



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

Date: Thursday, July 17th 9:30 to 21:00

Venue: Brasserie du Levant Mar Mikhael, Beirut



Beneficiary

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Greece, Attiki
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A. SWOT Analysis (Gaia Heritage)

Executive Summary

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

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

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

A public of more than 250 members of the art sector, students and professionals attended the conference. In addition to the panels and the roundtables organized during the conference, the venue also sustained an exhibition of various artists, designers and architects of the neighbourhood.

A wide range of critical and significant proposals were made throughout the conference proceedings. In the closing session, H.E. the Lebanese Minister of Culture, Mr. Raymond Arayji issued a strong call for the establishment of a working group to address the issues discussed. A consensus amongst panellists and audience members was made in order to appeal to local governing bodies to strengthen the application of the rule of law in the neighbourhood. Moreover, a detailed analysis of the issues discussed will continue to take place within the MEDNETA project and through the coming establishment of an urban observatory and the eventual connection of ACDs with much needed funding schemes. Finally, the conference served to open the door for future collaboration amongst those present, therefore strengthening a united commitment for regeneration and change via creativity in the Mar Mikhael district.

I. Concept and Objectives

In the past decade, the neighbourhood of Mar Mikhael has witnessed a rise in the establishment and opening of creatively inclined businesses such as architecture, furniture and fashion design firms, galleries, and jewellery production and several others.



These firms have successively opened in an increasingly concentrated area in Mar Mikhael, forming what is referred to as an “Art, Crafts and Design (ACD) cluster”¹.

GAIA-Heritage has been surveying the evolution of this cluster since 2010 and today, within the project MEDNETA: ‘cross-cultural network to promote creativity in the arts, crafts and design for communities’ regeneration in historic cities’, part of the ENPI CBC MED programme, GAIA-Heritage conducted an extensive survey of the neighbourhood’s creative economy and of its socio-economic and built environment. This study included identifying and interviewing the sector’s principal actors, i.e. creative business owners, hereby referred to as “ACDs”. Results of the survey revealed a series of issues facing the sustainability and longevity of the ACDs artistic, design and commercial endeavours, namely the rapid rise in real estate development projects and property prices, as well as an overwhelmingly growing recreational sector and a lack of communal entente required for the exchange of ideas and innovation².

Three distinct groups inhabit the neighbourhood: the local residents, the ACDs, and the recreational businesses. While the ACDs occupy the neighbourhood during daytime business hours, the leisurely activities are mainly open in the evening. The local residents, however, remain in the neighbourhood at various times. There is little overlap and contact between these three disparate groups. They live side by side but seldom trade or meet together.

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

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

The choice of the setting also enabled the organization of an **exhibition** of various Mar Mikhael ACDs’ work during the conference, which provided participants the opportunity to explore the different creative activities in the area, and the ACD to appropriate the Brasserie as a space for creativity for the day.

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

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

2 Newbigin, “The Creative Economy”, 49.



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

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

The conference theme further revolved around topics of urban planning, regeneration, and public space. Indeed, cultural districts are site-specific and therefore, a detailed exploration of the creative economy cannot occur without an understanding of its broader urban context³. This is particularly poignant in the context of Mar Mikhael, which has attracted considerable attention in recent years due to its traditional nature and growing popularity.

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

³ Andy Pratt, "Creative Cities: The Cultural Industries and the Creative Class" *Geografiska Annaler. Series B, Human Geography*, (2008), 107.



II. Programme and Agenda

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



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



III. Report of Panels

Introductory Panel

The SWOT Conference on *Creativity and Regeneration in Mar Mikhael* opened on Thursday 17th of July on the first floor of what had once been the ‘Grande Brasserie du Levant’, in the heart of the Mar Mikhael district. The conference introduction was led by **Dr. Georges Zouain**, Principal of GAIA-heritage, accompanied by **Professor Sofia Avgerinou-Kolonia**, **Mr Panagiotis Stratakis** and **Mar. Ioannis Spyropoulos**, from the National Technical University of Athens and **Mr Theodoros Giannakopoulos** and **Mrs. Kyriako Petousi**, from the Greek Italian Chamber of Athens. The introduction contextualized the conference within the MEDNETA project and presented the conception of the project for Beirut.

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

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

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

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

Dr. Georges Zouain, Principal of GAIA-Heritage presented the conception of the MEDNETA project for Beirut and the target neighbourhood of Mar Mikhael. He stressed on the importance of establishing the MEDNETA Urban Observatory in light of the rapid economic changes taking place in Beirut and other Mediterranean cities . This phase of the project would best validate the studies and interventions completed on Mar Mikhael and act as an invitation for neighbouring Mediterranean cities to emulate the project in historic neighbourhoods.



The architectural evolution of the neighbourhood is characterized by the consistency of its urban fabric although it was not created by one architect but rather by a succession of different owners and workers from the harbour as much as from the railway station. The establishment of the creative hub in Mar Mikhael centred in Pharaon Street which started with designers such as Liwan, Maria Halios and Karim Bekdache and businesses such as the Papercup bookshop resulted in the existence of over 70 ACDs today. He then presented the definitions adopted by the project for ACDs.⁴

Threats to the creative activities in Mar Mikhael, such as the rising rent prices, the new real estate projects as well as the fast expansion of recreational activities, could be the first signs of an all too well know phenomenon in Beirut, namely an accelerated and uncontrolled gentrification⁵.

Furthermore, the social, urban and economic backdrop of Mar Mikhael is an important asset of the neighbourhood. Indeed, Mar Mikhael hosts a significant mixity, wherein both economically advantaged and disadvantaged households co-exist within the district. The level of real estate development in the neighbourhood is therefore moderate: construction occurs according to private needs, resulting in small shops and small apartments. Despite the modest size of these plots the rule of law within the built environment is not respected: sidewalks are completely occupied, sanitations and regulations are not respected and new developments are undertaken on regrouped plots, transforming the urban pattern.

Dr. Zouain concluded his presentation by identifying the relevant needs to ensure the success of the project: reach an equilibrium between exchange and use value, deeper political involvement and most importantly, an adapted speed of regeneration in Mar Mikhael. In a final note, there is a true necessity to form a professional network of ACD's to ensure the supply of resources and access to a foreign market to overcome **the limitations of the national market**.

Following the initial presentation, **Prof. Liliane Buccianti-Barakat** and **Dr. Nizar Hariri** from the Saint Joseph University presented the preliminary results of their socio-economy study of the Mar Mikhael neighbourhood carried out by the MEDNETA project.

Dr. Buccianti-Barakat introduced this section by providing an explanation of the socio-demographic study. The survey, which was conducted by 10 students in different sectors of the neighbourhood, aimed to include as large a sample as possible. Result from the survey showed that the neighbourhood is composed of three disparate yet co-existing groups: the original residents, the creative industries owners and the patrons of the district's evening economy.

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

⁴ Design: interior, graphic, fashion and jewellery designers

Crafts: furniture, jewels or clothes and other primary material

Alternative Art Forms: Bookshops, art galleries, and popular education spaces.

⁵ It is equally important to note that the creative industry is to a certain extent drawn to the presence of leisurely businesses in Mar Mikhael (bars, restaurants, cafes, etc.) as they attract a wide range of clientele and contribute to the neighbourhood's cachet as a "Place of Creativity".



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Results show that only 1 out of 3 residents of Mar Mikhael were actually interested in the creative industries of their neighbourhood, whereas 22% were slightly interested and less than 20% were really intent. Similar proportions reflected the interest in the nightlife and recreational activities of the neighbourhood with the difference that residents are not bothered by the creative activities while they truly suffer from recreational ones. The study further showed that 41% of the residents appreciate the changes in the neighbourhood but also that the residents' were showing growing concern with lack of public spaces, lack of parking and noise pollution due to the neighbourhoods' growing recreational sector.

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

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

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

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

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

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

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

Dr. Khater Abou Habib answered that the e-economy had been growing faster than design as digital industries profit from incubators while the design industry does not. He consequently said that **the development of a strategy for the development of the design industry is needed**. In addition, the *Economic and Social Fund for Development (ESFD)*⁶ provides grants for smaller projects. Kafalat's programs cover larger undertakings such as venture capital to support the growth of firms in order for them to access international markets; Kafalat also provides institutions that carry out crowd-funding, guaranteeing a portion of funds.

Dr. Abou Habib highlighted the many potential and actual financial sources that are easily accessible by determined individuals, including creative, who wish to carry through their projects

⁶ ESFD is part of the Euro-Med partnership between the European Union and the Government of Lebanon. The fund provides credit to SMEs through commercial banks. <http://www.esfd.cdr.gov.lb/>, last accessed August 19th, 2014.



including seed finance, venture capital, and crowd funding. He also mentioned that these schemes should certainly be made available in other parts of the country and expanded beyond the current sectors (i.e. the 5 mentioned earlier). The novelty of Kafalat's approach has not attracted the traditional funding schemes yet, as they remain averse to the high risks of such investments. For this very reason, Kafalat has created a grantee program seeking to encourage commercial banks to interface more effectively with the creative sectors.

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

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

The reasons why ACD's face difficulties are multiple. Simply including them in platforms, articles and exhibitions will not be sufficient to help them prosper. Opportunities and chances to develop and grow inside Lebanon are needed. In this case, the success story of Berytech is exemplary, where the marriage between Saint Joseph University (USJ) and the Berytech chairman, Mr Maroun Chammas, convinced 10 big banks and 6 companies to finance what was at the beginning a small space on the USJ campus⁷. Berytech was later expanded thanks to a private public partnership with the Ministry of Telecommunications in order to launch the Beirut Digital District in Bachoura⁸. Drawing from that example, technology and creativity are "cousins" and the latter sector should inspire itself from its "cousin's" and strive for a development that goes beyond the development of Mar Mikhael's main road, i.e. Armenia Street.

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

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

Furthermore, *Beirut Design Week* has been an opportunity to promote entrepreneurship skills through workshops, lectures and films dedicated to the different sectors. *Beirut Design Week*

⁷ "About Us: Berytech", <http://www.berytch.org/content/view/123/414/lang,en/>, last accessed August 20th, 2014.

⁸ "About Us: Beirut Digital District", <http://beirutdigitaldistrict.com/aboutBDD.html>, last accessed August 20th, 2014.



was also awarded the Social Entrepreneurship Award following the success of the event: it had 52 participants the first year, and 93 during its third instalment. Mrs Toutikian concluded by saying that the results obtained would not be possible without the help of their participants and the international guests that support them. This initiative alone was primordial in fostering a much-needed sense of community amongst Beirut-based designers.

Mrs Sarah Hermez then presented *Creative Space Beirut* by saying how it is dedicated to free creative education through which design is used as an effective tool for social change as well as a push for local design. *Creative Space Beirut* believes in free education as a way to include people from all backgrounds. Currently 9 students from different communities are enrolled in the school. The program is full time and creates a community for people to come and share their skills resulting in a very collaborative experience. In addition, *Creative Space Beirut* is launching its own brand to ease market entry for its students and graduates. Ending her speech on a negative note, Mrs Hermez mentioned the fact that *Creative Space Beirut* may need to relocate outside of Mar Mikhael due to rising rent and pricing out effect.

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

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

Mrs Rosy Abourousse responded that she believed that it would take Mar Mikhael families longer to sell their properties, seeing as the people of Mar Mikhael are more eager to keep their heritage and the cultural *cachet* of the neighbourhood. In addition, bars and restaurants are not necessarily disadvantages during the day as they help attract "hip" people to the neighbourhood.

Dr. Stephen Hill then addressed the following question: can you predict the success and economic prosperity of a neighbourhood? Conducting research on Lebanon's creative industries for over a decade, he has studied the various factors contributing to a neighbourhood's "attractiveness" as well as the motors behind urban economic growth in the field of creativity. In the case of Mar Mikhael, Dr. Hill underlined the pressing issue of public versus private space: the appropriation of public space in Mar Mikhael (by valet parking, shop fronts, etc.) is one of the neighbourhood's most significant problems. Increasingly, there is little to no distinction between private and public space.

The cyclical nature in urban neighbourhoods has to be acknowledged: the trendy place is continually changing. In order to slow this process, it is primordial to recognize the non-market benefits of the cultural sector and allow the municipality or entities like KAFALAT to intervene on its behalf. There is an unavoidable link between the recreational and creative sectors: the latter



provides business opportunities for the former, yet the recreational sectors make it more difficult for the creative economies to survive, boosting rent prices and occupying amenities such as parking spaces.

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

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

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

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

In summary, the Panel *The Creative Economy: Issues of Sustainability in the Context of a Rapidly Changing Neighbourhood* identified a number of perspectives and opportunities for Mar Mikhael's creative sector. Discussion amongst panellists revealed the variety of financing opportunities for Mar Mikhael's creative industries, and a standing commitment from KAFALAT to continue and expand their existing support.

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

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

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



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

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

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

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

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

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

M. Yazigi equally pointed out that in the pursuit of this goal, data collection is essential. For that matter, the MEDNETA project has the advantage of assessing the needs of the neighbourhood.



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

M. Nabil Itani then presented the CDR-CHUD project as a case study of development through the cultural sector. The project, led by the Council on Development and Reconstruction, and financed by the World Bank, the Italian Cooperation, the Agence Francaise de Development and the Lebanese Government is taking place in five Lebanese cities: Baalbek, Byblos, Sidon, Tripoli and Tyr.

The CHUD focuses on 4 archaeological sites, 3 of which are on the UNESCO's World Heritage Sites list. Through this concentration, the objective of the project is to create a motor of economic development through the preservation and presentation of cultural heritage in urban settings. By doing so, the project also aims at institutional strengthening and building capacity by implementing solutions that are site specific and which consider both social and political factors. CHUD-CDR is therefore similar to MEDNETA in that it focuses on urban regeneration, albeit via a different pathway: MEDNETA's goal in Mar Mikhael is to develop, support, and sustain creativity and the creative economy.

Mrs. Christine Codsí then presented Souk el Tayeb, a social entrepreneurship based in Mar Mikhael. A multifaceted organization, Souk el Tayeb houses a variety of activities in addition to Tawlet, its local restaurant. Mrs Codsí emphasized Souk el Tayeb's concern with the neighbourhood, considering it as a primarily residential area. As such, Tawlet does not open in the evenings to avoid any disturbance to the neighbours. In seeking to blend in with the urban environment, Souk el Tayeb also enlists the help of local cooks, from Beirut and beyond, to prepare regional delicacies for its customers. Therefore, the organization aptly balances both its role as a centre for leisure and a local business, which aims to remain conscious of its urban and social environment, while maintaining a creative and cultural flair.

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

Incentive loans schemes cover all sectors, under which falls the subsidized scheme and all other sectors, except for real estate development. The economy also benefited from the Central Bank's legal reserves exemption (Incentives 2009 program) which lowered the lending interest rate charged on final beneficiaries, and which benefited Mar Mikhael's activities as a consequence. On the other hand, the total allocated amount of all incentive categories falling under incentives 2013 program- in other words the facilities from Banque du Liban to commercial banks - amounts to USD 1.8 Billion USD. Out of this amount, Energy and Environmental loans to date amount to roughly USD 230 millions of which Mar Mikhael also



directly and indirectly benefitted from. M. Khoury went on to explain that although these energy loans do not cut directly in the social aspect of the neighbourhood, they benefitted clients in a substantial way.

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

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

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

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

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



would represent an essential tool in pushing the municipality to take a tougher stance in the application of rules and regulations in the neighbourhood.

Concluding Remarks

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

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

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

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

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

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

This conference has managed to unite for the first time actors concerned with the development of Mar Mikhael from a variety of fields such as: finance, economy, urban management, universities and cultural sectors. This occasion is a springboard for sustainable and profound work to turn this project into a pilot project for other regions.



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

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

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

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

Dr. Elie Haddad, then recapitulated the proceedings of Panel 2. The discussion had engaged in a very lively discourse on the neighbourhood and on the requirement for a balanced development. He reiterated that we are witnessing the threats of real estate speculation and its effect. We should thus strive to find new ways to reach a balanced development and re-think the condition of the urban development of the city.

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



SWOT Graph

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

Strengths	Opportunities
<ul style="list-style-type: none"> • Dense creative cluster • Social mixity • Surge of recent tourism in the neighbourhood • Geographical location close to the city centre and to Bourj Hammoud: bridge between the city centre and the crafts sector. • Creative economies work in synergy with Bourj Hammoud (relationship with craftsmen, for example) • Real estate prices remain moderate compared to Gemmayze and downtown • Presence of a successful model of the digital economy for the creative economy • Local residents do not all fall to real estate pressure in Mar Mikhael 	<ul style="list-style-type: none"> • Common interest in the sector shared by all those in the sector and those who participated in the conference • Network and community exist in the neighbourhood and reinforced by <i>Beirut Design Week</i> • Potential to form a creative Berytech in a location in Mar Mikhael such as the Grande Brasserie • Creative sectors create opportunities for recreational sectors- can this be non-detrimental? • Opportunity for the Municipality towards the protection of the neighbourhood • Context specific solutions at hand: advocate public space and insist that the municipality apply regulations • Start attracting the participation of public bodies • Assess and monitor the neighbourhood from the planner's perspective: opportunity to conduct a rigorous study • Example of Tawlet: not opening at night not to disturb.
Weaknesses	Threats
<ul style="list-style-type: none"> • Lack of the rule of law • Discord between nightlife and leisurely activities with both the residents and the creative sector • People don't come to the district at appropriate times to benefit the creative (i.e. at night) • Compliance to regulations: needed for balanced development Ex: Restaurants, and bars are opening without proper regulation • Lack of collaboration and networking amongst ACDs: ACDs are too weak and not united enough to fight the system, privileging leisure • ACDs do not have sufficient access to funding • Import/export laws are hard to handle • Lack of public space-i.e. Sidewalks • Powerful groups exploit public spaces to the detriment of citizens. 	<ul style="list-style-type: none"> • Rising rental prices, which are pushing ACDS out-example: Creative Space Beirut is considering it, 98 weeks is actually moving • The transition to the leisurely sector is too rapid • Ripe for real estate speculation at high speed • The planners of the space are those with financial power

Concluding Remarks

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

The conference confirmed that Mar Mikhael presents a dense creative cluster inscribed in a mixed milieu in which three distinct groups inhabit together: local residents, ACDs, and recreational businesses. The progressive installation of first creative and then recreational industries has resulted in a recent surge of local tourism to the neighbourhood, in line with Richard Florida’s description of the rise of the creative class.

Mar Mikhael sits close to the city centre and to Bourj Hammoud, forming a bridge between the city centre and the predominant Armenian suburbs of Beirut where small crafts of all types dominate. Several creative economies work in synergy with Bourj Hammoud, maintaining relationships with craftsmen in the area. Real estate prices also remain moderate compared to neighbouring Gemmayze and to the rest of the city. Although local residents have not fallen to real estate pressure yet this might be the case once the new rent law is implemented⁹.

An analysis of the neighbourhood, however, also demonstrated substantial weaknesses relevant not only to Mar Mikhael but to Beirut as a whole. The lack of rule of law and the lack of compliance and/or enforcement of existing regulations makes for an imbalanced development system.

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

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

Nonetheless, multiple opportunities for the reinforcement of arts, the crafts and design in the regeneration of Mar Mikhael were uncovered throughout the conference. The network and community of ACDs that already exists, reinforced by *Beirut Design Week*, has the potential to become yet another successful community, drawing on the lessons learned from Berytech¹⁰.

⁹ The new rent law proposes to abolish rent control and switch to substantively liberalised real estate market. According to the new law, tenants under pre-1992 rental contracts will face rent increases in yearly increments over a six-year period, until annual rents reach the current market value of the house.

¹⁰ Berytech is the first technological pole in Lebanon and the region that provides a conducive environment for the creation and development of startups, through incubation, business support, counseling, funding, networking and company hosting, hence taking part in the economic revival of the country, participating in wealth and job creation, and retaining graduates and hi-level skills in Lebanon.



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

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

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

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

Threatening the inhabitants and ACDs of the neighbourhood, the rising rental prices are likely to progressively push ACDs to move: already one ACD will move at the end of Sept. 2014. Another major threat is the overly rapid transition to the leisurely sector the neighbourhood is witnessing, two to three times as fast as in similar neighbourhoods in cities such as London (Hoxton) and New York (Soho). This factor has contributed to making Mar Mikhael ripe for high-speed real estate speculation, where new residents and ACDs cannot keep abreast of the rising prices. The scrupulous enforcement of laws and regulations is finally, an essential part of preventing the planning of space to become the de-facto entitlement of real estate development groups.



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