AMERICAN UNIVERSITY OF BEIRUT

SYRIAN-OWNED BUSINESSES AND IMPACTS ON THE CITY: THE CASE OF BEIRUT

by
WATFA AHMAD NAJDI

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by
WATFA AHMAD NAJDI

Approved by:

Dr. Mona Harb, Professor — Advisor
Department of Architecture and Design

Dr. Mona Fawaz, Professor — Member of Committee
Department of Architecture and Design

Ahmad Gharbieh, Assistant Professor — Member of Committee
Department of Architecture and Design

Date of thesis defense: May 3, 2018

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AN ABSTRACT OF THE THESIS OF

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Lebanon is hosting more than 1 million Syrian refugees. For a country of its size, and a population of around 4 million, this influx of Syrians into Lebanon has exposed many of its already established ailments. A prevailing perception is that Syrians are establishing businesses and competing with the Lebanese, leading to violent reactions on the part of host communities. In this research, I investigate the experience of Syrian business owners who were able to establish micro, small and medium businesses focusing on their impacts on the city. I am keen on debunking the reductionist framing of 'the Syrian refugee' as a burden and research the contribution that some Syrians have been making to different neighborhoods of Beirut.

Building on Kloosterman et al.'s (1999) framework, my thesis explores the barriers that face Syrian-owned businesses amidst the Lebanese institutional framework and societal environment, as well as the human capital and social networks that enable their entrepreneurial experience, in addition to briefly examining their impact on the city. The thesis argues that i) the lack of information regarding market regulations creates a major barrier, as well as the ambiguous sets of regulations governing Syrian businesses' access to work and residency permits, ii) successful businesses owners' use their previously acquired skills and services/products, particularly in the food industry, and rely on strong social networks with both Syrians and Lebanese people; iii) Syrian-owned businesses are mostly found in mixed-use and/or working-class neighborhoods in the city, developing a new trend in the city, revolving around the food sector. The thesis also provides policy guidelines and recommendations towards regulating, enabling and empowering the establishment of micro, small and medium businesses as a key tool to facilitate the process of integration of displaced Syrians, and to enhance local economic development.

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CHAPTER I:

INTRODUCTION

Lebanon is hosting more than 1M Syrians since the war in Syria started in 2011. Most of the Syrians housed in Lebanon live in urban areas (about 80%) with the most vulnerable ones living in Informal Tented Settlements (ITSs), mostly in rural and semi-rural areas (North, Beqaa)—about 20% (VASYR 2017). In cities and towns, Syrians are relatively integrated to the urban fabric, either renting rooms and/or small apartments in informal neighborhoods and dilapidated buildings when they don't have enough means, or renting/purchasing apartments in more formal neighborhoods when they are better off. My research focuses on these latter Syrians and the neighborhoods where their presence has become visible in commercial streets, namely through businesses they have established that carry Syrian names, and/or sell specific types of goods associated to Syria (nuts, dried fruits, pastries), and/or are managed by Syrians recognizable through their accent.

A. Thesis Argument and Significance:

This thesis investigates the experience of Syrian business owners who relocated to Beirut after the start of the war in Syria in 2011, and established micro, small and medium enterprises in its neighborhoods. The thesis examines specifically the barriers and enablers of these businesses and, partially, their urban impacts on the city. Syrian businessmen have been relocating to Lebanon since the 1950s, and some managed to establish well-known, large enterprises. After 2011, the Syrian businessmen who attempted to relocate their large-scale enterprises in Lebanon were not well-received, as several respondents of this thesis recounted. Many left Lebanon because of institutional and regulatory challenges. The thesis will not address these large businesses, but rather focus on the smaller entrepreneurs. I am driven by the need to debunk the reductionist framing of 'the Syrian refugee' as a burden, and study instead how several Syrian business owners managed to overcome institutional and regulatory hurdles and remained in Lebanon. My thesis argues that these often micro, small and medium business owners relied primarily on their social networks and human capital to overcome these obstacles.

Building on Kloosterman et al.'s (1999) framework, my thesis explores three sets of questions:

i) What are the strongest barriers that face Syrian refugee enterprises amidst the Lebanese institutional framework and societal environment?

ii) How does the human capital and social networks of Syrian business owners facilitate and enable their entrepreneurial experience?

iii) Where are these businesses found in the city? And how does their presence affect the urban space?

My thesis shows that:

i) The lack of information regarding market regulations creates a major barrier, as well as the ambiguous sets of regulations governing Syrian businesses' access to work and residency permits.

ii) Displaced Syrians who are successful businesses owners' use of their previous skills and services/products, particularly in the food industry. They also rely on strong social networks with both Syrians and Lebanese people who provide valuable information and regulatory shortcuts, and/or financial and technical support.

iii) Syrian-owned businesses are mostly found in mixed-use and/or working-class neighborhoods in the city. These enterprises are developing a new trend in the city, revolving around the food sector,

Little is known about the entrepreneurial activity of refugees in Lebanon. My objective is to contribute to understanding the dynamics and potentials of Syrian businesses in the city by examining the profiles of entrepreneurs, and highlight the factors that limit and enable their self-employment. I also aim to provide policy guidelines and recommendations towards regulating, enabling and empowering the establishment of micro, small and medium businesses as a key tool to facilitate the process of integration of displaced Syrians, and to enhance local economic development.

B. Methodology:

The thesis relies on qualitative methods to understand the experiences of establishing a business in Lebanon (namely through interviews) and to sketch the urban impacts of these Syrian businesses on neighborhoods (namely through participant observation). It also extensively relies on mapping and data visualization which I used as analytical tools rather than illustrative tools. Qualitative methods stress the socially constructed nature of reality, they highlight the relationship between the researcher and the topic of study, and the situational constraints that shape inquiry (Denzin and Lincoln 2000). I used qualitative semi-structured in-depth interviews as they allow informants the freedom to express their views in their own terms, with minimum control (Bernard, 2002). Snowball sampling was used to identify interlocutors, which is a common method for building a sampling frame for small populations that are difficult to locate, such as undocumented immigrants (Johnson 1990; Bernard 2002).

As the relationship between Syrians and the Lebanese state is a complex one, and as many of Syrians work outside the realm of legality, the recruitment of participants proved to be challenging. Syrian business owners were often unwilling to provide information, which could put them under the spotlight or threaten their status. Further, as the topic touches upon personal journeys, some refused to engage with a researcher they do not identify with. To mitigate this, I tried to promote myself as a researcher trying to counter the hegemonic discourse of Syrians as a “burden”. I privileged the claim that the research aims to document their economic contribution and get their voices heard. In addition, I ensured all interviewees anonymity and confidentiality (Farthing 2015).

My interview protocol is organized in three broad categories. I start with an inquiry about the shop owner’s motivation, trajectory and networks: What did they used to do in Syria prior to coming to Lebanon? Why did they open this particular kind of shop in this particular location? Did they receive support from business partners, family, and friends? Then, I moved to a discussion on the challenges and barriers they faced when starting up their business and the current shop's operations: How did they start up their business and did they receive any legal advice? What kind of obstacles were they subjected to during this process? How is work going? Who are the clients? How many employees work in the shop? Who did the interior decoration of the place? Where did the merchandise come from? What are their future plans? Finally, I asked questions assessing their mobility in the city, and their relation to the neighborhood where their business is located: Where do they live, and with whom? Do they own a car? How easily and how often do they navigate the city's neighborhoods? Where do they spend their free time? What are their favorite leisure destinations? Who do they visit in Lebanon?

I interviewed thirty-three Syrian owners who started work in Beirut after 2011, 17 of whom in Hamra, and the rest in Tariq al-Jideh (7), Verdun (1), Mar Elias (2), Corniche (2), Achrafieh (3), Sodeco (1), Aramoun (1).

Given its accessible and hospitable nature, and my prior knowledge of Hamra, I chose to start the fieldwork there. I identified shops that carried names referencing Syrian towns, and new. I shops I knew opened after 2011, hanging out near several of them and lending an ear to Syrian accent. I established a list of businesses suspected as being owned by Syrians, and to verify the list, I checked if they had any Facebook pages or groups. Sometimes, FB pages and groups had a clear owner, which revealed additional details of relevance such as nationality. In the case where the owner was not clearly identifiable, I sought to identify the people most active on these pages, and found out that a main family name recurred. Through the personal profiles of these individuals, I managed to eliminate a number of shops as they turned out to belong to Lebanese nationals. For most businesses I had identified as being owned by Syrians, I lacked a voucher. Thus, in the first round of fieldwork in summer 2017, I chose to experiment using a direct approach: walking into the shop, introducing the project, and asking if I can interview the manager/owner of the business. Many Syrians expressed concern and fear, but I kept returning, and insisting for an audience until several agreed to grant me an interview. Then, as I built trust, they started referring me to each other, and also to people outside Hamra.

In a next stage of fieldwork, in fall 2017, I interviewed Syrian-owned businesses in Tarik al-Jdideh, Achrafieh, Verdun, and Mar Elias. I had 9 of them through asking my Lebanese and Syrian friends. I then asked my interlocutors if they could refer me to other which led me to 6 new interlocutors. An additional tool that I used to identify Syrian-owned businesses was social media, particularly Zomato. This provided very helpful since many new food businesses advertise themselves on this platform. This provided me with names of businesses that promote themselves as Syrian through their design, name and products.

The analysis of interviews' findings allowed me to identify crosscutting themes characterizing Syrian-owned businesses' experiences in Beirut, which are discussed in Chapter 4, and which I also interpret through maps and data visualizations. I was not able, as I originally wanted, to assess the urban impacts of the businesses on the neighborhoods, but I managed to sketch a few preliminary findings from observation that I interpret through visual narratives. This component of the thesis certainly merits to be further investigated in future research.

C. Thesis Contents:

The thesis begins with an overview of the Lebanese governmental response to the Syrian refugee crisis, focusing on the legal framework, residency requirements, labor conditions and work permits. I also discuss how the refugee crisis is an urban crisis, examining the business activities of Syrians in Lebanon, particularly in Beirut.

Chapter 3 provides an overview of the literature on refugee, immigrant, and ethnic minority enterprises, in order to explain the factors that motivate, hinder and/or enable refugees to pursue entrepreneurial activities. I also discuss the socioeconomic impacts of refugee enterprises, their patterns of spatial concentration, and the contributions that some refugee entrepreneurs have made to urban neighborhoods.

Chapter 4 focuses on the data findings and analysis. I present the 33 Syrian business owners I interviewed, discussing their profiles, their geographic distribution, opening date, size, operations and typology. I also assess the profiles of the business owners by looking at their trajectories, previous experience, ownership status, and social networks in order to demonstrate that Syrian entrepreneurs are not a homogeneous group and are highly differentiated in a typology I propose. I also briefly explore the urban impacts these businesses have had on the city, mostly through visual narratives.

The thesis closes with reflections regarding potential urban policy recommendations that can enable Syrian-owned businesses in municipal Beirut. I present best practices implemented by host governments, private actors, and other organizations in different cities who deal with the refugee crisis, focusing on ‘opportunity-focused interventions' (UNDP, ILO, WFP 2017:44). I also go back to the thesis framework and assess the market opportunity structures and institutional conditions, as well as the human capital and group characteristics of displaced Syrians in order to identify the mechanisms that facilitate and hinder market and urban access. The chapter propose a set of interventions that can build on the skills and networks of displaced Syrians, ease the hurdles presented by the institutional system, and enable their access to the Lebanese market, and to urban livelihoods.

CHAPTER II:

The Syrian Refugee Crisis in Lebanon: An Overview

The Syrian conflict (2011-present) resulted in one of the worst humanitarian crisis of our time. More than one million Syrians fleeing the war have sought refuge in Lebanon making it the country with the highest-per-capita concentration of refugees in the world (Lebanon Support 2016). Lebanon presented a favorable destination for Syrian refugees because of its geographic proximity and historical relations with Syria.

Surprisingly, this unstable country that has a history of political strife, a long presence of other vulnerable displaced and local populations, dysfunctional infrastructure, and weak government capacities (González, Cherri and Delgado, 2016) showed great flexibility and responsiveness and was able to absorb this influx (Fawaz 2016). However, the absence of a clear governmental policy regarding the Syrian presence in Lebanon in addition to the no-camp policy pushed refugees to find housing options among the host community, particularly in poor urban neighborhoods. This increased the demand on public services and resulted in higher unemployment rates, brittle financial status, among other negative consequences on the political, economic, and social stability of the country. Additionally, it left Syrian refugees to struggle with financial problems, security and discrimination.

In what follows I will examine the governmental response throughout the course of this crisis and the associated legal framework and residency requirements. I will then explore labor conditions and work permits within the economic situation in Lebanon. At the end, I will highlight how the refugee crisis transformed into an urban crisis asking questions regarding the entrepreneurial activity of Syrians in Lebanon.

A. Policy Response and Legal Framework

Lebanon is committed to the protection of refugees by the international law and by the 1962 Law of Entry and Exit. However, the fact that Lebanon is not signatory of the 1951 Convention on the Status of Refugees, nor its 1976 Protocol resulted in an *ad hoc* approach to the refugee crisis (Lebanon Support 2016). Initially, the Lebanese government refrained from responding to the situation at hand and maintained a "policy of inaction" that prohibited the establishment of camps, allowed the open-border policy and enabled greater decentralization and securitization in governing the refugee presence at the municipal level, "while simultaneously denying municipalities central funds and rendering them even more dependent on international aid" (Mourad 2017: 49). This ambiguous policy "attempt to alleviate the state's responsibility" for Syrian refugees while providing the government greater international donor support (Mourad 2017: 55). In October 2014, following the elections in Syria, the government adopted a new policy that aims towards reducing the number of Syrian refugees in Lebanon. The two-fold policy entailed developing a joint plan with the United Nations, the Lebanese Crisis Response Plan (LCRP) that addresses short and long-term solutions to help both displaced Syrians and underprivileged Lebanese, in addition, the policy aims to support "Lebanon's economic, social, institutional, and environmental stability" (Janmyr 2016: 8). In early 2015, in attempt to ensure security and alleviate the burden of the refugee influx on the economy and infrastructure, the government sealed boarders, instructed UNHCR to halt registration of Syrians as refugees, and altered their legal status in Lebanon, labelling them as ‘displaced people’ and stressing that Lebanon is a “country of transit, rather than asylum” (Lebanon Support 2016:6). As such, the General Security released new regulations for the process of residency renewal for Syrians, UNHCR was instructed by the Lebanese government to halt registration of Syrians as ‘refugees’, in addition, the Ministry of Labor restricted the access of Syrians to the labor market.

Despite the fact that Syria and Lebanon have a long history of ‘migration-for-work’ trajectories, these measures did not distinguish between the hundreds of thousands of Syrian migrant workers who have been working in Lebanon for decades (Chalcraft 2008; Lebanon Support 2016), and the Syrians fleeing the conflict. As a consequence of this policy, all Syrians in Lebanon were labelled as ‘displaced’. Subsequently, Syrians registered with UNHCR had to sign a “pledge not to work” in Lebanon (Lebanon Support 2016). However, in mid-2016, this requirement was cancelled. If they secure a “pledge of responsibility” by a Lebanese sponsor (*Kafeel*) who would be legally responsible for them and a work permit, Syrians’ legal status can be changed to ‘migrant workers’ (Errighi and Griesse 2016: 11). Provided men work in low skilled jobs in construction, agriculture, cleaning (as per decree 197 of December 2014)—which is often carried out in informal circumstances. For other labor sectors, bureaucratic and financial constraints are higher: work permits are more expensive and the employer needs to demonstrate why a Lebanese worker cannot do the job instead (Harb et al. 2018). The Lebanese government elaborated these regulations in response to dire indicators of a declining economy and labor market (WB 2013: 34-35), which raised alarm bells across the banking and private sector. Although these measures were taken by the Lebanese government to control the presence of Syrians in Lebanon and encourage their return to Syria, research implies that these regulations led to “de facto emerging illegality amongst Syrian refugees” and the emergence of informal structures (Lebanon Support 2016).

The second phase of the Lebanese government policy response to the Syrian refugees crisis is still unfolding but it seems there is ‘a greater consensus on the need to address the refugee presence’ through reducing ‘the number of ‘displaced Syrians,’ ‘strengthening security provision’ and ‘alleviating the burden of displaced Syrians’ on the Lebanese economy and labor force’ (Mourad 2017: 50). This last point was highlighted in the London meetings held between international donors in 2016 (Harb et al. 2018). The meetings aimed to mobilize international community stakeholders to pledge support to host countries that were to withstand the consequences of the Syrian refugee crisis. Providing employment opportunities and facilitating integration in the labor market is one of the key strategies believed to ameliorate the crisis situation (Harb et al. 2018). Indeed, labor market integration is said to provide

> “the opportunity to refugees to improve their living conditions through their own efforts, in particular if accompanied by access to education, while also enabling the host countries to reap more of the potential economic benefits from this demographic boost” (Errighi and Griesse 2016: 5; Legrain 2016).

The International Labor Organization (ILO) agrees that the integration of refugees in the labor market is both an immediate and a development need, making it simultaneously a humanitarian and reconstruction response: “Decent and stable jobs offer crisis-affected people not only income but also freedom, security, dignity, self-esteem, hope, and a stake in the reconciliation and reconstruction of their communities” (2014: 43).

In this conference, the Lebanese government committed to provide employment and economic opportunities among other priorities for both Lebanese and Syrians. During this conference, the Subsidized Temporary Employment Programme (STEP) was introduced. This programme aims at creating job opportunities for Lebanese and Syrians in Lebanon. Providing displaced Syrians with temporary jobs would allow them to “work while providing them with savings to safely return to their home country” (Lebanon Support 2016:12). This statement was supported by the Ministry of Social Affairs, the Ministry of Finance, and the Ministry of Interior and Municipalities, who promised to come up with a detailed plan to ease labor restrictions within one year. Whereas, the Ministry of Labor had a contradictory statement,

> “…allowing Syrian workers to accumulate social security contributions that can be collected by the workers upon the completion of the programme and their safe return to Syria, or their resettlement to a third country.” (Lebanon Support 2016:12).

Despite the fact that Lebanese political actors confirmed their willingness to ease labor restrictions and provide more economic and education opportunities, very little changes can be seen.

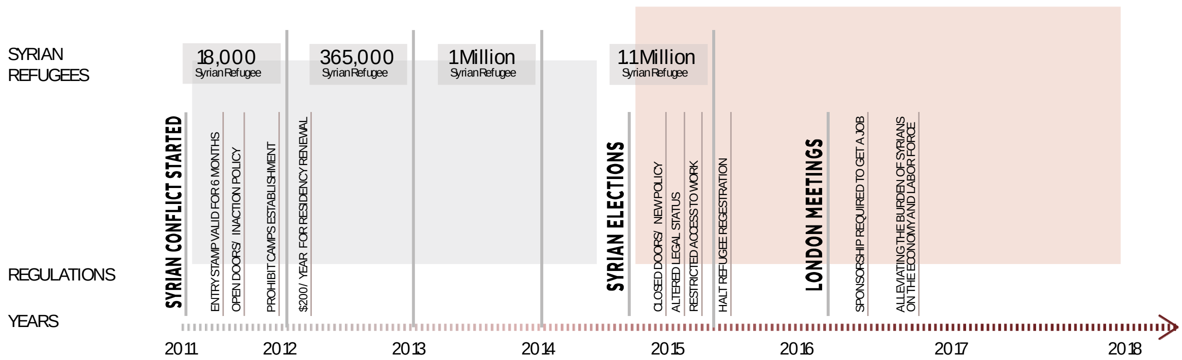

Figure 1Timeline of Syrian Crisis in Lebanon. Source: Data from Lebanon Support, 2016.

B. Labor Conditions and Work Permits

At the beginning of the crisis, Syrians entered Lebanon in an easily facilitated way, they “received an entry coupon and a stamp at the border” for a residency of 6 months that can be renewed, free-of-charge for another 6 months (Lebanon Support 2016:7). After that period, the renewal fee costs 200 USD annually. This was changed in 2014 as the new regulations divided Syrian residencies in Lebanon to 11 categories:

1- Tourists that are allowed to stay for a set period of time determined by their hotel reservation,

2- Work visits for a maximum period of 1 month,

3- Shopping visits for 24 hours only,

4- Property owners’ residencies given for a period of 6 months that is renewable,

5- tenants’ residencies given for a period of 6 months that is renewable,

6- students, who are allowed to stay until they complete their studies

7- Transit entries for up to 48 hours,

8- Appointments with embassies for up to 48 hours,

9- Medical treatment visits for up to 72 hours,

10- Entries for displaced Syrians, granted only for Syrians who qualify

11- Pledge of responsibility by a Lebanese sponsor (*Kafeel*).

These regulations have placed several limitations on the movement and future plans of Syrians in Lebanon and were coupled with new restrictions on entering the labor market. Syrians were only allowed to have jobs in sectors such as, cleaning, construction and agriculture (Lebanon Support 2016).

However, the situation is different for Syrians of upper middle and higher classes. The Lebanese General Security presents two other options that can be used by these groups to acquire a residency in Lebanon,

1- The permanent residency, granted for those who have a bank statement or a fixed monthly income. The annual fees of this residency cost 900000 LBP. However, the applicant must sign a pledge not to work, he/she has to have a bank statement of 300 million LBP, a monthly fixed income statement of 5 million LBP minimum, in addition to a bank statement for solid joint account of 500 million LBP or above.

2- The annual residency, granted for those who want to work in Lebanon. This residency has 4 categories/classes. Class A, costs 1800000 LBP, Class B costs 1200000 LBP, Class C costs 400000 LBP, and Class D, which is usually used for domestic workers, costs 300000. Applicants for this type are either employed in a Lebanese establishment or have their own business and thus have to present (Ezaa Tijariya).

Most Syrian business owners opt to the second option as it provides them with legal certainty and relative freedom to pursue their business ventures.

The literature on Syrians and the labor market in Lebanon is dominated by reports that confirm their dire and precarious socio-economic conditions, and their limited livelihood resources. Half of the working age refugees are economically active, but have high unemployment levels—especially women. About 92 percent of economically active Syrians are mainly engaged in low skill work, informally, without contracts, 'in agriculture or personal and domestic services and, on a smaller scale, in construction' (ILO 2014: 14). A few reports mention that a number of "micro and small Syrian-owned business are opening" in some areas (ILO 2014: 10), focusing mainly on those businesses opening in areas close to the Syrian-Lebanese border in the North and Akkar noting:

> "Hundreds of businesses, including restaurants, retail shops, bakeries, mechanical repairs and others, have been established in the Bekaa and the North by Syrians since the establishment of the crisis… Syrian businesses open illegally without licensing and often at the same place of their residence, without paying for electricity, water or taxes. These businesses almost exclusively employ Syrians, including chefs, waiters, managers, and cleaners… Many Lebanese expressed additional concerns regarding competition at the self-employment level, especially in handicraft and semiskilled jobs such as carpentry, welding, mechanics and repairmen, among whom Syrians normally have better skills and provide cheaper services than the Lebanese" (ILO 2014: 38).

The prevailing perception from Lebanese host-communities that Syrians are establishing businesses, selling goods at lower prices and competing with Lebanese exacerbated the negative perceptions form host-communities and municipalities and led to violent reactions towards the displaced Syrians. In recent events, several mayors closed down shops operated by Syrians in their localities, accusing them of taking jobs away from the Lebanese. This is however not corroborated by any hard data (Harb et al. 2018).

Lebanese employers have been relying on migrant workers from Syria (and elsewhere) for decades now. Indeed, the presence of Syrian migrant workers in Lebanon dates back to the 1950s. Back then, Syrians used to work as laborers in Bekaa, Akkar, and South Lebanon is sectors such as, agriculture and construction (Lebanon Support 2015). In 1991, following the civil war in Lebanon (1975-1990), a bilateral agreement for 'Economic and Social Cooperation and Coordination' between Lebanon and Syria was initiated. This agreement ensured freedom of "work, residence, and economic activity for nationals of both countries" (Picard 2016). As such, in early 2000s, Syrian workers constituted "between 20 and 40 per cent of the Lebanese employment, and their remittances made up as much as 8 per cent of the Syrian GDP" (Chalcraft 2009:15).

Admittedly, in these sections of the market, there is 'a strong demand for Syrian laborers' and it can confidently be said that unemployment and the lack of job opportunities for the Lebanese is not caused by the Syrian presence, but by a 'decreased investment from the Gulf states as a result of the Syrian conflict, a sluggish real estate market and a drop in GDP growth' (Dubin 2017: 3). Errighi and Griesse (2016: 20) also underscore that these new businesses seem not to be displacing local Lebanese businesses. In focus group interviews held by the ILO, some Lebanese workers stated that Lebanese employers and the government are the cause behind their unemployment— not Syrians:

> competition for jobs . . . [is] a matter related . . . to the ‘ethics’ and ‘greediness’ of Lebanese employers [who] . . . think about their profit only . . . it is the fault of the state which has driven us to this degrading level (ILO 2014: 37–38).

In 2013, the Lebanese Economy and Trade Ministry reported 1,196 unlicensed Syrian businesses in Lebanon. This number is expected to be higher than documented but since these businesses operate in the realm of informality, it is hard to provide an exact count. The presence of these businesses spurred serious concerns from Lebanese business owners that were not happy about the competition. While some Lebanese traders believed that these illegal businesses will only encourage the expansion of the informal market which will result in several negative consequences, others considered them as an opportunity and a tool to encourage the business cycle and attract more investments. For example, Rashid Kebbe, head of the Barbour Market Business Association, told Al-Akhbar Newspaper that

> "Large Syrian capital should be welcome in Lebanon because it will invigorate the economy. We call on Syrian industrialists, known for their quality products, to come to Lebanon and become our partners."

Whereas, Economy and Trade Minister Fuad Fleifel stated,

> "The Lebanese economic system allows any foreign investor to move freely, and no one can stop them from conducting commercial activities, except in the areas set by

> the Labor Ministry and on the condition that investors abide by laws and regulations." (Al-Akhbar 2013).

However, Fleifel's plan was to close all these businesses with the help of Security Forces. Indeed, 377 Syrian establishments were closed in the Bekaa area. Whereas shops in other areas were warned. The shop closure in in Bekaa was mere performance, as most of the shops reopened their businesses a couple of days later (Al-Akhbar 2013). Thus, closing shops is not seen as an efficient solution to the problem but rather a short-term response to the constant complaints of Lebanese business owners.

In order to be legal, foreign workers, employers and investors should have a residency and are required to get a work permit from the Ministry of Labor. In addition, they have to register the company in the commercial register and obtain a license from the municipality and governorate. These conditions are found very complex and present several challenges to Syrians in Lebanon, especially those who regard their situation as temporary. To regularize their situation, many Syrians seek the help of Lebanese friends and family, asking them to become their partners. This proved to be the easiest way (Al-Akhbar 2013).

According to the Economy and Trade Ministry's survey, 54% of the informal Syrian businesses are located in the Bekaa, mainly in Zahle, al-Marj, Bar Elias, Taalabaya, and Majdal Anjar; 8.9% in North Lebanon, spread around Akkar and Tripoli. 8.1% of Syrian businesses are found in South Lebanon, particularly Saida and Tyre. These businesses are small and do not seem to threaten the existence of Lebanese businesses as they are mostly competing with Palestinian-owned businesses. Whereas Beirut and Mount Lebanon governorates host around 28.8% of informal Syrian businesses, concentrated in

Bourj Hammoud, Nabaa, Tarik al-Jadida, and Mazraa. However, these establishments have a different image than Syrian-owned businesses found in other areas.

C. Economic Challenges

World Bank's Lebanon Economic Monitor suggests that

> "Peripheral sectors have helped maintain positive, albeit sluggish growth in real GDP (measured at 2% in 2014)… growth originated from other sources. This included Syria-related economic activity in Lebanon – generated through increased spending by refugees in Lebanon on household and private consumption, as well as increased export activity for some Lebanese businesses who have since replaced a loss of production in the Syrian market" (Building Markets 2016:9).

The Lebanon's Crisis Response Plan (LCRP) 2015 - 2016 aims to reinforce Lebanon's economic, social, institutional and environmental stability. With regards to economic stability, LCRP highlights the importance of enhancing the capacities of micro, small, and medium enterprises (MSMEs) by improving local economic infrastructure and supporting MSMEs such that they are able to respond to current market demands. This would help local businesses generate income, create more job opportunities, and thereby be able to benefit vulnerable local communities, which will in turn reduce work-competition-tensions (Government of Lebanon 2014).

With the Syrian crisis expected to continue, this expanded support to MSMEs will play a critical role in accomplishing the LCRP's objectives, by improving livelihoods, increasing employment generation, decreasing dependence on aid, increasing self-reliance and other positive social and economic dividends for refugees and impacted communities.

The Lebanese business ecosystem presents several challenges for both Lebanese and foreign-owned micro, small, and medium enterprises (MSMEs). These challenges can be divided to different categories as follows: challenges specific to the entrepreneur him/herself and their cultural background, challenges that are tied to the enterprise particularly the availability of sufficient capital and capabilities to support the newly established business, challenges present at the industry level, which mainly stem out of the legal framework and the market structure, and finally, national challenges that comprise inadequate infrastructure and lack of supporting entrepreneurial policies. As such, identifying and addressing these challenges would help encourage the growth of MSMEs and strengthen their positive socio-economic impacts.

At the industry level, the market structure is governed by a legal and regulatory framework. In Lebanon, the absence of adequate laws to regulate competition, in addition to "bureaucratic inefficiencies, red tape, costly regulatory and setup processes, and restrictive taxation policies[1]" favors the presence of larger and more established enterprises on behalf of MSMEs. Moreover, MSMEs owners have a difficulty accessing needed market information that can aid the process of establishing a business. This 'poor market

[1] The current tax and tariffs regime in Lebanon lacks sufficient differentiation for SMEs. Some regulatory fees and tariffs may be prohibitive for SMEs. The Lebanese government has developed tax incentives and exemptions for specific sectors/geographies (e.g. 6 to 10-year income tax breaks for rural industrials, draft law for tax reduction on profits of industrial exports of Lebanese origin). However, adoption and utilization of these incentives is still low. Government of Lebanon, Ministry of Economy and Trade. (2014). Lebanon SME Strategy: A Roadmap to 2020.

intelligence' is attributed to lack of statistical information provided by institutions such as, the Central Administration of Statistics, the central bank, and other private institutions (Building Markets 2016:15).

Whereas on the national level, the lack of adequate infrastructure, in addition, the Lebanese government's MSME strategy "highlights low capitalization (around US$ 11 billion) and trading volumes at the Beirut Stock Exchange as one of the key barriers to SME growth". The Lebanese public stock market entails mainly banking and real estate sectors. The unwillingness of MSMEs owners to enlist can be attributed to the lack of large institutional investors, and the limitations presented by family-owned enterprises (MoET 2014).

The above mentioned challenges renders entrepreneurship in Lebanon as a hard task for both Lebanese nationals and displaced Syrians as well. Syrians who managed to establish businesses in Beirut had little information on market demand and current situation. In most cases, their decision was not built on solid data and they didn't have a clear business plan. Syrian business owners relied on their previous experience in Syria, their perception of the Lebanese market, and the little information provided by their social networks. Therefore, Syrians are often observed to start-up businesses in the clothing, furniture and restaurant sector. These sectors seem to be easier to access. Additionally, Syrian's previous experience in managing businesses in these sectors gave them an added value in the Lebanese context.

D. From Refugee Crisis to an Urban Crisis

While relief agencies and international actors were exploring options to house refugees and the Lebanese government refused the establishment of camps, many Syrian refugees settled in urban neighborhoods (Fawaz 2016). The extended pressure on the urban fabric of these neighborhoods and the inefficient planning system, turned the "refugee crisis" at hand into an "urban crisis" (Fawaz 2016). Several neighborhoods in Beirut have witnessed changes due to the presence of Syrian refugees. The sight of children and mothers roaming the streets of busy shopping districts begging for food and money, young men delivering groceries, children selling flowers and others sleeping on the sidewalks became recurrent. However, the presence of Syrian refugees is not limited to 'the gloomy image of the destitute beggar' (Fawaz 2016).

For example, Hamra Street, a site for local and international businesses and cultural events, witnessed an increase in the level of activities after the arrival of Syrian refugees. In addition to Syrian employees, customers, and cars with Syrian number plates spread along the street, new businesses can be identified as Syrian, simply by using indicators such as the name and function of the shop, the accents of the employees, the dress code and design aesthetics. Syrian-owned shops are usually named after cities or towns in Syria, or decorated in a way that shows off their origin.

Similarly in Tarik el Jdide, particularly Afif el Tibe Street, numbers of clothing shops owned by Syrian merchants have seen to rise. These were followed by sweets shops and bakeries opening in the area as well. Today, as the war in Syria drags, more Syrians are relocating to Lebanon (Malas 2013) such that, other neighborhoods in metropolitan Beirut, namely Verdun, Mar Elias, Achrafiyeh and others, known for their busy economic life have also been housing Syrian businesses such as bakeries, cafes, restaurants, groceries, and shops.

In my thesis, I aim to understand how have these shops came to open in these neighborhoods? Who are their owners? How well are they performing? What are their impact on urban life? And what lessons can be learned from this study, and how can urban policies benefit from their positive impact and enable their work?

In the next chapter I will discuss how the literature defines refugee enterprises and what factors motivate refugees to seek entrepreneurship. Additionally, I will look in the literature for the barriers and enablers that face refugee entrepreneurs and the factors that contribute to their improved outputs, as well as their impacts on the city.

CHAPTER III:

ENTREPRENEURSHIP AND REFUGEES

We know very little about the economic lives of refugees (Betts et al. 2014), let alone their self-employment activity (Bollinger and Hagstrom 2004; Lyon et al. 2007). Admittedly, studies on 'refugeeness' often fail to account for internal diversity in terms of legal, migratory and financial status (Lyon et al. 2007). As such, refugees are commonly regarded as a single homogenous group (Lacroix 2004; Piacentini 2012) and are usually labelled by the media as benefit-dependent people that pose social-economic threats on host communities (Beste 2015).

In this chapter, I aim to debunk the reductionist framing of refugees as aid-dependent groups, by referring to the literature on refugee, immigrant, and ethnic minorities' entrepreneurial activity. First, I will start by defining entrepreneurship and its significance. Second, I will explain the distinctive characteristics of refugees and their enterprises. Third, I will highlight the factors that enable the establishment of refugee enterprises. These factors are divided into two categories, the first being: opportunity structure and institutional framework which entails market needs and the regulatory system of host countries that either allows or hinders the establishment of refugee enterprises. The second category is the group characteristics which is made up of the social networks of refugees and their specific skills. Finally, I examine the impact of these enterprises on the city by exploring patterns of spatial concentration, and contributions that some refugee entrepreneurs have made to urban neighborhoods.

A. What is Entrepreneurship?

Recently, many countries as well as international non-governmental agencies such as ILO and IMF started developing programmes that promote ethnic and immigrant entrepreneurship as a significant tool for economic development of host countries, poverty reduction, and personal wealth (Cassia, 2006). Studies in USA, Canada and the UK, often highlight the positive contribution of immigrant-owned businesses on economic and social development, job creation, and poverty reduction (Bates, 1996; Saxenian, 1999).

“Entrepreneurship, in the classic sense, is the combining of resources in novel ways so as to create something of value” (Bird 1989). Entrepreneurs are people who establish their own business (Pinkowski 2009), by employing their resources to take advantage of market opportunities (Perkovska-Mircevska 2009). In the context of immigration and refugeness, entrepreneurship is the personal initiative, often assisted by social networks that allow immigrants to establish a business in host countries and become self-employed.

In the context of ethnic and migrant-owned businesses, instead of creating something new, refugees most likely reproduce old forms of their businesses. This however doesn’t eliminate the risk factor tied to refugee entrepreneurship (Aldrich and Auster 1986). While anthropologists define entrepreneurs “operationally as owners and operators of business enterprises" (Greenfield et al 1979), other researchers attempted to distinguish between entrepreneurs and business owners by assessing the factors of innovation and risk.

In my thesis, taking into account the historical relations, the geographical proximity, and the similar cultural background, I choose to define Syrians who managed to establish businesses in Beirut as business owners rather than entrepreneurs, as the latter term has been associated with the corporate value of start-ups which does not associate well with the precarity of several businesses established by Syrians in Beirut.

B. Refugee Entrepreneurship: A Distinctive Group

A substantial body of literature has tackled immigrant and ethnic entrepreneurship (Light 1972; Ward and Jenkins 1984; Waldinger et al. 1990a). Little attention has been given to refugee enterprises as a distinctive group (Wauters and Lambrecht 2008). While some scholars incorporate refugee entrepreneurs into the 'wider group of immigrants' (Bach 1986:146-7; Jones et al. 2014), others argue against this approach and underline the need for a separate analysis of the two groups (Bernard 1977; Gold 1992).

Indeed, refugees face a set of challenges that renders their experience of entrepreneurship different from that of immigrants or other ethnic minority groups. Unlike immigrants, refugees did not leave their countries on a voluntary basis. Therefore, they are often less equipped to adapt to their new context. Moreover, as their movement is less orderly, refugees often have limited access to 'ethnic resources' (Waldinger 1990) and social networks (Gold 1992, Flap et al. 2000) which constitute key assets for accessing labor or establishing a business (Wauters and Lambrecht 2006). Additionally, refugees are likely to have experienced traumatic events that affect their psychological health and thereby weakens their motivation and their interest in entrepreneurship (Bernard 1977; Hauff and Vaglum, 1993). Finally, the uncertainty of their situation in host countries and the difficulty of figuring out the institutional context (GLA 2005; Vertovec 2006) presents yet additional obstacles for refugee entrepreneurs. These differences have a direct impact on self-reliance and the decision of self-employment.

Admittedly, studies on 'refugeeness' often fail to account for internal diversity in terms of legal, migratory and financial status, religious affiliation, and social classes (Lyon et al. 2007). As such, refugees are commonly regarded as a single homogenous group (Lacroix 2004; Piacentini 2012) and are usually labelled by the media as benefit-dependent people that pose social-economic threats on host communities (Beste 2015).

We know very little about the economic lives of refugees (Betts et al. 2014), let alone their self-employment activity (Bollinger and Hagstrom 2004; Lyon et al. 2007). Although they are regarded as marginalized groups that experience poor living conditions, high rates of unemployment, and discrimination (Bloch 2002; Palmer & Kenway 2007), and despite the above mentioned challenges, many refugees still display evidence of enterprise and self-employment activity (LDA-OCDE 2005). Refugees often arrive with diverse skills, experiences, and most importantly, the need to establish themselves in a new country (Stevenson 2005). The fact that refugees had to leave their countries and were forced to adapt to a new cultural context strengthens their creativity and ability to deal with challenging situations.

By establishing their own businesses, refugees are able to secure economic certainty and facilitate the integration process into the host society (Kloosterman and Van der Leun 1999). Encouraging entrepreneurship can help boost and strengthen domestic economy. Refugee enterprises can provide complementary services in the labor market, enhance productivity, generate job opportunities for both refugees and locals, introduce new dynamics, and encourage investment and international trade.

Therefore, policymakers should look at refugees as an opportunity to capitalize on instead of a burden to avoid. Introducing upfront investments and adequate policies that can respond to the presence of refugees would result in substantial socio-economic dividends.

C. Enablers of Refugee Entrepreneurship

There is a limited understanding of the motivation behind the decision of entrepreneurship, the barriers to enterprise development and how it impacts the process of integration of refugees in host societies (Wauters & Lambrecht, 2006). Researchers list several factors that motivate the decision of entrepreneurship namely, the need of a financial supplement, the desire to be independent and have a sense of ownership, the importance of having flexible work hours to take care of other family responsibilities, in addition to the fact that refugees often face difficulties and discrimination when trying to access the labor market (Schreiner and Woller 2003). Ram (1992:603) suggest that the reason behind South Asians seeking self-employment is related to discrimination, racism and economic decline which gave them an incentive to pursue entrepreneurship.

Literature on ‘ethnic businesses’ attributes the motivation behind migrant entrepreneurship to the cultural characteristics or the structuring conditions of refugees/immigrants within the host country (Light and Karageorgis 1994). Light (1980, 1984) suggests that reasons behind refugees pursuing self-employment can be reduced to either ‘cultural theory’ or ‘disadvantage theory’. Cultural theory claims that some ethnic groups possess certain cultural attributes that stimulates entrepreneurship such as, the access to cultural networks (Ward, 1986), specific religious values, and a collective social image of business owners. As for the disadvantage theory, it asserts that refugees and minority groups head towards entrepreneurship because they are “disadvantaged in the general labor market” (Gold, 1988:417). Thus, they create jobs for themselves. Whereas Petrakis (2005; 233) attributes “entrepreneurial activation” to a set of environmental conditions that originate from social and economic factors, as well as the presence of entrepreneurial opportunities and motives associated to the human behavior (Petrakis 2005:233).

Most studies on ethnic and migrant businesses are characterized by an “agency-versus-structure battle”. While some emphasize the role of internal communal resources, others consider the external political-economic context as the ultimate shaper of these enterprises (Barret et al. 2002:11). Waldinger et al. (1990) created an interactive model to analyze ethnic business development on different levels. This model comprises the interaction between two factors that greatly affect the success of these businesses, ‘opportunity structures’ that is made up of available market opportunities such as economic and legal factors, and ‘group characteristics’ which are the ‘ethnic resources’ that are specific to a certain group of refugees based on their origin. In other words, this model analyzes how refugees develop ‘ethnic strategies’ in order to make use of available resources and market opportunities.

Kloosterman et al. (1999) criticized the fact that Waldinger’s model focused mainly on cultural and social characteristics of refugees or ethnic minorities, and overlooked the broader institutional framework where economic and socio-cultural transformations occur. According to him, market conditions entail the politico-legal structures that govern immigrant status and practices on a national level and planning policies at a local level. As such, self-employment is dependent on the national economic framework and the legal status of immigrants and whether they are entitled to establish their own business or not.

Furthermore, Kloosterman (2010) introduced the concepts of supply side and demand side, supply being the entrepreneurs, and demand being the market conditions, which defines external parameters regarding the establishment of refugee enterprises. Indeed, when examining refugee entrepreneurship, a broader analysis that incorporates the formalized institutional aspects and “the broader society with its own morphology, socio-economic, cultural and political dynamics and sectors with existing modes of doing business” is required (Kloosterman et al., 1999). In sum, entrepreneurship tendencies cannot be solely attributed to the personal characteristics of entrepreneurs without studying the impact of social and cultural conditions (Aldrich and Waldinger, 1990).

As such, Kloosterman and Rath introduced the concept of ‘mixed embeddedness’ that that looks at the interaction between communal internal resources and external forces and acknowledges both the importance of social networks and institutional environment. Indeed, refugee enterprises are empowered by their own culture and community, but at the same time, they are subjected to external forces from their surrounding environment (Barret et al. 2002). The "embeddedness of immigrants in their social networks" refers to opportunities presented by having social relations (Portes 1995), whereas the concept of social capital refers to the ability to mobilize these networks and resources (Bourdieu 1983). On the other hand, the immigrants "embeddedness in the socio-economic and politico-institutional environment" of the host country (2001:190) focuses on regulations and market strategies at the national, regional, and neighborhood level (Miera 2008). Wauters and Lambrecht (2008) divide these concepts into two parts: the institutional environment which entails all legal requirements, and the societal environment which encompasses entrepreneurial tendencies, the composition of districts and the involved organizations.

In this vein, Kloosterman et al. (1999) identify three variables to explain why some refugees become entrepreneurs and others do not: i) market opportunity structures and access to entrepreneurship, ii) human capital and group characteristics, and iii) institutional framework and societal environment (Lyon et al. 2007; Wauters & Lambrecht 2008).

1. Opportunity Structure and Institutional Framework

"Ethnic enterprises are grounded in the cultural melieu of their own community but they are in no way isolated from the surrounding environment" (Barret et al. 2002). The opportunity structure is subjected to constant changes as it represents the available sources found in the entrepreneur's environment (Aldrich and Waldinger, 1990). Opportunity structures consist of two elements. The first is, market conditions, such as the need for ethnic products or services that can serve both the ethnic community and a wider non-ethnic market. These conditions are governed by politico-legal regulatory structures on both the national and local planning policy level such that, "the nature of the national economic regulatory regime plays a decisive role in creating or blocking market space" (Light and Rosenstein 1995; Barret el al. 2001). The second is, access to entrepreneurship which is highly dependent on government policies, and can be hindered by legal restrictions, and financial problems (Aldrich and Waldinger 1990b:114).

Refugee entrepreneurs are usually unaware of the customs and administrative procedures in their new country (Hudson and Martenson 2001). Having to deal with the complex institutional framework, legal system and other formalities in host countries with limited information and no support places an extra burden on refugee enterprises. Unlike immigrants who have the support of their social networks and thus possess better knowledge regarding legal matters, refugees have a high risk of feeling discouraged and end up closing their businesses (Wauters and Lambrecht, 2008). As for the societal environment, refugees often have to deal with discrimination and racism from host community. Additionally, having a different cultural background might negatively affect the business operations since most refugee or immigrant-owned businesses do not have a good reputation among locals (Wauters and Lambrecht, 2008).

In addition, the legal status of migrants or refugees plays a key role in determining whether a person is able to start up his/her own business or not. In UK there is an obvious link between unemployment rates and self-employment tendencies among ethnic minorities (refugees or migrants). These rates are observed to be higher in Britain than in continental Europe. This stems from the differences in the politico-legal regimes (Barrett el al. 2001) and economic structure conditions (Barrett et al. 2002).

As a result of these challenges, refugee entrepreneurship is "often not a matter of taking advantage of market opportunities, but of survival" (Wauters and Lambrecht, 2008:902). Thus, in many cases, refugees opt for sectors that are easier to access and in many cases, are found to imitate other refugee businesses.

The confinement of ethnic minority enterprises within a range of poorly endowed markets signals that these enterprises are found in a hostile socio-economic context that constrains their development. Moreover, refugee's entrepreneurial activity is often limited due to the lack of training and skills needed, the difficulty in hiring adequate workers, dealing with customers and suppliers, other competition, etc. For example, most South-Asian shops in Britain are found in areas that have a geographic concentration of an ethnic-minority customer base. These shops are linked by proximity and the ability to provide ethno-cultural specialisms. Although these "ethnic niche markets" provide an ethnic minority customer base and some kind of protection, they impose restrictions and create a development barrier which might limit their "economic potential" (Watson et al. 2000, 72).

Thus, a “sustainable future for South-Asian markets lies in ethnic, spatial, and sectoral market reorientation” (Barrett et al. 2002, 17).

2. Group Characteristics

Group characteristics incorporate human capital and social networks. Human capital entails special skills and characteristics that a refugee possess. Whereas, social networks attract customers and suppliers and provide the core workforce for small businesses, access to valuable information and financial capital. Hirschman (1982) states that an ethnic group's socioeconomic achievements are partly a function of “the human capital of individuals and the sociocultural orientation-motives, ambitions-derived from group membership” (Aldrich and Waldinger 1990:122). The structure of social networks depends on the characteristics of the group. While some groups have a strong sense of family loyalty and hierarchal structure, other groups have a diffusely organized families. Group characteristics depend on social networks, culture-specific resource mobilization and state policies of the host country that can either facilitate or hinder the mobilization of these resources (Aldrich & Waldinger 1990).

Researchers regard resource mobilization as a ‘collective’ activity rather than it being an individual one. As such, refugee entrepreneurs seek their social network, usually comprised of family and personal connections, for support in labor force and capital (Aldrich and Waldinger 1990:127). Additionally, refugee entrepreneurs often use their networks to obtain information regarding laws, work permits, accessible business sectors, etc.

Researchers often focus on refugees or immigrants that have prior business experience in their country of origin. For example, the arrival of Chinese refugees from Vietnam with capital, skills, and connections helped the development of the Chinese sub-economy in Paris. On the other hand, some researchers say that it is difficult to determine if having prior experience has an impact on the success or failure of an enterprise. For example, Greek immigrants coming from fishing villages have made their way through the restaurants sector in the United States since the 20^{th} century (Herman 1979).

Group characteristics are also found to affect settlement patterns. As such, the group size and relative residential concentration play a major role in defining the trajectory and the development of refugee enterprises.

A drawback is that refugees constitute smaller groups than other immigrants and thus, might be subjected to discrimination. "The limited involvement of refugees in a community means that it is difficult for them to attract enough customers" (Wauters and Lambrecht, 2008:909).

D. Sectoral Embeddedness of Refugee Enterprises

"Immigrant entrepreneurship is heavily skewed towards specific economic activities" that suits refugee's financial, educational and professional qualifications and has low risks factors (Kloosterman et al. 1999:4). For example, immigrants in the Netherlands are observed to often set up shops in wholesale, retail or restaurants. These shops cater for an ethnic demand (specific food, clothing or hairstyles), require a relatively small capital, and limited educational qualifications. Other researchers claim that small ethnic enterprises are only able to access markets of exotic goods, abandoned markets or markets that are unstable and have a low scale economy. These markets usually present a higher risk for entrepreneurs.

The exclusion of refugees from the labor market, forces them to operate within the confinements of their own community. Light (1972) suggests that ethnic entrepreneurs are initially found within their ethnic community where they cater for the needs of their own people. He refers to this as the ‘protected market hypothesis’. Ethnic communities often have special needs and prefer to deal with their co-ethnics whereas native firms rarely invest in learning the needs of this group of people. Additionally, the concentration of ethnic groups provides a strong consumer base and access to group resources (Aldrich and Waldinger 1990). However, these factors can also limit the growth of ethnic businesses (Aldrich et al. 1983), as refugee entrepreneurs are usually faced with intense interethnic competition when concentrated in a number of industries which would increase possibilities of failure (Aldrich and Waldinger 1990). Thus, the success of ethnic enterprises depends highly on their ability to access a wider group of customers outside their closed community.

In sum, minority businesses or ethnic entrepreneurs usually have ‘concentrated sectoral profiles’. For example, South Asians are specialized in low order retailing and consumer services (Ram and Hillin 1994). Although some South Asians tried accessing the wholesale and manufacture sectors, “breaking into new markets is daunting” and is limited to few ‘well-resourced people’ (Deakins et al. 1997: 35). As for the Chinese, they are more oriented towards the restaurant sector (Chan and Chan 1997). The confinement of immigrant businesses in a narrow range of activities reflects the hostility and constraints facing the development of ethnic enterprises (Barrett et al. 2002). An ethnic customer base is developed when ethnic minorities cluster in one region, this is particularly evident with South Asians in Britain.

E. Impact of Refugee Enterprises on The City

While some scholars argue that refugee enterprises have limited economic impact, given they produce negligible additional local income (Barret et al. 2003; Virdee 2006), other reports emphasize their positive development impact on concepts of social inclusion, sustainability and community cohesion (CEEDR and NEF 2002).

Businesses provide refugees with income and allow them to develop their skills that may, later on, lead to further ventures, while securing local services that benefit the host communities. In addition, refugee entrepreneurship carries non-monetary gains that help refugees lead more sustainable livelihoods (Montclos & Kagwanja 2000). Indeed, "there is now growing evidence of the economic and social contributions refugees make to their host cities: rejuvenating communities, expanding markets, importing new skills, and creating transnational linkages" (Jacobsen 2006:283). Thus, their presence continues to diversify and enhance the services to the host population, provide economic inputs, and may even foster innovation.

Indeed many refugees value work greatly, not only to achieve economic certainty and to help their families, but also to engage in and contribute positively to the community where they resettled (RCOA 2008). Thus, giving refugees the opportunity to become entrepreneurs, can assist and stimulate their integration into the host society (Lyon et al. 2007; Wauters and Lambrecht 2008). For example, studies exploring the experiences of Vietnamese refugees in Australia highlight their strong motivation and desire to work and become economically self-sufficient as soon as possible (Flanagan 2007; AMES 2008). Additionally, when investigating the impact of refugee enterprises within deprived areas in the UK, Lyon et al. (2007:368), concluded that shops established by refugees introduced a positive multiplier effect in their areas as a "result of the close location of work, home and the ethnic community."

Refugees have made a substantial contribution to Australia. Studies confirm that refugees are 'the most entrepreneurial migrants'. Similarly in Britain, refugees are more likely to start a business than locals (Legrain 2016). In sum, prevalent concerns about refugees harming the labor market are uniformed. Refugees who start-up businesses help create new job opportunities and thus, boost the demand for goods and products that they consume which results in creating more jobs in complementary lines of work.

1. Spatial Concentration:

All in all, entrepreneurship is seen as a way to improve living and work conditions of refugees, strengthen their socio-economic ties with host communities, and is often related to long-term settlement plans. In most cases this leads to the development of refugee communities with ‘spatial concentrations’ that are specific to market needs (Hatziprokopiou, 2008:81).

Aldrich and Waldinger (1990) point out that the group size and the relative residential concentration influence the trajectory and the development of refugee enterprises. As such, three business patterns can be identified, local ethnic market, that result from residential clustering and cater to co-ethnic clientele by providing service and retail businesses; pseudo-middleman minority situation, where ethnic businesses are geographically dispersed and they usually target a wider clientele. The third pattern is the ethnic enclave. This group resembles the local ethnic market in terms of spatial concentration however, it has a more diverse industrial structure that goes beyond local economy and these industries are often linked to general, non-ethnic markets (Portes & Bach 1985). An example of ethnic enclaves would be the concentration of the Jewish community in Lower East Side Manhattan working in retail and manufacturing firms. Another example of ethnic enclaves would be the Chinatowns of New York and San Francisco.

It is important to mention that in reality, multiple and overlapping patterns can be observed. For example, the presence of Koreatown in Los Angeles forms an ethnic enclave. However, the fact that 21% of Koreans are self-employed indicates that the majority of Korean business owners are in a pseudo- middleman minority situation, as they cannot address Korean clientele only (Light & Bonacich 1988). Additionally, Chinatown in San Francisco is defined as an enclave however, Chinatowns in Richmond and Sunset are considered as local ethnic market. Whereas Chinese restaurants fulfill the pseudo-middleman minority definition (Godfrey 1988:103-104).

Similarly, following the entrepreneurial strategies and activities of refugees or migrants, Hatziprokopiou (2008:82) identifies three types of visibility or spatial spread of entrepreneurs. The ‘disadvantaged entrepreneurs’, often active in marginal ethnic niches and faces blocked mobility in the labor market; ‘value entrepreneurs’, assimilated into dominant economic structures and spatially dispersed; and ‘ethnic entrepreneurs’, centered around their own community and clustered alongside the businesses of other migrant groups, “as in the case of the multiethnic niche in Athens city center”.

2. City Making

“The impact of immigrants has very noticeably changed the outlook of larger Dutch cities in the last quarter of the century. It started with the crowds in the streets and by now this demographic shift has manifested itself in the rising number of immigrant entrepreneurs.” (Kloosterman et al. 1999:1) This gave Dutch cities a more cosmopolitan outlook and helped advance their urban economies.

Indeed, immigrant enterprises have unexpected, numerous impacts such as, reviving abandoned commercial streets by bringing in new products and marketing strategies (Rath & Kloosterman 1998a), introducing new spatial forms of social cohesion (Simon 1997; Tarrius & Peraldi 1995), creating trade links between formerly unconnected areas (Portes 1995b; The Economist 1998) and most importantly by challenging the host country’s regulatory system and institutional framework by engaging in informal economic activities (Klooterman, Van der Leun a& Rath 1998).

Furthermore, refugee enterprises have a major effect on city making and reshaping the urban space. Lindley (2007), in her study on protracted displacement, shows that the presence of Somali refugees during the 1990s in Eastleigh, Nairobi, transformed the city from a residential area to a vibrant commercial and business center, that houses import–export businesses, retail outlets of different scales, real- estate agencies, hotels, cafes and restaurants and international money transfer and exchange services.

Similarly, Laleli district in Istanbul has come to be known as ‘Little Russia’ due to the presence of migrant entrepreneurs that turned the district into “a transnational market space, fostering new relations and networks” (Gürsel 2017, Yükseker 2004: 53). The recent arrival of Syrian refugees has helped the Laleli phenomenon to proliferate and diffuse to other districts, “overcoming the monopoly of Istanbul as a global city” (Gürsel 2017:139).

In sum, shifting from the traditional “refugee warehousing” approach that implies aid dependency, incapacitated individuals, enforcement and mobility restrictions (Smith 2006) and giving refugees the right to pursue work and move about freely (Jacobsen, 2006), can help realize the potential benefits of refugee enterprise and self-employment on host countries.

After having discussed the literature on refugees and entrepreneurship, I now move to presenting my main findings on syrian-owned businesses in beirut, analyzing their location throughout the city, their profiles and urban impacts.

CHAPTER IV:

SYRIAN-OWNED BUSINESSES: PROFILES AND IMPACTS

A. Syrian-owned Businesses in Municipal Beirut: An Overview

The 33 Syrian-owned businesses I interviewed are diverse in terms of operations, ownership, typology, and relative impact on the city. I am focusing particularly on businesses operating in the food sector as those have the most salient urban impact on the city. Syrian business-owners are of course active in other economic sectors as well, such as clothing and furniture. Several Syrian clothing shops opened along Mar Elias Street and in Tariq al-Jdideh, particularly in Afif al Tibi Street[2]. I was also told that a furniture market is growing in Aramoun and Ouzai neighborhoods. But I won't be examining these sectors as this would expand the scope of my investigation beyond my means. In my sample, 6 out of the 33 interviewed business owners operate in non-food sectors. Their experience resembles that of the food business owners which I discuss below in several aspects, however, they have different operations, characteristics, and urban impacts. Four of those are located in Hamra: a hairdresser, a business venue, a mobile shop, and a carpenter. The 2 others are in Tariq al-Jdideh (clothing shop), and Aramoun (furniture factory). The owners of these businesses come from different class backgrounds, varying between lower-middle

[2] This finding is based on the research work of Mariam Hamieh and Issa al-Hajj as part of the Planning Workshop on Tariq al-Jdideh co-taught by Mona Harb and Ibrahim Mneimneh, at the American University of Beirut in Fall 2016.

to upper-middle. Most of them are doing well and thinking of expanding. They have Syrian employees exclusively, and do not have a major impact on the neighborhood's street life.

In what follows, I present Syrian-owned food businesses, examining their geographic distribution and their size, their diverse typologies and their heterogeneous clientele.

1. Geographic Distribution and Size

Syrian-owned businesses often respond to the neighborhood where they are located. The 33 shops I surveyed are distributed across different neighborhoods in municipal Beirut with a particular concentration in mixed-use neighborhoods namely Hamra, Tariq al-Jdideh, Sodeco, Mar Elias, and Achrafiyeh

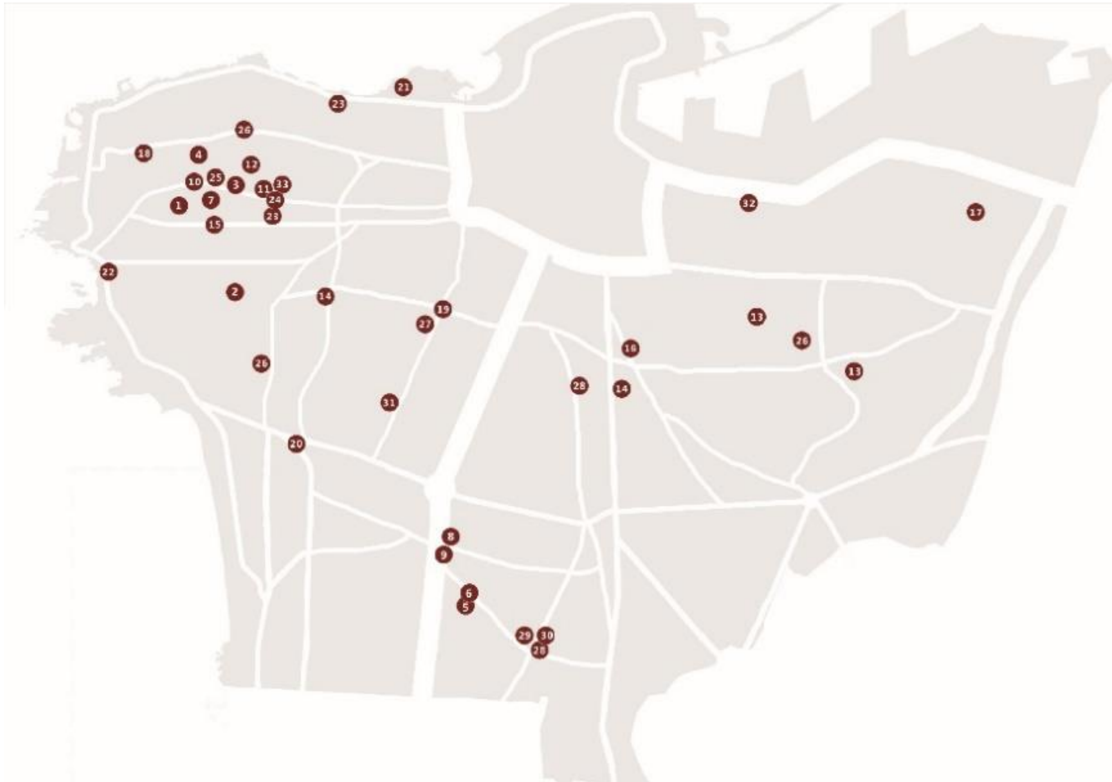

Figure 2 Distribution of Syrian Businesses in Beirut. Source: Author.

8 of the 33 businesses opened between 2011 and 2013: one shop opened on the Corniche, one in Hamra, two in Tariq al-Jdideh, two in Achrafiyeh, and one in Verdun. Only 3 out of 33 businesses reported opening in 2014: two of them in Hamra and one in Tariq al-Jdideh. In 2015, 4 businesses opened: one in Hamra, two in Mar Elias, and one in Achrafiyeh. Between 2016 and 2015, the number of Syrian-owned businesses increases sharply, as 23 businesses reported opening during that period: eleven of them are located in Hamra, which clearly underscores Hamra as a main attraction area, 4 are in Tariq al-Jdideh,

2 in Achrafiyeh, 1 in Sodeco, 1 in Mar Elias, 1 in Verdun, 1 in Ras el Nabaa and a couple on the Corniche.

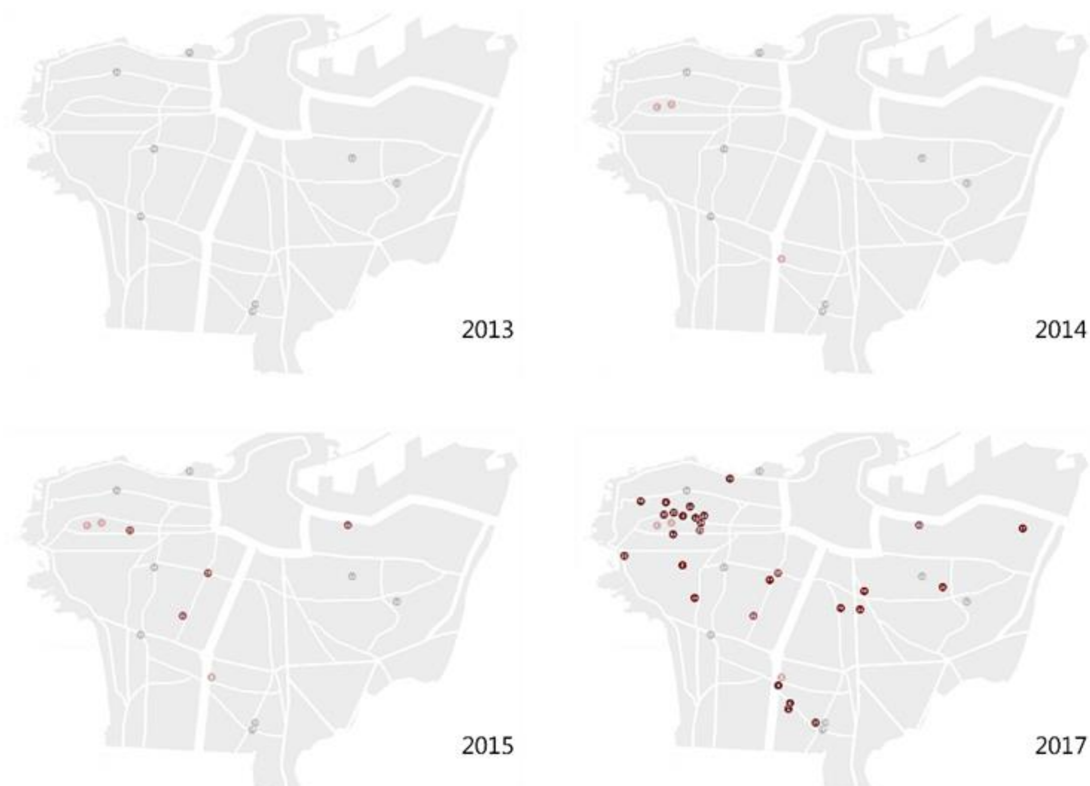

Figure 3 Syrian Businesses: Years of Opening. Source: Author.

The overall geographic distribution of Syrian-owned businesses shows that, since 2011, 17 shops have opened in Hamra, 7 in Tariq al-Jdideh, 5 in Achrafiyeh, 3 on the Corniche, 2 in Verdun, 2 in Mar Elias, 1 in Sodeco, and 1 in Ras el-Nabaa.

Businesses found in Hamra often cater for a middle to upper-middle clientele. Some rely on Lebanese nationals while others try to attract Arab tourists that target Hamra when they visit Beirut. In Achrafiyeh and Sodeco, Syrian-owned businesses mostly serve higher-class patrons in fancy restaurants, irrespective of nationality. As for shops in Tariq al-Jdideh, they address the daily needs of the inhabitants of the area, who are mostly lower-middle class.

Syrian-owned businesses also vary in size. Based on the number of employees[3], 8 out of 33 businesses are "micro-businesses" with less than 3 employees. Most of these businesses are managed by the owner and a family member, or a friend. These businesses are found in Hamra and Tariq al-Jdideh only. The second category is the "small businesses" (10 out of 33) and have up to 9 employees. Those usually hire Syrian employees, mainly from within their social networks, because they are said to work longer hours and get less pay than their Lebanese peers. They are mostly found in Hamra, Tariq al-Jdideh, and Mar Elias. Finally, the "medium businesses" (15 out of 33) have between 10 and 49 employees. Those are more established and the owners prefer hiring both Syrian and Lebanese employees, because they believe this will put them in a better legal position and it can facilitate their access to the host market.

> When we first started, we had Syrian employees only, but since it is very hard for Syrians to acquire a work permit, and that makes them illegal, today, we prefer to hire Lebanese nationals to avoid any problems with the authorities. (Respondent 26; Jan 2018)

The owner of another shop said that he only hires Lebanese for the cashier position,

[3] According to the definition set out by the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon (CCIABML) (Building Markets, 2016:17).

> The cashier is in direct contact with the customers and they would feel more comfortable if he was Lebanese. (Respondent 15; Jul 2017)

They are mostly located in high-end neighborhoods namely Achrafiyeh, Sodeco, Verdun, Corniche, and Hamra.

2. Typologies

I have identified four different typologies for the food businesses I am focusing on (27 out of 33). First, the restaurant and fast food place that openly claims its Syrian identity (11 out of 27), and serve traditional Syrian food. The owners are all of an upper-middle or higher class, and are either form Damascus or Aleppo. Four of them have a Lebanese partner. This type is found in different high-end neighborhoods in Beirut (Hamra, Achrafiyeh, Sodeco, and Verdun). A sub-type of this category is the “night-club” (2 out of the 11), who provide, in addition to the Syrian food, an entertainment program in Arabic (singer, band, belly dancer, etc.)—these mostly target Syrian nationals and Arab tourists. The owners are of an upper-middle class who used to manage similar businesses back in Syria. These businesses are doing well and the owners mentioned having plans for expansion. These businesses are both found on the Corniche.

The second type is the “mahmasa” or the Syrian sweets and spices shops (7 out of 27). The owners either come from Wadi Barada or Homs, and their socio-economic status varies between lower and upper-middle class. Their business is stable, and only one is thinking of expanding. They all have the same typical “kitschy “interior décor, and employ Syrians only. They are found in Hamra and Tarik al-Jdideh.

The third type is the “furn” (bakery) and the “express” (5 out of 27). These are very small shops typically in dilapidated sections of buildings and streets, where rent is obviously is cheap—they mostly serve a lower-income clientele, including a lot of taxi-service drivers, and stay open very long hours, sometimes all nights. The owners are all of a lower class and struggling to sustain their business.

The fourth type is the “dessert shops/bars” (4 out of 27). Their owners are of upper-middle and higher-class. Most of them are students or fresh graduates who were looking for economic opportunities. They are characterized by their contemporary décor and by their English names and do not reference their Syrian identity. All are doing well and thinking of expanding their business. Some have branches across Beirut, and even in the Arab world. They have both Lebanese and Syrian employees.

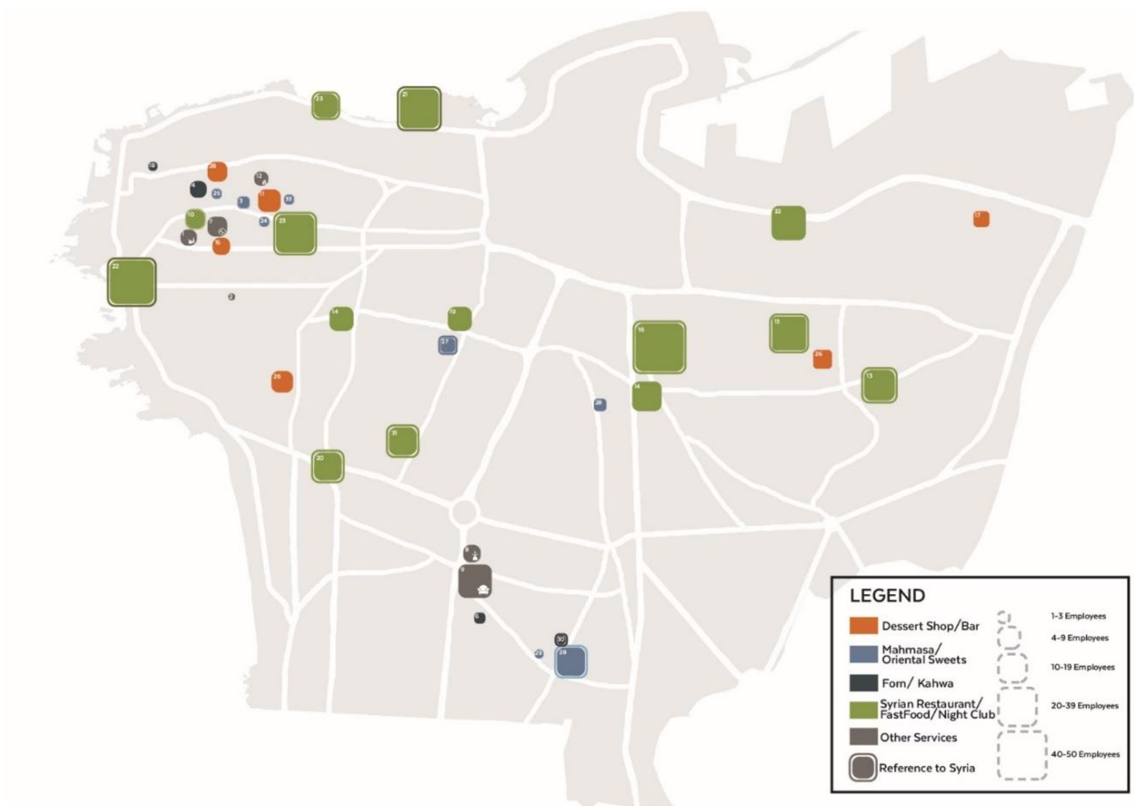

Figure 4 Syrian-owned Businesses: Sizes and Types. Source: Author.

3. A Heterogeneous Clientele

Syrian-owned businesses either advocate their Syrian identity or hide it out. Out of 33 businesses, 14 are named after Syrian towns or landmarks. The interior design of these shops is often conceived by the owners themselves or by their close Syrian friends. The design clearly claims a Syrian identity through names used, products sold, Arabic accent of employees... These include 4 sweets/nuts/spices shops (mahmasa), 2 oriental sweets shops specializing in Syrian sweets, 6 restaurants serving Syrian dishes that are located in traditional renovated houses and decorated in ways to claim to look like an old damascene house, and two night clubs. The owner of one of the oriental sweets shops said that he decorated his Beirut shop "in the same way [his] old shop in Damascus was decorated". Another restaurant owner said that he brought some of the furniture from Syria because, "we wanted to create an authentic Syrian place that resembles our restaurant in Syria'". When interviewing a Lebanese restaurant owner that is named after a Syrian city, the owner said that they chose this name on purpose because Syrian food is popular nowadays in Beirut.

> The name and design attracts Syrian customers who enjoy the "Syrian atmosphere" that makes them feel at home as well as Lebanese nationals who are usually interested in trying new trends (Respondent 13; Jun 2017).

Figure 5 Syrian-Owned Restaurants with Clear Reference to Syria. Source: Author.

Conversely, 7 business owners chose English names as they thought this would facilitate their access to the Lebanese market. They tended to promote themselves as trendy and non-Syrian-specific. One shop owner said that he prefers to maintain a neutral design and atmosphere that welcomes people from different nationalities, I am a bit careful about people knowing that the shop is owned by a Syrian… My shop targets a wide range of customers and I know that many people would stop coming in if they knew that (Respondent 11; Apr 2017).

Clearly, Syrian-owneed businesses do not target the same patrons. When asked about their customer base, 21 out of 33 businesses said that they mainly target Lebanese. Through varying prices, diverse interior décor styles, and the presence of free wi-fi, some attract higher-end families, while others rely on students, and few others cater to lower- and middle-income patrons. Many business owners are well aware that for their businesses to survive and flourish, they need to be attractive to the Lebanese.

To succeed in a country, you have to rely mainly on the people of this country. If you bet on tourists or even the Syrian population in Lebanon you are going to lose. (Respondent 15, Jul 2017; Respondent 14, Jul 2017)

Figure 6 Syrian-Owned Restaurants with no Reference to Syria. Source: Author.

Still, these businesses do have a Syrian customer base that either knows them from Syria or visit because they provide Syrian-specific services or products. The owner of one of the restaurants estimated that a third of customers in restaurants are Syrians, and 'business owners should not ignore that'.

Seven out of 33 said that they cater for tourists, specifically Arab nationals (GCC nationals and Iraqis). The owner of a sweets shop (mahmasa) said:

> While Lebanese customers would buy few products every now and then depending on their daily needs, tourists usually come in and buy a lot of sweets as gifts for their families and friends (Respondent 25, Feb 2018).

Another restaurant owner said that khaliji and Iraqi tourists use to come to is restaurant in Syria, and that they followed him when he relocated to Lebanon. Only two businesses said that their services are mainly dedicated for Syrian nationals.

B. Syrian Business Owners: Profiles and Indicators of Success

In terms of age, the 33 respondents consists of both young and middle-aged business owners. 17 out of 33 are in their 40s, 7 respondents are in their 30s, and 7 are in their 20s. Only 2 reported being in their 50s. Out of the 33 businesses I interviewed, two were owned by women, and one had a women manager. Almost all of the respondents come from a comfortable background such that, 19 out of 33 are of an upper middle or higher class, 5 are of a lower middle class, and only 3 come from a lower class.

In what follows, I will be analyzing the group characteristics and human capital of the 33 respondents (Kloosterman et al. 1999), their trajectory, skills, social networks, and socio-economic status. I will start by tracing their trajectories and highlighting the reasons behind their choice of Beirut and particularly Hamra as their first destination. I will then look at the variation of their occupational mobility, comparing the skill level of their jobs in Syria to the ones they got when they first moved to Lebanon and their current jobs today. Additionally, I will study the social networks of respondents in order to understand their impact on the establishment and operations of these enterprises. Based on the collected data, I will assess the performance of Syrian-owned businesses and divide Syrian business owners into 4 categories, struggling, coping, comfortable and successful.

1. Trajectories: Beirut and the Hamra Case

A business owner's background, trajectory, and experience play a major role in her/his self-employment choices, and in shaping the outcome of the business. In this section, I highlight the factors that motivate Syrian business-owners to start-up a business in Lebanon, exploring their previous experiences, the challenges they face, and the strategies they deploy to overcome these challenges and realize their goals.

Most of the respondents (20 out of 33) are originally from Damascus, five are from Aleppo, three from Wadi Barada, one from Ladhikiya and one from Der El Zour (Figure 7). Having the majority of the respondents from Damascus can be attributed to the strong geographic linkages and the historical socio-economic relations between Beirut and

Damascus. Many of the respondents used to consider Beirut as a touristic destination before 2011. After the war, Beirut became a city of refuge.

Almost all interviewees reported Lebanon being their first destination after leaving Syria (28 out of 33) (Figure 8). As for the other 5 respondents, one said that he went to Dubai first where he opened a restaurant, but then decided to come to Beirut. He did not provide a clear reason behind this choice. Another respondent said that he first went to Amman, but then decided to relocate, because Beirut offers more economic opportunities and he has family members living in Beirut. One mentioned leaving with a group of friends to Oman, and then to Jordan but he found the market to be slow and they were not making enough profits. A couple of his friends then relocated to Dubai, but he couldn't get a visa, so he ended up in Beirut. One respondent said that he went to Belgium to explore business ideas, and then decided that Lebanon is the best place for him to start-up. Only one respondent mentioned internal displacement, as she left Aleppo to Damascus and then came to Beirut. All interviewees came directly to Beirut except two, one lived in Zahle for a while but then moved to the capital when he decided to open a business and enroll his kids in school. The other respondent was living in the Bekaa with his family, but recently moved to Beirut because he heard from Syrian friends that Beirut offers better business opportunities.

Respondents stated several reasons behind choosing Lebanon as a host country. Some said they prefer to stay closer to home, in an Arab-speaking country, where they can communicate easily. Those also highlighted the importance of living in a country that has a similar culture to Syria so they can raise their children to the same norms. The carpenter's wife has a British citizenship but they both don't want to live in the U.K since they don't 'see themselves living and raising their children there' because of different religious values.

Another reason mentioned was the larger access to social networks in Lebanon that facilitated and enabled their stay. Some also mentioned the 'availability of economic opportunities' as the reason behind choosing Lebanon as a destination. Many Syrian workers, investors, and businessmen have been in Lebanon prior to 2011. The common perception among Syrians is that Beirut offers job opportunities, a free economy, and access to the global market.

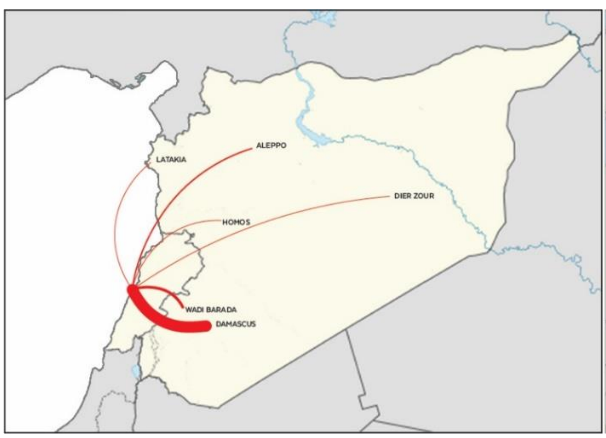

Figure 7 Cities of Origin. Source: Author.

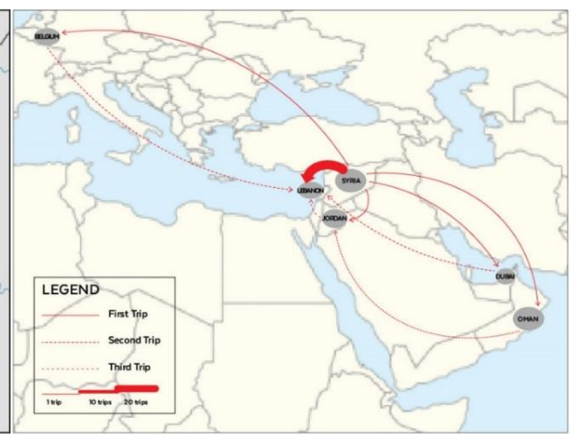

Figure 8 Trajectories. Source: Author.

The choice of business location in Beirut was mostly based on prior knowledge of urban neighborhoods (16 out of 33). Respondents used to spend their vacations in Lebanon and they returned to the places they knew well. Some relied on advice from Syrian and Lebanese social networks (10 out of 33). Whereas some others (7 out of 33) went through a process of trial and error, where most of them failed at their first attempt to start-up a business, and had to relocate and start over. Some attributed this failure to external pressures from the municipality or the neighborhood's dwellers. Others said that their decision to relocate came after they found better locations either providing easier market accessibility, or a more affordable rent.

Hamra stands out as a destination to many of the Syrian business-owners I interviewed. Hamra's neighborhood is largely politically controlled by the Syrian Social Nationalist Party (SSNP) who are known to tax restaurants and bars along Makdisi street, and nearby streets in exchange of insuring security (Bonte 2017). In an interview with a SSNP members, he asserted that

> Syrians know that they are more welcomed in Hamra and less likely to be discriminated against or harassed here because the party maintains a safe environment. When a Syrian businessman comes to Hamra, if he is with the [Baath] party, we have an obligation to help him setup his business or find a job. If he is in the opposition, they can still work in Hamra or start-up their business, but they know very well that they can't be active politically or engage in political conversations. We guarantee their safety as long as they keep to themselves and do not create any problems. We know who comes and goes here, and have everything under control. We keep a record of every Syrian employer and employee that comes to Hamra.

As such, the affiliation of Hamra to the SSNP certainly encourages pro-regime Syrians to locate in it, while it probably discourages opponents to settle there. This was partly corroborated by interviews conducted by Salameh with Syrian patrons in Achrafieh who asserted avoiding Hamra because of the SSNP's control (forthcoming). In our interviews with business owners in Hamra, they didn't mention the SSNP and confirmed keeping a low profile and not engaging much in conversations with neighbors. Some mentioned that Syrians have a special connection to Hamra since before the war, which they used to target when they visited Lebanon:

> There is a special bond between Syrians and Hamra, it is our first destination in Beirut. And, all Arab tourists come to Hamra as well, so it's a great place to start a business in.

As for the Merchants Associations in Hamra and Makdisi, their relation to Syrian business owners is not clear, but from the interviews, none of the respondents referred negatively to the association or reported having any problems that might impede their operations. It is worthy to note that in 2015, as a response to an article written in an-Nahar Newspaper[4], the Merchants Association in Hamra wrote an article entitled, 'Hamra Street Is Lebanese and Did Not Lose Its Identity'. In their article, the Hamra merchants reminded readers that Lebanese own more than 1,000 establishments in the neighborhood, and that the cultural and commercial life in the street still warrants it the title of 'Beirut's Champs-

[4] Hussein Hazuri (2015), wrote an article an-Nahar newspaper where he explains how Hamra Street, had recently been transformed and re-shaped by the presence of Syrian refugees. According to Hazuri, the street that was once a symbol of Beirut's cultural scene is now dominated by Syrian establishments, employees, and cars (Hazuri, 2015). He backs his claims by interviewing Hamra dwellers and shop owners, who complain that the street has "turned" Syrian.

Elysees', qualifying the presence of Syrian workers as 'normal'. This signifies that the Merchant Association is not threatened or alarmed by the presence of Syrian-owned businesses in Hamra.

2. Occupational Mobility: Relatively Stable

The majority of the participants (21 out of 33) chose to be self-employed because they owned their own businesses in Syria, and most were working in the same business sector. To them, it was the only option they could consider, since they already had the experience and the capital. 12 respondents chose self-employment without having a previous track in the same business sector: some said they established new businesses because they couldn't access the labor market otherwise, and some said they needed to be 'free' and 'move whenever [they] needed to' as they had family members in Syria they often traveled to. Out of the former, 5 fresh graduates said they were looking to start a new business outside Syria because the war destroyed the country's most vibrant commercial centers and infrastructure.

In most cases, the respondents didn't establish businesses early on when they move to Lebanon, because they perceived their situation as temporary. The decision came after a few years of 'waiting to see what will happen'. As the war dragged, the idea of going back to Syria seemed more difficult than before. Thus, the decision to establish a business reflected the need to settle down and have a sense of stability. All respondents said they opened their businesses opened between 2012 and 2017. 8 out of 33 opened in 2012 and 2013. Three business owners said they opened in 2014, and 4 in 2015. These low numbers may be associated to series of legal measures adopted by the government at that time, including closing borders, restricting Syrians access to work, and altering their residency status in Lebanon. Ten businesses reported opening in 2016, and described their operational status as stable, though none are thinking of expansion. Nine businesses opened in 2017: their performance varied from slow to good with one shop owner stating that he is struggling. This rise in the number of Syrian owned businesses can be attributed to the Lebanese government's commitment to prioritize employment creation and integration in Labor markets for Syrian refugees following the meetings held in London in 2016 between international donors. However, restrictions were not fully removed, and recently opened shops stated that they had to deal with a more complex set of regulations than those who opened prior to 2014.

The table below lists the occupations of the 33 respondents in 3 different timeframes: prior to 2011, when the respondents were in Syria, after 2011, when they first came to Lebanon, and currently in 2017-18. According to the skills and salary range or profit made by each respondent, I divided the occupations listed below into 4 levels: level 1 corresponds to jobs that involve unskilled laborers (generating around 600,000 LBP per month). Level 2 corresponds to jobs that need skilled workers (generating around 1.2 million LBP per month). As for level 3, these are usually jobs performed by professional workers or owners of small enterprises (generating around 1.8 million LBP per month). Finally, skill level 4 that entails managerial workers or owners of medium-sized enterprises (generating around 2.5 million LBP per month).

In the case of business owners, the skill level depends on the size and operations of the business. As for university students, the skill level depends on their level of education. (Ministry of Economy and Trade, 2007)

Table 1 Occupational Mobility of Syrian Business Owners

	Occupation in Syria	Skill Level	First Job in Lebanon	Skill Level	Current Job in Lebanon	Skill Level
1	Marketing Agency	4	Office Center	3	Office Center	4
2	Owner of a Furniture Factory	4	Laborer	1	Owner of a Small Furniture Shop *	2
3	Chef at a Restaurant	2	Street Vendor	1	Owner of a Sweets Shop *	2
4	Chef at a Restaurant	2	Laborer	1	Restaurant Manager *	3
5	University student	3	Baker	1	Owner of a Forn *	2
6	Agriculture	1	Baker	1	Owner of a Forn *	2
7	Owner of Mobile Shops	4	Owner of Mobile Shops	3	Owner of Mobile Shops	4
8	Owner of Clothing Shops	3	Owner of a Clothing Shop	3	Owner of a Clothing Shop	3
9	Owner of a Restaurant in Dubai	4	Owner of a Furniture Factory	4	Owner of a Furniture Factory	4
10	Owner of a Restaurant	4	Co-owner of a Restaurant	3	Co-owner of a Restaurant	3
11	University student	3	Owner of a Chocolate Bar	3	Owner of a Chocolate Bar	4

12	Owner of a Hairdressing Salon	2	Hairdresser	1	Owner of a Hairdressing Salon *	3
13	Manager at a Cell Phone Company	4	Owner of a Restaurant	4	Owner of a Restaurant	4
14	Owner of a Restaurant Chain	4	Owner of Restaurants	4	Owner of Restaurants	4
15	University student	3	Owner of a Juice Bar	3	Owner of a Juice Bar	3
16	University Student	3	Owner of a Restaurant	4	Owner of a Restaurant	4
17	University Student	3	University Student	3	Owner of a Bar	3
18	Housewife	1	Waitress	1	Manager of a Café *	3
19	Owner of a Restaurant Chain	4	Chef	2	Owner of Restaurants *	4
20	Owner of Restaurants	4	Owner of a Restaurant	4	Owner of a Restaurant	4
21	Owner of a Night club	4	Owner of a Night club	4	Owner of a Night club	4
22	Owner of a Night club	4	Owner of a Night club	4	Owner of a Night club	4
23	Owner of a Restaurant	4	Owner of a Restaurant	4	Owner of a Restaurant	4
24	Owner of a Mahmasa	2	Owner of a Mahmasa	2	Owner of a Mahmasa	3
25	Owner of a Mahmasa	2	Owner of a Mahmasa	2	Owner of a Mahmasa	3

26	Owner of several Dessert Shops	3	Owner of several Dessert Shops	4	Owner of several Dessert Shops	4
27	Owner of an Oriental Sweets Shop	3	Laborer	1	Co-owner of an Oriental Sweets Shop *	3
28	Owner of an Oriental Sweets Shop	4	Owner of an Oriental Sweets Shop	3	Owner of an Oriental Sweets Shop	4
29	Owner of a Forn	2	Baker	1	Owner of a Forn *	3
30	Owner of a Mahmasa	2	Owner of a Mahmasa	2	Owner of a Mahmasa	2
31	Owner of a Restaurant	4	Owner of a Restaurant	4	Owner of a Restaurant	4
32	Businessman	4	Co-owner of a Restaurant	3	Co-owner of a Restaurant	3
33	Owner of a Mahmasa	2	Laborer	1	Owner of a Mahmasa *	2

Source: Author.

Most of the respondents were business owners in Syria, and some had several branches to their business, and were performing very well. They possessed special skills and characteristics that enriched their experience. Almost all respondents who reported having owned businesses in Syria confirmed that their businesses are now closed, except 5 who said that they still have family members in Syria managing them, but operations have greatly downsized since the start of the war.

When comparing the skill level of occupation in Syria to the skill level of occupation in Lebanon, we see that 11 out of 33 respondents had to work in lower-skilled jobs (moving from levels 4 or 3, to working as laborers in level 1). This corresponds well with the theory of initial downward occupational mobility experienced by refugees in new countries (Chiswick et al. 2005; Rooth and Ekberg 2006). The rate of downward mobility is closely linked to the background of refugees as well as the state of the host economy. Downward occupational mobility is usually less evident among self-employed refugees since most of them manage to transfer their businesses to the host country (Rooth and Ekberg 2006). They often create start-ups in the same sectors they used to operate in and are observed to eventually do better. When they first arrived to Lebanon, some respondents tried to secure jobs in Lebanese-owned businesses (11 out of 33). However, these respondents were working long hours and getting paid little money in return. All mentioned feeling abused and underappreciated, which prompted them to start-up their own business.

> I worked as a laborer for more than a year. I then partnered with an old Lebanese man who owned a shop in Ain Mraisseh. The man was very difficult to deal with, and very stingy and when the business boomed, he wanted to take advantage of me so I decided to leave and start my own business. (Respondent 2, Mar 2017)

> We were both working as bakers for a Syrian man but always felt that we were disposable, which made it stressful. We then decided to open up our own place. This decision was not to gain more money, but to feel better psychologically. (Respondents 5 and 6, Mar 2017)

On the other hand, 14 out of 33 respondents were able to establish their businesses in the same sector they were operating in while in Syria, making use of their human capital and special skills. However, all respondents stated that their new businesses were relatively smaller in size and operations than the ones they owned in Syria, This is mostly due to the longer period of time they were operating in Syria, in addition to the easier access they had to needed information and capital in their own country. On the other hand, this indicates that Syrian-owned businesses, given more time and experience in Lebanon, may have the capacity to grow larger.

> We used to have a furniture making company in Syria. Our company had two large factories and a number of shops. Now, all I have is this small shop and I struggle every month to pay the rent. (Respondent 2, Mar 2017)

> My restaurant had 13 branches in Syria. We were well established and everyone knew our products were the best. I struggled a lot when I first came to Lebanon. Now, things are starting to get better but there are still several obstacles. (Respondent 14, Jul 2017)

Most respondents, with time, were able to adjust to the new context and perceive their situation as an opportunity to expand their businesses. They were able to familiarize themselves with the Lebanese market needs, understand the institutional framework, and invest in market strategies that facilitated their ability to reach out to a wider customer base and expand their businesses. This was translated in an upward occupational mobility towards higher skilled jobs or a better performance in currently managed/owned businesses.

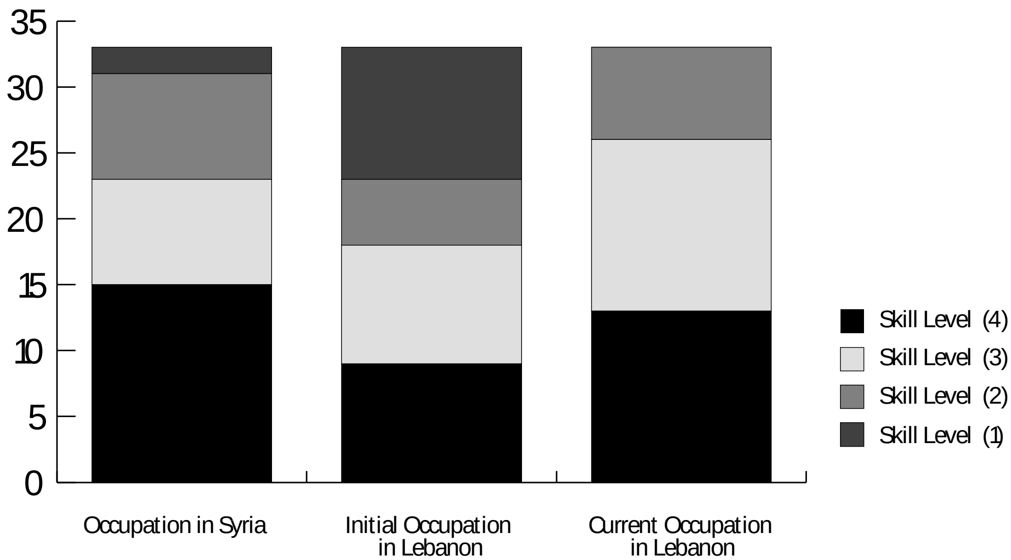

Figure 9 Variation of Skill Levels. Source: Author.

Figure 9 shows how the number of respondents having jobs of skill level 4 dropped from 15 to 7 when they first came to Lebanon. Simultaneously, an increase in respondents having jobs of skill level 1 can be observed. Currently, respondents reported doing better such that a rise in skill level 4 and 3 can be seen, whereas none of the respondents reported having a job of skill level 1.

3. The Importance of Social Networks

Social networks represent an essential part of the human capital that refugees/displaced people possess. When arriving in a new country, displaced people tend to seek assistance from immediate and extended social networks to help them find housing and/or employment opportunities. The literature confirms that social networks are a powerful element of entrepreneurship, they attract customers and suppliers and provide the core workforce for small businesses, access to valuable information and financial capital (Wauters and Lambrecht 2006). Examining the social networks of the 33 Syrian business owners reveal the role of these networks in enabling their business enterprises and overcoming disruptive barriers.

In order to characterize the role of social networks and their significance, I asked respondents if they received direct help or advice when they first started their business, and if they have someone they refer to whenever they face any obstacle. According to the collected data, the social networks of the 33 Syrian business owners include both Syrians and Lebanese. On the side, social networks include family and friends who either were living in Lebanon before the war, and are able to provide insights on logistics, legal and financial matters, or came after the war: those mainly provide capital or support in operating the business. Whereas on the Lebanese side, networks are mostly made up of business partners or influential friends that facilitate access to information, help with legal matters, or in some cases provide with capital to start the business.

Those who had strong social ties with Syrian friends and family had businesses that performed better, and gave respondents ‘the strength to keep going’. 13 out of 33 respondents said that they used the help of a friend or a family member when starting their business. For example, the owner of a juice bar was able to fund his business through financial support from his close family. Another group of friends agreed together to open a bar in Achrafiyeh area close to their place of residence.

> At first, we relied on our friends to come in, later we were able to widen our connections. Today, we have costumers from different places. (Respondent 17, Jul 2017)

A sweets-shop owner opened his place in Hamra with his cousin and their friend. He is also supported by his brother and other friends who manage a similar business in Dubai. His presence in Hamra encouraged other entrepreneurs with the same type of business, who also come from the same village in Syria, to open their shops in Hamra.

> We heard from some friends that Hamra is a good street for our business. It is a busy street that has a vibrant market and many tourists coming in. (Respondent 25, Feb 2018)

Significantly, the data shows that Syrians rely on Lebanese social networks as well. Many interviewees (say how many) mentioned having Lebanese partners who take care of legal issues, and influential friends who facilitate their access to information and other sources of support. For example, seven participants who opened restaurants or food businesses have Lebanese partners who helped identify a good location and provided support with legal matters. One respondent said that his Lebanese partner identified the location of the shop, and helped with legal matters, whereas he provided the capital and expertise.

> My Lebanese partner provided the space for the restaurant in exchange of our name and expertise. The contract says that the he gets a percentage of the profits in

> exchange of providing the place, setting it up, and taking care of legal issues. (Respondent 14, Jul 2017)

Having a Lebanese partner also seemed to give a sense of security as Syrian business owners who had them were more willing to answer the interview questions since there is ‘someone backing [them] up’.

On the other hand, Syrians with no social networks were observed to struggle as they had no easy access to valuable information, and had to go through a process of trial and error which cost them both time and money. A restaurant owner said that he didn’t receive help from anyone when he first started his business.

> I used to be scammed all the time and that cost me a lot of money. For example, one of the suppliers used to sell me the bottle of water for 400L.L. Now that I gained more experience, I get the same bottle of water for 200 L.L. (Respondent 19, Jan 2018)

Additionally, when he first opened his restaurant, he was not aware of the legal requirements: getting a work permit, registering the business, etc. He ended up paying many fines for violations he didn’t know about.

In sum, having strong social networks has a positive impact on the overall experience of Syrians starting a business in Lebanon. Syrian business owners who reported doing well and very well had friends or family members funding, supporting, or working with them. These social ties are also reflected in their daily lives. Syrians often live next to their family or friends, where they share common activities and outings. The owner of one of the restaurants said that he has 20 family members, brothers and cousins, who are operating different restaurants around Lebanon.

> We are about 20 guys, every one opened a restaurant in a different location in Lebanon on Autostrade Sayed Hadi, in Ashrafiyeh, in Choueifat, Nabatiyeh, Habboush, Sour, Harouf, Hadath, Saida, etc. We meet regularly, every other week, to exchange ideas and business advice. We keep each other going. (Respondent 19, Jan 2018)

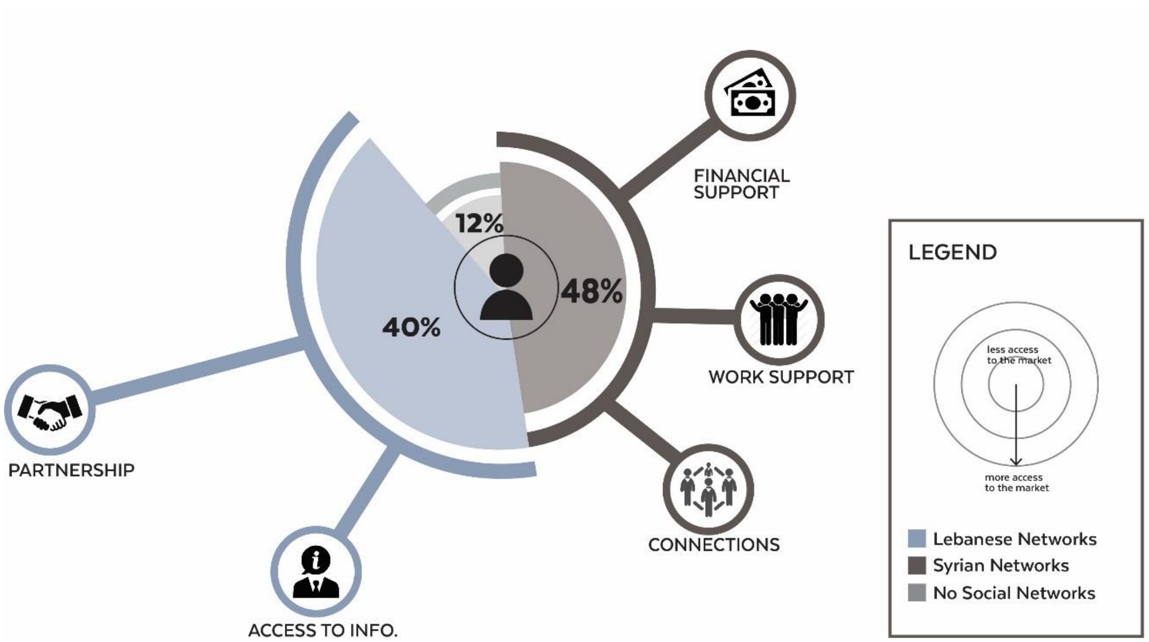

Figure 10 Social Networks of Syrian Business Owners. Source: Author.

4. Assessing Business Performance

Syrian business owners can be divided in four categories: struggling, coping, comfortable, and successful. Struggling businesses are those attempting to survive. Coping businesses refer to those who have managed to sustain themselves and adapt to the new situation. Comfortable businesses are owners of relatively prospering businesses who are 'living rather affluently'. Successful businesses are those who have strong product and market knowledge, a sustainable business, and managed to expand their operations by opening additional branches in Beirut and/or Lebanon.

In what follows, and building on previous work,[5] as well as on visualizations co-authored by Ahmad Gharbieh and Monica Basbous,[6] I seek to assess the performance of Syrian-owned businesses looking at a set of eight indicators: future plans (closure, undetermined or struggling, relocation, expansion), mention of debts (yes or no), relationship to neighborhood (disturbed, uneasy-nonexistent, calm-nonexistent, good terms, proactive), time since opening (less than a year, one year, one and a half years, two years, two and a half years, three years and more), business size (micro, small, medium), ownership (managed, sub-contracted, rented, owned), clientele's socio-economic class (lower class, university students, lower middle class, upper middle class, upper class), previous occupation (different or same). The diagram below illustrates the base upon which businesses are evaluated. The closer to an octagon shape the diagram is, the highest performance of the business: these are the comfortable and successful ones. The more the

[5] Harb M., Kassem A. and Najdi W. (2018), "Entrepreneurial Refugees and the City: Brief Encounters in Beirut", *Journal of Refugee Studies*, February.

[6] The visualizations are part of collaborative work developed within a Ford Foundation grant, which will lead to a publication co-edited by M. Fawaz, A. Gharbieh, M. Harb and D. Salameh, forthcoming in summer 2018, tentatively entitled "Practicing the City as a Refugee".

octagon is deformed, the worst performance of the business: these are the coping and struggling ones.

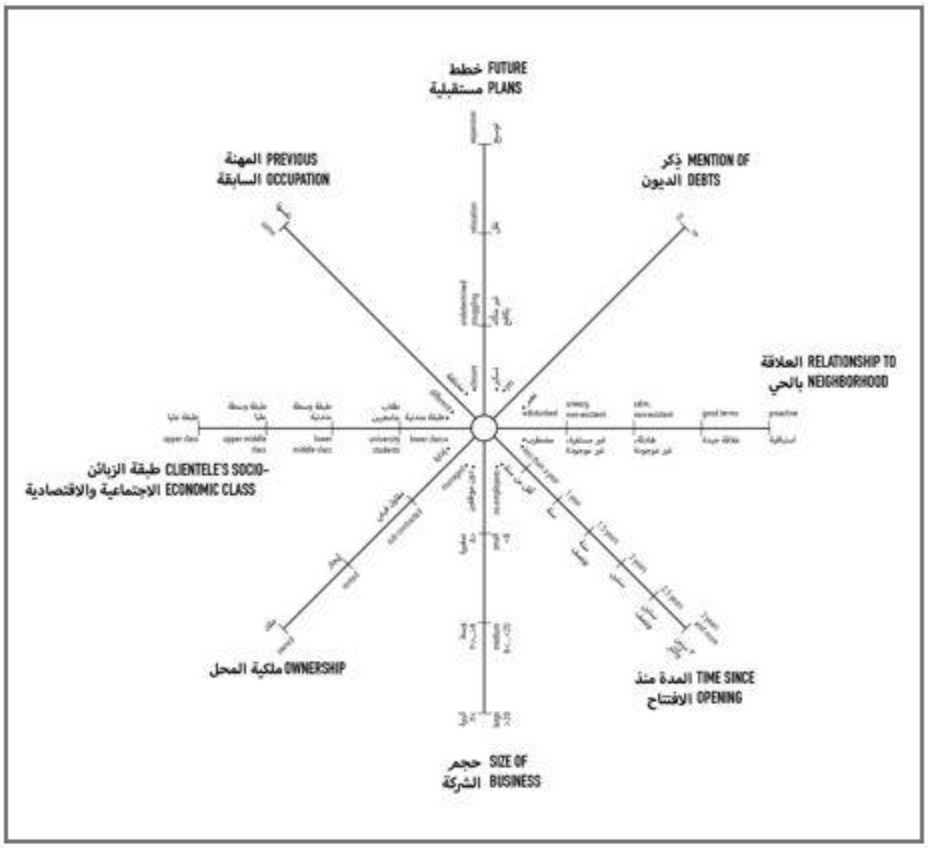

Figure 11 Business Assessment Diagram. Source: Monica Basbous (forthcoming).

The struggling business owners include 8 out of our 33 interviewees: three bakers, a carpenter, three Mahmasa owners, and a Kahwa owner. They are all hardly making enough money to cover their daily living expenses. They all said that they are struggling to keep their businesses running. They rarely engaged with the Lebanese people, focusing mainly on their work. Most of them said that they did not have time for leisure as they spend all of their time working. They had small shops with no decoration and no employees. Some focused on providing products and services for the Syrian community in Lebanon while others wanted to attract tourists. All in all, they were happy with any clients they can get. One of the interviewees said that she offers low prices and good deals to attract more customers. She even opens her shop 24/7 to attract as much clients as possible to keep going.

The graphs below portray the 8 cases of struggling business owners. All of them were managing businesses similar to the ones they had in Syria. All except two mentioned being in debt. They had a minimal relationship to the neighborhood. Additionally, only few mentioned having future plans, the others were not sure about the future as they have been operating for a short period of time.

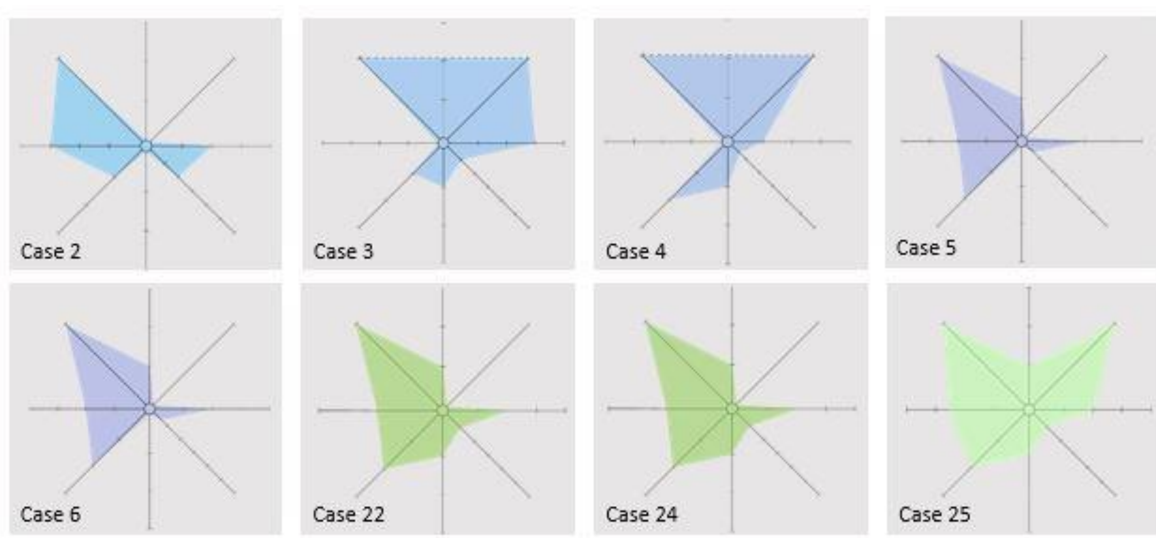

Figure 12 Profiles of Struggling Businesses. Source: Author.

The coping entrepreneurs are 7, they include three restaurant owners, two Mahmasa owners, a hairdresser, a clothing-shop owner. . All of these interviewees were doing well financially. They were running their business with relative comfort. Most of them had Syrian employees only. Some of them mentioned having Lebanese nationals in their networks. Their free time was spent with family and friends. Their shops have simple designs and little decorations. From the graphs below we can see that none of them mentioned debt, all kept their previous occupation except for two. They have good relationship with their neighborhood. Only few had future plans of expansion. Their clientele varied greatly, with strong indicators of targeting Syrians and Arab tourists.

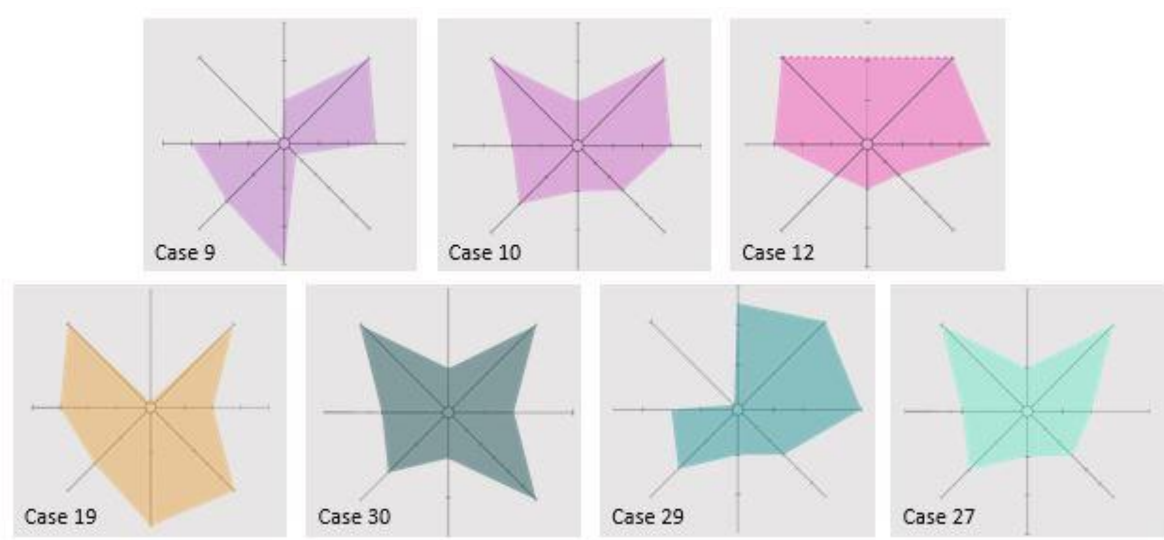

Figure 13 Profiles of Coping Businesses. Source: Author.

The comfortable entrepreneurs include a cell-phone-shop owner, a (female) business-venue manager, two dessert bar owners, a juice bar owner, six restaurant owners, and an owner of a furniture factory. All are financially comfortable, and all are considering expansion. The furniture-factory person owned a restaurant in the Gulf, while the cell-phone-shop owner had acquired another smaller shop in the city, and the owner of the business venue was in the closing phase of managing a second business center in Badaro. As for the restaurants and bar in Achrafiyeh and Sodeco, one already had a second branch, and the others are planning to expand soon. Both restaurants in Ain-Mraisseh belong to the same group of owners who also own another restaurant in Verdun. They all belonged to an upper middle class and expressed their frustration with the dominant image of the Syrian 'refugee' in Lebanon: that of a dirty, uneducated, rural, low-skilled and simple worker. They stressed that the Lebanese needed to know that many Syrians living in Lebanon were educated, able and have managed to open businesses that can contribute to the country's development. One of the restaurant owners wondered why the Lebanese government doesn't give incentives for Syrian businessmen to invest in Lebanon. He added that many of his friends tried opening businesses in Lebanon but failed due to the imposed restrictions and had to leave to Turkey and other countries.

> The Ministry of Public Works and Transportation requires demands that can't be achieved, while the Lebanese General Security has different rules and they often conflict with each other. Recently the G.S stopped granting 3-year-residency for investors, and you need the residency to obtain a license to work (Respondent 14, Jul 2017).

Comfortable business owners cater for a diverse clientele. With well-decorated venues and obvious expenditure on design, some shops market themselves as trendy and non-Syrian-specific, from employees to name. Other spromote themselves as Syrian, making use of their cultural background and human capital to offer Syrian-specific food. Respondents in this group had more free time and were able to enjoy consumer-based activities with their friends and family. Most of them mentioned having Lebanese friends in their social networks.

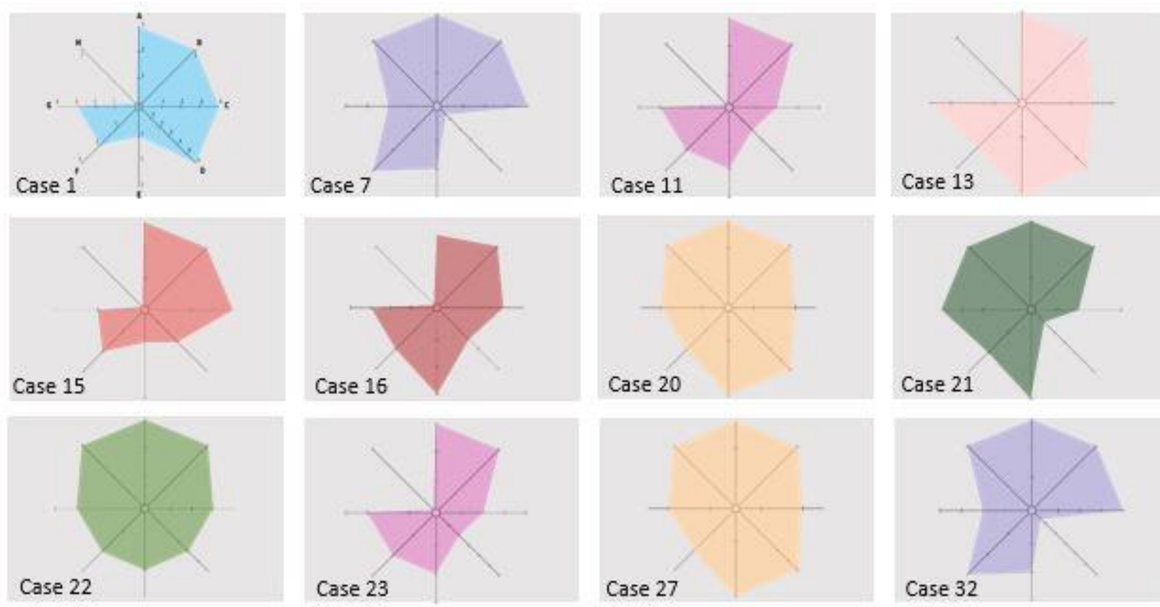

Figure 14 Profiles of Comfortable Businesses. Source: Author.

The successful entrepreneurs include two restaurant owners that have 3 branches in Beirut and other businesses outside Beirut, an oriental sweets shop owner who is managing 3 other businesses, and a desserts shop owner that has 15 branches in Lebanon and has recently expanded his business to neighboring countries namely, Kuwait, Jordan, and Dubai. All managed successful businesses and have expanded their operations to target a wider clientele. Both restaurants' owners used to have restaurant chains in Syria comprised of more than 10 branches that are now closed. The sweets shop still has branches running in Syria. They are very similar to the comfortable entrepreneurs in terms of their background, education and class, but they are more established and powerful in the Lebanese market. All three stressed the importance of differentiating between a Syrian 'refugee' and a Syrian investor (*Mustathmir*). The owner of one of the restaurants said, 'the Lebanese government labels all Syrians as refugees. They don't even realize the positive impact Syrian investors can introduce to the Lebanese economy'. Successful businesses target a larger and a more diverse clientele in order to expand their business and making more profit. Both restaurants, the dessert shop, and the oriental sweets shop owners mentioned hiring a Lebanese interior designer and stressed that 90% of their employees are Lebanese as well. They prefer hiring Lebanese employees to avoid legal issues with the government and because they believe this will attract more customers.

> The problem is, when we first started, a Syrian employee would get payed half of what a Lebanese employee would ask for. Thus, it was better for us to hire Syrians. But today, Syrians are asking for more money. A Syrian employee used to ask for $400, now he doesn't settle for less than an $800. Whereas a Lebanese employee gets paid about 1,000$. Now, I prefer hiring Lebanese, because they attract more customers. (Respondent 19, Jan 2018)

In addition, all three manage their finances through banks, and have good connections that enable them to do so. Similarly to the comfortable entrepreneurs, they enjoy consumer-based leisure activities. They are regarded as a reference point for other Syrians who want to start up a business. All mentioned that they have friends and acquaintances who approached them for advice or financial support. The owner of the oriental sweets shop in Tarik el-Jdideh said,

> A couple of guys came to me for help –they know me from back in Syria- they weren't able to find a proper place to rent out, so I spoke to the owner of the building where my shop is and got them a good deal... I also helped another person open a mahmasa in Hamra. (Respondent 28, Feb 2018)

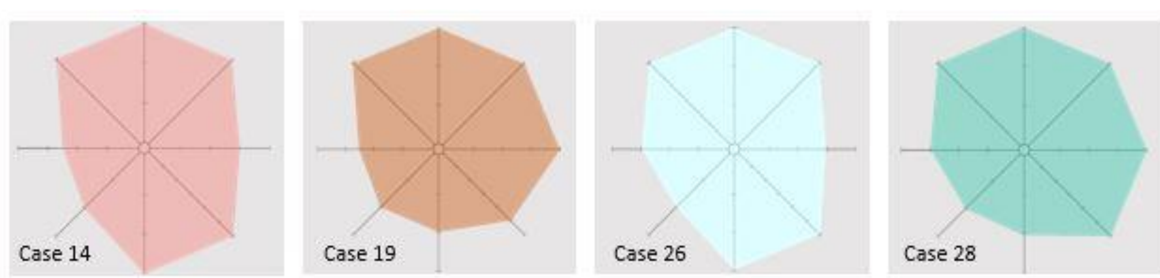

Figure 15 Profiles of Successful Businesses. Source: Author.

C. Syrian Businesses' Urban Impacts on the City:

1. Reviving Streets and Neighborhoods

Fawaz argues that displaced people have always been part and parcel of making the city of Beirut (cited in Gustafsson 2016): indeed, the city has a history of hosting refugees who have contributed to its local economy. These refugees helped shape the city by introducing new forms of mobility using their own agency and ability to create livable places. Several neighborhoods in Beirut, inhabited by refugees, migrants and displaced, such as Bourj Hammoud, Chatila, Sabra, and other, are busy mixed-use areas with affordable housing supply and a range of commercial activities and artisanship. Thus, “refugeeness” in the Lebanese context is a more fluid process, ‘a reflection of ongoing societal change’ (Gustafsson, 2016).

According to my data, the spatial distribution of Syrian-owned businesses do not fall under any of the 3 patterns identified by Aldrich and Waldinger (1990). Although Syrian business owners tend to open their shops next to other Syrian-owned businesses, these businesses do not form an evident cluster or an enclave. This act can be merely attributed to the nature of neighborhoods in Beirut and whether they are inviting or not.

Figure 16 Activity in Hamra Street before the Presence of Syrian-Owned Businesses. Source: Author.

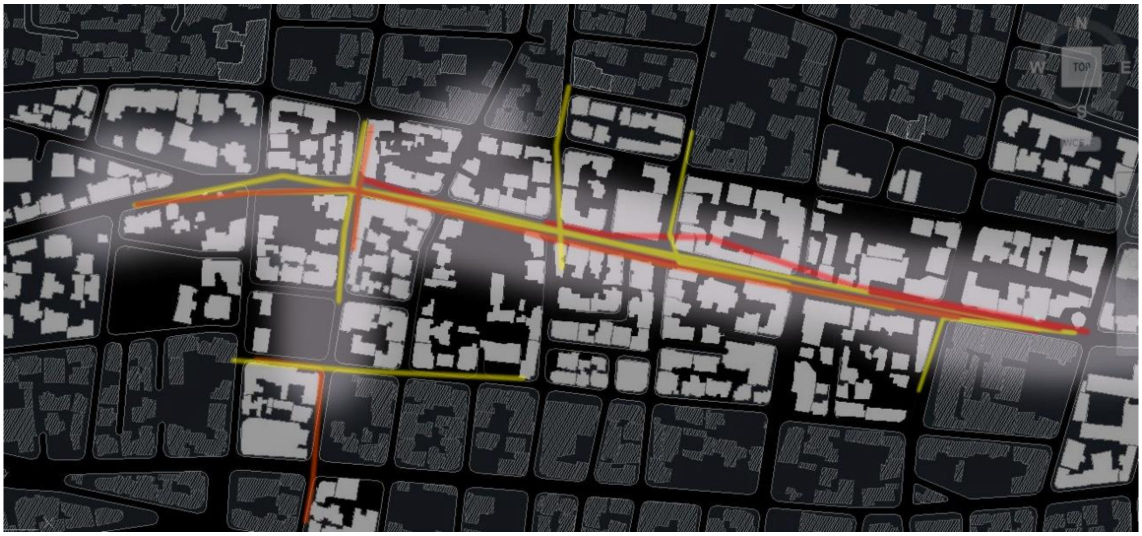

Figure 17 Activity in Hamra Street after Several Syrian-Owned Businesses Opened in the Area. Source: Author.

Syrian-owned businesses in Beirut have led to interesting urban impacts on urban neighborhoods in the city, which I will briefly discuss here. I have identified three forms of urban impacts: first, an impact on the economic and urban life of the street, as Syrian-owned businesses introduce new shops (e.g. Hamra, Mar Elias, Tariq al-Jdideh). Often, these shops have bold and kitschy street signs that visually stand out during the day. They stay open during late hours, after most shops close, and distinguish themselves in the street at night as well. Syrian-owned restaurants also have this practice of asking their waiters to stand outside the place, on the sidewalk, and to greet passers-by inviting them to come in, often in a Syrian accent—which also distinguish them along the street and impacts the urban experience of pedestrians.

Figure 18 Facades of Syrian-Owned Businesses that Display a Reference to Syria. Source: Author.

Second, Syrian-owned businesses make an impact on previously abandoned sections of streets, or "dead corners" that become enlivened by shops opened often for long hours during the night, and which bring people to hang out there—they also may influence the opening of new shops nearby that get encouraged by their presence (e.g. Hamra, Tariq al-Jdideh). This also has a positive impact on the sense of safety of the neighborhood, which can encourage more walkability. One respondent told me:

> The corner where the shop is located was practically dead before we opened our shop. The shops were empty and the corner was mostly used by drug addicts. Shortly after we opened, the corner was revived such that a bakery is now open next to us, a clothing shop, a cell phone shop, and a mahmasa. (Respondent 28, Feb 2018)

Figure 19 Experiential Collage of Syrian-Owned Businesses and Street Life in Hamra Street. Source: Author.

Third, an impact on the urban life of the neighborhood itself mostly seen in the case of restaurants, cafes, and dessert bars that become attraction points for men, couples, young men and women, who meet up, catch up on each other's news, and socially interact in the place and on the adjacent sidewalks, creating a "social hub", which sometimes also becomes a venue for cultural events (e.g. Achrafieh, Ain el-Mreisseh).

Figure 20 Collage of Different Events Hosted by Syrian-Owned Restaurants. Source: Author.

2. Urban Mobility: Between Easy Navigation and Constraints

The mobility of Syrian business owners and their experience in navigating the city differs according to their profile and socio-economic class. According to the data, successful and comfortable entrepreneurs have a wider map of the city/country where most of them are engaged in leisure activities in and outside Beirut. Whereas struggling and coping entrepreneurs are less mobile, more insecure and they have difficulties navigating the city.

The struggling and coping Syrian business owners often reported being spatially anchored in their workspace and home, with most of their leisure activities revolving around family or friends from Syria, who have been living in Lebanon prior to the war, or who came after 2011. Ten of them lived in the same neighborhood where their shops are located, 5 in Hamra, 3 in Tariq al-Jdideh, 1 in Verdun, and 1 in Barbour Street, because they preferred to walk to work and avoid any means of transportation —this was not only a financial choice, but also a security choice where they were reducing the risk of being screened by a security checkpoint and of incurring a random police arrest. As for the other five respondents, they lived outside of municipal Beirut, in Aramoun or Tarik al Matar because 'rents are less expensive there'. They mostly relied on shared taxis or vans for their daily commutes. Most mentioned that they didn't have time for leisure activities as they spend most of their time working. Some noted their preference to outings in mountain settings (jabal) because it reminded them of Syrian homes and landscapes. One mentioned how 'people outside Beirut are nicer, not like here'. Two cited the Beirut seaside corniche and Sanayeh Public Park as a destination and one mentioned the mosque as the only outlet. When asked about the leisure times of their wives, many said they stayed at home or did occasional house visits to family members who live nearby—explaining 'this is our habit, in Syria, our women do not go out'.

The mobility of comfortable and successful business owners is quite different and reveals a wider geography of the city and the country. The respondents in this group often live in high-end neighborhoods, most of them own a car and navigate the city's streets more comfortably: they spend evenings in restaurants and cafes and weekends 'in various places—each time we go somewhere'. One of the younger business owners mentioned the gym, another one said that he drives around with his friends at night and they usually sit in a café on the Corniche. The male entrepreneurs who are family men were more sedentary and said they spend their free time with family and close friend, ‘I visit my brothers who live in South Lebanon on the weekends’.

Irrespective of the business owner’s socio-economic statues, almost all said that the choice of the neighborhood where they live or work was based on the dominant political party in this area. Most respondents preferred not to deal with politics and they feared being perceived as pro or against the Syrian regime, and the associated consequences of this perception seemed to raise too many risks and challenges. As such, you can see some of the respondents avoiding certain neighborhoods because of their political affiliation. In most cases, they prefer to open their businesses in mixed-use calm neighborhoods as these areas are perceived to be safer and more inviting.

After analyzing the motivation and challenges that accompany the process of starting a business, and demonstrating the potential of refugee entrepreneurship and its associated socio-economic and urban impacts on the cities, in the next chapter, I will be derive policy interventions and guidelines that would empower and regulate Syrian self-employment as a key tool that facilitates the process of integration, enhances local economic development and enriches spatial practices in Lebanese cities and towns.

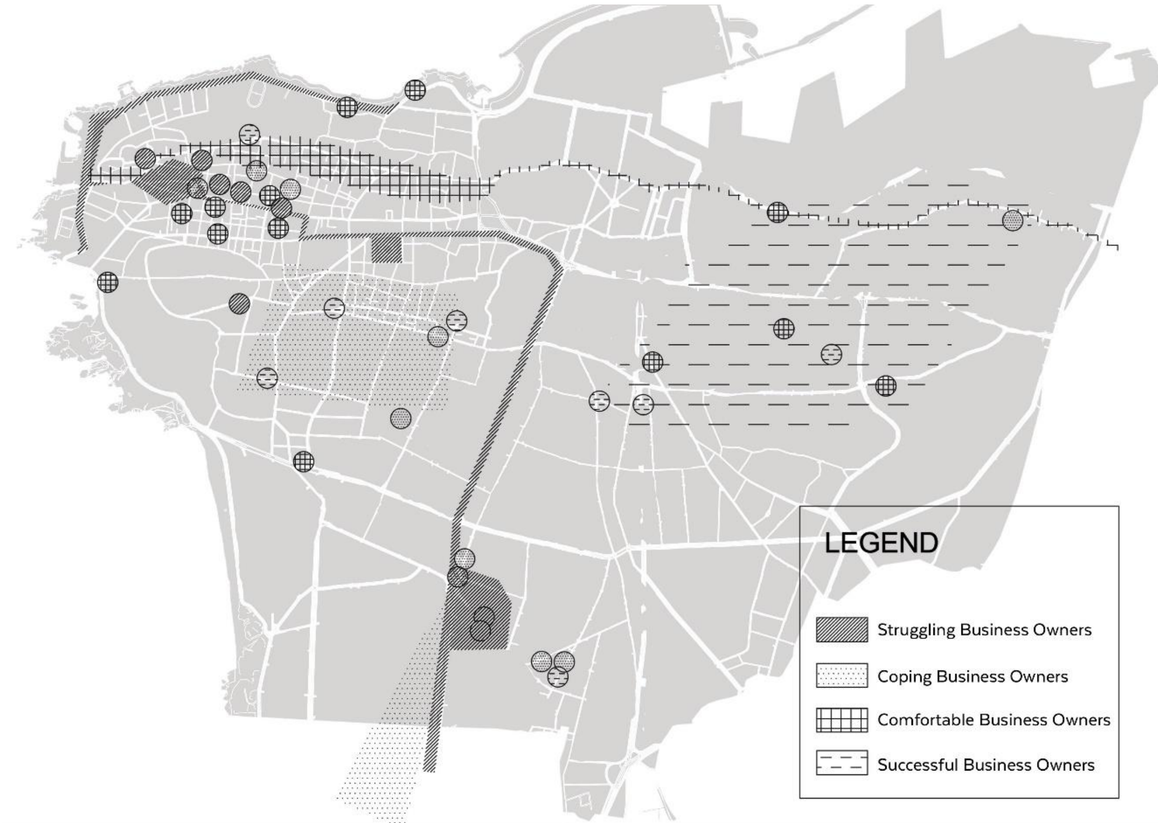

Figure 21 Mobility of Syrian Business Owners is linked to the Status of their Business. Source: Author.

CHAPTER V:

URBAN POLICY RECOMMENDATIONS FOR IMPROVING THE INTEGRATION OF SYRIAN-OWNED BUSINESSES IN THE CITY

As the Syrian refugee crisis enters its 7th year, the protracted nature of this crisis presents the need for long-term sustainable solutions that entail not only humanitarian interventions, but also urban and local development strategies that facilitate the integration of refugees into urban neighborhoods, access to decent livelihoods, and employment opportunities. Although the interviews do not provide comprehensive data regarding the contribution of Syrian business owners to the economic life of Hamra, Tarik el-Jdideh, Verdun and other neighborhoods in Beirut, it is likely that Syrian entrepreneurs are healthy competition, as they add and/or complement existing market offers in these mixed-use neighborhoods, while some have been creating new trends (e.g. mahmasa, dessert bars) by forming Syrian-specific markets that attract a new customer base.

In fact, the economic value of Syrian entrepreneurs should not be the sole indicator through which to assess their contribution to the city. If we prioritize instead values of social cohesion, economic sustainability and social justice, small scale businesses established by displaced Syrians should be assessed through their ability to provide displaced people with income, develop skills and competencies, and provide local services that benefit host communities (CEEDR and NEF 2002), in addition to enriching urban life.

In this chapter, I will look at 'opportunity-focused interventions' (UNDP, ILO, WFP 2017:44) and best practices implemented by host governments, private actors, and other organizations in different countries and cities in responding to the refugee crisis. Using the framework I presented in Chapter 3 elaborated by Kloosterman et al. (1999), I will assess the market opportunity structure and institutional framework in Lebanon as well as the human capital and group characteristics of displaced Syrians to identify the factors that can facilitate and/or hinder the access of Syrian-owned businesses to the Lebanese market, and hence to the city. As such, I would be able to propose interventions that can make use of the skills and networks of displaced Syrians, ease the hurdles presented by the institutional system, and enable their access to the Lebanese market, and to urban livelihoods.

A. Selected Best Practices in Response to the Syrian Refugee Crisis:

Several reports have highlighted best practices taken by host countries and international organizations in response to the influx of Syrian refugees and their associated socio-economic and urban impacts. One of those is the IRC's report, 'Finding Economic Opportunity in the City', that identifies important lessons from the Cash and Livelihoods Programmes in different cities in Lebanon and Jordan. IRC started operating in Lebanon in 2012. Since then, the organization has been focusing on implementing economic wellbeing programmes in urban areas. In order to achieve economic self-reliance for the displaced Syrians and benefit the vulnerable host population, IRC initiated several complementary cash assistance and livelihood programmes (IRC 2016:13). In addition, IRC established two livelihood centers in Lebanon, one in Mount Lebanon and the other in Akkar. These centers target vulnerable Syrian refugees and Lebanese nationals by providing access to integrated training in different skills, counseling and legal services, labor market information, and opportunities for business owners to "develop their ideas, create business plans, and receive small start-up grants" (IRC 2016:13).

Other interventions have been identified by UNDP in their report *Jobs Make the Difference* (2017: 50–54). The report discusses different ways to support Syrian businesses by expanding access to information, relaxing restrictions related to residency and work permits, directing procurement of services to humanitarian agencies, accessing existing industrial infrastructure and allowing Syrians to provide services for other Syrians (UNDP 2017: 13–15). The report highlights that Syrian refugees are not a homogenous group and thus include a large number of skilled professionals and proven business people who "could create economic opportunities for domestic economies if effectively enabled", as evidenced in hundreds of workshops and small factories operating in 'industrial cities' in El-Obour, 6 October, and New Damietta in Greater Cairo (UNDP 2017: 24, 55).

The report presents best practices from different countries namely, Turkey, Iraq, Egypt and Jordan. It underscores the need to establish job support centers for Syrian refugees, where information on domestic regulations, labor-market opportunities, housing and social services and more is provided. These centers can also benefit from the input and support of non-governmental organizations (NGOs) and international non-governmental organizations (INGOs). Access to information may also be facilitated through phone messaging, as was done in Jordan. In Egypt, these information centers were manned by

Syrian refugees, in cooperation with Syrian business people already established in the country. As such, enabling Syrian refugee networks, locally and transnationally, especially through digital and web-based means of communications, is a worthy avenue to explore (Harb et al. 2018). Another mechanism of support is through skill-development programmes such as vocational training in cooperation with local industrialists—quite popular in Egypt and Turkey, as well as partially in Lebanon. In the area of Qaraoun in the Bekaa, displaced Syrian women received training sessions on sewing and cooking, and were given sewing machines and the opportunity to work in a community kitchen, providing them with a good source of income (CMI 2017). Additionally, Lebanese SMEs received technical support that includes technical training to start-ups in the creative industry in order to improve their productivity. Some of these activities were funded by international donors namely, the UK Department for International Development, USAID and the Italian Government (UNDP, ILO, WFP 2017).

Enabling mechanisms included improving the investment climate for Syrian entrepreneurs, by simplifying administrative and legal procedures and institutional frameworks. This was undertaken in Jordan, where 'a Programme Management Unit is currently developing plans to enhance investment coordination and . . . ease the conditions for Syrian investors to either invest or set up their own businesses', and in Turkey, where the government has been openly supportive of Syrian businesses. Furthermore, economic development zones are being suggested as potentially beneficial labor-market enablers, although their economic impacts have been debated (see Munro 2017)—they seem to be operating well in Turkey and Egypt, with mixed results in Jordan.

The UNDP report notes 3,000 registered Syrian firms in Turkey and thousands more operating informally. Most of these firms provide services tailored to the refugees and are located in areas where many Syrians live (UNDP 2017: 53). Therefore, policymakers in Turkey are now acknowledging refugees as a “permanent-temporary” part of the community and are aiming towards creating efficient platforms for both Turkish and Syrian actors to exchange expertise in order to come up with well-informed, effective programmes. In this context, the Turkish government appointed an Advisor for Migration and Humanitarian Aid to the Prime Ministry. This advisor is supposed to manage refugee-related matters that are currently being processed by separate ministries (Building Markets 2017).

Lastly, following the London Conference (2016), both Jordan and Turkey worked on reforming their residency and work permit requirements to support refugees’ access to work. Additionally, they focused on expanding access to employment by providing more labor opportunities for Syrian refugees. In Jordan, chambers of industry are facilitating the work of Syrian-owned businesses by providing them with needed information on the Jordanian business environment (UNDP, ILO, WFP, 2017). Whereas the Turkish Government initiated a new programme that allows skilled refugees to acquire special work permits through the University of Gaziantep and the Ministry of National Education (UNDP, ILO, WFP, 2017). These permits would allow Syrian refugees to provide services for the refugee community in Turkey.

In the Lebanese context, the Lebanese Government, ‘made bold commitments to open their labor markets and improve domestic regulatory environment’, while the international community committed to provide support for job creation programmes and access to concessional financing and external markets, and the private sector committed to also contribute by providing new investments (UNDP 2017: 12). As such, the Lebanese government proposed a Priority Development Investment Programme for Concessional Financing to be implemented over 2017–21. The programme includes infrastructure investments in road and transportation, school rehabilitation, environmental projects, as well as water and electricity. It is envisioned that Syrian refugees can provide affordable labor to service these projects. The World Bank and the Islamic Development Bank have been sought to provide lending schemes to such projects. In addition, the Lebanese Crisis Response Plan has conducted value chain analysis in several sectors, identifying agro-industrial niches that have competitiveness potential (UNDP 2017: 97). The Center for Mediterranean Integration (CMI, affiliated to the World Bank) has been advocating for municipalities to play a key role in such initiatives, which would encourage the development of small and medium businesses. All these can be seen as positive moves towards integrating displaced Syrians into the labor market and provide them with job opportunities that would allow them to become self-sufficient. However, it is important to note that Syrian refugees are not a homogenous group, they come from different backgrounds in terms of economic status, experience and skills—as the thesis have shown in its case study of municipal Beirut. Therefore, the government's attention should not be limited to certain projects (construction, agriculture…) that target skills of Syrian workers only. In that sense, more attention should be given to encourage Syrian entrepreneurs and businessmen to re-establish their enterprises, in a variety of sectors, and invest in Lebanon.

B. Barriers and Enablers of Syrian-Owned Businesses

Based on the framework suggested by Kloosterman et al. (1999), and the data analysis of the 33 Syrian-owned businesses in Beirut, I assess the market opportunity structure and institutional framework in Lebanon as well as the human capital and group characteristics of displaced Syrians to identify the factors that can facilitate and/or hinder the access of Syrian-owned businesses to the Lebanese market.

1. Opportunity Structure and Institutional Framework

The access of Syrian-owned businesses to the Lebanese market opportunity structures was facilitated by the common language and the social and cultural norms Syrians enjoy with the Lebanese, in addition to a long legacy of social, economic and historical relations to Beirut which they were able to make good use of—which translate into embedded social and economic networks in Beirut and other regions. In many cases, Syrian business owners invested in restaurants and shops that promote Syrian-specific products/services, capitalizing on the added value these businesses bring to the Lebanese market, particularly the service and tourism sector.

However, many challenges came their way. Several are related to some people's resentment to Syrian-owned businesses, caused by the stong perception that these businesses are taking job opportunities away from the Lebanese, placing more burden on public services, and helping Syrian refugees at the expense of local vulnerable communities—widely spread by the media, public agencies, and several political groups. This has subjected Syrians to a range of low-level violent acts of harassment and discrimination throughout Lebanon, such as curfews, evictions, racist slurs, etc.

In addition, economic and institutional constraints had to be faced. The Lebanese market is small and limited for economic development, and there are high costs of production, compounded by political instability. As such, identifying receptive markets is difficult for displaced Syrians. On the institutional level, as explained previously, the ambiguous policies of the Lebanese government vis-a-vis Syrians, especially in the labor sector, have largely detrimental effects on the stability it claims to harbor. Syrian refugees in Lebanon are constantly challenged by the lack of clarity regarding their legal status and consequently their future prospects in Lebanon, which prevents them from being legal despite their constant attempts to be. They face unclear and complex requirements whenever renewing their residency permits or pursuing work permits. Indeed, the lack of coordination between political and security actors involved in regulating the presence of displaced Syrians in Lebanon results in different and sometimes conflicting policies. Although some Syrian business owners have managed to get passed these hurdles, others feel trapped in an uncertain situation where they are not sure if they will be able to maintain their current operations going. This ambiguity generates several obstacles that hinders Syrians' access to economic opportunities, limits their mobility in the city, and makes it difficult to envision any long-term plans in Lebanon.

2. Group Characteristics

As discussed in chapter 3, Syrian-owned businesses have strong social networks and human capital that enable many of them to establish their businesses, which are generally successful and comfortable, with a minority of struggling cases. Most interviewed Syrian business owners reported having diverse connections and social networks that comprise both Syrians and Lebanese nationals. This enabled the process of establishing a business and had a productive impact on the current status of their business and operations, as well as on their sense of security and the ability to move around freely. For the few who reported not having any connections or social networks to depend on, things seemed harder as they suffered from lack of information and had to deal with discrimination and constrained mobility.

In what follows, I suggest a set of policy recommendations, mostly inspired from a review of technical reports by the ILO, the UNDP and the WB that advocate enabling market access to refugees as to facilitate their integration in the city, without disrupting the economic livelihoods of host populations.

C. Policy Recommendations:

The suggested policy recommendations revolve around two key institutions: the Ministry of Social Affairs that is charged with the Lebanon Crisis Response Plan (LCRP), and on its Social Development Centers (SDCs), and on the Municipality of Beirut. They include a legal- and an institutional-based component as well as an urban-based component.

The former would be the responsibility of MoSA, and the latter would be the responsibility of the Municipality of Beirut.

1. Legal and Institutional-Based Interventions (Central Level):

- Clarifying and simplifying legal regulations for displaced Syrians not registered with UNHCR:

The General Directorate of General Security in coordination with the Ministry of Labor should simplify and reformulate clearly the legal requirements needed for displaced Syrians' residency applications and renewals, as well as work permits in order to encourage them to establish businesses in Lebanon. For example, the General Security can introduce a new category that allows Syrian investors/business owners or Syrians who fulfill a clear set of simple criteria to receive temporary residency and work permits, that can be validated into a more durable and stable status once the business is initiated.

- Establishing a unit within MoSA specializing in enabling Syrian-Lebanese businesses:

The Ministry of Social Affairs should establish a unit, possibly titled "Enabling Syrian-Lebanese Enterprises (ESLE)" focused on enabling Syrian enterprises to partner with Lebanese entrepreneurs, and establish start-ups and other businesses. This unit will centralize relevant funds received from INGOs, NGOs and other donors who are keen on facilitating such type of aid.

The unit can assist in the organization of information sessions on accessing the labor market in Lebanon, as well as training workshops and networking activities with relevant public agencies (e.g. Ministry of Economy and Trade[7], Ministry of Industry, Ministry of Agriculture, ESFD[8]), and with parties who work on enhancing MSMEs in Lebanon (e.g. Al-Majmou'a, Al-Qard al-Hassan, Kafalat, SPEED, UK Lebanon Tech Hub, Chambers of Commerce and Industry, Merchants Associations, etc.).

- This unit can also mobilize Syrian business-owners who have established businesses in Lebanon since the 1950s and rely on their networks and skills to support their fellow Syrians. The unit can have a hotline and a website, and develop a communication strategy to inform Syrian entrepreneurs about its work. Municipalities should also be engaged in the work of this unit.

- ELSE can partner with INGOs, universities and other private organizations that work on enabling businesses to organize start-up competitions in identified sectors to encourage entrepreneurship among the Syrian population and local vulnerable groups. These competitions would provide funding mechanisms for winners and technical

[7] The Ministry of Economy & Trade established a SME Unit, which is focused on research and policy/advocacy activities. The SME unit developed the "SME Strategy of Lebanon, Roadmap towards 2020", for which the SME Unit is seeking funding to launch its first wave of initiatives. MoET also runs an Internationalization Support initiative, which subsidizes the participation of Lebanese businesses in international affairs. They also received funding from the EU to run the Qualeb project, to improve quality standards through trainings and workshops - Both were mentioned in the SME Strategy document. This unit can collaborate with microfinance institutions, banks, and INGOs to encourage displaced Syrians to invest in Lebanon by providing a set of incentives and micro-credits for start-ups.

[8] The Economic and Social Fund for Development (ESFD) an autonomous public agency, provides advisory services that seek potential business owners and assist them in completing a comprehensive loan application which is then submitted to one of the ESFD partner banks for processing (Market Building 2016).

assistance and training through business incubators[9].

ELSE can elaborate a systematic and comprehensive database of local markets and business sectors that Syrian-owned businesses are already operating within, especially those in the informal sector. The ELSE unit will also gather systematic data on displaced Syrians' skills and capabilities as well as available retail/industrial opportunities in the Lebanese market. By mapping and classifying the skills and experiences of Syrians who had businesses or high skills prior to coming to Beirut, ESLE can have a good knowledge base specifying present gaps and potentials which can then be matched with displaced Syrians' skills, providing opportunities commensurate with their experience or which they can be trained on. Additionally, this data can be used to identify potentials for MSMEs' growth and investments opportunities.

ELSE can also offer follow up services in the form of social workers that can assist the business owners by incorporating conflict resolution techniques to mitigate any problems within the business or between the business owners and the local community.

2. Urban-Based Component (Local Level):

- Establishing Local-Scale Support in Neighborhoods:

In coordination and partnership with ELSE, and the MoSA's Social Development Centers (SDCs) in the capital city, the municipality of Beirut can organize information sessions, workshops, as well as vocational training for displaced Syrians, as well as

[9] A business incubator "refers to an entity that helps new and start-up companies develop capacities to become successful" (UNHCR, 2017).

Lebanese people interested in MSMEs. Through these initiatives, the social networks of Syrians and Lebanese can be enhanced. Skills-exchange programmes can be offered, in collaboration with chambers of commerce and merchant associations, where skilled Syrians are employed to teach local vulnerable groups "to create sustainable livelihoods opportunities with entrepreneurship skills and microbusiness development." (UNDP 2017:52). These events would operate as interactive places for displaced Syrians and local groups to collaborate and exchange expertise and skills and create new forms of relations in the city. These initiatives would happen in neighborhoods with high concentration of Syrian displaced (e.g. Hamra, Tarik al-Jdideh, Mar Elias, etc.), and they can be organized in public spaces, or leisure and cultural sites, as to enhance socio-spatial relations in the neighborhoods.

The municipality can invite local merchants associations and other local-based community groups and NGOs to interact with Syrian-Lebanese MSMEs, and get to know them better as to identify ways of advancing their shared business interests. This exchange could lead to partnership that will contribute to strategize collectively on how to attract more clientele to mixed-used neighborhoods and streets, namely through urban strategies relying on soft mobility and place-making principles (e.g. Jeanne d'Arc street in Hamra).

CHAPTER VI:

CONCLUSION

The, thesis examined the governmental response to the refugee crisis, particularly its legal framework and showed how Syrians have to deal with a complex regulatory landscape that is highly volatile (Ch.2). Building on Kloosterman et al.'s (1999) framework and a literature review on refugee, immigrant, and ethnic enterprises, the thesis also identified the two main enablers of entrepreneurship: i) opportunity structure and institutional framework, and ii) group characteristics (social networks, specific skills). Based on interviews with 33 Syrian business owners, displaced by the war in Syria, who established micro, small and medium businesses in the neighborhoods of municipal Beirut, the thesis findings reveal that, rather the homogeneous perception of *the* Syrian refugee, these businesses reveal a diverse landscape of Syrian business-owners, in terms of geographic distribution, operations, ownership, clientele, size, and typology. Also, while some are struggling to survive, others are coping well under the circumstances, and still others seem to be comfortable and successful, as their businesses are prospering.

The main finding of the thesis is that Syrian business owners have to deal a constrained opportunity structure and institutional framework, due to the complex regulations of the Lebanese government, but their market access is enabled by their strong group characteristics, especially their social networks with both Syrians and Lebanese which played a determining role in increasing the chances of Syrian-owned business to perform well—as I discussed in Chapter 4. An additional finding that needs further research and elaboration relates to the urban impacts of these businesses on the city, which relate to how it enriched street life in some neighborhoods and mostly brought new specific types of businesses—mainly food-based, to the city—which could be associated to “ethnic businesses” although Syrians are not of a different ethnicity from the Lebanese.

Future research can expand to Syrian business owners in different sectors and locations within and beyond municipal Beirut—particularly informal businesses, as to profile more comprehensively the variety and scales of Syrian-owned businesses in urban settings, and identify barriers and enablers to market entry. Other interesting research questions include assessing the economic impacts of these businesses on the city, especially with regard to their inclusion of Lebanese partners and employees.

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