

# Executive

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Collective actions in Lebanon from November 2017 to October 2019



## REVOLT TO REVOLUTION

*Lebanon walks the fine line*





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# EDITORIAL

#241

## Time to rise above

**EXECUTIVE has been shouting over and over again for change in this country, calling the bluffs of successive governments in our more than 20 years of coverage.** At times, it seemed as though we were screaming into the void. Ignored by the policy-makers and resigned to the lack of reaction from the public at large. And then suddenly Lebanon erupted, the people took to the streets in one voice—and we could not be happier.

Now we look back at our analysis and economic roadmaps over the past two decades as our contribution to every man and woman on the streets during this October uprising. The streets have revolted. No longer in self-denial, the people have banded together against the mismanagement of this country that has affected the livelihoods of the Lebanese people for too long.

The people have decided to risk the little they have left for a better tomorrow. As much as this popular revolt was long overdue and brings welcome challenges to the incompetent elites, a revolution in Lebanon is a whole other ballgame. Already, we have seen in the speeches of Hezbollah leadership and the presidential palace the stark difference between their concerns and the concerns of the people.

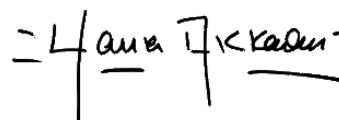
While the protesters out in force across the country can no longer bear the vulgar mismanagement of the political class and their abject failure to provide Lebanese citizens with even the most basic of services, those same politicians are worried about shifting the status quo that serves their geopolitical alignments. And that is where the danger lies, in the lines that have been drawn.

Meanwhile, attempts to attack Lebanon's central bank are no more than a smokescreen to shift blame away from politicians whose mismanagement of the economy will always manifest itself in monetary repercussions—we are not taking the bait.

The reality is that Lebanon is part of the region's northern front that spreads from Iran to the Mediterranean with Lebanon at its western end. We are in the heart of the storm, torn once again between east and west. As we go to print, we walk blindfolded on a tightrope demanding to live in dignity in our Lebanon. The cold reality is that in the geopolitical sphere, spilling our blood is cheap.

We should not give up the fight. Lebanon has a unique chance to fight for its own future and decide its own fate. What we have witnessed across this country since the uprising began in mid-October is nothing short of miraculous. Together as one we stand united—against sectarianism, against corruption, and against the economic realities imposed from the top down.

This is a once in a generation chance. Grab it fast before it is stolen away.



Yasser Akkaoui  
*Editor-in-chief*

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# LAST MONTH

## ZOOM IN



*A protester in Central Beirut lights a bonfire as part of the nationwide protests that broke out October 17 over increasingly worse economic conditions in the country.*

### Strikes over dollar shortages continue

On October 1, Banque du Liban Governor Riad Salameh issued a new circular to organize the provision of dollars to banks at the official rate to secure imports of petrol, medicine, and wheat. Despite this, on October 8, mill owners announced they would begin selling their products in dollars, not lira. On October 10, the Union of Bakery Owners threatened to begin striking four days later if no solution was found to the dollar shortage that made it difficult for bakers to secure supplies at the official exchange rate. Importers must pay for their products in dollars but sell them in lira. On October 15, then-Prime Minister Hariri met with a delegation from the Syndicate of Bakery Owners, and the strike was called off after Hariri pledged to solve the issue within 48 hours. Similarly, on October 11, in a televised news conference, Sami Brax, head of the Syndicate of Gas Station Owners, said that state

officials had failed to honor an agreement that allowed them to purchase fuel with the local currency. Gas station owners also said banks were not supplying them with dollars needed to buy imports following a shortage in dollar reserves. Fuel importers and gas stations went on strike across the country. On October 12, Hariri again assured gas station owners that they would be able to purchase fuel with Lebanese lira, ending the strike.

### Wildfires devastate Lebanon

Wildfires broke out in Lebanon beginning Monday, October 13. Over the next two days, 125 fires spread across the country. Above average seasonal temperatures and a long, dry summer made the unfortunate perfect conditions for fires to break out from Nabatieh in the south to Akkar in the north, with the Chouf region hit particularly hard. In 48 hours, between 1,300 and 1,500 hectares were burned,



## QUOTE OF THE MONTH

“Kellon ya’ni kellon.”

*All of them means all of them. One of the chants of the October uprising.*

doubling yearly average losses of 1,200 to 1,300 hectares, which had already been lost this year. Many were forced out of their homes on Monday night. Four houses burned down in the Meshref area according to the National News Agency. Two people died as a result of the wildfires, one from smoke inhalation and another who was struck down by an emergency vehicle. The Lebanese Red Cross reported that 18 were hospitalized and 88 received medical care. Three Sikorsky firefighting helicopters donated to the government in 2009 by a coalition of citizens had not been maintained; Lebanon had to rely on help from Cyprus, Jordan, and Italy to put out the fires alongside Lebanon's own volunteer firefighters. A thunderstorm in the evening of October 15 played a large role in putting out the bulk of the fires. While some fires remained October 16, they were managed by civil defense. It was estimated the firefighting helicopters would cost \$450,000 to maintain; in 2013 and 2014, \$800,000 was allocated for their maintenance. Questions of corruption quickly arose over where this money was funneled instead.

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### Cabinet update, 2020 budget passed

During October, cabinet had numerous deliberations on the 2020 draft budget ahead of the October 22 constitutional deadline. Within those talks came a proposal to include a \$0.20 per day tax on Voice over Internet Protocols, like WhatsApp. As it became known, the proposed WhatsApp tax sparked nationwide protests on October 17; the proposal was reversed the next day. Cabinet passed the 2020 state budget October 21, and it was signed by President Michel Aoun before the constitutional deadline as protests continue in the country (see coverage page 12). The new budget will enact no new taxes and aims to reduce the deficit to 0.6 percent with the Banque du Liban, Lebanon's central bank, and private banks contributing \$3.4 billion to reduce the deficit. October 4 talks earlier in the month between then-Prime Minister Saad Hariri and then-Foreign Minister Gebran Bassil took place amid tensions with both parties, but they agreed to expedite passing the 2020 state budget before the constitutional deadline. In its October 17 session, cabinet decided to give a 5 percent subsidy to local factories that increase exports to encourage industrial exports. It was also decided that public institutions would be asked to transfer monthly surpluses to the state's treasury and refrain from any new investments unless approved by cabinet for one year; affected institutions will be designated by cabinet. Further, cabinet endorsed implementation decrees for the electronic transactions law and restructuring the public sector. They also approved the use of certificates of origin for imports that aim to prevent smuggling and customs evasion.

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### Economic grievances erupt into nationwide protests

See timeline page 18 for a day-by-day breakdown of the first 13 days. 

# LEADERS

## LEBANON REVOLTS

### Hopes for a new spring

Lebanon's uprising has potential ripple-on effects

As the aftermath of the Arab Spring saw the Levant descend into another iteration of political posturing and advantage seeking of what in earlier times was often derogatorily called Levantine behavior, Iraqi-Lebanese journalist Husain Abdul-Husain shared his dismay. In a story published five years ago, he drew as his conclusion from a decade of Iraqi, Lebanese, and Syrian experiences of seeking change from popular roots that “non-sectarian, liberal citizens are few, helpless and irrelevant.”

One of the experiences he explained as underlying his judgment was the juxtaposition of the March 14 and March 8 protests and subsequent political movements in Lebanon. Expressions of two sharply separate (but each partisan and partially goaded) popular wills, these mass demonstrations on Martyr's Square and Riad el-Solh Square in response to the assassination of former Prime Minister Rafik Hariri deteriorated all too soon into the wrangling for political power and positions by and within their eponymous movements.

#### UNPRECEDENTED UNITY

On March 8, 2005, hundreds of thousands had followed calls of their leaders for a pro-Syrian demonstration. The March 14 anti-Syrian demonstration saw Martyr's Square packed again with hundreds of thousands—crowd size estimates were unreliable for both demonstrations. Regardless, the crowd on the latter day was so dense that one of EXECUTIVE's editors was unable to walk a straight line from one end of the square to the other. It was the largest demonstration in Lebanon's history.



Last month, Martyr's Square was, by comparison, loosely packed—noting, however, that protests were nationwide. The difference between the calls for freedom, sovereignty, and independence on March 14 and the *thawra* (revolution) shouts of October 2019 could not have been larger. Contrary to what felt at least partly orchestrated and what was even affixed with some sort of marketing label by revolution-happy American diplomats as the Cedar Revolution, the Lebanese citizen's protests in 2019 (and, according to reports, the protests in Iraq) delivered overwhelming evidence that the liberal, non-sectarian citizens in the Mashreq countries are no longer few, helpless, and irrelevant. Not anymore.

Far from making a defeatist impression, the young and older protesters of 2019 were uniting beyond political affiliations and bursting old mental shackles. Not just in the heart of Beirut—all over Lebanon. They were powerful, they were many, they were completely determined and defiant of intimidations and assaults. In Martyr's Square, the ragtag assemblage of protests and revelry in late October radiated with an intensity that can only be described as revolutionary ecstasy—a web of powerful emotions, and an at-

mosphere supercharged with lifetimes of frustration and fear, of suppressed desires, and of dreams and hopes.

Even outside of the frenzy on Martyr's Square, you could see it in the eyes of people who were walking back home from the protests—and even those attending a sober editorial meeting at our magazine—that these days of October 2019 were qualitatively and—in their nationwide dimensions—quantitatively incomparable to any Lebanese moment and national experience in the past 100 years.

The narrative of this emanation of popular sentiment and will began to be formulated within the first three days of protests and will certainly evolve. As a continual wave of events without precedent in this country, however, the developments pose a tremendous challenge as to pinpointing their exact political, social, and economic drivers and demands (see infographic page 38), and, most difficult of all, their outcomes over time.

The difficulty and simultaneous need to talk about possible impacts of this new revolution is put into perspective when one thinks of the aspirations, expectations, and actual results of the Arab Spring in Tunisia, Egypt, and Libya at the beginning of this decade. Not only did the Arab



Spring uprisings devour some of their children in the often-seen pattern by which rebel leaders turn into the next iteration or mirror image of the leaders they rebelled against, but the entire movement came to be lamented by many Arab scholars as an Arab Winter just a few years after the initial euphoria of 2011 and 2012.

It has to be mentioned here that the Lebanese October protests had no primary leaders but rather relatively utopian demands for a fair society and political system, a better economy, and an end to corruption.

### PROSPECTS FOR LEBANON

It, furthermore, should be self-explanatory, but still needs to be emphasized, that the Lebanese national case of a multi-fragmented, consociational country is beyond comparison. No other country would be similar in having a confessional political system that persists in contradiction to its constitution and that exists under economic conditions that defy all conventional understanding.

The list of the peculiarities of this economy only begins with a dollar-peg that has lasted for more than two decades, and a balance of trade that has been not just consistently negative, but immensely so. It stretches to a public debt that has not been lower than 120 percent of official GDP for longer than half of the population has been alive. Inversely, the list also includes achievements of Lebanon never having defaulted on its obligations despite a succession of economic, political, and security shocks (that extended to assassinations of several key personalities) and of monetary inflows that brought banking deposits to a multiple of GDP.

Its curious constellation of economics and politics in locale that qualifies as one of the top global crisis hotspots for the past 70 years means that it is only possible in a most general sense to think of Lebanon as a country that is stepping in the foot-

prints of other countries and populaces that have gone through revolutions. It is certainly not like Egypt, Tunisia, Libya, or any other MENA country. But when thinking about Lebanon's prospects after October 2019, perhaps some general allusions to the uprisings of the 20th century can give some pointers, namely to the Prague Spring and the May 1968 cultural revolution in Western Europe with its Parisian center.

These two revolutionary chains unfolded and ended very differently from each other in the short term—the Prague Spring was quenched by Warsaw Pact troops and Soviet tanks with blunt force, May '68 produced new elections, but not system change, in Paris. Despite its socialist dreams and slogans calling for an overthrow of the capitalist order, there was no change in the political systems in Western Europe and very limited impact on institutions beyond those in tertiary education, nor did '68 put the economies of their source countries on new tracks.

Notably on the economic development side, the much bigger shock for economies in Western Europe occurred in the oil crisis and resource shocks of the 1970s—but Western capitalism only reemerged with greater vigor afterward. In Eastern Europe, societies continued to limp behind the West as they followed central planning paradigms of self-declared scientific socialism that was presented by its proponents as a form of technocracy.

The political and economic aspirations of many in the post-war student generation proved to be impossible to achieve. But '68 had profound cultural and social impacts which, in the reflection of European historian Ian Kershaw, indelibly impacted the minds and perspectives of those who participated. "The anti-authoritarian, egalitarian and libertarian attitudes of

the '68ers had a lasting impact," Kershaw affirmed 50 years later.

Also, the seeds of popular will sown in the Prague Spring, growing painfully over time in dissident movements such as Charta 77, contributed at long last in the post-1989 revolutions to the delayed outcomes of liberty for the peoples that had been living behind the Iron Curtain since the end of World War II.

In this sense, the long-term social and cultural impacts of Lebanon 2019 might materialize in advancing and making more resilient the spirit, responsibilities, and freedoms of self-determination that the region excitedly—and in hindsight prematurely—sensed as rising in the Arab Spring, only to see it submerged again in the swirls of regional and geopolitical realities. This is to say that cultural

■ The October protests had no primary leaders but rather relatively utopian demands for a fair society.

departures from the narrow systems of the patriarchal past might ultimately find their verification and results in the ultra-long term, through changes in the Arab world that are beyond imagination and which could include both political and economic blooming.

The economic bloom could be enormous, considering the long past of unrealized potentials for such increases under existing systems with heavy ceilings of backward business organization, severe political and economic under-participation of women, and social tutelage of vast population groups. This awakening of Arab economies could, at least by today's standards of capitalist growth, be realized to the tune of significant productivity increases and double-digit growth spurts in utilization of human capital, financial inclusion, economic outputs and—with im-

# LEADERS

proved diversity and complexity of Arab economies—mutually beneficial regional trade interactions and integration of Arab countries.

Such long- and ultra-long-term developments would be a boon to Lebanon as an economy with a bridge function and historic networks, not to mention its immensely charged-up young human capital. Yet, it cannot be denied for a second that such propositions of economic and political freedom and prosperity are dreams and hopes with a large dose of pro-Lebanese bias and are—by nature of all economic expectations, hopes, projections, and predictions—speculative with an exponentially increasing degree for uncertainty for each futuristic conjecture. In the long term, it certainly is also a conjecture and one that attempts to deliberately counter both existing international stereotypes and the last five to seven centuries of Arab peoples' history, to believe that this October uprising could shine 50 years from now as a central ignition point of new cultural and social intercontinentally effective lead roles of enlightened Arab women and men in a less insane global society.

In the immediate outlook for Lebanon there is, of course, more economic uncertainty than one

could wish for. The rise of social discrepancies and economic pains for households, the damaging but necessary potentials of controls in the financial sector, the price and inflation spirals to the detriment of consumers and producers, the likely hardships and business risks for importers, the failure prospects of enterprises of all corporate ages, the acceleration of unmitigated public sector problems, and the macro uncertainties can hardly be over-projected.

It, moreover, has to be acknowledged that the local stakeholders in the economy might have little or very little that they realistically can do in the immediate term to steer enterprises away from the cliffs and sandbanks of shallow credit and perilous monetary waters. And as far as betting on grand economic plans by expensive consultants, infrastructure visions that depend on international financial inflows, initiatives with weak institutional and incomplete legislative foundations (e.g. public-private partnerships), and mega-projects (other than, hopefully, the power generation and distribution plan), it appears advisable to take a deep

breath and preserve one's mental energy for just a bit.

Still, it will not be good to abandon all thoughts or send all passions into flight mode. It is time to fight constructively on all economic fronts. In this very important context of economic reforms and ideas for strategizing and talking development, what makes sense from the perspective of EXECUTIVE is to think, debate, plan, and act in the same way that the October events found their success: inclusively and from the bottom up. We are not relenting to emphasize that the economy, while notoriously non-compliant with ex-

■ It is time to fight constructively on all economic fronts.

pert prescriptions or technocratic central planning, and while often behaving (like the humans that make it) in the most surprising ways, is the people's action game and arena.

EXECUTIVE, as another fight—that we will not give up on, had one year ago launched a project for an economic roadmap that was distinguished by design: It sought out the inputs of civil society and local stakeholders in wider and more democratic participation than any other view on our future that, in EXECUTIVE's humble opinion, is full of our social needs and economic potentials. We call on you, our faithful readers, and on all who invested their heartfelt passions into determining a new future for Lebanon in October 2019, to contribute to the next round of developing a better economic and social future and together build, strategize, combat, and develop new pathways. Take our roadmap forward, improve it. We are ready to do it with you. ■





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PEACE OF MIND





# Spring in autumn

The lasting change from Lebanon's mass protests

**Nour Square in Tripoli overflowing with protesters chanting in unison for the fall of the system and dancing to music spun by a live DJ.** Men and women across the country have broken free of sectarian shackles, calling out the political class *en masse*. Street vendors selling *kaak* and corn on the cob in the streets of Downtown Beirut previously inaccessible to them in favor of high-end cafes and shops. Crowds of people dancing, chanting “*hela hela*,” “*kullon yani kullon*,” and the famous Arab Spring slogan of “*ash-sha’ab yurid iskat an-nizam*,” among others, or participating in public debates in “the Egg” and other reclaimed public spaces in Downtown Beirut. Countless Lebanese of all ages and backgrounds, and in regions all across the country fill up city squares and go on live television to voice their frustration and anger with an economic reality that was brought about by deep-rooted corruption and the entrenchment of the sectarian political order (see comment page 44). Protesters across the country began setting up roadblocks that were at times removed by the authorities only to be reformed, sometimes multiple times per day. The most striking example of which was the roadblock on the

Fouad Chehab bridge, known as the ring, which connects east and west Beirut, where protesters got creative, bringing sofas and fridges to block off the highway and on the 11th day of the protests posting the area on AirBnB as “*Beit el-sha’ab*,” which translates to “the people’s home.”

These are just some moments of the October uprising in Lebanon, at the time of writing in its 13th day, which is being described as the tipping point and a game changer for the country (see timeline of the first 13 days starting page 18). Those protesting—at one point media estimates put numbers at a quarter of the Lebanese population—succeeded in shutting down the country through blocking roads and organizing a general strike. Banks and schools have remained closed since the second day of the protests, despite some attempts to open the latter. A leaderless movement—an initial strength but as time goes on increasingly perceived as a weakness—those participating in mass protests have been united in their calls for the resignation of

the government, a technocratic government put in its place to address immediate economic concerns, the calling of new elections, a more proportional electoral law, and the overthrowing of the post-war sectarian system. Their first victory came just three days into the protests, with the resignation of the four Lebanese

■ Those participating in mass protests have been united in their calls for a technocratic government and new elections under a new law.

Forces ministers from the government. Ten days later, on the 13th day of protests, one marred by violence against protesters from Amal and Hezbollah supporters, Prime Minister Saad Hariri announced his resignation, and by extension, the resignation of his unity government. In the streets, the crowds chased away by the earlier violence returned and celebrated their victory, however, to these protesters the prime minister’s resignation was just one important step on a long path toward much needed reforms and fundamental change in Lebanon.







## WHEN ENOUGH BECAME ENOUGH

Initial protests were sparked by local media reports on a series of proposed taxes that cabinet discussed in line with the 2020 budget. When it emerged that cabinet had agreed to impose a tax on Voice over Internet Protocol services, which would have resulted in a charge on the use of WhatsApp calls up to \$6 per month on top of by regional standards high phone bills (two to three times those of regional peers), this was seen as the straw that broke the camel's back. It was not, however, the underlying cause of this October uprising (see comment page 44), as was initially naively reported in both local and international media.

Our own coverage of the Lebanon economy over the past 20 years has shown time and again what needed to be addressed to prevent a looming economic crisis (see EXECUTIVE's 2019 Economic Roadmap). As we entered into this October, Lebanese had faced multiple gas station strikes and strikes from bakeries over difficulties that gas distributors and wheat importers had in securing dollars at the official rate to pay for imports. Fear over the potential dollar shortage was stoked by residents facing issues withdrawing dollars from ATMs and banks, trouble depositing Lebanese lira in dollar accounts, and increasingly higher unofficial exchange rates.

In the days leading up to the protest, Lebanese literally watched in horror as some of the worst wildfires in over a decade spread across the country aided by a heat-wave and high winds, with the Chouf and Metn areas particularly hard hit. Over two days, Lebanon lost at least 1,200 hectares of forest according to George Mitri, director of the land and natural resources program at the University of Balamand, who was cited in



several media reports. Added to the 1,300 hectares already lost this year, the annual average due to wildfires, Lebanon doubled its annual losses in the span of 48 hours. And while the Lebanese banded together to provide aid to those displaced, and food and water for the unpaid civil defense teams who fought the fires, it emerged that the country was in possession of three firefighting helicopters—donated by citizens who had raised millions of dollars for their purchase back in 2009—that the government had failed to maintain.

■ Across the country, the common call was for the downfall of the corrupt and inept regime. The Lebanese revolt had begun.

To add insult to injury, Free Patriotic Movement MP Mario Aoun came on a local TV station to question why these fires were targeting Christian areas—a statement as categorically untrue as it was moronic. It is against this backdrop that when it was announced that the cabinet had decided

on regressive tax measures, including the tax on WhatsApp, hundreds of people took to the streets. Across the country, the common call was for the downfall of the corrupt and inept regime. The Lebanese revolt had begun.

## THE TIMES THEY ARE A CHANGIN'

The first line in the Tunisian poet Abu al-Qasm al-Shabbi's "The Will of Life" translates into, "If one day a people desires to live, then fate will answer their call." With the October uprising, it seems that the Lebanese people have loudly and clearly chosen life. Regardless of whether fate will answer their call or not, their desire to live has manifested itself in ways that cannot be taken away from them.

The most powerful outcome of the October protests is the breakdown of the barrier of fear across Lebanon that had prevented the people of Lebanon's various sects from openly questioning leaders. For the first time in recent memory, Lebanese from Tripoli to Sour—through Nabatieh, Saida, Batroun, Beirut, and others—were openly criticizing and cursing those in the government from Foreign Minister Gebran Bassil to Speaker Nabih Berri to Prime Minister Saad



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Hariri, and, following his first speech on the third day of protests where he backed the current government, even Hezbollah Secretary General Hassan Nasrallah. While protesters in Nabatieh and Sour were met with aggression by supporters of Amal and Hezbollah, the majority still persisted in their critiques and demands that the government resign.

The economic reality of the majority of Lebanese—the bottom 50 percent receive just 10 percent of the national income—has led to an unprecedented breakdown in the current

sectarian order. Across the country, and particularly outside the capital, Lebanese citizens decided that it was no longer acceptable for them to struggle to find work to support themselves and their families, while the politician they had blindly supported grew richer at their expense. Lebanese realized their roles in keeping these politicians in their chairs and entrusting them with the job of securing their basic rights as citizens. If the government does not deliver, then they, the people, have the power to hold them accountable—and so they did.

The resignation of Hariri's govern-

ment affirmed Lebanese people's newfound faith in their power to effect change in their country, and there is no turning back now. Even if the protesters do end up leaving the streets and opening roads, they now know they can go back down again and demand change when needed. The anger and the power that has been released

■ The resignation of Hariri's government affirmed Lebanese people's newfound faith in their power to effect change.

cannot be easily bottled up again.

Another rarely seen before outcome of the protests is the spontaneous unity among Lebanese across sects and social classes. The fact that an estimated 1 million people gathered across Lebanon on October 20, without any call from a political party or sect leader to do so, is truly heartwarming. Reciting both the *Fatihah* and the Rosary in Jal el-Dib is unprecedented. Public space has been reclaimed as a long soulless Downtown Beirut becomes the *balad* again, alive with street vendors, town hall-style debates—a place for all people to gather. In Martyr's Square

and Riad el-Solh, university students and intellectuals can be found alongside moped riders, coordinating on roadblocks. And while accusations that the protests have, over time, become more middle class are valid, there have still been important steps toward breaking down class barriers and shifting to more horizontal alliances. That sense of caution and fear that many Lebanese have of “the other”—whether that other is from a different sect or a different social background—has also been broken as the realization that we are all suffering from the same economic strains under the corrupt system becomes clearer. In Tripoli, long seen as a bastion of Sunni extremism, they chanted in solidarity with the protesters of Sour.

#### BREAKDOWN OF A PROTEST

While Lebanese of all ages are participating in the protests, they are largely sustained by the youth who did not live through the civil war and are thus less cautious and more optimistic than their parents' generation that change can be achieved without a descent into violence.

The role of women in October's uprising also needs to be highlighted. One of the most iconic images, taken on the first day of the protests, was of protester Malak Alaywe kicking one of Education Minister Akram Chehayeb's armed bodyguards in the groin. After the first two days, when protesters were met with tear gas and rubber bullets by the riot police in response to mild provocations from the crowd, day three saw women standing on the frontlines, creating a barrier between security forces and the male protesters to prevent the escalation of violence. Tripoli's Jana Jammal became another icon of the revolution when she spoke about being a university graduate unable to find a job without *wasta* and about her mother's healthcare issues. Across social media, other examples emerged. In Riad el-Solh and the public gardens in its



vicinity, women are leading debates on public spaces, anti-sectarianism, and the way forward after the protests.

The protests have affirmed that women and youth, both of whom are traditionally marginalized in Lebanon's patriarchal political system, are capable leaders.

## WHEN THEY TRY TO FIGHT BACK

Mahatma Gandhi said, "First they ignore you, then they laugh at you, then they fight you, then you win." Lebanon's revolt has passed through these three stages and has secured its first major victory with the resignation of Hariri. What was striking throughout the past 13 days was the protesters' persistence and their insistence to persevere with their peaceful approach despite security forces forcing open roads and counter-revolutionary forces attacking them.

The political elite's response to these protests—until Hariri's resignation—was lacking. Hariri addressed the protesters on the second day, announcing a 72-hour deadline for the cabinet to agree on reforms. When these reforms were announced (see story page 41), they were met with general distrust from protesters. It took over a week for the president of the republic to address the crisis, doing so in a prerecorded and short statement that also failed to address demands. After an initial speech on day two, backing the government, Bassil—the subject of a lot of the protesters' ire—had stayed silent until after the 13 days. Most notably, after this first speech failed to have any impact on the streets, Nasrallah spoke again on the ninth day of the protests, alleging that what began as a spontaneous revolt was now being influenced by foreign embassies and local political parties, calling on the protesters to disclose their funders and for his own supporters to leave the streets. Social media posts declaring themselves the funders of the protests began to appear, along with



jokes of sandwiches supplied by different embassies.

In Sour and Nabatieh, protesters have been facing violence from the second day of the uprising. The protesters in Beirut were met with violence three times—the most recent of which was at the ring when thugs attacked protesters and journalists while chanting pro-Hezbollah and pro-Amal chants before the army was deployed to separate them. The same group headed to Downtown Beirut where in a matter of minutes they tore down the tents and infrastructure the protesters had built over days. Protesters did not take the bait. They persisted with their peaceful protesting, and once the security services had cleared the thugs out of Downtown began to rebuild their tents.

On roadblocks, protesters proved persistent and determined. When security forces would open one road, protesters would simply close it again. When rumors spread that security forces would reopen the streets at dawn, protesters slept on the streets to prevent that from happening, or abandoned their cars to block off highways. Road closures became a power struggle between the government and the peo-

ple, one that the people seemed determined to win.

Corruption is so deeply entrenched in Lebanon—starting from the public sector employee who asks for a bribe to complete a simple procedure to elected MPs stealing the people's money—that it is difficult to erode in a few months or even years. So while there may be short-term political gains from these protests, manifested in the formation of a technocrat

■ Corruption is so deeply entrenched in Lebanon that it is difficult to erode.

government and early parliamentary elections, a complete system overhaul is required—and when or whether that happens is uncertain.

Some economic changes may be immediately apparent following the protests, but real economic reform will take years. What can be said with certainty is that October's uprising has irreversibly changed Lebanese people's relation to themselves. It has led them to fall in love with their country again, and to know that they have the power to fight for it. This has regional implications that could be the start of a real spring. And that is something beautiful. ■





# Lebanon erupts

The first 13 days



## DAY 1 | THURSDAY, OCTOBER 17

### PROTESTS ERUPT ACROSS THE COUNTRY

Protests begin in Downtown Beirut around 6 p.m., triggered by media reports earlier Thursday that cabinet had agreed on new taxes for the 2020 budget, including a tax on Voice over Internet Protocols (VoIP) that would have cost up to \$6 per month for those using WhatsApp calls or other VoIP apps.

Initially, a few hundred protesters march from Downtown to Hamra and back to Riad el-Solh. As the news spreads, their numbers swell into the thousands. Clashes between protesters and bodyguards of Minister of Education and Higher Education Akram Chehayeb break out in front of Bank Audi in Downtown, with the bodyguards firing shots into the air. The photo that becomes the first icon of the protests is taken as protester Malak Alaywe kicks one of Chehayeb's armed bodyguards in the groin.

Reports begin to come in of spontaneous protests breaking out across the country, from Tripoli in the

north to Sour in the south. Protesters burn tires, create bonfires, and block roads. Two Syrian migrant workers are killed after the Downtown Beirut building they are in is set alight. The government reverses their decision on the VoIP tax, but this response does not quell the protests. Progressive Socialist Party head Walid Jumblatt tells local media he would prefer to quit the government with Prime Minister Saad Hariri.

Protests continue until the early hours of Friday morning when security forces start firing tear gas and protesters move out of Riad el-Solh and Martyr's Square.

**Protests and roadblocks in:** Beirut (BCD), Tripoli (Tripoli), Saida (Saida), Zahle (Zahle, Chtaura, Taalabaya), Jbeil (Jbeil), Keserwan (Zouk Mosbeh), Baalbek (Baalbek), Sour (Sour), Nabatieh (Nabatieh el-Fauqa) \*See note on page 25 for info\*

## DAY 2

### FRIDAY, OCTOBER 18

#### PROTESTS SHUT DOWN LEBANON, HARIRI ANNOUNCES 72-HOUR DEADLINE FOR REFORMS

Just after midnight, the education minister orders all schools and universities to close Friday. Lebanese wake up to find roadblocks paralyzing movement across the country and all banks closed. The airport highway is blocked by protesters, and travelers hitch rides into the city on the back of scooters or in army trucks. Activists call for a general strike.

Both Jumblatt and Lebanese Forces leader Samir Geagea call on Hariri to resign. A cabinet meeting planned for the afternoon is canceled. Gebran Bassil, leader of the Free Patriotic Movement (FPM) and foreign minister, speaks in advance of Hariri, says that the choice is chaos or reforms. Hariri speaks around 6:40 p.m. amid rumors circulating social media that he might resign. Instead he sets a 72-hour deadline for his political partners to convince him, the Lebanese, and the international community of reforms. Hariri warns that if there are no agreed upon reforms by the deadline he will take a different approach.

Protests continue to intensify across the country. In Tripoli, local media reports two dead and others are

wounded after bodyguards of former MP Misbah al-Ahdab shot into the crowd. Ahdab had tried to join the protests but had been pelted by water bottles from the crowd. In the south, there are chants, unprecedented in the region, calling Speaker Nabih Berri a thief.

Security forces clear Riad el-Solh much earlier than on the previous day, around 11 p.m. Copious amounts of tear gas are used in the square, with women, children, and peaceful protesters still there. Reports say that the Lebanese Army and Internal Security Forces (ISF) use force against protesters and arrest dozens. A concertina wire fence is put up blocking the Grand Serail from Riad el-Solh. It is announced that banks are to remain closed Saturday.

**Protests and roadblocks in:** Beirut (BCD), Tripoli (Tripoli), Metn (*Daoura, Sin el-Fil*), Zahle (Chtaura, Zahle), Jbeil (Jbeil), Keserwan (*Aaqaybe Keserwan, Zouk Mosbeh*), Saida (Saida), Baalbek (Baalbek, *Britel, Rayak*), Nabatieh (Nabatieh el-Fauouqa), Aley (*Bhamdoun el-Mhatta, Masnaa*), Shouf (*Jiyeh*)

## DAY 3

### SATURDAY, OCTOBER 19

#### PROTESTS CONTINUE TO GROW, WITH VIOLENCE IN SOUR; NASRALLAH BACKS CABINET

Early Saturday morning, protesters head to Downtown Beirut to clean up damage caused by rioting the evening before. Reports come in that armed Amal supporters are violently attacking protesters in Sour, in response to anti-Berri chants and protests at the office of two Amal MPs. Al-Jadeed TV receives direct threats. In Tripoli, protesters begin chanting in solidarity with protesters down south.

Hezbollah Secretary General Hassan Nashrallah addresses his followers and those out protesting. He warns against the resignation of the government and says that reforms must be made by the current government as Lebanon cannot afford the time to form a new one. He also says if Hezbollah were to join the protests they would be forced to stay until all their demands are met. Responding to his speech, protesters in Riad el-Solh begin chanting, "All of them means all of them, and Nasrallah is one of them."

Lebanese Forces announces the resignation of its

four ministers, marking the first tangible success of protesters' demands.

In Beirut, the atmosphere of protests shifts as families increasingly join in the crowd, tents and food stands are set up in Martyr's Square, and DJs play techno sets.

**Protests and roadblocks in:** Beirut (BCD), Tripoli (Tripoli, *Mina*), Metn (Daoura, Sin el-Fil, *Jal el-Dib*), Saida (Saida, *Zahrani*), Jbeil (Jbeil), Keserwan (*Adonis Keserwan*), Sour (Sour), Nabatieh (Nabatieh el-Fauouqa, *Nabatieh el-Tahta, Habbouche, Kfar Roummane*), Aley (Khaldeh, *Aramoun, Bchamoun, Qubbat Choueifat, Kahaleh*), Shouf (*Deir el-Qamar, Jiyeh, Katermaya*), Zahle (Chtaura), Batroun (*Batroun, Chekka, Hamat*), Akkar (*Halba*), Marjaayoun (*Marjaayoun*), Zgharta (*Zgharta*), Baabda (*Ouzai, Chiyeh*), Koura (*Kousba, Anfeh, Dahr al-Ain, Kfar Hazir, Amioun*), Hasbaya (*Hasbaya*), Hermel (*Hermel*)



## DAY 4

SUNDAY, OCTOBER 20

HUGE TURNOUT FOR PROTESTS AS MORE FAMILIES HEAD TO THE STREETS

Hundreds of thousands of protesters across the country express their will and frustration on the streets and major squares in various cities; some media estimates put the overall number at close to 1 million. This is the largest day so far for these protests, which maintain a national, non-sectarian character—only Lebanese flags are waved.

Some of the largest crowds, found in Martyr's Square and Riad el-Solh, are compared to the March 2005 protests in which protesters called for the end of Syrian presence in Lebanon. In Tripoli, thousands flock to Nour Square, where Lebanese singer Marcel Khalife joins protesters in singing some of his songs. Buses transport protesters from the Bekaa to Beirut. In Jal el-Dib, hundreds

of protesters begin to gather on the main highway and the overpass, with the crowd swelling throughout the day.

Roadblocks are maintained across the country.

**Protests and roadblocks in:** Beirut (BCD, Ashrafieh), Tripoli (Tripoli), Metn (Jal el-Dib), Saida (*Maghdousheh*, Saida, Zahrani), Zahle (Zahle, Rayak), Keserwan (Adonis Keserwan, *Ghazir*), Baalbek (Nabi Osamane), Sour (Sour, *Abbassieh*), Nabatieh (Kfar Roummame, Nabatieh el-Tahta), Shouf (Jiyeh, Deir el-Qamar, *Baakline*, *Kfar Him*), Batroun (Chekka), Akkar (Halba, *Zouk el-Hosniye*), Marjaayoun (*Deir Mimas*), Koura (Kousba, Kfar Hazir, *Bsarma*, *Kfar Aaqqa*), Minieh-Danieh (*Beddawi*)

## DAY 5

MONDAY, OCTOBER 21

HARIRI ANNOUNCES REFORMS, PROTESTS AND ROADBLOCKS CONTINUE

The first day of reckoning for the political establishment arrives, as Hariri's 72-hour deadline draws to a close. Early in the morning, protesters once again return to Downtown Beirut to clean up from the night before. Protests throughout the weekend had drawn large crowds, but numbers in Beirut on Monday do not pick up until after 5 p.m., in spite of renewed calls for a general strike. Access to Beirut via main highways is severely restricted as roadblocks continue.

Around 3 p.m., Hariri announces a list of 17 reforms approved by cabinet that propose to cut the deficit and expedite long overdue administrative reforms without increasing taxes on the people (for details see story page 41). Protesters, who had called for Hariri's resignation, are unconvinced, and demonstrations swell in size across Lebanon following Hariri's speech.

In the evening, a convoy of men on mopeds carrying Amal and Hezbollah flags make their way toward Downtown but are prevented from reaching the protests by the Lebanese Army. Both Amal and Hezbollah later deny having any involvement.

**Protests and roadblocks in:** Beirut (BCD, *Saifi*), Tripoli (Tripoli), Metn (Sin el-Fil, Jal el-Dib), Saida (*Ghaziyeh*, Saida, Zahrani), Zahle (Rayak, *Zahle el-Midan*), Jbeil (Jbeil), Keserwan (Jeita, *Achkout*, Zouk Mosbeh, Bouar), Baalbek (*Douris*), Nabatieh (Kfar Roummame, Habbouche), Aley (*Choueifat Qubbat*, *Bchamoun*, Aramoun), Shouf (Jiyeh), Batroun (Chekka, Batroun), Akkar (Halba), Marjaayoun (Deir Mimas, Marjaayoun), Zgharta (Zghorta), Baabda (Bir Hassan), Koura (Kfar Hazir, *Enfe*), Hasbaniya (Hasbaniya), Rachaya (*Rachaya el-Wadi*, *Deir el-Ahmar*), Minieh-Dinieh (*Minieh*)



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## DAY 6

### TUESDAY, OCTOBER 22

#### SLOW START BUT PROTESTS PICK UP, TELE LIBAN STORMED, NNA HEAD FIRED

Protests are slow to start, but pick up in the evening as people got off work and hit the streets. As the day goes on, hundreds block the street facing Banque du Liban (BDL), Lebanon's central bank, chanting that Central Bank Governor Riad Salameh is a thief; similar protests are staged in front of Tripoli's central bank branch. A group of actors and artists storm the Tele Liban building, saying the station had failed to cover the demonstrations.

The National News Agency (NNA) Director Laure Sleiman, who headed the NNA for 11 years, is dismissed. Minister of Information Jamal Jarrah appoints Ziad Harfoush as the new director of the NNA.

The Ministry of Information, which the NNA falls under, is set to be abolished per Hariri's basket of reforms.

**Protests and roadblocks in:** Beirut (BCD, *Mazraa*, Hamra), Tripoli (Tripoli), Metn (Jal el-Dib, Dbayeh), Saida (Saida), Zahle (Zahle el-Midan, Masnaa), Keserwan (*Nahr el-Kalb*, *Jounieh*, Ghazir, *Safra*, Zouq Mkayel, *Aachqout*, Jeita), Nabatieh (Kfar Roummame), Aley (Aley, Bhamdoun el-Mhatta, Sofar, Bhamdoun), Shouf (Jiyeh, *Barja*, *Naame*, *Aalma el-Shouf*), Batroun (Batroun, Chekka), Akkar (Halba), Koura (Majdel Koura, Enfe, Kousba), Sour (Sour), Hermel (Hermel), Minieh-Dinieh (Beddawi, Minieh)

## DAY 7

### WEDNESDAY, OCTOBER 23

#### PROTESTS IN NABATIEH TURN VIOLENT

As their first week draws to its close, protests do not abate, and in Nabatieh turn violent, leaving 15 injured; one is taken to the intensive care unit. Amal denies any involvement in the clashes. In Beirut, protests in front of the central bank continue.

Separately, Mount Lebanon State Prosecutor Ghada Aoun files an "illegitimate enrichment through subsidized housing loans" lawsuit against Bank Audi and former Prime Minister Najib Mikati, his son Maher, and his nephew Azmi, saying that she had the file prepared beforehand and that this move was not politically motivated. Mikati and Bank Audi deny "illegitimate enrichment" allegations against them.

Meanwhile, Hariri meets with Salameh over the financial and economic situation. Hariri also chairs a meeting of the ministerial committee in charge

of financial and economic reforms. The committee studies a draft law on the recovery of looted public money and decides to request suggestions on this matter from the Supreme Judicial Council within a period of 10 days, NNA reported.

**Protests and roadblocks in:** Beirut (BCD, Hamra, Ashrafieh), Metn (Sin el-Fil, Dbayeh, Jal el-Dib), Saida (Saida), Zahle (Zahle), Jbeil (Jbeil), Keserwan (Jounieh Kaslik, Jeita, *Nahr el-Kalb*, Bouar, *Safra*, *Aachqout*, Zouk Mikayel), Baalbek (Baalbek), Sour (Sour), Nabatieh (Habbouch), Aley (Aley, Bhamdoun al-Dayaa, Bhamoun, Choueifat, Khalde), Shouf (Naame, Jiyeh, Bhamdoun), Batroun (Heri, Chekka), Akkar (Halba), Zgharta (Zgharta), Baabda (Furn el-Shebbak), Koura (Kousba, Enfe, Kfar Hazir), Hermel (Hermel), Minieh-Dinieh (Minieh, Kharroub)



## DAY 8 | THURSDAY, OCTOBER 24 AOUN ADDRESSES THE NATION

Having been silent for the first week of protests, President Michel Aoun addresses the nation, announcing that he will hold everyone who embezzled public funds accountable and that economic reform will save Lebanon. He also says that he is ready for “constructive dialogue” with representatives from the protest movement, which remains leaderless. His speech, which was pre-recorded, falls on deaf ears as protesters continue to occupy the streets. Key thoroughfares in and outside of Beirut remain closed, despite some scuffles between the army and protesters as the former attempts to reopen them. Videos of soldiers crying in Jal el-Dib circulate on social media.

In Riad el-Solh, six protesters are taken to the hospital following clashes between members of a pro-Hezbollah group and anti-government protesters, according to the Lebanese Red Cross.

The Association of Lebanese Banks (ABL) announces that banks will reopen as soon as the situ-

ation stabilizes. Schools and universities remain closed; some professors teach classes in public spaces.

Following the Wednesday clashes between protesters and Nabatieh municipal police, five members of the Nabatieh Municipal Council announce their resignation. One member, Abbas Wehbi, says in a statement that he is against the “inhumane treatment of protesters.”

**Protests and roadblocks in:** Beirut (BCD, Ashrafieh, Mazraa, Ras el-Nabaa, Hamra, Ain el-Tineh), Tripoli (Tripoli), Saida (Saida), Metn (Jal el-Dib, Mkalles, Dbayeh), Zahle (*Bar Elias, Saadneyel, Jdita*), Keserwan (Zouk Mosbeh, Ghazir, Safra, Aqaybeh, Bouar), Sour (Sour), Nabatieh (Nabatieh el-Fauouqa, Habboush), Aley (Sofar, *Mansourieh, Khalde*), Shouf (Barja, Jiye, Kfar Him, *Beittdine*, Naame), Batroun (Batroun), Baabda (Furn el-Chebbak, *Abadiyeh*, Dahr el-Biadar), Minieh-Dinieh (Beddawi, Minieh)

## DAY 9 | FRIDAY, OCTOBER 25 NASRALLAH SPEAKS FOR A SECOND TIME, QUESTIONS PROTESTERS' MOTIVES

As protests continue across the country, Nasrallah speaks again, saying he refuses to accept the resignation of the government. In his speech, Nasrallah warns the country of a civil war and claims his intelligence services found evidence that the protests were being orchestrated and funded by certain embassies with hidden agendas.

Hariri meets with Aoun and tweets: “I called the president of the republic and welcomed his call for the need to reconsider the current government situation through the constitutional mechanisms.”

Nasrallah calls for roads to be unblocked, but protesters are not swayed and remain in the streets despite aggression from Hezbollah supporters in areas including Sour, Nabatieh, and Riad el-Solh prior to Nasrallah's speech. Chants in Hermel in the north demonstrate solidarity with their fellow Lebanese in the south. Meanwhile, supporters of FPM chief Bassil and President Aoun gather in Batroun amid army and security forces' deployment and call for restoration of looted public funds. In Al-Fakiha in Lebanon's

east, protesters square off with Hezbollah supporters before riot police intervene.

Boxes are set up by civil society groups and some media outlets at protest sights for people to write down their demands. The Standard & Poor's ratings agency puts Lebanon on “Credit-Watch negative” warning that decline in foreign currency inflows “could exacerbate fiscal and monetary pressures.”

**Protests and roadblocks in:** Beirut (Ashrafieh, BCD, Hamra, Saifi), Metn (Jal el-Dib), Mazraat Yachouh, Saida (Saida, Ez Zahrani), Zahle (Zahle, Bar Elias, Saadnayel, Jdita), Keserwan (Zouq Mkayel, Safra, Bouar), Baalbek (Douris), Sour (Sour), Akkar (Halba), Nabatieh (Habbouch, Kfar Roummene, Nabatieh el-Fauouqa), Aley (Choueifat, Aley, Khalde, Aramoun), Shouf (Jiyeh, Naame, Barja, *Sibline*), Batroun (Batroun, Chekka), Zgharta (Zgharta), Baabda (Furn el-Chebbak, Dahr el-Baidar, Abadiyeh), Minieh-Dinieh (Minieh, Beddawi).



## DAY 10

**SATURDAY, OCTOBER 26**

**CLASHES AS SECURITY FORCES RESOLVE TO REOPEN ROADS**

Following a meeting of security heads at the Army Headquarters in Yarze, security forces attempt to clear blocked roads on the 10th day of the uprising, leading to a clash between protesters and the ISF at the Fouad Chehab bridge, known as the ring, as well as another clash with the army in Minieh-Dinie's Beddawi street, which ends with around 10 injured protesters. Both roads are reblocked following the clashes. The army withdraws from the highway connecting Saida and Sour, after negotiating with the protesters. The army also attempts to open roads at the Chevrolet area in the southeastern suburbs of Beirut. The road is opened for three hours before protesters block it again. Key roads connecting Beirut to the north, south, and east of Lebanon are also successfully reblocked by protesters, with the exception of the main highway leading to the south of Lebanon that is reopened by the army.

Following up on the president's address, the FPM issues a statement that all ministers and parliamentarians of the party will lift banking secrecy on their accounts.

The Association of Banks in Lebanon announces that banks will remain closed on Monday, the ninth day of closure.

**Protests and roadblocks in:** Beirut (Ashrafieh, BCD), Tripoli (Tripoli), Metn (Jal el-dib, Jdaide), Saida (Saida), Zahle (Qabb Elias, Jdita), Jbeil (Jbeil), Kasrouane (Bouar, Aaqaybe, Ghazir, Zouq Mkayel, Safra), Baalbek (Baalbek, *Qaa*), Sour (Sour), Akkar (*Abde*, Halba), Aley (Choueifat, Khalde, Sofar, Bhamdoun, Aley), Shouf (Jiye, Barja, Naame), Batroun (Batroun), Zgharta (Miryata), Koura (Dahr el-Ain, Kfar Hazir, *Bziza*), Minieh-Dinie (Beddawi).

## DAY 11

**SUNDAY, OCTOBER 27**

**LEBANESE FORM A HUMAN CHAIN ACROSS THE COUNTRY**

A 171-kilometer "Lebanese Human Chain" is formed across the country, from north to south, by tens of thousands of Lebanese in an expressed manifestation of national unity. By around 3 p.m., the chain is complete, and despite some gaps, pictures of a *manoushe* that made it from north to south circulate on social media. Protesters move toward the public squares in Beirut, Tripoli, Saida, Sour, Nabatieh, Jal el-Dib, and Zouk Mosbeh, as well as in the Bekaa Valley and other areas across the country. Hundreds of Lebanese diaspora gather in cities like Sydney, London, and Montreal to show solidarity with the uprisings in their home areas.

Sunday evening sees the closure of the ring again, this time with protesters bringing in couches, rugs, a refrigerator, and a desk to set up camp.

Lebanon's Public Prosecutor Judge Ghassan Ouiedat issues an order banning traders and money exchangers from transporting significant amounts of dollars across borders out of Lebanon.

**Protests and roadblocks in:** Beirut (Ashrafieh, BCD, Hamra, *Corniche el-Nahr*), Tripoli (Tripoli), Metn (Jal el-Dib, Dbayeh, Sin el-Fil), Saida (Saida), Zahle (Jdita), Jbeil (Jbeil, *Nahr Ibrahim*), Keserwan (Safra, Ghazir, Aaqaybe, Zouq Mkayel, Nahr el-Kalb, Jounieh Kaslik), Nabatieh (Kfar Roummene), Aley (Aley), Shouf (Barja, Naame), Batroun (Batroun, Chekka, Kfar Aabida), Akkar (Halba, Abde), Baabda (*Tahouita*, Aabadiye), Koura (Kfar Hazir, Kfar Aaqqa), Hasbaiya (Hasbaiya), Minieh-Dinie (Beddawi), Jezzine (*Aarqoub*), Bint Jbeil (*Bint Jbeil*).



## DAY 12

MONDAY, OCTOBER 28

RAIN DOESN'T QUELL PROTESTS, JAL EL-DIB HIGHWAY BLOCKED BY CARS

With storms across Lebanon, protest turnouts are smaller than they had been previously when weather conditions had been mostly sunny, however, significant numbers are still out braving the storm. In Riad el-Solh, a group of protesters in ponchos dance the *dabke* in the downpour. A small group of protesters crosses the barrier of barbed wire that separates Riad el-Solh from the Grand Serail; they quickly return to the main square.

Riot police are more heavily deployed to the area, and more protesters show up in the square later in the day.

Roads throughout the country remain blocked with cars, tires, and protesters holding intersections. An image circulated on social media and in WhatsApp groups encouraging people to use their cars

to block roads after increased efforts from security forces to keep them open. The furniture blockade on the ring continues, with protesters diverting traffic toward Ashrafieh off the bridge. Police presence remains heavy in Downtown.

The lift on banking secrecy of FPM ministers and MPs is implemented.

**Protests and roadblocks in:** Beirut (Hamra, BCD, Saifi, Ashrafieh), Tripoli (Tripoli), Metn (Jal el-Dib, Dbayeh), Saida (Saida), Zahle (Saadnayel, Zahle), Keserwan (Zouk Mosbeh, Ghazir), Baalbek (Baalbek), Nabatieh (Nabatieh), Aley (Khalde), Shouf (Jiyeh, Naameh, Deir el-Qamar), Batroun (Chekka, Batroun), Akkar (Halba), Baabda (Furn el-Chebbak), Koura (Kfar Hazir), Minieh-Dennieh (Minieh).

## DAY 13

TUESDAY, OCTOBER 29

HARIRI RESIGNS "IN RESPONSE TO THE WILL AND DEMAND OF THE THOUSANDS OF LEBANESE DEMANDING CHANGE;" VIOLENCE ON THE RING AND IN DOWNTOWN

The prime minister's office of announces that Hariri will deliver a statement at 4 pm. An hour ahead of the address, Hezbollah and Amal affiliates incite unprovoked violent clashes against protesters. Their aggressions target foreign and local journalists and camera crews. Journalists and photographers covering the events say that riot police and army intervened only with delay to separate the attackers and protesters. The group of attackers, shouting slogans that identify them as Hezbollah and Amal supporters, moves on to Riad el-Solh and Martyr's Square, attacking people with sticks and pipes and destroying the tents and infrastructure that protesters had set up, while security forces watch but do not intervene. When police and military later establish commanding presence and disperse the anti-protest group under use of tear gas, protesters return to clean up tents, and one group sets up a table to hand out food to those working to rebuild the protest camp.

Just after 4 p.m., nearly two weeks into protests that have gripped the entire nation, Hariri announces his resignation in a live address; under the Lebanese constitution this means the resignation of the entire cabi-

net. He quotes his father, the late Prime Minister Rafik Hariri by saying, "No one is above his nation." Afterwards he heads to Baabda Place and hands his written resignation to President Aoun, who accepts and the next day issues a decree to keep the government on in a caretaker capacity until a new government is formed. Under the constitution, parliamentary consultations are to be held to nominate a new prime minister, who will then be responsible for forming a new cabinet. Protesters have called in the past two weeks for a cabinet of technocrats and are seeking early elections under a new, nonsectarian electoral law that they say should be held within six months.

**Protests and roadblocks in:** Beirut (BCD, Ashrafieh, Hamra), Tripoli (Tripoli, *Bahsas*), Saida (Saida), Zahle (Zahle, Qab Elias, Jdita, Saadnayel), Jbeil (Jbeil), Keserwan (Ghazir, Bouar, Aaqaybe Keserwan, Safra, Zouk Mkayel), Sour (Sour), Aley (Sofar, Aley, Khalde, Mansourieh), Shouf (Barja, *Sirjba*, Naame), Batroun (Batroun), Baabda (Tahwita, Aabadiye, *Chouit*, *Cite Sportive*), Koura (Kfar Hazir), Minieh-Dinieh (Minieh, Beddawi).



\*Protests and roadblocks list is structured by caza, and the locations in caza are shown in brackets. Locations in italics indicate first protest in a city from day two. Source of data: Lebanon Support.





# Mapping the best of Lebanon

## WHAT IS ZAWARIB?

Fifteen years after compiling & publishing the first - and still the only - detailed street atlas for the Greater Beirut area, Zawarib has become synonymous with discovering, mapping & guidance and dissemination of information; from data sourcing to visualization & infographics.

Over the years, we have worked extensively with the Prime Minister's office and the Ministry of Tourism on improving and promoting, both domestically and internationally our fantastic heritage and the wonderful endeavours of our burgeoning private sector. From Tripoli & Amioun to Saida & Qana, we have partnered with local authorities in all regions of the country to promote the local economy by improving information on what, why & where there is on the ground via better signage, panels, maps, pamphlets and guides both, in print and online, to create a wholesome, pleasant and memorable experience for the visitor.

## WE ARE BEIRUT

At our core though, we remain huge fans of mapping Beirut and all the places that contribute to its brilliance. We work in close collaboration with incredible unique independent businesses to offer visitors and residents of the city insightful information allowing them to explore the best of Beirut's local hangouts, hidden treasures, cultural scene & contemporary life.

Our carefully chosen list of places, and the people behind them, is reflecting the contemporary identity of the city. These places are members of Zawarib, a network of progressive, professional places, varying in their product or service, but with a common style and identity at the core of their mission. We continue to gather the most unique special Beirut gems to celebrate, elevate, and highlight the magic of Beirut to our growing audience, and offer regular b2b opportunities to our network of members. Together, we are putting Beirut on the map! And tourism figures have never been better!

## OUR PRODUCT

Beirut - the city of contrast and contradiction, beaming with colour and buzzing with life, oozing with eclectic sounds and spilling with seductive scents - is now more accessible than ever. Our pocket-sized publication filled with marvellous facts is the predominant platform. It is distributed throughout the year with free copies of the booklet available at more than 400 points of distribution in Beirut & beyond as we have not stopped to print 100,000 booklets per year for the 9th year consecutively, freely available at our members' and partners' locations and events. Our street-side map panels are used by pedestrians to navigate around Beirut's neighborhoods, with our chosen places clearly displayed.

We have recently created mood maps on our web-based app- pick a vibe on our website here to get to one of our members. Our bi-monthly newsletter is receiving new subscribers every day - have you subscribed yet? Our social media channels have regular posts about our network and their news and events; Facebook, Instagram. We have maintained strong media partnerships with local and international agencies whereby we contribute editorial content to their publications and channels about the city and our members.

International NGOs and foreign governments are amongst our sponsors and members. Many of the projects are funded through them, and they are avid users of our products and services - in particular the Goethe Institute, Search for Common Ground, the UK Government and Brasiliban Cultural Centre. Equally, some of the top names in the private and semi-private sectors are our partners and sponsors; From AUB to LazyB and Sursock to Solidere. We have partnered with all of the foreign embassies, cultural centres, museums and hotels and most of the regular events in the country covering sports, music, art, design, food, film and drink. We hand pick our members from all industry groups; from fashion designers to wine producers, art galleries to nightclubs... so if you believe your business is of interest to our growing audience, and you'd like to jump on board this upcoming year, please get in touch NOW and we will proceed from there.

Here's to smashing moments together in the year 2020.





**UPRI**





**SING**





Sunday's protest was the largest gathering in downtown since February 2005.



*Protesters setting fire in  
downtown on Thursday  
October 17 on the first day  
of the revolts.*





*Demonstrations continued on  
October 18 with protestors  
closing roads in downtown.*







*Protestors in Jal el-Dib blocked the highway on both sides and the Lebanese Army was deployed to open the road but was unsuccessful.*



*Protests in Riad el-Solh had some aspects on an open air carnival with street vendors and dancing in public squares.*



*Remains from a vitrine which  
protests broke on the first day  
of the manifestations.*







*Lebanese formed a human chain from Tripoli to Sour on Sunday 27 October (Source AFP).*



*Protesters singing the national anthem in Martyr's Square.*





*An elderly protestor being rescued by his fellow activists after being attacked on Fouad Chehab bridge on October 20.*



*Security forces attempt to contain the violence in Martyr's Square.*





Protester in Riad el-Solh surveys the damage done by Hezbollah and Amal supporters who destroyed tents in the area.



Protesters refuse to be intimidated and instead make a sculpture out of the ruined tents and continue their demonstrations.



## Mapping mobilization across Lebanon



Collective actions in Lebanon from November 2017 to October 25, 2019

**The infographic on page 38 is based on data from the Map of Collective Actions that tracks mobilizations by groups of people across Lebanon whose goal is to achieve a common objective.** The map is a project by Lebanon Support, a local non-profit research center for and about civil society.

This visual looks into the build-up of mobilizations from November 2017 (when data collection started) until October 25, highlighting the focus of protests on access to socio-economic rights (mobilizations related to a lack of protection and rights, inefficiency of the justice system, and persisting social and economic vulnerabilities) over the years and leading up to the October demands for change.

The infographic shows that these ongoing nationwide protests are not new—various groups have been mobilizing for years, notably around social and economic demands. This year, up until October 16, 200 collective actions were mapped; there were 188 in 2018 and 96 in 2017. The main demands, across all three years, were focused on wages and the salary scale, the new rent law, and increasing prices and inflation—illustrating the socioeconomic difficulties faced by the people. Of the collective actions mapped this year, 89 percent (508 collective actions) were linked to access to socioeconomic rights. Collective actions linked to socioeconomic grievances have increased steadily and exponentially from 2017

until October 25 this year (the cut-off point for the infographic). The October 17 to 25 period highlighted below saw a sudden peak in collective actions seeking radical change on the level of society or the political system.

The 308 collective actions mapped between October 17 and 25 are all linked to socioeconomic grievances and policy grievances (mobilizations around political decisions on matters of public concern), and constitute 60 percent of the total number of collective actions mapped since the beginning of the year. Bearing in mind that protesters often employed more than one mode of action during the same mobilization, the main modes of action in this period consisted of: roadblocks (76 percent), tire burning



(68 percent), demonstrations (60 percent), and sit-ins (38 percent).

Observing and mapping collective actions over a longer period allows Lebanon Support to deconstruct generalizations in the media, academia, and elsewhere on Lebanon's social mobilizations and show that people in Lebanon are continuously mobilizing, using various modes of action, and in response to a diversity of grievances not merely limited to partisan and/or confessional affiliations.

Based on Lebanon Support's ongoing monitoring of collective actions, this infographic contributes to show the accumulation of successive movements over time, thus steering away from normative and linear perspectives on these mobilizations and predictions or expectations on

■ This latest mobilization has contributed to breaking the boundaries of fear and patronage relations with sectarian and political leaders, notably outside of Beirut.

the outcomes of protests. So far, one of the main outcomes and breakthroughs of this latest mobilization is that it has contributed to breaking the boundaries of fear and clientelistic and patronage relations with traditional sectarian and political leaders, notably outside of the capital (in Tripoli and Sour, for example).

Ultimately, it is the view of Lebanon Support that all these street mobilizations underline the urgency of a new social contract whereby citizens reclaim the Lebanese state. One that is based on social justice, redistributive policies, and progressive taxes.

*This infographic and accompanying analysis were provided to Executive Magazine by Lebanon Support, a non-profit, local, multidisciplinary research center for and about civil society in Lebanon.*



## EIB and Creditbank join forces to support SMEs with EUR 50 million credit line

The European Investment Bank (EIB) and Creditbank s.a.l signed on October 1<sup>st</sup>, 2013, a EUR 50 million credit line agreement in order to support investments of small and medium-sized enterprises (SMEs) in Lebanon. The operation comes under the EIB's Economic Resilience Initiative (ERI), aimed to mobilize finance in support of sustainable economic growth and social cohesion, and promoting private sector development in the region.

SMEs constitute the backbone of the Lebanese economy and representing over 90% of the private sector and are one of the strongest drivers of economic development, innovation and employment. The operation is expected to sustain around 5,000 jobs in the country and provide access to finance to a large number of SMEs across various sectors and regions in order to boost their performance as well as help foster innovation and competitiveness.

Creditbank is a dynamic commercial bank providing a comprehensive range of financial services to individuals and private sector companies with an increasing focus on SMEs. Creditbank operates through a network of 20 branches strategically spread across the country.

"We are pleased to establish a partnership with Creditbank in order to provide support to the Lebanese private sector under EIB's Economic Resilience Initiative. This operation will contribute to the economic growth of the Lebanese economy, by supporting the development of more entrepreneurial projects and creating new job opportunities and enhancing financial inclusion", said Havia Palanza, Director of EU Neighbouring Countries on the occasion of the signature.

"Because we believe that Economic Resilience is at the heart of every political and sociopolitical stability, we subscribe to a philosophy that considers private sector commercial lending of national importance and interest. At Creditbank, we define our mission as enabling people by enabling economic endeavors. We consider this venture with EIB as an integral part of a continuing and lasting policy to improve and bolster small and medium enterprises", said Tarek Khalifeh, Chairman and General Manager of Creditbank.

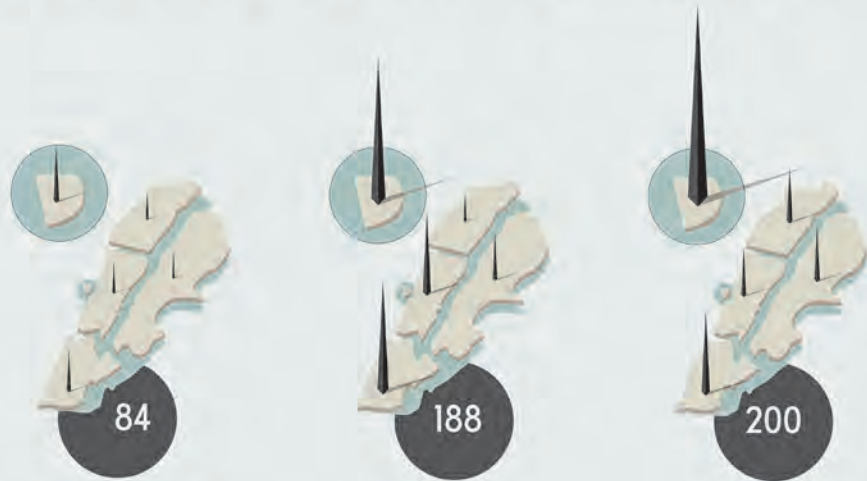


## MAPPING COLLECTIVE ACTIONS IN LEBANON

# WHAT MOBILISES LEBANON?

A LOOK INTO COLLECTIVE ACTIONS FROM 2017 LEADING UP TO OCTOBER 2019

PROPORTION OF  
COLLECTIVE ACTIONS /  
DISTRICT



TOTAL NUMBER OF  
COLLECTIVE ACTIONS /  
PERIOD

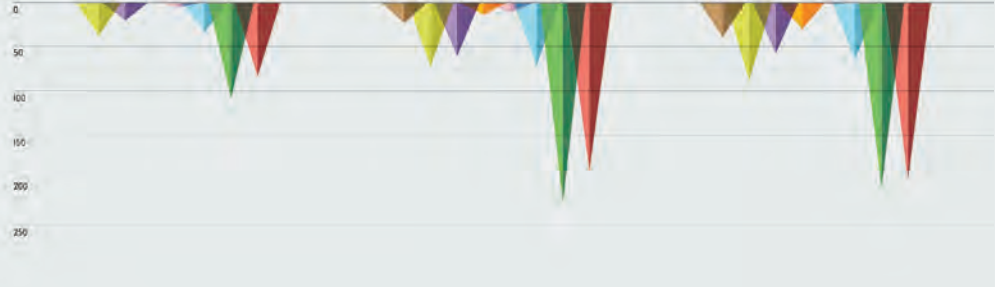
CAUSE/ GRIEVANCES/  
FRAMING COLLECTIVE  
ACTIONS

- Access to socio-economic rights
- Corporate grievances
- Corruption
- Injustice / Perceived injustice
- Policy grievances
- Political recognition & inclusion
- Regional / geopolitical grievances



OBJECTIVES

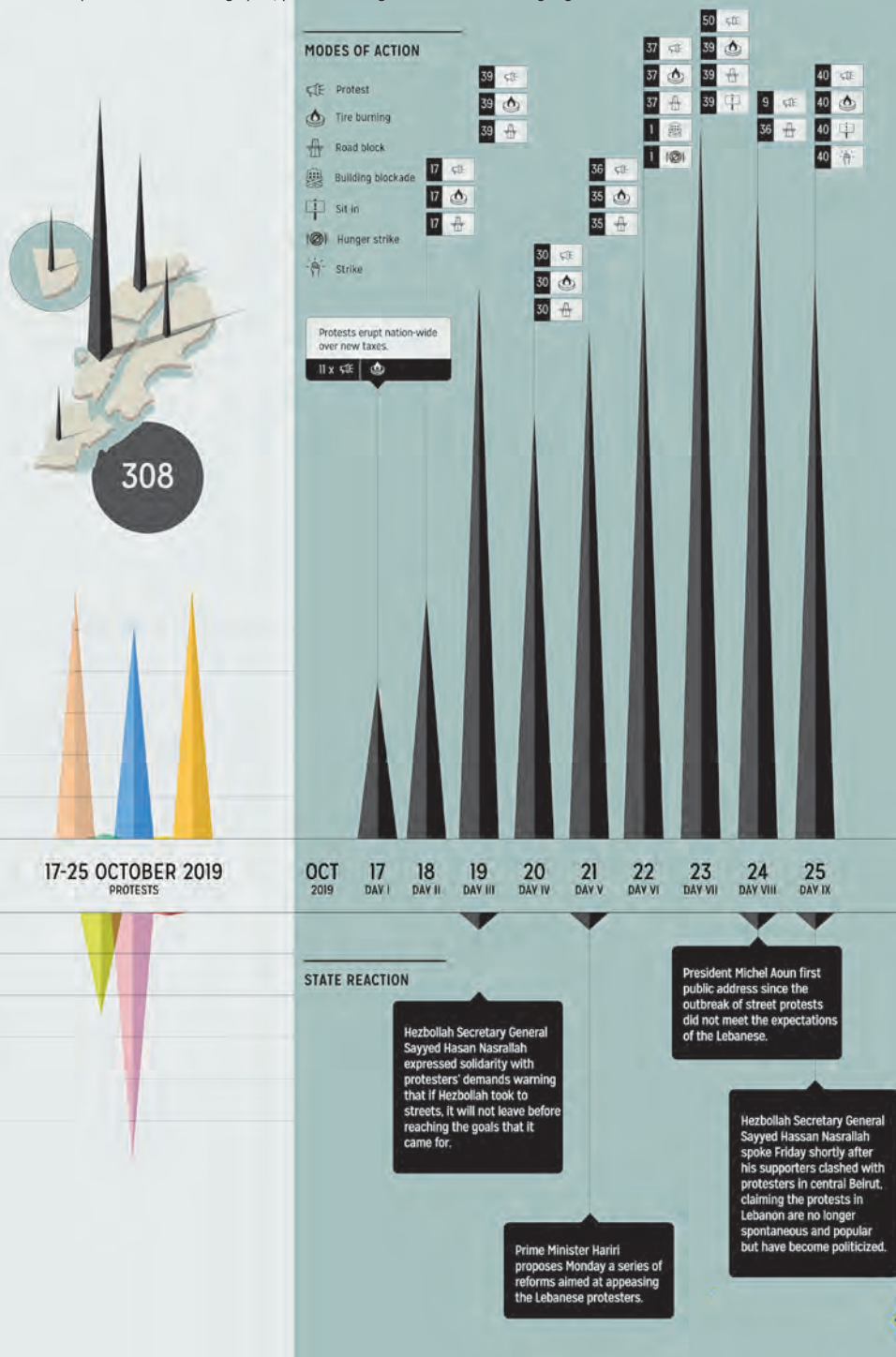
- Demands for rights / services
- Protest of a policy / governmental measure
- Protest of public statement / public representation
- Reform (advocating for a limited change in political, socio-economic etc.)
- Revolutionary (seeking radical change across society / political system)
- Solidarity with minorities (sexual, ethnic, migrants, etc.)
- Support of a cause
- Support to a political leader / public figure



The Map Of Collective Actions In Lebanon, developed by Lebanon Support, tracks mobilisations across Lebanon: [https://civilsociety-centre.org/cap/collective\\_action](https://civilsociety-centre.org/cap/collective_action)  
Information architecture - design by Diala Lteif & Fatil Tchilinguirian

Source: Lebanon Support

On 17 October 2019, numerous protests have taken place across the country, all directly linked to access to socio-economic rights, corruption, and policy grievances. While all these demands may notably be driven by years of neglect of the peripheries, clientelism and patronage, and austerity, they ultimately underline a crisis of political legitimacy and trust, and ought to be read in the context of an increasingly constrained democratic and civic space. This visual looks into the build up of the mobilisation in Lebanon, from 2017 (data collection started in November 2017) until 25 October 2019. At the time of publication of this infographic, protests and a general strike are still ongoing in the streets.





By Thomas Schellen

## Lost signals



### IN BRIEF

- The government's economic rescue plan has been rendered theoretical.
- The political context of its presentation reveals real dimension of governance failings in the past two years.
- Analysis of the plan's composition shows it to be disparate and desperate.
- Economic reality will require huge efforts beyond the scope of the last plan.

A perspective on the solutions offered in last-ditch efforts of old government

**What to do with the political products of October 2019, most prominently the 2020 budget draft approved on October 21, and the economic rescue plan that then-Prime Minister Saad Hariri presented on the same day?** Having arrived alongside the total novelty of a budget draft that was completed and properly signed within the constitutional time frame, the plan for national economic rescue efforts by the cabinet miraculously appeared after a mere 72 hours of negotiation.

However, just over a week later the plan was pulled with the cabi-

net's resignation. Is it now a curio for academic study on whether it could have worked? Or, on the basis—by no means certain—that there will be a near-term formation of a new, more ethical, and more technocratic government, could the plan assist in and speed up the desperate search for necessary economic solutions?

The first thing that becomes obvious from examining this plan is that it was not an instantaneous creation. Many of its components are awfully familiar as either proposals that have their roots in the early Hariri era—over two decades ago—or as cabinet

projects that have been negotiated back and forth at the Grand Serail in the past two years, falling victim to obstructionism. But as comforting as it is that these ideas were not just pulled out of thin air, the downside is that this is irrefutable evidence that political factors allowed the economy to worsen over the past two years.

### BEYOND ENDURANCE

While everyone was paying lip service at the bedside of the ailing Lebanese economy it was edging nearer to total monetary paralysis and asphyxiation that could have been prevented through concerted resuscitation measures by politicians. The demand for a rescue agreement and its last-hour presentation points to the reasons for the underlying and maddening inertia of the now resigned government.

To quote Hariri's speech on October 18: "I have been trying for three years to treat its reasons and find real solutions. For more than three years, I told all our partners in Lebanon that our country has been exposed to circumstances beyond its will and is spending, year after year, more than its income. The debt has become so great that we can no longer endure."

The existence of political obstructionism in this government was no secret, and Hariri previously publicly expressed that he would be able to achieve wonders if crucial initiatives only could proceed unimpeded. It was also obvious that his purported unity government was an arena of badly conflicting interests. But it was still shocking to confirm the utter lack of rational self-interest in the ruling class. Learning that zero trust was the only thing that this gov-

ernment deserved—from beginning to end—adds more pain to having seen Lebanon stumble so deliriously through the last 17 months.

Secondly, while Hariri has throughout his political career raised the eyebrows of both opponents and non-partisan observers through his actions and indecisions, his last ditch efforts to produce an economic plan and his speech announcing his intention to resign showed a strength of character often criticized as lacking. But still it seems he was not able to acquire all of the requisite strength and decisiveness needed to lead in the Lebanese arena of never-ending political conflicts.

He noted in his October 18 speech: “As I tried to implement [CEDRE], I encountered all types of obstacles, starting from the formation of government that took weeks, months, and seasons!” Referencing obstructionism three separate times, Hariri said that at the end of efforts to reach an agreement on approaches to the electricity file, deficit reduction, and reform of administrative bodies, each time “someone came and said: ‘This cannot work.’”

Thus, context-wise, the October 18 speech demonstrates both the lack of any sense of national responsibility among an unknown number—likely an absolute majority—of the ruling class, and weaknesses in leadership that did not allow for success despite intense and sincere efforts. Content-wise, however, the question remains if the plan could be used as a blueprint for the next government as a last, post-post deadline effort to pull the economy out of its desperate situation.

The topline impression of the list of measures presented by Hariri on October 21 is not one of a strategically focused plan, but a garage sale of reform, revenue, and cost-cutting propositions. In Hariri’s own description, what he presented was not an economic plan, but an agreement with his partners in government on the “minimum necessary actions” that have been needed these past two years.

## COUNTER-INTUITIVE

The list that Hariri read out entails 17 points, the first of which directly gives the appearance of insincere grandstanding by trumpeting two counter-intuitive messages—that there will be no new taxes but a fantastic numerical reduction in the deficit to 0.6 percent. This means a target of wanting to almost eliminate the deficit in a single leap by an even larger margin—some 700 basis points from 7.6 to 0.6 percent than in the 2019 budget, where the target of deficit reduction by around 400 basis points was met with disbelief by the international financial community.

Notably here, the CEDRE agreement stipulated a commitment to a—regarded then as difficult but doable—reduction of 100 basis points per year.

In the further array of budgetary and non-budgetary measures that Hariri presented, one cost reduction target referred to lowering the EDL-related deficit by a LL1 trillion (over \$660 million). Three additional points in the list relate to cost cutting, most eye-catchingly via a 50 percent reduction in salaries and retirement benefits of top-tier public servants, but also through 70 percent reduction of allocations to institutions such as the Council for Development and Reconstruction, the Central Fund for the Displaced, and the Council for the South, plus the abolition of superfluous public sector institutions, beginning with the Ministry of Information.

On the revenue and investment side, the most prominent point high up in the list refers to financial sector contributions and support for the state finances to the tune of \$3.3 billion, besides allusions to activation of the first phase of CEDRE disbursements, foreign investment, and social loans, as well as laws that will facilitate recouping looted public funds. The feasibility of the core revenue

proposition involving the central bank and the commercial banking sector is an invitation for comments (most of which would have yet to be made) ranging from technical and legal questions to discussions of ethics, fairness, and economic effectiveness.

Two other points in the list point to projects that imply cost reductions and revenue increases with somewhat delayed impact, but also appear to require immediate funding—namely speeding up tenders for the construction of power plants and installing border scanners to combat smuggling and improve customs revenues.

■ The list that Hariri read out entails 17 points, the first of which directly gives the appearance of insincere grandstanding by trumpeting two counter-intuitive messages.

There are also mentions of popular legislative projects such as the amnesty law, the afore cited draft law for recovery of looted money, a law to establish the national anti-corruption commission in the near future (it was passed by Parliament in July but was returned by President Aoun with 11 objections), and an agreement on enabling independent regulatory authorities by appointing their boards. Social measures in the list entail an allocation of \$160 million in support of housing loans, the institution of a pension fund, and the allocation of LL20 billion and a World Bank concessional loan of \$100 million to the National Poverty Targeting Program.

The final numbered point in the 17-point list mysteriously resurrects project names Linord and Elyssar. These were two large urban development and housing projects that were once introduced by Rafik Hariri (and were alluded to by Saad Hariri in an investment forum at the end of 2018) but have long vanished from research focuses and have not recently ap-



## Reforms

peared in concepts like the McKinsey Lebanon Economic Vision, an October 2019 whitepaper by the Lebanese International Financial Executives, nor mentioned by civil society and economic stakeholders in their comments on EXECUTIVE's Economic Roadmap project.

Hariri concluded his presentation with a reference to the intention to privatize the mobile communications operators Mic 1 and Mic 2, and an assertion that there is "a complete change of mentality in this budget. Investment spending from the budget is almost zero, thus closing the door on squander and corruption because the government does not spend a penny. The entire expenditure is from foreign investment."

Notably, measures discussed in the final weeks of this cabinet went beyond the points that Hariri touched upon on October 21. If the analysis is widened to cabinet statements circulated by the prime minister's press office on October 16, 17, and 18, measures communicated then to the media by Minister of Information Jamal Jarrah, the list of measures and propositions extends first of all to the infamous Voice over Internet Protocol (VoIP) fee proposal, dubbed the WhatsApp tax and referred to on October 17 as having a projected revenue potential of \$250 million annually. This VoIP fee was renounced the same day protests began, but sparked protests that ended up damaging and depriving the Lebanese economy of revenues to the magnitude of more than a billion dollars (some unconfirmed estimates said \$100 million a day).

A bit less spectacular, but not entirely free of problems were the measures Jarrah announced on October 16, namely a decision by the Ministry of Finance to increase fees on tobacco products, the above mentioned installation of scanners at border points, a decision for all investment decisions by public institutions and utilities to need cabinet approval, and an agreement on

"the principle of corporatization" for the Port of Beirut and other, not specified institutions. He also reported on cabinet discussions that were related to taking an inventory of state-owned real estate, a three-year investment program related to CEDRE and the Capital Investments Plan, the pension law (as referenced by Hariri on October 21), and a proposed 5 percent subsidy to industrial exporters that would be paid on the amount by which they increased their exports from year to year.

## TOO MANY UNKNOWNNS

In the October 18 speech, in which Hariri gave his government colleagues 72 hours to come up with solutions, the prime minister explicitly referred again to the need to alleviate the burden of electricity subsidies, and implement the electricity plan and CEDRE process. On that day, and again on October 21, Hariri's list was high-level and broad, factors that do not favor a quick analysis of its diverse content—the same is true for some of the measures announced previously by Jarrah. Yet, it is difficult to shake the impression that the government's search for solutions since days before and throughout the protests was frantic, but not ordered strategically.

It remains at the end of a brief review of the government's October reform deliberations unknown whether

■ It is difficult to shake the impression that the government's search for solutions since days before and throughout the protests was frantic, but not ordered strategically.

the debt, the entrenched high trade deficit, underdeveloped industrial productivity, shortfalls in international competitiveness, insufficient capital markets, poor financial inclusion, growing economic informality, weak-

ness of redistributive justice and direct taxation and plutocratic patterns that are as bad as those in the most capitalist countries could be cut if only the iron bonds around the knot, the systemic bonds of clientelism, sectarianism, and corruption, are broken.

In recent months, there have been other narratives put on the table than the narratives of austerity, increased taxation of functioning and fiscally more transparent sectors, notably banking, and total abstinence from own investment risk by the government. There has been some progress but no results yet in areas of privatization, public-private partnerships, and activation of capital markets. The concept of an Electronic Trading Platform and invigoration of capital markets has excessively been referenced as crucial means to improve the transfer of private and non-productive savings into hitherto state-owned and affiliate enterprises, such as the flag carrier Middle East Airlines and the telecommunications sector (where privatization and license auction concepts have been tossed around for two decades). Banking leaders have presented their views on the importance of banks' ability to finance private and public sectors by not being unfairly taxed. There has been enough said to provide a platform for serious, non-ideological discussion that is neither sectarian nor ignorant nor based on obviously partisan and self-interest narratives of self-righteous and narrow interest groups—communal, sectarian, economic, political, or civil society.

Despite all new or previous economic planning, up to the Hariri economic rescue plan from October 21, it remains uncertain what way will work best out of this incredibly deep mess, and it is an equally open critical question if the economy of Lebanon can be rescued by an immediate switch to governance by persons with peak theoretical knowledge and expertise but no wide political experience, or people of great technical training who did not have to previously face the opportunity and temptation to become corrupt. ■

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## What lies beyond the sectarian system

Reimagining an alternative Lebanon

**The unthinkable has finally happened.** A stubborn sectarian system, undergirded by a peculiar postwar political economy, and sustained by institutional and disciplinary practices geared toward reproducing sectarian modes of identification and mobilization, has finally given way.

This is a story that can be traced back to the mid-19th century, when the dislocations created by overlapping socioeconomic transformations, Ottoman reforms, and colonial penetration exploded in the kind of violence that helped institutionalize a new sectarian order in Mount Lebanon. Previously a fluid social terrain, where religious identities coexisted and cross-cut with an array of alternative socioeconomic, kin, and local identities began to solidify around mainly sectarian identities. The post-1861 Mount Lebanon order structured political incentives along mostly sectarian lines. It was later reproduced in independent Lebanon, and then consolidated in postwar Lebanon. The latter's recycled corporate consociational power-sharing arrangement redistributed political offices within an expanded but predetermined sectarian quota, further entrenching sectarian identities and modes of political mobilization.

This political system was coupled with a rentier political economy serving the sectarian political elite's clientelist and private interests. A ballooning public sector played an instrumental role in this postwar political economy, but so did corruption and lawlessness. All this was meant to preclude any kind of meaningful political mobilization and affiliation outside sectarian straightjackets. Sectarianism was in fact the fig leaf camouflaging otherwise political and


class battles. Genuine postwar peace and reconciliation among the different Lebanese communities was a prime casualty of this postwar order.

For this postwar political economy of sectarianism to function smoothly and reproduce docile sectarian subjects entailed continuous capital inflows to finance the country's trade and fiscal deficits, and hence pay the price of a galloping public debt created in large measure by the archipelago of clientelist networks embedded inside and outside state institutions. This was achieved, but only with the help of successive donor conferences. Between 2006 and 2010, the balance of payments recorded a cumulative surplus of \$19.5 billion. By 2011, however, this balance turned negative, reaching a cumulative deficit of \$18.5 billion by end July this year. It is this structural fracture that created the economic grievances that exploded on October 17, and later developed into a cross-sectarian, cross-class, and cross-regional anti-sectarian revolution.

It is a revolution that has already achieved so much in so little time. It has allowed for a reimagining of the Lebanese nation beyond top-down imposed narrow sectarian affiliations. With this comes a shift in how people define themselves as agents: not as sectarian subjects in a political order cut along sectarian and religious lines, but rather as anti- and trans-sectarian citizens operating in a polyphonic and democratic civic space, one where alternative class, gender, and environmental interests drive political action. Moreover, the October 17 revolution marks the definitive end of the civil war, and a genuine bottom-up reconciliation between one-time warring communities. This rec-

onciliation is the beginning of elusive postwar peace and collective healing, the real bulwark against future attempts to instrumentalize sectarianism by the political economic elite for local or geopolitical purposes. What we are witnessing, then, is the birth of a new "imagined community," to borrow Irish political scientist Benedict Anderson's term, one that travels across regions, classes, genders, and sects. That is the greatest and undeniable achievement of this moment, one that no matter the short-term outcome, can never be reversed.

This does not mean that those sectarian communities laboriously assembled by the ideological, material, and institutional practices of the sectarian system will wither away anytime soon—despite the drying up of the clientelist swamps. They are numbed by the ideological hegemony of the sectarian system and nourished on the demonizing discourse of sectarian entrepreneurs. They are also scared lest they lose whatever material interests remain vested in the sectarian system. But they are undeniably running against the long play of history.

Ultimately, and despite the inescapable violence exercised against them, it is this nascent anti-sectarian community composed principally of Generation Zs who will, by peaceful and democratic practice, demonstrate to those lingering sectarian communities that, to borrow from French poet and politician Aimé Césaire, there is "a place for all at the rendezvous of victory" in the long battle for an alternative Lebanon. 

*Bassel F. Salloukh is associate professor of Political Science at the Lebanese American University and a research fellow at the Lebanese Centre for Policy Studies (LCPS).*

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## What are the next steps for Lebanon? Between now and year's end, what do you propose stakeholders in your field should be doing?

EXECUTIVE posed the questions above to stakeholders across various sectors at the end of October to get their insight into what is next for Lebanon.

"Lebanon should, at long last, find its bearings politically, financially, and economically. A credible and technocratic government should be installed to restore confidence and kickstart the institutional process. The country's finances should be pulled back from the brink by shrinking the public sector and fighting corruption, smuggling, and tax evasion. The private sector should be empowered and incentivized to ignite economic growth through investment and consumption. And time is very much of the essence."

**NICOLAS CHAMMAS**, president of the  
Beirut Traders Association

"An immediate step should be capital and exchange controls, for a few months, until tensions subside. A vision, principles, and strategy for Lebanon should be defined, shared, and adhered to by the majority of Lebanese. Stakeholders in our field should join forces to alleviate the difficulties and prepare for the end of the crisis."

**RIAD OBEGI**, chairman and general  
manager of Banque BEMO

"In the short term, the urgency is for the formation of a government of independent specialists and activists with a political vision aiming to unify all dwellers in Lebanon as citizens of a democratic state led by principles of social justice and environmental protection. In the medium term, we ought to work toward producing a de-sectarianized political system, with an independent judiciary, in application of the Lebanese Constitution, through anticipated parliamentary elections according to a new, non-sectarian electoral law.

In my field, stakeholders should aim for the urgent implementation of the Council of Development and Reconstruction's Lebanese national land use plan, approved in 2009, through the establishment of a Ministry of Planning and the elaboration of metropolitan and regional strategic plans that can enable decentralized planning and local economic development."

**MONA HARB**, associate professor of urban studies  
and politics at the American University of Beirut

“The main priorities in the coming months should include the institution of transparent mechanisms of public tendering and processes of accountability to secure their proper implementation. The selection of projects should prioritize large-scale interventions that respond simultaneously to economic, social, and environmental emergencies, such as public transport networks at the scale of greater urban areas. Within cities and towns, the ongoing public debates in open squares should be fostered and enhanced to allow for the consolidation of bottom-up practices of citizen engagement, likely the most important achievement of the two weeks that could lead to enduring systemic change.”

**MONA FAWAZ**, professor of urban studies and planning at the American University of Beirut

“We are currently in a very delicate situation. Time is of the essence. We can no longer afford the usual procrastination. We need to apply immediate emergency measures, such as (centralized) capital controls and not these half-assed measures [of] allowing each bank to set its own policies. This will deflect the anger of the masses from the banks. It would also protect banks and bankers, who will undoubtedly allow exceptions on withdrawals from wealthier clients, leaving the brunt of the unavoidable future measures to be borne by the middle class. This would be catastrophic and would eventually come out, because every transaction is tracked, with the names of the client, bank, banker, and senior banker (who approved the exemption), which will subject them to the wrath of the masses.”

**DAN AZZI**, former CEO and chairman of Standard Chartered Bank in Lebanon, and current Harvard fellow

“I think the role of specifically of policy institutes like ours, the Issam Fares Institute (IFI) is to pose some solutions and roadmaps around the different issues we work on, whether it's youth and education, refugee policy, energy policy, or climate change and the environment. These are all critical issues that have been raised by the protesters. These are demands of the people for the government to do a better job, and we've been working on these issues for years. We have a particular role now to propose workable solutions around all the sectoral policy issues we work on. We have a convening power here at the institute to bring stakeholders together to have discussions about the next steps for Lebanon. At IFI, we're able to bring in experts, professors, activists, and civil society players for discussions, and they're all critical players in next phase to formulate workable solutions that will be the responsibility of the next government to resolve.”

**RAYAN AL-AMINE**, assistant director at the Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut

“One word summarizes what Lebanon needs next: trust. Citizens and the international community need to trust the next government as a prerequisite to shift the economic and financial crisis. No one trusts the current political elite so independent competent ministers are a first step toward that. And early elections to have a Parliament that is worth the trust and eventually electing a new president to have a trustworthy elite.”

**GILBERT DOUMIT**, founder and managing partner at Beyond Reform and Development





## Quotes

“Establish consensus on an apolitical government with a mandate to immediately implement fiscal and monetary reform, where the main objective is to cut the fiscal deficit through cuts in wages and subsidies. Restoring services in power, water, and transportation within 12 months should be the first priority. A plan should be prepared for full reform in the political, economic, and social system within six months in collaboration with NGOs and local representatives.”

**MOUNIR RACHED**, former IMF economist and current president of the Lebanese Economic Association

“Overworked judges with mountains of cases, red tape that can wrap around the earth twice, and delays in the legal process make the job of lawyers more difficult, in some cases impossible. The full backing of a reinvigorated executive branch of the government, with the unwavering support of legal enforcement, is the only legitimate, economical, and just way forward.”

**JAMIL CHAYA**, assistant professor of finance and economics at Rafik Hariri University


“The ultimate goal would be reaching a civil state that ensures the rights of citizens, but until then we are looking toward forming a new cabinet able to respond to the demands of people asking for economic and political reforms. During this revolution, the media has been giving people a voice, we are looking forward to the next phase, for a media that focuses on monitoring of policies and performance of decision-makers with more in depth investigative reports that unveil all hidden truths and inform the public. We also aspire to keep the ability of freedom of expression and criticizing public figures without the fear of arbitrary arrests.”

**ROULA MIKHAEL**, executive director of Maharat Foundation

“Our ultimate chance to overcome this dramatic turmoil is through the support of the international community, which should be divided into three stages. Therefore, I urge the international donors in the immediate term: to inject liquidity and currencies in the market as soon as possible, to create an international support fund to bear partially the currency risk, to ease the transactions between the local traders and international suppliers, and to benefit from subsidized interest rates from the European Investment Bank to reduce interest rates on the local businesses. In the medium term: to form an international strategic committee with various international and local stakeholders to implement and follow up on the international rescue economic emergency plan and strategy, and to monitor the disbursement of injected funds. In the long term: to support a privatization strategy that will be needed to reduce operating costs in the public sector, improve efficiency and productivity, and to serve citizens.”

**FOUAD ZMOKHOL**, president of the Association of Lebanese Business People in the World





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## IN BRIEF

- October 2019 events have hallmarks of systemic shocks.
- Risks are unfathomable and early economic impact evaluations are necessarily inadequate.
- The future may depend on extraordinary courage, discipline, and daring visions.
- Entrepreneurship has the potential to be a key ingredient in building national prosperity.

## Entrepreneurship in times of systemic change

**These are times when a discussion of entrepreneurship—EXECUTIVE'S traditional focus in the November issue—could be almost a crime, as it would ignore the nation's stories of courage in choosing a new destiny, of valor and compassion, of united wills, of exuberance, and of concerns.**

The events of last month, to the mind of this observer, were undeniably a dual positive shock to Lebanon. The first positive shock was that the protests represented a genuine outpouring of popular will and desire for self-determination as a nation with a shared identity. A sort of Lebanese political enlightenment and break with the long narrative of self-induced or self-incurred tutelage that Immanuel Kant talked about in his Enlightenment definition 235 years ago.

Outside of this sociopolitical frame, the second positive shock sparked by the protests and related developments during this fateful October carried all the hallmarks of a systemic economic shock. Seen in the context of 27 years of systemic economic deficiencies—the emphasis on accommodation of investors and financial inflows at the expense of redistributive and bottom-up economic growth—these calls for change are both radical and necessary.

At the beginning of Lebanon's post-conflict reconstruction and development in the early 1990s, there were understandable and initially rational preferences toward rebuilding the country from its urban center and revamping profit-generating eco-

nomic frameworks in communication, transport, trade, and tourism. It was the Rafik Hariri era; during which GSM mobile networks were rolled out under build-operate-transfer contracts from 1994, the airport was rehabilitated, the airport-to-city highway was constructed, and there were decades-long development efforts undertaken in Beirut Central District—the capital's downtown and country's showcase.

These investment concentrations gave the appearance of efforts calculated to benefit the economy from the top of the pyramid. For some years through the mid-1990s, these approaches worked in important ways, especially as long as they coincided with hopeful regional vibes such as optimism over ending the conflict in Palestine.

At other times, however, and increasingly after the late Prime Minister Rafik Hariri's assassination and in the more recent post-Hariri years, the international investment, debt-financing, monetary and narrow property imperatives of the Lebanese economy's orientation were either not working at all or benefited only the very few at the top. The economic system increasingly nurtured inequality.

With even more passing years and vacillating economic cycles with frequent downturns—which in the current decade were exacerbated by the impact of a persistent regional and humanitarian crises—the perception of a seemingly unstoppable drift into corruption and increasing inefficiency has been feeding not just inequality, but spiraling popular rage at economic immorality and unfairness. The people are now demanding an end to this spiral of inequality and poverty—and the end of this post-conflict economic system.

## PLETHORA OF UNCERTAINTIES

Juxtaposed with these two positive and hugely important shocks of rescinding political and economic systems that have become counterproductive for Lebanon's society, however, weigh risks and uncertainties, some unfathomable, on the counter



## Entrepreneurship

side of the sociopolitical and socioeconomic scales of the October developments.

These serious downside potentials entail political and societal risks, such as the possibility of internal clashes between would-be system changers and system defenders. Another juxtaposition with explosive potential is grounded in the strength and deep-rootedness of the existing societal system with its communal allegiances, religious belonging-based political privileges, and forceful political consociationalism. Dismantling or abolishing this social construct is a declared aim of those who oppose it on the street all over Lebanon, but their opposition suffers from the absence of fully formulated systemic alternatives. This experiment is thus fraught with unpredictable social outcomes and risks of removing the system without having the ability to put a newer, fairer system in its place.

Also not to be neglected in this systemic political context are risks of mass proliferation of counterproductive human behavior patterns. Fears of a rise of ethically deficient political behaviors in Lebanon are supported, for example, by the track record of alternative parties and organizations in the past three years when several organizations with loud calls for change in the political establishment revealed themselves within a relatively short time to be dominated by aspiring political players that were just as power hungry and conspiratorially minded as any politico of the old guard (see EXECUTIVE's pre-election coverage of 2017/18).

Lastly, considering Lebanon's precarious geopolitical location and weak position in global power games, it might be perilous for this country to forget timeless patterns of international power politics over all the excitement of the rising new national self-awareness of the Lebanese people. These age-old international patterns show small countries' decreasing ability to preserve or politically defend their interests against rising external military or economic pressures. Such has been manifested time and again when a fragile polity's attempts of internal systemic change and self-definition were taken as invitations by malignant neighbors, expansionary empires, or simply self-interested powers who would happily exploit soft-target societies and weak countries for their gain.

### BARRAGE OF ECONOMIC RISKS

In terms of uncertainties and sadly predictable human behavioral risks in the crucially important



realm of Lebanon's economic fortunes, any new development aspiration for 2020 and beyond is, since the October events, faced with a barrage of very justified concerns over ill-advised economic herd behaviors, such as capital flight and runs on banks in the immediate term, and over the implications of Lebanon's indebtedness in international financial markets in the middle to long term.

It does not need to be explained here why panicky capital flight would be a bane for the Lebanese economy. With regard to financial scenarios under no-longer-functional debt equilibriums, cautionary examples of the mercilessness of markets and international financial institutions abound and tell their tale that the best foreign intervention inflicts traumas since the establishment of the Bretton Woods System that can only be averted by a country's significant own constructive policies and extreme financial self-discipline.

Also worrisome for the economic future of Lebanon is the entrenchment of national patterns of favoring consumption with preference for imported goods, combined with an expensive and wasteful addiction to show off behavior in parts of society. Behavior change of such magnitude as a shift to increased local consumption and public pride in economic modesty needs institutional infrastructures, rational awareness, and more courage than a month of demonstrations.

A not-so-much behavioral but structural worry is also warranted by the status quo of Lebanon's national economic organization, with its lopsided growth drivers that for too long has benefited narrow elites but has stifled the building of export capacities, harmed total factor productivity, and has

driven down investment in industry that could have led to healthier capital stock if addressed at earlier points in the past 15 years.

Instead of speculating on positive and lasting insurances of the popular will, it can easily be argued that the Lebanese business community, financial community, and households were somewhat complicit with their—after all, elected—governments. Such conclusions derive from the fact that urgently required investments into productivity and competitive industries in Lebanon were substituted by societal stakeholders with imports of money and imports of goods.

In the increasingly debt-dependent public and consumption-happy private sectors, there was relentless channeling of hard currency inflows into servicing of public debts and on the private side—from the remittances of the diaspora—into consumption (of daily foodstuffs, other fast moving consumer goods, and social events from dinners to weddings), consumption (of household investment goods such as cars and non-productive real estate), and consumption (of education and health services that would not increase productivity in the short run in the first case, or quality of living in the second—unless embedded in smart public investment and job creation programs, which they were not).

## WHICH WAY IS FORWARD?

The protestors' denials of the economic status quo and calls for instantaneous abolition of the entrenched system of many flaws cannot mitigate the plethora of national economic concerns—and in some cases, like fears for the banking sector's liquidity levels, seem to exacerbate the problems. Given the precarious juxtaposition of positive shocks and self-destructive triggers in Lebanon in Q4 2019, the October developments and Lebanese Enlightenment appear, therefore, to be in deep need of economic answers that transcend the wisdoms and mental range of business-school orthodoxies and utterances by economists who adhere to the run-of-the-mill perspectives. It is a time of big risks that are not to be denied but might be soluble with courage and strength that arises from united wills and daring visions.

In economic and philosophical literature it is uncommon to find visions that are not just utopian thought experiments or disruptive to a point where their implementation would preserve nothing worth calling an economy, but some might exist outside of the realms of first-world schools of economic thought.

The level of daringness that the current problems of Lebanon require in addressing might, for

example, be connected to alternative pathways that divert from the often tried and always imperfect solutions that are in line with agendas of austerity, draconian deficit cutting, and internationally directed debt reforms. The weaknesses of such approaches, which have been associated with the Bretton Woods System, have been pointed out in the context of the Greek and southern European but also various Latin American crises. A few years ago, in the late 2000s, an economic critique of globalization and first-world recipes on how aspirational developing countries should manage their economies was formulated in a theorem of “bad Samaritans” by Korean-born development economist Ha-Joon Chang.

In Chang's perspective, today's rich countries—above all the US—and the international financial institutions aligned with the interests of the most powerful economies have historically tended to elevate their economic performances by practicing methods, such as unfair subsidies, self-serving (albeit somewhat limited) inward trade protectionism, coupled with outbound trade imperialism, and blatant re-engineering of important new tech prod-

ucts (e.g. rail technology in the 19th century), while they were themselves still economic underdogs in comparison to other countries. Once they are occupants of top economic rankings, however, the so-risen powers habitually kick away the very ladders

that fostered their economic advancement from beneath developing economies under the guise of neo-liberal paradigms, such as free trade and strict intellectual property protection.

Such points seem debate-worthy as Lebanon is in need of rescue from falling under even worse international economic domination. However, what might even be more pertinent in the context of Lebanon's situation and need for strong home-grown economic visions today, could be in emulating a national entrepreneurial mindset for which Chang provides a hypothetical example—with 50-year-forward vision of an economic miracle in the world's poorest country by GDP in 1995 (Mozambique)—and a historic case from the background of personal life experience as a Korean native who grew up in lockstep with South Korea's economy rising from abject poverty—a per-capita GDP half that of Ghana at time of Chang's birth in 1963—to being included in the top tier of global

■ That this is a time of big risks is undeniable, but these can be faced with courage and strength through united visions and wills.



## Entrepreneurship

economic influencers—the OECD and the G20—from the late 1990s.

Chang's noteworthy messages could be read in the current Lebanese state to say that underdog countries can find their prosperity and that there is no foretelling of the future potential for exorbitant economic growth that a combination of new tech and inspired entrepreneurialism can create for a country—even one in a situation such as Lebanon finds itself.

However, an even more potent and more hopeful self-perception and vision in future-oriented Lebanese thinking could perhaps grow from a combined development of entrepreneurialism as the implementation of an economic vision without regard to the risks, with a focus on manufacturing, and creating supportive and efficient—and digital—institutions. This constructive design thinking would necessitate a forward-looking thought culture and a departure from currently popular obsessions with perceiving everything and everyone dealing with money and development a priori as corrupt.

A new and futuristic national mindset coincidentally also might be a nice organic fit with a more self-asserted polity that is convinced of its national belonging and common purpose. But besides the emphasis on entrepreneurial virtues that the Lebanese claim to possess to a very high degree, it is unlikely to work without prioritization of manufacturing (noted not only in *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism* as “the most important, though not the only route to prosperity” for aspiring countries) and a focus on reshaping a national determination and culture that perceives economic growth as achievable and provides entrepreneurial initiatives with structured administrative, policy, and institutional support.

A truth quite frequently ignored in local debates is that there exists no immutable mentality in any society that would mandate a culture of economic underperformance or backwardness. But new paths by definition are the paths that need to be discovered and trails that need to be blazed—and this is exactly where the practical virtues of entrepreneurship come into play. Entrepreneurship, which appears to exist in Lebanon indeed in relative abundance now even in form of producing impactful societal movements, is one of the factors that can make economic hopes work and that can generate jobs—especially in entrepreneurship of the export-oriented manufacturing kind.


Still, constructing a successful economic development mosaic of Lebanon will require adding fur-

ther pieces. As another noted development economist, Briton Paul Collier, recently emphasized in musings on the future of capitalism, disadvantaged economic locales such as provincial cities that have been left behind, fallen off, or never embarked on the economic development train can be vitalized by the creation of new economic clusters. “Broken cities need to attract firms that are dynamic enough to start a new cluster in their wake,” writes Collier, but he admonishes that such dynamic firms and entrepreneurs need to be institutionally supported and protected against the first-mover disadvantage of nesting in a broken city (the same presumably applies to a small country with backward infrastructure).

This is where the circle between Lebanon's systemic change impulses and EXECUTIVE's self-chosen focus on entrepreneurship as the regular coverage pillar and main topic in the November issue actually closes, at least in some sense. Before the events

in the middle of October, EXECUTIVE editors were investigating examples of Lebanese entrepreneurship and potential job creation from the growing ranks of accelerators and incubators linked to the tech entrepreneur-

ship ecosystem at and around the Beirut Digital District (see page 60) and Agrytech acceleration (see story page 56) to a manufacturing-based and very entrepreneurial initiative called Houmal Technology Park (HTP) in a semi-rural hillside community 20 minutes away from the Lebanese capital.

To recall how Kant defined Enlightenment while it was in full swing, his essay says that tutelage is man's inability to use his cognitive facilities without another man's direction and stipulated that this tutelage is self-incurred if it is not because of complete ignorance or weakness of said cognitive facilities but where tutelage is based on lack of resolution and courage to think and act for oneself. In regard to Lebanon's exit from tutelage in conjunction with its emerging and not yet fully visible new sociopolitical and economic realities, it seems that old Enlightenment philosophers, modern development economics, and practical entrepreneurial experience all point toward a need for a genuine and well-structured social contract that is based on original thinking and true—meaning practical and interconnected—self-interests of the polity that has shaken this country up with the effect of opening so many new and positive futures. 

■ There is no immutable mentality in any society that would mandate a culture of economic underperformance.

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# FEEDING LEBANON SMARTLY

Technology and agriculture meet in Agrytech



## IN BRIEF

- There is a need for innovation and R&D in the agro-industry sector in Lebanon and the region.
- Agrytech, a program by Berytech focusing on innovations in agriculture, was created to address this need. It has four major pillars including an accelerator program and an agri-food innovation cluster.
- Agrytech was promoted to university students and graduates through various activities and interest in the accelerator program, now in its third year, has risen slowly and steadily.
- Agrytech received its second round of three-year funding from the Foreign Ministry of The Netherlands this August 2019.

**At the time of writing, Lebanon is over a week into nationwide protests which were, to a large extent, fueled by the miserable economic situation the country is facing.** Now more than ever, we are reminded of the importance of high performing productive sectors, namely industry and agriculture, in a country's economy. In a 2018 article published in EXECUTIVE's end of year issue, Cristiano Pasini, representative and director of the United Nations Industrial Development Organization (UNIDO) for Lebanon, Jordan, and Syria, wrote that a strong industrial sector, which benefits from technological advancements and innovation, is a driving force behind national economic growth.

Among the industry subsectors in Lebanon, it is agro-industry that shows the most potential for being a driver of economic growth. "There are around 960 companies working with food products in Lebanon. [Agro-industry] is the second [largest] subsector in terms of exports, and the first in terms of added value, since the raw material used is grown or found in Lebanon," Mounir Bissat, the secretary of the Syndicate of Lebanese Food Industries told

EXECUTIVE in a December 2017 interview. According to the Food and Agriculture Organization of the United Nations, agro-industry contributes 5 percent to GDP (as does agriculture) and “constitutes a major and growing employer in the economy.”

However, one of the reasons the agriculture and agro-industry sectors are not living up to their full potential is the lack of investment in research and development (R&D) and innovation. In the same interview with EXECUTIVE, Bissat explained that almost 90 percent of the companies in agro-industry are family-run small- and medium-sized enterprises (SMEs) with limited budgets, making it difficult for them to invest in modernizing traditional recipes or innovate design or food production techniques.

According to Ramy Boujawdeh, deputy general manager at Berytech—an ecosystem that fosters innovation technology and entrepreneurship, initiated in 2002 by Université Saint-Joseph—the agriculture sector in Lebanon and the region faces many challenges that could be addressed through innovation, yet are not. “We see Lebanon as one of many countries around the MENA area that have major issues in innovation in their food sector,” he says. “The main issue is that we are really dependent on the import of food, which, in turn, goes back to our lack of connected agricultural value chains, water security issues ... there are lots of opportunities and systems across value chains that could be improved through innovation.”

It is within these dynamics that Berytech launched Agrytech in January 2017. Boujawdeh says Agrytech, an agri-food innovation hub, was “designed and branded to attract people that are interested in reviving and improving the agricultural sector in Lebanon.”

The program has four pillars, the first of which is an acceleration program designed to support entrepreneurship in agri-food. Second is an agri-food innovation cluster focused on SMEs and large businesses. Third is an online resource platform designed for those with an engineering or tech background who want to get insights on the challenges facing agriculture in Lebanese and regional markets to identify opportunities where they could make a difference. The last pillar is a digital fabrication lab, which is accessible to Agrytech through the funding of Berytech and is open for all at varying costs (depending on whether it is individuals, startups, or established companies). In the Fab Lab, people can prototype their hardware solution or scale their minimal viable

product to take to investors and show them how it works.

Agrytech receives 90 percent of its funding from the Ministry of Foreign Affairs of the Netherlands, and Boujawdeh says they raise the remaining 10 percent through a variety of channels including sponsorship opportunities for various activities at Agrytech. He says that getting noteworthy sponsors such

as banks and agricultural companies sends a positive message that their program has weight and that a number of people believe in it.

This past August marked the end of the first three-year period of funding for Agrytech, at

an amount of \$3.3 million. The program has now entered into a second three-year round of funding, with the Dutch again covering 90 percent. The fund for the coming three years is \$6 million to be split in half between Agrytech and a new program by Berytech called Cleantech (see story page 66 for more details). However, Agrytech does not plan on sustaining itself indefinitely based on external funding and support. Boujawdeh says they are looking to move into an equity-based accelerator model in the coming years, now that they have built up their expertise and know-how and have several solid success stories. They are also looking at how such a model can be exported to the region and drive innovation in the agriculture sector outside Lebanon as well.

■ Lack of R&D investment is preventing the agriculture and agro-industry sectors from reaching full potential.

## SETTING THE WRONG FOOT RIGHT

In its third batch of startups, Agrytech is now well-established, but things did not run smoothly at first. As Boujawdeh recalls, the initial thought was that by simply launching the program and opening the call for applications to the acceleration program, they would be flooded with applicants—this was not the case. “We thought we had a problem of youth without jobs so they would be happy to find job opportunities [through the program] and they would immediately relate to the sector and our work would be done,” he says. “But we quickly realized that there needs to be an educational component whereby they can learn about the sector before they get excited about it.”

Boujawdeh says that this is because the agriculture and agri-food sectors are generally not perceived as providing attractive job opportunities. Many people in Lebanon and the region still per-



## Entrepreneurship

ceive agriculture as the rural farmer on his donkey tending to goats and sheep or toiling away on the land with little reward. As such, Agrytech had its work cut out for it in attracting tech-minded people to its program and exposing them to the challenges in the agri-food sector.

To achieve this, Boujawdeh says Agrytech focused on university students and targeted them through several channels. During the winter and spring seasons, prior to the launch of the accelerator program in the fall, they organized a series of two-day startup weekends, ideathons, and hackathons. During those events, Boujawdeh says, teams or individuals propose a problem and spend a few days with experts, mentors, and coaches discussing it and learning the thought process involved in developing viable solutions. On the last day of the event, they pitch their solutions in front of a jury and three winners are announced; winners receive cash rewards of varying amounts depending on the event.

Another way Agrytech spread the word for its program was through reaching out to university professors and asking them for their support. “The word is getting out and so we have university professors in engineering pushing their students to look at agriculture as an opportunity or connecting with a colleague in the faculty of agriculture and getting their students to meet him or interview him,” Boujawdeh says. “We are seeing more final year projects that are in the engineering field focusing on applications in agriculture.”

Those who have been working in the agriculture sector for several years and were familiar with its challenges were also interested in Agrytech’s accelerator program, he says. To them, they had a potential solution for a certain challenge but were afraid to take the risk of leaving their jobs and so they tested their idea with Agrytech.

Their efforts to familiarize the market with their program is slowly but surely paying off, according to Boujawdeh. Agrytech had 65 to 70 applicants for their first accelerator batch in 2017, 80 applicants for the second batch in 2018, and 110 applicants for the third batch that was launched in October 16 of this year. Boujawdeh says that not only has the quantity of applicants increased, but so has their quality and maturity level: “People in the first batch were looking at the downstream side of agri-food production—the post-harvest aspects that include everything between food processing and the end product that reaches consumers. With the second and third batch, we have more people



looking at the entire value chain and focusing on the upstream side of production—the pre-harvest aspects from the sourcing of fertilizers, seeds, and equipment through farming until you produce and harvest. This is super exciting because most of the problems lie in this upper chain.”

### ACCELERATOR BREAKDOWN

From the 110 applicants for the third year of Agrytech’s accelerator program, 24 were selected and were due to begin their 11-month journey with the program on October 16. Teams can be made from individuals with a variety of backgrounds but there has to be members with experience in science or technology.

The program is divided into three phases, the first of which is a two-month validation phase where Agry-

■ Efforts to familiarize the market with Agrytech is slowly but surely paying off, with increasing applicant numbers.

tech works with the startups to make sure the problem tackled is big enough to have a market share and be investable. Only 12 participants make it to phase two of the program, and here they go from a well-developed idea to a minimum viable product

that is piloted or tested among users. The third and final phase sees eight shortlisted startups learn to become “investment ready” by practicing pitching to investors and by identifying potential clients.

Startups get a cash injection at each stage: \$2,000 in the first phase, \$15,000 in the second,



and up to \$20,000 that they need to match in the final stage—they do so either through personal funds or by different competitions such as Arabnet, for which Agrytech helps them pitch. Boujawdeh explains that they give participants cash instead of procuring the needed materials themselves because they want them to learn how to invest their money in the best interest of their business. How this money is spent, however, is monitored and regulated. Agrytech also runs audits on what they do to make sure everything is above board.

Post accelerator program, Agrytech maintains a soft follow up on their graduates and invites them back to speak to the new batch and share their success stories. Boujawdeh says any startup that has been through the program and that raises funds in the year following the program is committed to pay up to 5 percent of any equity they raise up to a million dollars, so up to \$50,000. “It is a way for them to pay it forward for others in the program,” he explains, adding that the money raised goes into funding the accelerator program.

## TOGETHER WE ARE BETTER

Another major component of Agrytech’s program is an agri-food innovation cluster called Qoot—from the Arabic word for a farmer’s daily snack—that was launched in February 2019. The cluster is made up of 35 companies that either work directly in the agro-industry by producing

■ Many aspects of what we consider normal in modern daily life in Lebanon and the region are thanks to innovative entrepreneurs.

foods or indirectly by developing packaging or printing machinery. The idea behind the cluster, according to Boujawdeh, is to have these companies—and others who will join down the line as Boujawdeh hopes to reach 100 companies by the end of 2020—support and source material from each other and work together to improve the agriculture value chain. Boujawdeh compares Qoot to a cluster of grapes, whereby each individual grape has its own identity, but since it is connected to the other grapes, it can grow better and faster.

Annual membership fees for Qoot range from \$250 for companies with less than 10 employees to \$800 for large companies (more than 50 employees). Boujawdeh says they are selective regarding admittance to Qoot, with two main criteria being that companies show an interest in innovation—through their business model, product, or service—and are willing to share and collaborate with others in cluster. Agrytech provides Qoot members with training and talks on innovation on a regular basis, and supports them in connecting to new markets.

Qoot provides a network of support for the startups in Agrytech’s accelerator program in that a number of its members mentor, coach, and test or buy some of the startup’s solutions. Meanwhile, many of the startups that graduate join Qoot to have a network of peers and professionals whom they could benefit from or support, Boujawdeh says. During the next three years, Agrytech will be scaling up Qoot and through it will be doing some advocacy and lobbying.

Many aspects of what we consider normal in modern daily life in Lebanon and the region are thanks to innovative entrepreneurs. It is high time that these innovations are directed toward agriculture and agro-industry, two sectors that literally feed us. Agrytech is the first bud of this plant bed, the hope is for the growth of more similar initiatives down the line. ■



# HOUMAL TECHNOLOGY PARK

Squaring the circles



## IN BRIEF

- Houmal Technology Park (HTP) can be an example of tech manufacture and fruitful entrepreneurialism.
- Export orientation of tech companies can be realized independently from the Lebanese entrepreneurship ecosystem that relies on Circular 331.
- First-mover disadvantages of pioneering tech companies need to be compensated by state and municipal partners for creation of productive clusters.
- Risks pertaining to the structural deficiencies in the legal and administrative infrastructure and risks linked to the recent changes in the financial and economic environment urgently need to be overcome.

**Digital infrastructure of data centers is an easily overlooked growth industry in tech when compared to the exotic spheres of blockchain-based banking and finance, the internet of everything, or development hotspots from health and virtual reality gaming to artificial intelligence.**

And the project of a first national data center realized in Lebanon as a public-private partnership (PPP) frankly looks today even more utopian than at the beginning of this year, partly for reasons of uncertainty added by the October protests and partly because of the irrational political miscalculations that the PPP project has evidently been facing for over a year (and that contributed to the atmosphere of despondency that set the stage for October 17). But despite no rational line of vision on a national data center to be built as a PPP in the coming years, a new industrial campus on a hilltop a few miles southeast of Beirut provides its visitors with a strong impression of this important information technology (IT) growth sector's potential for Lebanon. This industrial site goes by the name of Houmal Technology Park (HTP).

Talking with Fadi Daou, HTP's mastermind and owner, EXECUTIVE corroborated the following: It is possible for a young enterprise from Lebanon to have innovative manufacturing with a complete focus on export markets, job creation through such a venture could alter and upgrade the economic and social fortunes of the communities in which it exists, and HTP's biggest struggle has been finding the full institutional support that it needs.

Daou's company, Multilane, produces equipment for data center infrastructure. The international market for which is currently worth \$100 billion, he explained in an early October presentation on his project to students. The market, the presentation continued, has seen a 25 percent annual growth over the last five years, with this level of growth forecasted to continue. This is due to continuously rising data volumes and transmission speeds in the IT realm that still functions in line with Moore's law (that processor speeds, or overall processing power for computers will double every two years).

Daou tells EXECUTIVE that he just has passed the half-way mark in investing \$15 million into the development of HTP, and that he aims to at least triple his workforce between 2020 and 2022. “The business we are in is the business of big data infrastructure, and as a company, we are young and growing,” he says. “We are now in the early days of [transmission] standards of 400 gigabits (Gbit) per second per node, from the top-of-the-rack down. As Multilane we are in a leadership position in the 400 Gbit market—we are first to market in that area and believe that this market is going to start growing in 2020 with a five-year growth cycle. [We believe that this market] will carry the growth of the company for the next few years. This is fundamental.

## OPTIMISTIC OUTLOOK

“All our development is done in Lebanon—the conception, realization, testing, qualification and support are initially done in Lebanon, but eventually we are outsourcing go-to-market with our partners—subassembly is done with our contract manufacturers in China, Malaysia, and Taiwan, and the final assembly, programing, and calibration is done here.”

Optimism over global market positions of Lebanese companies is not a message one hears every day. But what one hears even less is companies confident about their job creation potential in Lebanon. Daou is not merely confident of this in an abstract sense; he has a job creation agenda that is currently in the warm-up round, with an emerging tech academy and discussions or agreements for collaboration with several universities.

“We expect to train upwards of 100 students per year, perhaps one to two hundred. We expect the headcount of the company to grow by at least 50 percent annually for the next three years,” he explains. Transferring this to a numerical example, Daou confirms that this target growth implies moving from a headcount of 100 today to 150 in year one, 225 in year two, and about 340 or 350 in year three.

Daou concurs that the HTP vision not only had many mental barriers, bureaucratic obstacles, or even demands for “soft fees” to conquer over the past decade before it reached today’s status—near-readiness for full migration of the Multilane enterprise and its attached academy. Attesting to having encountered distinct first-mover disadvantages, he says, “The problem is not necessarily the money, but the delays that we encounter with bureaucracy

under the existing system. Delays impact us in a very negative way. The world that we work in relies tremendously on time to market, and if we are delayed in any project, our customers are not going to wait for us next time. They are going to use our competitors. We need to remain competitive not only on price, value, [and] performance, but also on turn-around time.”

In his perspectives on what can work in improving the industrial tech sector in Lebanon, Daou sees the path of attracting dynamic multinational companies to Lebanon as preferable over efforts to foster local formations of tech companies and take them from startup to international exit.

■ “The problem is not necessarily the money, but the delays that we encounter with bureaucracy under the existing system.”

In this sense, what sets HTP apart from other initiatives in the entrepreneurship ecosystem of Lebanon is that it is not a story of the monetary stimulus engendered by Banque du Liban’s (BDL), Lebanon’s central bank, Circular 331 and crystalized around the Beirut

Digital District (BDD). Not being part of the entrepreneurship ecosystem of BDL-inseminated tech embryos nurtured in BDD breeding boxes on lifelines of banking-infused funds that are administered by VC nurses, the HTP campus feels more like the founding cell of its own ecosystem.

In the context of seeking to test the mutual influence and development potentials between Lebanon as location of an innovative manufacturing project and such an enterprise, Daou is now facing uncharted territory and risk scenarios. Talking after recent changes in the banking sector practices and before the protests, he notes new risk potentials that are rising in Lebanon’s economic framework. “If the cash flow barrier becomes prohibitive for us, we would reach a point where we would need to mitigate this risk by adopting a different operations model where we can function without operating out of Lebanon,” he says. “Another risk which we are afraid of facing is the fact that we have employees at subsidiaries and offices in Germany, the US, and Taiwan. If we get to a point where we can no longer transfer money, hard currency, to compensate them, we would not be able to keep these offices open or keep our customers satisfied. This is the risk that we face as an indirect or secondary monetary effect.” ■



# IN NEED OF VIRTUAL SPACE

Lebanon needs fintech regulation to keep up with regional growth



AUB-iPark at Beirut Digital District

## IN BRIEF

- Lacking regulation or access to licensing, fintech in Lebanon proves challenging.
- While there are fintech-adjacent paths entrepreneurs can pursue, these require partnering with licensed entities, such as banks and financial institutions, which are limited in the number of partnerships they can undertake.
- Other countries in the region have opened up regulation and created regulatory testing sandboxes to encourage fintech.

## Entrepreneurs in Lebanon seem to have a certain resilience within them.

"If you can make it work in Lebanon, you can make it work anywhere," is a mantra often heard by EXECUTIVE. For one sector, however, making it in Lebanon proves particularly challenging—especially for late comers. Fintech entrepreneurs in Lebanon are faced with the lack of access to licensing and the lack of regulatory or technical sandboxes—usually established by a government or central bank—making it hard for fintech startups to operate or test their products. As a result, many fintechs find themselves turning to regional markets earlier in their lifecycle than startups in other sectors—in some cases before testing or marketing their products.

Globally, the fintech market took off around 2015. Market size will reach \$305.7 billion by 2023, according to international consultancy firm Kenneth Research. Other predictions by the firm

include the payment/billing services sub-market segment generating \$207.11 billion in revenue by 2023, with significant growth in artificial intelligence and blockchain, and North America leading globally in expected growth, but Asia-Pacific anticipated to grow faster than other regions.

In the MENA region, fintech is growing, albeit behind global rates. A report from Magnitt, a Dubai-based entrepreneurs' network, found that in 2018, fintech attracted the most investment by sector in the region—at 12 percent of investment overall. Annual growth is expected to reach \$125 million by 2022, according to a 2018 research by Beirut-based MENA Research Partners. The number of fintechs in the MENA region has more than doubled in the past two years—to more than 240 companies—according to research from Fintech Galaxy, a Dubai-based company.

## REGULATORY DESERT

Fintech in Lebanon is challenging, but success stories do exist. A 2019 Arabnet article cited 16 fintechs in Lebanon, with the country ranking third in number of fintechs hosted regionally. From the commercial bank side, in 2018 Bank Audi ran a hackathon where it invited five startups to test their products in a sandbox they had created. A new white paper by MEVP from 2019 titled “Evolving MENA Fintech Landscape” notes the importance of such a sandbox in a fintech ecosystem: “The virtual space created by such a framework provides a restricted area in which FinTech businesses (both established and start-ups) can test and refine their technology-based innovative products, services, and platforms without being immediately burdened by the usual regulatory and financial requirements which would otherwise apply to their activities.” Sandboxes are especially important for those entrepreneurs who wish to develop payment, wallet, digital banking, loan, and microloan solutions.

Another positive signal for fintech in Lebanon is that banks are looking to collaborate with startups, founder and CEO of Fintech Galaxy Mirna Sleiman says. One successful example is that of Tycron, whose product gives banks a real-time overview of their local and overseas accounts, now in use by SGBL. The Investment Development Authority of Lebanon's Fintech Sector in Lebanon 2018 Factbook points to seven Lebanese fintechs that have grown into regional and international players in the last five years, as well as identifying Lebanese fintech market opportunities in insurtech and e-payment with “12 payment providers offer-

ing fast and innovative payment methods which enables fintech start-ups to bring new techniques.”

Lack of regulation, however, remains a major challenge. Back in June this year, Riad Salameh, the governor of Banque du Liban (BDL), Lebanon's central bank, released a statement saying: “Our intention is to regulate and supervise fintech companies, by imposing their licensing by Banque du Liban.” To EXECUTIVE's knowledge, no progress was made on this front. (Pinpay, an electronic money transfer service is the only Lebanese fintech to acquire licensing to operate from the central bank. Its shareholders are BankMed, Bank Audi, Fransa-bank, and Middle East Venture Partners.)

David Norman, co-founder of Juno, a digital solution for unbanked populations, tells EXECUTIVE that in June he and his co-founder Alexander Axiotiadis were in talks with Prime Minister Saad Hariri's office. “They were looking at how to do a regulatory sandbox, but now because of the eco-

■ The number of fintechs in the MENA region has more than doubled in the past two years—to more than 240.

nommic crisis, they dropped it,” he says. BDL's willingness to consider fintech and other digital solutions and cryptocurrency has accelerated in the last couple years, which is a positive signal for the eventual future of fintech in Lebanon. How-

ever, recent political and economic developments in the country leave the future on a lot of fronts, fintech included, looking uncertain.

There are other options for those who wish to pursue fintech in Lebanon, such as channeling efforts into solutions that do not require a license to operate. However, some entrepreneurs following these routes are still required to partner with banks because they need a licensed party to operate with.

“Blockchain and AI, customer experience, that is technology that is useable. AI companies should be flourishing in Lebanon, but still they don't survive,” Sleiman says. “Part of it is lack of awareness and ignorance on a banking level.”

For those who are newer to the scene, finding partner banks appears challenging. Two new Lebanese fintech startups Anachron, a robo advisory tool, and Juno that EXECUTIVE spoke with (and previously profiled) cited the lack of regulation, lack of a sandbox, and inability to locate a partner bank as the main drivers behind their decision to move their focus out of Lebanon.

Both Anachron and Juno have looked for but failed to find a licensed partner, e.g. a bank or other



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financial institution, to operate under. “I’ve spoken with Blom Bank, Sarander, Audi, and Cedrus, and all have said no for different reasons,” Norman says. “Some are afraid of the tech, some don’t understand what you’re trying to do. The usual excuse is that ‘It’s not within our strategy.’”

Juno, because of their unbanked target market, are primarily considering Egypt (2017 World Bank numbers estimate that 33 percent of adults own a bank account) and Jordan (World Bank data states only 42 percent had a bank account in 2017). Anachron is considering Bahrain, which has a sandbox and legislation for fintech, co-founder and managing partner Wael Khattar tells *EXECUTIVE*. “So far our market [in Lebanon] seems to be non-existent, not just because of the banks, but because of how our product matches the current economy in Lebanon,” Khattar says. Anachron is used by investment advisers and asset managers in banking to increase efficiency of client interaction—it is a difficult time to offer such a product due to the current economic situation.

Even with modest progress, Lebanon lags behind the region significantly when it comes to offering an attractive environment for fintech. “Fintech requires regulatory support. Full stop,” Galaxy’s Sleiman says. “When it comes to fintech,

you can easily set up a company, burn so much cash throughout your lifecycle, reach a deadlock where regulations are not helping you, and then you can go to the graveyard without anyone noticing you were a startup.”

## REGIONAL OUTLOOK

According to the MEVP white paper, Bahrain was one of the first to launch a sandbox in 2017, just one year after Abu Dhabi. Bahrain’s sandbox

has incubated more than 35 startups and Bahrain’s central bank has helped integrate fintech solutions into 11 banks. Today, despite its small market size, it remains an attractive option for fintech in the region, Sleiman says.

Other countries, like the UAE and Egypt have taken

strides forward to make their markets attractive to players in the fintech field by introducing sandboxes and designing innovation-friendly legislation. Bahrain, UAE, Egypt, Saudi Arabia, Jordan, and Oman have all introduced regulatory sandboxes beginning in 2016.

Dubai and Abu Dhabi are also attractive options for those in fintech because of testing environments, but one thing they still lack is the involvement of the central bank, says Sleiman. In 2017, the Dubai Financial Services Authority introduced the Innovation Testing License that allows fintech firms to develop and test concepts within the Dubai International Financial Centre without being subject to regulatory requirements that typically apply, according to the MEVP white paper.

Egypt is another up and coming market, and in Sleiman’s opinion, has the chance to be at the forefront of fintech in the region. In 2019, Egypt’s central bank established a \$58 million fund to invest in fintech startups and also introduced a regulatory sandbox. The first pilot cohort gained access to the sandbox in June 2019 according to a report by *Daily News Egypt*, and have been focusing on digital know-your-customer applications.

The region has made rapid progress in the last two years, but the modest developments from Lebanon are not enough to keep Lebanese fintechs in the country. Even with some fintech finding success, regulation from the government and central bank must catch up.

■ “Some are afraid of the tech, some don’t understand what you are trying to do. The usual excuse is that ‘It’s not within our strategy.’”



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## PLUGGING THE GAPS

New programs offer business, financial help to entrepreneurs



### IN BRIEF

- New accelerator, incubator, and grant programs for startups demonstrate a nichification of the ecosystem.
- Many entrepreneurs rely on these programs for financial support and in-kind services, such as office space and mentorship, to develop their young businesses.
- The ecosystem still has gaps that will need to be addressed to develop further.

**Since 2013, and the advent of Circular 331 in that year that was designed to boost investment in the knowledge economy, the Lebanese startup ecosystem has matured significantly.** The injection of funds into the ecosystem raised awareness and attracted aspiring entrepreneurs. However, with 331 funds funneled to accelerators and VCs via commercial banks having previously slowed, and the country now facing the possibility of economic crisis, the future for Lebanese entrepreneurs looks increasingly challenging and uncertain. Fewer entrepreneurs have set up shop in Lebanon in the last few years as compared to the original Circular 331 boom, and there are still gaps in the ecosystem, such as an early stage and post-acceleration, but pre-VC stage, gap that must be addressed.

For startups in their early stages, ways to mitigate risks and alleviate challenges entrepreneurs face include accelerator and incubator programs that provide support to fledgling businesses, whether by providing finance or in-kind services such as office space, mentorship, and access to networks. According to a 2018 Arabnet report on the Lebanese innovation economy, an ecosystem gap for early stage support exists, and 80 percent of survey respondents said the need for ecosystem support motivated them to apply to accelerator programs. In conversations with VC funds, heads of accelerators, and entrepreneurs, EXECUTIVE was told that funding for post-accelerator stage entrepreneurs is lacking. Today, there are at least seven accelerators and incubators, most of whom were launched in the few years post-331, with the notable exception of Berytech, an ecosystem for entrepreneurs which launched in 2002.

Circular 331 was credited with causing dramatic change in the ecosystem; some attempts to create acceleration programs in the pre-331 era came and went leaving little impact. Now a new generation has been ushered in, and, in some ways, the accelerator aspect of the ecosystem is beginning to see a nichification. New accelerators and other initiatives offer support for green industrial initiatives; fintech (similar to the recently launched Startecheus); fi-

financial inclusion, which in part includes fintech; social enterprises; and one will target renewable energy, waste, and water valorization. In an August interview, IM Capital fund manager Corine Kiame told EXECUTIVE, “We need more accelerators. We have so many gaps. And we need more accelerators outside software, we need incubators and accelerators that are diversified across the sectors.” While new niche programs are cropping up, one general initiative has emerged as well like the Talal and Madiha Zein American University of Beirut Innovation Park (AUB-iPark) that launched on September 2.

Those behind these initiatives see a need for this new nichification. Developing programs specifically for agriculture and industry, considered productive sectors, may help spark innovation and churn out new products and solutions to further develop them. In June, EXECUTIVE wrote that there were not necessarily enough fintech players in Lebanon to warrant a fintech accelerator, and that outlook has not changed. According to 2019 Arabnet data, there are 16 fintechs in Lebanon, and regulatory hurdles and the absence of a sandbox in Lebanon make other regional countries more attractive options (see story page 62).

## SUPPORTING INNOVATION

Beirut-based French business school, École supérieure des affaires (ESA), is launching a new accelerator set to be operational in Q1 2020. This will be housed alongside ESA’s SmartESA accelerator program in a new 3,000 square-meter facility, but will operate on a slightly different model. SmartESA’s new program hopes to incubate 10 startups per cycle, with startups from fintech, insurtech, and productive sectors eligible to receive \$50,000 in cash, plus in-kind services, with a chance for follow-on funding. Unlike SmartESA, which only offers in-kind services and does not take equity, the new accelerator will take equity as payment from the startups. For the new accelerator, the SmartESA team is in talks with corporate and private sponsors, but as nothing is yet finalized details remain scant, and they are applying for Circular 331 funding via a partner bank, but Antoine-Jihad Bitar, SmartESA coordinator, declined to say which bank. With banks implementing stricter capital controls and protests in the country in their second week, he says “Are they going to change their mind after the crisis? I don’t know, but it’s an important question.” With one pure fintech accelerator already in existence, the need for two, given the current number of fintechs and lack of important

support from the central government and central bank, even with SmartESA’s new accelerator only partly focusing on fintech, is questionable according to members of the accelerator scene.

RayMondo sal, a green industrial incubator initiative by environmental NGO Fondation Diane received a \$3 million investment from Viridis investment fund (both the NGO, Viridis, and RayMondo were founded by Diana Fadel, who is the majority shareholder of the latter two), says RayMondo manager Antoine Abou Moussa. The new incubator had its soft launch in August and hopes to be fully operational by the end of the year. Located in the Roumieh industrial district in its own 3,000 square-meter facility, RayMondo has plenty of space to incubate new initiatives. So far, FabricAID has begun to use the space, and Abou Moussa says they are in advanced discussions with L’Atelier du Miel to have their operations there. Abou Moussa says that startups, SMEs, universities, and even corporations can use the space. He tells EXECUTIVE they will invest between \$50,000 and \$100,000 in startups, and they will consider taking equity, a percent on eventual sales, or collecting rent as ways to monetize the company. He did not know the total size of the fund available, and when asked if there was a range they were considering investing in total, he replied, “No range.”

According to a press release from RayMondo, they will have space for 40 green startups and SMEs. Abou Moussa says that they are searching for one large “anchor tenant,” such as a university that rents space as well. RayMondo will buy the

■ With one pure fintech accelerator already in existence, the need for two, given the number of fintechs, is questionable.

machines necessary for industrial innovation, and currently they are sorting out viable clusters for investment; the clusters include waste management, food waste and food companies, and essential oil production.

Abou Moussa says that while no fund size is specified for equipment investment, Fadel will provide funds based on a needs assessment. “It’s new and it’s untapped,” Abou Moussa says. “We’re using our gut feeling in a lot of places. We don’t have a lot of studies done yet on green industries. There’s a few studies, but they’re not specific to what we’re doing. Whatever comes, we’re open, and we’re trying to adapt and understand.”

Similarly, Cleantech, an offshoot of Agrytech—which in itself is a program by Berytech—which will be launched in June 2020 will look at three



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main categories: renewable energy, waste, and water valorization. Although Cleantech will be open to all fields and backgrounds that have to do with water, waste, and energy, Ramy Boujawdeh, deputy general manager of Berytech, says they are working to link it with Agrytech (see story page 56) through what they call the water energy food nexus. “If you want to create sustainable agriculture, you need to make sure you are not depleting your water reserve and not abusing your energy to produce food,” he says, explaining candidates would be startups that are looking at techniques to reduce water usage in agriculture, for example, or at using less energy for irrigation. Cleantech plans to form advocacy groups for each category that will develop and publish white papers to draft laws that aim to improve the capacity to utilize innovation in the Lebanese agricultural sector.

### A DIFFERENT KIND OF SUPPORT

No matter the outcome of ongoing protests in the country, industry and agriculture, will continue to be cornerstones of Lebanon’s economy, despite accounting for a relatively small share of total GDP; combined, they currently account for around 15 percent of total GDP according to McKinsey’s Lebanon Economic Vision. With added stress on the finance and insurance sector in the last two months, which accounts for 9 percent alone, agriculture and indus-

try’s importance cannot be overlooked. Innovation in these sectors have the potential to be largely impactful, and support for startups in these sectors will be important to help entrepreneurs develop their ideas and get their nascent businesses off the ground.

Two other niche initiatives that operate differently from traditional accelerator and incubator programs are the Arab Financial Inclusion Prize Fund (AFIIP) and the Hult Prize Lebanon. AFIIP was inaugurated in 2018 and is currently in its second cycle; it provides funding and a more informal support network to startups, SMEs, and larger corporations in the financial inclusion field across the region. AFIIP has \$55,000 that will be dispersed this year as part of the grant that is provided by four sponsors: Consultative Group to Assist the Poor (CGAP), the Sanad Fund by Finance in Motion, Spectrum Digital Holdings, and Tamer Amr, who is a private sponsor. Alexander Reviakian, co-founder of AFIIP says while he realizes the amount is small, the technical support provided to winners and finalists is an added value.

As AFIIP is a grant, it operates differently from an accelerator, yet when asked what support they provide outside funding, Reviakian pointed to several ways that AFIIP, which had 97 applicants this year, helps those who apply to network (e.g. by paying for them to attend regional conferences with major players in financial inclusion and setting up meetings in advance) and indirectly develops their go-to-market strategies by facilitating connections between small players, like startups, and large players, like regional banks and accelerators.

Similarly, Hult Prize Lebanon, developed in partnership with Lebanon’s central bank—Bank du Liban (BDL)—Blom Bank, the United Nations, and Hult Prize Foundation, which operates in 15 cities globally, is a grant and mentorship program designed for university students. Hult Prize Lebanon, part of the global Hult Prize Foundation that launched in 2009, is now beginning its third cycle having launched its first cycle in Lebanon in 2017. It awards an annual seed grant of \$250,000 for one startup focusing on impact entrepreneurship, which in Lebanon could be those that focus on electricity or healthcare, for example. Karim Samra, CEO and founder of Changelabs and COO of Hult Prize Lebanon tells EXECUTIVE that when they began the initiative they found Lebanon to be an attractive country because of BDL’s Circular 331. Since they began operating in Lebanon, the number of participants doubled from year one to year



■ Agriculture and industry will continue to be cornerstones of the economy.

two, and Samra says numbers for year three are on track to double again. There are now around 70 active campuses spread across 30 to 40 universities, with 5,000 students applying last year, Samra says.

Beginning in September, Hult Prize Lebanon sends mentors to campuses for what they call the on-campus round and students receive training in ideation and pitching; experts also run hackathons. For round two, teams that make it to the next phase are invited to Beirut Digital District for the Student Startup Forum for further coaching, and ultimately they pitch their ideas. Finally, the teams are narrowed down to the top six who go through a six-week incubation program in Beirut, and experts are flown in to provide mentorship throughout the cycle. The winner is registered as a company and continues to receive support while establishing their business. While the runners-up receive no cash, Samra says that last year, two were accepted into Berytech's program. Two avenues exist for Lebanese to get global experience; the winner of the Student Startup Forum is invited to an incubator program in London, and the best on-campus team from each campus is invited to compete in global regionals.

## FUTURE OF ENTREPRENEURSHIP

Both these programs provide networking opportunities to companies in their programs. Reviakin tells EXECUTIVE that plans to expand in coming years include developing more categories for applicants, such as one for startups and one for more established companies. These programs both offer direct avenues to regional and global conferences, networking, and opportunities for additional funding. In Lebanon, where many startups look to expand beyond Lebanon, this kind of networking could be a key ingredient to helping many survive and grow their companies.

The AUB-iPark does not discriminate on the type of startups it will accept and has identified pre- and post-accelerator gaps as target areas for their new initiative. Leveraging research and talent produced at AUB, they hope to improve the quality of the pipeline going into accelerators. For the post-accelerator stage, mentorship and networking are the main offerings. Overall, the ecosystem lacks investors for the post-accelerator stage, though a couple new initiatives have emerged in the last few years. And while mentorship is valuable at any stage, cash is crucial for startups in the post-accelerator stage to further develop their product and expand their customer base through marketing. While the AUB-iPark will not take equity or charge


for rent, they offer no cash for startups. Startups with at least one founder that is a current student or AUB alumni will be eligible for the program. They will run competitions in which smaller cash prizes are available, but the details had not been confirmed as of writing. Salim Chahine, AUB-


iPark executive director, says, "We are using the support of our Zein Endowment as well as the AUB operating budget to support startups." He declined to comment on the size of the endowment or budget.

With all these new initiatives and fewer new

businesses, the question of the utility of so many new accelerators is raised. Bitar says that while the overall number of startups is decreasing, the overall quality has increased. But even with an overall quality increase, are there enough new ideas to warrant so many programs? Bitar believes there are. And efforts like the AUB-iPark and Hult Prize that aim to create startups and feed the pipeline at the university level, perhaps they will successfully generate interest in entrepreneurship.

Ideas are often born out of crises, and with Lebanon on the brink of crisis, some are hoping to see more turn to entrepreneurship. "We're always worried about the economic situation, right?" Chahine says. "But this is something out of our hands and out of our control, so we're trying to look at things positively. If there's an economic crisis, our kids need to do something differently, and our kids need opportunities. Maybe pushing them to think of their struggle, they can come up with new ideas."

Making predictions right now for the future is hard, but entrepreneurship certainly has a role in the future of this country, especially in productive sectors. If these programs are able to find enough quality startups to accelerate and incubate, they have the potential to add real value to the ecosystem. It can be assumed that a few quality startups will emerge in the coming year or two as the ecosystem since Circular 331 has gradually established itself, but if there will be enough to fill up the space these new programs in addition to spaces existing programs offer is yet to be determined. And regarding a holistic examination of the ecosystem, more analysis is needed on the post-accelerator gap to determine current supply and demand and its effects on the ecosystem. 

 Ideas are often born of crises, and with Lebanon on the brink of crisis, some are hoping to see more turn to entrepreneurship.



## LESSONS FROM THE UK

Lebanese entrepreneurship requires a robust regulatory framework



### IN BRIEF

- Regulation is key for the success of entrepreneurship initiatives.
- Tax breaks, a regulatory sandbox, and access to finance will aid investment in small and early stage startups in Lebanon.
- The Banking Control Commission of Lebanon could play a pivotal role in kick-starting the fintech sector through a regulatory sandbox.

**The High-Level Lebanon-UK Tech Forum, held in London on September 19, was a showcase not only of the Lebanese entrepreneurial spirit, but of the global outreach of Lebanon's tech industry and digital ecosystem.** The takeaway was that despite undeniable and plentiful challenges in Lebanon's startup ecosystem, at the governmental level the desire is there to actively support entrepreneurship, particularly within the tech sector.

Yet, underpinning the government's goodwill is a key cornerstone on which the success or failure of entrepreneurship initiatives depends: regulation. The experience of other countries that have successfully created a thriving business and startup hub shows that creating an appropriate regulatory framework to support such efforts is key. Investors seek stability, consistency, and proportionate and predictable regulation that is built around a long-term strategy.

A look at measures that have proved successful in other countries is a good starting point. Take, for example, the UK tech startup ecosystem, which has evolved rapidly over the past decade, outpacing other European countries in terms of funding—7.1 billion euros (\$7.8 billion at the time of writing) was raised in 2017 alone. The ecosystem has largely benefited from support by the UK's financial services and markets regulator, the Financial Conduct Authority (FCA), through its Project Innovate, designed to aid innovative businesses in fintech and regtech. A key element of this project was its regulatory sandbox, established in 2015, that allowed authorized businesses to trial innovative propositions in the market with real consumers. A review of the regulatory sandbox published by the FCA in October 2017 confirmed that it had indeed reduced the time and cost of introducing innovative ideas into the UK market.

### PRACTICAL SOLUTIONS IN LEBANON

What exactly are the regulatory measures that could see investment in small and early stage startup businesses transform Lebanon's economic landscape and even make the country a global hub for

startup capital? We will look at three: tax breaks, a regulatory sandbox, and access to funding.

The UK Seed Enterprise Investment Scheme (SEIS) has been a successful government policy to encourage investors fund small and early stage startup businesses in the UK by offering those investors tax-efficient benefits—allowing up to 50 percent of the investment to be claimed back as income tax relief. Before 2012, investors would be taxed relatively heavily on any money they put into a new business, creating a lack of incentive to fund small and early stage startups. However, under SEIS, a number of tax breaks were introduced to would-be investors that made it much more rational for them to fund a startup.

Undoubtedly, a well-designed tax benefit scheme similar to the SEIS for would-be investors targeted to boost growth in specific sectors (fintech, agritech, medtech, and insurtech) would be a good starting point in Lebanon.

A common area of concern for investors in early-stage startup companies is the regulatory certainty of the firms in which they are considering investing. Feedback from all startup firms who participated in the UK regulatory sandbox indicated that taking part in the sandbox program provided a degree of reassurance to investors through the oversight of the FCA and the increased regulatory certainty participation provided. The Banking Control Commission of Lebanon (BCCL) has the opportunity to play a pivotal role in kickstarting the fintech startup industry with measures such as a regulatory sandbox. This would serve as a framework to allow small-scale live testing for new business models and increase the credibility of domestic Lebanese startups with both investors and customers alike.

As for access to funding, fintech, with solutions such as loan-based peer-to-peer (P2P) and investment-based crowdfunding platforms, stands as a serious contender to unlock the funding challenges faced by Lebanon's SMEs. Yet the emergence of a P2P lending sector requires a strong regulatory framework to protect both lenders and borrowers and ensure that investors receive the appropriate level of protection.

■ A common area of concern for investors in early-stage startup is the regulatory certainty of firms.

In the US and the UK—the two largest P2P markets in the world by volume—the sector is highly regulated. In the UK, the regulatory framework around P2P has been designed primarily to provide additional protection to consumers, while promoting effective competition within the P2P lending industry.

The regulation of this sector in Lebanon would allow the emergence and growth of the industry in a controlled way. What is needed is a combination of legislation and a regulatory framework from BCCL and Banque du Liban, Lebanon's central bank. This would not happen overnight, but with the right roadmap in place this could be achievable in the next five years.

The Middle East has one of the highest savings rates in the world, but people do not use a lot of credit, and investment opportunities are lacking. Therefore, a P2P model has the potential to place Lebanon at the receiving end of savings to be channeled into a dynamic SME and startup ecosystem. ■

*Roxana Mohammadian-Molina is chief strategy officer and board member at Blend Network. A former banker at Morgan Stanley in London, she now focuses on investing in, growing, and advising fintech companies.*

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# BOOSTING OUR ENTREPRENEURIAL SYSTEM

Lessons from the American entrepreneurship ecosystem



## IN BRIEF

- Fostering a supportive culture is key for entrepreneurship.
- The government needs to create policies that enable entrepreneurship, such as tax incentives and intellectual property rights.
- Universities in Lebanon need to include real-world, hands-on engagement within entrepreneurship programs.

**With the current hardships and challenges Lebanon is encountering, the government needs to look to new ways to reboot its economic system and to boost its economic growth.** The answer is in investments into our entrepreneurial ecosystem. This summer, I had the opportunity to spend three months in the US as a visiting scholar at Ball State University, where I learned a lot about the American entrepreneurship ecosystem. Although entrepreneurial developments in Lebanon are progressing, I believe that Lebanon can learn from the solid American ecosystem to make running businesses easier and more efficient.

## SUPPORTIVE CULTURE

In the US, the entrepreneurship culture is community oriented. When I was there, I realized that there is a sense of responsibility toward the other, and a willingness to support each other. A key factor of America's innovation ecosystem is the strong interconnections among its people, which promotes collaboration and the exchange of ideas. This is important for innovation because it allows entrepreneurs to have allies, receive help, and form connections more easily. Entrepreneurs usually seek supportive communities that encourage entrepreneurial pursuit and reward innovative mindsets. To thrive, entrepreneurs need to be immersed in a culture of innovation and one where risk-taking is supported. Culture is an enabler for the entrepreneurial ecosystem and can play a vital role in motivating entrepreneurs to launch their own companies.

## ENABLER GOVERNMENT

On the policy level, undoubtedly the Lebanese government has to create new policies that will transform the country's entrepreneurial ecosystem into a more dynamic and finely tuned one. In fact, the US government plays an important role in nurturing entrepreneurship by developing protected intellectual property rights and imposing low and stable nondiscriminatory tax regimes and regulations. In addition, the US government aims to make doing business easier in the country. The government wants to reduce the time and effort required to register a company. For instance, it took me less than 72 hours to register a business in the state of Indiana. The entire process was done online from my home and through a website.

## ENTREPRENEURIAL EDUCATION

American universities have a huge impact on the entrepreneurial ecosystem by offering high-quality academic programs that equip students with the mindset, knowledge, and skills to run entrepreneurial firms. Entrepreneurship is integrated into the curriculum and available at all levels of hundreds of business schools across the US. Courses focus on all aspects of business growth including pre-startup, startup, growth, and consolidation stages. In addition, business schools have strong connections to industry, with a number of research centers and innovation hubs. In the Lebanese context, universities are showing interest in investing in entrepreneurship education, but still with a real lack of hands-on, real-world

engagement with the problems faced by Lebanese entrepreneurs in the market. The role of entrepreneurship education should be approached with caution. There is no doubt that entrepreneurship education is likely to be of value to Lebanese students. However, the reality of launching, sustaining, and growing a business in Lebanon has specific requirements. While some universities are focusing on how to launch a startup, they ignore the importance of teaching startups how to grow and scale a business in the Lebanese context.

## ACCESS TO FINANCE

To prosper and grow, innovative and creative startups need access to appropriate forms of finance. The availability of finance is a further positive feature of the American entrepreneurial ecosystem. For example, the US Small Business Administration provides funding to entrepreneurs and small businesses when private banks are not inclined to do so. Many states also offer incentive programs for startups. For instance, Massachusetts encourages startups to invest in re-

■ Entrepreneurs need to be immersed in a culture of innovation and one where risk-taking is supported.

search and development (R&D) by offering sales and use tax exemptions. If a startup in Massachusetts is buying gas, steam, electricity, or heating fuel, and has five or fewer employees, it can be exempt from sales and use

tax. Actually, some Lebanese or foreign would-be entrepreneurs might not make the decision to invest in Lebanon because of the high taxes. To compete with other businesses, startups need a supportive financial environment. Reducing financial barriers would definitely then improve the Lebanese ecosystem dynamism.

The American ecosystem took years to build. In Lebanon, around six years ago, the entrepreneurship spirit was nearly nonexistent. However, in 2013, with advising from the World Bank and EU, Banque du Liban, Lebanon's central bank, issued Circular 331. The Circular played a significant role in activating Lebanon's startup economy across the country. The Lebanese government, alongside local institutions, should keep this momentum and provide new initiatives and incentives to drive growth in our economy. ■

*Samer Elhajar has a PhD in marketing from the University of Strasbourg. He is an assistant professor at the University of Balamand and consults in strategic management and marketing.*



# BUSINESS ESSENTIALS

## Company Bulletin

■ The **European Investment Bank** and **Saradar Bank** signed an agreement for a 30 million euro line of credit to support investments of Lebanese small and medium enterprises in Lebanon. This operation is part of the Economic Resilience Initiative that aims to mobilize funding for SMEs and promote private sector development in the region.

■ Commenting on the June PMI results, Rouba Chbeir, senior economist at **BLOMINVEST Bank**, said that reports by **Fitch Ratings** among others this month downgraded Lebanon to “CCC” from “B-,” and that this also reflects the new rating of Lebanese banks. As a result, economic growth faltered and is expected to have registered 0 to 0.5 percent in the first nine months of the year.

■ **Campbell Gray Hotels** has made two key appointments as it focuses on continued development and expansion, especially in Europe and the Middle East. Georges Ojeil has been promoted to the role of area manager, Beirut and Amman. As area manager, he will have to oversee Le Gray Beirut, as well as Amman’s Campbell Gray Living, and the forthcoming Campbell Gray Hotels. Campbell Gray Hotels has also appointed a new operations director, Simon Venison.

■ In line with its continuous efforts to strengthen relationships with its clients, **Bankmed** has announced its partnership with

**MEDCO**. This partnership enables the bank’s cardholders to get a 1 percent “Drive Time” as a cash-back reward every time they use their credit cards at MEDCO and Phoenicia service stations, as well as when shopping at Yala Stop Super Dekkene.

■ **BBAC** recently announced that The Multilateral Investment Guarantee Agency, a member of the World Bank Group, has issued \$67 million in guarantees to the bank to facilitate financing for SMEs by increasing its loan portfolio across BBAC branches in Iraq.

■ **CHANCE Association**, which from 2002 has been covering the treatment of children with cancer and blood disorders and supporting their fight against cancer with 80 percent cure rates, organized its annual fundraising event at the Kempinski Summerland Hotel and Resort on September 24.

■ **Bentley** has announced new model year details for its Continental GT, the GT V8, and the introduction of new features.

■ **Cannes Lions** launched the 2020 Festival by announcing the Content Agenda themes, alongside the launch of the Creative Business Transformation Lions. New elements of the Cannes Lions International Festival of Creativity, taking place from June 22 to 26, 2020, were devised through industry-wide consultation and in-depth research

with the global branded communications community.

■ On October 23, **Huawei Consumer Business Group** announced that it has shipped 200 million smartphones to date in 2019, 64 days earlier than the same shipment milestone last year.

■ **Nissan** plans to open an interactive venue near its global headquarters where people can experience the company’s products, technology, and vision for the future of mobility, set to open early next summer in Yokohama, Japan.

■ The **Lebanese Association for Taxpayers’ Rights** renewed its call for a national economic and financial forum that redefines economic policies and priorities to be incorporated into a framework law gradually applied over the medium term.

■ **OpenMinds** in partnership with academic and cultural center **QUEST education**, called for a workshop entitled “Hire Me,” which examined the main aspects of the integration of people with special needs in Lebanon into the labor market. The workshop was launched at Citea Apart Hotel Ashrafieh and was completed at the American University of Beirut and Université Saint-Joseph over two consecutive days.

■ **ABC Group** announced that it will donate LL100,000,000

(\$66,357) to **Jouzour Loubnan**, a Lebanese NGO whose mission is to participate in the restoration of Lebanese woodland and promote sustainable forestation to help restore Lebanese forests. ABC's announcement came after the forest fires that raged in Lebanon earlier this month.

■ **Huawei** announced its business results for Q3 of 2019. During the first three quarters of this year, Huawei generated CNY610.8 billion in revenue, an increase of 24.4 percent year-on-year.

■ **Etihad Aviation Group**, owner of the national airline of the United Arab Emirates, and Air Arabia announced the signing of an agreement to launch Air Arabia Abu Dhabi, the capital's first low-cost carrier.

■ **Porsche** presented the third version of its sports saloon with the introduction of the Taycan 4S. The new model is available with two battery sizes including the performance battery, which produces up to 390 kW, and the Performance battery Plus, which delivers up to 420 kW.

■ **Careem** organized a beach clean-up in old Praia beach in Zouk in collaboration with **Live Love Beirut** on October 14. This community-building activity falls in line with Careem's new campaign "Start Something"—aiming to encourage people across the region to take the first step and pave the way forward.

■ Twenty **L'Oreal Prossionnel's** hairdressers joined "scissors" on October 6, at **ABC Verdun**, to offer complimentary haircuts and styling to more than 500 donors from all ages—women, children, and even men—who had come from across Lebanon to make the cut and donate their hair for women fighting cancer.

■ Throughout the past few months, **La Roche-Posay Laboratoire Dermatologique** deployed a multi-faceted skin cancer awareness campaign in Lebanon. The brand partnered with Lebanese dermatologists in key hospitals and universities all over the country to scan questionable moles for patients.

■ In celebration of its 10-year anniversary, Raouche Arjaan by **Rotana** hosted corporate members, loyal guests, media representatives, and influencers on the hotel's 17th floor, overlooking the Mediterranean Sea.

■ **LAU Medical Center-Rizk Hospital** organized a health and safety awareness day in the hospital's garden on October 10. School students between grades six and nine, as well as media representatives and the hospital's visitors were invited to come and learn how to maintain an acceptable level of hygiene and benefit from tips on staying safe and healthy.

■ The **Changemaker Festival** was held this year in Downtown Beirut at District S, on October 5 and

6. With more than 1,000 millennials from Lebanon and abroad, influencers, CEOs, executives, and youth leaders gathered in one place to explore how entrepreneurship can change the world.

■ The Naef K. Basile Cancer Institute at **AUBMC** in collaboration with **Brigham Women Hospital** and **Heidelberg University** and in joint provider-ship with **Cleveland Clinics**, organized the Middle East Neuro-oncology Conference for the second year in a row on September 13 and 14.

■ On October 9, **OGERO** signed a memorandum of understanding with **Dell Technologies** that will enable them to further enhance their technological capabilities with the aim of enhancing customer experience and driving down costs within the telecommunications industry.

■ On September 28, **Le Bristol Hotel** hosted an exclusive lunch and dinner within "*Le Weekend Azuréen à Beyrouth*," an initiative aimed at celebrating the centuries-old French-Lebanese friendship.

■ In line with the Bank's expansion strategy, **Credit Libanais** announced the opening of its 72nd branch in Ghazir, to further strengthen its presence in all the Lebanese regions, and to better cater to the needs of customers.

■ **TBWARAAD** celebrated the inauguration of its new offices located on Georges Haddad Avenue in Saifi, at the heart of Beirut's Central District. 🇩🇪



# BUSINESS ESSENTIALS

## Events

### CONFERENCES

	ORGANIZERS	CONTACT	WEBSITE
<b>LEBANON</b>			
12 Nov	<b>ANTI-CYBERCRIME FORUM</b> Al Iktissad Wal Aamal	+961 1 740173; forums@iktissad.com	www.iktissadevents.com
14-15 Nov	<b>ENVIRONMENTAL EDUCATION IN ARAB COUNTRIES</b> Arab Forum Environment and Development AFED	+961 1 321800; sasaad@afedonline.org	www.afedonline.org
18-24 Nov	<b>GLOBAL ENTREPRENEURSHIP WEEK</b> USEK - Asher Center for Innovation and Entrepreneurship	+961 9 600 835; elieakhrass@usek.edu.lb	www.usek.edu.lb
27 Nov	<b>THE IMPACT OF GLOBAL MONETARY POLICIES ON ARAB AND INTERNATIONAL ECONOMIES</b> Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
27-29 Nov	<b>THE ANNUAL BANKING CONFERENCE FOR 2019: "BACK TO BANKING"</b> Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
27 Nov-1 Dec	<b>TRIPOLI INTERNATIONAL CONFERENCE &amp; EXIBITION</b> IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
6 Dec	<b>INNOVATION LEADERSHIP DEVELOPMENT</b> Melius Consultancy and Achieve	+961 70 966 754; z.holaihel@melius-consultancy.com	www.ihjoz.com/events/5082
<b>DUBAI</b>			
1-2 Nov	<b>INTERNATIONAL CONFERENCE ON MANAGEMENT, ECONOMICS, AND SOCIAL SCIENCE</b> Researchfora	+91 889 518 8531; info@researchfora.com	www.researchfora.com
1-2 Nov	<b>INTERNATIONAL CONFERENCE ON SCIENCE, ENGINEERING AND TECHNOLOGY</b> Researchfora	+91 8895188531; info@researchfora.com	www.researchfora.com
3-4 Nov	<b>ANNUAL MEETING OF THE GLOBAL FUTURE COUNCILS</b> World Economic Forum	+41 0 22 869 1449; contact@weforum.org	www.weforum.org
4-5 Nov	<b>SUPER RETURN MIDDLE EAST</b> Informa Connect	+44 0 20 3377 3279; gf-registrations@knect365.com	www.finance.knect365.com/superreturn-me
4-6 Nov	<b>HRSE SUMMIT AND EXPO</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
13-14 Nov	<b>NEW PRODUCT AND SERVICES DEVELOPMENT CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
13-14 Nov	<b>CITIES AND ORGANIZATIONS CUSTOMER CARE AND HAPPINESS CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
18-19 Nov	<b>EDEX MENA</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
19-21 Nov	<b>INTERNATIONAL OPERATIONS AND MAINTENANCE CONFERENCE IN THE ARAB COUNTRIES</b> Exicon	+961 1 821 421; info@omaintec.com	www.omaintec.com
19-21 Nov	<b>MUNICIPALITIES AND INTEGRATED AND SUSTAINABLE CITIES CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
20-Nov	<b>DATAMATIX ECOMMERCE SUMMIT</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
25-26 Nov	<b>DESIGN THINKING</b> IQPC	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
25-27 Nov	<b>GOVERNMENT EXCELLENCE WEEK</b> IQPC	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
27-28 Nov	<b>FUTURE CORPORATE GOVERNANCE</b> IQPC	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
27-Nov	<b>SOCIAL AND SMART DIGITAL MEDIA EXPERTS CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
4 Dec	<b>GLOBAL WOMEN LEADERS CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
8-10 Dec	<b>FUTURE SUPPLY CHAIN MANAGEMENT AND LOGISTICS LEADERS</b> IQPC	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
11-12 Dec	<b>2020 SUMMIT</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
11-12 Dec	<b>ENTERPRISE FINTECH SUMMIT</b> Naseba	+971 4581 4300; prachid@naseba.com	www.naseba.com
8-9 Jan	<b>GCC 2020 HR MANAGEMENT CONFERENCE</b> Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com

**ABU DHABI**

11-14 Nov	<b>ABU DHABI INTERNATIONAL PETROLEUM EXHIBITION AND CONFERENCE</b> dmg Events	+971 4 4380355; info@dmgevents.com	www.dmgevents.com
10-12 Dec	<b>FUTURE CYBER SECURITY LEADERS IN ENERGY AND GOVERNMENT</b> IQPC	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
13-16 Jan	<b>WORLD FUTURE ENERGY SUMMIT</b> Reed Exhibitions	+971 4 420 8271 2134; EnquiryREC@reedexpo.co.uk	www.reedexpo.com

**SAUDI ARABIA**

3-5 Nov	<b>SAUDI LAW CONFERENCE</b> Exicon International Group	+961 1 821 482; info@exicon-specialist.com	www.exicon-specialist.com
4-5 Nov	<b>WET INFRASTRUCTURE SUMMIT</b> Advanced Conferences & Meetings	+971 4 563 1555; mailing@acm-events.com	www.acm-events.com
4-5 Nov	<b>3ED SMART PARKING KSA</b> Advanced Conferences & Meetings	+971 4 563 1555; mailing@acm-events.com	www.acm-events.com
4-5 Nov	<b>FUTURE LANDSCAPE AND PLAYSPACES KSA 2019</b> Advanced Conferences & Meetings	+971 4 563 1555; mailing@acm-events.com	www.acm-events.com
11-12 Nov	<b>ANNUAL RETROFITTECH KSA</b> Advanced Conferences & Meetings	+971 4 563 1555; mailing@acm-events.com	www.acm-events.com
1-2 Dec	<b>STRATEGIC INNOVATION FORUM</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
3-4 Dec	<b>ATD SAUDI ARABIA CONFERENCE</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
9-10 Dec	<b>MANUFACTURING AND INDUSTRIAL TECH SHOW</b> Advanced Conferences & Meetings	+971 4 563 1555; mailing@acm-events.com	www.acm-events.com
13-14 Dec	<b>INTERNATIONAL CONFERENCE ON SCIENCE, ENGINEERING, AND TECHNOLOGY</b> Researchfora	+91 889 518 8531; info@researchfora.com	www.researchfora.com
13-14 Dec	<b>INTERNATIONAL CONFERENCE ON MANAGEMENT, ECONOMICS, AND SOCIAL SCIENCE</b> Researchfora	+91 889 518 8531; info@researchfora.com	www.researchfora.com
27-29 Jan	<b>SAUDI ARABIA'S FIRST INTERNATIONAL TOURISM EXPO AND CONFERENCE</b> Riyadh Exhibitions Company	+966 1 454 1448; info@recexpo.com	www.recexpo.com

**EGYPT**

8 Dec	<b>FUTURE CITIES OF EGYPT</b> Al Iktissad Wal Aamal Group	+961 1 780 200; forums@iktissad.com	www.iktissadevents.com
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**KUWAIT**

5-7 Nov	<b>NEW KUWAIT SUMMIT</b> dmg Events	+971 4 4380355; info@dmgevents.com	www.dmgevents.com
12 Nov	<b>IFN FORUM KUWAIT</b> REDmoney Events	+603 2162 7800; infoevents@redmoneygroup.com	www.redmoneyevents.com
13 Nov	<b>PRIVATE INVESTORS FORUM</b> REDmoney Events	+603 2162 7800; infoevents@redmoneygroup.com	www.redmoneyevents.com

**BAHRAIN**

19-21 Nov	<b>ARAB INTERNATIONAL ALUMINIUM CONFERENCE</b> BME Events	+2 02 2 564 4116; info@bme-global.com	thebmegroup.com
26-28 Nov	<b>OPEN BANKING MIDDLE EAST</b> IQPC	+030 2091 3274; info@iqpc.de	www.iqpc.ae
3-5 Dec	<b>PRODUCTION OPTIMISATION BAHRAIN</b> IQPC	+030 2091 3274; info@iqpc.de	www.iqpc.ae
14-15 Jan	<b>GLS FORUM</b> Worksmart	+973 1771 7200; info@worksmartbh.com	www.worksmart.bh

**JORDAN**

5-6 Nov	<b>GLOBAL AIRCRAFT MAINTENANCE FORUM</b> Orchid Associates Group Limited	+34 93 220 4586; info@orchidassociatesgroup.com	www.orchidassociatesgroup.com
25-26 Nov	<b>ANNUAL MILITARY LOGISTICS &amp; PROCUREMENT</b> IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae

**QATAR**

11-12 Dec	<b>COMBATING FINANCIAL CRIMES: COMPLIANCE WITH EVOLVING GLOBAL AML/CFT STANDARDS</b> Union of Arab Banks	+961 1 377 800; uab@uabonline.org	www.uabonline.org
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# BUSINESS ESSENTIALS

## Events

### EXHIBITIONS

	ORGANIZERS	CONTACT	WEBSITE
<b>LEBANON</b>			
14-16 Nov	<b>SALON DU CHOCOLAT</b> Hospitality Services	+961 1 480 081 ; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
14-16 Nov	<b>BEIRUT COOKING FESTIVAL</b> Hospitality Services	+961 1 480 081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
27 Nov-1 Dec	<b>TRIPOLI INTERNATIONAL CONFERENCE AND EXHIBITION</b> IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
<b>DUBAI</b>			
4-6 Nov	<b>HRSE</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
5-6 Nov	<b>THE MINING SHOW</b> Terrapinn	+971 4 440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
5-6 Nov	<b>THE GLOBAL FRANCHISE MARKET INDEX</b> Conferences & Exhibitions	+971 4 520 8888; info@globalfranchisemarket.com	www.globalfranchisemarket.com
12-13 Nov	<b>HITEC DUBAI</b> Naseba	+971 4 581 4300; chukkyn@naseba.com	www.hitec-dubai.com
18-19 Nov	<b>EDEX MENA</b> Informa Middle East	+971 4 407 2500; info-mea@informa.com	www.informa-mea.com
25-28 Nov	<b>THE BIG 5</b> dmg Events	+971 4 438 0355; info@dmgevents.com	www.dmgevents.com
26-27 Nov	<b>ACCOUNTING AND FINANCE SHOW MIDDLE EAST 2019</b> Terrapinn	+971 4 440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
26-27 Nov	<b>MARKETING AND SALES SHOW MIDDLE EAST</b> Terrapinn	+971 4 440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
9-11 Dec	<b>GULF TRAFFIC TECHNOLOGY FOR SMARTER CITIES</b> Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
12-14 Jan	<b>SIGN AND GRAPHIC</b> Imaging Dubai	+971 4 343 5777; info@iecdubai.com	www.iecdubai.com
19-21 Jan	<b>INTERSEC</b> Messe Frankfurt Middle East GmbH	+971 4 389 4500; abhishek.dalal@uae.messefrankfurt.com	www.ae.messefrankfurt.com
27-30 Jan	<b>ARAB HEALTH</b> Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informamarkets.com
<b>ABU DHABI</b>			
11-14 Nov	<b>ADIPEC OFFSHORE &amp; MARINE</b> dmg Events	+971 4 438 0355; info@dmgevents.com	www.dmgevents.com
22-25 Jan	<b>BRIDE SHOW</b> Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informamarkets.com
27-29 Jan	<b>TAWDHEEF</b> Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informamarkets.com
<b>BAHRAIN</b>			
4-6 Nov	<b>AMERICAN SOCIETY FOR INDUSTRIAL SECURITY MIDDLE EAST FORUM AND EXHIBITION</b> Bahrain Tourism and Exhibitions Authority	+973 1 755 8800; Info@btea.bh	www.btea.bh
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# LAST WORD

By Thomas Schellen

## Keep the spirit of this revolution

Passion, dignity, and entrepreneurialism

**Constitutions are serious stuff. The one that I grew up under is known as the Grundgesetz—the fundamental law of Germany.** In its first line, this constitution declares that the dignity of the human being is inviolable and that the state has to honor and protect it. Back at the time of this constitution's drafting 70 years ago, this was big news in a country that had just experienced devastation and unimaginable barbarism practiced by its own regime.

Germans are no worse or better than other humans. This is to say that the generations of rulers and ruled that have lived under this stipulation of inviolable dignity since 1949 have had vertical and horizontal disputes by the zillions, including incidents of authoritarian violence. By way of comparison, German society passed through more internal conflicts of interests than is worth to consider when advocating for the importance of constitutional values in a country where defense of the citizens' dignity has for too long not consistently been respected as self-evident.

### IMPLEMENT RESPONSIBILITIES

But Lebanon has last month been awakened to the primacy of all its people's dignity—by its own people. That is profoundly encouraging. How to proceed from this moment? For me, this is mainly not a matter of intellect as expressed in laws and constitutions, but a matter of sustained emotion and will. The determination to succeed are related to the sort of intense passions that have been visible in this country during the October revolution. Young colleagues at

EXECUTIVE who came to the office for a meeting on day seven of protests exuded much emotional energy. This energy might be the secret and, until now, missing ingredient needed to save Lebanon.


It is a paradigm of human experience that passions are followed by responsibility, and that love will or will not be strengthened in the process. Before the yet ongoing global cultural shift marked by medical innovations and the sexual revolution from the 1960s onward, the transmission of love into responsibility was mainly a biological fact of life and the base of societal continuity—but one that manifested itself across cultures, including religious ones, in as much unwanted as wanted responsibility on the part of men, and that too often left its entire burden on mothers.

Partial departures from these biological paradigms have caused vast social behavior shifts in the involved countries. Self-determination has been setting new norms that have been slowly taken up in countries outside of the developed liberal market economies, including Lebanon. These departures also had enormous impacts on economies, not the least by enabling and expanding the economic roles of women. On top of this, the world today is engulfed in a shift to a new economic status quo that is determined not primarily by ownership of crude means of production and control of financial capital, but by ownership of information (big data) and by human and social capital.

While much is globally uncertain in the new economic context, it is my

conviction that human relational energy and entrepreneurialism will play the main role in driving economies as long as there are humans running this planet. The economic implication for Lebanon then is that this country's best shot lies in the activation of its human and social capitals, including the often noted Lebanese penchants for easygoing communication, personal entrepreneurship, and fast adoption of new business ideas.

### CHANNEL THE ENERGY

All throughout the past 30 years, the passions and wills of highly qualified young Lebanese have been curtailed by their perceptions and self-perceptions of living under systemic conditions of political imprisonment, social coercion, and economic hopelessness. If the people who last month accumulated their energies into inter-related manifestations so unstoppable by the forces of old inertia will continue to marshal them—despite all impediments—in their newly discovered passion and belief in their ability to build a better country, the complex triangle of passion, determined love, and willing responsibility could produce so much more than just a bunch of impressive economic numbers. If this is a time to dream, let's dream bigger than big. Peaceful in politics, clean in environment and economic human behavior, and fully cognizant of dignity, Lebanon would be a fantastic place to live. An Eden between east and west, south and north. 

*Thomas Schellen is EXECUTIVE's editor-at-large and in a non-related function serves as chair of Universal Peace Federation Lebanon. The expressed views are his personal advocacy.*

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A woman wearing a black helmet and a dark jacket is riding a white horse over a wooden jump. The horse is in mid-air, clearing the jump. The background is a blurred outdoor setting with a wooden fence.

# LET'S GET THINGS MOVING

Obstacles are many, and so are excuses. Though sometimes it can be normal to have doubts, to overthink, or to hesitate, standing still has never been, and will never be an option. As such, SGBL drives progress by always moving forward, leaning on its solid experience, expert know-how, and innovative products. Attentive to its clients and alongside its partners, SGBL functions as a catalyst, accelerating the economy, and always with the same objective in mind: to get things moving.

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