

KNOWLEDGE ECONOMY POLICY ASKS

INTRODUCTION

Lebanon faces significant challenges in advancing its knowledge economy, trailing behind in various key areas. The nation ranks 139th in terms of its enabling environment, 161st in broadband speed, 105th in talent retention, and 92nd in innovation. Despite these current setbacks, it's crucial to note that, on the eve of the crisis in 2019, Lebanon secured the 10th position globally for the ease of finding skilled employees, 23rd for digital skills, 24th for the skill set of graduates, and 4th for the quality of Math and Science education¹.

The development of a thriving Knowledge Economy in Lebanon holds paramount significance for the nation's socio-economic growth. It builds upon a history of educational excellence, a highly skilled workforce, and notable achievements in research and development. This document presents medium-term policy recommendations that are pragmatic, attainable, and quantifiable, even amidst the recurrent crises and financial challenges confronting the nation.

These recommendations span multiple domains, including education and research, investment incentives, entrepreneurship, e-Government, infrastructure, and evaluation. By centering efforts on these fundamental aspects, Lebanon can navigate through the crises and cultivate an environment that nourishes innovation, research, and knowledge.

POLICY ASKS



EDUCATION AND RESEARCH:

- Elevate the quality of education across public and private schools, with a special focus on STEM fields.
- Promote vocational and technical training programs to equip the workforce with practical skills.
- Foster the development of soft skills like critical thinking, problem-solving, and communication.
- Facilitate the rapid modernization of the National Council for Scientific Research (CNRS) to amplify its contributions across sectors.
- Encourage the transfer of technology and intellectual property from universities and research institutions to the private sector for commercialization.



INVESTMENT INCENTIVES:

- Establish a comprehensive set of fiscal incentives to encourage investment, bridging funding gaps, especially in the early ideation and scale-up stages.
- Cultivate an environment conducive to R&D and innovation by enacting legal frameworks that promote R&D, including tax credits and reductions.
- Ensure fiscal stability through medium-term commitments and protection against unexpected changes in rates, regulations, and fiscal measures.
- Prioritize Lebanese technology companies in government procurement processes within Lebanon.
- Institute an active intellectual property help desk at the Ministry of Economy and Trade.
- Streamline access to venture capital, angel investors, and business incubators.

¹Global Competitiveness Report, World Economic Forum, 2019



ENTREPRENEURSHIP AND BRANDING:

- Create an enabling environment for startups through regulatory reforms and improved access to funding.
- Foster a culture of innovation and risk-taking.
- Enhance the global presence of the Lebanese technology industry through improved export strategies.
- Strengthen collaboration with other countries and support local company participation in regional and international research and innovation networks.



DIGITALIZATION AND E-GOVERNMENT:

- Develop a data protection framework and regulations to clarify ambiguities, ensure alignment with international best practices, and enhance oversight and enforcement mechanisms.
- Establish the Lebanese Digital ID for secure online transactions, data exchange, and e-signatures.
- Create secure interoperability between government databases to facilitate data exchange and efficient service provision.
- Implement reliable digital payment systems across government agencies and services.
- Digitize government services for increased efficiency, transparency, and accessibility, thereby promoting data-driven innovation.



INFRASTRUCTURE:

- Prioritize telecommunication reforms as essential for a knowledge economy, ensuring fast, accessible, and affordable telecommunication services.
- Accelerate the deployment of Starlink services in Lebanon to ensure internet resilience.
- Encourage municipalities and local governments to support the establishment of local hubs with sustainable electricity solutions and internet connectivity, benefiting creative and knowledge-based businesses.
- Develop a Lebanese cloud infrastructure to ensure data sovereignty, exemplified by an Ogero Lebanese Cloud.



SUSTAINABLE DEVELOPMENT:

- Promote the integration of green technologies and sustainable practices across all sectors of the economy.
- Harness knowledge-based approaches to address environmental and social challenges.



DIGITAL INCLUSION:

- Implement programs to bridge the digital divide, providing vulnerable populations and remote regions with access to digital technologies and essential skills for participation in the knowledge economy.



MONITORING AND EVALUATION:

- Establish mechanisms for tracking and evaluating progress in developing the knowledge economy, facilitating data-driven decision-making and policy adjustments as necessary.

These recommendations, designed to bolster Lebanon's knowledge economy, have the potential to reshape its economic landscape, foster entrepreneurship, and harness the collective potential of its citizens on the path to a brighter, knowledge-driven future.