. Consequently, the city has become inaccessible to low and middle-income dwellers, an increasing number of residents are displaced, public spaces disappearing, and property regimes reinterpreted towards more exclusive forms of development (Harvey 2005; Sassen 1998; Smith 2002; Deboulet & Fawaz 2011). Concurrently, and well in line with other national and regional contexts, the urban planning profession seems to have lost much of its earlier commitments to social justice. Low-income groups are now targeted as clients. Structural inequalities, which were earlier recognized as impeding social justice, are replaced by mediation approaches where structural inequalities are resolved through “deliberation” and “mediation”. Fundamental questions about structure and access to modes of production, including land, are evaded (Marcuse et al. 2009).

The right to affordable housing emerges as one of the arenas where these strategies can be enacted.

Breaking with this trend, the Social Justice and the City project articulates an approach to justice at the crux of two approaches or understandings of the right to the city. On the one hand, an advocacy agenda adopts the right to the city as the basis for legal claims made on behalf of population groups deprived of access to basic necessities—particularly shelter and urban services. It aims to reform traditional models of public participation and/or state government to make them more inclusive. On the other hand, a radical formulation evokes with the right to the city the theoretically complex and

¹ This section builds on the framework paper outlining the Issam Fares Institute/Social Justice and the City Project titled “Finding Justice in the City”, which was drafted and circulated by the faculty research director, Mona Fawaz, in January 2015.

provocative formulation of Henri Lefebvre who sought to confront the hegemonic domination of the market with a political program aimed towards reviving the political dimensions of space both as the embodiment of previous struggles and as the enabler for the possibilities of future collective and individual social action (Brenner et al. 2012; Lefebvre 1968; Purcell 2002). This formulation challenges the processes of capital accumulation centered on the valorization of urban space beyond its conceptualization as a commodity to be exchanged in the form of property.

Together, these formulations serve the objective of the Issam Fares Institute’s *Social Justice and the City* project to (re-)introduce the framework of the “political” in the conception and provision of everyday life in the city. In terms of substance, the two formulations speak to the “imperative” of going beyond the framework of the market in the allocation and organization of urban spaces— as shelter, recreation, play, or other. In terms of process, both frameworks appeal to and nurture a democratic imagination in which city-dwellers can resort to a multitude of venues and strategies in order to express entitlement and dissent.

The right to affordable housing emerges as one of the arenas where these strategies can be enacted. Issam Fares Institute’s *Affordable Housing* initiative seeks to relocate the housing debate in Lebanon within the frameworks of rights and social needs. While policy-makers in Lebanon (and elsewhere) have traditionally viewed land as a real estate asset and favored models of strict homeownership, low-income city dwellers have acquired housing either through “distortion” of the market (e.g., rent control) or their violations (e.g., informal settlements). These have become “spaces of crisis,” negotiated in street protests, where legal decrees and revocations form the basic pattern of interaction.² For instance, the aforementioned rent control law, which only applies to tenants who had secured agreement prior to 1992, has enabled thousands of low- and middle-income households to stay in the city.³ In 2014, the Parliament passed a law that gradually liberalized rents, without securing a viable alternative to displaced families. Since 80% of Mar Mikhael’s tenants benefit from such old rent contracts, paying attention to this new rent law and its implications is crucial in framing research in the context of the right to housing.

² Additionally, a group of activists is currently piloting a “Right to Housing” initiative that has been supported by the Issam Fares Institute, see here, entry under October 24, 2014.

³ During her presentation at the IFI-KAF’s conference “Housing Policies, Rent Control, and Property Taxation in Lebanon” held on 24 October 2014, Bekdache estimated that around 40,000 families in Beirut, and hence many more individuals, still benefited from this protection. For more on the conference, see its audio files available here.

More generally, the *Affordable Housing* initiative seeks to expand and re-politicize the housing discourse in ways that decry the marketization of land and reaffirm its social value (Blomley 2004; Marcuse et al. 2009; Fawaz 2014), to recognize the multiplicity of meanings a home can take and to advocate for more flexible and expandable frameworks to organize and allocate homemaking. This framework therefore shies away from proposals to “regenerate” neighborhoods through stimulating economic activities that ultimately lead to higher rents, attract further investments in the form of capitalizing on real estate rather than economic opportunities for the local community, and hence lead to eventual displacement of current Mar Mikhael residents. Instead, we advocate the right of residents to stay in their homes, in the city.

Methodology

The workshop intended to explore three themes that relate directly to the *right to the city* and remain under-researched in the existing literature on Mar Mikhael and gentrification in Beirut more generally:

1. The scale and mechanisms through which neighborhood residents and shop owners were displaced, and the destinations of those displaced. Students inquired about displaced individuals and families, the destinations of these families, and the processes through which they were either enticed or forced to leave. They mapped which units had allegedly been evicted and which were under threat of eviction.
2. Commercial gentrification: The workshop aimed at understanding the economics of commercial transformation in order to form a better idea of the rent gap. It also sought to investigate the role of the municipality in allowing these transformations. By surveying a new form of land use, “pubs,” it located “transformations” and conducted interviews to trace previous uses (e.g., mechanics and hardware stores displaced from the zone once served city-wide needs). By inquiring about dwellers’ experience with bars, we also hoped to gain insights into the “displacement pressure” they might be facing (Marcuse 1985).

3. Alternative strategies to the commodification of housing: As a strategy to forge new paths for the neighborhood that would protect the rights of its residents, it would be useful to profile the resident organizations and learn about previous efforts in resisting these urban changes.

Based on these three goals, several questionnaires targeting selected groups of respondents were formulated (see Appendix 1: Interview questions). Data collection included interviews and mapping: teams of two to three students interviewed shop owners and residents, mapping their responses (see Appendix 3: Maps). In total, 25 shop owners and four residents were interviewed and thus we cannot consider the survey comprehensive.⁴ Interviewees were chosen randomly by students largely based on their willingness to speak and results were anonymized.

⁴ *Precise numbers on the amount of shops and inhabitants are lacking, but it can be safely stated that shops number a few hundred and residents around 20,000 (according to several neighborhood leaders).*

WORKSHOP FINDINGS

The following findings should be read in the light of several constraints, including a local wariness of foreign researchers asking questions.⁵ Rather than definitive answers, they present elements of investigation that require further probing. In total, 34 respondents were interviewed, mostly commercial actors (e.g., shop, gallery, and bar owners and tenants). The data is presented in general descriptions; details can be found in tables organized per theme in Appendix 2: Survey results. Section three will report the discussion with experts after presenting the findings, and Section 4 presents a plan of action for future research.

Commercial gentrification

A survey of 25 shops identified as “not part of the ongoing gentrification of the neighborhood” (i.e., excluding recently opened art galleries, bars, and design shops) indicated that shop owners pay uneven rents, even when they are protected by old rental contracts. While some pay relatively low rates, the majority does not. Furthermore, security of tenure seemed precarious as many respondents declared that they felt threatened by imminent or looming eviction, particularly due to rising rents.

Most “pre-gentrification” shop owners interviewed do not live in Mar Mikhael. Others come from other parts of Beirut’s agglomeration such as Dawra, Jounieh, or Ain Saadeh. Also, most shop tenants described themselves as belonging to lower to lower-middle class socio-economic backgrounds.

We also surveyed eight shops that were considered part of the neighborhood gentrification since they have replaced older businesses, as interviews have indicated. Their rents are usually significantly higher than older shops.

Residential gentrification

Due to the low number of interviewed residents, the picture of residential gentrification in Mar Mikhael remains blurry. The most striking finding though is the enormous difference between old rent and new rent prices, and the diversity of experiences that residents have. It is, for instance, worth comparing the case of a relatively large apartment within the district of Medawar where the tenant pays \$300 USD yearly with the monthly \$1,700 USD rent paid by four young Lebanese women sharing a single new rent apartment.

⁵ This wariness materialized occasionally in outright hostility. In one incident, a neighborhood dweller told students -in Arabic- to get out of the country (“fillo min el balad”). In another, a resident declared “I have my lawyer” before turning away.

Displacement pressure

Our rapid survey included 18 cases of buildings that were reported as sold and/or to be demolished or converted, and/or buildings that were threatened by similar transformations. We compiled the findings in a table in Appendix 2: Survey results. This provides a good indication of residential gentrification since each building typically houses several households in individual apartments, and they experience the threat of eviction individually. In several cases, owners had sold the entire building and were negotiating compensations with tenant households. Other interviewees were hoping to sell, while others still were waiting for the new rent law to pass in order to evict their tenants. We also encountered several cases where owners were locked in inheritance disputes, leaving their properties to decay. Another finding that emerged was that if the owners are divided and want to buy each other’s shares, or even if heirs want to claim their share, they sometimes cannot do so because of the cost of registration fees required for dividing or redividing-property.

Not all displacement threats emerge from development pressures. Another powerful cause for forced displacement described by at least four of our respondents is the loss of clients that these old shops experience as the social makeup of the area changes. This means they often do not have enough revenue to sustain their businesses. One shop owner says he would like to rent his shop to a restaurant. Ostensibly he will make much more money than by running his shop, indirectly pointing to a possible loss of clients as his motivation for doing so.

In addition, many buildings have already been demolished and replaced, often displacing residential and commercial tenants in the process. The table in Appendix 2 provides an overview of real estate projects that have recently been completed, are currently under construction, or plots for which a building permit has been given by the Order for Engineers and Architects.

DISCUSSION OF FINDINGS

All students presented their findings on March 28, 2015, in front of an audience of seven lead experts and educators in the fields of urban studies, planning, and design. These were, in alphabetical order:

- ▶ Salim Abourizk, professor at the Architecture and Urban Planning Department at the Lebanese University and independent architecture and urban design and planning consultant;
- ▶ Jihad Farah, professor at the Architecture and Urban Planning Department at the Lebanese University;
- ▶ Omar Abdul-Aziz Hallaj, architect and development consultant, visiting professor in the Department of Architecture and Design, Masters in Urban Planning, AUB, Design and Policy for the 2014/15 academic year and regular contributor to the program;
- ▶ Mona Harb, professor in the Department of Architecture and Design, AUB and coordinator for the Masters in Urban Planning, Design and Policy programs;
- ▶ Abdul-Halim Jabr, independent architect and urban design and planning consultant;
- ▶ Georges Zouain, specialist in issues of heritage economics, CEO of GAIA Heritage.

All students presented their findings on March 28, 2015, in front of an audience of seven lead experts and educators in the fields of urban studies, planning, and design.

Also present was Louise Cousyn, Science Po intern at GAIA Heritage. The discussion lasted a good few hours; the main themes and standpoints are summarized below, in addition to my own observations.

The main issues raised by workshop participants were (i) dwellers' rights and their ability to remain in the neighborhood, (ii) preservation of the architectural fabric and its unique heritage value, and (iii) the institutional actors and mechanisms in place to achieve those goals, and (iv) the location of the neighborhood in the city.

1. Dweller's rights to the neighborhood

While all workshop participants agreed on the right of dwellers to stay in place, a rich discussion emerged on the threshold beyond which gentrification would be unacceptable. Opinions diverged as to whether a limited amount of real estate development is acceptable, if all residents should be able to stay put and/or return, and if shop owners who do not live in the area should be included. Is all change bad or can a limited amount of economic activity provide an alternative to real estate development? Are the existing shops viable in the future? What is fair? The absence of residents' perspectives in the findings prevented workshop participants from formulating a clear idea of their needs and wishes, and from assessing the impact that the crumbling of their social networks has on their wellbeing. The impression we gathered from this and earlier research is however that residents are rooted in the area, and that those who have been forced and/or chose to move out come back regularly to attend church services.

2. Preservation of architectural heritage value

Any strategy considering the preservation of heritage should take the planned highway into account that will cut right through old urban fabric. Also it would have to include a bigger area, as most heritage buildings are located outside the current demarcation. A cluster could be presented to the municipality, dealing with traffic, compensating owners and transferring development rights to the port area, based on a common understanding of heritage, the people's right to which should be written into the new law on cultural heritage that is currently being prepared.

3. Institutional actors and mechanisms

Participants converged on the challenge posed by the diversity of interests and stakeholders in the area, rendering any intervention a possible threat because of a potential rise of prices with improvements in the area. Providing people with their own means to improve their homes might slow this down. Others suggested strategies to provide affordable housing, including the use of the large state-owned plot (the train station) to rehouse (all or sections of) displaced residents, church (waqf) land, rent subsidies, social housing provided by the municipality by appropriating empty and/or decaying buildings, and inclusionary zoning. As for real estate developments, the experts generally agreed that forbidding parcel regrouping is a good solution to limit the destruction of the local morphology and reduce the pace of gentrification. The panel suggested trying to think about tools that could exist within the planning law in Lebanon, in terms of zoning, using legal tools to pressure developers or the municipality and delay the projects in cooperation with a neighborhood council that would ideally have a shared understanding of what is and is not in the area's interests. Following recent skirmishes, it is clear that many residents are united in their exasperation at nightlife noise.

4. Location of the neighborhood in the city

All in all, the present experts agreed that Mar Mikhael should not be seen as an isolated case, particularly since the real estate dynamics in the neighborhood are tightly connected to wider patterns of development in the city.

NEXT STEPS: A RESEARCH AGENDA

Where do we go from here? Based on the data collected for this workshop, the above discussion, and earlier research in the area (Krijnen & De Beukelaer 2015), we outline a research agenda for a future project to be pursued under the SJC framework. It consists of five steps that aim to get a clearer picture of and develop strategies for: (i) displacement (pressure), (ii) ownership structures, (iii) commercial gentrification, (iv) real estate pressure, (v) the institutional set-up. Also, updated maps of the area should be produced.

Displacement (pressure)

Mapping destroyed buildings, the number of displaced families, and their post-displacement residential trajectories would enable a better reading of the relation between ongoing neighborhood transformations and their relation to wider neighborhood changes. This mapping should be further complemented by interviews conducted with displaced residents in order to learn about the processes of displacement and relocation, commuting costs, ability to maintain businesses in the neighborhood post-displacement and/or rebuild livelihoods elsewhere, etc. This would contribute to a mapping of the effects of the “accumulation by dispossession” in which gentrification has been described, looking at a micro-scale at what happens to those displaced within a larger, city-wide framework.

Ownership structures

What are the existing models of property ownership and claiming in the neighborhood? What are the legal frameworks that manage multiple ownership of individual apartments and/or buildings among heirs, family members and/or strangers? What are the available channels of legal contestation for small-scale owners when property is owned in shares and developers are appropriating majority stakes in them? How does the legal framework affect already expropriated property along the highway trajectory? In order to answer these questions, it is imperative to retrieve building records from official property records, and interview parties (including local notaries, lawyers, and residents).

Aside from learning better how patterns of private property operate in the neighborhood, we need to understand how public and waqf land can play a role in the transformation of the neighborhood. Where are the public lands located, who owns them, and what are the existing mechanisms through which they can

be allocated for affordable housing? We also need to clarify the role of waqf rents and lands. We have some clues that the Maronite waqf provides some rents that resemble the old rent system. It would be best to interview representatives of the church about this issue along with a legal expert. Another idea is to see if major landowners like the Maronite Church, major land-owning families, or the state are willing to consider refurbishing/renovating old buildings or providing social housing in the area.

Commercial gentrification

How does rent control affect shop ownership and business? Our preliminary interviews indicated that rent is often much higher than residential units held under the old rent control. Are the differences the result of different legal frameworks or do they occur through individual negotiations? We need to know exactly how they differ from residential old rent contracts because if some old shops pay high rents, it can explain why they are not being evicted (yet), or why they decide to close. Also, we do not know how many units are sublet from old renters to new renters who pay a higher rent. We could possibly retrieve the old rent contracts at the municipality and would need a more complete survey of shop tenants and possibly their landlords.

Moreover, we do not have sufficient data to support the hypothesis that the high rents that entertainment venues pay provide a buffer to the displacement of residents living in the same building (because the owner would be less tempted to sell). More owners need to be interviewed, and records retrieved for all the lot numbers where there are clusters of ACDs (looking at GAIA’s map in Appendix 3 this is clearly identifiable on Pharaon Street for example), to see who owns these buildings whose ground floors have been gentrified, if they are planning to sell and what is their economic status more generally.

Mapping real estate pressures

Ideally, we would retrieve all property records of the entire area and then look at recent land transactions. If this is not possible, we should start by retrieving the lot numbers of buildings under threat that were mapped during this survey. This might give us an indicator of future displacement threats, corroborated by what the residents themselves know about recent sales. It is important to keep in mind that many developers refrain from registering land transactions to avoid paying the 7% property registration fee. They

register instead in local notary offices, a procedure that provides them with a ten-year delay to register a property officially (and pay registration taxes). Furthermore, many developers team up with property owners, masking again the transformation process if one relies solely on property records to map real estate pressure. A thorough investigation would therefore require us to complement the review of property transactions with interviews of neighborhood residents, real estate developers and real estate agents, as well as local notary publics (*kateb 'adel*) or *mukhtars*) who are typically knowledgeable of recent transactions. It is also possible to retrieve sales contracts, court case records, and other property records in order to corroborate findings. The Land Registry is generally open to such data requests. Once we collect the records to see who has been buying there, we can make better predictions about the future and anticipate. We can interview new owners and ask about their plans; we can speak to residents in the affected buildings and inform them of what is coming.

Developers often have to regroup parcels before they can construct their project, due to *gabarit*-rules. During the discussion, it was suggested that we could map which existing buildings exceed current development rights, and which plots are not economically feasible to rebuild. For this mapping, a detailed survey of a building's floor areas and heights would be needed. Also, we would need to retrieve all the plot numbers related to projects currently under development, to reconstruct the regrouping of parcels. During my PhD-research, for example, I have found that the AYA-tower merged two large lots, while the Skyline tower regrouped five large plots in order to obtain the needed setback for a high rise (Krijnen 2013).

The institutional set-up: public/social partnerships

Several possible interventions emerged from the discussion that would require the intervention of state actors and the advocacy of civil society organizations. Could there be a feasible strategy of public appropriation of empty or decaying units to convert them into social housing? Can we propose a larger section of the area and its neighboring areas as a protected cluster of heritage buildings that cannot be demolished? Is there a feasible way of transferring development rights? Can property taxes be raised? This would not only entail a detailed survey of existing buildings but also a sustained cooperation and lobbying effort with the municipality and other state actors, with the help of civil society, activists and legal experts. Moreover, changing the voting system to allow residents to vote in their own neighborhood for municipal elections is something that would have to be explored in cooperation with activists who are working on reform of the electoral law.

Maps

We need to update base maps. GAIA's map does not show the new buildings but used the Cadastral maps of 2004, as did most of AUB's maps. For example, the East Village Building and the Skyline tower are missing, while these are important developments. That is, we need a good, up-to-date base map made by a professional cartographer. Google Earth and other satellite imagery could be used to identify changes in the urban fabric.

CONCLUSION

Notwithstanding the limited amount of data collected, the research has shown that many residents and shop owners are confronted with a “false choice” between disinvestment and gentrification (Slater 2014). When they choose to accept compensation to be evicted when their building is sold, is this really a free choice considering their alternatives? What does “choice” mean in an area with rising prices, noise, homes that are falling apart, social networks that disintegrate and declining revenues because clients have moved away? This kind of “displacement pressure” (Marcuse 1985) needs to be taken into account besides cases of direct displacement. Other forms of indirect displacement, such as exclusionary displacement (lower-income groups cannot access property because of rising prices), “price shadowing” (neighboring areas become more expensive too) and “socio-cultural displacement” (as gentrifiers take control of community or public life) also occur and cannot be avoided by rent controls, for example.

Moreover, the results have indicated that it is not so much the new rent law that we have to focus on, because people are already being evicted or are already paying very high rents. Eviction mechanisms are already well engrained, as are those deployed to maintain low-income city dwellers at bay. It is crucial to understand these mechanisms better, and especially their consequences, in order to be able to propose effective interventions that can preserve the historical character of the neighborhood as a lower-middle income area in the city, a vibrant hub of social and economic life that can provide numerous opportunities for urban livability beyond the mere exchange of property.

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APPENDIX 1: INTERVIEW QUESTIONS

Displacement

For people on old rent contracts:

- ▶ Who owns your building? (i.e., is it a new or old landowner, a company?) Has it been sold recently? If yes, when and to whom, if no, since when have you had this owner? If it was sold, is there a threat of eviction? Do you know of other buildings in the area that have been sold? If yes, to whom?
- ▶ What is the process of evicting residents in Mar Mikhael? What are some of the stories you heard?
- ▶ Have you ever been offered compensation to leave your house? What was your response? Why did you decide the way you did?
- ▶ Would you accept compensation to leave? Why/why not?
- ▶ How would you describe the state of your building? If in bad shape, do you know why it is not being maintained? If not, do you know why it is maintained?
- ▶ Are you satisfied with the size of your apartment? If you had the choice, would you stay here?
- ▶ Do you know of any demolition plans, either of your house or of other houses in the neighborhood?
- ▶ How many people do you know of that have been displaced already? Did you know where they went and what was their alternative housing plan? Did they receive compensation or did they leave through court?
- ▶ How much increase in rent could you actually afford to pay? Meaning what would be the maximum increase that you can afford?
- ▶ If you were to be evicted yourself, what would be your strategy? Do you have a plan for alternative housing? Where would you go?

For owners:

- ▶ How long have you owned this building? Did you inherit it?
- ▶ How much income do you derive from this building? Is that sufficient to live from? Why is it sufficient/why is it not sufficient? Do you employ other sources of income as well? If yes, what sources?

- ▶ How easy is it for you to maintain your building in good shape? If easy, why? If not, why not?
- ▶ Is your building rented by tenants on old rental contracts, new contracts or both? If new contracts are there, since when have they been there? What made it possible?
- ▶ Have you had offers from real estate agents or investors? If so, could you tell us which companies? Would you share with us how much they offered? What would encourage you to sell this building and what is encouraging you to keep it?
- ▶ Do you know owners who have sold their buildings? What was their motivation? What was their financial calculation/benefit?

Moreover, it is important to ask residents who are not on old rent contracts how they cope with the increasing rents. People might not always be displaced, but they might have taken extra jobs or moved in together in order to be able to pay the higher rents.

For residents on new rent contracts:

- ▶ How long have you lived here? Has your rent increased since then? If yes, how did you manage to stay put? If no, how come?
- ▶ Do you have any alternatives in terms of housing? If yes, where? What kind of housing?
- ▶ Do you know of persons who could not afford the rent increase and therefore left their houses? Where were they and where did they go?

Commercial gentrification

For bar owners:

- ▶ When did you open?
- ▶ How much rent do you pay? Has this rent increased?
- ▶ What was the rationale for opening in this neighborhood?
- ▶ What was there before you opened in this space and how much rent did they pay?
- ▶ How did you manage to sign a rental contract for this space? Meaning, did you approach the owner, was the space advertised?
- ▶ How did you obtain your pub license? Was it difficult to obtain this? What are the regulations around this? Have they changed recently?

For “old” shops:

- ▶ What is your tenure status?
- ▶ Are you on a rent-controlled contract?
- ▶ A new contract? If yes, has your rent increased? How do you cope?
- ▶ Do you own your space? Have you considered renting it out? If yes, why and for how much? If no, why not? Do you know any owners who have rented out their spaces? If yes, to what kind of establishments? Do you know how much rent they are asking?
- ▶ How has the transformation affected you? Meaning, less clientele? Different clientele? What has been the evolution of your income? How have you coped?
- ▶ Are you currently threatened with eviction? If so, how come? Meaning, was the building sold, has your rent increased too much, did you lose your clientele or income and are unable to pay the rent?

For residents:

- ▶ How have the bars affected your living experience? What are your strategies to cope with this? What would be your solution in the near future? Meaning, are you thinking of moving away because of this? If yes, to where and how? If no, why are you not thinking about moving away?

For ACDs:

- ▶ Has your rent increased recently? If so, are you able to pay? If not, what is your plan?

For the municipality:

- ▶ What is your strategy regarding the licensing of bars in Mar Mikhael? Meaning, is there a maximum number, what are the regulations?

Alternative strategies

For residents on old rent contracts:

- ▶ Are you part of a Tenants’ Movement? If not, are you organized in any way on a neighborhood level? Do you have any sources of support (political, legal, otherwise)?
- ▶ Are you aware of any court cases against landlords that are currently taking place, are in process or have taken place in the past?
- ▶ If you know about court cases, could you tell us for which buildings they are taking or took place, and if applicable, what was their outcome?

For community leaders and MPs from the area:

- ▶ Are residents united or do large divisions exist? If so, what kind of divisions?
- ▶ Are residents organized anywhere? If yes, what do these organizations provide? What do they rally around?

APPENDIX 2: SURVEY RESULTS

“Pre-gentrification” shops and their tenure

TYPE	TENURE
Metal workshop	Old rent since 50 years, \$4,000 a month.
Furniture workshop	Old rent since 28 years, \$2,500 a month.
Framing/print shop	Been there for 35 years, owner since 10 years, bought for \$50,000, diverse base of clients so not afraid to lose clients.
Framing/painting gallery	Old rent since 1932.
Hairdresser	New rent since 11 years, sublet from old rent, \$500 a month.
Home appliances	Owner, inherited from father.
Stationary	Owner since 30 years.
Mini market	Old rent since 61 years, \$650 per year, shop in family for 90 years.
Florist	New rent since 10 years.
Utility shop	Old rent since 59 years, \$2,000 per year.
Butcher	Old rent since 20 years, \$500 a month.
Utility shop	Old rent since 60 years, \$5,970 per year.
Pharmacy	Old rent.
Tool shop	Old rent since 40 years, \$600-700 a year.
Hardware/keys shop	Old rent since 50 years, shop opened by uncle.
Hairdresser and broker	Owner for over forty years.
Mini market	New rent since seven years, \$1,200 a month, increases 30% every three years. Currently able to pay because he opens at night to serve pub dwellers. Not sure about the future.
Sandwich shop	Old rent since 55 years, \$595 a year, each resident of the building has a shop downstairs.
Restaurant supplies	Owner since 39 years has diverse base of clients and is not afraid of displacement.
Snack shop	Old rent since 47 years, from Maronite waqf, very low or free (not noted which).
Tool shop	Old rent, would not speak to students, next-door bar says building owner is waiting for the new rent law to evict the tenant.
Garage	Old rent.
Leather repair shop	Old rent since 60 years, \$1,325 per year, owners have inheritance conflict.
Tapestry shop	Owner since 50 years; owns the entire building with his six brothers. Ambiguous if he rents the shop from his brothers or not.
Repair shop	Old rent since 45 years, \$1,660 per year, losing money because of high rent and the loss of clients.

“Post-gentrification” shops and their tenure

<i>NAME/TYPE</i>	<i>TENURE</i>
Unnamed shop	New rent, one year contract, \$650 a month.
Art gallery	Owner since three years, new building. Bought the land with a partner and built gallery and residential building. 50% of price went to permit.
Bookshop	New rent since four years, five-year contract with set price, \$900 a month, owner lives in new tower in owned apartment.
Showroom, furniture	New rent since five years, \$50,000 per year, replaced a mechanic, owner lives in the building. Will leave in six months, reason is not stated.
Bar/restaurant	Owned.
Candy shop	New rent for 1.5 years, replaced a mechanic.
Bar/restaurant	New rent since December 2014, high. Owns many other bars, clothing stores and restaurants in Beirut (DT, Achrafieh, Badaro). Owner also owns “the ones next to it” (not mapped). Plans to open sushi bar in adjoining building (not mapped). They’re waiting for the new rent law to evict tool shop tenant.
Bar/restaurant	New rent since 2010, fixed for nine years. Can rise after end of contract.

Residents and their tenure

Old rent apartment, \$300 a year, says owner is rich, not interested in selling.
Old rent apartment, would need \$700,000 to buy the apartment, building has been sold, and she is being evicted. She will need to leave to her house in the mountains.
A building where renters pay \$2,000 a year, owned by one man who lives there too.
New rent since four months, young Lebanese girl sharing with four other girls, \$1,700 a month. Says her neighbors are French.

Buildings, shop tenants/owners and residents under threat of demolition and/or eviction

<i>WHAT IS UNDER THREAT?</i>	<i>TYPE OF THREAT</i>
Entire building	To be demolished.
Pre-gentrification shop owner	Sold, shop owner says not afraid of eviction.
Pre-gentrification shop	Wants to sell, for \$2 million, says it would change his life.
Entire building	Sold, will be demolished, renter does not know where to go, compensation insufficient.
Entire building	Owners have allowed building to decay.
Entire building	Owners in dispute on whether to sell or not, potential compensation of \$99,000 to shop old renter.
Pre-gentrification shop	He is being evicted. Compensation is not sufficient for a new place, and to own it he would need \$1 million. He looked around in the area and can't afford anything on the same street.
Entire building	Sold for \$1,750,000 in 2014, compensation being negotiated, in the next year or two they will relocate. Twenty-five tenants on old rent will be evicted.
Entire building	Sold for \$5,500,000 according to renter.
Pre-gentrification shop tenant	Offers for compensation have been made by interested parties (unclear whom), but owners are fighting over inheritance issues.
Pre-gentrification shop tenant	Says that the owner inherited the entire building and wants to evict the tenants.
Pre-gentrification shop tenant	Owner of building is waiting for new rent law to evict the tenant. Owns adjoining buildings too.
Pre-gentrification shop tenant	Owners might sell; he says it's time for a new generation to take over.
Pre-gentrification shop tenant	Rents his apartment nearby, says owner wants to but cannot sell (not clear why).
Entire buildings (six in total)	Reportedly sold according to interviewees.

Shops experiencing client loss

<i>LOT NUMBER(S)</i>	<i>DISPLACEMENT PRESSURE</i>
Hairdresser	Lost 700-900 clients since 2000.
Butcher	Has no more clients because they were evicted, and the new residents don't buy at his shop.
Repair shop	Is losing money because he is losing clients and the rent is too high.
Home appliance shop	Wants to rent the shop to a restaurant.

New real estate projects and/or recent building permits

<i>PROJECT NAME</i>	<i>STATUS</i>	<i>OWNER</i>	<i>LOT NUMBER(S)</i>
East Village Building	Completed	Developed/owned by Nayla Kettaneh. Developed on plot that was formerly empty.	Medawar 1090
Skyline Tower, Al Mawarid	Completed, 70% sold	One of the residents is the owner of a new shop, owns an apartment here.	Medawar 1072-1075
LIV	Under construction	Not interviewed.	Medawar 1063-1064
ASLY	Completed	Not interviewed.	Rmeil 1921
AYA	Under construction	Not interviewed.	Rmeil 633 and 1159
Rmeil 1739	Under construction	Not interviewed.	Rmeil 1739
BoBo	Under construction	Not interviewed.	Medawar 413 and 585
Unnamed	Unknown	Not interviewed.	Rmeil 1020 and 1761
Unnamed	Unknown	Not interviewed.	Rmeil 1031 and 1381
Skygate	Under construction	Not interviewed.	Rmeil 1879
Unnamed	Permit given	Not interviewed.	Rmeil 999
Unnamed	Permit given	Not interviewed.	Medawar 159
Unnamed	Permit given	Not interviewed.	Medawar 730
Unnamed	Permit given	Not interviewed.	Medawar 1155
Unnamed	Permit given	Not interviewed.	Medawar 467
Unnamed	Permit given	Not interviewed.	Medawar 468 and 1078
Unnamed	Permit given	Not interviewed.	Rmeil 789
Unnamed	Permit given	Not interviewed.	Rmeil 778
Unnamed	Permit given	Not interviewed.	Rmeil 730
Unnamed	Permit given	Not interviewed.	Rmeil 757
Unnamed	Permit given	Not interviewed.	Rmeil 761
Unnamed	Permit given	Not interviewed.	Rmeil 664
Unnamed	Permit given	Not interviewed.	Rmeil 663
Unnamed	Permit given	Not interviewed.	Rmeil 630
Unnamed	Permit given	Not interviewed.	Rmeil 631
Unnamed	Permit given	Not interviewed.	Rmeil 919
Unnamed	Permit given	Not interviewed.	Rmeil 1340
Unnamed	Permit given	Not interviewed.	Rmeil 1060
Unnamed	Permit given	Not interviewed.	Rmeil 1058
Unnamed	Permit given	Not interviewed.	Rmeil 1089

APPENDIX 3: MAPS

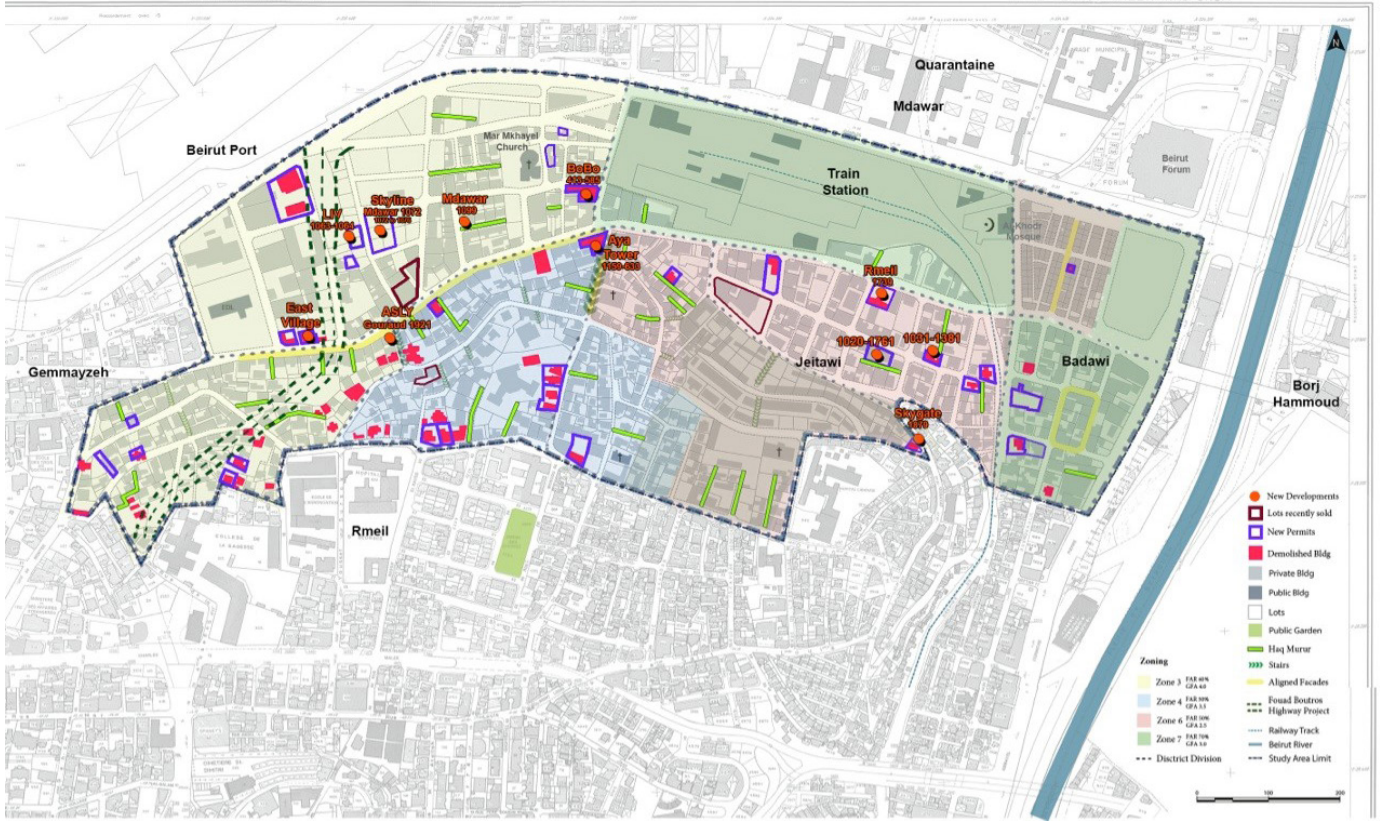


Figure 2

Mar Mikhael District - Real estate pressure
[Map by AUB-students]

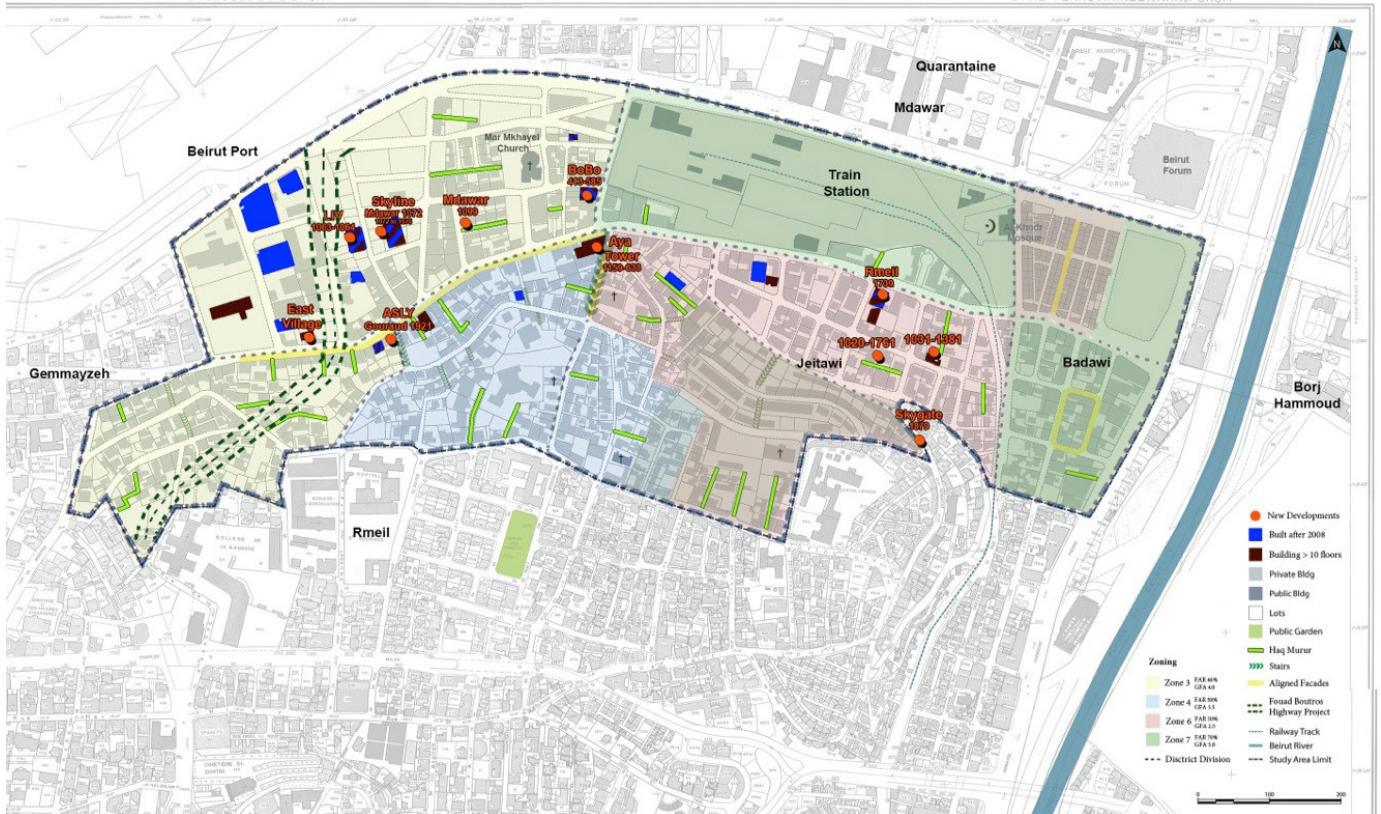


Figure 3

Mar Mikhael District - Changing built environment
 [Map by AUB-students]

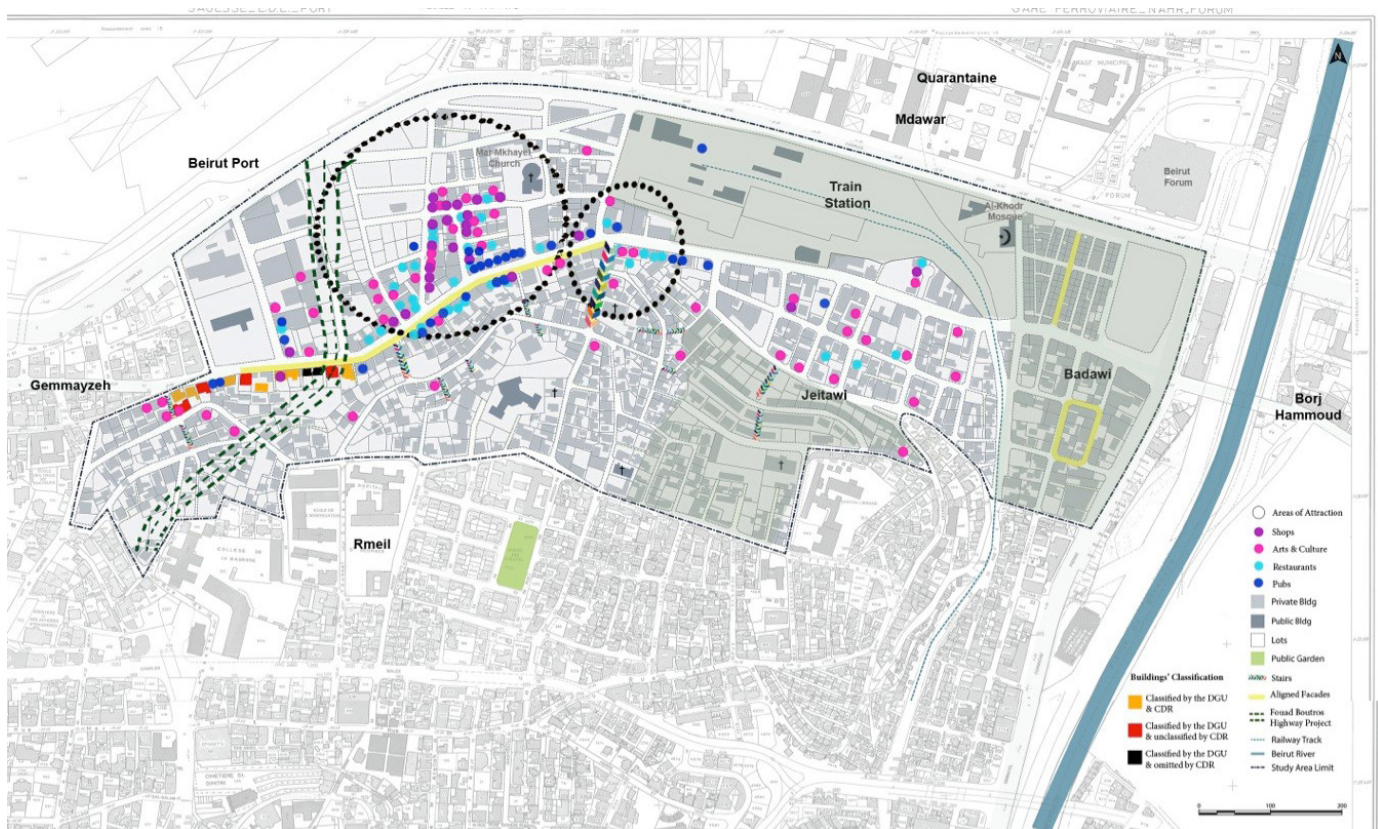


Figure 4

Mar Mikhael District - Distribution activities
 [Map by AUB-students]

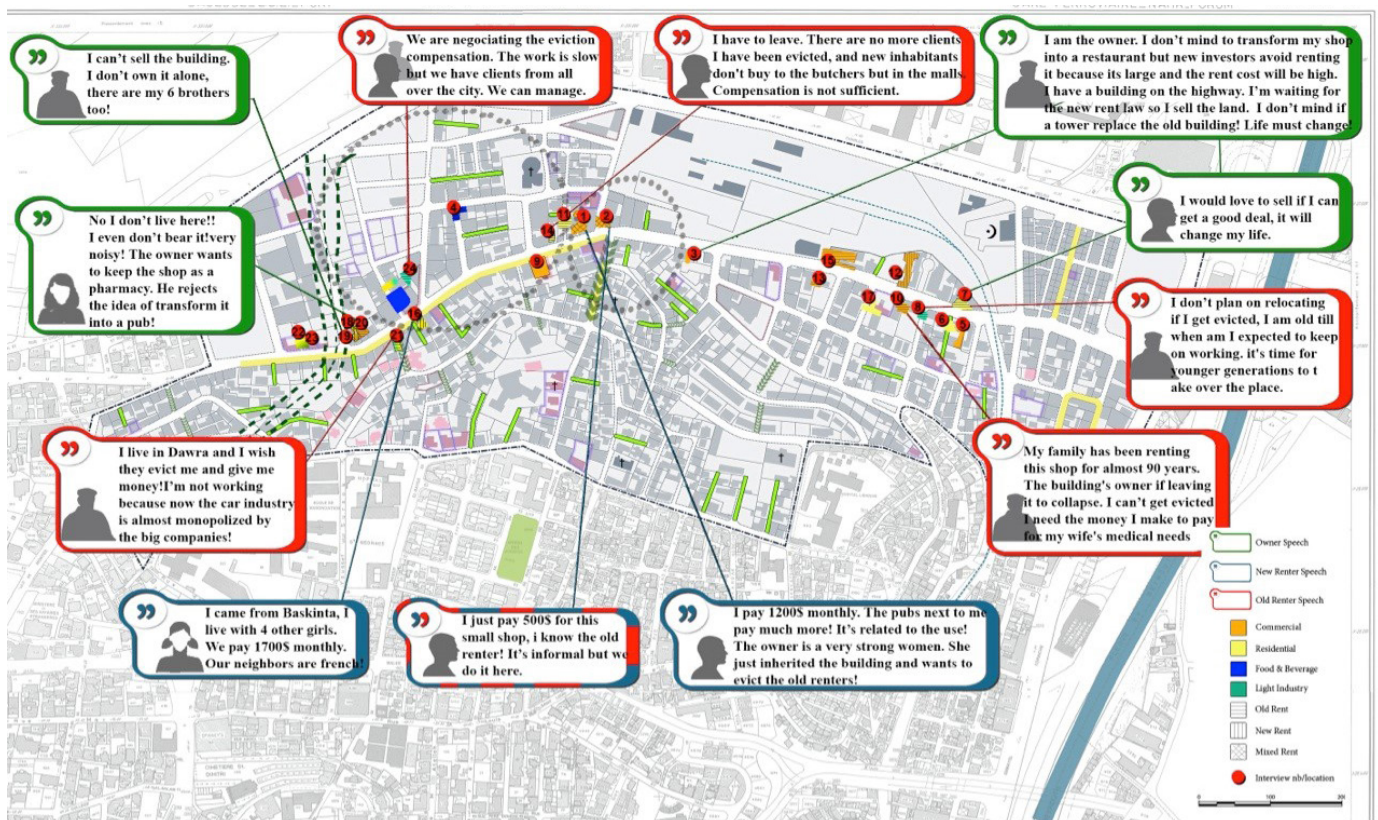


Figure 5

Mar Mikhael District - Field work
 [Map by AUB-students; note that some highlights accidentally moved]



Figure 6

[Map by GAIA Heritage]



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