

CREACT  **MED**

CREATIVE MEDITERRANEAN

Cultural & Creative Industries in Lebanon

Salient Features

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Creact4med

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This report is produced by the Euro-Mediterranean Economists Association (EMEA), as part of the mapping of the Cultural and Creative Industries (CCI) carried out under the CREAT4MED project, funded by the European Union and coordinated by EMEA.

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CREACT4MED engages CCI players to enhance networking, collaboration, visibility, financial opportunities and market access. Join the CREAT4MED community at: <https://platform.creativemediterranean.org/>

A GENERAL OVERVIEW

Population size: 6.8 million in 2020

GDP: 33.38 billion (current USD) in 2020

GDP per capita: 4891.0 (current USD) in 2020

GDP growth rate: -20.29% in 2020 against -6.7% in 2019

Inflation rate: 84.86% in 2020 against 3% in 2019
(consumer prices)

Unemployment rate: 11.4% of total labour force in 2019
(CAS)

Youth unemployment rate: 23.35% of total labour force
aged 15-24 (national estimate)

Female unemployment rate: 14.35% of female labour
force (national estimate)

Female labor force participation rate: 29.29% of female
population aged 15+ (national estimate)

Rank in the Global Gender Gap Index: 132 out of 156
countries (2021)*

Source:

World Development Indicators (WB)- Last Updated: 07/21/2021 (<https://databank.worldbank.org/source/world-development-indicators>)

Lebanon's Central Administration of Statistics (CAS) (<http://www.cas.gov.lb/index.php/key-indicators-en>)

*World Economic Forum's Global Gender Gap Report 2021 (<https://www.weforum.org/reports/global-gender-gap-report-2021>)

*The countries at the bottom of the ranking have a greater distance from gender parity



Overall Context

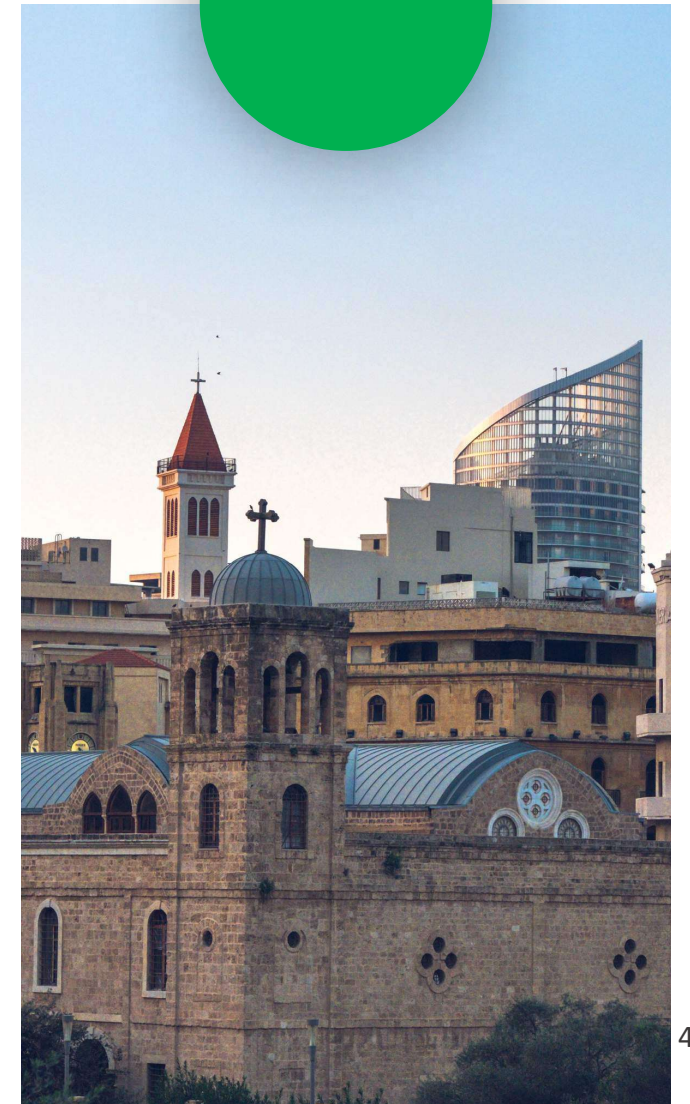
Lebanon was hit hard by several crises even before the COVID-19 pandemic (Ayadi and Challita, 2020). The country is facing a currency crisis, a banking crisis, social unrest and political instability. Adding to this, the blast in Beirut on 4 August 2020 affected all facets of the country, including the cultural heritage and creative industries. Museums and creative spaces in Beirut were completely or partially destroyed (Mady, Abboud, and Bauer 2020). The damage to the Cultural and Creative Industries (CCI) alone is estimated to be as high as 1 to 1.2 billion USD (World Bank, 2020). The dire currency devaluation, where the Lebanese lira has lost 85% of its value since 2019 (GIZ, 2021), has had devastating effects on the economy and as a result, talented, qualified young people and families have left or are planning to leave the country. In addition to this, there are several challenges both specific to the CCI, and in the business and economic environment in general.

All these elements have led to extreme financial losses and a sharp decline in the quality of life and employment, and pose an existential threat to CCI in the country.

Key CCI figures⁺ in Lebanon

The geographical location of Lebanon, at the crossroads of Eastern and Western cultural influences, gives a great deal of strength and dynamism to the country's Cultural and Creative Industries (CCI). During recent years, Lebanon has been gaining momentum as a key regional player in design, advertising, architecture, fashion, gastronomy and publishing (UNIDO, 2015). In truth, this growth is largely a product of private and international initiatives, rather than support from the government, which has been weak. This report provides an overview of the CCI in Lebanon, by mapping key sectors, actors and initiatives within the country's CCI ecosystem.

The current financial, political and health crises have had a devastating effect on CCI workers in Lebanon. According to a survey launched by GIZ amongst Beirut's creative economy (GIZ, 2021), during the COVID-19 pandemic, full-time employment in creative sectors fell by more than two-thirds, whilst unemployment or underemployment increased by almost 1000%. The surveyed sample consists of 45% self-employed and freelance workers, 57% of whom reported a drop in earnings of more than 75% in 2020, whereas a mere 2% reported a similar or higher income in 2020 compared to 2019.

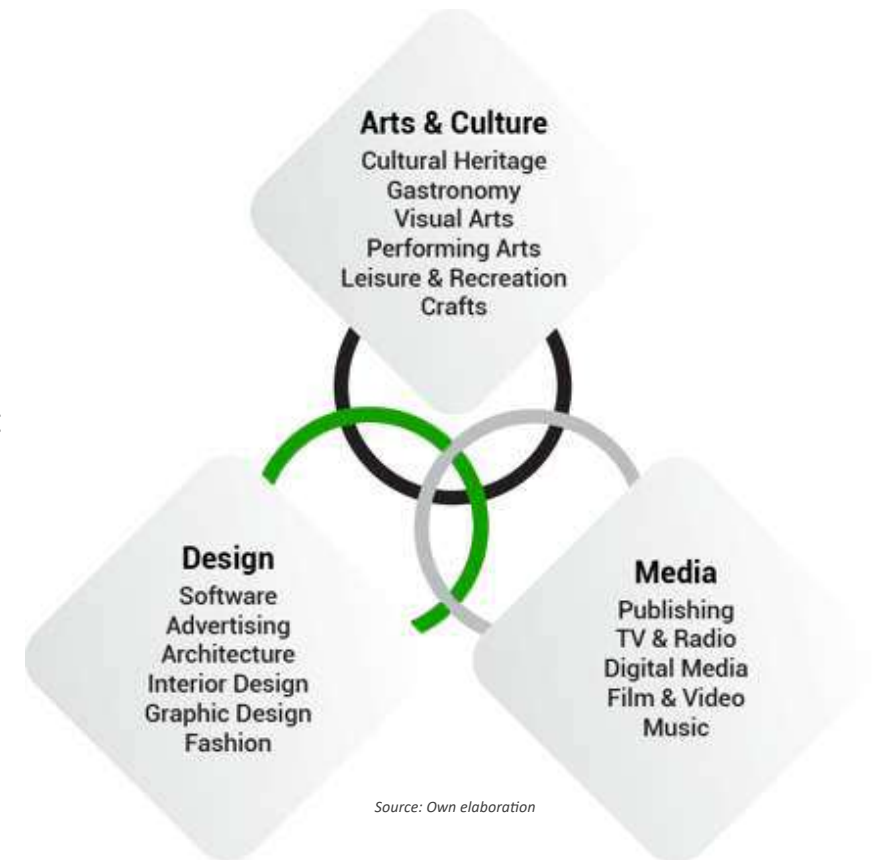


Key CCI figures⁺ in Lebanon (continued)

CCI represent an opportunity for the future of the country. They encompass different economic sectors including industry (jewellery, fashion and furniture), tourism (with rich cultural heritage sites and internationally renowned gastronomy) and the knowledge economy (highly skilled media, advertising and gaming industries). These sectors are known to be of high added value, often with low fixed investment. Additionally, this sector mobilises a range of different skills; those related to creativity on the one hand, and those related to management and business planning on the other. CCI account for almost 5% of the country's GDP, and 4.5% of national employment, with an average annual growth rate of over 8% and an estimated number of direct employees above 60,000 (latest numbers from UNIDO, 2015).

To assess CCI, we adopt a broad definition, inspired by different sources.¹ We classify the industries into the following 3 main groups: Arts and Culture, Media, and Design.

Lebanon has skills in all the CCI subsectors. According to the initial mapping carried out by CREAT4MED TEG², however, the CCI sectors with the highest economic contribution and/or potential for the future are identified as: design (jewellery, fashion and furniture), media (advertising and audio-visual production) and gastronomy. The sectors with the highest growth expectations are haute couture, audiovisual, design and architecture (Hariri, 2017).



¹ Amongst numerous CCI classifications available in the literature, we are mainly inspired by the ones of the UN (EY, 2015), UK (DCMS, 2019), Singapore (ERC-CI, 2002) and the European Commission (EC, 2010)

² The Technical Expert Group (TEG) is a group of renowned regional and local experts, aimed at bringing a multi-disciplinary approach to the mapping process under the CREAT4MED project. This group is composed of external experts, project partners and observers. 5 TEG meetings were held between November 18 2020 and February 25 2021. Dr. Sandra Challita and Ms. Marie-Lyne Samaha are the TEG members for Lebanon.

Key CCI figures⁺ in Lebanon (continued)

On the design side, the Lebanese taste and know-how are renowned in the Middle East and the Arab world, yet the sector is underexploited. Precious metals and stones represent 39% of the country's exports (jewellery design represents a share of these exports), with a cluster of jewellery designers who are highly skilled with low costs. Lebanon stands out as a leader in jewellery and gold production in the Middle East, employing 8,000 people with 2,000 qualified jewellers utilised in around 60 main workshops (Blominvest Bank, 2016). Lebanese fashion designers have a strong international reputation (Elie Saab, Zuhair Murad, Rami Kadi and others), with the existence of a fashion cluster in the country. Furniture and design of objects are also emerging, with international exhibitions being put in place to support them in recent years.

Lebanon is also known to be a media centre in the Middle East, with highly developed sectors such as television broadcasting, advertising services, audio-visual production, publishing, music production and digital media. Media accounted for 3.75% of Lebanese GDP in 2014 (WIPO, 2017) and comprises more than 450 companies employing around 3.25% of the Lebanese labour force. Lebanon's overall media market represents 465 million USD in 2018, with 46% of this figure dedicated to print media, 21% to TV and 12% to digital media (Arab Media Outlook 2016-2018). Advertising expenditure ranks amongst the highest in the region, with total spending of 174.1 million USD in 2016 (Arab Media Outlook 2016-2018). 15 national feature films were produced in 2015, out of which 11 films were 100% nationally produced (UNESCO Institute for Statistics, UIS).





<https://www.allrecipes.com/article/plan-lebanese-feast-next-dinner-party/>



Key CCI figures in Lebanon (continued)

Lebanese food has always been a vehicle to export Lebanese culture around the world. With the trend of healthy and vegan food, Lebanese cuisine has plenty to offer. The agri-food industry can partner up with the existing Lebanese diaspora to export their products. Food tourism is also key to the country, but the sector is currently endangered by the current crises.

There are CCI clusters in terms of sectors, crafts and regions. We can list the following that are relatively active: jewellery in Bourj Hammoud/Beirut; audiovisual and multimedia in Beirut (BCC); contemporary art in Beirut; copper crafts in Tripoli/Qalamoun; cutlery in Jezzine; furniture in Mkalles; furniture in Tripoli; haute couture in Beirut; high-end habitat design in Beirut; home textiles in El-Fekha/Aarsal; leather in Bourj Hammoud; marble and granite in Wata Mousseitbeh (Beirut); publishing in Beirut; traditional clothing in Saida Minjara; both space and initiatives for carpenters in Tripoli (UNIDO,2015).

The CCI in Lebanon play an important role that goes beyond a solely economic objective. In a country fractured by different religious loyalties, CCI is a unifying force for the country. As an example, for Lebanon's centenary, the only event maintained was a concert held by the national orchestra in Bacchus temple in Baalbek. After the Beirut blast, several national and international initiatives were mobilised by the country and its CCI diaspora, to raise funds to reconstruct Beirut and to support the victims.

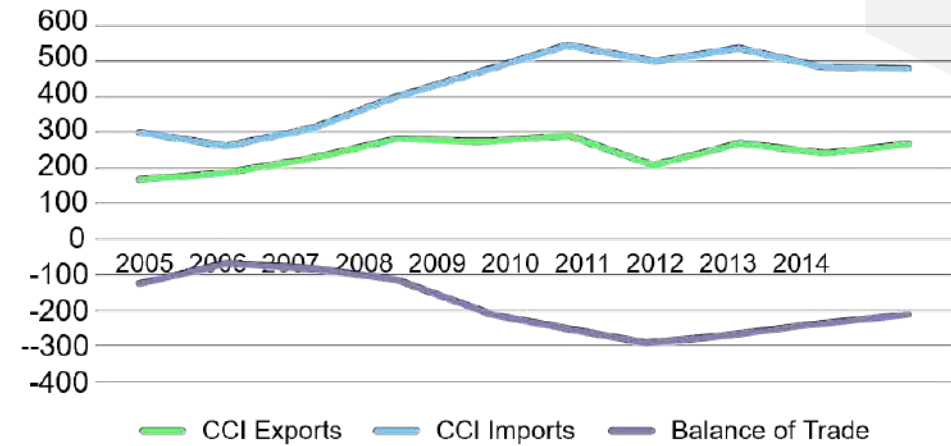
CCI exports



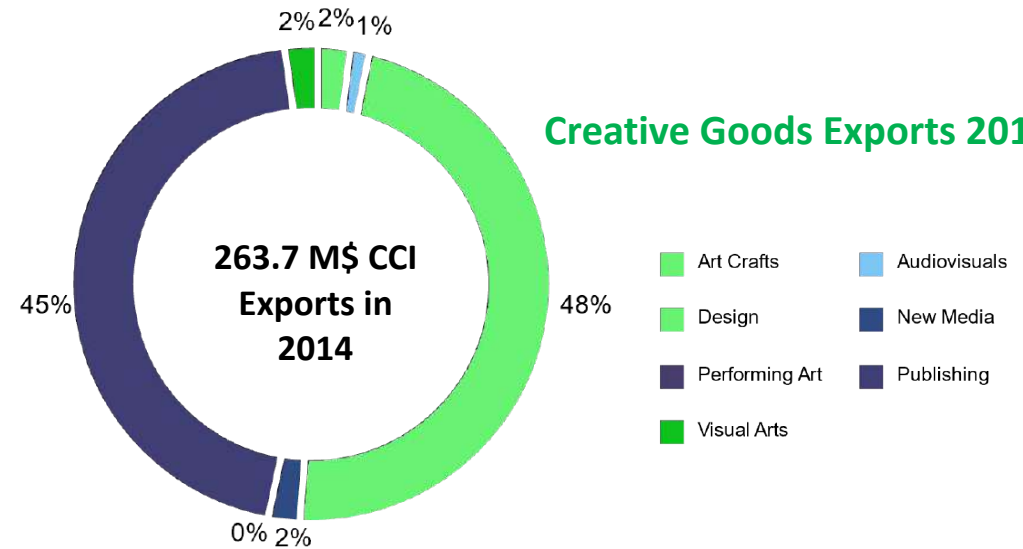
According to the UNCTAD report on Creative Industries (UNCTAD, 2018), exports in creative goods increased from 168.9 million USD in 2005 to 263.8 million USD in 2014. Yet, in 2014, Lebanon posted a trade deficit of 211.7 million USD.

Design goods and publishing were the leading creative goods exports in 2014, representing 48% and 45% of exports respectively. Design goods included jewellery (59 million USD), interior design (54 million USD) and fashion accessories (9 million USD). With an export value of 112 million USD, books accounted for the largest share of exports in the publishing industry.

Lebanon CCI trade performance (in million USD)



Source: UNCTAD global database on creative economy



Source: UNCTAD global database on creative economy

CULTURAL INFRASTRUCTURE

National Museum of Beirut
<http://notesofatraveler.com/top-10-museums-to-visit-in-lebanon/>



55 Museums

Capitol Theatre
<https://www.facebook.com/capitoltheatre/photos/2015106511937154>



25 Theaters

Vox Cinemas in Lebanon
<https://www.the961.com/movie-theatre-reopened/>



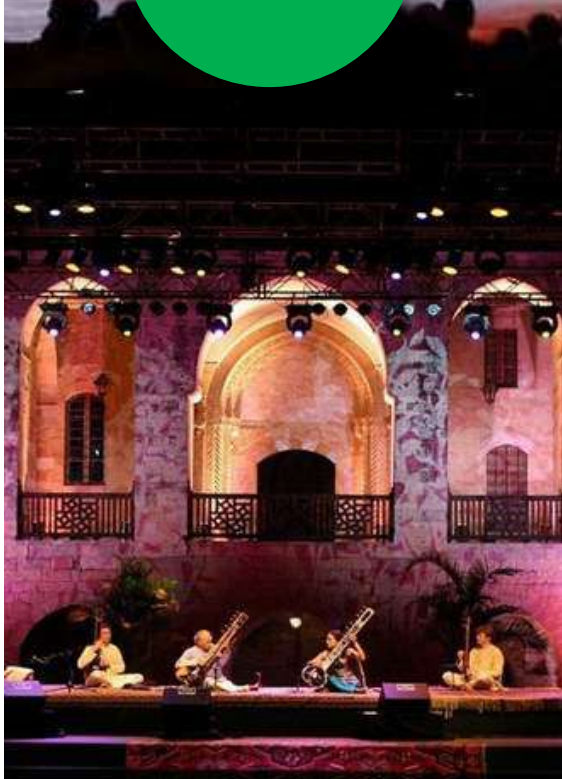
185 Cinemas

Lebanese National Library
<https://www.lebanontraveler.com/en/magazine/beirut-burgeoning-libraries/>



87 Libraries

Numbers up to the end of 2020; non-exhaustive list based on inputs provided by CREAT4MED Technical Experts for Lebanon, and the Ministry of Tourism for the number of museums. Number of libraries according to Med-Culture (2018) is 87 in total, out of which 64 are public and 25 are specialist private libraries.



Festivals +

Festivals play a significant role in the Lebanese cultural scene. Lebanon hosts a number of internationally renowned festivals and artistic events, amongst which are:

- Baalbeck International Festival (<https://www.baalbeck.org.lb/>)
- Byblos International Festival
- Beiteddine International festival
- Jounieh International Festival
- Beirut International Film Festival (<https://www.beirutfilmfestival.org/>)
- Cinema Days of Beirut
- Né à Beirut (<https://neabeyrouth.org/about/>)

Festivals boost tourism - especially from the Lebanese diaspora - and were supported by the Ministry of Tourism (Med-Culture, 2018). They were severely impacted by the current political and health crises, however, and struggle to survive³.

³ For Bylos, Beiteddine and Jounieh festivals, the websites are down and there is little activity on their Facebook pages. Beirut International Film Festival is postponed, with no announced date.

MAIN CCI ACTORS

CCI Ecosystem

01

Governmental

02

Private Sector



03

Associations & NGOs

04

Academia

The main actors in the CCI in Lebanon are the international community, private stakeholders, and investors. This is due to the country's geography, history and entrepreneurial spirit.

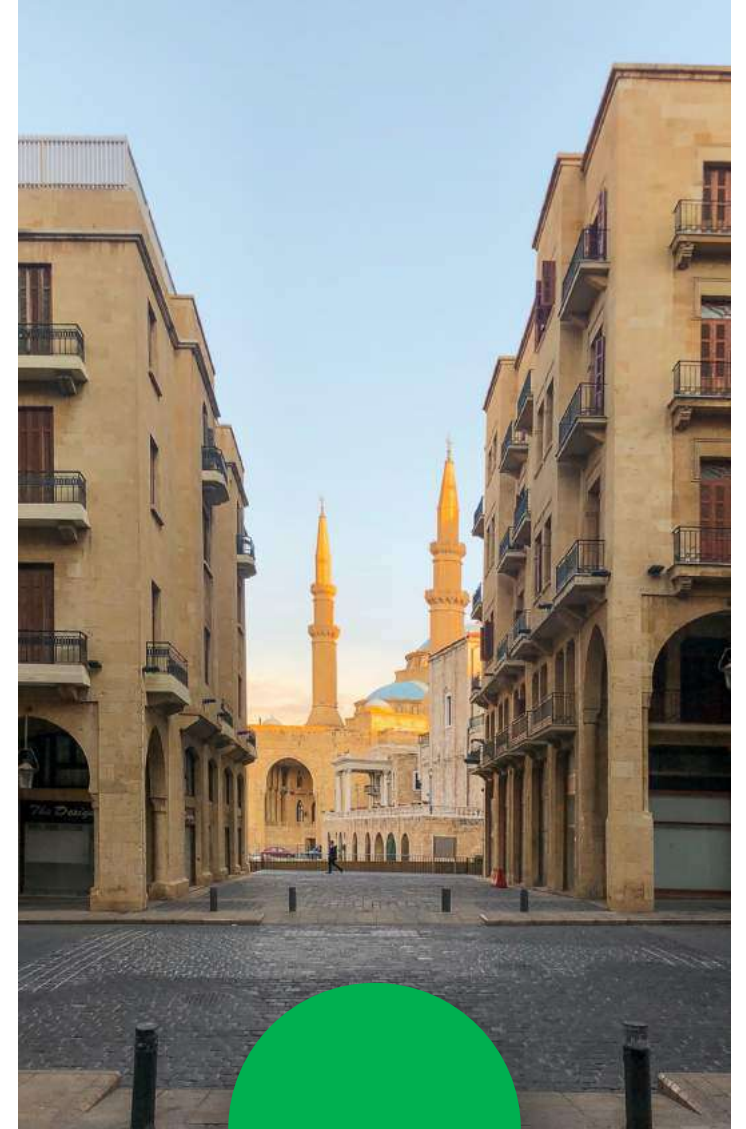
Governmental ⁺ Actors



The public entities involved in Lebanese CCI development include, but are not limited to:

- Ministry of Culture (<http://www.culture.gov.lb/>)
- Ministry of Economy and Trade (<https://www.economy.gov.lb/en/>)
- Ministry of Information (<https://www.ministryinfo.gov.lb/en/>)
- Ministry of Telecommunications
- Ministry of Tourism
- The Investment Development Authority of Lebanon- IDAL (<https://investinlebanon.gov.lb/>)

We did not observe any systematic coordination between these actors to further develop CCI.



Private Sector



Besides Lebanese artists, designers, architects, writers, filmmakers, musicians and other creative workers, the private sector also includes business support organisations, which serve as key actors in the CCI ecosystem. These include, but are not limited to:

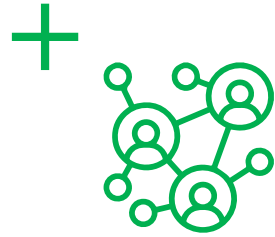
- Berytech (<https://berytch.org/>)
- AUB Tech Lab -Talal and Madiha el Zein Innovation Park (<https://sites.aub.edu.lb/ipark/>)
- Beirut Digital District (<https://beirutdigitaldistrict.com/>)
- Creative Space Beirut (<http://www.creativespacebeirut.com/>)
- Antwork (<https://www.antwork.com/>)
- Tripoli Entrepreneurs Club (<https://tripolientrepreneurs.org/>)

The design industry is mainly composed of private sector actors. Such private initiatives are often supported by international players, with the aim of supporting and encouraging Lebanese designers in different fields to expose and promote their projects. For instance:

- Beirut Art fair
- Beirut Design fair
- Beirut Design week
- House of Today exhibitions

We did not observe any systematic coordination between these actors to further develop CCI.

Associations & NGOs



Many NGOs and associations are also involved in the CCI, especially since the Beirut blast⁴. Amongst such associations that are promoting CCI in Lebanon, we can name:

- Arab Fund for Arts and Culture - AFAC (<https://www.arabculturefund.org/>)
- Beirut Art Centre (<https://www.facebook.com/BeirutArtCenter/>)
- Tunefork Studios (<https://www.tuneforkstudios.com/>)
- Theatre Relief Group (<https://www.facebook.com/Theater.Relief.Lebanon/>)
- The Slow Factory Foundation (<https://slowfactory.earth/>), which focuses on sustainable businesses, with a programme dedicated to the fashion industry
- Makam Modern Museum (<https://www.macamblebanon.org/>)
- Dar El-Nimer (<https://www.darelnimer.org/en/>)

⁴There are more than 120 civil society organisations performing cultural activities in the “Daleel Madani” platform alone: https://daleel-madani.org/civil-society-directory?f%5B0%5D=field_intervention_sector_s_%3A12

- The Food Heritage Foundation (<https://food-heritage.org/about/>), which aims to conserve Lebanon’s indigenous culinary knowledge through the preservation, documentation and revival of Lebanon’s traditional food heritage
- Fondation Liban Cinema -FLC (<http://www.fondationlibancinema.org/>)
- Beirut Heritage Initiative (<https://beirutheritageinitiative.com/>)
- Digital Opportunity Trust Lebanon (<https://lebanon.dotrust.org/>)
- Tiro Associaton for Arts (<https://tiroarts.com/>)
- Al-Mawred Al-Thaqafy (<https://mawred.org/>)
- SHAMS Association (<https://www.facebook.com/groups/368957286462393/>)
- Zoukak (<https://zoukak.org/>)

A number of orders and syndicates are present within different CCI professions, with various levels of health protection. We identified the following list: Order of Engineers and Architects, Syndicate of Jewellers in Lebanon, Syndicate of Interior Architects, Syndicate of Professional Artists and Musicians, and the Lebanese Graphic Design Syndicate.

We did not observe any systematic coordination between these actors to further develop CCI.

Academia

At the educational level, the key public actors are the National Conservatory and Orchestra, as well as public universities and institutes (such as schools of art, design, architecture and fashion, and institutes of crafts).

Also, the role of private schools, universities and institutions is crucial in developing CCI education.

The main universities in Lebanon include:

- American University of Beirut (AUB)
- Lebanese American University (LAU)
- Lebanese University and the St Joseph University (USJ)
- Beirut Arab University
- Balamand University
- Notre-Dame University (NDU)
- Hagazian

These universities offer basic programmes related to arts and culture, though very few specialist programmes for CCI are offered by the Lebanese universities. ALBA (Académie libanaise des Beaux-Arts), part of Balamand University, has some Masters programmes, such as the Masters in Visual Arts, Masters in Design, Masters in Movie Production and Masters in Special Effects. New universities, like AUST, Al Kafaat University and AUL offer programmes in TV, graphic design and interior design, but no theatre or visual arts programmes.

We did not observe any systematic coordination between these actors to further develop CCI.

Governmental initiatives to promote CCI



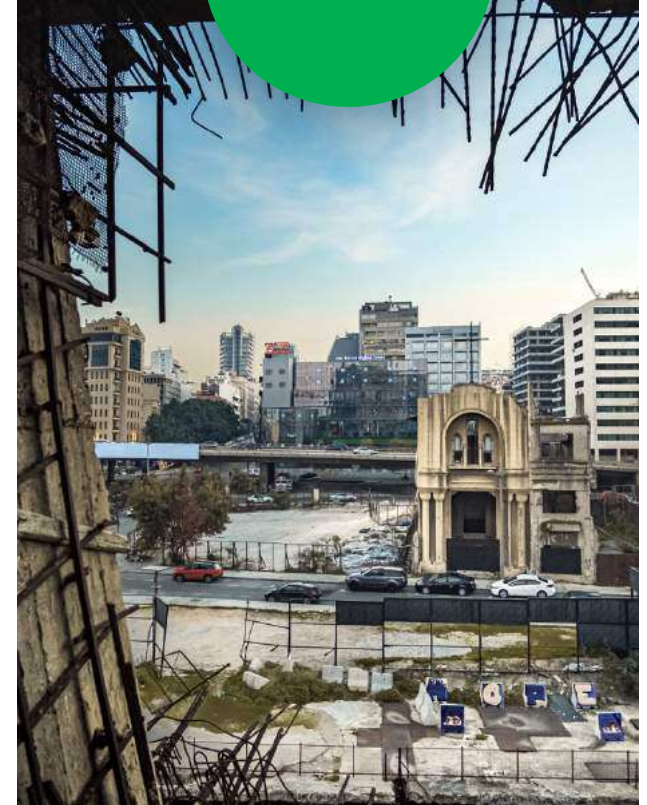
The CCI do not have any clear governmental support or targeted policy actions⁵. The Ministry of Culture has a very small budget for institutions (0.21% of the country's budget in 2020)⁶ and its actions are focused on managing the public institutions that rely upon it (Directorate General of Antiquities and Museums, and the Directorate General of Cultural Affairs, supporting institutions such as museums, the conservatory, the national library, etc). The remaining actions involve the somewhat minor sponsoring of events, rather than establishing initiatives (in collaboration with the Ministry of Tourism).

The Lebanese cultural scene is not governed by a unified set of general strategies, principles or objectives. Every cultural institution has an independent internal governance structure which has control over their goals and directives, allowing them to express their creativity. Meanwhile, the government's presence in the Lebanese cultural scene is limited to taxes and censorship, which have no relation to the Ministry of Culture. The Ministry of Finance is responsible for imposing taxes on the cultural domain; the General Directorate of General Security⁷ is responsible for censorship, which mostly affects film-making and the performing arts (Med-Culture 2018).

⁵ A policy was formulated in 2017 by the Minister Ghattas Khoury, but no actions for implementation were put in place.

⁶ Source: Government budget of 2020

⁷ <https://www.general-security.gov.lb/en>



Governmental initiatives to promote CCI (continued)



On the entrepreneurship and business support side, in 2013 the Lebanese Central Bank issued the “331 circular” to support the start-up ecosystem, providing cash to start-ups through Lebanese commercial banks. The programme provides a loss guarantee of up to 75% of the investments, while profit is shared equally between the participating banks and the Central Bank. It has been a success, facilitating numerous start-ups to grow and to access funding (Blominvest Bank, 2021)⁸.

On the financial support side, the country is currently facing one of its most severe financial crises, accompanied by health and political crises. However, before these emerged, several entities were active in supporting the financing of start-ups and existing entities, such as Kafalat⁹ guaranteed grants (craft industries in the CCI) and IDAL’s support for investors (supporting the media industry in the CCI).

Regarding the existing legislation for artists, an Act adopted in 2008 established the criteria for recognising professional status, but does not entitle its holders to social protection. Legislation adopted in 2012 (Act No. 7535/2012) provided for the establishment of a Mutual Aid Fund for artists, to be administered by representatives of their trade unions and the government. The annual contributions will be derived from a 2% tax on tickets to all types of cultural and artistic events. However, the Act has not yet come into force (Gruber, 2019 and Hajj Ali & Von Maltzahn, 2021).

⁸ “It has generated over \$1B to the Lebanese GDP and created over than 1,400 new jobs, founded more than 180 start-ups.” (Blominvest Bank, 2021)

⁹ <https://kafalat.com.lb/>



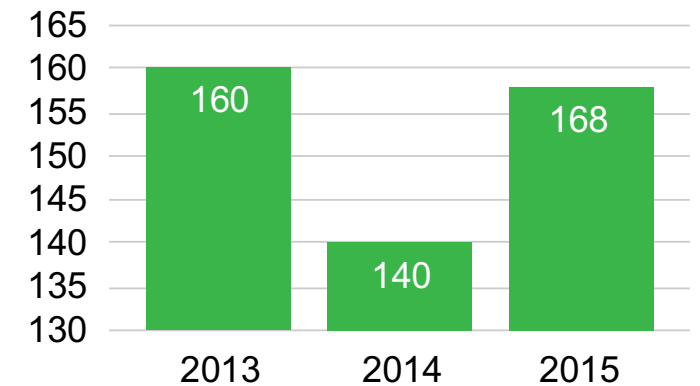
Intellectual Property Rights (IPR)

Creative industries rely heavily upon intellectual property (IP), according to the World Intellectual Property Organisation (WIPO). IP refers to “creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce”¹⁰. Lebanon joined the WIPO in 1986, has developed 23 IP-related laws, and subsequently signed 42 treaties. However, Lebanon does not appear among the 153 contracting countries of the Patent Cooperation Treaty (PCT), among the 128 signing parties of the Madrid Agreement, or among the 91 countries adopting the Hague Agreement¹¹. These agreements largely facilitate IP registration by allowing the applicants to register a patent, trademark or industrial design in all the contracting parties by filing one single international application.

The only National IP office in Lebanon is the Office of Intellectual Property in the Department of Intellectual Property under the Ministry of Economy and Trade (<http://www.economy.gov.lb/en/what-we-provide/intellectual-property-right/>).

The number of patent filings, as a proxy for innovation and creativity, is not reported in the WIPO dataset beyond 2015.

Patent Filings (Resident plus Abroad, Including Regional)



Source: WIPO statistics database. Last updated: January 2021

¹⁰ <https://www.wipo.int/about-ip/en/>

¹¹ https://www.wipo.int/members/en/details.jsp?country_id=99

https://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf

<https://www.wipo.int/export/sites/www/treaties/en/documents/pdf/hague.pdf>

https://www.wipo.int/pct/en/pct_contracting_states.html

International initiatives in CCI



In the international community, UNESCO plays a key role in the preservation of cultural heritage and museums. After the last Beirut blast, it engaged in the rebuilding of several destroyed premises¹². Kafalat is running a programme in collaboration with the World Bank entitled “Building Beirut Businesses Back & Better (B5) Fund”. The 25 million USD grant, signed in August 2021, aims to support the recovery of targeted Micro and Small Enterprises (MSEs) and sustain the operations of eligible microfinance institutions (MFIs)¹³.

The French Institute in Lebanon is also a key actor in the cultural industry, due to the historical relationship between France and Lebanon and the importance of the “Francophonie” in Lebanon. They support the cultural scene in general – specifically young people and emerging artists - via programmes, events and cooperation schemes with special support for the cinema and media. They are initiators of important and recurring cultural events, such as: the month of the “Francophonie”, “Fête de la musique”, “Salon du Livre”, etc.¹⁴



¹² <https://en.unesco.org/fieldoffice/beirut/libeirut>

¹³ <https://www.worldbank.org/en/news/press-release/2021/08/05/us-25-million-grant-to-build-beirut-businesses-back-and-better> !

¹⁴ <https://projects.worldbank.org/en/projects-operations/project-detail/P176013>
<https://institutfrancais-liban.com/#/>

International Initiatives



Masarat Grants programme

<https://www.britishcouncil.org.lb/en/programmes/arts/masarat-grants>

Funded by the British Council, the programme seeks to provide support for artists and cultural practitioners in the difficult post-pandemic times by providing financial aid, supporting production, training, and showcasing activities.



FANTASMEEM

(https://www.goethe.de/ins/lb/en/kul/sup/fan_.html)

Initiated by the Goethe-Institut Lebanon, the programme encourages creative entrepreneurship in Lebanon, as well as collaborations and knowledge sharing amongst design professionals.



EBTEDY

<https://www.ebtedy.com/en/home>

A Knowledge Platform on Cultural and Creative Industries, supported by Goethe-Instituts and GIZ, providing support for CCI workers in Lebanon, Jordan, Iraq and Egypt.



STAND Up!

In collaboration with Berytech, the project aims to accelerate the transition to an environmentally and socially responsible circular model in the textile sector, by providing support to green projects in the Lebanese fashion industry.



MED GAIMS (GAmification for Memorable tourist experiences)

<https://www.enicbcmed.eu/projects/med-gaims>

This project will develop games in a physical and virtual format to create experiences for tourists. The project aims to enhance sustainable tourism.

Non-exhaustive list, based on inputs provided by CREAT4MED Technical Experts for Lebanon.



iHERITAGE (ICT Mediterranean platform for UNESCO Cultural Heritage)

<https://www.enicbcmmed.eu/projects/iheritage>

This project supports collaborations between universities, SMEs, start-ups and spin-offs devoted to the creation of AR/VR/MR products, to encourage technological transfer and commercialisation of new AR/VR tools, aimed at enhancing access to Mediterranean UNESCO cultural heritage through augmented and immersive experiences.



CROSSDEV (Cultural Routes for Sustainable Social and Economic Development in the Mediterranean)

<https://www.enicbcmmed.eu/projects/crossdev>

This project aims to increase tourism competitiveness and the attractiveness of lesser-known destinations and rural areas, enhancing the Cultural Route experiences, such as those of the Council of Europe (e.g., Phoenicians Route and IterVitis), Palestine (Palestinian Heritage Trail) and Jordan (Jordan Trail), via the setting up of a cross-border tourism framework to enhance sustainable tourism policies, to promote tourism-related business and to develop community-led action plans.



OPEN UP!

<https://drosos.org/cms/media/a4-poster-open-up.pdf>

Developed by Drosos, in collaboration with AFAC, to reinforce youth social and economic autonomy by opening up opportunities to them offered by creativity.

Arts and Culture Entrepreneurship

<https://www.arabculturefund.org/Programs/21?program=&country=&year=>

Programme by AFAC, in partnership with the Drosos Foundation and supported by the German Federal Foreign Office, with the goal of assisting small cultural organisations to be equipped with entrepreneurial thinking to sustain their operations. Two aspects of the programme are capacity building and incentive grants.

CHALLENGES & OPPORTUNITIES



Challenges

The CCI industry in Lebanon faces several challenges, that we divide into two main categories:

- Challenges related to the current economic context:
 - The main challenge is the lack of political and economic stability, placing the business environment in survival mode, rather than one of long-term planning and strategy building.
 - The COVID-19 crisis and the Beirut blast have exacerbated the situation.
 - Governmental support is absent, with the weak means of the Ministry of Culture and lack of a clear roadmap to support the sector.
 - At the financing level, the cost of credit is very high (related to the country's high financial risk) and loan mechanisms are currently frozen.
 - Massive brain drain and loss of human capital is currently taking place in the country.
 - The current crises are having a perverse effect on country's digital infrastructure (weak internet connection, power cuts, etc).
 - The currency devaluation is a barrier to importing the raw materials and technical tools necessary for different sectors in the CCI, ranging from crafts to media and film making.
 - High levels of uncertainty hinder economic activity in general; for some CCI subsectors, such as festivals, it has led to complete shut-down of activity.
- Challenges specific to the CCI sector:
 - CCI suffers from a small internal market size and a lack of exposure to international markets; strong regulations on exports are a major source of struggle for start-ups and creative entrepreneurs who wish to export their products.
 - CCI have a high number of informal workers (including a high number of freelancers), who lack social and healthcare protection.
 - Artists do not have access social safety nets; the legislation on the Mutual Aid Fund for artists was passed in 2012, but it is not yet in force (Act No. 7535/2012).
 - Several skills are lacking (technical and managerial), especially in the field of digital knowledge, making operational graduates hard to find.
 - Regulation on Intellectual Property Rights is outdated (existing law from 1999) and needs to be updated to comply with international standards.

CHALLENGES & OPPORTUNITIES



Opportunities:

Facing the challenges listed above, several opportunities arise that are related to the existing ecosystem, human capital and the country's rich history and culture:

- The entrepreneurial ecosystem provides a healthy infrastructure to support start-ups and companies. It has been built up and supported since 2013 in the country, with the 331 Central Bank circular and the support of private and governmental institutions.
- Lebanon's CCI has a strong international reputation and global network.
- The existing talent is often trilingual, agile and skilled. In design (fashion, furniture, digital), Lebanese know-how is recognised and in demand, especially with regard to the "Arabisation" of digital platforms in the region. Given the emergence of remote working, there is an opportunity for job creation of skilled, low-cost employment.
- Even though some technical skills may be lacking, acquiring them can be relatively easy in collaboration with the private sector and the entrepreneurial ecosystems.
- The current crises in the country can also be turned into opportunities:
 - The currency devaluation makes Lebanese skilled labour cheaper, attracting several projects to the country and creating jobs, especially in the knowledge economy.
 - Furthermore, it can increase demand for local products and the bolster the size of the Lebanese market as imported products are less affordable, with local producers being encouraged to use local raw materials instead of imports.
 - The inflow of foreign aid to support the reconstruction of Beirut is creating jobs in the CCI sector.
- Lebanon's rich cultural history keeps the country on the international map for tourism and creativity.
- Lebanese cuisine is known around the world and Beirut is often ranked amongst the best cities for food. This opens doors for more culinary and gastronomic innovation in exporting Lebanese cuisine and for further exports generally.
- And the country's rich cultural and natural sites (5 official cultural heritage sites listed by UNESCO and 7 natural reserves) are an asset for further development of the sector and job creating opportunities.



POLICY + RECOMENDATIONS

Mainstream CCI in public policy

- A national definition of the CCI should be formulated, accompanied by the implementation of a national policy to promote the underlying industries. This policy should be formulated in close cooperation with the private sector, which is the key player in the CCI. It should include:
 - A plan to develop the market for Lebanese creative products (export portal) at regional level initially, followed by the international market;
 - A clear healthcare and social protection scheme for freelancers and employees in the sector;
 - Fiscal incentives for creators to stay in the country, such as tax exemptions and reduced VAT on CCI products/services.

Enhance entrepreneurial skills amongst creative workers:

- At the educational level, there is a need to boost the technical and managerial skills of creators, provide management boot camps for artists to develop management and entrepreneurial skills, and offer training on new technological instruments.

Reinforce coordination and collaboration amongst CCI actors:

- The private sector ought to better coordinate with the existing ecosystem, to support improved visibility and synergies. The diaspora can also play a key role in providing markets for Lebanese creative products and jobs for the Lebanese youth.

Reinforce IPR:

- By establishing IP help desks and adopting international agreements (Madrid Agreement, Hague Agreement, PCT, etc.), IP support can be strengthened.

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CREACT...MED

CREATIVE MEDITERRANEAN

Creative + Mediterranean

The Creative Economy has become a strategic asset for innovative job creation around the world. Cultural and Creative Industries (CCI) represent nearly 30 million jobs worldwide and are major drivers of the economies of developed, as well as developing countries (UNESCO). CCI contributed as much as 7% to the global GDP and was estimated to be around 10% of the GDP in the MENA Region (World Bank 2017). Within the CCI (mainly architecture, design and photography), there were 1.2 million cultural enterprises, generating EUR 193 billion of value added in the EU. It is a growing and promising industry that has become strategic, not only because of its impact on employment creation, but also due to its influence on the creativity and social cohesion of societies.

CREACT4MED is an EU Project, funded by the EuropeAid Programme, is focused on strengthening CCI businesses and job creation, giving support to entrepreneurs, start-ups and SMEs in particular, and targeting young people and women in the Southern Neighbourhood of the European Union.

Budget: 2,220,675 € EUR, Funded by the EU Commission (90%)

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Project Partners

Coordinated by: Involved in Implementation:



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