

CULTURE AND CREATIVE SECTOR

INTRODUCTION

Cultural and Creative Industries (CCIs) have become a significant part of the Lebanese economy. Lebanon's creative industries encompass several sectors, namely:

Media in all its components : TV, cinema, radio, music production, and publishing.

Art and Design which include advertising, graphic design, architecture, jewelry, fashion, photography, creative writing, performing arts, visual arts and crafts, in addition to sports and cultural heritage.

Before the 2019 economic crisis, CCIs accounted for almost 5% of the country's GDP, a market value of more than \$2 billion, 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. In 2020, 60% of freelance creative workers in Lebanon have had a 75% drop in their earnings. This drop combined with structural deficiencies, namely a high degree of informality and lack of access to the state's safety nets and medical insurance, impair the livelihoods of creative workers. A mutual fund for the insurance of artists was passed by legislators in 2012 under Act No. 7535/2012, but it has not yet taken effect.

Skills gaps, the small size of the domestic market for crafts and CCI products, regulatory barriers on cultural and creative exports, and difficulties in accessing international markets pose another set of challenges to CCI entrepreneurs and MSMEs. In addition to the brain drain resulting from economic crises, regulation of intellectual property rights is outdated (existing law dates from 1999) and needs to align with international standards. Additionally, there is a marked absence of governmental support: the Ministry of Culture's budget is 0.21% of the country's budget (2020). The global norm is a minimum of 1% and there's a lack of support for educational assets such as conservatoires, fine art faculties, and performing arts venues in the regions.

However, CCI has a seriously untapped economic potential, it contributes to the soft power of the nation, enhances its image and is a valuable contributor to the economy and job creation. CCIs Employ more people aged 15 to 29 than any other sector. With optimal planning, 20% of Lebanon's working population can become employed in CCI.

In the Global Knowledge Index, Lebanon ranked eighth in the volume of cultural and creative exports. Lebanese cultural and creative exports have notably risen in the economic crisis when expressed as percentage of the (massively contracted) GDP, more than doubling from pre-crisis values of 0.33% and 0.37% of GDP in 2017 and 2019. Add to that the increasing international recognition of Lebanese designs (fashion, furniture, art, and digital design), particularly considering the growth of digital platforms in the region.

The growth of remote work and an expanding network that links international and diaspora clients to Lebanon as an outsourcing destination is generating new freelance and remote employment opportunities for Lebanon's creatives and price-competitive designers.

For artisans, freelancers, and MSMEs in the labor-intensive creative industries, the depreciated currency has opened windows of competitive pricing of skilled labor and cultural products and services.

Specific CCI subsectors, such as publishing, jewelry, precious stones, and metals sectors, have demonstrated their significant potentials by achieving positive external balances.

POLICY ASKS



POLICY ENVIRONMENT

- Support the Ministry of Culture to strengthen its role and effectiveness for creating spaces and grants for the CCIs.
- Create a collaborative model between ministries of culture, economy, tourism, and education rather than the current inefficient silo structure.
- Define the status of “artist” and review its existing modalities of healthcare, social protection, and financing, especially the Mutual Aid Fund law which has been passed but not yet come into force.
- Support creative workers and CCI MSMEs in their digitization to increase competitiveness.
- Reinforce Intellectual Property Regulations (IPR) by ratifying the Madrid and Hague agreements.
- Implement policies that attract investment in the CCI sector:
 - Provide tax incentives and reduced VAT for creative industries to encourage SMEs in the sector and limit the brain drain of artists and designers.
 - Streamline regulations and create a one-stop shop for investors.
 - Develop financing mechanisms to provide access to capital such as low-interest loans, grants, and venture capital.
 - Establish a dedicated government fund to support innovation, adoption of new technologies and research and development in the sector.



MUNICIPAL LEVEL

- Develop mini-culture hubs where creative workers can have secure digital work environments in combination with physical spaces that support networking, co-working, and collaborative initiatives between talents from the digital and creative worlds.
- Identify local niches and specialization with high potential of CCI, adopt policies at the municipal and governorate level that promote CCI activities and allocate municipality resources to specific creative industries that have been identified as adding value to the respective towns and communities.
- Integrate urban and rural hard infrastructures with cultural and creative spatial targets:
 - In urban centers and big cities, leverage cultural heritage in a sustainable way to create collaborative spaces.
 - Upgrade rural infrastructures to highlight and protect spaces of local cultural importance and places that exemplify the characteristics of communities.