

AMERICAN UNIVERSITY OF BEIRUT

VERY SMALL ENTERPRISES IN A GENTRIFIED
NEIGHBORHOOD: A CASE STUDY OF QOBAYAT, MAR
MIKHAEL BEIRUT

by
KARINA IRAKLY GOULORDAVA

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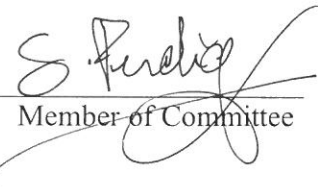
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AN ABSTRACT OF THE THESIS OF

Karina Irakly Goulordava for Masters of Urban Planning and Policy
Major: Urban Planning and Policy

Title: Very Small Enterprises in a Gentrified Neighborhood: A Case Study of Qobayat, Mar Mikhael, Beirut

Since 2008, the Qobayat area in the neighborhood of Mar Mikhael, Beirut has experienced changes in its urban fabric brought on by forces of gentrification. The area has seen an influx in new residents, Arts, Crafts, and Design businesses, as well as higher-end restaurants, cafes, and shops. Within the real-estate sector, the area is home to two high-end development projects, as well as an increase in Airbnb use and a rise in rent prices.

Using Henri Lefebvre's theory on the production of space, this thesis will argue that gentrification forces are currently the key shapers of the area, possessing the mode of production necessary for the production of space in Qobayat. However, the thesis unpacks how the quiet, residential neighborhood with a large number of pre-2008 Very Small Enterprises was first produced and relies on the theories of Pierre Bourdieu to examine the value of the cultural and social capital that played a vital role in its production.

While gentrification continues to shape the changing area, the thesis seeks to document how the area was produced, the position of the original producers currently within the area and begin a discussion on approaches to policy.

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ABBREVIATIONS

1. VSE: Very Small Enterprises
2. SME: Small and Medium Enterprise
3. ACD: Arts, Crafts, and Design
4. B2B: Business to Business
5. NGO: Non-Government Organization

CHAPTER 1

INTRODUCTION

In 1964, Ruth Glass wrote of gentrification, “All those who cannot hold their own in the sharp competition for space – the small enterprises, the lower ranks of people, the odd men out – are being pushed away,” (1964, p.26). Since 2008, this statement has been observed as reality in Mar Mikhael and its smaller sub-neighborhood of Qobayat. Increases in commercial rent prices due to the proven popularity of the neighborhood have driven out many old businesses from the area. Some long-term residents have left the neighborhood due to rising residential rent prices, eviction, home demolition, or a loss of a feeling of belonging in the changing neighborhood. As businesses have closed and residents have moved, new businesses, residential towers, residents, and dwellers have come to occupy the neighborhood. Through all of this, long standing social networks in the neighborhood that have been part and parcel in the building of the area’s character, have been disrupted.

This thesis seeks to explore and analyze the process of gentrification in the neighborhood of Qobayat, and how very small enterprises (VSEs) are involved and affected by this process. The thesis builds upon research first conducted during the fall 2017 Planning and Design Studio course at AUB with Professors Serge Yazigi and Mustafa Jundi. Throughout the studio, my assigned group which included Mahmoud Bou Kanan, Soha Mneimneh, and Haya Tabbakh, studied the entirety of the Qobayat neighborhood. During the semester-long course, we studied the history of Mar Mikhael and Qobayat, as well as mapped various elements in the neighborhood including circulation; building age, quality, and height; ground floor businesses; upper floor

businesses; ACDs; and more. We further conducted surveys and interviews with residents of the neighborhood, as well as different stakeholders including two *mokhtars* (local elected official), various business owners, and NGO professionals who were working in the neighborhood in various capacities. For the final project in the course, I focused solely on VSEs in the neighborhood of Qobayat, beginning a preliminary analysis of the local business environment in the sub-neighborhood.

1.1 Case Study Selection of Qobayat

Qobayat is a sub-neighborhood of the larger Mar Mikhael neighborhood. It was chosen as the case study for this thesis for three reasons. First, it is a mixed-use neighborhood of residential and commercial spaces, including a large number of VSEs. Secondly, Qobayat has experienced noticeable changes in its built and un-built environment since the start of the processes of gentrification in 2008 in the sub-neighborhood and Mar Mikhael at large. Qobayat differs from the more central area of Mar Mikhael as it is not within the locus of the neighborhood nightlife scene but in its close proximity. Finally, the sub-neighborhood, while rich in information, is small in size and manageable for the scope of a master's thesis.

Within Qobayat, I chose to focus on very small enterprises as I want to investigate if and how they play a strong role in building the character of the neighborhood. My hypothesis is that the shops that make walking through the area lively and interesting. They make us slow down, walk inside, and perhaps become a customer. In today's world of cookie cutter chain businesses, old VSEs bring with them unique stories that tell the history of an entire neighborhood. Within old VSEs, customers chat with the business owner, build relationships, create networks, and grow neighborhoods. Old VSEs assist in creating mixed use neighborhoods, building communities, and fighting isolation within

urban environments (Jacobs 1961). My thesis shows that VSEs are important producers of space, holding and creating social and cultural capital that is extended to the neighborhood.

VSEs, or very small enterprises are defined to have less than 500 million Lebanese Lira (\$333,000) in annual turnover, and less than 10 employees (Lebanon SME Strategy, 2014, p.4). In Lebanon, VSEs account for 55% of the country's employees and 73% of total enterprises (p.14). Small enterprises are defined as businesses with less than 5 billion Lebanese Lira (\$3.3 million) in annual turnover and less than 50 employees and make up 34% of all businesses in Lebanon (p.14). While medium enterprises have less than 28 billion Lebanese Lira (\$18.6 million) in annual turnover and less than 50 employees. Medium enterprises make up 4-6% of all businesses in Lebanon (p.14). For the purpose of this thesis, the terms very small enterprises (VSEs) and small and medium size enterprises (SME) will be used to describe businesses. Businesses will be divided into four categories: old and new VSEs, and old and new SMEs. Whether a business is considered old or new is defined by their commencement date, with all businesses opening prior to 2008 being identified as "old" businesses. The year 2008 is chosen as it refers to the period at the start of gentrification processes in the neighborhood (MEDNETA 2015). As the thesis seeks to understand how processes of gentrification disturbed the production of space, social networks, and social capital in Qobayat, 2008 was decided upon as a milestone year.

1.2 Theoretical Framework, Thesis Argument, and Significance

The thesis seeks to understand how the neighborhood of Qobayat was produced, using Lefebvre's theory on the production of space and Bourdieu's theories on social and cultural capital. The above were chosen as their combination allows for a theoretical framework to explain changes in the spatial environment. Several questions have guided the research. First, how did old VSEs contribute to the production of the space of Qobayat,

and what was the role of social and cultural capital? Second, did the mode of production of the space of Qobayat change with the arrival of gentrification in the area? Third, how has gentrification changed the value or power of cultural and social capital possessed by the old VSEs? The thesis argues that old VSEs played a crucial role in the production of the space of Qobayat, which was made possible by the power they accumulated from their collective social and cultural capital. The mode of production changed with the arrival of gentrification and the power of economical capital in the hands of gentrification forces, which proved more powerful than the social and cultural capital of the old VSEs. The question that remains: how can old VSEs participate in the new mode of the production of space of Qobayat?

The significance of the thesis is to contribute academically in four ways. First, providing documentation of the Qobayat neighborhood in 2018 in the form of interviews and mapping. Second, creating a “Memory Map” as an initial attempt to construct a representation of space of the past neighborhood. Third, contributing to the academic discussion on gentrification through the theoretical lens of the production of space, and social and cultural capital. Finally, the thesis focuses on old VSEs, while most works on gentrification in Beirut, and Mar Mikhael specifically, have focused on housing, development, nightlife, and the creative sector.

1.3 Methodology

The methodological approach of the thesis began with a review of literature, desk research, and a review of data, reports, and maps produced by the 2017 planning and design studio¹. This was followed by extensive mapping fieldwork in Mar Mikhael at

¹ The 2017 planning and design studio was led by Professors Serge Yazigi and Mustafa Jundi.

large, but with a particular focus on Qobayat, to eventually map all businesses in the sub-neighborhood. Fieldwork concluded with 22 interviews conducted with 20 business owners in Qobayat, one interview with a daughter of an old VSE owner, and one interview with an old VSE owner but for the purposes of gathering stories, anecdotes, and memories for the Memory Map.

The reviewed literature focuses on the development of the concept of gentrification, global debates on gentrification, and the particular manifestation of gentrification in Lebanon. The literature review then delves into the theoretical approaches of the production of space (Lefebvre) and social and cultural capital (Bourdieu). The remainder of the literature review discusses additional literature on social and cultural capital.

1.4 Thesis Outline

The thesis follows the subsequent structure. First, a review of the literature briefly described above. Secondly, the case study chapter on Qobayat. Third, the final main chapter including methodology, findings, and analysis. Finally, the conclusion which includes recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Global Gentrification Debates

Studies on gentrification have grown since the term was first introduced in 1964 by sociologist Ruth Glass. In her seminal work, Glass begins by introducing the post-war London of 1963, describing in detail the changes she has witnessed in the city. Particularly, she focuses on Central London and the affluence that the area acquired, reflected in more restaurants, cars, and shops that sell items that “have become necessity rather than luxury” (Glass, 2013, p. 20). It is within the introductory chapter that she first uses the term gentrification to describe working class areas that have been “invaded” by the middle class (p.22). Specifically, apartments and homes that were inhabited by the lower and working classes, were converted into housing affordable only to the middle class and higher. Glass wrote, “Once this process of ‘gentrification’ starts in a district, it goes on rapidly until all or most of the original working-class occupiers are displaced, and the whole social character of the district is changed,” (p.22-23). Glass’ term comes from the word “gentry” or the “well born” classes of society, historically below the nobility. Glass continues to describe the wave of gentrification in London, and the order in which neighborhoods were swallowed by the phenomenon. Importantly, Glass states that “change and stagnation exist side by side,” (p.26) as only certain neighborhoods attract gentrification yet others delve deeper into neglect and decay, as larger numbers of working-class people cram into the neighborhoods. Glass attributes this process to changes in and pressures from demographics, economics, and politics (p.23). Yet she states that the laws, policies, and plans of the time were not prepared for such changes nor did they actively work to

properly address them. As a result, Glass observes the increase in land value in London and its contribution to gentrification. She aptly states, “All those who cannot hold their own in the sharp competition for space – the small enterprises, the lower ranks of people, the odd men out – are being pushed away,” (p.26). This quote, used to describe London in 1963, is well fitted to describe the effects of gentrification in Mar Mikhael and Qobayat today.

The debate around gentrification gained more attention in late 1970s and well into the 1980s, particularly due to the rigorous discussion between Neil Smith and David Ley which marks the first debate on the subject. Smith developed the rent gap theory and argued that in order to understand gentrification, the causes (rent gap) rather than the effects (consumer behavior) should be studied. Smith writes that the rent gap theory explains why some neighborhoods are gentrified while others are not: if a neighborhood is unable to provide handsome return on investment, then no agents with the necessary capital will invest in the neighborhood (Smith, 1979, p.545). Thereby, once this production takes place, the effects of gentrification, like consumer sovereignty, are seen. He was critical of Ley’s consumer sovereignty approach which argues that consumer behavior is the cause of gentrification, stating that this was rather an effect of gentrification. Smith stated that although production and consumerism are a symbiotic process, within modern capitalist economies, production is dominant (Smith 1979, p.540). Smith’s work reflected on the decay of inner cities in the United States, which caused land values and property values in the areas to drop. Smith states that at the time, the capitalized ground rent was lower than the potential ground rent (Smith, 1979, p.542). This thus resulted in the rent gap, where the profits currently being earned on a property are much lower than possible profits if reinvestment were to take place. Smith then highlights that there are key actors

involved in filling the rent gap through redevelopment, with the state being the initial actor, and the private market being a more prominent actor with time (p.545).

In his 1986 article, Ley presents a study of 22 Canadian cities, including various measured variables, and measures their correlation to gentrification in the city. Ley looked at variables within four primary categories to realize which categories are the most likely causes for gentrification. First, Ley studied demographic changes such as the higher number of women in the workforce, growth in smaller households, and growing number of empty nest homes where children have left the household (Ley, 1986, p.522). Secondly, Ley looked at housing market dynamics, stating that as new housing became more expensive in the suburbs, prospective renters and buyers sought out more affordable housing in inner cities (p.523). Here Ley discusses Smith's rent gap theory, but states that it is only one variable within one category of possible causes. Third, Ley states that as the value of urban amenities grew, people sought out the perks of city life over suburban (p.524). Finally, Ley discusses what he calls the economic base, particularly stating that as the number of white-collar jobs increased, rather than blue collar jobs, so did office spaces in inner city areas. Thereby, the growing white-collar work force sought housing in closer proximity to their work (p.524). Ley's results show the strongest correlation between gentrification and the economic base, particularly in regard to the number of office spaces in a particular neighborhood (p.529). The value of urban amenities also showed strong correlation, while demographic changes showed strong correlation to the number of 25-35-year-old people in an area and an increase in women in the workforce (p.527). Ley, likely much to Smith's dismay, found that the weakest correlations were in regard to housing market dynamics variables.

Within the Beirut context, the rent gap and consumer sovereignty theories both play a role. First, the old and new rent laws must be explained. Rent contracts signed prior to

1992 received protection from regular increases on rent prices, becoming what is known as the old rent law (Krijnen, 2016, p.8). The old rent contracts were never forced to adjust to inflation, which rose significantly in the pegging of the Lebanese Lira to the US dollar. This resulted in landlords generating meager sums from old rent contracts, often rendering them unable to maintain their properties. In recent years, the old rent law has been debated and liberalized by the Lebanese government, with all old rent contract for residential apartments expected to become void in several years' time. A rent gap had thus formed between the actual value of the property (both in regard to market rates, and if the old rent contract had been adjusted to inflation), and the annual rent of old rent contract apartments. Landlords can then begin to earn significantly higher rent profits from their properties, or if in a position to do so, sell their property to a developer for a handsome profit to both the landlord and developer. Mar Mikhael, as well as other areas of Beirut, continues to be impacted by the rent gap (Krijnen, 2010; Marot, 2014). Ley's consumer sovereignty theory has also played out in the neighborhood. Arts, Crafts, and Design businesses (ACDs) were first attracted to Mar Mikhael due to its low rent prices as the neighborhood had lacked popularity at the time. Following the ACDs, came the bars and restaurants, an extension of Gemayzeh's gentrification. As the neighborhood became attractive for creative and leisurely activities, developers and landlords alike took notice of the rent gap and the profits that stood to be earned.

The second debate on gentrification examined the subject by contextualizing gentrification in various localities in the Global North and South. From this debate, the question arose: is gentrification possible in the Global South, or is it applicable only in the Global North? Lopez-Morales engages with debates on gentrification, rejecting Smith's argument that gentrification is only about a rent gap. Instead he states: "Gentrification is...more than a class-imposed dispossession of land value. It is instead the loss of the use

value of land, environmental key resources, and access to mobility and public services experienced by the poor who inhabit urban places now deemed desirable for political and economic goals,” (2015, p.565). Lopez-Morales states that gentrification, when used as a “generic” theory is useful in understanding what a “planetary” phenomenon is and can be adequately contextualized to understand the process in cases across the globe (2015). In his articles, he looks at how the theory is aptly used in Chile and Brazil and engages with scholars and activists who use the term in their arguments and work. Fundamentally, Lopez-Morales stands against post-colonial thinkers who debate that theories developed in the Global North do not fit processes in the Global South and that instead more local concepts should be applied. In the case of gentrification, Lopez-Morales states that it is a theory that can be applied anywhere as it is “a fundamentally political conflict. It is one of the most significant and socially unjust processes affecting cities today, and gentrification theory is useful for it propels us to discuss and confront evidence of the processes of rampant neo-liberalization everywhere,” (p.565). Lopez-Morales’ argument is centralized in his belief that gentrification has become a process (perhaps a mode of production) within neoliberal policies, and that neoliberalism has permeated much of the world.

Ghertner (2014) positions himself against Lopez-Morales, and other scholars such as Lees (2013), stating that if gentrification is generalized and a generic use is achieved, as called upon by Lopez-Morales, then the term will either be a Global North imposition on the Global South, or the term will lose its power. Giving the case of India, Ghertner states that the current understanding of gentrification cannot be applied to changes occurring in Indian cities, rather he calls for other terms to be applied such as “urban revolution”, “enclosures”, or “accumulation by dispossession”. He states that gentrification cannot be used as a theory to describe and understand processes such as slum demolition (Ghertner, 2014, p.1555). For Ghertner, as property and planning are different in India as well as in

other Global South cities, gentrification cannot be applied to the context as it considers land value and housing development only as they are in the Global North. The debate of gentrification's applicability in the Global South continues, with many scholars on either side of the debate. However, as will be discussed later in this chapter, the processes of the property market in Lebanon, and particularly the real estate manifestations that have taken place in Mar Mikhael, the theory of gentrification and the way that it has been developed by Smith, and perhaps Ley, and expanded upon by Lopez-Morales, is apt to be used in understanding the changes within the neighborhood.

The final debate that will be discussed here regarding gentrification is in relation to the creative class, a term popularized by Florida in 2002. In this bestselling book, Florida argues that the creative class is a necessary component for driving economic growth in cities. Florida breaks down this group into: the super creative core comprised of scientists, engineers, tech workers, artists, designers, and media workers; and the creative professionals including those working in business, law, healthcare and education. Florida argued in his book that as the creative class drives innovation, new ideas, and solves problems, it is necessary for thriving cities. This class thus requires hip neighborhoods and amenities that will attract the creative people (Florida, 2002). Florida's theory was widely accepted, and mayors across U.S. cities and beyond adopted the idea, thereby creating policies that would attract and retain the creative class in their cities. Peck (2005) argues against Florida's theory, stating that it has no economic basis for actual growth in cities. He further criticizes the soundness of Florida's methodology and thereby the reality of his theory. Peck is critical of Florida's blindness to the social inequalities already present in regard to the creative class and how policies to increase the creative class in cities may continue to exacerbate these inequalities (Peck, 2005, p.756). Generally, the class that Florida is describing is middle to upper, yet the cities that the creative inhabit are also

inhabited by lower and working classes, whereas Florida's theory does not take them into account. In his recent 2017 book, Florida discusses how inviting the creative class, without thinking about existing and possible inequalities, breeds "the new urban crisis" which he discusses in the book. At large, Florida calls for more inclusive cities and suggests policies such as increasing the minimum wage, investing in public transportation and education, and various tax proposals. He engages with the work of Jane Jacobs to support his argument and to create a base for the type of urban environments that he envisions (Florida, 2017).

Within this thesis, gentrification follows Glass's definition of an area becoming more middle class while the lower socio-economic classes once present in the neighborhood are displaced (Glass, 1964). Gentrification is understood as a phenomenon that has been visible across the world, including the Global South, and is a subject that must be studied in detail in order for measures to be implemented that can protect the long-term residents and dwellers of an area. I understand gentrification to be a result of both the rent gap (Ley) and consumer sovereignty (Smith), and the manifestation of both in Qobayat will be discussed throughout the thesis. This thesis sees gentrification closely tied to other systems and markets including real estate development, rise of Airbnb, change in consumer demand and habits, and demographic changes. Finally, gentrification will be approached from a social-justice perspective, in that a value system is adopted that considers the needs of the long-term residents and dwellers of Qobayat as first and foremost. However, I also put forth an argument that gentrification cannot be approached as something to dismantle fully, as this is futile in the ongoing neoliberalism of Lebanon and much of the world.

2.2 Gentrification in Beirut

In Beirut, gentrification has been widely studied and discussed (Al Samad, 2016; Bekdache et al., 2017; Gaia Heritage Group, 2015; Gerbal et al., 2016; Krijnen, 2013; Krijnen and De Beukelaer, 2015; Krijnen and Fawaz, 2010; MEDNETA, 2015; Raad, 2015; and Zouain, 1998). The process of gentrification that has manifested itself in various neighborhoods in Beirut, including Monot, Gemayzeh, Mar Mikhael, Badaro, and Zokak el Blat, has been largely examined by local civil society and academics. Unlike the debate between Lopez-Morales and post-colonial scholars, the changes within neighborhoods like Mar Mikhael have been locally acknowledged as gentrification, within a localized context that also analyses the rent laws, land speculation, development, politics, and more. The most in-depth study of the neighborhood to date was done by Gaia Heritage Group under their project MEDNETA funded by the European Union². For the purpose of transparency, I find it relevant to mention that while I was working for, a then Mar Mikhael-based NGO, the organization took part in MEDNETA and was featured as a key organization and participant of the project. MEDNETA in Mar Mikhael, like the all of the partner cities, focused on Art, Craft and Design businesses (ACDs) to “transfer best practices and devise appropriate tools to enable the ACDs [to] improve their creative process, their production and the marketing of their products,” (MEDNETA, 2015, p. I). The project evaluated the changes occurring in the neighborhood as gentrification, while considering the rent law, land speculation, rise in nightlife, traffic, parking and valet services, and growing high rise development. Although the project provided historical, demographic, and mapping information that is useful for the study of Mar Mikhael, including in this thesis, its findings

² MEDNETA was a multi city project in the Mediterranean region, and Gaia Heritage Group was the Lebanon implementer of the project, focusing particularly on Mar Mikhael. The multiyear study mapped the neighborhood in great detail, documenting the history and demographics of the area, producing a number of reports, holding a conference, and resulted in international collaborations between north and south Mediterranean ACDs.

and suggestions have not had a profound impact on the neighborhood. The final five recommendations have not been implemented, especially as the project reached its completion. The first three recommendations, focusing on protecting the urban fabric, enforcing building regulations, and strengthening the rule of law with regard to bar and restaurant regulations, all remain mere suggestions. The final two suggestions focus on supporting ACDs in the neighborhood in order to ensure their success and survival (MEDNETA, 2015, p. II). This focus on ACDs is parallel to Florida's pursue of guiding city planning to consider the creative class. While Mar Mikhael is home to ACDs, particularly designer boutiques, the ACDs were themselves an initial effect of gentrification in the neighborhood.

Other important work done in Beirut was that of Krijnen (2013), including her collaborative pieces with De Beukelaer (2015) and Fawaz (2010), which primarily looked at new real estate development. Krijnen's work states that new real estate development in Beirut, including in Mar Mikhael, is largely due to the rent gap, as defined and supported by Smith (Krijnen, 2013). Investors, primarily from the Gulf or with capital generated in the Gulf, have taken advantage of the rent gap, and have therefore been the key drivers behind the ongoing construction boom (Krijnen, 2013). Krijnen's 2013 article particularly traces the birth and building of AYA Tower by Har Properties in Mar Mikhael. Combining the rent gap and Gulf capital, Krijnen and Fawaz state, "The Lebanese investment climate has always been friendly, but a program of neoliberal restructuring after the end of the civil war in 1990 saw the introduction of reforms in tax, construction and building laws that facilitated foreign acquisition of properties and land," (Krijnen and Fawaz, 2010, p.6). Krijnen's work further connects Lebanese politicians, such as the late Prime Minister Rafiq Hariri and current Member of Parliament Michel el Murr, for having roles as developers and investors (Krijnen, 2013). Krijnen's work is also relevant in understanding how a

contextualized discussion about gentrification can explain the particular case of Beirut, using not only classic gentrification components such as the rent gap, but also the local and transnational context which includes building laws and regulations, rent law, Gulf capital, and a particular geopolitical climate. In such an analysis, gentrification becomes one of several useful components for understanding changes in a neighborhood.

In recent years, the projects and publications of Public Works, a research and design studio, have been particularly enlightening in regard to local processes and effects of gentrification, including in Mar Mikhael. The studio has conducted projects on evictions, new/old rent, mapping of old businesses, ownership, and more.³ Their project, Beirut Evictions Monitor, maps evictions and their stories throughout the city, including 11 evictions within my area of study in Qobayat, Mar Mikhael. Public Works delivers its research through detailing information collected during in-depth interviews, thereby providing information not only on the laws and processes that result in the effects of gentrification but also allowing readers and researchers to understand the impact of these effects on individuals and families (Bekdache et al., 2017). The studio has done in-depth research on property ownership in Mar Mikhael, discovering that many properties are owned by multiple heirs, often individuals that do not live on the property or even in the country, thus making it easier for investors to purchase the shares and eventually the entire property. (Bekdache et al., 2017, p. 14). The work further contextualizes Lebanon as a country with few social benefits or a social safety net, especially for the elderly, as government assistance programs are scarce and those that exist are poorly equipped such as the National Social Security Fund. Thereby, as Mar Mikhael has a large elderly population, many choose to sell and thereby secure income for their old age (p.14). Although the work

³ www.publicworksstudio.com

of MEDNETA, Krijnen, and Public Works, amongst others mentioned earlier, provides much information on Mar Mikhael, it was only summarized here in the literature review and it is engaged with in a more fundamental level in the Case Study Chapter.

Discussions on Lebanese heritage focuses primarily on built heritage within Beirut and the struggle to save what are considered to be heritage buildings. Discussions of the Beirut Central District and its redevelopment by the Solidere company have been extensively covered in literature (Salam, 1994; Abdel-Salam and Maarouf, 2011; Fricke, 2005; Saliba, 2013; Nasr and Verdeil, 2008; to mention only a few). In recent years, the focus on saving built heritage in Beirut has zeroed in on preventing the demolition of traditional architectural buildings throughout the city. The NGO Save Beirut Heritage has been developed for this purpose⁴. The NGO and its efforts have been covered within local media and the NGO is active on social media, sharing articles related to Beirut's urban heritage, as well as events and protest information⁵. Puzon situates Beirut heritage and gentrification at a nexus, discussing the profits Solidere has gained from its reconstruction of Beirut Central District and converting the once popular neighborhood into a high-end shopping district (Puzon, 2017). At the time of writing, a new heritage law targeting buildings which have been classified as heritage by the Ministry of Culture is being debated in the Lebanese government. The law would seek to incentivize the maintenance and restoration of buildings already classified as heritage by the ministry⁶. Heritage preservation efforts have taken place in recent years, mostly notably in preventing of the

⁴ <http://savebeirutheritage.org/>

⁵ Abou Harb, Amani. "NGO hopes to save Beirut heritage brick by brick." 2010. Daily Star, <http://www.dailystar.com.lb/Culture/Art/2010/Sep-23/120474-ngo-hopes-to-save-beirut-brick-by-brick.ashx#axzz1PvfoK825>

⁶ Preston, Scott. "A lifeline for heritage out of thin air?" 2018. Executive Magazine, <http://www.executive-magazine.com/real-estate-2/a-lifeline-for-heritage-out-of-thin-air?fbclid=IwAR1iJKOPHrJPSdLrY88wBgkIwITjmlELAUMhvFfsSIcSbo0BQ3P-0zW9YsU>

construction of the Fouad Boutros Highway which would have passed through Mar Mikhael, destroying heritage buildings and disrupting the current uses and patterns of the neighborhood (Puzon, 2017). The debate on heritage has extended beyond classified heritage buildings when the former Laziza Brewery (Grande Brasserie du Levant) was destroyed in Qobayat in order to construct high-end apartments on the now empty lot. Although the project had been in planned for years, protests and activist groups mobilized only at the time of demolition, with the demolition being covered in local media⁷. The demolition raised questions amongst local activists, community members, and scholars on the need to discuss heritage in Lebanon beyond the traditional heritage buildings that have been classified by the Ministry of Culture. Finally, the Beirut coast line has been the subject of heritage discussions and viewing access to the Mediterranean Sea in Beirut as part of the heritage of the city (Mahzoumi, 2009 and 2012). Although almost all of Beirut's coast line is privatized, the debate arose again as a response to the building of the Eden Bay Hotel on the Ramlet al Bayda, the last public beach in the capital⁸. Discussions on heritage within Beirut have not extended far beyond built heritage, typically on the demolition or construction of buildings. Preserving cultural practices as heritage in law is largely absent from public debate, with much built heritage under threat and thus the focus of activists, other forms of heritage (landscape, nature, cultural, etc.), have not been proposed yet into law. Old VSEs across Beirut and Lebanon, although likely seen by many

⁷ Marsi, Federica. "Demolition of Beirut's Grande Brasserie du Levant begins." 2017. Daily Star, <http://www.dailystar.com.lb/News/Lebanon-News/2017/Mar-30/399749-demolition-of-beirut-grande-brasserie-du-levant-begins.ashx> ; "Pictures of the 'Laziza Grande Brasserie du Levant' before it gets demolished." 2017. Blog Baladi, <http://blogbaladi.com/pictures-of-the-laziza-grande-brasserie-du-levant-before-it-gets-demolished/>

⁸ Preston, Scott. "The untouchable hotel." 2018. Executive Magazine, <http://www.executive-magazine.com/real-estate-2/the-untouchable-hotel/>; Dziadosz, Alex. "Beirut's last public beach: residents fear privatization of Ramlet al-Baida." 2017. The Guardian, <https://www.theguardian.com/cities/2017/feb/02/beirut-public-space-last-beach-residents-fear-privatisation-ramlet-al-baida>

as an important aspect of community building and community fabric, to my knowledge, have never been proposed as heritage businesses or as heritage activities. Although placing heritage preservation into law is not a main focus of this thesis, I believe it is possible to consider policy frameworks in which old VSEs can be considered as heritage activities.

2.3 Social Capital and Social Networks

Social and cultural capital concepts matter to the understanding of how shop owners of Qobayat and the ways they have produced and reproduced their neighborhood. Social capital was first introduced as a theory by Pierre Bourdieu in 1986 and his work remains seminal on the subject. Bourdieu stated that: “It is in fact impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms,” (1986, p. 241). Similarly, it is impossible to understand the social structures, their changes, and the larger social and economic situation in Mar Mikhael and Qobayat without introducing capital. Bourdieu defines social capital as,

the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectively – owned capital, a ‘credential’ which entitles them to credit, in the various sense of the word. (1986, p. 247)

It is this definition and this understanding of social capital that I will be applying throughout the thesis. Bourdieu discusses capital, social and cultural capital included, as a reality that assists in explaining and understanding inequalities within the world (p. 241). He introduces three types of cultural capital: embodied capital which relates to the mind and body as well as to habitus; objectified capital which related to cultural goods; and institutionalized capital which relates to systems such as education (p. 243). Bourdieu also addresses the notion of scarcity of capital, or the perceived scarcity which then creates

competition (p. 244). Scarcity can also be related to dominance, in that social capital can be used and sold. If a group or individual does not own the means of production of their capital, and only sells their product or service, they are in the dominated group. Yet if they earn profits from the “use of a particular form of capital,” they are in the dominant group (p. 246). This idea of dominated group versus dominant group will be explored further in the analysis chapter when discussing in detail the social capital of shop owners within Mar Mikhael and Qobayat, and their (in)abilities in gaining further capital from the existing social capital. In Bourdieu’s explanation, it is objectified capital that is most likely to bring gain, while if it is not used it brings no benefit to the individual or group (p.246). Social capital is further explained to function in relation to others: while an individual possesses their own social capital, the volume of capital is based on an individual’s capital along with the capital of those they are connected to (p.247). While discussing social capital, Bourdieu states that economic capital is still at the base of all capital, and economic capital, translating at least in a large part to class, brings with it its own values and types of social capital (p.250).

In order to apply Bourdieu’s theory of social capital to the neighborhood scale, the space of Mar Mikhael, Qobayat, and the VSEs must be analyzed spatially. For this, it is most useful to approach the theory of the production of space by Henri Lefebvre. I seek to understand Qobayat as a social space with social networks in which the VSEs have long assisted in the production of the space and networks. According to Lefebvre, every society, with its means of production, produces a space of its own (1995, p. 31). Thereby, it is necessary to understand the modes of production (who is producing, what is being produced, and how is it being produced) within Qobayat, of course in relation to Mar Mikhael, Beirut, and Lebanon at large, and perhaps beyond, and how these modes of production have shifted over time and thereby produced various types of spaces. New

modes of production have developed as results of government policies, money flows, patterns of capitalism, and consumer approaches. These include the new rent law, Airbnb, new development, investment. Historically, former local modes of production (and places of employment) such as the Laziza Beer Brewery, the Army base, port, train station, and more must be understood as past generators of economic, social, and cultural capital. From this, some questions begin to arise in seeking to understand the spaces of Mar Mikhael and Qobayat. Who has the ability to own the modes of production (to produce space) and who is invited to participate in the production? Are the current modes of production different from past modes of production? What type of spaces are they producing? Do the VSEs remain a component of the modes of production? Further, in understanding neoliberalism as a type of worldwide hegemony, how is this hegemony and its modes of production continuing to produce spaces within Qobayat?

Lefebvre defines social space as, “the space of social practice, the space occupied by sensory phenomena, including products of the imagination such as projects and projections, symbols and utopias,” (1995, p.12). Lefebvre’s triad of space suggests that the produced social space is encompassed by the perceived space (spatial practice), representational space (lived space), and representations of space (conceived space), (p.33). This raises several questions for Qobayat. How was this space formed throughout history and through which processes, as when discussing productive processes means that we must consider history?(p.46) Is the space changing now? How and through which means of production? How are representations of space being used to project the future representational space of Qobayat? How is this changing the spatial practices today, for whom and by whom? If “history is experienced as nostalgia,” (p.51), how is this nostalgia transformed into social capital, by whom and for which purposes?

In seeking to answer the above questions, the theories of Bourdieu and Lefebvre intersect well. In order to understand who has the means of production today in Qobayat, it is also necessary to understand social capital within the neighborhood and who is within the dominant and dominated groups. In mapping social capital, dominant and dominated groups, as well as the modes of production, it becomes clear where the very small enterprises and their networks are located within these processes. What happens when a group shifts from the dominant to the dominated due to the loss of the value of its social capital and the loss of the means of production? Is this occurring in Qobayat? What happens when the spatial practices are forced to shift, and thus at least some individuals' habitus are disrupted? In relation to the above questions, Lefebvre states:

A given mode of production does not disappear, according to Marx, until it has liberated the forces of production and realized its full potential. This assertion may be viewed either as a statement of the obvious or as a striking paradox. When the forces of production make a leap forward, but the capitalist relations of production remain intact, the production of space itself replaces – or, rather, is superimposed upon – the production of things in space. In a number of observable and analyzable instances, at any rate, such a production of space itself is entailed by the pressure of the world market and the reproduction of the capitalist relations of production. (1995, p.62)

Thereby, how space is produced in Qobayat, and how that production is changing, is paramount in understanding the present and future of very small enterprises.

The work of Fawaz (2008; 2009a; 2009b; 2016), specifically her seminal work on Hay Al-Sellom – the largest informal settlement in the Lebanon's capital – provides an example of how social networks and capital was used in the planning processes of a neighborhood (2009a; 2009). Fawaz focuses on social networks and the transfers of property, encompassing informality in regard to planning, social networks, and economy. Her profile of Abu Raymond, a local landowner, serves as a microcosm of informal practices. Abu Raymond uses social networks, and informal and formal methods to sell land, which results in his accumulation of social and economic capital (2008). In studying

informal housing, Fawaz's other work (2009a; 2009b) traces how people are able to participate in the right to the city (or rather to have access to the modes of production of space) through informal practices, including through acquiring housing. It is her intersections of informal economy, planning, and social networks that I find useful in relation to my case study on very small enterprises within a gentrifying neighborhood. As issues of planning (gentrification, housing, home demolitions and evictions, rising rent prices, and more) intersect with very small enterprises and their informal practices, perhaps the approach of Fawaz in regard to housing can shed light on possibilities for very small enterprises in Mar Mikhael. As Fawaz uses Abu Raymond to illustrate how part of Hay Al-Sellom was produced, the case study of old VSEs in Qobayat will attempt to show how these businesses produced the neighborhood.

While Fawaz uses a case study to demonstrate social networks and social capital, for a concise theoretical approach to social capital, the work of Portes (1998) is useful as a reference. He lists Bourdieu's theory as central to the studies of social capital. While Portes discusses at length the benefits of social capital, such as social control, source of family support, and benefits through extra familial networks (1998, p.12), he also makes a point to discuss the negative aspects of social capital. The negative effects include: strong ties preventing access to other networks due to loyalty; within business settings, kin and network ties can result in burdens and failures to provide access to employment or lower cost services; causes conformity in behavior and opinion; and within marginalized groups, may prevent some from being able to enter the mainstream without social punishment from within the group (p.15). Negative aspects of social capital are also explored by Wacquant, looking at social capital in relation to the state and not just at the community level (Wacquant, 1998). He focuses on how state social capital has purposefully withdrawn certain services such as security, housing, healthcare, and education, and thus resources

from lower socio-economic neighborhoods, and instead transformed their services into programs of surveillance and policing (1998). Wacquant demonstrates how programs by the state have the power to increase or decrease a group or community's social capital, thereby changing the value of the capital. To expand upon the negative effects of social capital, I would ask if an individual's or group's social capital can be coopted by others and monetized due to access to other forms of capital or a larger value of social capital?

While social capital is often discussed from the perspective of "strong ties" and what family and close friends can offer one another, Granovetter instead focuses on yields from "weak ties" or more loose relations (Granovetter, 1977). This is relevant in the case of Qobayat, as old residents and dwellers have both strong and weak ties with others in the neighborhood. Granovetter argues that weak or vague ties between individuals expand people's networks and social capital by proxy to the capital and networks of others. He constructs his argument against a notion that stronger ties are more important and create more opportunities for the connected individuals. Weak ties between individuals create triangulations and bridges, as demonstrated within his various models (1977, p.1363 and 1365). Case studies on the strength of weak ties are exemplified in the works of Hall (2013), Steigemann (2016), and Zukin (2012) which focus on specific shopping streets in London, Berlin, and Amsterdam, respectively. All three authors focus on shopping streets with a large number of VSEs. The authors study and demonstrate how weak ties amongst business owners, and business owners and customers manifest themselves, how they benefit from one another even through loose relations, and how aspects of the street are governed by these weak ties.

Another branch of social capital discussion focuses on the notion of the third place. The third place is a term that was coined and defined by Oldenburg and Brissett in 1982. The authors define a third place as "a public setting accessible to its inhabitants and

appropriated by them *as their own*” (1982, p.270). Oldenburg and Brissett argue that third places are beneficial to a person’s wellbeing and that they serve as democratic places of discussion and equality and provide wholeness and distinctiveness (p.267). Further, they argue that third places are locations of pure sociability or play for association, to use the work of Simmel and Hughes (1949). The notion of the third place is relevant in this thesis to briefly illustrate the uses of small shops for purposes other than the selling of products and services. These additional services include shops being used as places for exchange of information and gossip, leisurely spaces, and more. For the purpose of this discussion, it is important to consider which third places exist in Qobayat and for whom? How are these places produced? Which third places exist, which no longer exist, and why did they disappear? Who has the power or capital to produce third spaces, to claim a space to become theirs? Although it is important to consider the existence of third places in Qobayat, I want to challenge Oldenburg and Brissett’s argument that they are places of democratic communication and equality. Although they are social spaces outside of work and home, the inequalities of societies not only profoundly exist in these places, but also assist in creating the social norms within these places and dictate who is and is not allowed within the place. Further, it is interesting to understand how access to particular third places overlaps with the creation and maintenance of social capital.

Finally, I would briefly like to discuss the work of Jane Jacobs (1961). Although she discusses how to make great cities in regard to mixed uses, sidewalks, public parks, streets, and more, I understand her work to also discuss how the social capital of particular classes and groups of people can be validated to have more value. In discussing from a planning perspective, the need for wide sidewalks, mixed use spaces, low-rise buildings, old buildings, and public parks, Jacobs is calling for an environment that promotes third places in the public sphere, encouraging the strength of weak ties, and valuing a particular

type of social capital over others. Jacobs further discusses how neighborhoods are quickly changed by “cataclysmic money” such as credit from lending institutions, government money, and investment (1961, p.293). She states: “Cataclysmic money pours into an area in concentrated form, producing drastic changes. As an observer of this behavior, cataclysmic money sends relatively few trickles into localities not treated to cataclysm” (p.293). The above quote is necessary in order to begin a discussion of the type of money that has been flowing into Mar Mikhael, to understand the cataclysmic effects it has had on the neighborhood, how this money acts as at least one mode of production, and how it has had larger effects on social capital and social networks. The work of Ruth Glass and Jane Jacobs sought to understand cities and neighborhoods through anthropological and sociological research methods, in order to use this research as a basis for policy or “how to’s” (in the case of Jacobs) to create better cities. Although a master’s thesis lacks the ability to do this both in scope and purpose, it is my aim to understand how Qobayat has transformed, why, and by whom, and how are the old VSEs – as one stakeholder in the sub-neighborhood – a part of this. The contribution of this thesis is inspired by Jacobs and Glass – that research that focuses on the “small and minor”, on aspects that are outside of the powerful modes of production and powers of hegemony – can be later be formulated into policies or guides, or in the least, to challenge current approaches in policymaking.

CHAPTER THREE

CASE STUDY

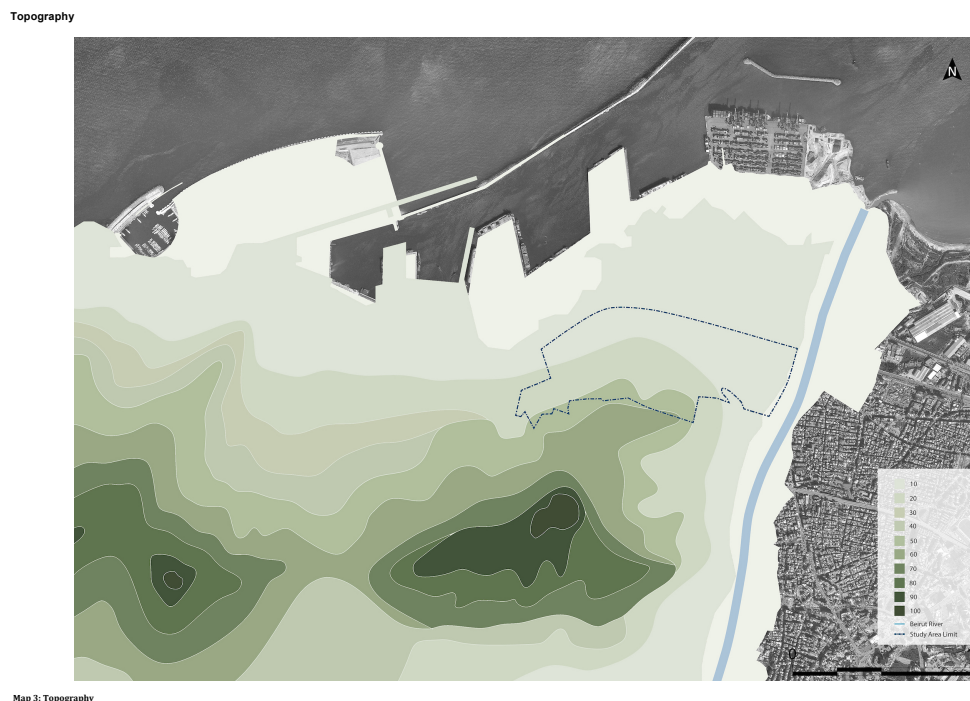
3.1 Locating Mar Mikhael and Qobayat

The neighborhood of Mar Mikhael is located in the eastern part of Beirut and at the northern entrance to the city. To the north is the port neighborhood of Medawar, to the west is the neighborhood of Bourj Hammoud, to the south are the residential neighborhoods of Rmeil and Geitawi, and to the east is the neighborhood of Gemayzeh which connects Mar Mikhael to Downtown and west Beirut.



Figure 1: The neighborhood of Mar Mikhael is highlighted in red, showing the situating of the area at the northern entrance of Beirut. Map created by students of the planning and design studio 2017, Professors Serge Yazigi and Mustafa Jundi. Planning and Design Studio. Professors Yazigi, S. and Jundi, M. American University of Beirut, 2017

The neighborhood is bordered on the north by Charles Helou Highway, which separates it from the neighborhood of Medawar. On the west is the Pierre Gemayel Highway which divides Mar Mikhael from Bourj Hammoud. While Mar Mikhael has a generally flat elevation, the topography begins to rise on the south stretch of the neighborhood, creating a natural border with Geitawi and Rmeil, which is linked to Mar Mikhael through a series of pedestrian a stair network.



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Figure 2: The map above demonstrates topography in Mar Mikhael and the surrounding area in meters. The generally low topography of the area is evident, with a gradual rise on the southern end towards Geitawi. MEDNETA. "Mediterranean Cultural Network to Promote Creativity in the Arts, Crafts and Design for Communities' Regeneration in Historical Cities" "Creativity and Regeneration in Mar Mikhael" SWOT Conference Report. Rep. GAIA Heritage Group. N.p.: GAIA Heritage Group, 2015. 1-21. Print.

Armenia Street is the main artery of the neighborhood, passing through the middle of the entirety of Mar Mikhael, linking it to Gemayzeh and Bourj Hammoud. Armenia Street serves as both the main vehicular and pedestrian artery, and commercial zone with commercial activities largely located on the ground floor of mixed-use buildings along the

road. Major landmarks in Mar Mikhael include the Electricite du Liban building at the western end of the neighborhood, the former train station in the center of the neighborhood between Armenia Street and Charles Helou Highway, the now demolished Laziza Brewery, and two army bases, one each on the southern and northern edges.

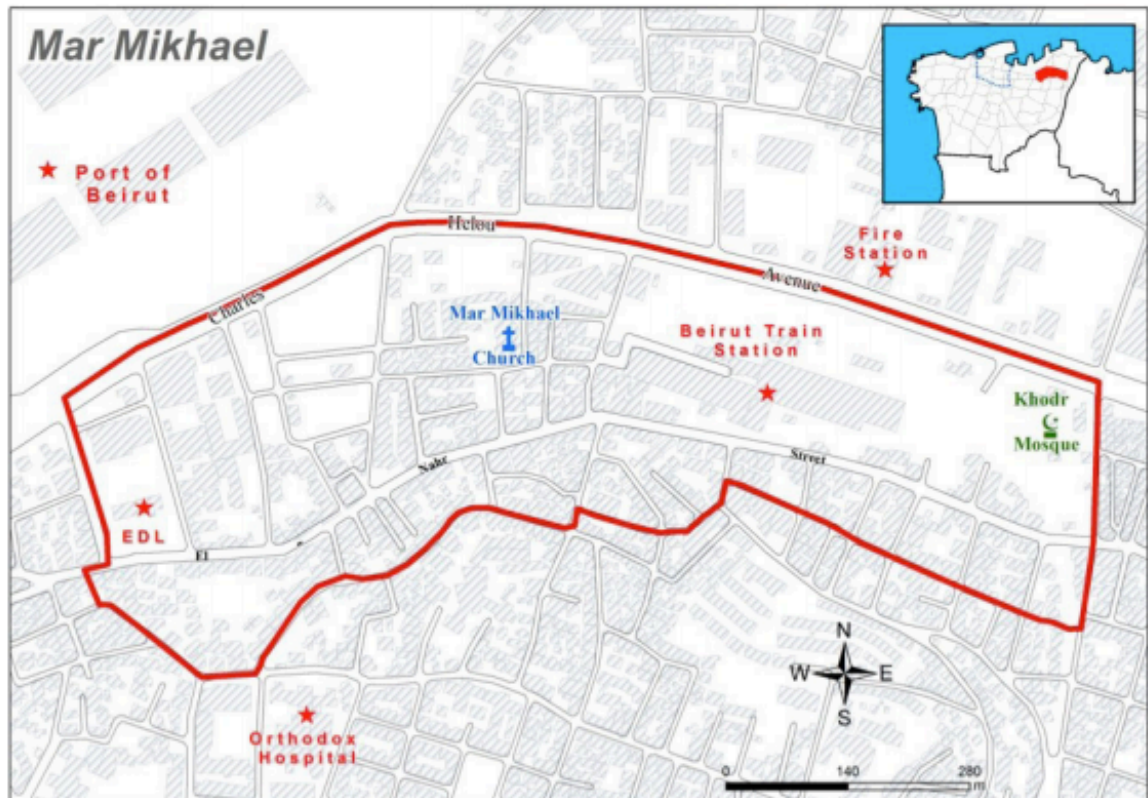


Figure 3: The map above situations Mar Mikhael and its landmark. Krijnen, Marieke. "Creative Economy, Social Justice and Urban Strategies: The Case of Mar Mikhael." Rep. Issam Fares Institute for Public Policy and International Affairs. American University of Beirut. P 1-30

For the purpose of this thesis, Qobayat has been identified as a sub-neighborhood within Mar Mikhael. While Mar Mikhael is identified as a city neighborhood within the Medawar sector, Qobayat is a name used more colloquially by dwellers of the area. Qobayat can be considered a sub-neighborhood of Mar Mikhael, making up roughly a quarter of the area and is a largely residential area with ground floor businesses both along Armenia Street and within the grid circulation network of the neighborhood. The sub-

neighborhood is home to several restaurants and cafes, but primarily hosts old VSEs. The area of Qobayat is located in the central part of the Mar Mikhael, stretching east-west from the middle of the train station until the local landmark of Jisr Al Hadeed. As almost the entire northern portion of Qobayat is occupied by the train station, primarily the southern portion will be studied in this thesis as it contains the majority of residential and commercial life of the area. To the west is the area of Badawi, a small area that although technically part of Mar Mikhael, is locally viewed as a separate neighborhood and was home to the first Armenian refugee camps in the early 20th century. The now rusted train tracks which linked Qobayat to the train station lay between Qobayat and Badawi. The over growth of foliage on the tracks creates a naturally green separation between the two sub-neighborhoods. The Qobayat area includes one of Mar Mikhael's army bases (the army base has sparse activity and limited personnel presence), and the demolished Laziza Brewery. Armenia Street passes along the northern end of Qobayat. Within the sub-neighborhood is a small road grid system which is unique in Mar Mikhael, as grid systems are generally uncommon across Beirut.

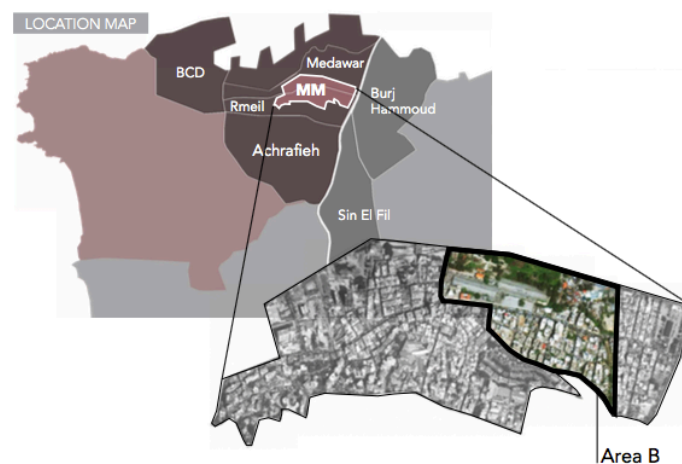


Figure 4: "Area B" represents the neighborhood of Qobayat on the southern end, with the largely unused Mar Mikhael train station on the northern end across Armenia Street. Map courtesy of planning and design studio 2017 Group B Mahmoud Bou Kanaan, Soha Mneimneh, , Haya Tabbakh, and the author. Planning and Design Studio. Professors Yazigi, S. and Jundi, M. American University of Beirut, 2017.

Qobayat is separated from central Mar Mikhael by the lull in activity created by the train station. Further, Qobayat takes on a particular residential and morphological character due to its grid circulation system which creates clearly defined blocks. Similarly, the neighborhood of Badawi can be identified as another sub-neighborhood in Mar Mikhael for several reasons. First, the northern portion of Badawi, maintains the grid like morphology of low lying, condensed blocks separated by alley ways. Second, the neighborhood has an extensive depth on its southern end, linking it to the neighborhood of Nabaa. Locally, both Qobayat and Badawi are often referred to by dwellers familiar with the neighborhoods as distinct and separate from Mar Mikhael.

Although the sub-neighborhood of Qobayat is quite small within the larger city scale, as understood through both perception and fieldwork interviews, dwellers of the area see and use Qobayat as a neighborhood within a neighborhood. Although the neighborhood provides a lot of services for its dwellers, it is connected socially and economically to Mar Mikhael at large and surrounding neighborhoods and sub-neighborhoods. The strongest social relations between Qobayat are with other residential neighborhoods and sub-neighborhoods such as Badawi, Geitawi, and the remainder of Mar Mikhael as residents of the neighborhood and sub-neighborhoods are often family, friends, or acquaintances. The proximity of the areas and their demographic and morphological similarities result in the strong social relations, as well as important weak ties. The residential area of Qobayat has weak economic relations with the train station, as the local landmark is now largely unused except for private events or a seasonal summer bar. The weak economic relations with the train station are a post-Civil War development, as the station was a key transportation hub and likely a major employment provider prior to its change in use. Economic and social links with the Medawar industrial area are weak,

possibly due to limited pedestrian connection across the physical barrier created by the Charles Helou Highway.

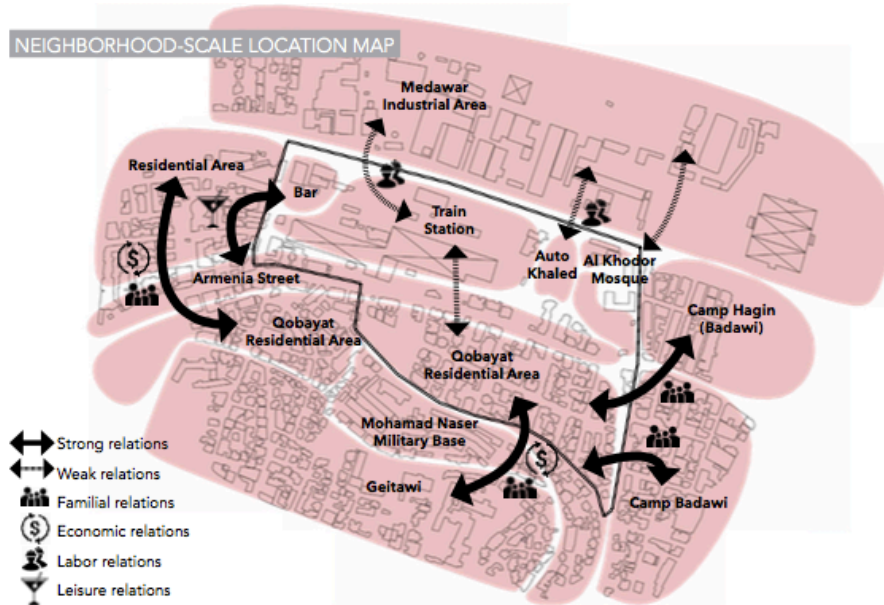


Figure 5: Figure 5: Neighborhood Scale Location Map. Map courtesy of planning and design studio 2017 Group B Mahmoud Bou Kanaan, Soha Mneimneh, Haya Tabbakh, and the author.

3.2 Historical Background of Mar Mikhael and Qobayat

Within the following historical background, information primarily refers to Mar Mikhael, as historical data on Qobayat specifically is limited. In Samir Kassir’s *Beirut*, the author discusses the history of the Medawar neighborhood, which for a period of time encompassed Mar Mikhael before the area acquired its own delineation. At the time, prior to the Charles Helou Highway, the area led directly to the sea front. The area, located on Saint George Bay, is also home to the Al Khodor Mosque, still located on the north western corner of Mar Mikhael. In the 1840s, the area of Medawar and its slight cliffs over the sea was an upper class, largely Christian beach destination which included hotels and private summer homes (Kassir, 2011, p.114). The leisurely region was bordered by agricultural land in what is now Mar Mikhael and specifically the space of the train station.

Once the port was expanded 1895, the area acquired a largely industrial purpose, and the hotels and homes were pushed out (Kassir, 2011, p.150-151). Until the buildup of the agricultural land, Mar Mikhael had a strong relationship with the city center, as produce and other goods were sold in the city center markets.

In 1895, right before the turn of the century, the Medawar, encompassing Mar Mikhael, experienced a strong shift in its use, activity, and thus demographic makeup. Both the new port and the rail system were built in that year, making the neighborhood an important national hub and connecting it regionally with neighboring countries (Kassir, 2011, p.120). Beirut had sought to become a crucial transportation and trade hub in the region, in competition with Haifa, Palestine (Kassir, 2011, p.273). In 1895, Medawar was still at the edge of the city, a peripheral and non-urban area outside of the capital (Buccianti-Barakat and Hariri, 2014, p.2).

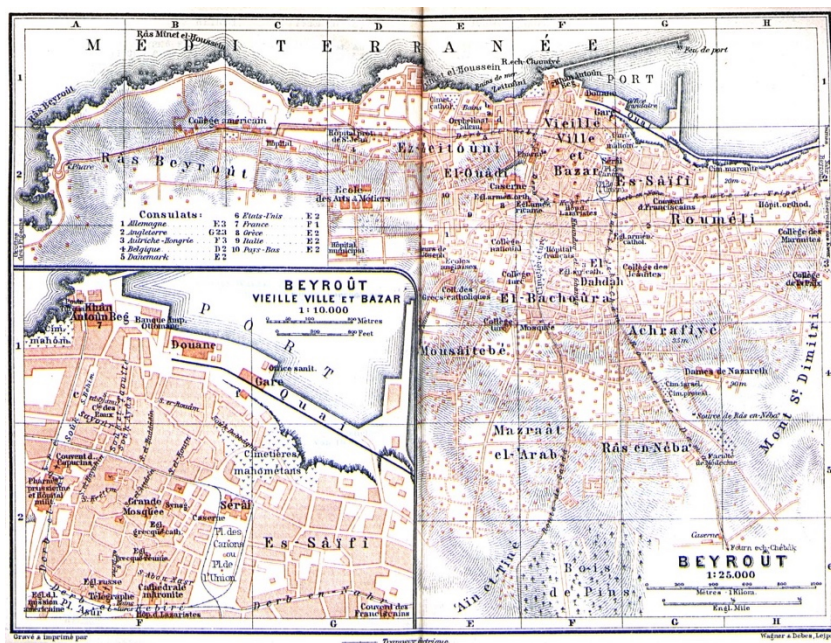


Figure 6: 1912 map of Beirut. The new port has already been built, to its west is Mar Mikhael, which is still largely unbuilt at the time. The "Route de Tripoli" is already visible, showing early signs of the area as the northern entrance to the capital. Baedeker, K. Palestine and Syria...Handbook for Travellers. 5th Edition, 1912. http://www.the-lebanon.com/lebanon_country/map/beirut2_1912.jpg

After the 1915 Armenia Genocide by the Ottoman Empire, Mar Mikhael experienced a population growth through the arrival of Armenian refugees who were eventually settled in the Nur Hajin Camp located at the north western corner of the neighborhood. With time, as the Armenian population grew, many settled outside of the camp in other areas of Mar Mikhael, Geitawi, Badawi, and of course Bourj Hammoud. In a 1923 map, the tram line 3, connecting Mar Mikhael to the Beirut city center first appears. Despite still being a non-urban area at this time, the neighborhood's connections to the hubs of the city continued to grow. However, at this time, as the train station was already constructed, commercial links with the city center weakened as agricultural lands in Mar Mikhael diminished. Nonetheless, the activity from the train station, tram, and rail connections to the port spurred growth in the area.



Figure 7: In this 1923 map from the plan of Beirut, the area of Mar Mikhael is still largely unbuilt in comparison to the city center. The railway from the port, through the neighborhood, and to the north is visible, as is the train station in the neighborhood. The path of Armenia Street is already in existence. <https://pixels.com/featured/old-antique-city-map-beirut-lebanon-elite-image-photography-by-chad-mcdermott.html>

Between 1923 and 1936 the army base in Qobayat was built. Destroyed in 2017-2018, the Laziza Brewery was built in the 1930s, adding to the employment opportunities offered in the sub-neighborhood. The Electricite du Liban appears in a 1936 map of Beirut at the western end of Mar Mikhael, becoming another important link between the neighborhood and city center, as well as a source of employment. The location for Electricite du Liban was chosen due to its proximity to the train station. Throughout the 1930s, the area experienced a rise in population due to refugee arrivals and employment opportunities which attracted new residents (Kassir, 2011, p.296). It is in the 1930s that the sub-neighborhood took on the name of Qobayat. Although historical or archival data was not found to verify the reason for the name of Qobayat, through local understanding and fieldwork interviews, the area is said to be named after the northern Lebanese village of Qobayat. Residents of the village are believed to have migrated to the neighborhood due to its proximity to the city center, and growing availability in largely blue-collar employment.



Figure 8: In this 1936 map the buildup of areas such as Mar Mikhael, Medawar, and Rmeil are evident and the plans are much more similar to those of 2018, than earlier maps. In Medawar and Badawi, the built up of the Armenian camps is seen. The Army Base in Qobayat has been built. The tram line 3 runs along what is now Armenia Street, and the various train tracks and train station buildings are clearly visible. The growth of the area in the 13 years, between 1923-1936, is obvious in from the comparison of the two maps. <https://www.mapsland.com/maps/asia/lebanon/beirut/large-old-map-of-beirut-city-with-buildings-1936.jpg>

In the 1960s Mar Mikhael, and Qobayat within it, continued to experience population growth, now due to rural to urban migration (MEDNETA, 2015, p.5). The Civil War saw the area's links with central Beirut severed, as the Green Line cut the city into East and West, more sharply at some periods of the war than others. The area continued to be closely linked with other neighborhoods in east Beirut, especially Geitawi, Rmeil, Gemayzeh, and Bourj Hammoud. Mar Mikhael at large saw a shift in its accessibility to labor opportunities within the city with the closure of the train station during the Civil War, closure of the tram system which cut off valuable transportation routes, the physical severing off from the port area by the Charles Helou Highway, and the changes that began in port operations globally with the advent of container shipping which largely limited the availability of employment at ports globally.



Figure 9: Mar Mikhael in 1948, aerial view. Specifically, in Qobayat, the area is seen to be less built up, with large parts still covered in flora. Interestingly, the port area and Medawar are not industrialized. Planning and Design Studio. Professors Yazigi, S. and Jundi, M. American University of Beirut, 2017.

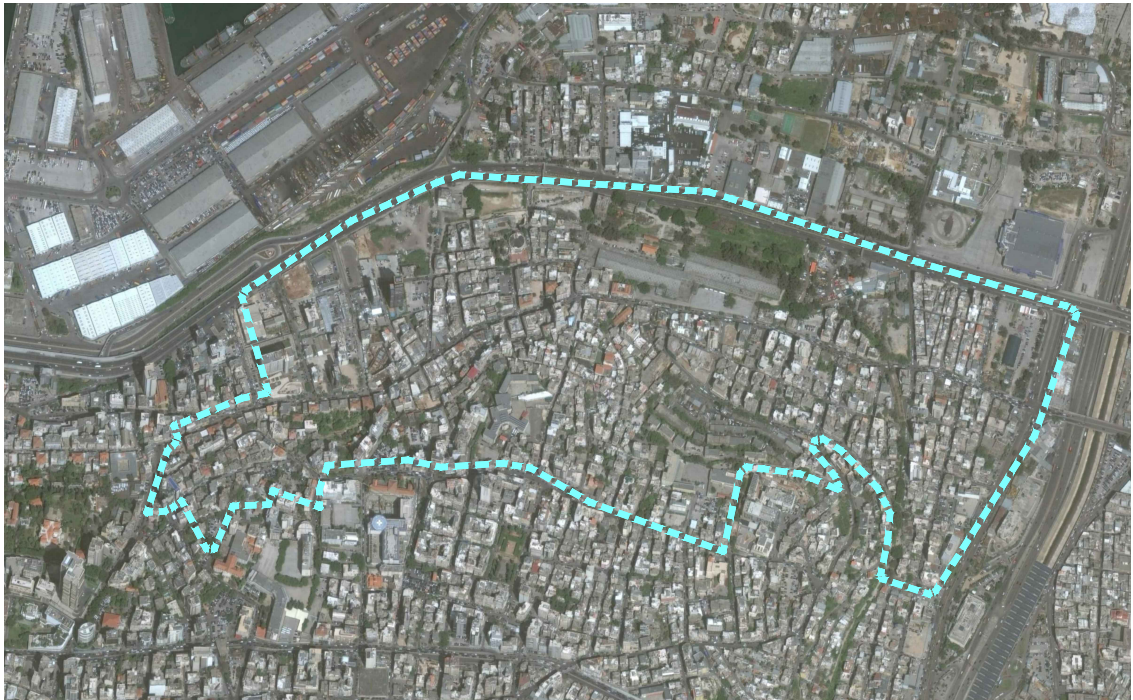


Figure 10: Mar Mikhael in 2017, aerial view. The neighborhood is almost entirely built up, as well as in Qobayat. The port and Medawar areas are industrialized. Planning and Design Studio. Professors Yazigi, S. and Jundi, M. American University of Beirut, 2017.

Today, Mar Mikhael at large is synonymous with Beirut nightlife. Nightlife has left a trail of gentrification throughout Beirut, creating both successful establishments, and locations serving as rotating doors for failed nightlife ventures. The gradual swallowing up of neighborhoods by gentrification is a common pattern identified by Glass that continues within a neighborhood until almost all of the original, working class residents are displaced (Glass, 1964, p.22-23). After the Civil War, Monot became the first nightlife hub, followed by Gemayzeh, Mar Mikhael, and currently the boom in Badaro. Hamra has consistently served as a mixed-use hub, including nightlife, which is likely related to its status as a long-standing mixed-use neighborhood with diverse demographics, even during the Civil War. As previously described, prior to 2008, Mar Mikhael was a quiet residential area on the periphery of the city. The neighborhood was generally comprised of low-rise buildings, a “blue collar” labor force, and a quiet demeanor. Around 2008, the nightlife scene booming in Gemayzeh crept towards neighboring Mar Mikhael, with the first bars opening

on a corner along Armenia Street (Krijnen and De Beukelaer, 2015, p.296). In what local dwellers refer to as “Gemayzeh coming to Mar Mikhael,” in a snowball effect, pubs, restaurants, cafés, galleries, and designer shops emerged quickly, often one replacing the other. For a period of time, at the start of the nightlife and design boom in the area, the rent prices were lower than in other parts of the city, attracting new entrepreneurs and creatives. As the boom continues, the area now has high market rate rent prices, and thus many pubs and restaurants continue to close, with others opening new businesses in the old location. Similarly, many of the design scene participants have either closed their business or left the neighborhood for areas with more attractive rent prices that Mar Mikhael no longer offers. Predictably, residential rent prices have skyrocketed in the area, having an impact on the demographics of the area, as many residents have been forced to leave due to rent, eviction, building demolition, or growing pressure to relocate, and a sense of a loss of place (Krijnen and De Beukelaer, 2015, p.296).

Gentrification throughout Beirut’s neighborhoods, Mar Mikhael and Qobayat included, has not been able to displace the entirety of the long-term residents largely due to the old rent law. In a neighborhood like Mar Mikhael, where 41% of residents hold old rent contracts, this has assisted in creating a mixity in the area, although it is threatened by the new rent law which would displace many old residents. The commercial old rent law remains in effect, and thus many old VSEs are able to stay open for the foreseeable future. Despite the protections offered by the old rent law, evictions in the neighborhood allowed for the demolishment of several buildings in the area. On these properties, usually merged lots allowing for maximum build up ratio, three high-end developments are now present in Mar Mikhael (Krijnen and De Beukelaer, 2015, p.296). In like in a mix in availability of old and new rent contract, Mar Mikhael is a combination of long-standing families and new residents. Old residents in the neighborhood usually either own their apartments or

live under the old rent law, whose soon discontinuation will put many families in jeopardy of leaving the neighborhood. These families often own businesses in the area. They are now met by young urban professionals, both Lebanese and international, who easily pay higher rent prices or stay in the growing number of Airbnb accommodations while visiting Beirut. New residents are largely residing on new rent contracts, with some owning apartments in one of the two high rise towers. Trendy boutiques, cafes, and expensive restaurants cater to the new comers in the neighborhood and the new generation *flaneur* can be seen daily at the same café, echoing the descriptions of Richard Florida's *The Rise of the Creative Class*. While the new dwellers occasionally use the local *dakkaneen* (mini markets) or produce grocer, they are largely outside of the clientele of the VSEs. Old VSEs include the mini market providing for the everyday needs of residents such as dairy products, break, coffee, cleaning supplies, and dried and canned goods. They also include the local salon or barber, mechanics, and electronic and hardware supply businesses. Such businesses are meant to serve the daily needs of the old residents of the area and meet their consumer habits. Meanwhile, the old dwellers of the neighborhood are largely excluded, economically and socially, from the new establishments such as the trendy cafes and designer boutiques which are not designed to cater to their needs but instead to the needs of the new dwellers who have different consumer habits, such as the need for cafes where they can work from their laptops.



Figure 11: Figure 11: One of two high-rise towers in Qobayat. Image courtesy of author.



Figure 12: Map created by GAIA Heritage Group under the MEDNETA Project, mapping of all ACDs in Mar Mikhael in 2015. A significant number have since closed or moved to different neighborhoods. Krijnen, Marieke. “Creative Economy, Social Justice and Urban Strategies: The Case of Mar Mikhael.” Rep. Issam Fares Institute for Public Policy and International Affairs. American University of Beirut. P.1-30

Although the Qobayat neighborhood of Mar Mikhael has escaped the swelling nightlife scene, the neighborhood is still teeming with changes. This is seen in the fast turnover of Arts, Craft and Design businesses (ACDs) in the area. Of the 19 ACDs that were present between 2015-2017, 12 have remained, 7 closed, and 9 have opened. Although the number of ACDs in the neighborhood has only grown by 2 from 2015-2017, the turnover of ACDs in Qobayat has been swift.⁹ The Qobayat neighborhood is also popular with the apartment sharing service Airbnb. In October 2016, there were only 8 Airbnb listings in the Qobayat area: one year later, the website listed 25 accommodations for the same area. The average price per night consistently remained at \$70-75 from 2016-2017. However, in 2018 the average price per night dropped to \$58.¹⁰ Of the 25 listings in 2017, 16 hosts were counted, meaning that some hosts list several apartments in the

⁹ Data collected and synthesized by author during planning and design studio 2017, Professor Serge Yazigi and Mustafa Jundi.

¹⁰ Data collected and synthesized by author during planning and design studio 2017, Professor Serge Yazigi and Mustafa Jundi.

Qobayat area alone, and some with more apartments in Mar Mikhael and/or Beirut at large. Of the 16 counted hosts, 7 were deemed to be “investors,” or those listing multiple apartments in Beirut, thereby using Airbnb as more than a form of supplementary income and in a manner that removes apartments from the standard rental market and into the hospitality sector.¹¹ In analyzing Airbnb data collected in October 2017, rent prices charged on Airbnb were 2-3 times higher than new rent prices for apartments in Qobayat, however, this has dropped in 2018. Thereby, “investor” Airbnb hosts stood to gain significant profits from renting on Airbnb rather than at standard new rent prices back in 2017, however, the return on investment may have dropped in the past year. Although the Qobayat Airbnb market seems to have decreased, the drop in average apartment per night could be due to a general growth of Airbnb across Beirut and in nearby neighborhoods such as Geitawi and Gemayzeh, as well as in the remainder of Mar Mikhael, or a possible decrease in demand from tourists. Data on overall Airbnb statistics in Beirut is not available.

However, where there are investments and rising rent prices, there are also evictions. The Beirut Evictions Monitor, a project of Public Works, has mapped 14 locations in Qobayat with confirmed evictions or the threat of eviction¹². The monitor confirms the eviction of 13 units across different buildings in Qobayat, as well as the eviction and demolition of an entire building with an unconfirmed number of units. In the sub-neighborhood of Badawi to the east of Qobayat, 59 confirmed evictions or threat of evictions are listed on the monitor. From the monitor data, it appears that some confirmed

¹¹ Data collected and synthesized by author during planning and design studio 2017, Professor Serge Yazigi and Mustafa Jundi.

¹² beirutevictions.org/.

evictions have not yet been demolished or renovated, often whole buildings, raising questions to their future uses and further changes in Mar Mikhael at large.

3.3 Demographic and Socio-Economic Context of Mar Mikhael

In September 2014, as part of the MEDNETA Project by GAIA Heritage Group, Buccianti-Barakat and Hariri published “Socio-Economic Analysis and the Perception of the Residents of Mar Mikhael.” This is the most up to date and extensive demographic and socio-economic study on the neighborhood to date. Although statistics are likely to have shifted in the last four years, the data in this section is in reference to the study. There has not been a demographic study conducted on the Qobayat area alone, but it is expected that the area is reflective of Mar Mikhael demographics and the area of Qobayat was included in their study. Mar Mikhael is estimated to house approximately 20,000 residents with approximately 54% female and 46% male (Buccianti-Barakat and Hariri, 2014, p.3 and p.5). The Mar Mikhael population has a higher than national average of married couples, which stands at 39%, while in Mar Mikhael the number is 58%, and has a lower than national average of single individuals with 30% in Mar Mikhael versus 39% nationally (p.6). Mar Mikhael is comprised of a largely older population, with 70% of individuals at 40 years old or older, which is higher than the national average. Approximately 32% of residents are 55-70 years old and 15% are older than 70 (p.8-9). The neighborhood continues to experience an increase in new residents, usually younger than 40 years old, who are attracted by the nightlife, cafes, and ACDs. Due to the largely older population of the neighborhood, with long standing different social habits and places of leisure, the appearance of the new dwellers that are not native to the neighborhood stands in stark contrast. Significantly, approximately 23% of the residents have been living in Mar Mikhael for over 50 years, Further, 64% of residents were born in the neighborhood, and

substantial numbers also work in the neighborhood (p.10). Importantly, the study found that 55% of Mar Mikhael residents do not possess a second place of residents, meaning that residents do not have a second home in their “native” village as is often common in Lebanon. In agreement with the analysis of Buccianti-Barakat and Hariri, Mar Mikhael is largely comprised of an aging population, the majority of which was born in the neighborhood. Many of the native residents rely on the neighborhood for their employment. Thereby, the aging and deeply-rooted population stands volatile in the face of changes that have washed over the neighborhood (p.11).

Regarding socio-economic levels in the neighborhood, first, approximately 52% of residents rent their apartments, while 48% are owners. The percentage of owners is less than the national average, which stands at 71% (Buccianti-Barakat and Hariri, 2014, p.11). Renters are of course more susceptible to eviction and displacement from the neighborhood. Further, of the renters, almost 80% (or 41% of residents) are on old rent contracts as of 2014 (p.12), a position which makes a significant portion of the neighborhood’s residents susceptible to eviction and loss of home once the new rent law goes into full effect. The high number of old renters also creates greater possibility for a rise in the rent gap, one explanation for the continued gentrification in the neighborhood as landlords seek to capitalize on their properties after having received meager income often for decades. The study estimates that of residents on old rent, average rent paid is only \$1,012 annually, with many renters paying even less (p.14). This annual rent is at times lower than rent that can be collected monthly under the new rent law, and the sums collected under the old rent law do not allow landlords to acquire enough capital to renovate or maintain apartments, causing a possible deterioration of buildings.

As the study divided the neighborhood into sectors, sector II comprised the Qobayat neighborhood. Dwellers of Qobayat are comprised of 40% of retirees, making it

one of the “oldest” areas of Mar Mikhael. The study found that although residents in Mar Mikhael at large were strongly bothered and annoyed by the nightlife of the neighborhood, especially the arrival of valet parking and the shortage of available parking spaces, residents were largely unaffected or disinterested in the arrival of ACDs in the neighborhood. In the Qobayat area, it was found that 50% of residents visit ACDs on weekends or holidays, often to visit “creative friends”, (Buccianti-Barakat and Hariri, 2014, p.22). Further, Qobayat residents reported that they are likely to purchase a gift from a local ACD, in part to support the neighborhood (p.22). The Qobayat area was unique in the study, in that it was one of only two sectors that found appreciation in the changes of the neighborhood. This could be explained by its luck in avoiding the nightlife scene as the majority of the neighborhood is located off of Armenia Street which has higher traffic volumes.

3.4 VSEs in Mar Mikhael and Qobayat

According to the *Lebanon SME Strategy: Road to 2020* report, a Very Small Enterprise (or micro-business as the term is used in the report) is any business with an annual turnover of less than 500 million Lebanese Lira (approximately \$333,000) and less than ten employees (Lebanon SME Strategy, 2014). Although throughout the reviewed literature, the terms “very small enterprises” and “micro-businesses” are both used, at times interchangeably, within this thesis the term very small enterprises (VSEs) will be used. The term micro-business or micro-enterprise is often associated with microfinance and related institutions and is the term of preference by development and micro-finance organizations. In order to avoid any associations with micro-finance at large, and as it is not preferable to indicate that the studied businesses have sought or received micro loans, the term VSEs will be used for its greater neutrality. While the term VSEs refers only to

the annual turnover and employee numbers of a business, this study further distinguishes VSEs in Mar Mikhael, and more specifically in Qobayat, as old VSEs; those that have demonstrated resilience in the changing environment in the last ten years and new VSEs that are either part of the process of gentrification or are simply a VSE that has opened since 2008. The year 2008 has been used as a milestone as it is seen as the watershed year for the start of gentrification in Mar Mikhael (MEDNETA, 2015). These two categories are the main focus of this study, with a finer focus on old VSEs. This group of businesses have been in the area prior to 2008, they are likely owned by residents of the area, and cater primarily to the old residents of the neighborhood, although they may also be used by new residents, general dwellers of the neighborhood, and visitors. Through fieldwork, old VSE owners in Qobayat were usually born in the neighborhood, and often still call the area home. Others moved out of the area for various reasons (marriage, seeking a more affordable neighborhood, purchase of new apartment to accommodate larger family, etc.). Of the old VSE owners that were interviewed, all were 45 years old or older. While some business owners in Qobayat are “young adults” in their twenties and early 30s, none were owners of old VSEs. The children of old VSE owners, as confirmed by fieldwork, were not interested in inheriting the businesses of their parents. While most businesses were owned by men, some were operated as couple run businesses by husband and wife. The owners were almost all either Lebanese or Armenian-Lebanese, with one produce grocer being run by an Egyptian owner. These VSEs primarily tend to be mini markets, small produce grocers, mechanics, electric and hardware shops, butchers, salons, barbers, several ACDs (primarily framers), apparel shops, flower shops, and bakeries. New VSEs have been established in the neighborhood since 2008. They cater primarily to visitors of the neighborhood who reside outside of Qobayat and/or Mar Mikhael and to the new dwellers and residents of the area. Of course, the divide of who uses and does not use the businesses

is not sharp, as noted in the survey by Buccianti-Barakat and Hariri, as some old residents of the area support the new businesses. There are likely some VSEs that are new but cannot be described as gentrifying as their business appeals, is accessible to, and is used by new and old residents of the neighborhood. However, from field work, these VSEs have been found to be marginal in number (one or two).



Figure 13: Old VSE dekkhan in Qobayat. Image courtesy of author.



Figure 14: Old SME dekkhan in Qobayat. Image courtesy of author.

Within Mar Mikhael and Qobayat there are of course small, medium, and large enterprises. Some of the larger businesses are native to Mar Mikhael and have grown in size and annual turnover since their founding. Others are new to the area, many of which were likely attracted by the new peri-central status of the neighborhood. Within Mar Mikhael, there are also bank branches, local and international chain restaurants, and other large enterprises. Small, medium, and large enterprises may or may not take part in, contribute to, or benefit from the gentrification that has occurred in the neighborhood in the last decade. However, this is outside the scope of this study.

Within Mar Mikhael there are 137 old VSEs, while the number of total businesses in the area is much higher. Within the neighborhood of Qobayat, there are a total of 86 ground floor businesses including old and new VSEs and SMEs. Of the 86, 58 are old VSEs or 67.44%. To use a similar percentage, it could be estimated that Mar Mikhael has in total approximately 203 businesses, including old and new VSEs and SMEs.

Support for VSEs in Lebanon is only largely available in the form of micro-loans from private and political institutions. Within Lebanon, Roy reveals that the Shia political party Hezbollah runs the largest micro-finance program, Al-Qard Al-Hassan (Roy, 2016, p.170). The program has around 40,000 participants, making it likely the largest micro-finance program in the entirety of the Middle East. Makhzoumi Foundation, Al-Majmoua, and Ameen operate other micro-finance programs in Lebanon. It is unknown if any VSEs in in Qobayat have applied for or received micro-loans, and this information was not obtained from interviews. While in some countries, such as the UK, grant programs exist for VSEs (Fielden et al., 2000), the existence of grants for VSEs in Lebanon has not been identified throughout the duration of this research. For approximately the past year, Rou7 Beirut, a new Lebanese NGO, has been working with old VSEs across Beirut, including in Qobayat. Interviews were conducted with a representative of the NGO during the 2017

planning and design studio, as well as during the research phase of this thesis. In the past year, the NGO conducted two workshops on social media and window displays for approximately 40 old VSE owners in Mar Mikhael, Geitawi, and Achrafieh neighborhoods. The NGO assisted in the creation of social media pages for the VSEs but at the time of the interview, did not have data on the continued use or reaped benefits of the social media. The NGO also launched a campaign during the 2017 winter holiday season to encourage the public to shop at old VSEs. During the interviews, the representative stated that the NGO has considered a micro-loan program in the future, but there are no current plans for its development.



Figure 15: Poster in nearby Rmeil during the 2018 holiday season, encouraging individuals to shop locally. Image courtesy of author.

Three maps on businesses in Mar Mikhael and Qobayat were developed for the thesis and are included in the Analysis portion of the thesis. First, a map of old VSEs in Mar Mikhael (Prior to 2008 VSEs in Mar Mikhael) was necessary in order to document the presence of old VSEs in the neighborhood at large in 2018. An index listing the old VSEs by category accompanies the map. Business were divided into nine categories, as described

in the Case Study Chapter. The map visualizes the prominence of old VSEs in the neighborhood, as well as the locality of Qobayat VSEs within the larger neighborhood. In this map, the entirety of Mar Mikhael is mapped, along both Armenia Street and the inner streets of the neighborhood, including in Qobayat. However, old VSEs in the eastern sub-neighborhood of Badawi were only mapped along Armenia Street. Old VSEs in the inner streets of Badawi were not mapped, as this would have required additional extensive fieldwork, which is outside of the scope of this thesis. Badawi likely includes a larger sum of old VSEs than Qobayat. Second, map of old VSEs in Qobayat (Prior to 2008 VSEs in Qobayat) was created to provide a closer look at the particular businesses under study in this thesis. The map shows their dispersal throughout the sub-neighborhood. Businesses are again divided into 9 categories. Finally, the third map, Qobayat Businesses, visually displays all businesses in Qobayat – old and new VSEs and SMEs. The map separates old VSEs from all other businesses by color, while new VSEs and old and new SMEs are in the same color icons (dark blue) but in different shapes (square, triangle, and polygon). This design approach was taken in order to demonstrate the dominance of old VSEs' in Qobayat over all other businesses.

The case study description provided the historical transition of Mar Mikhael and Qobayat as once periphery areas in the city, and now important social, economic, and residential hubs. Qobayat continues to exhibit economic and social connections with the rest of Mar Mikhael, including Badawi, and neighboring Geitawi, demonstrating that the neighborhood is not isolated or removed from its surroundings. Between 1895-1936, the development of infrastructure including the port, train station, and tram line, as well as other large employers such as the Laziza Brewery, army base, and Electricite du Liban, assisted in the growth of the Mar Mikhael and Qobayat. Similarly, the collapse of all of the above has played a key role in the changes of the neighborhood, including less

employment and economic opportunities and the creation of vacant spaces. The port, once a significant employer, became less accessible as it was blocked by the Charles Helou Highway and surrounded by high security. Further, the containerization of ports globally limited employment opportunities at ports across the world. The train station, like the tram line, fell into disuse during the Civil War, severing many of Qobayat's connections to the remainder of Beirut and ending its role as an important transportation hub. The army base, initially attracting individuals by offering means of employment, as well as generating business in Qobayat through the purchasing power of military personnel and their families, has been largely unused for many years. Finally, the Laziza Brewery, shut for decades and now demolished, also diminished both employment opportunities in the neighborhood, as well as the customer base for local businesses. The absence of former opportunities has been filled by new modes of production, include new VSEs and SMEs, Airbnb, high end developments, and ACDs. Both the aging population of the area and the dismantling of the old rent law create further foreseeable demographic changes in the neighborhood. As old VSEs are owned by old dwellers of the area, their presence and impact in the area is thereby likely to change in the near future. The next section seeks to document the history of the old VSEs, in order to then analyze their role in the creation of the neighborhood, and how the neighborhood may change as the importance given to the old VSEs wanes.

CHAPTER 4

METHODOLOGY, FINDINGS, AND ANALYSIS

4.1 Including Ethnography within Urban Planning Methodology

The methodology of the thesis sought to first analyze existing data available on the neighborhood. After having a historical understanding of the neighborhood, as well as having completed all necessary mapping, fieldwork was started. This approach was used as it allowed me to speak with confidence about the history of the area with interlocutors and demonstrate that I had a foundational understanding of the area. Interlocutors were then asked questions that further clarified the development of the area, and their experiences as business owners. The thesis methodological approach sought to mix urban planning methods (such as detailed mapping), with anthropological tools that I had acquired in previous research and academic experience (such as ethnography). Detailed notes were written after interviews, which included not only information gained from the interlocutors, but also ethnographic observations. I also spent hours slowly wondering the neighborhood at different periods of the day throughout the fieldwork period, recording additional ethnographic notes.

Data collection began as a review of data, literature, and maps that were collected and produced during the Planning and Design Studio, including work already conducted on Qobayat. The literature review focused on gentrification, including in Beirut and Mar Mikhael, informal economy, and social networks. For a theoretical approach and application of the research question, Pierre Bourdieu and Henri Lefebvre were identified as key theorists. Bourdieu and Lefebvre were chosen as the key theorists as they are the seminal authors on cultural and social capital, and the production of space, respectively.

Their work is discussed in detail within the Literature Review Chapter. In the analysis, they will be cited only in regard to the application of their theories to the research question. For an understanding of the socio-economic dynamics of Mar Mikhael at large, the studies produced by GAIA Heritage Group were particularly useful (GAIA Heritage Group, 2015).

Next, the borders of the study area were slightly redefined from those of the area during the Planning and Design Studio. Primarily, the train station area was removed from the area of study. Second, the borders zeroed in on what is locally understood to encompass Qobayat. Qobayat thus begins with the north-eastern block which included the gas station and expands eastward until the train tracks. From Armenia Street and south, the neighborhood is always only two blocks deep. On the northern edge of Qobayat running along Armenia Street, the neighborhood includes a short stretch beginning with mixed use building directly after the trains station and until Jisr al Hadeed (Hadeed Bridge).

Initial field work began with a mapping of all VSEs in both Mar Mikhael and Qobayat. This was important in order to understand the size of the VSE market in the neighborhood at large, Qobayat's contribution to the market, and to support the hypothesis that for a small sub-neighborhood, it has a particularly large concentration of VSEs. This data was mapped and later the field was revisited to map additional elements in Qobayat. Eventually, within Qobayat, all businesses were mapped and divided into four categories: old VSEs, new VSEs, old SMEs, and new SMEs. Within the mapping processes, three initial maps were produced: Prior to 2008 VSEs in Mar Mikhael map; Prior to 2008 VSEs in Qobayat map; and the Qobayat Businesses map. The maps are included in the Analysis Chapter.

Fieldwork continued through a series of 22 interviews with businesses owners in Qobayat. Interviews were chosen as a third layer of data collection, after desk research and

mapping. Interviews provided valuable qualitative data - including opinions, experiences, and anecdotes – which is used alongside desk research and mapping. Interviews specifically assisted in the creation of the Memory Map (discussed later in the chapter). In order to begin the interview process, after a mapping of all businesses, 20 businesses were identified to be interviewed. The businesses are spread across the entirety of the neighborhood, including both old and new VSEs and SMEs, and are representative of various service providers (mechanics, grocers, ACDs, etc.). Initial businesses were approached through personal contacts, with a snowball effect assisting in the identification and connection with businesses interviewed later in the fieldwork processes. Interviews were structured in an informal conversation style, allowing the interlocutor to speak freely and openly. Some questions had been pre-planned and at the end of the interview, any of the unanswered questions were put forth to the interlocutor. Interviews sought to gather data on the founding year of the business; number of employees; reason for the choice of business type and location; future considerations of the business; evaluation of the Qobayat business environment; and opinions on the changes in Mar Mikhael and Qobayat in the last ten years, among others. Interviews were not recorded, and as a conversational style was found most conducive, often notes were not taken during the interview, but directly after the interview in the form of long summaries and descriptions. For this reason, direct quotes, with the exception of a few cases, are largely not available.

Twenty of the twenty-two interviews were conducted with the business owners. Within the 20 interviews with businesses owners, interlocutors were also asked questions regarding their memories of the neighborhood, and where former businesses and spaces once stood. Through the memory mapping interview, as well as data collected within the 20 interviews, the Qobayat Memory Map was created.

Of the 58 old VSEs in the neighborhood, 15 were interviewed. Two out of 10 new VSEs were interviewed, three out of seven old SMEs, and two out of 11 new SMEs.

	Interviewed	Total
Old VSE	15	58
New VSE	2	10
Old SME	3	7
New SME	2	11

While the interviews with old SMEs and new and old VSEs do provide some data and information, it is acknowledged that their small numbers serve as anecdotal at best. However, the focus of this thesis and research question is on old VSEs, thus, interviews focused primarily on this category. Interviews were conducted in English and/or Arabic, as was most comfortable for the interlocutor. When interlocutors were proficient in English, the interview would be conducted in English as this is the preferred language of the author. Interviews took approximately one hour each. Interviews with old VSEs stopped at 15 interviews as data began to be repeated, and the same answers were received repeatedly from interlocutors, thus providing an obvious conclusion to fieldwork.

4.2 A Vignette of Qobayat

The findings will first be presented as a vignette of the area, using the ethnography that was conducted during fieldwork. The following section will use ethnography to understand how Qobayat was first produced by old VSEs and long-term residents, and how the means of production shifted hands, and are now owned by the new forces of

gentrification. To do so, I will discuss four shops from two business categories that were interviewed, all names used within the ethnography are not the original names of the owners, to ensure anonymity.

Joe learned the craft of framing from his father, and later inherited his well-established business and the small building housing the shop, which his parents had purchased in the 1980s. Joe's daughter, in her mid-twenties, tells me that the business was doing well when she was growing up and the family had more money. Today, the profits after costs is as low as \$200 per month. Passing the shop throughout the time of my fieldwork, as well as for over four years living and working in the neighborhood, I often see Joe sitting idly at the shop. Joe spoke less candidly than his daughter, stating that business was not bad, and that he had some work and customers. Joe's space is crowded with frames, paintings, photographs, and maps. There are Scrabble pieces on the work table that spell out his name. During our interview, his friend sat in the shop, smoking a cigar, drinking coffee, and giving his answers to my questions as well. Joe's daughter confirmed that this friend stops by almost daily at the shop for many years. Joe was born in Qobayat, and his wife moved to the neighborhood after they were married. He and his family live across the street from the shop in an apartment under old rent, the future of their contract remains unsure as the old rent law has been withdrawn. "It's the only something that is secure for us, it is the shop," Joe's daughter told me. She has not learned her father's craft, and instead pursued fashion design. During our interview, Joe told me he would not encourage someone to open a framing business in Qobayat, the chances of financial success are almost none. The shop is a small standalone building with two floors. Joe's daughter tells me that eventually, she would like to open a small boutique on the ground floor, while her parents would live on the floor above. As the family expects to be eventually evicted from their apartment once their old rent contract is no longer valid,

living in the floor above the shop is the only possibility for Joe and Marie to remain in Qobayat. The family does not own a house or apartment anywhere else, and do not have a village that they can “return” to. Joe feels rather ambivalent about the changes that have taken place in Qobayat and further in Mar Mikhael since 2008, he states that they are half good and half bad. He enjoys that new people have come to the area, and that there are new faces on the streets. Of the “old” faces he states that he knows at least 80% of the people. However, he laments the increase in traffic, noise, and lack of parking.

Not far from Joe’s shop is another framing business, and these are not the only two framers in Qobayat. Ghassan’s father was a painter, and thus Ghassan became a framer, teaching himself the craft and working at first for his father and his artist friends in the mid-1980s. At the time, his family was living in the space that is now the shop. With time, Ghassan purchased the ground and first floor apartments in the building, using the ground floor for his shop and giving the first floor to his parents. The space has what can be considered a large parking area for Qobayat, and when customers’ cars are not parked, Ghassan and his team of 12 workers extend the shop into the parking. Ghassan’s business grew slowly, but he used his father’s network to expand his own. Today he works with prominent art galleries and artists across Beirut, and is commissioned to do framings for exhibitions, new restaurants and cafes, and for wealthy customers decorating their new homes. Ghassan speaks candidly about his success, as the owner of a well-known Beirut gallery steps into our interview to say hello and pick up her items. With time, Ghassan’s business expanded into restoration, photography, and printing. These departments are led by his wife, a photographer, and sister, a specialist in the restoration of painting. Ghassan expects that his children will join the business, as they are pursuing university degrees in related fields. Ghassan does not share with me his yearly turnover numbers, nor do I ask for them, but with his 12 employees, high profile clients, and the busy atmosphere around

the shop, it is clear that he is in the category of old SME. I ask Ghassan to what he credits his success, at first, he jokes and states, “The parking spaces are the secret of my success.” Then he speaks more seriously and states that to be successful, “You have to love what you do, my business is my hobby.” While Ghassan spoke openly of his prominent clients and being connected to artists since his childhood through his father, he does not link his inherited social network to the success of his business.

In analyzing the ethnographies of the first two shops, both framers, the contrast is interesting. Both men are around the same age and grew up in Qobayat, raising their families in the neighborhood. While Ghassan inherited his father’s artistic network, Joe inherited the craft, shop, and customer base. Why has Ghassan’s business grown to become successful and progressed from a VSE to and SME, while Joe’s business has stagnated at best? Ghassan openly stated that the changes in Qobayat and Mar Mikhael have benefited him, as the nearby restaurants and cafés commission him for frames to decorate their spaces. While Joe stated that he has worked with some artists, they are not his returning customers, who are mostly old residents in Qobayat, and occasionally some from outside of the neighborhood. The comparison of these two framing businesses is interesting in order to demonstrate the possibility of both financial success and struggle in Qobayat. While Joe’s business continues to rely on long term residents, it has proven to be a failed business strategy in the new dynamics of the neighborhood. Ghassan’s access to and pursuit of clients that can be identified as gentrification forces in the area (as well as prominent clients across Beirut), has proven to be a reason for his continued business growth.

Ilham moved to Qobayat when she married her husband, who was born in the neighborhood and living here for over 40 years. Ilham’s husband owned a small shop selling gifts, especially crystal bowls and vases used to hold celebratory chocolates. Ilham

joined her husband in running the business. She enjoyed meeting the residents and dwellers of the neighborhood, and learned about marriages, births, engagements, graduations, and other milestone events in her clients' and neighbors' lives. Ilham used to know all of the people in Qobayat. For twenty years they ran the business under the same model. Around twenty years ago, Ilham began to witness a change in consumer behavior. People were less interested in purchasing "traditional" gifts and their family began to earn less funds from the business. Ilham credits this to the beginning of the "marriage lists" when people began to receive money as wedding gifts or created "wish lists" of products at large department stores. Remaining in the same space, Ilham and her husband changed the store into a mini-market (*dekkkan*) and began to sell every day needs, including drinks, dried and canned goods, cheeses and deli meats, bread, cleaning supplies, cigarettes, and alcohol. For the past twenty years they have run what she deems the most successful *dekkkan* in Qobayat. Ilham says that she doesn't know all of the faces that come into her shop anymore, and with many she does not have conversations. New residents to the area, often Europeans and Americans, purchase alcohol at her shop during the evening and weekends, to drink with their friends on the nearby stairs. Her shop offers a variety of beers, liquors, and wine, and can offer a bottle opener and cups. But Ilham also has a lot of business from families in Qobayat, thus she looks forward to September when business picks up with the start of school. At this time, families order more ingredients for school lunches or even ready-made sandwiches. Ilham's *dekkkan* is well stocked, each shelf is well organized and filled to capacity. She offers a wide variety of snacks and chocolates as well, likely popular with the children of the area. Her space is clean and well-lit and has one chair available for clients who are also guests. While she deems her *dekkkan* successful, Ilham states that she misses the old business and the previous state of the neighborhood, as she knew everyone. Now she states, "it is hard to adapt."

Samir has been living in Qobayat since 1969, and opened his shop, first as a depot and now a *dekkan* in 1972. Him and his family still live in the area. Samir is likely in his 70s, he is hard of hearing and his eye sight is poor. He moves slowly with an arched back. Samir spends his days sitting in front of his shop, smoking cigarettes, and looking intently at all passersby, squinting to determine if they are someone familiar or not. Around his shop are three or four additional plastic chairs, although he tells me that his friends do not pass by anymore, as at his age, they have all passed away. Samir's small shop is dusty and cluttered. A boxy TV sits on a shelf, displaying fuzzy images and a muffled sound that makes it difficult to understand the program. His shop is filled with religious images of the Virgin Mary, Jesus, and a red candle burns in the corner. There is a half empty bottle of Patron tequila that sits on the shelf, next to the TV, a surprisingly expensive item in a *dekkan* selling primarily sodas and cigarettes. Samir is well aware of the condition of his shop and the lack of products that he offers. He tells me, "What customers do I have? I sell only cigarettes and soda!" Prior to his impaired sight and hearing, Samir used the shop as a depot. He points to his old car with deflated tires parked next to the shop and tells me that he used to drive around Beirut selling products such as perfume from the trunk of his car. He tells me his children will not continue his business and does not know what they will do with the small shop that he owns. Samir spoke nostalgically of Qobayat and of Lebanon at large. He misses the quiet of the neighborhood, and he misses the greenness of Lebanon, before the entire coast was built up and urban sprawl took over.

Ilham and Samir both own a *dekkan*, and similar to the differences between Joe and Ghassan, one continues to remain profitable while the other business provides meager earnings. Ilham and Samir are both long term residents of the neighborhood and through my interviews with them, it is apparent that they assisted in shaping the character of the neighborhood through their relationships with residents and dwellers, and through the

presence of their shops. Yet, Samir's cluttered yet sparsely stocked shop, decorated with religious images has become a relic in the neighborhood. Offering barely anything to potential customers, it stands as an outdated space across from an expensive and eclectic restaurant. Ilham once sold products that today would make her shop as irrelevant at Samir's. Yet due to her and her husband's decision to transform from a gift shop to a *dekkan* with products stocked to meet the needs of their evolving customer base, they have remained relevant in the market.

4.3 Findings

This section is the result of fieldwork including the mapping of businesses in Mar Mikhael and Qobayat, as well as 22 interviews conducted in Qobayat, primarily with business owners. The mapping portion of the fieldwork sought to visually understand the distribution of businesses in the neighborhood and the proportion of old/new VSEs and SMEs. The interviews with business owners sought to gather first a set of data that could be coded, such as founding year, rent versus ownership of location, if the owner lives in Qobayat, reason for locating the shop in Qobayat, description of customers, etc. The interviews further aimed to gather an understanding of the interlocutors' perceptions on the changes in the neighborhood, if and how the changes have affected their business, analysis of the Qobayat business environment, and future prospects. The data from interviews was used to gather memories on spatial changes that have occurred in the neighborhood, which resulted in the Memory Map which is described in more detail later in the chapter.

Data collected for mapping was created into four maps in order to visualize the business locations in Qobayat, as well as to create the Memory Map. Interview data was documented as extensive and detailed summaries directly after each interview. The information was then coded for analysis and identification of patterns in information.

Qobayat is a small neighborhood organized by a grid road network, resulting in 10 small blocks, however, one block, the where location of the former Laziza Brewery, is entirely a construction site. Blocks are not equal in size or in the concentration of businesses per block. However, of the 22 interviews, at least one interview was conducted per block, with the exception of the block containing the former Laziza Brewery, as no businesses are located there.

Of the twenty businesses that were interviewed, 18 of the owners were men, while only 2 were women. Of the 2 women owners, one co-owned the shop with her husband. Of the 18 male owners interviewed, three co-owned the business with their wives. Five of the businesses own their shop, six have old rent contracts, seven have new rent contracts, and one shop is comprised of two adjacent spaces with one space on an old rent contract and the second on a new rent contract. One business has several locations which are either owned or on old rent contracts. Twelve of the business owners lived in Mar Mikhael, while 8 lived outside of the neighborhood. Fourteen of the business owners were not born in the neighborhood, while 6 were born in Mar Mikhael. Five of the business owners stated that they spend social time in the neighborhood, while 15 stated that they do not spend any social time in the neighborhood with the exception of visiting other businesses or friends' homes. Eleven of the businesses did not have any employees, nine businesses had 2-15 employees, while one business had around 100 employees.

Through interview questions inquiring the monthly turnover, observations made during interviews, and often the sheer honesty of the business owners, it was concluded that eight of the 20 businesses are not financially successful. Financial success means the ability of business profits to significantly contribute to the livelihood of the individual and/or their family. Of the eight, six were old VSEs and two were new VSEs. Seven of the twenty interviews were at a medium level of success, meaning they were able to provide a

modest financial contribution to the needs of the individual and/or their family. Three of these were old VSEs, two were new VSEs, one was an old SME, and one was a new SME. Five of the businesses were deemed successful. Two of the businesses were old VSEs, two were old SMEs, and one was a new SME. Finally, the market relevance of businesses was evaluated after the coding of interview data. Relevance was based on the success of the business, but also its potential to grow and succeed in the changing environment of Qobayat and meet market needs. Nine of the businesses had none-to-little market relevance in meeting the current consumer needs and habits of Qobayat (and likely Beirut at large). Seven were old VSEs and two were new VSEs. Three of the businesses had a medium level of potential market relevance. Two were old VSEs, and one a new VSE. Finally, eight of the businesses were relevant for not only the consumer needs and habits of dwellers in Qobayat but likely in Beirut at large. Two of these were old VSEs, two were new VSEs, two were old SMEs, and two were new SMEs.

Businesses' customers' profiles varied. Four business owners (all unsuccessful old VSEs) openly stated that there were barely any customers and thus they could not provide data on customers. At large, customers were from the neighborhood of Qobayat, and often from other areas of Mar Mikhael. Six of the business owners stated that western foreigners do not make up a significant percentage of customers. Five were old VSEs and one a new VSE. The remainder of businesses all had some business from western foreigners. Within this category, there was a wide mix of old/new VSEs and SMEs, with western foreigners comprising 25-80% of total customers.

4.3.1 Visualizing Businesses Through Mapping

Through fieldwork and the mapping process, within Mar Mikhael, a total of 132 old VSEs were identified and their locations mapped. In Qobayat alone there are 58 old

VSEs, or nearly 44% of all VSEs in Mar Mikhael (see next page)¹³. In Mar Mikhael, old VSEs are primarily concentrated along Armenia Street as the neighborhood is largely structured in an elongated fashion along the major artery and lacks depth in most areas, this is due to the border of the Charles Helou Highway on the northern boundary, the natural elevated border on the southern boundary, and the large area of the former train station that is largely unused and uninhabited. Old VSEs in the categories of grocer (mini-markets, and fruit and vegetable stands), Mechanic/Car Supplies, Electronics/Hardware, Salon/Barber, Food, and Other constitute the majority of businesses, while Home and Office Décor, Apparel, and ACDs are minority business categories, in Mar Mikhael at large.

¹³ While the Pre-2008 VSEs in Mar Mikhael map locates all businesses along Armenia Street and in the sub-streets of Mar Mikhael and Qobayat, it does not map the businesses within the northern or southern portions of the Badawi sub-neighborhood. Badawi locally is understood to be a neighborhood of its own and is home to as many if not more businesses than Qobayat. For the purpose of this study, as Badawi is not a neighborhood targeted by the research question, businesses there were not mapped.

Prior to 2008 VSEs in Mar Mikhael

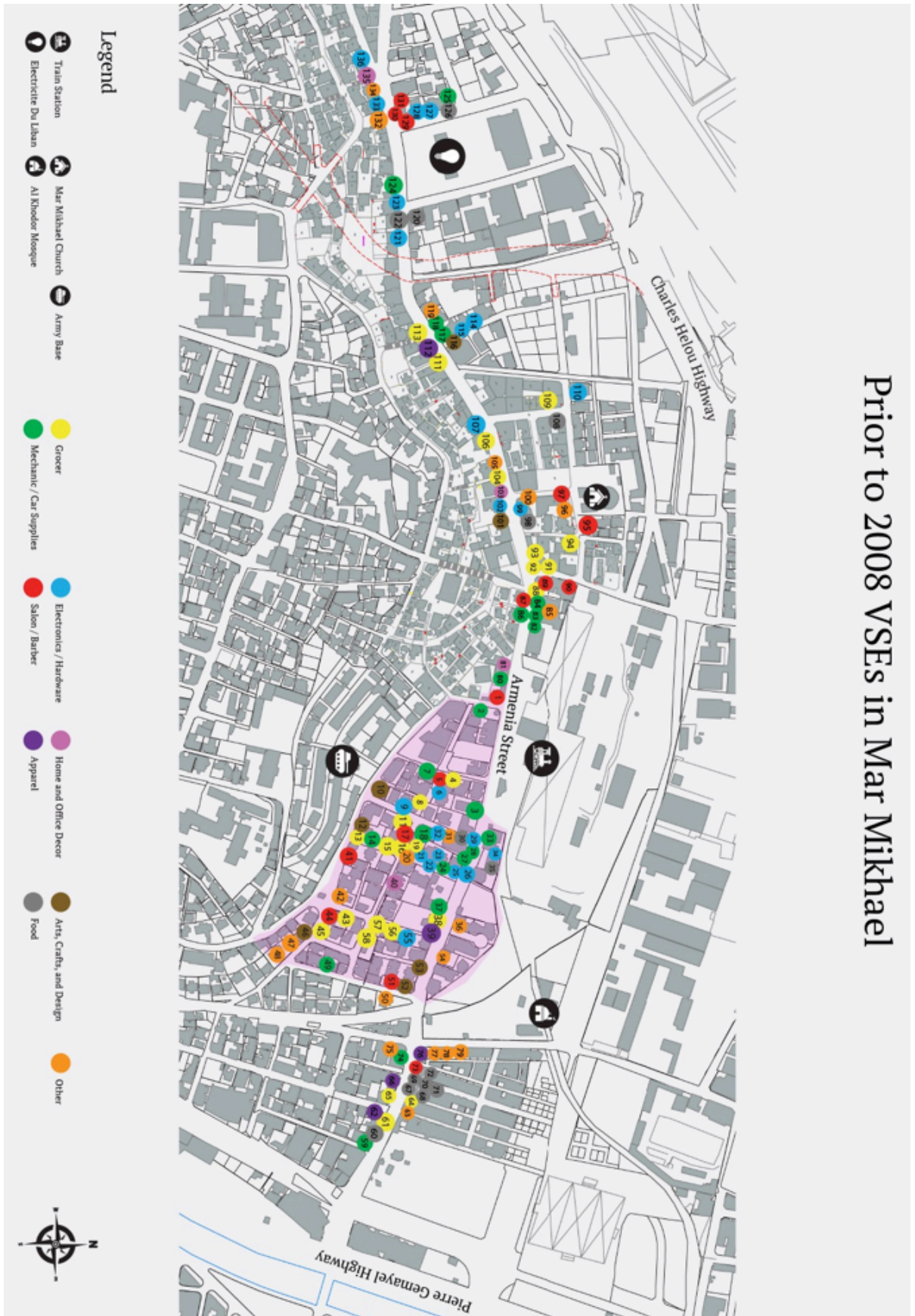


Figure 16: Prior to 2008 VSEs in Mar Mikhael

Index: Prior to 2008 VSEs in Mar
Mikhael

Grocer

4 – No Name – Mini Market
8 – No Name – Mini Market
11 – No Name – Mini Market
13 – Dabbous – Spice Shop
15 – No Name – Mini Market
16 – No Name – Mini Market
19 – Boucherie Saint Michel – Butcher
38 – No Name – Mini Market
43 – Charbel Saliba Market – Mini
Market
45 – No Name – Produce
56 – No Name – Mini Market
57 – TamTam – Fish Market
58 – Baddour – Mini Market
61 – No Name – Mini Market
64 – No Name – Mini Market
65 – No Name – Mini Market
88 – Le Pistachier – Mini Market
91 – Tony Market – Mini Market
92 – Ribaba and Sons – Butcher
93 – No Name – Produce
94 – Jouji Market – Mini Market
104 – Au Ble D’or – Mini Market
106 – Hammoudi Grocer – Produce
109 – Mini Market Saint Michel
111 – Saliba Market – Mini Market
113 – No Name – Mini Market

Mechanic / Car Supplies

2 – William Jaber – Mechanic
3 and 33 – Bedran Trading and
Manufacturing
14 – Vespa Supplies – Scooter Mechanic
18 – No Name – Mechanic
24 – No Name – Car Upholstery
27 – No Name – Car Accessories
28 – No Name – Car Accessories
37 – Rimuli – Car Rental
49 – No Name – Mechanic
59 – Sahel Auto Parts – Mechanic
74 – Bachian – Car Accessories
80 – Scooter Service Center – Scooter
Repair
82 – Scooter Center – Scooter Repair
83 – George Elie Baz – Car Accessories

84 – Chidiac Cars – Mechanic
86 – Firas Khairallah – Mechanic
117 – Jean Kurkjian – Mechanic
118 – Otani – Mechanic
124 – No Name – Mechanic
125 – No Name – Mechanic

Electronics / Hardware

6 and 32 – Shaft Electronics – Small
Electronics
9 – No Name – Hardware
21 – No Name – Hardware
22 – No Name – Electronics
23 – No Name – Electronics
25 – Electro Suheil – Electronics
26 – Electronics General Trading – Home
Electronics
29 – Mavisakilian Electronics
34 – No Name – Home Electronics
55 – No Name – Home Electronics
99 – Gary Electric – Small Electronics
102 – Atamian Brothers – Air
Conditioning and Heating
107 – ABCO Air Conditioning
110 – Chbeir Electronics – Industrial
Electronics
114 – Frigo Parts – Industrial Electronics
115 – Naji Abi Aad Air Conditioning
121 – Afteem Company – Home
Electronics
123 – Electro 2000 – Home Electronics
127 – Sogelec Trading – Industrial
Electronics
128 – Technimex – Industrial Electronics
133 – Kettaneh Electronics – Air
Conditioning and Heating
136 – Refheaco – Air Conditioning and
Heating

Salon / Barber

1 – Salon Anto – Men’s Barber
5 – Salon Pierre – Women’s Salon
17 – Antoine Hbeiliny – Men’s Barber
41 – Fadi Daouk Salon – Women’s Salon
44 – George’s – Men and Women’s
Salon
51 – No Name – Men and Women’s
Salon
73 – Salon Homenem – Men’s Salon

87 – Salon Michel – Women’s Salon
89 – Hallak Shabab – Men’s Barber
90 – Institute Josaine – Women’s Salon
95 – George Jebran Salon – Women’s Salon
97 – George’s – Men’s Barber
129 – Salon Joseph and Nawal – Women’s
130 – Institute Lena – Nail Salon
131 – No Name – Men’s Barber

Home and Office Décor

40 – Rayonnairies Articles Decoratif – Home Décor
81 – Lecrin – Glassware
103 – Varco – Home Décor
135 – Galerie Roussalian – Office Furniture and Storage

Apparel

39 – Chikhani – Women’s Apparel
62 – Pretty Lady Clothing – Women’s Apparel
66 – Olympic – Men’s and Women’s Apparel
76 – Vintage – Women’s Clothing
112 – Boudakian Uniforms

Arts, Craft and Design

10 – Galerie Tabbal – Art Gallery
12 – Coin d’Art – Framing and Restoration
46 – No Name – Carpenter
52 – Habib Yacoub Carpets
53 – Cadarte – Framing
101 – Noubar Kizinian Framing – Framing
116 – Zohrab Frames – Framing

Food

30 – Asterix - Restaurant
35 – Furn Mahmoud – Bakery
60 – Falafel Shabo
67 – Sako – Snack Restaurant
68 – Kebab Am – Snack Restaurant
69 – No Name – Snack Restaurant
70 – Manga Snack Restaurant
71 – Chez Ghassan – Bakery
72 – Leon – Snack Restaurant
98 – No Name – Bakery
108 – Abou Toni – Snack Restaurant
120 – Au Ble d’Or – Bakery
122 – Saj Mario – Bakery
126- Furn el Rouje – Bakery

Other

20 – No Name – Cobbler
31 – Sound and Picture – Production House
36 – FS Anthurium – Flower Shop
42 – Jopi Taxi
47 – No Name – Cobbler
48 – Show Off Events – Event Company
50 – Bible Bookshop – Books and Souvenirs
54 – Les Trois Fleurs – Flower Shop
63 – Rally Center – Cell Phone Shop
75 – Librarie Chirak – Stationary
77 – No Name – Photography Studio
78 – Silver Back Lab – Bike Shop
79 – Masri Express – Money Transfer
85 – Faddous Jewelry and Watches
96 – No Name – Money Transfer
100 – Maroun’s Gifts – Gifts and Stationary
105 – Noula Paints – Paint Store
119 – No Name – Fabrics
132 – No Name – Cell Phone Shop
134 – Super Out Disco – Records, Tapes and CDs

In Qobayat, the 58 pre-2008 VSEs (old VSEs), are spread out across the sub-neighborhood and not clustered only along Armenia Street. The depth of the neighborhood which is able to expand southward due to a lack in rise of elevation allows for creation of the sub-neighborhood and greater depth of space for residents, business owners and dwellers. Within Qobayat, (see next page), the majority of the 58 old VSEs are Grocers, Mechanics/Car Supplies, and Electronics/Hardware. The remaining categories of Salon/Barber, Home and Office Décor, Apparel, ACDs, Food, and Other are minority business categories. The majority of Qobayat old VSEs are concentrated within the grid network of the neighborhood and not along Armenia Street. The central portion of the neighborhood hosts the largest number of old VSEs. The southern end of Qobayat has few businesses as the majority of this area of the neighborhood is comprised of the Army Base. Studying all Qobayat businesses, it is evident that despite the changes that have taken place in the neighborhood since 2008, old VSEs still dominate as the largest number of businesses within the four categories (see below). Old VSEs comprise 58 of Qobayat businesses, new VSEs stand at 10, old SMEs at 7, and new SMEs at 11. Thus, of the 86 total businesses in Qobayat, old VSEs are 67% of the business market in number, although in regard to turnover and employment numbers, the numbers would not be in favor of old VSEs. The old SME, Simon Electric, employees roughly 100 people alone, while most old VSEs are comprised of 1-2 people, usually the owners and family. Further, SMEs, by definition, have more employees and annual turnover than VSEs (Lebanon SME Strategy, 2014).

Prior to 2008 VSEs in Qobayat

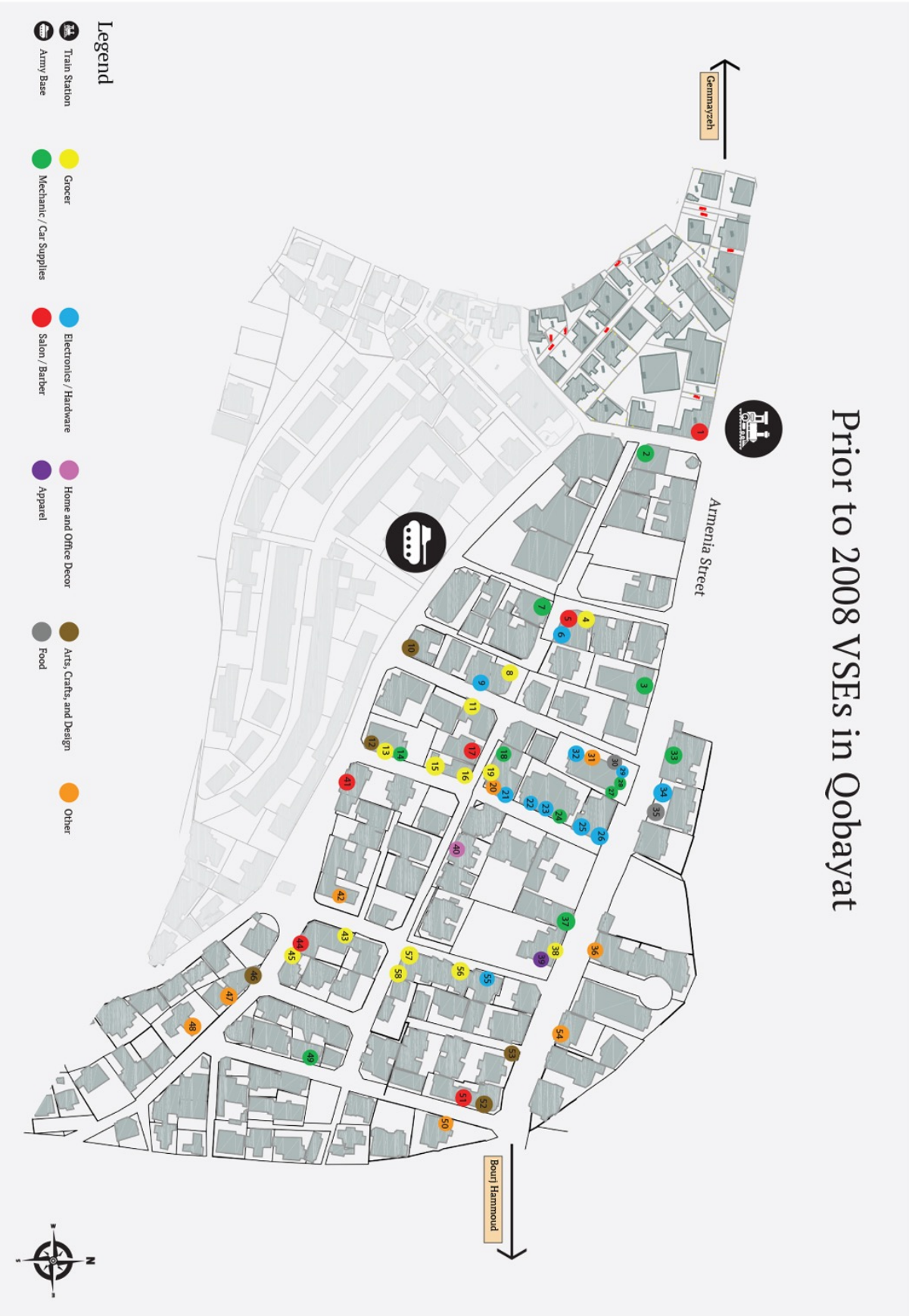


Figure 17

Index to Prior to 2008 VSEs in Qobayat

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- 45 – No Name – Produce
- 56 – No Name – Mini Market
- 57 – TamTam – Fish Market
- 58 – Baddour – Mini Market

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- 3 and 33 – Bedran Trading and Manufacturing
- 14 – Vespa Supplies – Scooter Mechanic
- 18 – No Name – Mechanic
- 24 – No Name – Car Upholstery
- 27 – No Name – Car Accessories
- 28 – No Name – Car Accessories
- 37 – Rimuli – Car Rental
- 49 – No Name – Mechanic

Electronics / Hardware

- 6 and 32 – Shaft Electronics – Small Electronics
- 9 – No Name – Hardware
- 21 – No Name – Hardware
- 22 – No Name – Electronics
- 23 – No Name – Electronics
- 25 – Electro Suheil – Electronics
- 26 – Electronics General Trading – Home Electronics
- 29 – Mavisakilian Electronics
- 34 – No Name – Home Electronics
- 55 – No Name – Home Electronics

Salon / Barber

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Qobayat Businesses

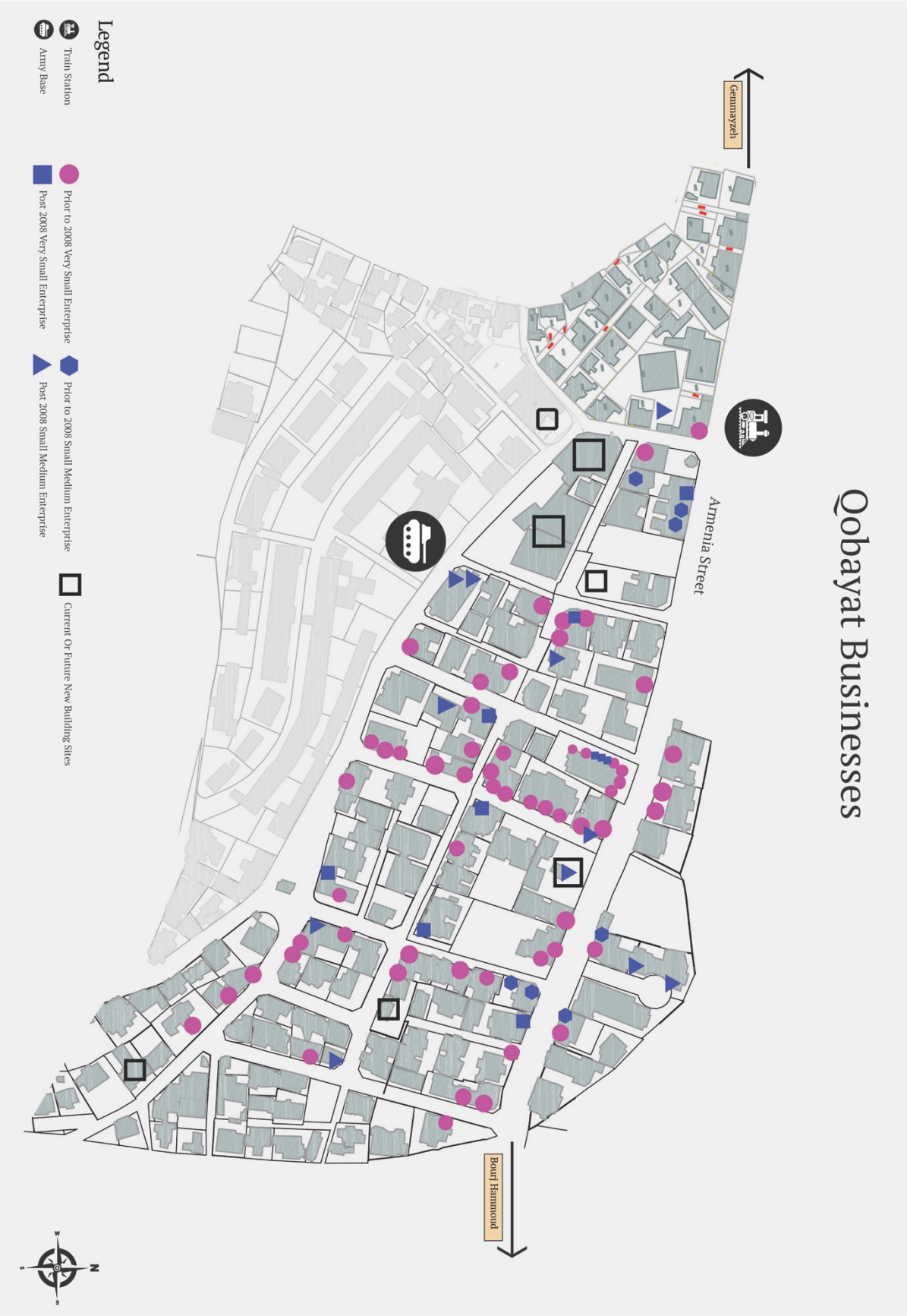


Figure 18

In the preliminary stages of fieldwork, it was observed that residents often spoke of spaces, places, and businesses that once were but no longer are present in the neighborhood.

Although initially it was the intention to meet with one resident who would walk with the author through the neighborhood, after this voluntary information was presented by several interlocutors, a different approach was decided upon. Instead, old business owners were asked about former businesses and in the area of their business and if they had similar information about businesses across the neighborhood. Old business owners were the main sources for this data. New business owners were asked a similar question, but as most were new to the neighborhood, they did not possess much information. However, most provided information on the business(es) that once operated in the location of the current new business. As a result, a memory map was created of the anecdotes collected during the interviews. The map is included and discussed in detail in the analytical portion of the chapter.

4.3.2 In Dialogue with Qobayat Businesses

In interviewing old VSEs in Qobayat, several themes became apparent. First, old VSE business owners did not feel heavily affected by the changes brought on by processes of gentrification in the neighborhood. Old business owners felt disconnected from the influx of bars in the central part of Mar Mikhael. In discussing Qobayat, they viewed the neighborhood as Qobayat on its own, not as part of Mar Mikhael which now exhibits a nightlife identity different from Qobayat's residential character. While Mar Mikhael is known for nightlife, even by the residents of Qobayat, the small sub-neighborhood is seen as a residential area with small shops. When asked about the changes in the area, old VSE owners usually quickly confirmed that the question referred to the influx of bars in Mar Mikhael, often using the words *hon* (here) and *honeek* (there) to emphasize the spatial

difference they were referring to. In regard to the changes, almost all VSEs stated that the only negative change they experienced in the last decade was the increase in traffic and the lack of parking in the area, thus making the neighborhood, Mar Mikhael at large and Qobayat as well, congested and difficult to access at particular times of the day. Some mentioned the rise in rent prices, however, as most either owned their shop or held old rent contracts, they did not feel personally affected by the rise in prices. Twelve of the interviewed owners lived in Mar Mikhael, either owning their apartments or living on old rent contracts. Those on old rent contracts specified that once the new rent law took effect, they would likely move out of Beirut, as they would be unable to afford the on average \$1,000 per month rent in Qobayat for an apartment. However, the rise in rent prices was viewed by interlocutors as a Beirut problem at large. One interlocutor who lives outside of Beirut, in the town of Kaslik, stated that his rent has risen three-fold in the last five years.

Secondly, of the 15 old VSE owners interviewed, the vast majority did not see the changes brought on by gentrification as either negative or positive, rather many expressed a vague sense of indifference towards the changes occurring around them. When asked how they would describe the changes that have taken place, within Qobayat, most focused on the increase in resident newcomers to the neighborhood (both Lebanese and western foreigners), and thereby the rise in rent prices. Old VSE owners often stated, “When Gemayzeh came to Mar Mikhael,” to describe the processes of gentrification. Following this reference, they would discuss the increase in rent prices, both for residents and businesses. Old VSE owners, most of whom are also long-term residents of the neighborhood, often born and raised in Qobayat, discussed the neighborhood’s different character ten years ago. One interlocutor stated, “After 7pm you wouldn’t even see a cat walking down the street.” Echoing this interlocutor’s remark, many discussed the previous lack of activity in the neighborhood and that the “new life” in the neighborhood was the

biggest change. Old VSE owners, as residents and business owners, often spoke of this positively, even if the new dwellers in the neighborhood did not bring additional income or customers to their business. At large, many welcomed the new liveliness to the area brought in by the new faces of dwellers and businesses.

When old VSE owners did speak about the increase in new dwellers negatively, they largely referred to being unfamiliar with the newcomers. One interlocutor stated that although the new dwellers are also her customers, prior to 2008, she enjoyed customer interaction more as she knew each one of her clients, now a large portion of her clientele is unfamiliar to her. Another old VSE owner, who was born in Qobayat and continues to live in the area shared a similar observation. In his experience, he used to know everyone walking down the street. Now, there are many people who are unfamiliar to him, people within the neighborhood whose history he does not know. Speaking about this topic with another old VSE owner, he stated, “We had to get used to them, and they had to get used to us,” noting the differences he perceives to exist between the old and new dwellers. Finally, in discussing the change in Qobayat residents, while many old VSE owners noted that some residents have left the neighborhood, interlocutors largely expressed two opinions on the change of residents. First, Qobayat is known to accommodate an elderly population that is higher than the national average. Thus, old VSE owners stated that they know many old residents who have passed away. Secondly, the children of old residents who were born in Qobayat mostly do not remain in the neighborhood, primarily due to the high cost of renting or purchasing local apartments. In this respect, residents did refer to the increase of rent and purchase prices for apartments in Qobayat due to both the processes of gentrification, but also in line with increase in real estate prices in Lebanon at a national scale.

In regard to clientele, for old VSE owners, most clientele remain old residents of the neighborhood. Old VSE owners in all categories except grocer and food, expressed that new dwellers, whether Lebanese or western foreigners, do not comprise their customer base. Instead, whether their business is succeeding economically or not, their primary customer base is long term residents of the neighborhood, or long-term clients from outside Qobayat and Mar Mikhael. Old VSE mechanic/car supplies and electronic/hardware businesses stated that new dwellers are entirely outside of their customer base as they do not offer products or services necessary to them, especially as most new dwellers do not own cars. On the contrary, grocers and food VSEs, for those that are succeeding economically, are often used by the new residents. In speaking with old VSE grocers, those that did not have many new dwellers as clientele had few customers in general. However, old VSE grocers were quick to point out that this was not only due to the change in dwellers in the neighborhood, but that shopping patterns across the country had changed. Old VSE grocers almost universally mentioned the supermarket chain Spinneys and stated that shoppers in Lebanon now prefer to buy their goods in large supermarkets. One grocer noted that although new dwellers (in this case primarily western foreigners) buy in smaller quantities than old dwellers, they are his primary customers as they purchase locally and come frequently. Grocers in particular were very observant of spending habits and purchases of old and new dwellers. In their observations, while old dwellers often purchased large amounts of produce for their families, they now primarily shopped at large supermarket chains due to convenience and perceived better quality of supermarket goods. In contrast, while new dwellers purchase smaller amounts of goods, as they tend to be single and do not have children, they purchase locally within the neighborhood.

The third apparent theme from the interviews is in regard to opinions on the national economy and its strong effect on old VSE owners in Qobayat. While old VSE owners expressed general pessimism about the future of their businesses – in regard to the lack of customers, ability to afford new rent for those currently on old rent, ability to expand business, etc. – all VSE owners expressed their disappointment with the Lebanese government and discussed at length the worsening economy. Within the conducted interviews, old VSE owners stated that their economy and business experience was worsening prior to 2008 and prior to the increase in nightlife in central Mar Mikhael. The old VSE owners saw their plight as part of a larger national struggle and would often refer to anecdotal information on the closing of old VSEs in other neighborhoods of Beirut. When asked if “the arrival of Gemayzeh in Mar Mikhael” impaired the business environment for old VSEs in Qobayat, the question was largely met with laughter, and interlocutors began to discuss the larger national economy. For those businesses that opened prior to the start of the Civil War in 1975 and are currently struggling in the current local and national economic environment, owners often blamed the Civil War, stating that prior to the war they had strong businesses and that nothing has improved for them since the end of the war. However, several businesses in Qobayat that have been evaluated as successful and relevant, opened during the war, as is the case across Beirut and the country. Throughout the interviews, the Civil War was used as either a scapegoat or an all-encompassing metaphor to describe the ongoing economic and political struggles within the country.

While the above drew findings from interviews with old VSE owners, the remainder of the section provides brief findings from interviews with old and new SMEs, and new VSEs. As old VSEs were the focus of the research question, they were the primary interlocutors. A small number of old and new SMEs, and new VSEs were

interviewed to offer a possible contrast, nuance, or layers to the findings of interviews with old VSEs. The below interviews do not rely on statistical representation, as so few were interviewed.

Of the seven old SMEs in Qobayat, three were interviewed. All three opened as local businesses in Qobayat in either the 1970s or 1980s, growing throughout their decades of operation from VSE to SME. These businesses are of interest as they ask the question, how and why did some VSEs in Qobayat progress into the level of SME, and others did not? Owners attributed their success to offering a large range of products at a variety of prices, maintaining pace with market trends, and acquiring customers from across Beirut and the suburbs. In short, they adapted their business as needed. All of the three businesses stayed open during the Civil War, with two opening during the war. During the interviews, the socio-economic status of the owner and/or family prior to or at the start of the business was not revealed. If the business founder(s) were already at a higher socio-economic status when opening the business, this would be of significance in evaluating how the business grew from a VSE to an SME. During one interview, the father of the old SME owner had already been working in a similar field, and upon opening of the business, the father was able to connect his son with a variety of individuals who became long term clients of the owner. The ability to access an already established customer base and network likely played a role in the success of the business. Further, in the case of this particular old SME, the service provided is popular with the new businesses Mar Mikhael and Qobayat, such as the restaurants and cafes. The old SME owner openly discussed his close relationship with many of the new businesses in the area, however, his customer base expands far beyond Mar Mikhael.

Of the 10 new VSEs in Qobayat, two were interviewed. In interviewing the two new VSEs, I was interested to understand why they chose Qobayat to open a VSE. The

two businesses were attracted to the neighborhood due to its character and the charm of the old VSEs, as well as centrality, proximity to customer base, affordability, and personal preferences towards the neighborhood. They sought to be part of the local business environment by opening businesses that were small and catered to the needs of the local residents, choosing the new dwellers and residents as their primary customer base. For both businesses, the majority of customers were Lebanese, and not western foreigners. While the two new VSEs were attracted by the identity of Qobayat created by the old VSEs, they imagined and created themselves as a new type of VSE in the area, providing artisanal products and services outside of the economic accessibility of most long-term dwellers and residents. Both businesses operate within spaces once used by old VSEs, and the current new VSEs pay rent prices much higher than the old VSEs, although rent prices were not revealed. One of the businesses included both new and old residents in its clientele base, although the products purchased by new and old residents differed, and old residents numbered few. This business also frequently sold its products to new businesses in the area within a Business to Business model (B2B), by selling directly to other business in the area, but it did not sell directly to old businesses in the area. The other new VSE interviewed had a very close working relationship with old VSEs and SMEs in the area, which was described by the owner as “symbiotic”. During the course of the two, hour-long interviews, I observed that both business owners were very familiar with the neighborhood and its dwellers, although neither of them lives in Qobayat or Mar Mikhael. During the time of the interviews, and a brief walk through the neighborhood with one of the owners, both individuals were greeted frequently by dwellers, including residents and old VSE owners. One of the new VSE owners introduced me to old business owners, recommending that I conduct interviews with them as well. Both of the new VSEs have seen an increase in customers over the past year. Neither has operated in the neighborhood

for longer than four years. While these two businesses serve the needs of new residents in the area, and are part of the gentrification forces in Qobayat, they envision themselves as part of the tradition of small shops in the area that seek to weave the fabric of the neighborhood.

Of the 11 new SMEs in Qobayat, two were interviewed. As opening an SME requires larger investment and holds greater financial risk than launching a VSE, I sought to understand what drew these two businesses to Qobayat. The two businesses opened in the area in order to capitalize on the growth of the neighborhood and to offer services to new dwellers of the area that they believed to be missing thus far in Qobayat. Unlike the new VSEs, they did not seek to capitalize on the charm of the neighborhood created by old VSEs but instead on the gentrification that had swept into the area. Both opened less than two years ago due to the location presenting a viable market for the services offered by the businesses. Although the owners of one of the businesses live in or near Qobayat, in neither case were owners' old residents from the neighborhood. Both new SMEs cater to a large percentage of western foreigners from Europe, the United States, and Canada, with one business stating that 40% and another 80% of clientele are western foreigners. One of the businesses has a strong B2B model with local SMEs in the area. In the case of both businesses, customers were primarily from Qobayat or Mar Mikhael at large. One of the businesses stated that 50% of their customer base were new dwellers in the neighborhood. When asked about relationships with old residents in the area, one interlocutor stated that initially tense relations existed with old residents due to noise issues created by the new SME. The owners of the business spoke directly with the neighbors and established rules to keep noise levels down in the evenings. Currently the relationship was described as amicable. Neither business had business relationships with old VSEs in the area. One

business claimed that its presence created more clients for the two neighboring VSEs, as the new SME has a larger client base.

4.3.3 Businesses as Third Places

Throughout the course of fieldwork, I sought out information to identify if businesses in the area served as “third places” for dwellers of Qobayat, using the concept created by Oldenburg. Using the definition by Oldenburg, “A third place is a public setting accessible to its inhabitants and appropriated by them as their own,” (Oldenburg and Brissett, 1982, p.270) and “are places of pure sociability” (p.272). Identification of third places was done through observation during interviews, extensive walks in the neighborhood, during mapping, by asking interlocutors where they spent time in the neighborhood, and in inquiring if the business was used as a social space frequently. As is the case across Beirut, public spaces, other than perhaps appropriated sidewalks, are largely lacking in Qobayat, offering dwellers no space for public leisurely activities. Of the twenty interviewed businesses, six were strongly used as a third place by dwellers of the neighborhood. Of the six, two were old VSEs, one old SME, one new VSE, and two were new SMEs. During the interview with the new VSE which is within the mechanics / car supplies category, the interlocutor openly stated, “A huge role of the shop is as a third place for my friends,” as he was familiar with Oldenburg’s concept. He went on to describe how the space is frequently used as a third place by his group of friends, particularly in the evenings when friends come to talk, listen to music, and drink in the shop instead of the nearby bars of Mar Mikhael. While the interlocutor stated that he could rent a shop with a lower monthly rent in a location such as the nearby industrial neighborhood of Quarantina, the proximity of the shop to his apartment in the neighborhood of Geitawi and to the apartments of most of his friends allowed for the shop

to serve a social purpose. The use of the shop as a third place has encouraged the interlocutor to remain in Qobayat. One new SME had designed itself to serve as a third place, offering a small area of outdoor seating and serving coffee and sandwiches. A new SME in the food category had become a visible and self-identified third place, especially with western foreigners in the area. An interlocutor who is an employee since its opening, stated that around 80% of customers were western foreigners who live in Qobayat, Mar Mikhael, Geitawi and other surrounding neighborhoods. During the interview and other visits to the business throughout field work, the space was frequently inhabited by chatting pairs or groups, often with familiar faces appearing during each visit. Of the two old VSEs and the old SME, friends of the interlocutor were present throughout the interview, often contributing opinions and answers throughout the conversation.

Four of the twenty interviewed businesses appeared to be occasionally used as a third place by dwellers of the area, however, likely by only a handful of the owner's close friends or family. Two were old VSEs and two new VSEs. Extra chairs were available in all of the businesses to accommodate the guests. While one business served coffee, the others all had small, electric stoves that were used to make tea or coffee. The remaining nine businesses were not used as third places by dwellers of the neighborhood. In one case, an owner of an old VSE in the category of grocer has several chairs at all times in front of his small shop. When asked during the interview if his friends spend time with him in the shop, the elderly owner bluntly stated, "No, all of my friends have passed away." However, the owner appeared to have maintained the habit of keeping chairs in front of his rarely frequented shop.

It is not surprising that the majority of interviewed businesses did not serve as third places, as most public places fail to become third places (Oldenburg and Brissett, 1982, p.269). Third places must have characteristics that make them open and available to the

users, allowing for the user to appropriate the space to their liking. For example, the new VSE in Qobayat that referred to itself as a third place was easily appropriated by the owner's friends, who would use the space as a group gathering location, spending time talking, drinking, and hanging out, instead of going to bars in the area. Throughout the mapping process and extensive walks throughout the neighborhood, I observed that very few businesses in Qobayat were used as third places. In general observation, new businesses often appeared to have purposely taken on the role of third places, serving as regular gathering places for dwellers. Old businesses were often observed to have the lone shop keeper sitting inside. The lack of third places may also be due to the quiet character of the neighborhood. According to Oldenburg and Brissett, bars are the main locations for third places (1982, p.269). However, almost as if speaking about Qobayat, they also state, "Many men who still work in small shops will be found to keep a few chairs around the store in which they spend many happy hours with friends who drop by," (p.269).

4.4 Analysis

4.4.1 The Production of Qobayat

Although previously described in the case study chapter, in summary, Qobayat is a sub-neighborhood of Mar Mikhael, characterized as a small residential neighborhood laid out along a grid structured circulation system. The neighborhood is comprised of primarily low-rise buildings of around 4-5 floors, with a handful of taller buildings. Ground floor businesses are common in the neighborhood. Many businesses are owned by residents of the neighborhood, often born and raised in Qobayat or Mar Mikhael and employing other local residents. Long term residents of Qobayat describe the neighborhood as a place where everyone is familiar with one another. The neighborhood is not home to many restaurants, bars, or cafes and thus is not a hub for nightlife, unlike the remainder of Mar

Mikhael. The analysis will begin with an outline of the theory that will be used to understand the production of space in Qobayat.

Henri Lefebvre describes the produced social space to comprise three aspects: first, the perceived space which is the spatial practice or how space is used, including through daily routines. Second, the representational space or the lived space that is experienced, along with its codes are known to its dwellers. Third, representations of space or the conceived space which includes maps and models of the space (Lefebvre, 1995, p.33). Lefebvre defines social space or the space of social practice as “the space occupied by sensory phenomena, including products of the imagination such as projects and projections, symbols and utopias,” (p.12). The “projects and projections, symbols and utopias” that Lefebvre writes of are all human creations and are put in use by dwellers of the space as a means to create, define, and communicate the space. Social space, like other types of space, is a social product (p.26). Importantly Lefebvre writes, “the space thus produced also serves as a tool of thought and of action; that in addition to being a means of production it is also a means of control, and hence of domination, of power; yet that, as such, it escapes in part from those who would make use of it” (p.26). Here, with the initial dive into the production of space, an important question arises in regard to the notion of power mentioned by Lefebvre. Who has power? Pierre Bourdieu situates power and capital as one and the same (Bourdieu, 1986, p.16). As Lefebvre used power in order to understand the production of space, and if power is capital, the understanding of the role of capital in the production of space is crucial. Capital can of course take many forms, and its various forms (usually intertwined with one another) produce different types of spaces. For the purpose of this thesis and the research question, I will focus primarily on cultural and social capital, later including economic capital.

Cultural capital is found in three forms: embodied state (most closely linked to habitus), objectified state (cultural goods), and institutionalized state (capital in relation to institutions, education for example) (Bourdieu, 1986, p.17-21). In order to possess power, it is necessary not only to possess cultural capital, but to also know how to embody the capital or its services, in order for the embodied capital to generate further capital (p.20). Thereby, if an individual only sells their product or service, they are part of the *dominated* group but if they gain profit from the use of a form of capital, they are part of the *dominant* group (p.20). This distinction between the dominated and dominant groups is important in further discussion on the production of space in Qobayat.

Cultural capital is capital possessed by an individual in one of the three forms outlined above. Social capital is the capital an individual gains from their belonging in various social groups. Before moving on in laying out how the social space of Qobayat was created, social capital should be defined. To use the definition of Bourdieu,

Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition - or in other words, to membership in a group – which provides each of its members with the backing of the collectively-owned capital, a ‘credential’ which entitles them to credit, in the various sense of the word. (1986, p.21)

The institutionalized state of cultural capital assists in validating social capital, as social capital is linked to the group for example family, political party, religion, sect, etc. Volume of capital is the worth of an individual’s capital plus the capital of those the individual is connected to.

This section analyzes the cultural and social capital of old VSE shop owners, and how the use or misuse of this capital has allowed the old VSE shop owners to be part of either the dominant or dominated group. Further, I will seek to understand the new forces in the means of the production of space, in this case gentrification, and how space began to

be produced differently and what social and cultural capital (along with economic capital) was mobilized for this purpose. Finally, I will conclude with an analysis of who produces space currently in Qobayat and what the cultural and social capital is used in the production process. I show how old VSEs and long-term dwellers, through their presence in the neighborhood, generated social and cultural capital that gave them power over the means of production of the space of Qobayat. Then, since 2008, gentrification actors (ACDs, bars and restaurants, and real estate developers), due to their possession of large amount of economic capital were able to take over the means of the production of the space of Qobayat from the old VSE owners and long-term dwellers. Further, gentrification actors were able to appropriate and thus capitalize on the cultural capital worth of the old VSEs and old dwellers, and generate cultural and economic capital from it.

4.4.2 Old VSEs as Producers of Space

In discussing old VSEs and the production of space in Qobayat, this section considers Qobayat prior to 2008 and is based on data gathered from the 15 interviews with old VSE owners, as well as on two additional interviews with an owner of an old VSE who was interviewed for the purpose of the memory map, and her daughter who was interviewed on her life growing up in Qobayat. At the time, interlocutors described the neighborhood as quiet, familiar, and a space where everyone knew everyone. One interlocutor who owns a shop in the grocer category stated that she enjoyed speaking with her customers, that she knew each customer and would ask them about their family, work, and health. Many of the interlocutors described such friendly rapport with customers, neighbors, and other dwellers of the neighborhood. Interlocutors described successful business environments. One interlocutor, the daughter of an ACD old VSE stated that she remembered her parents earning more from the business when she was younger than at

present day. By and large, most old VSE owners stated that they earned more from their business prior to 2008. Old VSE owners described a neighborhood where residents and other dwellers frequented old VSEs as their primary providers for goods and services. Thus, the perceived space of Qobayat prior to 2008 can be imagined as a small neighborhood where dwellers filled large bags with fresh produce at the local grocer, fixed their car at the local mechanic, and cut their hair at the local salon. Shop owners made friendly conversations with familiar customers, and passer byers on the street were never strangers to one another. This is the image of the perceived space that can be deduced from the interviews. However, it is important to note that these descriptions, while holding truth, are also now a caricature of a utopian past.

While attempting to describe a former perceived space, it is much easier to describe the representational space of Qobayat prior to 2008, as this space still lingers today. In spending time in 15 of the old VSEs, religious symbols were strongly present, as they are around Qobayat, with small monuments of the Virgin Mary scattered throughout the neighborhood. Within the old VSEs, many shop owners hung crosses on the wall or at the entrance of the stop. Faded posters of Jesus or Mar Charbel - Saint Charbel, a Maronite Christian monk and priest from Lebanon who was canonized by the Catholic church - provided evidence of the length of time the posters have hung on the walls. The social codes of the neighborhood are also still evident, as many old VSE owners had chairs and supplies to make coffee or tea within their shop, and offered both a seat and a beverage at the start of the interview. Perhaps at the cross-section of the perceived and representational space, the interlocutors expressed a knowledge of their neighborhood at the time. Familiarity extended beyond just knowledge of all dwellers of the area, but also into people's spending habits, and thus a predictability for one's own livelihood and spending habits. Today, old VSE owners lack this knowledge and thus have less certainty about their

own livelihoods. While representations of Qobayat (maps or models) prior to 2008 from interlocutors were hard to come by, the interviews served as a means to understand how the old VSE owners saw their neighborhood. While old VSE owners were lacking in representations of space through maps or models, they created the perceived space through the presence of their shops. As their shops provided services and products, and perhaps serviced as third places, the shop owners thus had the ability to shape the perceived space and its uses. The shop owners were paramount in the production of representational space which they created through their shops and throughout the neighborhood with symbols and social codes. This can be seen in the greeting patterns with customers, asking about each other's families, or any news within the neighborhood. Many shops also displayed religious or political symbols that are related to a larger religious and political identity associated with Qobayat (usually Maronite or Orthodox Christian, and affiliated with the Ketaeb political party). Through the interviews, it is understood that interlocutors felt that at the time, vaguely defined as prior to 2008, they had the power to produce their space.

The memory map (see below) can be a useful, although incomplete, record of Qobayat and a representation of (past) space. At the south-west end of the neighborhood, the Grande Brasserie du Levant which had served as the brewery for the Laziza brand, has now been demolished and the site will soon include luxury apartment lofts. The brewery once employed dozens of workers, likely from Qobayat and nearby neighborhoods, until its closure in 2003. Just a few months ago, during fieldwork, a small mini market across from the brewery closed its doors. Slightly north of the brewery, a small hospital served the neighborhood. Slightly east of the former hospital location, a mixed-use building was destroyed in 2013. The building housed two businesses on the ground floor which have moved to other locations in Qobayat, with residents living on the upper floors. Next to the demolished site still stands an old VSE in the grocer category, although the owner admits

to having a lack of customers due to his inability to meet market needs. During the interview, when asked about his customers, he bluntly stated, “What customers? I only sell water and soft drinks. What do I have to offer?” However, his business once provided for a family of six, also living in Qobayat, as he used the shop as a storage space and drove across Beirut, selling various products from his car. However, as the old VSE owner is now elderly and suffers from loss of sight, he is unable to conduct business as he used to. He lamented that his children are not interested in continuing his business. One block north-east of the small mini market, an electronics shop selling Sony products used to be located alongside a salon, and a wedding video production studio. All three are now occupied by VSEs. The long standing General Electric shop used to provide services to ships docking at the port, when the port was more accessible. The shop was also closed for fifteen years during the Civil War, as the family did not live in Qobayat. One block east, a new high-rise building stands on a location of a former gas station. Here, and on the most south east block, new up-scale restaurants stand in place of former residential apartments. Along Armenia Street in the northern direction of Bourj Hammoud, many VSEs and SMEs stand along Armenia Street, previously these same locations were home to two bakeries, a mini market, a cobbler, a watch shop, and a tailor. This area was remembered well by one interlocutor, as she reminisced frequenting the now closed shops when she first moved to the neighborhood after marrying her husband, a native of Qobayat. She spoke with a smile when she discussed a bakery she liked to visit before it closed.

Along the most northern edge of Qobayat, an Armenian school used to occupy a modest two-story building, which now houses a mechanic business. Moving east, a formerly residential building which had fallen into disrepair is now being renovated to become a boutique hotel. The north-eastern edge of Qobayat along Armenia Street used to include a restaurant, tailor, cobbler, jeweler, welder, and print shop, all of which have now

closed. Some of the locations are now occupied by old VSEs that opened prior to 2008.

Along the most south-east end of the neighborhood, there used to stand a butcher, a gift shop, a mini market, and a jewelry shop. The spaces now house different businesses. These two areas show the rotation of businesses within the neighborhood, as many spaces throughout the years hosted various types of businesses within their walls.

Qobayat Memory Map

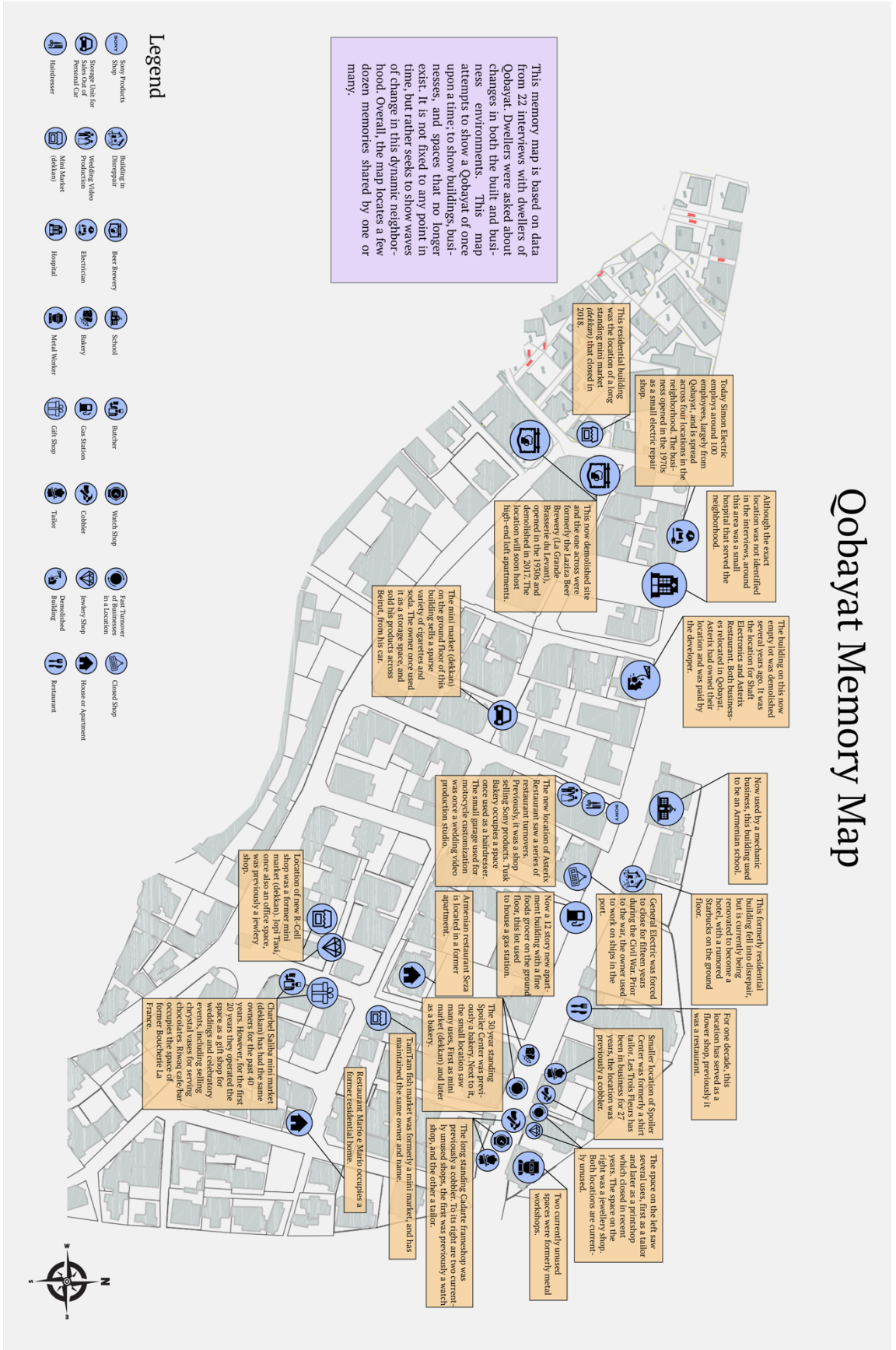


Figure 19

The memory map, a shy attempted at creating a representation of (former) space, can help us imagine the services the neighborhood once offered and how this influenced the perceived and lived space. Some children of the neighborhood used to study at the small Armenian school, residents were treated at the small local hospital, and job opportunities were perhaps available at the Laziza Brewery. As many shop locations changed faces frequently, it is easy to imagine that the neighborhood was seen as a place to start a small business. As buildings, shops, and residents in a neighborhood change, so do the routines, routes, and habits of the dwellers, as well as the places where they would meet. The production of space dictates the perceived and representational space, and the space is reflected in the representations of space. Applying Lefebvre's triad of space to Qobayat prior to 2008, although in and of itself an imagination, the perceived space can be described as a quiet residential neighborhood where residents shop locally and where many residents themselves own a shop. Passerby's greet each other on the street, often stopping to have a short conversation about family and work. The representational space of the pre-2008 Qobayat includes religious symbols such as small street statues of the Virgin Mary, crosses at the entrance of most buildings, and picture of Mar Charbel inside of many shops. The Armenian language is used throughout the neighborhood, a representation of the mixity of the neighborhood and its links to the rest of Mar Mikhael and Bourj Hammoud. The neighborhood is idealized as a quiet, secluded, and safe space. As representations of a past Qobayat, especially those produced by dwellers, seem to lack, this memory map is a contribution of this thesis to partially chronicle the former neighborhood. In analyzing the memory map, the businesses and facilities that once stood appear to have directed their services mainly to the residents of the neighborhood, which prior to 2008 were mostly long-term residents of Qobayat. Thus, it appears that residents of Qobayat, including old VSEs had the power to produce their space. Their businesses were the means of

production, both to produce capital for themselves, and to produce the space of Qobayat, to dictate the habits in the neighborhood, and its codes and symbols.

4.4.3 New Mode of Production: When Gemayzeh Came to Mar Mikhael

Prior to 2008, as already discussed, Qobayat was formed into a space with a particular type of cultural and social capital. The old VSEs were cultural goods within the cultural capital, and the perceived space and representational space themselves became cultural goods, as they defined the quiet, familial charm of the neighborhood. While old VSE owners sold their services and goods, they generated profits only from this. However, as “economic capital is at the root” of all capital, the neighborhood began to alter as new flows of capital entered (Bourdieu, 1986, p.26). When “Gemayzeh came to Mar Mikhael” as several interlocutors stated, so did new forces of capital, including investments into bars and restaurants, development of high-end real-estate, Airbnb, renovated apartments with higher new rent prices, and the arrival of new residents with more purchasing power (both Lebanese and western foreigners). While old VSE owners, as well as other long-term residents and dwellers were once able to produce the space of their neighborhood, they lost this power when large amounts of economic capital became interested in Mar Mikhael and thereby Qobayat as well. As old VSE owners and old dwellers possessed social and cultural capital, and any economic capital in their possession fell far short of the economic capital of gentrification actors, they were not able to maintain the power over means of production. Initially, Mar Mikhael, and Qobayat to a lesser degree, was seen as an attractive hub for ACDs and nightlife. Although the neighborhood first saw new waves of businesses due to low rent prices, its success in the market proved the neighborhood could generate significant sums of capital for investors, particularly in real-estate (Krijnen and De Beukelaer, 2015). The new stakeholders in Mar Mikhael and Qobayat sought out

something else, the cultural capital that had been created by the old VSEs, residents, and dwellers at large. Krijnen has documented how real-estate developers use both the language of the “old” Mar Mikhael and the “new” to attract its customer base, such as “a once-forgotten neighborhood full of architectural charm” and “new hotspot of Beirut... combining a luxurious lifestyle with a non-stop lifestyle,” (Krijnen and De Beukelaer, 2015, p.298-299). Within the two high-end real-estate developments in Qobayat, the same appears. The Facebook page of Rmeil 1739, a new high rise building of luxury apartments in Qobayat along Armenia Street with a new high-end grocer on the ground floor, includes the following description, “Be in the heart of trendy Mar Mikhael, minutes away from Achrafieh. Where the youth mingle with history.¹⁴” Lefebvre states that to speak of history, “if space is produced, if there is a productive process, then we are dealing with *history*,” (Lefebvre, 1995, p.46). I then ask, who produced this history that the Rmeil 1739 Facebook page refers to? Who profits from it? In this thesis, I state that the history of Qobayat was produced by the old VSEs and long-term residents but is not being profited by the gentrification forces such as the real estate developers, some new VSEs and SMEs, and Airbnb hosts. A new history is now being produced, primarily by the gentrification forces, but how this develops, and changes remains to be seen. The appropriation of the social capital of old VSEs is not unique to Qobayat. Ferm states that small businesses add to the character and identity of an area, I would argue that often they are the creators of the area’s character and identity. However, real estate has a record of exploiting what is seen as an area’s authenticity (Ferm, 2016, p.406). “It [gentrification] does not consider the question of what happens when the process of replacement continues to such an extent that the ingredients that made the city successful in the first place are

¹⁴ https://www.facebook.com/pg/rmeil1100/about/?ref=page_internal

lost,” (Ferm, 2016, p.406). It is possible that while gentrification forces profit from the history produced by old VSEs and long-term residents, the current destruction of this history may result in a loss of profits for the gentrification forces.

Similarly, the website of well-known Lebanese architect Bernard Khoury discusses its La Grande Brasserie du Levant project site as follows, “on a site located within the expansion of the Mar Mikhael quarter, known for its constant organic development from a traditionally industrial and residential area to an amalgamation of sought-after entertainment, creative, retail, commercial and residential spaces.¹⁵” The text interestingly and possibly purposefully refers to the changes in the neighborhood as “organic”, ignoring the calculated processes of capital flow that are inherent in gentrification. The text takes on a well written and poetic language, frequently referring to the former brewery as a “ghost” and with repeated commitments to pay honor to the “ghost”. “The project’s relationship with the memory of its predecessor no longer lies in the mummification of the edifice that was to be recuperated, but instead rests on the acknowledgment of its unfortunate demolition, the tracing of its now-absent morphology and the poetry of its vital disappearance.” Again, although here more abstractly and hauntingly, the project uses to its advantage a nostalgic past of the neighborhood in order to attract its customer base. Thus, I claim that the owners of the new means of production in Qobayat (real estate developers, and to a lesser extent new VSEs and SMEs), are the dominant group in regard to social capital. While it was the old VSEs, residents, and dwellers that created the “history” referred to by Rmeil 1739, it is this new dominant group that owns the means of production as they use the cultural capital of the old VSEs as a means to sell their constructions and thus increase their capital. On the other hand, the old VSEs, while many

¹⁵ <https://www.bernardkhoury.com/project.php?id=302>

are still in business, continue to only sell their products and services (often barely) while continuing to reproduce the charming cultural capital that is appropriated by real estate developers, and to a lesser degree new businesses (whether SMEs or VSEs).

Although some old VSEs have benefited economically from the changes in Qobayat, they continue to only sell their products and services, remaining in the dominated group. In speaking with one interlocutor in the category of grocer, he states, “The new residents, especially the foreigners, they like me.” He discussed at length how his unique products attract the new residents of Qobayat, and thus he is able to stay relevant in the market needs of the area. Perhaps if the world’s economy was not structured along capitalist-neoliberal principles which place the unlimited accumulation of economic capital on an altar, then the categories of dominant and dominated groups would be less significant. Yet as economic capital is the root of all capital, and capital is power, then economic capital determines the owner of the mean of production of space. Thus, I argue that since 2008, the mode of production of space in Qobayat changed. Lefebvre writes that “every society – and hence every mode of production with its subvariants...produces a space of its own,” (Lefebvre, 1995, p.31). While neoliberal capitalism began its swift takeover of the world’s economies in the 1970s, its mode of production of space, since 2008 has become evident in Qobayat. Its mode of production produces physical new spaces such as Rmeil 1739 and its high-end grocer, and the luxury apartments being constructed alongside the hovering “ghost” of the Grande Brasserie du Levant. The new mode of production appropriates the cultural capital of the old VSEs that once produced the neighborhood, in order to sell their products and a new image of the neighborhood. The old VSEs have become at worst mere cultural goods, and at best somewhat viable businesses in the new environment, often romanticized for their “old charm”.

Habitus, as Bourdieu writes, is history repeating itself while constantly forgetting itself and thus, the website of Bernard Khoury can refer to the process of change in the neighborhood as “organic” instead of calculated and linked to global patterns of capital flow (Bourdieu, 1990, p.56). This “constant organic change” quickly becomes an embodied state of the new cultural capital of the neighborhood, and the new dwellers of the neighborhood – be they Airbnb tourists, western expats, or wealthy Lebanese – quickly change the perceived space, using it in line with their daily routines. Purchasing produce from a local grocer whose faded poster of Mar Charbel still hangs on the wall becomes more of an “experience” rather than a daily spatial practice. The former social and perceived space of Qobayat instead becomes a representational space for its symbols and its codes, which are used as cultural goods in the objectified state of cultural capital, to be capitalized on by the dominating group. Lefebvre writes, “that the passage from one mode of production to another is of the highest theoretical importance for our purposes, for it results from contradictions in the social relations of production which cannot fail to leave their mark on space and indeed to revolutionize it,” (1995, p.46). In a pursuit of an unlimited accumulation of capital, we have seen a concentration of services and products being offered in one concentrated location, such as malls, supermarkets, department stores, and the like. Within this mode of production, which has altered space and the ways in which we create our routines within space, where do old VSEs position themselves? How can they participate? And do they have the power/capital to produce space?

Throughout the interviews with old VSE owners, it became evident that they were profoundly aware of their position within the market both in Qobayat but also at a larger scale. As previously mentioned, the owners did not blame the processes of gentrification or “Gemayzeh coming to Mar Mikhael” as the sole reason for their decline in profits. Instead, many old VSE owners mentioned the Lebanese supermarket chain Spinneys, or the ABC

mall in the nearby Sassine neighborhood, as examples of a change in shopping and spending habits in Lebanon. Old VSE owners acknowledged that these spaces now represent both quality and convenience. Old VSE grocers were aware that customers are able to purchase spices, produce, meat, and staples all in one location in Spinneys. Although old VSEs offer all of the above in Qobayat, customers would need to visit the spice shop, grocer, butcher, and mini market to obtain all of the necessary products. Similarly, one interlocutor whose grocer business used to be a gift shop stated that the permeation of the wedding registry list made her former business obsolete. Again, “each society offers up its own peculiar space,” (Lefebvre, 1995, p.31).

The findings and analysis within this chapter sought to reveal how Qobayat was produced, and the role of old VSEs within this process, then outlining the arrival of gentrification forces in the neighborhood and how they usurped the means of production and are thereby now producing a different neighborhood. Although it is difficult, possibly impossible, to reverse the forces of gentrification (without leaving behind a desolated area with empty high-rises and shutdown bars), it is possible to partially preserve the original elements that shaped the character of the neighborhood. The conclusion of this thesis lays out two recommendations that place value on old VSEs in Qobayat and aim to ensure that they remain in the neighborhood for decades to come.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Summary

In writing the conclusion of this thesis, I will first summarize the present state of Qobayat and its positioning within the national context, consider approaches towards policy making, and provide a set of recommendations in regard to old VSEs. At the conclusion of this thesis, Qobayat remains a sub-neighborhood within Mar Mikhael that has not been reached by the nightlife overtake in the central part of the neighborhood. During interviews, interlocutors stated that they did not believe that the bars, restaurants, and cafes would reach the small sub-neighborhood. One interlocutor even predicted that the boom of both nightlife and real estate in the area had ended. However, perhaps after ten years of the manifestation of gentrification in the area, it is rather the shock that has been absorbed, as Mar Mikhael remains a central nightlife destination in Beirut. In speaking with business owners in the area, old VSEs owners were the category most likely to express a bleak future for their business. Some acknowledged that their ability to maintain their business was only due to the holding of an old commercial rent contract, although the business provided little financial provisions for themselves or their family. In order to succeed in Qobayat, especially for old and new VSEs, business owners expressed an understanding that they must offer products and services which are sought out by new stakeholders in Qobayat and Mar Mikhael. One old VSE owner in the food category expressed that his business is financially successful because it is popular with bar owners and clients in central Mar Mikhael. Likewise, an old SME owner in the ACD category stated that he has seen a growth in his annual turnover in the last ten years, and that ACDs,

restaurants, boutiques, cafes, and bars in the area have all become his customers. The old businesses that have maintained their relevance in the new Qobayat and Mar Mikhael are those that are able to succeed.

It is important to remember that this thesis has analyzed a very small sub-neighborhood in Beirut. The neighborhood was used only as a case study, as its characteristics of being a small residential neighborhood with a large number of old VSEs in close proximity to the center of Beirut nightlife made it an interesting case to explore. Changes in Qobayat are not confined to the sub-neighborhood or even to Mar Mikhael but are subject to the national context. While it was preferred to apply theory to such a small area, the power waged by the forces of gentrification are possible due to decisions at the government level allowing for and even prioritizing the expansion of the development market through the high exploitation ratios in the zoning law in neighborhoods such as Mar Mikhael (Krijnen, 2016, p.8). Similarly, the decision by the government to liberalize the rent law, thereby nullifying old residential rent contracts over several years' time, has profound implications on neighborhood across Beirut, including Qobayat. Finally, while the challenges of maintaining access to the modes of production of space and the value of one's cultural capital have been discussed at the level of Qobayat, interlocutors continued to send a reminder that such challenges are persistent throughout all of Beirut. Interlocutors were quick to discuss Lebanon's seemingly ongoing economic and political crises. Old VSE owners often discussed the perpetual state of crisis they believe their country to be in since the start of the Civil War in 1975.

Similarly, as the Qobayat context must be linked to the national one, the changes of the perceived space in Qobayat – the daily routines – must also be linked to national and even global patterns. Old VSE owners in the grocer categories were quick to understand that their businesses lacked profits due to a change in market needs. Their customers in

Qobayat, like those across Beirut and Lebanon, prefer the convenience and variety offered at large supermarkets. The dwindling of particular businesses in Qobayat is a pattern that is likely observed across the world, as supermarkets, department stores, and malls have become part of our daily routines.

5.2 Recommendations

In approaching recommendations that result from the research and writing of this thesis, I would first like to discuss approaches to policymaking. While for policies to be effective and sustain a chance at positive impact, they must be created with the realistic context in mind. For example, a policy that is geared towards preserving old VSEs across Beirut must still consider the reality in the change of consumer habits across the country and the impact gentrification has had on neighborhoods. However, while policies should remain realistic, they must also be founded within a value system. This thesis has placed value on old VSEs and long-term dwellers in owning the modes of the production of space of their neighborhood, and thereby sees value in all dwellers to have the right to the city. Meaning, dwellers having the right to “make and remake the city” themselves (Harvey, 2008). Considerations of power/capital must be considered within policy approaches. When the world, nations, and neighborhoods move forward, some people are invariably left behind. As Ferm states in regard to policymaking within contexts of gentrification, “The challenge for urban policymakers is to protect lower-value businesses from displacement in order to preserve an urban area’s unique identity,” (2016, p.403.) Consumer behavior has veered towards a preference for supermarkets and their goods, but there are individuals and families whose place in a neighborhood, identity, and financial stability depends on the success of their long-standing mini market. The failure of a business to succeed must also be understood as much more than a financial loss, but a

reality that can result in the loss of home, neighborhood, daily routine, social networks and capital, and more. One old VSE owner who was born in Qobayat and still lives in the neighborhood on an old residential contract, stated that as her business does not generate adequate profit, once the old rent contract for her apartment was no longer valid, she would be forced to move out of Qobayat and into the suburbs of Beirut. Displacement from the neighborhood would likely force her to close her business. The displacement of individuals, and the hardships of displacement must be addressed through policy. It can be stated that the old VSE owner mentioned above played a long-standing role in producing the space of Qobayat and increasing the value of its cultural capital. Yet since the processes of gentrification have changed the neighborhood, she has become a stakeholder with almost no power in the neighborhood. Policies should consider individuals such as the interlocutor from a system of value that allows those that are no longer able to meet the standards of success to maintain their rightful place in a neighborhood, while still supporting others to succeed in a neighborhood's new dynamics. By placing value on old VSEs, policies also place value on the lives of individuals associated with the long-standing businesses.

As a result of this thesis, two recommendations have been developed in line with the values described above for the purpose of preserving VSEs in Qobayat. While the main stakeholders targeted by the recommendations are VSEs in Qobayat, with the primary focus being on old VSEs, SMEs are also key stakeholders who stand to reap the benefits of the recommendations, as a stronger business environment in Qobayat is envisioned as a result of the recommendations. Further, residents and dwellers of the neighborhood, whether old or new are secondary beneficiaries of the recommendations, seeking to benefit from the amplitude of businesses in the area, and as some old residents are themselves business owners. Finally, the gentrifying forces themselves (Airbnb hosts and visitors, high

end developers, nightlife businesses, new residents, western foreigners) are a third set of stakeholders that are set to benefit from the recommendations. As the recommendations' goal is to at least partially preserve the character created by old VSEs in Qobayat, it is this same character that attracted the gentrification forces to the neighborhood and partially justified the mass capital that has been injected into Mar Mikhael and Qobayat. The customer base of the gentrification forces is attracted to Qobayat due to the character and charm that was created by old VSEs.

The first recommendation is for Qobayat businesses to form a business collective. The collective would allow for stronger communication amongst businesses and formalize their ties; help in identifying common needs and concerns; bring bargaining power; strengthen the social and cultural capital of all participating business owners; and pull together the resources and skills of business owners. While all businesses could be eligible to join, SMEs and new VSEs would have to agree to the goal of preserving old VSEs in the area. The legal formation could take place as a collective, association, or cooperative. Little data was found on business collectives, however, a collective of VSEs and SMEs in Qobayat could be organized similarly to the resident run Mar Mikhael neighborhood committee with volunteer membership and attendance of meetings. The objectives, goals, and agenda of the collective would be set democratically with meeting minutes made available to all members. Another option is an association, which is a collection of businesses with the primary intended goal of lobbying and serving as an intermediary between the businesses and the state. This may not be the best approach for Qobayat businesses at this time. Finally, cooperatives are enterprises in and of themselves and defined as, "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise," (Nkwanko et al., 2012, p.143). Although

cooperatives have been widely studied across the world and their value and success lauded, within Lebanon cooperatives primarily focus on agriculture and the production of food products within a value chain, for example, women's cooperatives producing traditional Lebanese canned goods (ILO, 2018). Thereby, at this time, it is recommended that a collective be established. Three members could be elected to lead the administrative matters such as recording and disseminating meeting minutes, managing the treasury (if one is created), and handling communication. It would be advised that the collective write an initial governing document regarding values, participation, commitment to attending meetings, goals and objectives of the collective, voting procedures, channels of communication, accepting new members, and other matters that would be discussed and agreed upon by the members. Weekly or bi-weekly meetings would be held with a planned agenda. The establishment of a collective is based on a participatory planning approach in which the key stakeholders of the recommendations are participants and planners as well. The approach is grounded in a vision that sees the continuation of old VSEs within Qobayat.

There are several challenges that can be identified for the collective. First, ensuring moral, motivation, and frequent participation is difficult, and many collectives are launched with gusto only to experience member fatigue, especially if change and results are slow to come. Second, ensuring a democratic and participatory process is challenging as personal relations enter the collective, as well as social structures of patriarchy, classism, racism, and more. Finally, voluntary and participatory structures can lack leadership and direction, or find extreme difficulty in agreeing upon an agenda, goals, and plans of action. While the proposed collective, established and guided by the Qobayat business owners would create its own agenda, the following goals are proposed.

First, within the collective, clusters or committees can be formed according to business groupings (cafés/restaurants, salons/barbers, mini-markets, produce grocers, mechanics, hardware/electric shops, ACDs, etc.). The clusters could approach suppliers as groups, placing larger orders and coordinating delivery dates to access cheaper rates or discounts, as well as to possibly expand the variety of goods they offer through the ability to order wider ranges of products through collective purchasing. Approaching private-sector supply chains as a collective would provide more leverage for the Qobayat businesses. The strengthening of links between the private sector supply chains for VSEs and SMEs was found to be a key recommendation for a study on businesses in South Africa, which would allow for VSEs and SMEs to receive support and recognition from larger firms (Rogerson, 2013).

Second, in the literature on VSEs and SMEs, access to capital is consistently identified as one of the number one needs of businesses (Nkwanko et al., 2012; Abor et al., 2010; Tague et al., 2005; Lebanon SME Strategy, 2014). However, the accessible capital for VSEs and SMEs must also be affordable and paid back over a reasonable and ample period of time (Tague et al., 2005). Banks and money lending institutions usually provide a low amount of capital, with high interest rates and short repayment turnaround (Tague et al., 2005). As a collective, businesses can approach lending institutions to access larger sums of capital and negotiate for better lending terms. As VSEs and SMEs are seen as high-risk investment opportunities, approaching lenders as a collective would minimize the risk for the lender (Tague et al., 2005). Further, the burden of debt and repayment would be minimized on each individual recipient. Al Majmoua is an independent non-profit Lebanese micro-finance institution, their “clients range from self-employed micro-entrepreneurs to women with home-based businesses, low-income workers, and small or

medium-sized businesses.”¹⁶ Importantly, Al Majmoua offers collateral free credit to groups as the “group solidarity is considered a guarantee”. This option would likely expand upon Qobayat businesses’ availability to credit and access to fairer lending terms.

The third benefit of the collective would be to access and organize finance and business management training, including marketing, such training is also offered by Al Majmoua. The collective could approach organizations as a unit, already guaranteeing a certain number of participants to take part in the training. Case study research found that poor record keeping, lack of management, and marketing were key areas where VSEs and SMEs lacked experience and skills. Poor record keeping and financial management were also reasons that prevented businesses from accessing credit. In case studies, training in record keeping was consistently recommended (Tague et al., 2005).

Fourth, the collective can approach university business programs in Lebanon such as those at the American University of Beirut, Lebanese American University, USEK, and Université Saint Joseph, to create a partnership in which the business collective of Qobayat could be adopted on as a university project by the business school. Business students would engage with the collective to understand its goals, objectives, and agenda. A specific goal would be identified for the course of the semester or academic year, in which, for example, students would work with the collective to increase marketing for Qobayat businesses or to better understand market needs. The business students could study what makes some old VSEs successful, surveying the market needs of Qobayat residents, and sharing this information with the collective. This was found to be a key recommendation on a study on VSEs and SME in Algeria (Bouazza et al., 2015).

¹⁶ <https://www.almajmoua.org/homepage.aspx>

Fifth, the collective can partner with universities, vocational schools, and high schools to create internship or apprenticeship programs. This would increase youth awareness of VSEs and SMEs, share the trade and practices of the businesses, and create unique friendships, bonds, and experiences between the participants. This was also recommended in the study for the growth of VSEs and SMEs in Algeria (Bouazza et al., 2015). Both benefits number four and five would continue to strengthen Lebanese entrepreneurial culture and give youth a hands-on understanding of operating a small business by providing a real world experience.

Finally, the collective can approach community organizations, such as the Scouts, to engage members in community service projects. Many of the Qobayat businesses, usually old VSEs, require aesthetic restoration, such as reorganization and cleaning. Such businesses could be taken on as a weekend project by a group of high school students who would assist the business owner in the aesthetic upgrade of his or her business. Thus, the collective would provide community service and engagement opportunities for local youth, build stronger community links, and give youth a sense of ownership and pride in local businesses.

The second recommendation is the creation of a Business Improvement District (BID) in all of Mar Mikhael. BIDs have been popular policy approaches in the United States, UK, and other areas of the world and some successful cases have resulted (Hogg et al., 2003). “Within a BID boundary, participating property occupiers volunteer to provide funding for specialist projects through an extra tax levied on the rates,” (Hogg et al., 2003, p.466). BIDs can consist of one street or several blocks, but usually occupy only a small area (p.467). Their intention is to levy local funds to use for projects or services that are not being provided by the government in order to improve the targeted area. I propose the following plan. As Mar Mikhael is a small neighborhood, and it is likely that

some businesses would opt out, the BID would be applied to the whole of Mar Mikhael, including Qobayat. The BID should be initiated by business owners, this could also be one project of the collective. Participation in the BID would be voluntarily. The BID tax is usually levied either only on certain sizes of business or at different rates for different businesses. For example, VSEs would pay no rate or the lowest rate, while small businesses would pay a slightly higher rate, medium sized enterprises a higher rate, and large enterprises paying the highest. The pooled money would be used on agreed upon projects in the BID. Examples from BID cases include street cleaning, security, capital improvement, construction of pedestrian and landscape enhancement, and marketing of the area,” (Hoggs et al., 2003, p.467). The BID in Mar Mikhael could use funds to preserve, assist, and upgrade old VSEs in the argument that gentrification “does not consider the question of what happens when the process of replacement continues to such an extent that the ingredients that made the city successful in the first place are lost,” (Ferm, 2016, p.406). Funds from the BID could be used for grants to old VSEs, or for projects conducted by the collective for old VSE upgrading and preservation, trainings, and marketing. I argue that all businesses in Mar Mikhael stand to benefit from the presence of old VSEs in the area as these businesses, through once owning the means of production, constructed the character of the neighborhood which later attracted the gentrification forces, including some new VSEs and SMEs. I suggest that all of Mar Mikhael is included, not just Qobayat, as more businesses would mean a larger pool of funding, and as the nightlife venues of the area, including the bars and restaurants, benefit greatly from “traditional” character of the area.

While the recommendations above focus on the Qobayat level specifically, policy interventions can also be taken at the national level but will not be elaborated in great detail within this thesis, as the recommendations intend to focus at the micro level.

However, national context and interventions at this level should be briefly mentioned. First, the national government, with the collaboration of the Lebanese Central Bank, can create a micro-loan program for VSEs and SMEs similar to Circular 331 of the Lebanese Central Bank in which enterprises (often start-ups) could apply for bank loans that were guaranteed by the Central Bank, facilitating an easier access to credit. This was also highlighted as a recommendation in a case study on the factors affecting growth of VSEs and SMEs in Algeria, and in relation to a reform of the national banking system to make credit more available to VSEs and SMEs (Bouazza et al., 2015)¹⁷. A second recommendation at the national level would be to require high-end developments in gentrifying neighborhoods to include a number of affordable business spaces for VSEs and SMEs, a solution discussed in-depth in a case study on London's Hackney neighborhood (Ferm, 2016). However, this policy recommendation presents several issues. First, businesses displaced by the high-end development would be inconveniently required to move a second time back into the previous location. Secondly, for old VSEs especially, it is unlikely that high-end developments would offer rent prices at the rate of the old commercial rent many VSEs currently receive. Third, the client base of many old VSEs and SMEs may conflict with the residents and dwellers of high-end developers, thus, the

¹⁷ Elyachar's *Markets of Dispossession: NGOs, Economic Development, and the State in Cairo* (2007) is a critical source in understanding the destructive effects of micro-loan programs on old VSEs. Elyachar focuses on Cairo and workshop communities (carpenters and artisans) as a case study during a time when international organizations were stepping in to provide training and support, while the Egyptian state began to provide less social services and work opportunities. While the Lebanese state does not support old VSEs throughout the country, policymakers and NGOs should be wary of introducing micro-loan programs supported by international organizations. The work of Elyachar demonstrates how the free market (of which micro-loan programs are part of) identifies and coopts the social networks and practices of the local communities that old VSEs are a part of (2007, p.5). The Cairo case study describes how debt began to be interwoven within the social networks of the communities, integrating the market into the informal modes that had been used by the individuals in business and social relations. The workshop market that she studied was one of familial and social networks, where children would inherit the business and/or a young family member or acquaintance would come to apprentice at the shop. Thus skills and employment opportunities traveled within the social and familial networks, as did the debt once it was introduced through internationally funded micro-loans. Elyachar remains critical throughout her book of what she calls "empowering debt" which is used to fund and start small businesses, but which remains debt that must be paid back to internationally funded NGOs.

location may not be conducive or successful for the businesses. A final recommendation at the national level would be to reform the tax system, making it more understandable and catered to VSEs and SMEs, and thus increasing tax compliance which would open more opportunities, such as access to credit, for the businesses. This recommendation is also included in the Lebanon SME Strategy (2014) and within the case study on Algerian VSEs and SMEs (Bouazza et al., 2015).

The recommendations above are based on a principle and value that old VSEs are important to the neighborhoods where they are located and to the customer base that they serve. Beyond this, old VSEs are a piece of Lebanon's collective heritage, and still represent a significant, if not majority, number of businesses in the country. The two recommendations take steps towards identifying non-built heritage and understanding the value of various heritages. Both the collective and the BID unite all businesses in Qobayat and Mar Mikhael, not only old VSEs, and place responsibility on all business owners to assist in preserving the original producers of the neighborhood. If old VSEs disappear from Qobayat, so will much of the area's character, history, charm, residents, and individual's livelihoods. This thesis, and its concluding recommendations challenges the neoliberal belief that only ventures that are deemed financially successful deserve investment.

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