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VALUE CHAIN ANALYSIS OF MUSIC, CRAFTS AND PRODUCT DESIGN IN PALESTINE

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Abbreviations

BDCs	Business development centres
CSOs	Civil Society Organizations
DCMS	Department for Digital Culture, Media and Sports (UK)
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IPR	Intellectual Property Rights
MoC	Ministry of Culture
MoNE	Ministry of National Economy
MoTA	Ministry of Tourism & Antiquities
MSMEs	Micro-, small and medium-sized enterprises
PCBS	Palestinian Central Bureau of Statistics
PCF	Palestinian Culture Fund
QRP	Quadrennial Period Report
TVET	Technical and Vocational Education and Training
UIS	UNESCO's Institute for Statistics
WIPO	World Intellectual Property Organization

1. Executive summary

Within a strangled context, the public and private sectors along with civil society have been the three cornerstones of development in Palestine. The intrinsic value of core and wider cultural expressions has been considerable while the extrinsic financial value remains distinctly underdeveloped.

While the share of the "creative and culture sector" in the Palestinian GDP was about 10,60% in 2017, and its share in employment was about 2.3%[1] (according to the MoC's Quadrennial Quarterly Report to UNESCO)[2], there are important indications that its economic value including increasing employability and trade can be tremendous, having rich assets in human capital. However, major challenges impede the establishment of full-fledged creative and cultural industries and affect the following three fields: Music, Crafts and Product Design; such impediments are inseparable from others which also curtail different vital sectors. These include an on-going Israeli occupation policy curtailing socio-economic rights and development, including movement restrictions on artists, coupled with internal frictions between the two major political parties, alongside an on-going siege of the Gaza Strip. Moreover, underdeveloped policies and regulations hinder the evolvement of key actors and institutions, which in addition to fragmented resources and uncoordinated efforts, deter the economic potential of creativity and innovation. Such factors undermine the social and economic outputs, as well as the energy of a vibrant sector led mainly by passionate, innovative and resilient actors. A holistic approach with multi-dimensional processes including short and long term interventions is crucially needed by the three key pillars: the government, private sector and civil society.

It has become evident that the creative and culture sectors are among the fastest developing industries globally; *"they account for 3.1% of global GDP, 6.2% of all employment."*[3] Their national ecosystem in Palestine is still far beyond reach: national and sectoral policies do not provide them with sufficient recognition or resources. To reach a consensus on the concept of the Culture and Creative Industries (CCIs), along with their scope and models of functioning within the particular Palestinian context, is a process that involves extensive dialogue among all stakeholders. Allocations of public resources and mechanisms should be balanced compared to other vital sectors, and laws and regulations to protect copyright and intellectual property rights, must be urgently ratified and adapted to meet the rapid technological innovations which are impacting the development of the value chain of all CCIs, and regarding their impact on the national economy. It is estimated that

1 According to PCBS, in 2019 50,400 working women were employed in the governmental sector, comprising about 31% of Palestinian working women; 108,900 women were in the private sector, comprising about 68% of working women; and 32,200 women were working in the informal sector (vs. 320,600 working men). https://www.pcbs.gov.ps/postar.aspx?lang=ar&ItemID=3713

2 https://en.unesco.org/creativity/governance/periodic-reports/submission/3829

3 https://unesdoc.unesco.org/ark:/48223/pf0000380474

there are about 100,000[4] informal micro enterprises with many led by women: MSMEs comprise about 90% of the Palestinian economy.[5] Policies and enabling laws pertinent to the informal sector and the formally registered MSMEs should be well developed. As such, the latest ratified company law goes in this direction; however, some regulations relevant to, for example, tax exemptions, incentives of registration, facilitating e-commerce and financial transactions, are still hindering many individuals and informal entities. Moreover, insufficient awareness of the national laws, as well as international copyright laws coupled with the limited technical skills of actors in productive CCIs fields, are hindrances to the establishment of an important economic base. Accessibility to finance, as well as to opportunities for developing both digital and management skills tailored for the different CCIs, requires serious efforts be made by key actors. Private sector investment in the CCIs, through establishing spaces, resources and financial opportunities, are crucial. Private sector investment in the CCIs coupled with international support are also important for establishing spaces, providing resources and financial opportunities.

While about 80% of Palestinian households have access to the internet and use social media platforms, the digital and ICT sector are given sufficient attention in the national priorities, given their estimated value in GDP of about 3.6%. There are critical issues hindering the sustainable exploitation of this digital progress in CCIs. These include: discriminatory policies by Israel which blocks infrastructural development and the importing of equipment, along with discriminatory policies on digital financial transactions by giants like PayPal; these are bottlenecks facing all sectors including the CCIs. As well, a lack of skills and capacities by key actors in CCIs, alongside resistance from many of them to a transition towards a digital-physical hybrid in the creation, production and dissemination of CCIs, are negatively hindering a sustainable cultural and creative ecosystem.

Encouraging creativity, exploration and innovation has to start at an early age among children and youth at the schools. University and other higher education programs in the CCIs have not fully developed into encouraging research and exploration as basic preliminary phases for any creative and innovative endeavours, let alone possessing insufficient equipment, spaces and, technical and business skills programs for students. An important effort has to be exerted to establish holistic approaches and resources to the educational system in Palestine, geared to serve research, creativity and innovation in the cultural and non-cultural industries, as well as to identify compatible solutions between the educational system and the labour market. The Ministries of Education, Higher Education, Culture, Tourism, and National Economy, as well as tertiary education institutes, together with the key actors and private sector, can establish such a basis.

While a vibrant culture and arts society have been leading and accumulating a rich experience in CCIs including music, crafts and design, the gaps cited above are coupled with others which affect the functions of the value chain. In particular, the participation of women in CCIs is not exactly known due to a lack of research, but it is known that women-led projects or those home-based dealing in crafts are quite substantial. Women in fields like music and design have been less visible

4 http://www.palestinecabinet.gov.ps/ The Strategic Sectoral Plan for Labour 2021-2023 (p.32)

5 http://www.palestinecabinet.gov.ps/WebSite/Upload/Documents MoNE Sectoral Plan 2021-2023 (p.15)

until now, noting that women's participation in the labour force in Palestine is extremely low. For music, during the pre and post production, there is limited technical and managerial expertise, a lack of financial resources for individual musicians, limited knowledge, skills and experience, as well as accessibility to digital avenues, all of which are hindering the field. In addition, the absence of production companies or record labels/companies, coupled with an absence of the copyright law, are the major issues seriously affecting the full potential of this field. Encouraging the creation of production companies and ratifying copyright law will affect the full potential of this field. A managerial structure to handle these issues should be established, provided with sufficient human and financial resources. The interconnection between the music field and other fields and sectors including audio-visual productions, advertising, and trade among others is a source of employability and economic value.

The crafts value chain remains less affected by all the technological innovations, being less sophisticated, although the impediments above affect all functions. Specifically, tax and import regulations of raw material, as well as flooding the market with competitive, less quality similar products are threats to the productivity of Palestinian handicrafts. External trade procedures, and financial and technical schemes from the private and public sectors are excluding many informal handicraft entities. Moreover, there has been the abandonment of craftsmanship by the younger generation, the serious decline in "religious tourism", and most recently, the repercussions of COVID-19 on this sector and particularly on women-led projects. Once such negative features are reversed, the economic value of crafts, especially for MSMEs and women-led projects, can establish remarkable added value to the economy.

While crafts' social value is in their safeguarding of the Palestinian heritage, product design has been slowly emerging among young entrepreneurs wishing to explore new concepts and ideas, drawing inspiration from Palestinian heritage and world heritage. Importantly, given that is has been affected by the digital and technological innovations, the value chain of product design in Palestine is still not fully explored. Starting with research—which is crucial for the ideation and creation of concepts—product design in Palestine requires important changes and much overhaul, starting with the school system and going onwards to higher education. Designers need to improve their skills in exploration and research before embarking on prototyping and testing. Social and environmental research on people's and the environment's needs can help designers innovate creative solutions to respond to these needs. Creating fab-labs and co-working spaces for creation and production are essential. Investing in showrooms and digital and physical platforms will be encouraging for designers who also face challenges related to the importation of raw material and the discouraging commercial regulations for developing production-based businesses. International trade of design according to UNCTAD's reports from 2004-2015 indicated that design had the highest share of Palestinian imports and exports. National policies and private sector investment in this sector can gauge its highest potential, which will be reflected in the economy and GDP. Specifically, product design has an important connection with vital sectors and may hold tremendous value for job creation and the economy in general.

2. Introduction

2.1. Introduction

Based on a request from the EU Delegation (EUD) in Jerusalem through the Culture Relations Platform (CRP) in Brussels, this study presents the outcomes of research on the value chain analysis of music, crafts and product design in Palestine. The study “shall give the EU Delegation and its implementing partners, as well as national policymakers, an understanding of the dynamics of the market and assess where blockages and gaps may appear in the creation, production, distribution, and consumption of cultural industries”. It shall also offer insights into the weaknesses of a specific sector, including details on the challenges and opportunities facing a growing cultural field. For the EUD, the study’s overall objective is to “***contribute to enhancing employability and the promotion of products in the field of cultural and creative industries, preserving and advancing the traditional and contemporary local creative industries in Palestine.***” Its specific objectives are:

- To identify new prospects for the selected domains in the creative industries by informing decision-making through data analysis.
- To increase the competitive advantage and efficiency of Palestinian cultural products.

To achieve these objectives and better understand the value chain analysis (VCA) of the three aforementioned fields in Palestine, it was important to first present **the conceptual framework underpinning this study (section 2.1.1).** It gives insight into the broad terminology relevant to the creative and cultural industries (CCIs), their classifications, and their interconnectedness in the Palestinian context. Since the concept and term of CCIs in Palestine have not been given any precise description or definition, the conceptual framework of this research had to draw inspiration from the literature on definitions from international organizations such as UNESCO, UNCTAD, the EU, the UK Department of Culture, Media and Sports (DCMS), among others. The term “cultural and creative industries” will be used throughout the research; however, any reference to the “culture, arts and heritage” sector will be also used in this context. It was also imperative to present the **general context** affecting the value chain of CCIs in Palestine, its strengths, core challenges, policies and key actors (**sections 2.2**). These two sections laid the foundation for understanding the “value chain analysis” of Music, Crafts and Product Design; an economic value-added analysis was also supplied. Recommendations on the CCI ecosystem and each field are given in Chapter 6. The set of literature reviews along with the extensive fieldwork were the main inputs for the conceptualization and analysis of this research. Specifically, this methodology seemed the most appropriate although it also encountered several problems during the research process, which will be addressed in due course.

2.1.1. Concepts and definitions

Since the 1980s, there has been a "transformation in the perception of the role of culture in the economic and social realm."[6] The debate is still complex and ongoing: measuring the intrinsic and emotional value of heritage, culture, and identity versus financial and economic values. In the Palestinian context, the intrinsic value has been considerable, while the extrinsic financial value remains distinctly underdeveloped.

Given the ongoing technological developments coupled with the social and economic trends, there are still inconsistencies in the definition and scope of the following terms: Cultural and Creative Industries (CCI), Culture and Creative Sectors (CCS), and Creative Economy. The combined terms "cultural industries"[7] and "creative industries" are not new.[8] From the term "cultural activities" found in early literature in the 1980s to "cultural industries" in the 1990s, highlighting the economic benefit of culture, and then the shift toward "creative industries" in the early 2000s, the associated activities required innovations in technology and IT. Most recently, the term "Creative Economy" (also called the Orange economy[9]) has been used to denote the inextricable link between culture, creativity, and economy. After all, the adoption of a certain definition depends largely on "the needs and scope defined within local policy evaluations and development initiatives."[10]

UNESCO gives a broad definition of the "**cultural and creative industries**" as activities "whose principal purpose is production or reproduction, promotion, distribution or commercialization of goods, services, and activities of a cultural, artistic or heritage-related nature."[11]

In their respective definitions, DCMS, WIPO, UNCTAD, and the EU highlight issues related to content and intellectual rights. For DCMS, the creative industries are "those industries which have their origin in individual creativity, skill and talent which have *a potential for job and wealth creation* through the generation and exploitation of intellectual property."[12] Most importantly, almost all definitions situate human creativity and skills at the core of the creation, production and dissemination of cultural and artistic expression; in addition, they highlight complementarities with other sectors belonging to the economy. In general, the relationship between culture, creativity and industries, be they commercial or non-commercial, are all encompassed in the term "creative economy".

6 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf (p.12)

7 In 1948, Theodore Adorno and Max Horkheimer coined the term "cultural industries". https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF

8 In 1994, the term 'creative industries' first appeared in "Creative Nation", a report issued by the government of Australia (Afriantari and Harikesa, 2020) (p.10). UNCTAD Creative Industry 4.0: https://unctad.org/webflyer/creative-industry-40-towards-new-globalized-creative-economy

9 https://www.s4ye.org/sites/default/files/2020-09/Jobs%20in%20the%20Orange%20Economy.pdf (p35)

10 https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF

11 https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF & https://en.unesco.org/creativity/sites/creativity/files/cultural_times._the_first_global_map_of_cultural_and_creative_industries.pdf (p11)

12 UK's Department of Culture, Media and Sports ('Creative Industries Mapping Document', DCMS, 2001) https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF

2.1.2. The Palestinian conception of the Cultural and Creative Industries

Given the prioritization of the intrinsic values of cultural and artistic expression in the narrative and history of Palestine, the economic conceptualization of "CCIs" or the Creative Economy does not formally exist. Policy documents refer to the terms "creative industries" and to "cultural industries" separately or in combination. The terms are not explicitly defined and are often linked to the "handicrafts sector". Furthermore, the "Arts and Culture sector" has been a common term used in policy, research, and among actors. In the latest National Policy Agenda (2017-2022), the term "creative industries" was also linked to the development of "crafts", heritage and the tourism cluster. The sector strategy of the Ministry of National Economy (MoNE) highlights the "tourism cluster" as one of the industries to be invested in, including the crafts sector. The Ministry of Culture (MoC) national and sector strategies are dedicated to "Culture, heritage, and arts". Moreover, the term Creative Industries appeared in the 2017-2022 National Plan for Culture issued by the Palestinian MoC.[13] Two policies include specific objectives related to "creative industries" and to handicrafts: the fourth Policy "*Investment in the cultural infrastructure*" and the ninth policy

13 https://www.moc.pna.ps/files/server/strategic/strategy2017_2022.pdf p.14

"*development and encouraging traditional handicrafts*".[14] AS well, the MoC has recently created "the General Directorate of Cultural Industries".

The Ministry of Tourism & Antiquities (MoTA), responsible for tangible heritage, museums, and tourism, also refers to "creativity, arts and entertainments" entities and "craft development" as part of its strategy; it is also responsible for regulating the 'crafts' sector.

2.1.3. Classifications of cultural and creative domains

Different international organizations classify and model CCIs in different ways.[15] This variety of classifications reflects the nuanced difficulties of universal definitions, and the challenges posed by statistical processes on culture and creativity, be they for social or economic purposes.

In order to capture the social and economic dimensions of culture, and "*to measure cultural activities, goods, and services that are generated by industrial and non-industrial processes*"[16], UNESCO has introduced **six "cultural domains"** in its 2009 Framework for Culture Statistics (FCS).[17] Each domain includes a number of **"cultural industries"** including informal and social activities and **"creative industries".** UNESCO's classification of **CCIs** under **"core cultural domains"** include: Museums, Galleries, Libraries, Performing arts, Festivals, Visual arts, Crafts, Design, Publishing, Television, Radio, Film and video, Photography, and Interactive media.[18]

For the Palestinian context, the classifications of 'domains' can be extracted based on the definition of 'culture', as stated in the MoC Sectoral Strategy for 2011-2013: "***not only fine arts and literature, but also traditional crafts and cultural heritage with its different components: literary, architectural, music, performance, as well as folkloric practices***"[19]. These fields were encompassed in the two major programs of the MoC: Arts for All and Protection of Cultural Heritage. A newly established directorate for the "Cultural Industries" was integrated into the MoC, and includes three departments: enhancement of culture, incubators, and marketing of cultural products (see annex 2). The data provided by the Palestinian Central Bureau of Statistics (PCBS) refers to UNESCO's classification of the six domains. In its economic surveys, PCBS refers to these "enterprises": "Creativity, Arts and Entertainment"[20], "Libraries, Archives, Museums, and Cultural

14 https://www.moc.pna.ps/files/server/strategic/strategy2017_2022.pdf

15 Examples of concentric circle model and other classifications of CCIs can be found in a number of UNESCO's publications, such as: Cities, Culture, Creativity https://unesdoc.unesco.org/ark:/48223/pf0000377427 (p.31-32), and in the Creative Economy Report 2013 (http://www.unesco.org/culture/pdf/creative-economy-report-2013-en.pdf) P.21-23

16 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf p.22

17 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf (p.18)

18 http://www.unesco.org/culture/pdf/creative-economy-report-2013-en.pdf (p.22)

19 https://www.moc.pna.ps/files/server/strategic/strategy2011-2013.pdf p.17

20 (Creative Arts and Entertainment Activities) is a statistical code (ISIC 9000) encompassing a number of artistic activities, which are pertinent to all domains (from A to F) according to UNESCO's FCS. http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf

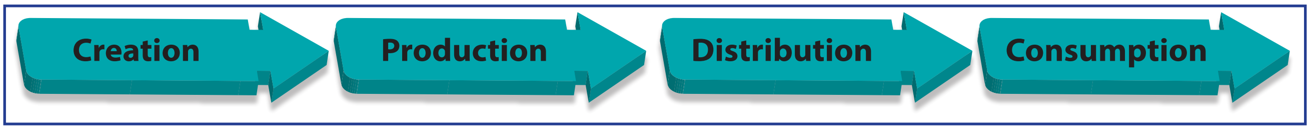
Activities", and "Sports, Amusement & Recreation."[21] **In this report, the term "CCI" will be used to refer to the broad meaning of productive cultural and creative domains.**

2.1.4. Value chain analysis: Creation, production, dissemination, and consumption

The value chain of CCIs is already embedded in the definitions released by UNESCO and the different international organizations. In this research, the term "value chain" was inspired by UNESCO's Framework of Cultural Statistics (FCS) from the 2009 **"culture cycle"**[22] which, in a cyclical model, **"captures all of the different phases of the creation, production, and dissemination of culture"**.[23] The term **'value chain'** refers to the fact that value is added to preliminary products through their combination with other resources and activities. "Creative value chains consist of an initial creative idea, which is usually combined with other inputs to produce a cultural work, which then moves through a series of interlinked stages before it reaches the final consumer. Within one value chain analysis, all relevant activities and actors that play a role in the creation, production, dissemination, exhibition and preservation of the creative product or service should be analysed, as well as the interrelation between those actors."[24]

Briefly, the functions of a value chain are: **Creation**: the origination and authoring of ideas and content; **Production**: the making and production of cultural works; **Dissemination**: the distribution of generally mass-producible cultural products to consumers and exhibitors; **Exhibition and reception**: the provision of live and/or unmediated experiences to audiences through granting or selling restricted access to consume/participate in often time-based cultural activities; **Consumption/participation**: the activities of audiences and participants in consuming cultural products and taking part in cultural activities and experiences.

In Palestine, where a sophisticated context determines not only the socio-economic environment, but also the cultural and creative processes, and where there are no clear definitions and classification of CCIs, a simplified value chain analysis will include four functions:



2.1.5. The methodology

The value chain analysis resulted in mappings of the different functions of the three fields under research. Although known to be a complicated process, this approach involved ***literature reviews***;

21 An "enterprise" is defined as an "economic entity that is capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and transactions with other entities. (P.15 English summary) https://www.pcbs.gov.ps/Downloads/book2474.pdf

22 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf (p.11)

23 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf

24 https://op.europa.eu/en/publication-detail/-/publication/4737f41d-45ac-11e7-aea8-01aa75ed71a1 (p.35)

a thorough review of the material issued by international and Palestinian organizations including studies and research, legislation and laws, statistics, sectoral plans and strategies.

The literature review phase was coupled with **in-depth interviews and focus group discussions** with key actors and stakeholders, providing further validation for the analysis, based on rich input from the study participants. Ranking gaps and highlighting priorities for future directions were another important part of the data analysis, and main **recommendations** were formulated during and after the completion of the research methodology. A total of 26 individual interviews and 6 focus group discussions were conducted.[25]

In parallel, the research team identified the **data collection tools and questions** relevant to the CCI in general and the three domains in particular; specific questions were formulated for the different stakeholders and actors. After compilation of the data, the researchers conducted a comparative analysis of the data within the Palestinian prevailing context and the provided services, comparing to the international standards for CCI ecosystems. The researchers designated a section on the economic data of CCIs in general and each of the three fields; however, in view of this lack of data, the researchers proposed a set of value chain maps on current actors and stakeholders for each of the three fields. As a result, a section on was written on the potential job creation and interconnectedness of each field with the other fields; such potential can be created once a holistic approach has been adopted for the development of CCIs. The set of recommendations in Chapter 6 clearly indicate the interventions that can be adopted by the different levels for the economic development of CCIs.

2.1.6. Limitations of the research

The lack of research and literature on Palestinian CCIs was a major hindrance to comparative analysis. In addition, statistics were only obtainable from the Palestinian Central Bureau of Statistics (PCBS); leading to possible imprecision and making comparisons of quantitative data not possible. Moreover, the data on Palestinian CCIs contained within international reports was not marked out, but rather encompassed under "Middle East" or developing countries in certain reports from UNESCO and UNDP. The fieldwork was time-consuming regarding accommodating the proposed meeting dates and times of the respondents given delays and cancelations on their part. Interviews with actors from the Gaza Strip and Jerusalem were all conducted online. Focus groups were also conducted online since actors were located in different geographic areas, namely Ramallah, Bethlehem, the Gaza Strip, and Hebron.

2.2. The context and core challenges of CCIs in Palestine

Cultural and artistic expression is constantly evolving, with rapid changes in the main functions of their value chain. Such rapid transformations stipulate the development of policies and

25 See Annex1. List of interviewees and FGDs

governance. In Palestine, however, many key challenges at the local/national levels represent impediments to the development of robust CCIs.

It is important to note that "creative cultural, artistic and heritage activities, goods, and services" have been inherently flourishing in Palestine, led mainly by a vibrant civil society; however, they have not yet reached their potential in terms of economic contribution.

2.2.1. Political and socio-economic impact

Life for the six million Palestinians living in Jerusalem, the Gaza Strip, and the West Bank has been determined by the Israeli occupation policies of fragmentation and oppression. Such policies[26] are curtailing the substantial development of all sectors and the livelihood of Palestinians, including the culture, arts, and creative sector. This has been compounded by the ongoing friction between the two main political parties, Hamas and Fatah, and a 15-year-long siege on the Gaza Strip. The inspiration, creation, and production of cultural and artistic expression, goods, and services by key actors in the Gaza Strip have been held captive for over 15 years. Deteriorating socio-economic conditions, particularly in the Strip, deter the public's accessibility and consumption of culture and the arts. Jerusalem and its institutions have been strangled by systematic Israeli policies, particularly taxation issues, targeting the resilience of the Jerusalemites and impacting the geographic, cultural and social cohesion with the rest of the Palestinians. Under such conditions, many artists and creators from Gaza and Jerusalem in particular have opted for alternative routes outside Palestine in order to develop and market their productions. In addition to Israel's 'physical' restrictions affecting mobility within the West Bank, to and from Jerusalem and Gaza, and outside Palestine, Israel's 'matrix of control' policy also extends to restricting the digital infrastructure and regulations. Meanwhile, towards the end of 2017, Israel allowed the installation of new infrastructure in the West Bank for 3G, while in Gaza only 2G is available—upgrading to a 4G mobile network and accessing e-payments are still denied to Palestinians.

2.2.2. Public Policies

Underdeveloped policies, regulations, and laws impede the governance and sustainability of CCIs and properly harnessing their social and economic values. This realization in Palestine has been growing at a slow pace given the sophisticated political and socio-economic context.

Theoretically, Palestinian public policies do recognize the socio-economic benefits of the CCIs, their potential for job creation, social inclusion, and sustainable human development. In practice, those policies have not fully nurtured an enabling environment, nor provided mechanisms, laws, or resources which support the development of the dynamics of CCIs. Public financial support to the MoC has always been the minimum, estimated at 0.03% of the national budget. Policies of business development and entrepreneurship in CCIs are not well developed.

26 These policies were well articulated as «Apartheid» by reports of B›tselem, and Human Rights Watch, among other renowned human rights organizations.

Income taxes are high for individual artists, many of whom are working individually as independent freelance workers who are commissioned by NGOs or private entities. Specifically, income tax is 5% on individuals' income from 1 NIS to 75,000 NIS; it is 10% if their income is 75,000 NIS to 150,000 NIS. This is to be paid by the NGO on behalf of the freelance or sub-contracted services of individuals, or to be paid directly by individual artists. [27] There are no social and financial protection schemes for individual artists, which makes this category most vulnerable. Policies and interventions of the different ministries in the digital environment for the development of CCIs are quite modest.

Palestine became a full member of UNESCO in 2011 and ratified six UNESCO Conventions, including the 2005 Convention. The MoC has, therefore, adopted a new road map and a new language in its culture strategies, reflected also in its Quadrennial Period Reports (QPR) reports to UNESCO.[28] The MoC considers that "culture strategy intersects with all national priorities and policies, confirming the organic role of culture and heritage with politics"[29]. Both the MoC and MoTA's strategies stress the importance of encouraging investment in culture, arts and tourism, and their potential in income generation and job creation.

Participatory processes through consultation with civil society are essential for the development of integrated policies, to foster ownership and to ensure sustainable and transparent policy responses. Consultation processes which take place between public policy makers and civil society in Palestine are not permanent, nor engaging to all types of actors, neither to the actual needs of actors. Dialogue and synergies among the different Palestinian ministries to establish joint policies for leveraging the culture and creative sector, and harnessing its economic and social potential remain very limited. Examples of this weak synergy can be found in the lack of a clear consensus on the definition of CCIs, and the division of regulating the crafts sector. **Decentralized governance** of culture is not materialized at the local, municipal and village councils in the different governorates. With the exception of the municipalities of Ramallah and Bethlehem, cultural, artistic, and creative programs are not a priority in the strategies or budgets of other local governments. Dialogue, coordination, and partnerships between the **private sector** and the MoC, in particular, are non-existent, while this dynamic is present for some other ministries.

In 2018, Law no. 11/2018 concerning Tangible Cultural Heritage was endorsed by the President to be the law pertinent to cultural heritage, ratified since the establishment of the Palestinian

27 According to Law Decree #5, for 2015 on the income tax law #8 of 2011 http://muqtafi.birzeit.edu/pg/getleg.asp?id=16702

28 In April 2022, Palestine was selected to be part of UNESCO›s Aschberg Program 2022. The project, which will provide technical support to the MoC, aims "to reduce the rate of unemployment in the Palestinian cultural sector by introducing the first cultural entrepreneurship hub." https://en.unesco.org/creativity/activities/support-concrete-mechanisms-initiatives-measure-preferential?fbclid=IwAR2er2zKG2ocdlPcMxbq5HgQRtMmsOVLyTJcJ_Ztm-qBtgWDtCQOKY4JvWQ

29 https://www.moc.pna.ps/files/server/strategic/strategy2017_2022.pdf (p.22)

Authority (PA). The Intangible Heritage Law and the Intellectual Property Rights (IPR) Law[30] have not yet been ratified by the President, although they have both been submitted to the Council of Ministers, revised in third readings. Moreover, the drafted IPR law is quite outdated and requires thorough revision to match the latest digital innovations. The fact that such a law has not yet been enacted means producers are not protected from exploitation and piracy of productions, let alone the significance of such a legislative landmark for the national economy. Given the friction between the government of Hamas in the Gaza Strip and the PA, the Gaza actors—be they NGOs or non-profit companies—must go through double registration. Moreover, the Jerusalem-based NGOs and individual artists are not protected and cannot be supported by Palestinian policies.

2.2.3. Services and infrastructure

Several huge and sophisticated venues[31] for performances and exhibitions have been built in the past two decades, particularly in the Ramallah Governorate and at universities, in addition to many venues with basic technical infrastructure which are managed by local authorities and NGOs.

Unfortunately, accessibility to such infrastructure by independent or small-sized practitioners has not been easy due to high rental costs (e.g. $1200 US per day for the Ramallah Cultural Palace); bureaucratic procedures, and some technical limitations are also among the obstacles encountered by practitioners for creation and production. This has affected dissemination to and accessibility for the public. In the Gaza Strip, there are several venues for exhibitions and performances; yet, some were destroyed in the latest wars, let alone the lack of equipment and raw material. In 2021, there were a total of **577 functioning cultural centres**, 72 in the Gaza Strip and 505 in the West Bank.[32] Unfortunately, precise data on the type of infrastructure or technical services, or the capacities of these centres, are not available. Permanent show rooms or exhibitions for crafts and designed products are available mainly in privately-owned spaces adjacent to production workshops or in retail shops; some NGOs have in their premises crafts available for sale available all year round.

2.2.4. Funding

Key donors to the culture and arts sector in Palestine represent international governmental donors, international agencies, and Palestinian private agencies including: the EU, Sida, Norway (through MoC), SDC, Drosos, Welfare Association, Qattan Foundation and the Palestine Investment Fund.

The decline in external international funding **from international donors** over the past ten years has been the most serious challenge facing cultural NGOs. The majority of culture and arts

30 MoC January 7th, 2021: https://www.facebook.com/ministryofculturep posts/1370354673296478/ The MoNE registered trade marks; 2,019 new trademarks were registered in 2021 according to the Annual Statistics Report of 2021 by the MoNE (p.41) https://www.mne.gov.ps/mnestatistic.aspx.

31 Examples: Ramallah Cultural Palace; The Convntion Palace in Bethlehem; the Palestinian Museum in Birzeit, Qattan Foundation, and other auditoriums in universities.

32 https://pcbs.gov.ps/postar.aspx?lang=ar&ItemID=4190, PCBS March 2022

Palestinian NGOs, given their high dependence on external funding, have had to significantly curtail their programs, staff, and activities accordingly. Individual actors or groups who are not formally registered have no funding possibilities from public and international resources, although they can avail themselves of certain funding possibilities from the Qattan Foundation (which has programs tailored for individual and informal groups), and regionally from **the Arab Fund for Arts and Culture (AFAC) and the Culture Resource (Al-Mawred Al-Thaqafy). EUNIC** members in Palestine also cater to individual artists through workshops, exchange programs and space provision. Actors in many cultural and artistic fields work on a voluntary basis or self-subsidize their projects. Major crafts and design entities are family-owned and informal, making it difficult for them to access external resources and development schemes. With such limited financial resources, the potential for CCIs to contribute to the economy, to job creation, and to the GDP as a whole is greatly compromised. Funding made available by the public sector and local private sector has always been minimal, making the sector overly fragile. The budget allocated by the PA to the MoC for 2022, for example, is about US$ 10 million (32,935,000 NiS)[33], expected to cover both operational costs and programs. The MoC's support to the formally-registered NGOs has been through the Palestinian Culture Fund (PCF) and other budget lines. From 2017 to 2020, the PCF has supported 149 projects and cultural activities in Jerusalem, the West Bank, and Gaza Strip for a total amount of US$ 1.6 million.[34]

2.2.5. Exogenous factors: Impact of COVID-19 and Digitization

The outbreak of the COVID-19 pandemic alongside the lockdown measures enacted in 2020 took their toll on all sectors in Palestine, but tourism and the cultural sector were hit especially hard. Many MSME production businesses, such as those dealing in crafts, had to halt their activities with their workers having to find alternative jobs. Many of these are led by women or are family-owned. According to UNDP, *"95% of women-owned businesses are negatively impacted by the COVID-19 pandemic and 27% of women-owned businesses shut down."*[35] Independent or individual artists lost their sources of income from works commissioned by NGOs or the private sector. With the cancellation of dozens of live events, NGOs and individuals lost the physical connection with their trainees, audiences, and consumers.

To give some indicators on the status of the "creative, arts and entertainment" organizations during COVID-19, the PCBS indicated that *"100% of the organizations had a decrease in cash flow availability; and 63% of them had to decrease the supply of inputs, raw material or material purchase."*[36]

33 https://www.moc.pna.ps/files/server/strategic/2021-2023.pdf (p.53).

34 https://en.unesco.org/creativity/governance/periodic-reports/submission/3829 p. 20

35 https://www.undp.org/papp/blog/crisis-opportunityleveraging-digital-economy-tools-support-economic-recovery-palestinian-women-led-msmes

36 https://www.pcbs.gov.ps/Downloads/book2555.pdf

While social media usage filled the gap partially, many actors had to quickly shift to digital means to continue creation, dissemination, and production and ensure that links with final consumers were maintained. About *"36% of the organizations in "creative, arts and entertainment" started using the internet, online social media, specialized apps or digital platforms in response to COVID-19."*[37] Unfortunately, many organizations were not ready for this rapid and sudden shift; it was quite challenging and burdensome for their traditional physical activities and services. Additionally, *"some actors in the culture and arts sector have been rejecting the use of digital media as an alternative while they should be experienced in both digital and physical."*[38] Opting for a hybrid approach in dissemination and consumption has become the trend following the easing of lockdown regulations.

In Palestine during COVID-19, the "usage of the internet in 2020, increased by 5% compared to 2019;"[39] despite that, Palestinian cultural and artistic players and professionals have not fully made use of digital technology for these purposes. There are key factors that have been impediments to the development of CCIs, digital uptake, and potentially the "digital economy"[40]. The key impediments include: the limited skills and capacities of CCI actors; their rejection of (or hesitation to embark on) new avenues; public policies in Palestine which do not sufficiently protect both digital and physical support and are incompatible with the rapidly evolving digital production ecosystem of diverse CCIs; the discriminatory Israeli procedures and restrictions on spectrum allocation and the import and deployment of Information and Communication Technology (ICT) equipment, infrastructure building in area C, and Gaza[41]; the private sector's monopoly on the internet and the high cost of internet services.[42] Electronic transactions and online payments remain very limited[43] or inaccessible to Palestinians, such as PayPal, which does not provide service to the inhabitants of the West Bank and Gaza.

In summary, "the combination of internet accessibility, net neutrality (which guarantees non-discrimination of users), and digital skills forms the basis for sustainable cultural and creative ecosystems in the digital sphere."[44]

2.2.6. Business development environment:

37 https://www.pcbs.gov.ps/Downloads/book2555.pdf (p.59)

38 Radio interview with Nidal Kaabi on June 2nd, Tallat Thakafiya at www.24FM.ps

39 https://ipoke.social/

40 Key components of the digital economy: digital infrastructure, platforms, finance services, business, and skills

41 According to MoNE, US$50 million have been lost in value added to the Palestinian economy due to such restrictions.

42 About 80% of Palestinian households were able to access the internet at home in 2019 (compared with 52 percent of households in 2017), and 86% of households own a smartphone

43 Two local e-payment solutions include (a) PalPay: the first Palestinian multi-channel e-payment service provider established by the Bank of Palestine, and (b) Jawwal Pay: an integrated e-wallet solution established in 2019 by the largest Palestinian mobile network.

44 https://unesdoc.unesco.org/ark:/48223/pf0000380474 (p.99)

Actors in the Palestinian CCIs have given important weight to social values, rather than entrepreneurship or business models. The concept of linking creative, cultural and artistic programs to the business sector is vague or has rather been rejected by practitioners. “There are important misconceptions and a lack of understanding among cultural actors on the concept of “entrepreneurship. Cultural actors tend to link “entrepreneurship” specifically to the ICT sector.”[45] While cultural civil society organizations (CSOs) have been struggling to survive over the past ten years, the influx of substantial funding to the ICT sector, and number of business development centres (BDCs) and incubators, has increased; public policies and laws are prioritising innovation and entrepreneurship, mainly in the ICT sectors.[46] Unfortunately, key actors in the CCIs have not invested in these opportunities which would have created more innovation, employment opportunities and sustainability. The vast majority of culture and arts organizations are working on a “project basis”, relying on part-time and freelance workers. Crafts and design businesses are MSMEs[47] and are mainly informal, family-owned, or women-led. Many do not necessarily have access to these BDCs, and as such lack sufficient skills for the creation and management of business models. Moreover, the entrepreneurship and business development ecosystem are also not particularly conducive due to political instability and economic limitations. According to the MoNE, “Palestine scored 117th in 2020, out of 190 in the enabling criteria for business development.”[48] Despite the different steps and progress in regulations for easing investment and business start-ups by the MoNE post-COVID-19 until end-2020, existing laws[49], imposed taxes and registration procedures remain discouraging factors, especially for young starters. In view of the numerous hurdles, it would be difficult to establish service companies in the many CCI fields, such as the design and music industries. This is clearly spelled out in the latest World Bank Report.[50] Nevertheless, a number of key stakeholders play a role in the development of some fields in CCIs, such as the following:

1. The Palestinian private sector in particular banks (sponsorship of cultural activities, or small credit programs for MSMEs)

45 https://www.eda.admin.ch/countries/occupied-palestinian-territory/en/home/news/news.html/content/countries/occupied-palestinian-territory/en/meta/news/2021/September/Study_on_Culture?fbclid=IwAR2uilfQ4p1mSPDbzAddOa3VLNahXLdIs6HxBEp5sMmm1qmKQGk5fjNJE3A

46 In Palestine, there are 677 establishments in the ICT sector, with 8815 workers; its value added to the GDP is 3.6% according to MoNE’s Sectoral Strategic Plan 2021-2023 (p.20), http://www.palestinecabinet.gov.ps/

47 According to MoNE, 88.6% of the establishments are micro, 7.4% small, 2.6% medium, and 4.1% large establishments. MoNE Sectoral Plan 2021-2023 (p.15), http://www.palestinecabinet.gov.ps/WebSite/Upload/Documents

48 http://www.palestinecabinet.gov.ps/WebSite/Upload/Documents (p.31)

49 Law (42), Commercial Companies law https://maqam.najah.edu/legislation/1211 (replacing the 1964 law), was just endorsed by the President in 2021; the law articulates a number of new articles which can be more enabling.

50 “Scarce access to financial services and funding as well as challenges in receiving digital payments are proving to be a bottleneck for early-stage startups as well as established firms… Furthermore, weaknesses in the entrepreneurship ecosystem result in inadequate support to digital businesses”. https://documents1.worldbank.org/curated/en/472671640152521943/pdf/Palestinian-Digital-Economy-Assessment.pdf:

2. Chambers of Commerce and Industries (mainly in Bethlehem, Hebron, and Nablus where crafts are concentrated; support can be provided through business development capacity building, or facilitating trade, locally and internationally)
3. Fair Trade Entities, e.g. PalTrade (PalTrade Centre) and Bethlehem Fair Trade Artisans.
4. Organisations offer memberships such as the Palestinian Federation of Industries (PFI) and Traditional and Tourism Industries Association (TTIAP).
5. Organizations focusing on supporting women, such as the Business Women Forum (BWF), and Small and Medium Credit Organizations (including Asala and Fatin).
6. Business development centres and incubators at universities, and private sector.

2.2.7. Academia

There are 51[51] higher education institutes in the West Bank and Gaza, and 23 of them offer a Bachelor of Arts (BA) or intermediate diplomas in different domains of culture, arts, arts education, and digital arts. According to the data provided and documented by the MoHE, 1864 students were newly enrolled during 2021-2022 in the different fields.[52] These programs are mostly theoretical, focusing on performance and artistic aspects, rather than covering all the functions of the value chain, or the link to business development and the management of culture and the arts. Specialized technical human resources, particularly in performing arts, music, design, and artistic management are quite limited in their number and qualifications. Several studies from the past few years have highlighted the incompatibility of higher education programs with the actual needs of the labour market, and the rapid developments of the business and digital environment[53]. Specifically, there are over 170 Technical and Vocational Education and Training (TVET) institutions run by the Ministry of Labour (MoL), Ministry of Social Affairs, UNRWA, NGOs and private organizations[54]. Many TVET centres run by NGOs provide training in creative sectors such as jewelry, fashion design, crafts, and graphic design.[55] Although studies confirm higher employment among the graduates of TVET,[56] high school graduates refrain from enrolling in TVET due to the inferior social standing associated with this type of education and lower wages. This has been also confirmed by the ILO: “Registrants continue to be low-achieving students and training

51 https://www.mohe.pna.ps/services/statistics; There were 21,828 students studying arts and humanities in Palestinian higher education institutes in 2020-2021, comprising about 10.2% of the enrolled. https://www.mohe.pna.ps/services/statistics p.10; there were 4001 graduates of arts and humanities in 2019-2020, comprising 10% of graduates. (p.12)

52 https://www.mohe.pna.ps/services/statistics. the terminology used by MoHE depends on the faculties at the different universities

53 https://www.masarat.ps/article/5964/ compatibility of higher education with the labor market in the West Bank

54 https://unevoc.unesco.org/home/Dynamic+TVET+Country+Profiles/country=WBG (16 centres run by MoL, 10 by Ministry of Social Affairs, 16 TVET NGO centres, 5 run by UNRWA, 156 private training centres).

55 https://www.tvet.ps/departments

56 https://openspace.etf.europa.eu/sites/default/files/2020-11/TRPreport_2020_Palestine%20AR.pdf= National Report for Palestine- Fifth Round of Torino Operation 2018-2019. (Report in Arabic: التقرير الوطني لفلسطين

schools are viewed as undesirable or not prestigious."[57] Palestinian human capital is a huge asset; unfortunately, harnessing their innovative ideas for productions has been hampered by some of the challenges addressed in this section. One relevant lacuna is the lack of specialized academic or vocational programs. As for unemployment among university graduates (20-29 years old), "from a total of 42,394 graduates holding (a BA or diploma) in 2018-2019, only 8,000 graduates could be absorbed into the local labour market. 2.5% were graduates of Arts disciplines. In 2020, 57.6% of 'Arts' graduates were unemployed".[58] "Arts" is the subject of "specialization" used by PCBS in these statistics and the Labour Force Survey from 2020, which is likely to include all arts programs at Palestinian universities as displayed in the table below. PCBS' statistics on graduates for 2019-2020 based on data from the MoHE reveal that there were a total of 4,001 graduates of "Humanities and Arts".[59]

Palestinian Universities and University colleges with CCI programs

#	University/college	Specialization/program	Number of students in 2021-2022
1	Arab American University – Jenin	• Interior architecture	28
2	Arab Open University -Palestine	• Graphic design and multimedia	5
3	University College for Applied Sciences (UCAS)- Gaza	• Interior Design • Fashion Design and textile	63
4	University College of Science and Technology - Khan Younis	• Interior Design	58
5	Al-Aqsa University – Gaza	• TV & Radio production • Arts Education • Graphic Design • Interior Design • Fine Arts	271
6	Hebron University	• Digital design and production	50
7	Al-Quds University	• Fine Arts	11
8	Al-Najah University - Nablus	• Graphic Design • Photography • Ceramics • Interior Design/Décor • Music	264

57 https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_624855.pdf (p.67) An Employment Diagnostic Study, 2018

58 https://pcbs.gov.ps/portals/_pcbs/PressRelease/Press_Ar_Tawjehi2021A.pdf and & https://www.pcbs.gov.ps/Downloads/book2562.pdf

59 https://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Higher_Education_2020_03A.html

#	University/college	Specialization/program	Number of students in 2021-2022
9	Birzeit University	• Design • Contemporary visual arts • Arabi Music	77
10	Dar Al-Kalima University – Bethlehem	• Music Performance • Touristic Guidance • Film Production • Documentary Film Production • Design • Graphic Design • Performing Arts • Contemporary Arts • Jewelry Design	86
11	Gaza University	• Graphic Design • Multimedia Design • Cinema and Montage	38
12	Palestine Ahliya University – Bethlehem	• Animation and visual Effects	6
13	Palestine Technical University Kadoori- Arroub	• Graphic Design • Interior Design • Design and applied arts	119
14	Palestine Technical University Kadoori – Ramallah	• Graphic Design • Interior Design • Applied Design • Cinema Filming • Montage • Fashion Design	103
15	Palestine Technical University Kadoori – Tulkarem	• Graphic Design • Interior Design • Design and applied Arts • Fashion Design	222
16	Al-Ummah University College	• Graphic Design	10
17	College of Intermediate Studies – Al-Azhar University -Gaza	• Graphic Design for Satellites	8

#	University/college	Specialization/program	Number of students in 2021-2022
18	Al-Rawda University College Nablus	• Interior Design	6
19	Applied Technical College – Polytechnic Palestine University-Hebron	• Technological Management of Stone and Marble • Interior Design • Applied arts	181
20	Palestine Technical College – Deir Al Balah	• Multimedia and Animation • Fashion Design • TV Arts	121
21	Ramallah Community College – Ramallah	• Graphic Design • Fashion Design • Photography	78
22	Gaza Community College	• Fashion Design and production	30
23	Hisham Hijjawi College of Technology – Nablus	• Interior Design • Hair and Skin Beauty	89

2.3. The CCIs' contribution to the Palestinian economy

A number of economic indicators will be analyzed in this section, in seeking to gauge the economic value of CCIs. They are mainly referenced from the PCBS which follows UNESCO's framework for statistics on productive cultural activities. The selected indicators are based on the "Thematic Indicators for Culture 2030 Agenda" issued by UNESCO under the dimension of "Prosperity and Livelihood"[60]; these include: the contribution of culture to GDP, trade, employment, business, and household expenditure. Unfortunately, insufficient clarity on the definition of CCIs, their data and research in Palestine were unhelpful in obtaining a complete and accurate analysis on these indicators; therefore, the figures below should be carefully considered.

2.3.1. Culture in the GDP (Value added of Culture)

This indicator provides the overall contribution of the Cultural Sector to the economy. Based on data provided by PCBS for this research on the outputs/production of the economic activities and services under each domain in 2019, the value added of the output is calculated after deducting the "consumed inputs"[61]. Contribution to GDP is then calculated from dividing the total value

60 https://unesdoc.unesco.org/ark:/48223/pf0000371562

61 Called "intermediate consumption," which is the value of the goods and services consumed as inputs by a process of production, excluding fixed assets.

added (column 3), by the GDP in Palestine for 2019 (which stood at $ 17,133.50 billion US). The table below provides the main economic indicators used for national statistics. The first column illustrates the production or output of “activities, goods and services,” the second column gives their value added after deducting consumed services & inputs, while the third column gives the achieved percentage of the value added from the production (value added/production x 100).

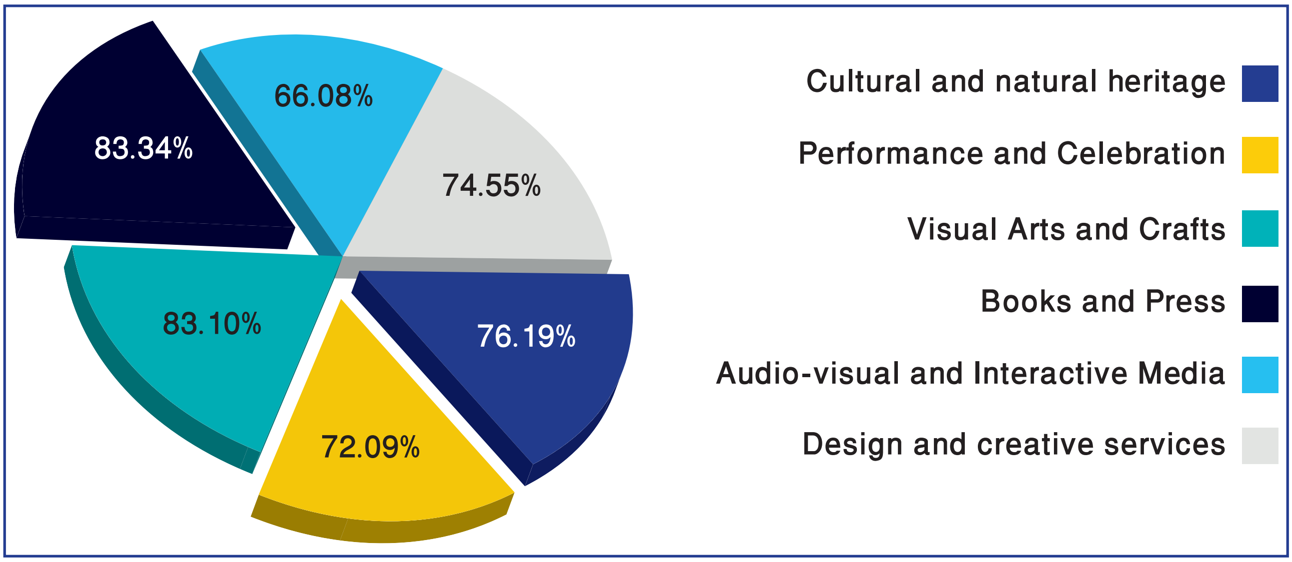
Cultural Productive Activities and Goods and Services in 2019, and Equipment and support material

Domain	Production (output)[62]	Value-added[63]	% value added of total production value[64]
A. Cultural and natural heritage	$ 55,878.80	$ 42,575.90	76.19%
B. Performance and Celebration	$ 8,125.20	$ 5,857.70	72.09%
C. Visual Arts and Crafts	$ 9,131.80	$ 7,588.60	83.10%
D. Books and Press	$ 181,406.70	$ 151,190.20	83.34%
E. Audio-visual and Interactive Media	$ 76,927.40	$ 50,833.50	66.08%
F. Design and creative services	$ 151,056.00	$ 112,613.40	74.55%
Cultural Education	$ 480,536.10	$ 408,456.20	85.00%
Tourism	$ 260,868.70	$ 217,267.50	83.29%
Sports and Recreation	$ 332,157.20	$ 229,214.70	69.01%
Total value of activities, goods and services (in USD thousand)	$ 1,556,087.90	$1,225,597.70	78.76%
Share of activities, goods and services in GDP (in 2019)		**7%**	
Total value added of equipment and supporting material of all cultural and related domains (in US thousand)	$ 1,008,311.20	$747,754.29	74.16%
Share of equipment and supporting material in GDP		**4.36%**	

62 It is defined as the goods and services produced by an establishment (https://www.pcbs.gov.ps/Downloads/book2474.pdf) p.172

63 https://www.pcbs.gov.ps/Downloads/book2474.pdf The value added is a central concept of production and refers to the value attributed to any unit that carries out any productive activity. Gross value added is defined as the value of gross output minus the value of intermediate consumption. (The share in GDP is calculated by deviding the total value added by the annual national GDP. https://www.pcbs.gov.ps/Downloads/book2474.pdf (see page 19 or 171))

64 The % of the value added comes from dividing the value added by the total output: value added /output x 100



The statistics provided by PCBS in 2019 above refer to the private cultural productive activities and those of NGOs/CSOs. The Palestinian GDP in 2019 was $17,133.50 US Billion, while the total value of **cultural activities, goods, services, and equipment and material was: $1,973.10 US Billion** (cultural activities, goods and services in 2019 ($ 1,556 billion US) plus equipment and support material $ 747 million US). It is estimated that the contribution of economic value of "Cultural Productive activities, goods, and services" to the GDP was **7%**; the contribution of the economic value of "Equipment and supporting material" was **4.36%**.[65] It is important to note that this data covers the production and the generated value added of the: **culture and creative activities under the six main cultural and creative domains** (A-F), the two related domains (Tourism and Sports & Recreation), and the two "transversal domains, i.e. Education and Equipment & Support material. Unfortunately, it is not possible to separate the exact contributions of: Music, Crafts and Design since they are incorporated within the core cultural domains.

Taking into account the context and value chain analysis above, the economic contribution of the cultural and creative sector to the GDP is a positive indication of the potential of this sector. The outputs or production of both: cultural activities, goods and services in 2019, and equipment and support material, as well as their **value added[66], indicate how promising this contribution to the GDP was in 2019**. However, these figures need to be carefully considered in view of an absence of precise definitions of CCIs, and the economic activities under each domain; therefore, there might be a margin of error for such data.

In reference to the three fields under research, and in terms of value added, which is calculated after having deducted the cost of all the value of the consumed inputs, **"Visual arts and Crafts"**,

65 This percent in 2017/18 was 10% according to MoC's QPR report to UNESCO. https://en.unesco.org/creativity/governance/periodic-reports/submission/3829

66 The value added is a central concept of production and refers to the value attributed to any unit that carries out any productive activity. https://www.pcbs.gov.ps/Downloads/book2474.pdf (see page 19 or 171)

as a core cultural domain, has the highest value added with 83.10%, followed by **"Design and creative services"**, and then **"Performance and Celebration"**. As a transversal domain, **"Culture Education"** has the highest value.

The MoTA stated in its Sector Strategy that the "Tourism sector's share in GDP was 2.8% for 2017"[67], and according to PCBS it was 2.5% in 2021[68]. For MoTA, "Creativity, arts and other amusement and entertainment entities" are part of the touristic sector; they represent 17% of the total number of touristic entities or services and employ 12% of the total workers in the Tourism sector."[69]

The contribution of Palestinian CCIs to the GDP can be compared to countries like Jordan and Lebanon. In comparison, CCIs in Jordan contribute about 2.36% to the GDP, however, this contribution excludes "heritage and museums". In Lebanon, CCIs account for 5% of the GDP.[70]

2.3.2. International trade: flow of cultural goods and services

The main national goals of the PA are centred on disengagement from the Israeli economy, though Palestinian imports from Israel range between 55%-70%. Despite different interventions by the PA, the Palestinian "general export of goods was 7.1% of the GDP, while import was 40.2%" according to MoNE.[71] The share of creative goods and services in international trade in the UNCTAD[72] 2014 Creative Economy Report and UNESCO's Institute for Statistics (UIS) indicated a minimal share of Palestinian creative goods in international trade. According to UNCTAD's 2014 report: "Creative goods exports stood at $43.1 million in 2014. At $63.5 million, the value of creative goods imports nearly doubled that of exports, generating a trade deficit of $20.4 million in 2014."

UNESCO's Institute for Statistics (UIS) provides the following on the Export/Import of international Goods in Palestine (in US$)[73]:

Year	Export of all goods	Export of cultural goods	Share of cultural goods in all goods
2017	$ 1,064,884,39	$ 3,387,255	0.318
2018	$ 1,155,634,050	$ 3, 306,213	0.286
2019	$ 1,103,808,374	$ 3,536,034	0.32

67 (MoTA, Sectoral Strategic Plan 2021-2023; p.9) http://www.palestinecabinet.gov.ps/

68 (https://www.pcbs.gov.ps/postar.aspx?lang=ar&ItemID=3816)

69 In 2018, there was a total of 10,706 touristic enterprises according to MoTA's sectoral strategy 2021-2023 (MoTA, Sectoral Strategic Plan 2021-2023; p.9) http://www.palestinecabinet.gov.ps/

70 https://creativemediterranean.org/mapping/

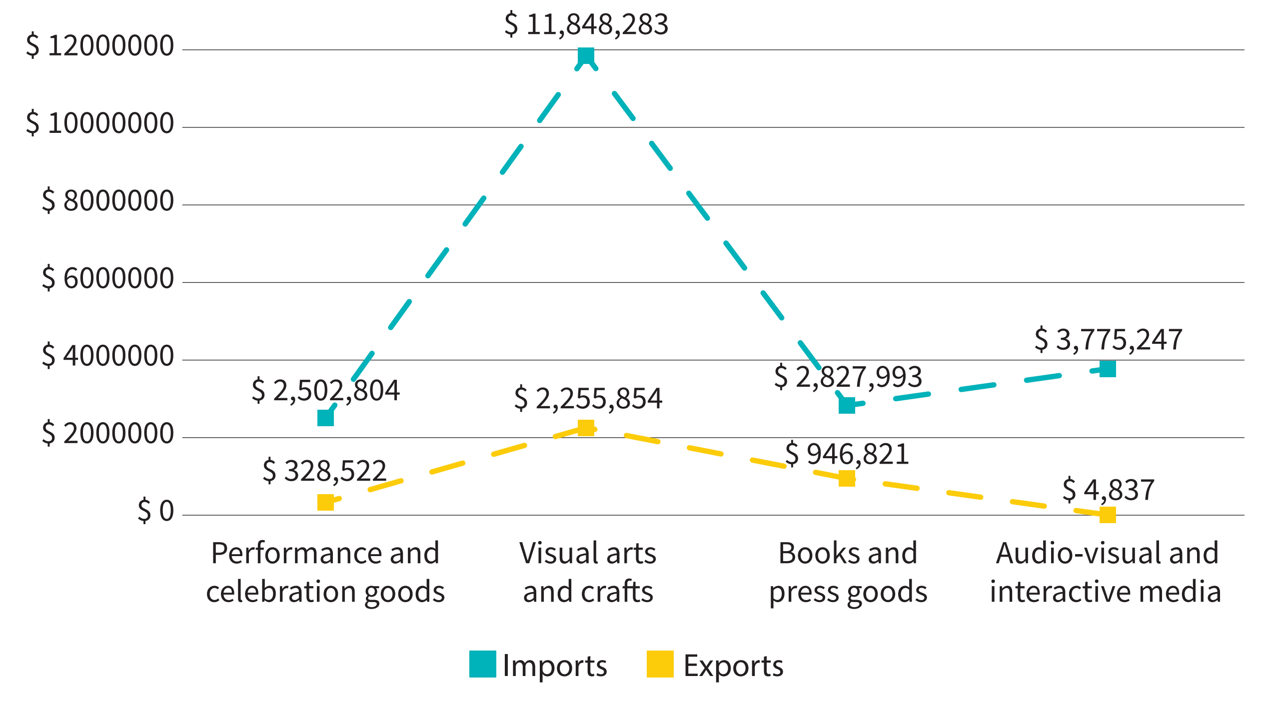
71 MoNE Sectoral Strategic Plan 2021-2023 http://www.palestinecabinet.gov.ps/

72 UNCTAD's report of 2014 https://unctad.org/system/files/official-document/ditcted2018d3_en.pdf p. 433

73 http://data.uis.unesco.org/index.aspx?queryid=3629

Year	Import of all goods	Import of cultural goods	Share of cultural goods in all goods
2017	$ 5,853,849,921	$ 23,632,211	0.401
2018	$ 6,539,589,522	$ 21,224,795	0.325
2019	$ 6,613,545,129	$ 20,955,650	0.317

The UIS data on each cultural domain reflected that visual arts and crafts were the highest in exports and imports in 2019. Unfortunately, data on other domains was not available.

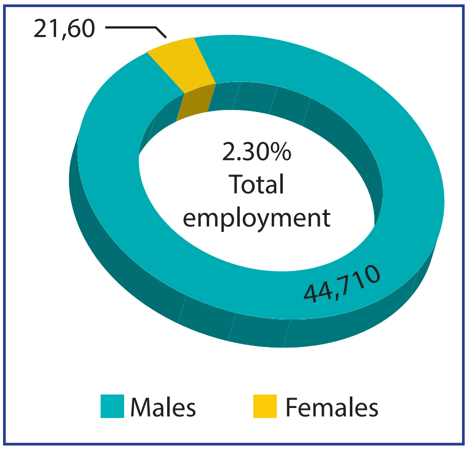


UNCTAD's 2014 report also presented data on the export and import of creative goods between 2005-2014, demonstrating that **"design goods, art crafts and visual arts accounted for the largest share of creative goods exports, standing at about 60%."**[74] This is comparable to Jordan, where the exports of design goods in 2015 according to UNCTAD stood at about 77%, and in Lebanon representing 44%.[75]

74 https://unctad.org/system/files/official-document/ditcted2018d3_en.pdf (p.433)

75 https://creativemediterranean.org/mapping/

2.3.3. Cultural employment[76]



The MoC's 2020 QPR report to UNESCO which was based on PCBS stated that "Share of employment in the cultural and creative sectors 2.30%. Total employment: 66,311, males: 44,710 females: 21,601"[77] It is possible that these figures are taking into consideration UNESCO's definition of "cultural employment" and they encompass all six domains, as well as the related and transversal domains.

The World Bank Report on cultural employment in low and middle-income countries like Palestine stood at less than 5%.[78] In comparison, employment in CCIs as part of the national employment in Jordan stood at 3% in 2018, and in Lebanon at 4.5%. [79] The employment gap between men and women presumably differs from one field to the other, noting that employment of Palestinian women is about 16.8% versus 73.2% of men[80]. According to the PCBS Culture Statistics, the number of private and non-governmental institutions classified as cultural institutions or working in cultural activities in Palestine reached 1,086 in 2017, employing 3,882 employees, of whom 2,924 are males and 958 are females, with a large variance between the West Bank and Gaza. The employment distribution of these institutions was as follows:[81]

institutions/ establishments by employment size	# of Institutions	%
Micro & Small (1-4 employees)	858	79%
Medium-sized (5-19 employees)	211	19%
Large establishments (>20 employees)	17	2%

These figures possibly cover occupations in establishments classified as cultural and with cultural activities. These occupations can be cultural (designers, actors, musicians, etc.) or non-cultural

76 According to the 2009 UNESCO Framework for Cultural Statistics (FCS), total cultural employment is defined as all persons that are engaged in the culture sector and all persons that are engaged in a cultural occupation in the non-cultural sector. Cultural occupations are defined as those involved in creative and artistic production and heritage collection and preservation. https://www.s4ye.org/sites/default/files/2020-09/Jobs%20in%20the%20Orange%20Economy.pdf (p.4)

77 https://en.unesco.org/creativity/governance/periodic-reports/submission/3829

78 https://www.s4ye.org/sites/default/files/2020-09/Jobs%20in%20the%20Orange%20Economy.pdf (figure 7) Percentage of persons employed in cultural occupations in low- and middle-income countries, by gender, 2015 or the latest year available (figure 5, p.6)

79 https://creativemediterranean.org/mapping/

80 https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_10-5-2021-LF-en.pdf

81 https://pcbs.gov.ps/post.aspx?lang=en&ItemID=4191

occupations such as accountants or logisticians. The number of cultural centres in operation in 2021 was 577; however, employment for these operating centres was not provided .

It is not clear if the PCBS provides data on the "informal" economy of the CCI sector. The informal economy is defined as "market-based production of goods and services, whether legal or illegal, that escape detection in the official estimates of GDP."[82]

2.3.4. Household expenditure on culture

This indicator falls under "Prosperity & Livelihoods" as one of the thematic indicators for culture in the 2030 Agenda.[83] It is important to note that about 29% of individuals suffered from poverty in Palestine in 2017 (West Bank 13.9%, and Gaza Strip 53.0%); according to the PCBS "Level of living Report, Oct 2016 – Sep 2017": the "average monthly expenditure per capita was 169.5 JD; being 220.1 JD in the West Bank and 91.2 JD in Gaza Strip."[84] The percentage of "expenditure per capita on 'recreation' in 2016-2017 was the lowest of expenditure groups standing at 1.5%"[85] (the categories of monthly average per capita expenditure in Palestine include food categories and non-food categories such as transportation, communication, culture & recreation, etc.). This is translated into an average expenditure of 14.5 JDs per month (about USD 20), with significant variance between Gaza (8.2 JDs) and the West Bank (17.9 JDs) regarding Cultural & Creative activities.[86] The surveys illustrate that expenditure on culture and recreation is the lowest compared to expenditure on food being the highest, followed by expenditure on communication and transportation.[87]

82 https://en.unesco.org/creativity/sites/creativity/files/cultural_times._the_first_global_map_of_cultural_and_creative_industries.pdf

83 https://unesdoc.unesco.org/ark:/48223/pf0000371562

84 https://www.pcbs.gov.ps/Downloads/book2368.pdf?date=7_5_2018

85 https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_15-4-2018-liv-en.pdf

86 https://www.pcbs.gov.ps/Downloads/book2368.pdf?date=7_5_2018

87 https://www.pcbs.gov.ps/Downloads/book2368.pdf?date=7_5_2018

3. Value Chain Analysis of Music

3.1. Background and definitions

In music creation, production and performance, there are key intertwined activities and sub-activities, actors, practices and resources. The development of musical expression in Palestine is constantly evolving and steeped in rich, traditional heritage, with contemporary diversified genres: the scene is still growing and exhibits high potential in the wake of technical and digital advancements.

In the West Bank and Gaza Strip, there are at least 10 pre-university music schools or centres teaching classical music (Western and Arabic), and many NGOs producing music including three record labels, with many of these compiled in the table below:

	Name of school/ NGO	Location	Year of Establishment
1	National Conservatory of Music (ESNCM	Jerusalem (with branches in Gaza, Nablus, Ramallah, and Bethlehem)	1993
2	Magnificat Institute	Jerusalem (Old City)	1995
3	Bethlehem Academy of Music	Bethlehem	1996
4	Al-Kamandjati Association	Ramallah, Jenin	2002
5	Barenboim-Said for Music	Ramallah	2003
6	Hebron Music Academy	Hebron /Arroub Camp	
7	Itar for Music	Bethlehem/Beti Jala	
8	Yamaha Music & Dance School	Ramallah	2005
9	Sarah Music Centre (& piano tuning and repair)	Ramallah & Nablus	
10	Nenawa Cultural Centre*	Bethlehem/Beit Sahur	
11	Shurouq Organization*	Bethlehem/Dheiseh Camp	2012
12	Society of Awtar Centre for culture and arts*	Nablus	2009
13	Al-Sununu For Culture and Arts*	Gaza	
14	Nawa for Culture & Arts Association**	Gaza Strip/Deir Al-Balah	
15	Ibdaa Cultural Centre*	Bethlehem/ Dheishe Camp	

	Name of school/ NGO	Location	Year of Establishment
16	Nawa For Cultural Development**	Ramallah	2004
17	Sabreen Association for Artistic Development**	Jerusalem	1987
18	Popular Arts Centre**	Ramallah/ Al-Bireh	1987
19	El-Funoun Dance Troup**	Ramallah/ Al-Bireh	1979
20	BLNTM Digital Record Label***	Ramallah	
21	Jafra Production (Record label & Music Business incubator***	Ramallah	2012
22	Tawleef Record Label***	Ramallah / Jerusalem	2020
23	Al-Musiqar (the Musician)	Nablus	
24	Al-‘Ameed Centre	Nablus/Tulkarem	
25	Palestine Music Office/Palestine Music Expo **	Ramallah	2017
26	Dar Qandeel for Arts and Culture**	Tulkarem	2003
27	Jerusalem Youth Cultural Forum *	Silwan/Jerusalem	2005
	*Programs of these organizations include music teaching programs but not as a core activity **Music production, performances, performing arts, some teach music at public schools ***Music production/ Record labels		

Out of the 577 operating cultural centres,[88] many of the NGOs listed above—as well as some informally registered individuals and groups—produce music and dance, and organize local performances and festivals all over the country. Al-Najah, Birzeit and Dar Al-Kalima are the three universities offering a BA degree in music performance alongside an intermediate diploma. Moreover, many renowned Palestinian musicians have made it into the international arena, while diverse music genres produced by Palestinians are streaming on global platforms.

Music has an intrinsic value in keeping the Palestinian narrative and struggle alive, as a tool of self-expression, and for heightening awareness. Specifically, political and socio-economic factors have impeded its development, while technical advancements have accelerated its evolution; yet the music industry in Palestine is not yet sufficiently fully-fledged to wield substantial economic impact. The potential is high, however, with passionate and talented emerging young musicians and infrastructure and basic facilities that are relatively functional and accessible. However, overall management structures for establishing a music industry are still missing.

88 The PCBS culture survey of 2021 stated that there are 577 cultural centers with diverse activities, in theatre, performances, training, lectures, symposiums and exhibitions. (https://pcbs.gov.ps/postar.aspx?lang=ar&ItemID=4190)

UNESCO's 2009 Framework for Cultural Statistics (FCS) placed music in a single category under the domain: "Performance and celebration", but some activities in the music value chain may also come under "Audiovisual". Music as such includes "live and recorded musical performances, music composition, music recordings, digital music including music downloads and uploads, and musical instruments."[89] Data provided by PCBS for this research places music under "Performance and Celebration". In their Economy Survey for 2018, PCBS does not classify music into a separate field, but places it under two establishments: "Creativity, Arts and Entertainment" and under "Motion picture, video and television programme production, sound recording and music publishing."[90] Music for Palestinian actors can be also considered under "performing arts" when produced for dance and theatre, or a stand-alone field.

History: Alongside the traditional music dominating Palestinian rural and urban areas, music in Palestine has been created, produced, disseminated and consumed as an integral part of the people's struggle pre- and post-1967. Music groups with contemporary genres were mainly established in major cities in the 1970s and 1980s; by the mid-1990s, a number of music schools opened to teach classical music to students at the pre-university level. Today, these schools include about 2000 students, mainly aged 8-20 years old. As well, there are at least five outstanding student orchestras and numerous ensembles and bands. For example, there are the: Palestine Youth Orchestra, Ramallah Orchestra, Jerusalem Children Orchestra, Banat Al-Quds, Yalalan Group, Al-Ins Wal Jam, Sabreen and many others which have emerged and in some cases dissolved after sometime; young Hip-Hop and Rap musicians also invaded the Palestinian music scene after the Second Intifada. When organized, musical performances by renowned Arab or Palestinian pop stars attract thousands of persons in the different governorates.

Annually, the music schools are pumping dozens of new talents into the Palestinian music scene who are developing their own genres and groups, mainly disseminating their work online. Often being well-trained in classical music, they experiment and produce contemporary genres and combine classical Arabic tunes with world music. These young talents face numerous challenges in the production and post-production phases. Unfortunately, women-led initiatives in music creation and production are significantly less present.

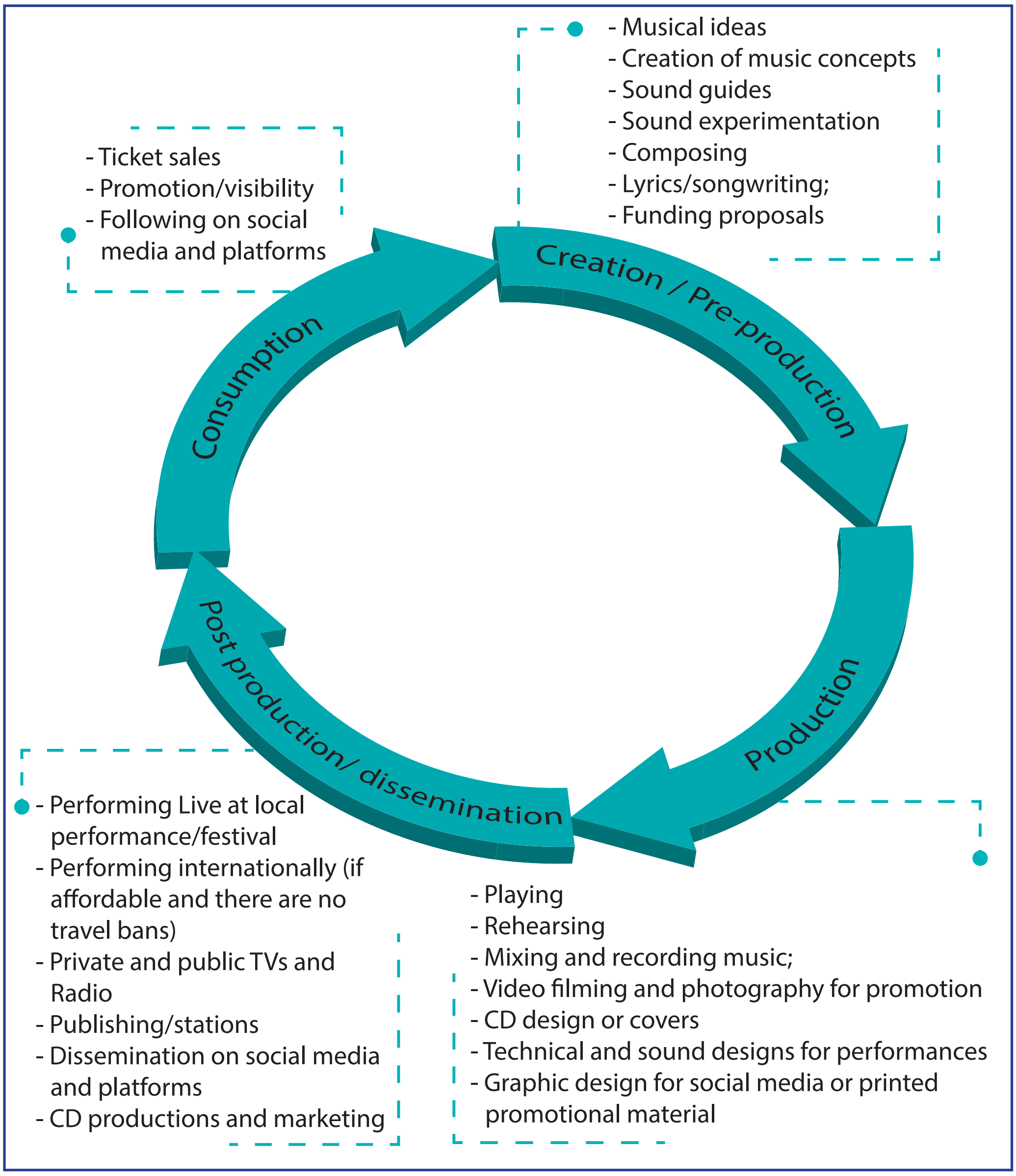
3.2. Value chain functions

Globally, the value chain of music production is quite sophisticated with many interrelated activities, sub-activities, actors, and services. In Palestine, based on interviews with key actors, the music value chain is quite simple, encompassing: **pre-production, production, post-production/dissemination, and consumption.** With modest resources and services at their disposal, the key actors must simultaneously play a number of different roles along the main functions of the value chain. The table below illustrates the actual music value chain in Palestine, which will be further detailed in the next sections under each function.

89 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf
90 https://www.pcbs.gov.ps/Downloads/book2474.pdf (p.40)

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Creation / Pre-production	Palestinian individual musicians and composers (graduates, students or teachers at the different schools listed above, or independent professional musicians) or groups (e.g. Al-Ins WalJam, Yalalan, Mafar, etc.) Palestinian Composers (mainly professional or senior musicians) **Palestinian and non-Palestinian** Songwriters, and poets	Palestinian schools for music/NGOs (listed above and in the text) Universities offering programs in music performance: (BZU, Najah, Dar Al-kalima) Instruments Sound studios (private, Ramallah Studio, Delia Studio in Gaza, Goethe Studio in Ramallah) Funding opportunities	Musical ideas, creation of music concepts, sound guides, sound experimentation Composing, Lyrics/ songwriting; Funding proposals
Production	Music groups and ensembles Individual musicians Sound engineers, and technicians NGOs managers/ or projects' coordinators Studio owners/managers Providers of music instruments (mentioned under 3.3) and sound equipment Repairers and makers of music instruments (mentioned under 3.3)	Studios (private, or Ramallah Studio, Goethe Studio, Delia Arts studio in Gaza), Rehearsal venues (e.g. Ramallah Cultural Palace, or small theatre halls), NGOs facilities (at NGOs listed in the table above) Sound equipment, music software and musical instruments Funding resources (e.g. from international donors, PCF, Qattan, AFAC) Promotional material design (local graphic design companies or freelance designers) Filming & photography	Playing, rehearsing, mixing and recording music; Video filming and photography for promotion. CD design or covers Technical and sound designs for performances Graphic design for social media or printed promotional material

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Post production/ dissemination	Individual musicians/ Music groups/ensembles Sound engineers Set and light designers (for public performances/ festivals) Production coordinators (from music schools or NGOs) Festivals' coordinators (from NGOs) Graphic designers (companies or freelancers)	NGOs and CSOs (listed above among others organizing) organizing festivals, and performances (e.g. Rozana, Yabous, etc.) Music schools' productions Municipalities Festivals (Wein a' Ramallah, Christmas Festival Bethlehem) Platforms and social media TV/Radio publishing (public and private stations) Media coverage and promotion/publicity agencies Production companies (e.g. Jafra, Delia, PMX) Funding agencies Sponsors/private businesses CDs distribution/retail shops	Performing Live at local performance/ festival Performing internationally (if affordable and there are no travel bans) Private and public TVs and Radio publishing/stations Dissemination on social media and platforms CD productions and marketing
Consumption	Public at large attending live performances (at festivals or musical festivals or seasonal performances) Followers on Social media Subscribers to platforms	Festivals performances CD sales / shops TV/Radio shows Ticket sales Social media Platforms	Ticket sales Promotion/visibility Following on social media and platforms



Key activities in music value chain

3.2.1. Pre-production/ Creation phase

It is the stage of developing the musical concepts, or the "origination and authoring of ideas and content", that includes: musical composition, songwriting, sound creation, rehearsals, the recording of music, the mastering (of CDs), fundraising and managerial activities.

In Palestine, activities at this stage are carried out by the key creators: individual musicians and composers, who work with poets or songwriters. These are professionals or passionate well-trained, independent musicians, working individually or in groups. Many are graduates of the aforementioned music schools and academic programs developed over the past twenty years. Exposure to diverse genres of music via their academic programs and the internet inspire these young creators to experiment with musical ideas and to develop a language of their own, with lyrics on Palestinian and human issues. They are working on their own projects to be performed publicly, or to be published/ streamed digitally. However, "many emerging musicians still need to work on creating their own musical identity or visions before they embark on the next stages of the value chain", according to an interview with Samer Jaradat from Jafra Production. Many studios for creating musical ideas are privately owned, having only basic equipment, while studios with more interactive possibilities for sound design and experimentation do not exist. Normally, at this stage, requests for funding would be submitted by the production manager or company to enable musicians to move to the next phase; however, in Palestine, young creators/ musicians—be they individuals or informal groups—have difficulties securing funding at this stage due to their lack of fundraising capacities, coupled with the limited funding opportunities. Indeed, many young musicians stress that a lack of funding is the most relevant obstacle they face at this stage. Exceptions concerning funding resources for this category are the Qattan Foundation and regionally, AFAC and Al-Mawred Al-Thaqafy.[91]

3.2.2. Production phase

Normally, a production company or a record or label company[92] provide a wide array of services during this phase, or even from the creation phase. Such companies handle the activities internally and externally to the studios, ensuring all necessary services such as technical needs, copyright issues, licensing, etc. There are two record and production companies in Palestine: Jafra and BLTNM; a third "Tawleef" was recently created, but it is not clear if it is formally registered.[93] Jafra Productions' work on the complete functions of the value chain. In view of the absence of such companies, Palestinian musicians, with their limited know-how and financial resources, end up multi-tasking: managing and producing. In its Establishments Survey 2017, PCBS specifies five establishments specialized in "Sound recording and music publishing activities".[94] This might include privately-owned, formally-registered studios.

In the Palestinian music production phase, the **key activities** are rehearsals if the production is to be performed live, or music mixing and recording at professional studios, if the production will be published or streamed. For independent musicians or groups, the **key actors** or producers are the independent musicians themselves, who have already conceived or created the ideas.

Music schools and NGOs such as the Edward Said National Conservatory of Music, Al-Kamdjati, and Magnificat produce projects in-house, where facilities and services are put at the disposal of the musicians—often senior students and teachers—until the completion of each production. For example "the Ramallah Sound Studio" located at the National Conservatory of Music in Ramallah,

91 ARAB Fund for Culture and Arts-AFAC (www.arabculturefund.org); Al-Mawred Al-Thaqafi (https://mawred.org)

92 "Acting as a partner to help artists achieve both commercial and creative success, a record company provides a broad network of supportive, creative people that nurture and develop artists... at every step of their musical journey." https://powering-the-music-ecosystem.ifpi.org/

93 https://bltnm.com/ & https://www.jafraproductions.com/about & www.tawleef.space, The idea was to provide an alternative platform for local Palestinian artists, with a focus on female artists

94 https://www.pcbs.gov.ps/Downloads/book2384.pdf

jointly established with Jafra, is also rented out to musicians and groups wishing to produce music. Well-established NGOs (e.g. the El-Funoun Dance Troupe, Popular Art Centre, Nawa for Culture & Arts Association (Gaza), Nawa for Cultural Development (Ramallah), among others), would often sub-contract or commission independent individual musicians for a specific production, covering all fees and production costs; in doing so, the school or NGO acts as the "production company" until the dissemination of the production.

Although some privately-owned and certain commercial studios are available, the production phase requires well-equipped studios with adequate acoustics in order to guarantee a high-quality professional recording and mastering. Such services are few in number, and can often be at rates unaffordable for musicians and groups. Professional sound engineers, specialized in sound recording and sound design, and who work in studios or for live performances, are crucial at this stage; there are quite a few of them, and they may charge substantial fees as they also work independently on a freelance basis. Other required services, such as graphic designers, photographers, film professionals, etc., are quite costly for independent musicians seeking quality productions.

According to the independent musicians interviewed for the purposes of this study, the financial and technical problems faced at the production phase are the primary cause for them abandoning their endeavours completely. To economize costs at this phase, both independent musicians and groups must be responsible for multiple functions. In Gaza, recording studios are scarce, and any equipment must be sourced from Egypt or Israel at an extraordinary premium.[95]

The Delia Arts Foundation is the newcomer on the Palestinian music scene, providing technical support for musicians mainly during the production and dissemination phases, but also sometimes during the initial stages of music creation. Delia has established a professional studio in Gaza where musicians and singers can create, experiment, and produce their projects; musicians have benefitted from their facilities and services since their establishment in Gaza in 2019. According to Ayman Mighames, the manager of the Delia Foundation in Gaza, "musicians face serious issues in the Gaza Strip; lack of studios for creation and productions; instruments and equipment are rare and extremely expensive due to the siege, reaching about three times their original price".

Other actors or support services at this function are the EU National Institutes for Culture (EUNIC) centres in Palestine. The Goethe Institute in Ramallah has just opened its "Sound Studio" and Radio Atheer; and the French Cultural Centre (Ramallah, Jerusalem and Gaza) has been focusing on exchange and capacity building in arts and culture with a special emphasis on music.

3.2.3. Dissemination

This is a critical phase where many musicians/groups face major difficulties. With the rapid changes in new media and technology, music dissemination has changed exponentially in the last decade and this was further accentuated during and post-COVID-19. Today, music can be

95 https://www.bbc.com/culture/article/20190917-the-rise-of-palestinian-pop

“disseminated” through: Online streaming (Spotify, YouTube, etc.), curated playlists (radio and online streaming), online live performances, live performances (festivals and audiences), use in TV, films, advertisements, and physical records (manufactured CDs/vinyl records).[96] Ideally, both live and digital music are disseminated through publishing. Alternatively, distribution or marketing agencies or record companies take charge of this dissemination, in coordination with musicians’ booking agencies or management companies; however, unfortunately no such companies or agents exist in Palestine. According to the PCBS Establishments report for 2017, there are 20 “Retail sale of music and video recording in specialized stores”[97].

Although emerging Palestinian musicians have accessed new digital platforms, conventional avenues like local radio, TV, live performances and the physical sale of CDs still take centre stage, allowing musicians to showcase and disseminate their productions, build fan-bases and sources of income. NGOs, CSOs and schools of music often act on behalf of musicians or groups as a marketing/promotion agency. Independent musicians and groups lack networking capacities with international festivals. In addition, the lack of booking agencies, costly and sophisticated travel procedures, coupled with the risk of Israeli travel bans—not to mention Gaza-based musicians, who are blocked completely—are all factors obstructing Palestinian independent musicians and groups from touring and meeting with industry professionals.

According to Delia Arts’ project manager in Gaza, Ayman Mighames: “dissemination through live performances for musicians in the Gaza Strip is very limited; musicians as such have to sing in privately-organized parties like weddings, or through accompanying sound in an advertisement.”[98] Samer Jaradat, Jafra manager, recounts “The physical and digital visibility of musicians is equally important to sustain the creation and productivity”. Additionally, the young Palestinian musicians who are exploring dissemination through online platforms are ignorant of copyright issues and agencies. The absence of production/record companies means that “artists self-release, uploading onto online platforms such as Spotify, Deezer, YouTube, and Soundcloud themselves in the faint hope that their music will find an audience…”[99] With “about 60.1% of the total population using social media”[100] in 2020, some musicians got their names out first on social media before any public appearances, and this in turn helped them attract more fans to live concerts. The platforms most used by Palestinian musicians for disseminating their music are: Spotify, YouTube, iTunes, Facebook and Instagram. “It is not only by disseminating a production via digital media, where traffic and competition before a musician is noticed is quite high; Palestinian musicians also need

96 “The Culture Fix. Creative people, places and industries.” https://www.oecd.org/publications/the-culture-fix-991bb520-en.htm (p.147)

97 https://www.pcbs.gov.ps/Downloads/book2384.pdf

98 Interview, Ayman Mighames, Delia Arts

99 https://www.bbc.com/culture/article/20190917-the-rise-of-palestinian-pop

100 https://ipoke.social/?. 60.1% use social media; 53.1% of males, and 46.3% of females in Palestine, with a Facebook usage rate of 95.16%, and for YouTube 81.53%.

marketing, promotion, pitching and synchronization—this is a sophisticated and holistic network of activities which would benefit not only the musician, but the national economy in general…”[101]

With almost a total absence of dissemination/marketing agencies in Palestine, Jafra Productions and Palestine Music Expo (PMX)[102] try to fill the gap. PMX organizes an annual festival where music initiatives/groups showcase their projects to invited international record companies/ labels and producers. A similar initiative was recently undertaken by the French Cultural Centre, in cooperation with Sabreen Company, PMX, Delia Arts Foundation and the Arabesque Festival in Montpellier, France.

3.2.4. Consumption/participation of music

Live performances are still the most popular and attractive means for audiences to access music in Palestine, though it presents fluctuating numbers. The concentration of events in central urban settings, people’s priorities regarding their expenditures on essential living needs, as well as growing conservatism and overall frustration due to the political situation, are some of the reasons underlying unstable participation. As regards the Gaza Strip, knowing the harsh economic conditions, while people are so eager to attend, Delia Arts’ Mighames states that the “musical concerts in Gaza are not too many; if organized, they are either upon invitations or free of charge.” Mighames adds “the purchase of tickets for attending a musical performance, if organized, can be unaffordable among the majority of people due to their harsh living condition, even if it is only 20 NIS; people’s consumption is free-of-charge concerts or through YouTube.”[103] Concerts organized by the Conservatory of Music for example, are generally upon invitation only. Public concerts organized for example by the Popular Arts Centre at the Palestine International Festival in Gaza organized during the summer, are free of charge; about 1200-1500 persons would attend each dance and/or musical performance. In addition, public events with musical performances in the Gaza Strip are not too many, neither easily organized in view of restrictions by the government there. Noting that the monthly expenditure on “recreation”, music included, is the lowest in both the West Bank (about 17.9 Jds) and Gaza Strip (8.2 JDs). For such reasons, Gaza musicians mainly produce and perform digitally. There are always exceptions, particularly in the West Bank, when a pop star, such as Mohammad Assaf, is performing; thousands might purchase tickets at high prices, travel dozens of kilometers, and attend a nightlong entertainment event. Pre-COVID-19, audiences were loyal to festivals such as the Palestine International Festival of Music and Dance, organized by the Popular Arts Centre in both the West Bank and Gaza, and the Jerusalem Festival by Yabous Centre; such festivals are sponsored and supported by donors. Pop music bands and rappers have established large, mostly youth-based audiences such as Shab_jdeed, Daboor, and Al-Nather among others. Unfortunately, alternative infrastructures for small-scale gigs, where many emerging pop musicians can showcase their projects in small concert halls, are either not

101 Interview with Samer Jaradat

102 https://www.palestinemusicexpo.com/

103 Interview Ayman Meghames, Delia Arts

available or are not free of charge. Although the Qattan Foundation has been offering its spaces for free to emerging talents to create and perform in small scale music and dance productions, such an offer is nonetheless limited. Moreover, some privately owned venues like restaurants (in Ramallah and Bethlehem in particular) introduce many young musicians to the public, but this is also an irregular practice. Ramallah municipality[104] and Bethlehem municipality organize summer and Christmas concerts, and street festivals in cooperation with local culture and arts NGOs.[105] Some of the major music (and dance) local festivals where musicians and music groups show-case their productions include the following:

Festival	Location	Organization
Birzeit Heritage Festival	Birzeit	Rozana Association
Palestine International Festival for Music & Dance	Ramallah, Gaza, Nablus, Jenin	Popular Arts Centre
Bet Lehem Live Festival	Bethlehem	Holy Land Trust
Birzeit Nights	Birzeit University	Birzeit University
Jerusalem Festival	Jerusalem	Yabous Cultural Centre
Music Journey Festival	Ramallah, Jerusalem, Bethlehem	Al-Kamandjati
Dandanat Festival (until 2018)	Bethlehem	Dyar Group
Christmas Festival	Bethlehem	Bethlehem municipality and Edward Said Conservatory in Bethlehem
Wein a' Ramallah Festival	Ramallah	Ramallah municipality
Palestine Music Expo	Ramallah	Ramallah Music Office
Sea and Freedom Festival	Gaza	Edward Said National Conservatory of Music
Yalla Yalla Street Festival (mainly theatre, dance and music, children)	Bethlehem	Al-harah Theatre
Al-Makhrour Festival (1st edition 1-4 September 2022)	Bethlehem	Inad Theatre & Power Group
'a al daraj festival	Beit Jala	Power Group

104 Ramallah Municipality has been a member of the "Creative Cities Network" https://en.unesco.org/creative-cities/ramallah In early 2022, Ramallah Municipality was awarded UNESCO's IFCD funding for the project: "Ramallah City of Music – A strategy for sustainable city development through music".

105 https://en.unesco.org/creativity/ifcd/projects/ramallah-city-music-strategy-sustainable-city-development

3.3. Equipment and support services[106]

Other actors in the music field include providers of instruments either as manufacturers and repair workshops or supplied through privately-owned retail shops.

In Palestine, musical instrument manufacturing is extremely modest. **There are few[107] known small-scale manufacturing projects or individual instruments makers and repairers** as listed below; some of their instruments have been marketed internationally:

Music repair workshops	Location
Samer Totah (informal, home based Oud manufacturer)	Ramallah
Shehade Shalaldeh (Strings instrument manufacturer); affiliate to Al-Kamandjati)	Ramallah
Tariq Jabareen (Wood Wind manufacturer), home-based workshop	Ramallah
Aref Al-Sayyed (Strings and Arabic instrument manufacturer)	Jerusalem/Beit Sahur
Bakri & Ziadeh Percussion manufacturing (closed post-Corona)	Jerusalem
Sameh Asaad (piano repairer & tuner)	Nablus, Ramallah
Odeh Rishmawi (piano repairer)	Beit Sahur

It is possible that there are manufacturers who are not known or work on a very small scale. Such small-scale manufacturing, and instrument repair service, is crucially important for music students and musicians, ensuring rapid basic supply and maintenance.

There are **privately-owned music shops** securing, on-demand, all sorts of instruments.These include:

Music instruments suppliers	Location
Rust	Hebron
Jitan (sound equipment and instruments)	Nablus and Ramallah
Hard Rock	Nablus
Scottish	Bethlehem
Valentine	Bethlehem
Oud Sharq	Ramallah
Jallad	Ramallah
Nagham	Ramallah
Jeruo Brothers	Gaza

Infrastructure and professional studios are available, privately-owned, and may not be the most challenging problem for music production; however, high-quality studios with interactive digital equipment offering new sounds and possibilities for emerging musicians to develop or create musical concepts are few in number and can be unaffordable. Exceptions are the recently opened

106 UNESCO refers to them as “transversal” domains: Education & Training, Archiving and Preserving, Equipment and supporting material. Other literature refers to them as ancilary services.

107 According to PCBS Establishments Report 2017, there are two manufacturers, one in Gaza and one in the West Bank. (https://www.pcbs.gov.ps/Downloads/book2384.pdf)

studio at the **Goethe Institute in Ramallah, and the Delia Arts Studio in Gaza, both being offered for free; the Ramallah Studio at the Conservatory of Music** charges about $50-$80 US/hour. Other privately-owned professional studios might charge about $130-200 US per hour. The daily rate for booking the Ramallah Cultural Palace for rehearsals or a concert is about $1200 US, and the Conventions Palace of Bethlehem charges $3500-5000 US; though building a whole set for an external concert with full sound and lighting might cost $7000-9000 US depending on the technical requirements of the concert.

Education is another transversal or support service. Music is not taught in basic or secondary school systems, with the exception of some private institutions, and sporadically in public schools. Employment of music graduates as teachers in public schools is also very limited. **Al-Najah, Birzeit and Dar Al-Kalima are the three universities which offer music performance degrees.** Except for Dar Al-Kalima which has just inaugurated an MA program in Arts Management and Music Technology[108], Al-Najah and Birzeit academic programs do not include courses on music management, the production value chain, business development, or technical and sound design.

3.4. Policies on intellectual property rights

Intellectual property rights laws are pivotal in the ecosystem of the music industry in any country. Enormous changes due to digitalization have led to radical transformation, evolvement and adoption of new policies. Artists should be knowledgeable about these laws to ensure protection and local or international revenues from their streaming. Palestinian policies and legislation related to IPR are outdated and not ratified, with such a huge gap negatively affecting progress all along the value chain. This gap has obliged many musicians and groups to register their productions under companies outside Palestine in order to protect their rights and ensure their income.

Moreover, Palestinian music is being streamed for free globally, rather than being archived, meaning there is no remuneration for individual creators or for the national economy. According to Samer Jaradat; “Palestine, unlike many countries, does not have a Collective Management Organization which can become a member of the International Confederation of Societies of Authors and Composers (CISAC)[109]; since Palestine has become a UN observer member; it can create its own CMOs. The role of a CMO is to protect the creators, collect copyright fees on behalf of associated musicians and deduct a specific percentage to cover administrative costs. The remaining profit returns to the musicians for re-creation and production of new music.” Jaradat stressed that “young musicians are unfortunately unaware of international copyright companies like CISAC or SACEM[110]; Jafra is trying to establish a CMO to cover this gap.”

108 MA in Artistic Management program, with music specialization, is the first and only program in Palestine endorsed by the MoHE. https://www.daralkalima.edu.ps/ar/pages/ma-programs. Darl Al-Kalima has also adopted a new program in cooperation with Jafra Productions“ TAMI“, Technology and Innovation in Music

109 https://www.cisac.org/, a global support organization to protect authors’ rights, with four million creators.

110 https://www.sacem.fr/

3.5. Digitalization and business development

The music industry is presumably the cultural field that has been most influenced by these rapid digital transformations, affecting all the functions of its value chain. Distribution costs have been reduced while substantially large numbers of consumers have access to diverse genres, 'anytime-anywhere'. With such features, **"it is increasingly difficult to draw clear lines between the digital economy and the cultural and creative industries, as their value chains are becoming ever more intertwined."**[111]

With the COVID-19 pandemic, online activity has surged. The decline in physical revenue from live performances and other music production formats has been well-compensated through streaming revenues: "Global music revenues increased by 7% largely due to music streaming."[112] According to the International Federation of the Phonographic Industry (IFPI's) Global Report: "streaming accounted for 65.0% of total global recorded music revenues. The Middle East and North Africa (MENA) was the world's fastest growing music region in the world in 2021."[113] With a rather "young generation", the Palestinians are not an exception in the overall map of the Middle East, nevertheless they have particular on- and offline technical and political issues which limit their potential.

Although there are at least 20 digital music distributors[114] globally, Palestinian musicians are "familiar with only two: Spotify[115] and SoundCloud."[116] Such streaming giants or platforms, alongside social media outlets, are helping Palestinian musicians to access global music, and to present them to global audiences by adding their music to playlists.

The absence of record labels and production companies in Palestine, and the restrictions on travel and performing tours are compounded by musicians' limited knowledge of other digital or distribution avenues, as well as their ignorance of copyright protection tools available internationally. This limits the visibility and presence of Palestinian musicians on world music arenas. Moreover, digital streaming requires stable and rather high internet speeds; "The Palestinian territories are the only Arab market included in Spotify's regional launch that lacks 4G broadband infrastructure."[117] This is even more frustrating for musicians in Gaza with only access to 2G.

Regulations imposed on digital and physical money transfers, particularly for Gaza-based musicians, are quite sophisticated for individuals, and not-for-profit companies where "Palestinian musicians rely on friends with accounts outside Palestine or in Israeli banks" according to some interviewees. Moreover, the entrepreneurship and business development ecosystem are also not fully encouraging due to political and economic limitations. Although slightly eased in

111 https://unesdoc.unesco.org/ark:/48223/pf0000380474 (p.96)

112 https://unesdoc.unesco.org/ark:/48223/pf0000380474

113 https://www.ifpi.org/wp-content/uploads/2022/04/IFPI_Global_Music_Report_2022-State_of_the_Industry.pdf

114 https://unesdoc.unesco.org/ark:/48223/pf0000380474 (p.101)

115 Spotify launched its internet streaming services in the Middle East in 2018

116 Interview with Samer Jaradat

117 https://www.reuters.com/article/us-spotify-tech-mideast-palestinians-idUSKCN1NR1J9

the recently ratified company law (Law #42, for 2021), where a single person company can be registered, individuals or start-up companies have to register at the MoNE, and the Chamber of Commerce, and at the local Municipality if the aim is to open a physical enterprise, all of which are quite time consuming. Such hurdles for registering a company make it difficult to establish service companies in the music industry such as label or record companies, or distribution and production companies.

For Palestinians, disseminating music on platforms is not about revenue for individual musicians; global dissemination contributes to promoting Palestinian cultural identity, increasing solidarity, cultural awareness, and tourism; these are some of the developmental values of music.

3.6. Economic indicators for the Palestinian music industry

The situation in Palestine is quite comparable to many countries in the Arab region and is still developing, yet the challenges analyzed earlier along the value chain force independent practitioners to "rely on their own efforts to meet production and marketing challenges."[118] This analysis also highlights areas of potential. For example, a number of economic indicators relevant to music presented here are worth further in-depth exploration, such as the share in GDP, employment, international trade, and local consumption. Unfortunately, specific data related to the **economic value** of music separately as a productive field, in terms of **goods, services, and activities**, as well as **local trade and employment**, are not available. According to Samer Jaradat: for Jafra to implement and manage the complete value chain of producing a full-fledged musical production for new and emerging musicians in Palestine might take 6-12 months; it might require an investment between $60,000 – $100,000 US while, it might take 1-3 months to recover such costs."

3.6.1. Music production in GDP

In PCBS' national statistics, which follow UNESCO's 2009 UIS classifications, music falls mainly under the domain of "Performance and Celebration", but some of its activities also fall under the category "Audiovisual and interactive media". Therefore, data on the overall value added and output of these two domains is only provided by PCBS for 2019 as indicated in the table on page 17. The percentage of the value added indicates the net value of the production after deducting the costs and consumed services and goods which are the inputs of the production.

PCBS 2019 – Music Productive Activities and Goods and Services value added:

Domain	Production (output)[119]	Value-added	% value added of total production value
B. Performance and Celebration	**$ 8,125.20**	**$ 5,857.70**	**72.09%**
E. Audio-visual and Interactive Media	**$ 76,927.40**	**$ 50,833.50**	**66.08%**

118 http://www.unesco.org/culture/pdf/creative-economy-report-2013-en.pdf

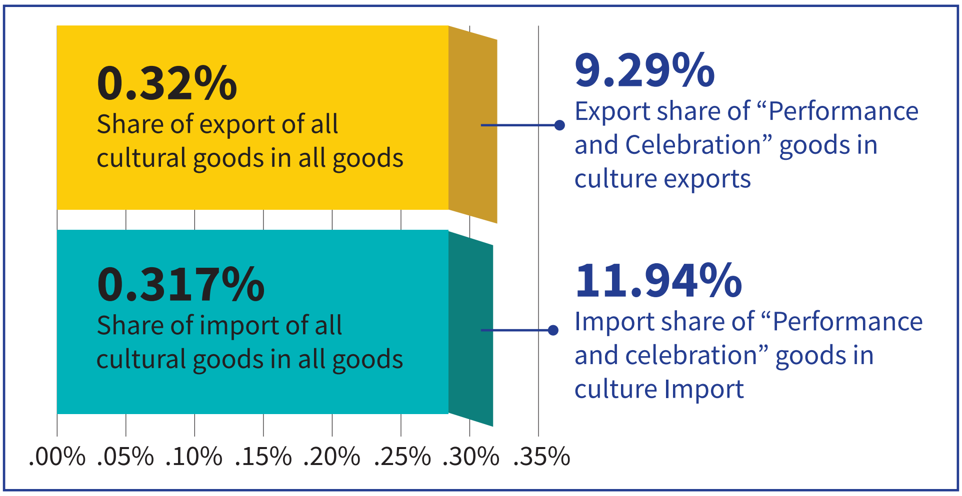
119 It is defined as the goods and services produced by an establishment (https://www.pcbs.gov.ps/Downloads/book2474.pdf) p.172

The total value added generated by activities, goods and services of both domains in 2019 was $56.69 US million, which is about 0.33% of the GDP. This might be a modest contribution; however, in Palestine, most music is produced by the informal sector; if the value generated by such informal and digitally streamed music were to be explored, then music's contribution in GDP could definitely be more significant.

Local and global trends towards digitalization, the richness of the music field in terms of human capital, and the value of music in the Palestinian context, are all factors which render music remarkably valuable in social and economic terms.

3.6.2. International trade - flow of cultural goods and services

As an economic indicator, Palestine's international trade of all cultural goods is modest noting that "music" is not signalled out. To indicate this, the following are figures from UNESCO's UIS[120] for 2019 under "performance and celebration":



While such figures may seem depressing, holistic approaches to harnessing the high potential present may turn around the formula in favour of the music industry and other CCIs.

Statistics from UNESCO's UIS give "International Trade" as an economic indicator, however the local "trade" of goods and services in Palestine is not analyzed in research or statistics nationally.

3.6.3. Employment

Unfortunately, it was not possible to specifically identify the field of "performance and celebration" in terms of employment noting that total cultural employment in 2017 stood at 2.30% according to the MoC's QPR report to UNESCO in 2020[121] as stated earlier. It is important to note, however, that the majority of musicians engaged in the value chains are self-employed, and work independently on a freelance basis rather than being formally registered, and many have other jobs. They do have

120 http://data.uis.unesco.org/index.aspx?queryid=3629

121 https://en.unesco.org/creativity/governance/periodic-reports/submission/3829

"cultural occupations"[122] which are voluntary or not necessarily remunerated, as such forming an important pillar of the Palestinian informal economy."[123] This contributes significantly to jobs, services and trade, which, if researched, may provide important value indications.

3.6.4. Local expenditure on music

According to the last Household Culture Survey by PCBS which was in 2014, "59.3% of the individuals aged 10 years and over listen to music; 94% listen to Arabic music, and 6% to non-Arabic."[124] The same statistics showed that 6.1% of students at schools and universities aged 10 years and older engaged in singing, choir or played music. No further cultural surveys were carried out since then. Also, it is worth noting that there is no specific data on local and household expenditures on "music" alone; expenditure on recreation and culture, including music, is very low in both the West Bank and Gaza Strip as indicated earlier.[125]

3.7. Multiplied effects/potential for increasing the value added

Music might have an important convergence with other sectors, for example, ICT, media, advertising, cinema, etc. Musical activities during the creation, production and post-production phases have several interconnected activities and sub-activities which also spill over to other sectors. The value added of music in Palestine is the rich production by individuals, groups and formally-registered NGOs of performing arts including theatre, dance and circus and all cultural festivals; in addition, the Palestinian cinema sector is developing rapidly. Commercial advertising private companies harbour important potential for commissioning musicians, while TV and radio stations, both public and private, make good use of available musicians and groups for their productions. Digital streaming further requires close interaction between musicians and IT, such as social media content developers. Collaborations among individual musicians or organizations which produce and organize musical events can be established with diverse commercial and social sectors. Additionally, the value added of partnerships/collaborations with other sectors increases adaptability and the resilience of the musical field, boosts job opportunities, and the flow of goods and services.

122 Cultural occupations (definition proposed by ESSnet-Culture) include occupations involved in the creative and artistic economic cycle. These occupations involve tasks and duties undertaken: a) for the purpose of artistic expression b) to generate, develop, preserve, reflect cultural meaning; c) to create, produce or disseminate cultural goods and services, generally protected by copyright https://ec.europa.eu/eurostat/documents/341465/3199631/essnet-culture.pdf/a6518128-69b3-4d89-82b8-060a3ad0d1d5 (p.141)

123 https://en.unesco.org/creativity/sites/creativity/files/cultural_times._the_first_global_map_of_cultural_and_creative_industries The informal economy refers to the underground economy, defined as the "market-based production of goods and services, whether legal or illegal, that escapes detection in the official estimates of GDP"

124 https://www.pcbs.gov.ps/Downloads/book2089.pdf

125 Percentage of "expenditure per capita on 'recreation groups' in 2016-2017 was the lowest of groups standing at 1.5% of total expenditure on non-food groups, that is about $ 20 US per month." https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_15-4-2018-liv-en.pdf

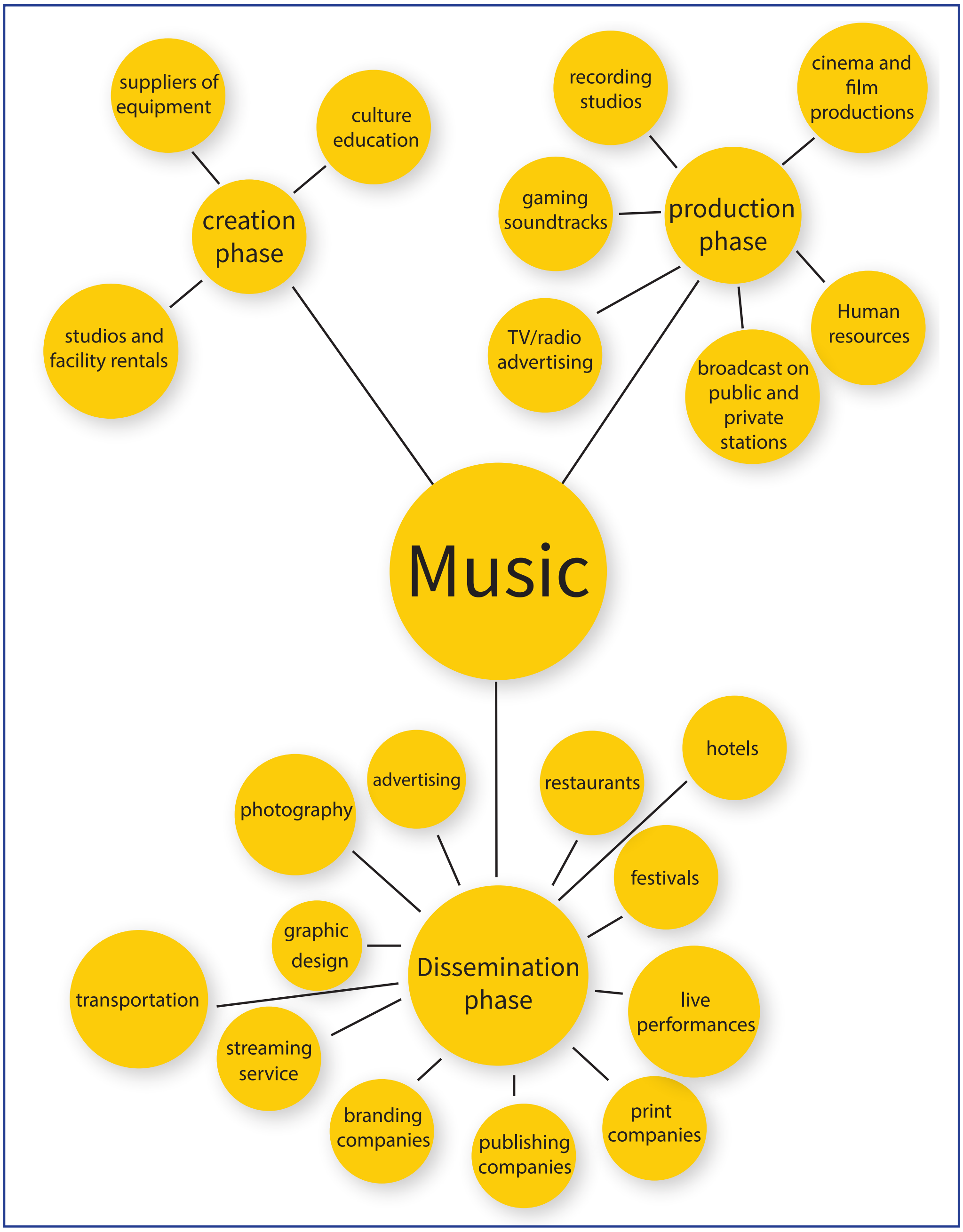
Activities during the **creation phase** are linked to Palestinian music teaching/academic programs or “culture education”; instrument providers or the small manufacturing entities, and suppliers of equipment; studios and facility rentals are all integral parts of the value chain activities during the creation and later production phases. These are all productive services and activities with important economic values.

The music **production phase** can be linked to a number of services internal and external to the recording studios; it can be easily linked to the rapidly growing cinema and film productions in Palestine, gaming soundtracks, as well as to TV/radio advertising broadcast on public and private stations.[126] The provision of facilities, equipment and services is essential, including services by human resources such as technicians, film makers, photographers, and managers.

Dissemination via virtual or physical support involves sub-activities and can cross over to sectors like advertising, photography, graphic design, streaming service providers/IT, branding companies, publishing and print companies, etc. Consumption through live performances and festivals involves a complete network of facilities and supplies with a spill over into many other fields and services: transportation, set designs, sound and light design companies, logistics, commerce, restaurants, hotels and transportation. Tangible heritage and tourism sites can also be activated, and more broadly, restaurants and trade in general. Moreover, UNESCO considers copyright and neighbouring rights protection as essential for “enhancing individual creativity, for the development of cultural industries and the promotion of cultural diversity.”[127]

126 There are 85 programming and broadcasting activities; and 58 motion picture, television programming, sound recording and music publishing activities (https://www.pcbs.gov.ps/Downloads/book2474.pdf)

127 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf



Connectedness with other fields

The economic and social impact of such a transversal value of music can be extraordinary, not only for individual actors, but nationally and as part of the GDP including employability. The jobs which can potentially be created in music, as a core expressive field, as well as through its interconnection with other cultural sectors in Palestine, can be tremendous. Such potential can be extraordinary if coupled with copyright laws which can spill over to the national economy in Palestine.

Case Study: The following case is noteworthy in the music value chain in Palestine; it is presented as an example which can be further monitored and replicated toward the creation of a music industry in Palestine.

Jafra Productions – a Palestinian production and record label company

The first production and record label, a not-for profit company established in Palestine. Samer Jaradat, who established Jafra in 2012, cultivated international experience in music production and industry. Today, Jafra, through Samer who has multiple functions, works using a comprehensive approach to create a full-fledge music industry in Palestine by implementing all services and activities of the music value chain. Jafra has many projects in archiving (Gazelle project), technology and innovation in music (Tami), as well as Entrepreneurship in Music (NEST), which will be a music incubator program. The focus of Jafra is Palestinian musicians wishing to create and produce their own musical ideas and to show-case their talents to the world. Jafra works with the young emerging musicians through the whole music value chain by assisting them with creating and developing their own musical vision, providing them with the space, equipment, facilities, and publishing and dissemination channels after the completion of their production. Jafra also works with a large network of organizations in the performing arts, music schools and service providers. Jafra also launched a program with Dar Al-Nadwa on the first ever music industry development leading to an intermediate diploma through the program (TAMI) where graduates will taught how to understand the development of the whole value chain, including an extensive training on digital platforms, the music industry, artistic economy and management, etc. Jafra is also lobbying with other music and acting schools to exert pressure to update and endorse the Intellectual Property Rights Law through the Ministry of Culture. Jafra is keen on establishing the structures that can manage the whole musical ecosystem and guarantee musicians' rights, and in so doing generate income and job creation. Jafra's investment in music production is currently financed by up to 80% by different donors such as Drosos and AFAC; they expect to finalize their investment in music productions by 2027 through the music incubation program, NEST.

4. Value Chain Analysis of Crafts

4.1. Background and definitions

Craft or artisanal products are defined by UNESCO as "those produced by artisans, either completely by hand or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product."[128] Crafts are classified under the domain "Visual arts and crafts". They are also linked to the Cultural Heritage domain.[129]

The terms "traditional crafts" and "touristic crafts" are used in the different literature of the Palestinian Ministries but are not formally defined. A definition close to that of UNESCO's was found in a study by MAS[130] and by IPS[131]: they are "manually produced by labourers or by using simple tools, where some material is recycled and re-used to produce items which reflect local heritage and cultural and can be commercialized/sold as an economic product". These definitions include both traditional and touristic handicrafts.

History: For centuries in Palestine crafts have held an intrinsic value for cultural heritage and the local environment, as such representing an important pillar of the Palestinian national and cultural identity. In particular, olive wood and mother of pearl productions as crafts linked to religious tourism are believed to have been introduced by the "Franciscan priests in the sixteenth and seventeenth centuries B.C who came as pilgrimage to Bethlehem in particular"[132]. Ceramics in Hebron were also inhered through generations over at least 400 years. Like all CCIs, crafts have been negatively affected by political and socio-economic changes, technical innovations, the abandonment of craftsmanship by the younger generation, the serious decline in "religious tourism", and most recently, the repercussions of COVID-19 on this sector and particularly on women-led projects.[133]

Palestinian handicrafts include: Olive wood, mother of pearl, embroidery, wax, ceramics, pottery, glass, bamboo, silver, beads, rugs/carpets, olive oil soap, mosaic, straw and stone carving.[134] It is difficult to give a precise number on these entities since many are home-based and informal;

128 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf)

129 http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf)

130 https://mas.ps/publications/2067.html

131 Palestine Standard Institution, 2019, http://www.psi.pna.ps; Article 3

132 (Directory of Exhibitors in the Permanent Exhibitions -Bethlehem Chamber of Commerce 2017)/ https://www.bethlehem-chamber.org/releases/other-releases

133 COVID-19 had drastic effects on MSME https://pcbs.gov.ps/postar.aspx?lang=ar&ItemID=3865 & https://www.undp.org/papp/blog/crisis-opportunityleveraging-digital-economy-tools-support-economic-recovery-palestinian-women-led-msmes

134 The Palestinian Federation of Industries, www.pfi.ps Union of Traditional and Touristic Crafts cites the 14; others cite 17 crafts

additionally, crafts might also be classified under the industrial sector in national statistics. Below is a modest list of known actors in crafts:

	Name of actor	Governorate	Craft
1	Hebron Ceramic/ Khaled Fakhouri	Hebron	Ceramic
2	Fakhouri Pottery Factory/ Ziad Fakhori	Hebron	Pottery
3	Tamimi Ceramic/ Nader Tamimi	Hebron	Ceramic
4	Ard Kanaan, Traditional Handicrafts Class Factory/ Yacoub Natsheh	Hebron	Glass blooming
5	Hebron Glass and Ceramics/ Dia' Natsheh	Hebron	Glass blooming & Ceramic
6	Najmet Kanaan/ Kholoud Nayroukh	Hebron	Embroidery
7	Al- Hilal for Mother of Pearl Workshop/ Johnny Hilal	Beth Sahour	Mother of Pearl
8	The Holy Land Handicraft Cooperative Society - HLHCS	Bethlehem	Crafts
9	Is'eed Mother of Pearl Workshop		Mother of Pearl
10	Abu-Farha for Eastern Handicrafts	Beit Sahour	Olivewood
11	Handcrafted Jewelry by NADIA/ Nadia Abu Ghattas	Beit Jala	Silver accessories with olive leaves
12	AlBadr Soup Factory	Nablus	Soup
13	Heritage Revival Project Salma Bouzieh	Salfit	Straw
14	Salsal/ Faten Nayroukh Pottery	Bethlehem	Ceramic
15	Bethlehem Fair Trade Artisans/ Suzan Sahoury	Beit Sahour	Crafts
16	Mosaic Centre Association	Jericho	Mosaic
17	Nisf Jbail Mosaic Cenre	Sabastia	Mosaic
18	Bethlehem Mosaic Centre organisation	Bethlehem	Mosaic
19	The Palestinian Heritage Centre (PHC)/ Maha Saqqa	Bethlehem	Embroidery
20	Canaan Fair Trade	Jenin	Crafts/food products
21	Sunbula Organization	Jerusalem	Embroidery
22	Inaash Al-Usra Society	AlBireh	Embroidery
23	Arab Women's Union	Bethlehem	Embroidery
24	Sureef Cooperative Womens's Society	Hebron/Sureef	Embroidery
25	Burj Al-Laqlaq Social Centre Society	Jerusalem	Ceramic
26	Tulkarem Women's Cooperative Society	Tulkarem	Crafts
27	Atfaluna Society for Deaf Children	Gaza Strip	Crafts
28	Ward O Nowar, Training centre	Ramallah	Crafts

	Name of actor	Governorate	Craft
29	The Holy Land Handicraft Cooperative Society (HLHCS)	Bethlehem	Olivewood and Mother-of-pearl
30	Bethlehem Icon School	Bethlehem	Mosaic
31	Ceramic Technical School (public)	Hebron	Ceremics
32	Tamer Factory	Beit Sahour	Olive Wood & Mother of Pearl
33	Jelled/ Ashraf Zaatary	Hebron	Leather

There is a special status for crafts in Palestine: they preserve the cultural identity and practices, they transmit savoir-faire across generations, and they have an economic potential. The local context has a significant input on the designs and the creative process of the different handicrafts. In recognition of the diversity and quality of Palestinian crafts, Hebron was announced by the World Crafts Council (WCC) as a World Craft City in 2016 for its production of pottery, ceramics, glass, and embroidery[135], and Beit Sahour received this honour in 2020 in recognition of its olive wood carving and mother of pearl craftsmanship.[136] This is an important international acknowledgement of the value of Palestinian cultural heritage.

4.2. Value chain functions

The value chain functions of Palestinian crafts are quite similar to the functions of crafts productions elsewhere in the world. The key actors of the different functions remain the Palestinian craftsmen and women, working individually or together in MSMEs[137]; these entities are mostly informal and family-owned, while others are registered as privately-owned businesses. The sector has numerous stakeholders, and is governed by private and public policies, and civil society. However, the Israeli border and customs controls impede its potential and accessibility internationally. As well, the social and economic values of this sector are interrelated and have important spill over to the tourism industry.

The value chain of crafts is “linear” with the main functions being: “creation/design, production, marketing/dissemination and usage/consumption”; the table below illustrates the value chain of Palestinian crafts which is detailed in the text below.

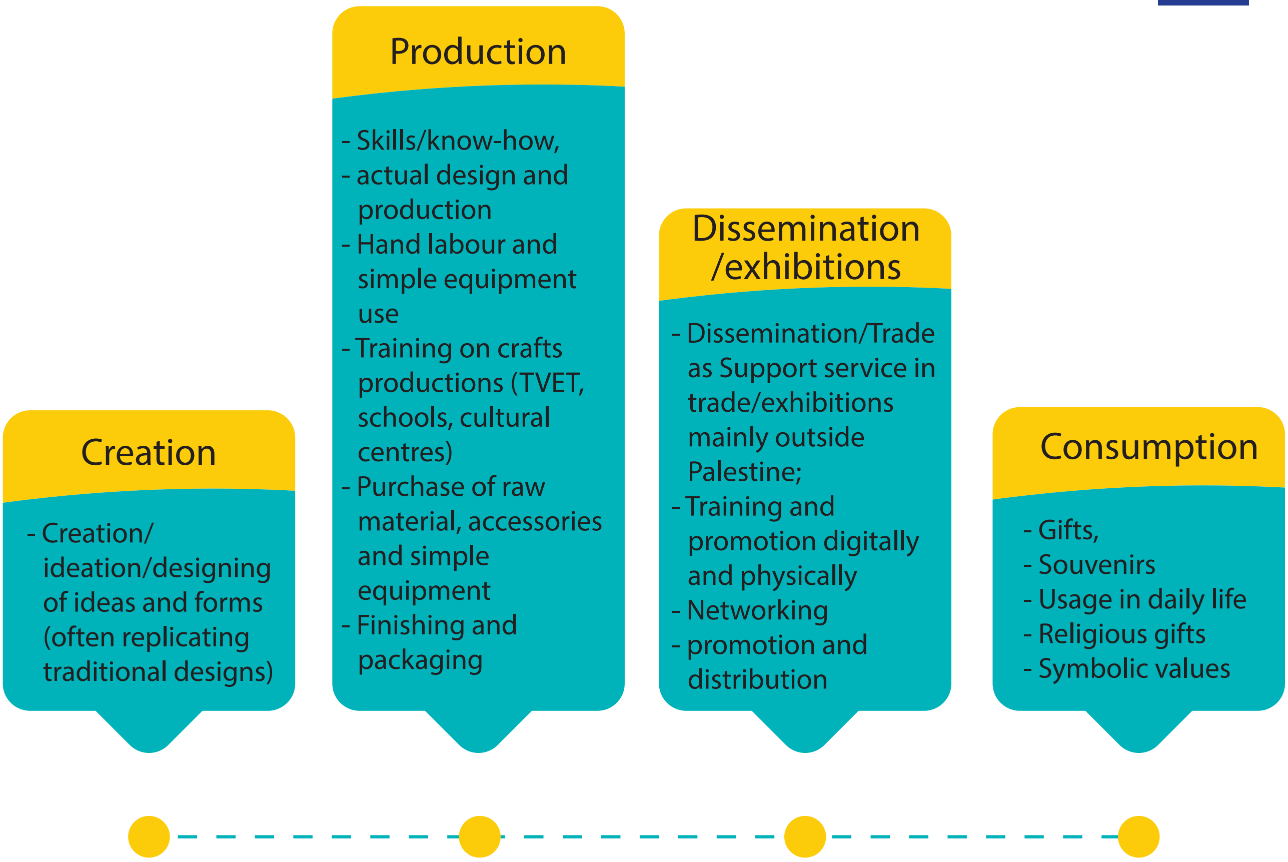
135 https://www.wccinternational.org/hebron

136 https://www.wccinternational.org/beitsahour

137 98% of the 153,000 economic enterprises are MSMEs in 2017. Micro enterprises (hiring less than four persons) in the Palestinian industrial sector account for 76.9%. Small enterprises (5-9 persons) account for 14.7%. according to the MoNE sectoral plan 2021-2023 (p.22)

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Creation	Artisans – Craftsmen and women (often also owners, or working informally at family owned projects) or artisans owners of formally registered enterprises) such as ceramics producers in Hebron, wood and mother of pearl crafters	Individual or MSME, informal, or family or privately owned, or formally registered MSMSs f	Creation/ ideation/ designing of ideas and forms (often replicating traditional designs)
Production	Artisans - Craftsmen and women (often owners) Support workers/ labourers (paid or family members) Craftsmen/women in NGOs/civil societies or sub-contracted by civil society (e.g. women working in embroidery either at home based level, or hired at CSOs as technical staff like specialized in embroidery or tailoring)	Raw material providers/ retail or wholesale for the diverse types of Palestinian crafts Credits: Small & micro finance organizations NGOs/women's societies One public school/ Hebron TVET centres Unions and private sector coalitions	Skills/know-how, actual design and production using raw material – Hand labour and simple equipment use Training on crafts productions (TVET, schools, cultural centres) Purchase of raw material, accessories and simple equipment Finishing and packaging

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Dissemination /exhibitions	Craftsmen and women NGOs/women's organizations (e.g. Arab Women's Union, Ina'ash El-Usra, Sunbula) Owners of crafts MSMEs Owners of retails souvenirs shops (116 touristic shops formally registered by MoTA)	Business development centres and loans' entities Seasonal and permanent local exhibitions by municipalities and NGOs (e.g.: Christmas markets, women's productions exhibitions, Souk al-Harjeh and others) Local and international trade (for members registered in Palestinian Federation of Industry, PalTrade, or MoNE, or Chambers of Commerce) Chambers of commerce in every governorate Unions and private sector coalitions, and Fair Trade organizations (e.g. Bethlehem Fair Trade, Union of Traditional & Touristic Crafts) Retail shops/touristic shops, touristic/heritage venues Platforms E-commerce (e.g. Sunbula, Handmade Palestine)	Dissemination/Trade as Support service in trade/exhibitions mainly outside Palestine; Training and promotion digitally and physically Networking, promotion and distribution



Key activities of crafts value chain.

4.2.1. Creation phase

The cultural context provides input for the idea conception process and is the place where the skills originate from. The idea conception of crafts is inherited through generations and transmits both skills and cultural values. Palestinians craftsmen and women who have unique skills are the translators of the individual and collective expressions and inherited designs inspired from the local context through generations. They are the creators and transmitters of the designs and ideas which are replicated and depicted on the embroidery, ceramics, and other crafts. Craft-based creations are produced physically and embody the symbols and colours of the Palestinian environment.

4.2.2. Production phase

Crafts production in general, as well as in Palestine is “either completely by hand or with the help of hand-tools or mechanical means” and closely intertwined with the knowledge, technical skills employed and materials used. The skilled Palestinian artisans or craftsmen/craftswomen are key actors during this phase, which is composed of two main stages: the supply of raw materials, and the manufacture and consolidation of the product. The most common crafts in Palestine which are also still functional on a daily basis are: embroidery, ceramics and pottery; crafts for tourists are

138 https://tourism.ps/souvenir

also very commonly produced, mainly olive wood-carved crafts, and mother of pearl. In Palestine, the raw material is provided by wholesale or retail companies, imported mainly from China, Spain and Italy, and to a lesser degree from other countries. Palestinian crafters, owning informal or formal MSMEs, often family-owned, encounter several problems in obtaining raw material which must come through Palestinian or Israeli retail or wholesalers: delays and high costs are mainly due to Israel's border, taxes and customs controls. Crafters as owners of MSMEs purchase limited quantities at high costs; the attainability of some of the necessary material is often difficult. The Palestinian crafts producers are the key actors ensuring quality of their product, which is crucial for making a "brand name" for themselves to improve their sales. Depending on the size of the "enterprise", workers or technicians are hired for supporting the production process. The production of certain crafts (embroidery, jewelry) by some women-led charitable societies or NGOs[139] is conducted in different modalities: either in-house crafts production centres hire craftsmen and women as staff, or they sub-contract craftsmen and women working from home as a jobs creation program.

4.2.3. Dissemination

As confirmed by the interviewees, this is a critical stage where serious obstacles are encountered in view of the political situation and underdeveloped policies. There are different stakeholders during this phase. Crafters/artisans and owners of family enterprises ensure the distribution or sales of their products, either wholesale or retail. This is conducted through: their own shops, local gift shops owned by others, local exhibitions, or through export to international markets. The interviewees stated that "Gift shop owners tend to purchase touristic crafts at low prices, but sell them at much higher prices." NGOs, chambers of commerce and municipalities have become key actors in the marketing of crafts through permanent local exhibitions or the galleries they organize.[140] Sales through seasonal exhibitions at Christmas and in the summer are quite common in Palestine and are organized by some municipalities like the Souk Al-Harjeh in Ramallah, the Christmas markets in Bethlehem & Beit Sahur, and the Heritage Week in Birzeit; often they are important venues for informal MSMEs owned by women or young crafters. In the last two decades, given the increased awareness of the economic value of Palestinian crafts, new actors who have become involved in this phase have particularly improved the international trade of crafts. These include young entrepreneurs and start-ups specialized in e-commerce. Chambers of commerce—which facilitate their members' participation in international exhibitions—provide small funds and technical specialized trainings, private sector coalitions like Pal-Trade, Fair Trade organizations[141],

139 Ina'ash El-Usra, Arab Women's Union in Bethlehem and YWCA are among the early starters in embroidery production and marketing in these three modalities.

140 Chamber of Commerce of Bethlehem and Hebron, NGOs like Ina'ash El-Usra, Sumbula and others.

141 http://pfi.ps/index.aspx; https://www.paltrade.org/; Bethlehem Fair Trade Artisans https://bethlehemfairtrade.org/..www.Sunbula.org

and the Union of Traditional and Tourism Industries[142] are facilitating the international marketing of crafts for their members. Non-registered members in these institutions are excluded from such trade channels; informal or non-registered members opt to work individually through their own networks outside Palestine by selling products to tourists or at Christmas markets in Europe and the USA.

4.2.4. Consumption

Locally, the direct purchase of some crafts like ceramics and embroidery remains the most efficient and common consumer practice in Palestine through local retail shops or exhibitions. Few crafts like embroidered dresses, soap, pottery and jewelry are still used on a daily basis; however, other crafts like household ceramics, mosaic, and rugs, are less purchased by Palestinians in view of their high prices. In addition, the local market is flooded with imported, lesser quality products at cheaper prices. Additionally, religious tourism to Jerusalem and Bethlehem is an important source for crafts sales via those sold to pilgrims; unfortunately, Israel's monopoly on incoming tourism to East Jerusalem and Bethlehem negatively affects the crafts market as well. This was compounded by COVID-19, where the crafts sector, like tourism, was hit hard. Middle and upper class consumers more often purchase crafts with contemporary designs and touches, while 80% of the crafts are exported internationally, and 20% are marketed locally, according to Majed Abu Farha. [143]

4.3. Support services

Services for the development of actors' capacities are quite crucial. There are two forms of support services: **1) small and micro-finance organizations**[144] have been crucial for supporting MSMEs and many women-led projects, along with **2) business development centres** (BDCs), incubators and innovation hubs[145], which are run by the private sector, NGOs, or universities[146]. They have been providing specialized capacity building in business development concepts and entrepreneurship; some provide artistic creation and design training, while others facilitate promotion and marketing/dissemination services' access to digital platforms and social media. Advocacy, networking, mentorship and facilitating access to finance are also services provided by

142 A formally registered union under the MoNE includes 60 members in its General Assembly representing 14 crafts. http://pfi.ps/ar_category.aspx?id=ckx4eRa25697331ackx4eR

143 Director of the Union of Traditional and Touristic Handicrafts, interview https://www.raya.ps/news/1107290.html

144 There are different types of credit organizations. There are about seven giving micro and small credit (https://www.aliqtisadi.ps/ar_page.php?id=e40357y14943063Ye40357 and a union ("Sharaka") of small and micro finance (www.palmfi.ps).

145 There are about 61 existing business incubators, accelerators, co-working spaces, training centers and other related institutions. https://www.enabel.be/sites/default/files/tenders/final_report_-_mapping_study_of_innovation_hubs_part_1.pdf (p.28)

146 Out of the 61 innovation and business development hubs and incubators (see footnote 144 on the mapping study of Enable), at least 7 of them are at Palestinian universities, many with focus on ICT; e.g Bethlehem University's Business Incubator (BBI), B-Hub at Birzeit University, Business Incubator Unit at the Centre of Excellence at the Polytechnic University, UCASTI at the University College of Applied Science in Gaza; BTI at the Islamic University in Gaza, NaBIC at Najah University, HSITCE at the Arab American University in Jenin.

certain BDCs. Two important examples here are: the Business Women Forum[147], and the Business Incubator Polytechnic University[148]. It would be interesting to study the impact of such capacity building on the crafts sector. As well, the education and formal training of crafts in schools exists only in Hebron's Ceramics School. At higher education levels, Al-Najah University offers a BA degree in ceramics while Dar Alkalima University offers a diploma in jewelry production.[149]. Additionally, the following NGO TVET centres offer training in ceramics, mother of pearl, embroidery and olive wood carving: Continuing Education/Polytechnic University (handicrafts, and leather), Lutheran World Federation Jerusalem (ceramics and handicrafts); the Academic Vocational Centre at Ina'ash El-Usra Society (embroidery and tailoring), Salezian Technical School Bethlehem (Mother of Pear, Olive Wood and Ceramics), Al-Bir Society For Martyrs' Sons (tailoring).[150] However, there is most likely a need to offer further technical training on Palestinian craft production in order to preserve their transmission to future generations.

4.4. Policies and laws

The crafts sector falls under the mandate of three ministries: the MoC, MoTA and MoNE. It is considered part of the cultural heritage programs of the MoC, while the MoTA is mandated to regulate the crafts sector as part of the tourism sector. MoTA recognizes that the "handicrafts sector is quite dispersed and falls under the responsibility of: MoC, MoTA, and MoNE and the Union of Traditional and Touristic Handicrafts."[151] Under its third policy, the MoTA stresses the economic importance of tourism and cultural heritage, including the social and cultural importance of Palestinian crafts.[152] The PA has approved MoTA's tourism cluster plan wherein crafts and souvenirs are part of the services of the Bethlehem governorate.[153]. Both the MoC and MoTA stress the importance of protecting crafts through promotion and quality assurance codes for each craft, in addition to ensuring specific training and capacity building programs. The MoNE adopts crafts development as part of the "tourism cluster" plan of Bethlehem and Jericho. Meanwhile, the National Development Plan 2021-2023 gives emphasis to crafts as part of tourism development under the 33rd policy titled **"identity and heritage as pillars of Palestinian narrative."**[154]

Crafts are covered by presidential decree #10, the Law of Industries, 2011[155], whereby the term "industrial crafts" under Article 1 is used. Like other industries, the registration of privately-

147 www.BWF.ps Established in 2006, this non-profit association has supported more than 6,800 women, the registration of 350 women-led businesses, the provision of 16,000 hours of training and coaching sessions, the provision of access to finance through $652K as grants, and the facilitation of $350K in loans.

148 www.incubator.ppu.edu

149 Dar Al-Kalima (previously Dar Al-Nadwa) had a crafts program in 1998, but stopped it. (interview Fatin Nistas)

150 https://www.tvet.ps/departments

151 MoTA, Sectoral Strategic Plan 2021-2023; p.9) http://www.palestinecabinet.gov.ps/ (p.33)

152 MoTA, Sectoral Strategic Plan 2021-2023; p.33) http://www.palestinecabinet.gov.ps/

153 http://www.palestinecabinet.gov.ps/WebSite/Upload/Documents

154 National Development Plan 2021-2023 Public Policies (p.108-109), http://www.palestinecabinet.gov.ps/

155 http://muqtafi.birzeit.edu/pg/getleg.asp?id=16288

owned craft making entities goes through the MoNE, and the local municipality and chamber of commerce. In view of the registration complications and high costs, many MSMEs refrain from registering. As such, they do not register and resultantly do not profit from international trade opportunities nor funding schemes or training programs by MoNE or chambers of commerce; they are also not protected by quality charts and tax schemes. MoNE particularly encourages MSMEs led by women and youths to formally register. The existing laws and tax regulations do not have a differential treatment between MSMEs and big enterprises, as many interviewees confirmed. Although the modified Company Law (#42)[156] appears to be more flexible and favourable to MSMEs, taxes and other regulations remain complicated. In 2019, the "Quality Chart for Palestinian Handicrafts Industries" was issued, with the main objectives of it stated as "to ensure high quality crafts products, increase their competitive value in local and international markets, increase the productive capacities of owners of crafts entities, and protect cultural heritage as a source of economic development."[157]. In its 2021 annual report, "the Palestinian Standards Institution (PSI) dealt with 17 applications of crafts quality compliance. The quality monitoring mechanism of crafts has been accomplished jointly by: PSI, MoNE, MoTA, PalTrade and the Union of Traditional and Touristic Handicrafts."[158]

4.5. Digitization and e-commerce

While digitization has importantly affected other CCI fields, the creation and production of crafts have not been completely affected. Moreover, new platforms have been developed globally for the sale of crafts.[159] In Palestine, out of seven e-commerce platforms,[160] there is only one specialized in crafts: "Handmade Palestine"[161]. With limited internet skills, crafters involved mainly in creation and production, cannot afford to spend time and money working on learning further digital means, therefore they continue to offer their wares through conventional methods of dissemination, relying on networking and personal contacts. As well, the designs of Palestinian crafts remain quite conventional; the older generation lack internet skills, and have mainly inherited such craftmaking, design and production, and have not engaged in internet searches to inspire themselves through new designs or production methods. However, younger craftsmen and women have their own webpages, Instagram or Facebook accounts as tools for dissemination and the promotion of their products. Digitization could take crafts to a new dimension of dissemination and trade. The challenges mentioned in (section 2.2) relevant to e-commerce and digital transfer of money affects the crafts sector as well.

156 Endorsed by the President in 2021; https://maqam.najah.edu/legislation/1211/

157 http://www.psi.pna.ps/ar/Pub

158 http://www.psi.pna.ps/ar/Pub. 2021 Annual Report. P.67

159 www.etsy.com /// www.folksy.com

160 https://documents1.worldbank.org/curated/en/472671640152521943/pdf/Palestinian-Digital-Economy-Assessment.pdf (p.85)

161 https://handmadepalestine.com/

4.6. Economic indicators

Since the craft sector is generally informal and there are many unregistered enterprises, precise data on statistics for craftmaking entities, input, output and value added might be inaccurate; while the statistics provided by PCBS included the domain "Visual arts and Crafts", their economic surveys did not include all entities. Therefore it is difficult to assess the sector's economic value. The intrinsic and symbolic value of crafts as part of cultural heritage and identity is invaluable, and cannot be monetized.

4.6.1. Value added in GDP

Crafts fall under the domain "Visual Arts & Crafts". It is difficult to find separate estimates on "crafts" alone in value added. This domain requires an important input in terms of raw material and equipment. However, the value added of its production is quite important representing about 83.10%. The percentage of the value added indicates the net value of the production after deducting the costs and consumed services and goods which are the inputs of the production.

PCBS 2019 – Crafts Cultural Productive Activities and Goods and Services value added:

The Domain:	Production (Output)	Value added of goods and services (in 1000 US)	% of value added of goods and services
Visual Arts and Crafts	**$ 9,131.80**	**$ 7,588.60**	**83.10%**

4.6.2. International trade

Flow of cultural goods and services – according to UNESCO's UIS[162]

Share of export of all cultural goods in all goods	3,536,034 0.32%
Share of import of all cultural goods in all goods was	20,955,650 0.317%
export of "Visual Arts and Crafts goods"	2,255,854 Share in exports (63.8%)
Imports of "Visual Arts and Crafts goods"	11,848,283 (share of imports 56.54%)

162 http://data.uis.unesco.org/index.aspx?queryid=3629

4.6.3. Employment

In the case of informal, mainly family-owned MSMEs[163], it is very difficult to estimate the number of formally paid jobs, noting that family members are often not remunerated.[164] Crafts are a good source of employment for many groups, particularly women and youth, in many areas including marginalized areas.[165]. "There are about 4,000 women who are working in embroidery in Palestine"[166]; UNIDO's study on 'CCI clusters' also estimated 4,000 women working in embroidery in the Hebron area in 3000 facilities, mainly home-based.[167] However, in 2021, out of 2156 newly-registered commercial entities, 894 were owned/led by women, and of these 3.6% were in crafts.[168]

According to PCBS' formal statistics on the tourism sector, there **are 479 craftmaking enterprises** employing **1,313** people, out of which 772 constitute paid labour.[169] According to the head of the Union of Traditional and Touristic handicrafts, Majed Abu Farha: "there are 700 handicraft workshops in Palestine, encompassing 17 different crafts, of which about 70% are produced manually; 80% are exported while 20% are sold locally to tourists."[170] The 17 crafts are: pottery, ceramics, embroidery, glass wear, wood works/olive carved wood, bamboo, straw, mother of pearl, rugs, wax, sand formations, copper, gypsum works, handmade accessories, mosaic, and folkloric puppets.[171]

4.7. Interconnectedness with other sectors and job creation

The most important value added of craft productions are the talent, skills and know-how of the craftsmen and craftswomen. Their creativity in devising and producing high quality products that express the spirit of heritage and the social identity of Palestine are invaluable.

In Palestine, where cultural and religious diversity is a wealth, crafts can be a critical catalyst for future job creation if the ecosystem of production is improved. International trade agreements can increase craft trade and therefore promote Palestinian cultural identity and heritage, which eventually translates into touristic development. Policies and regulations on the export of

163 According to MoL, although it is difficult to assess the informal labour market in Palestine and its role in the economy, *"there are about 100,000 informal micro enterprises with about 140,000 workers (p.32) http://www.palestinecabinet.gov.ps/* Sectoral Plan for Labour 2021-2023

164 According to the Ministry of Labour (3.7% of family members working in family owned projects are not paid, mainly women) according to the Sectoral Strategy of Labour 2021-2023 (p.29) http://www.palestinecabinet.gov.ps/

165 Women's participation in the Palestinian labor force is among the lowest in the world, representing 16.5% vs. 65.1% for men https://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Labour2020.html (http://www.palestinecabinet.gov.ps/ MoL, p.27)

166 https://mas.ps/publications/2067.html (P. 30)

167 http://backend.institutdesfinances.gov.lb/wp-content/uploads/2020/06/Mapping-of-clusters-in-cultural-and-creative-industries.-UNIDO-2015.pdf

168 https://www.mne.gov.ps/mnestatistic.aspx MoNE Annual Statistics report 2021 (p.28)

169 https://www.pcbs.gov.ps/Portals/_Rainbow/Documents/TourAct-2018-A-01.html detailed as wood manufacturing and retail sales of handicrafts and souvenirs

170 Director of the Union of Traditional and Touristic Handicrafts, interview https://www.raya.ps/news/1107290.html

171 http://www.psi.pna.ps/ar/Pub

Crafts

- marketing companies
- shipping and delivery companies
- ICT
- website and social media development companies
- touristic services

competitive crafts which are flooding the local market are crucial to the evolvement of Palestinian crafts. The economic contribution of craft MSMEs to job creation—particularly for women and youth—is paramount and intersects with other sectors. This can include sectors like marketing companies, shipping and delivery companies, ICT, website and social media development companies, in addition to all touristic services. Such links have to be taken into consideration when drafting and establishing financial policies and regulations. Easing e-commerce will provide an important boost to the sector's accessibility to international markets and the Palestinian Diaspora. Transactions of e-commerce can have tremendous economic spill over.

Case Study: This project profits from sales by remaining operational and keeping their operational costs low. The workshop is part of a family leather industry, working at home.

Jelld – A leather crafts brand established by three friends:

Ashraf Zaatari, Suhaib Rifai, and Alaa Silmi. These friends realized the need for a project from which they could generate their own income and equally employ less privileged groups in order to produce high quality products from natural materials.

Launched by three young entrepreneurs, Jelld is a natural leather crafts project currently offering 21 job opportunities, mainly for women and youth (full time jobs, part time and per day/hour) from the Hebron area, including opening jobs for persons with special needs, university students, and women working at home. Jelld designed crafts using the left-overs of natural leather to create and produce newly designed and functional products. It was originally a family business of leatherwear products established in Dura – Hebron.

The project started from scratch with very basic tools, relying mainly on handiwork. The workers are specialized in line production and the necessary skills. The workshop is established in the basement of one of the initiators' homes, adjacent to his family leather factory, thereby making it easier to obtain the leftovers while lowering any extra costs. The three friends who established Jelld are self-taught in fabrication and manufacturing, but also in creating new designs and marketing. Jelld is a trademark formally registered at the MoNE, but it is not registered as an independent business.

Jelld has a profit of no less than 15-20% of the production costs. Jelld had 23 sales points in Palestine, Jordan and Europe before COVID-19. Currently they have 12 sales points in Palestine, Jordan, Europe and the US. They market through retail sales points, in gift shops, exhibitions, and restaurants by exporting through Aramex or DHL deliveries upon request from the sales points. The designs are simple, although based on the exact needs of people and functional for daily life. For example, a purse that has room for one's ID card, note books or other articles for their purposes of their daily lives.

5. Product design

5.1. Background and definitions

According to UNESCO, the “Design and Creative Services domain” covers activities, goods and services resulting from the creative, artistic and aesthetic design of objects, buildings and landscape.[172] In this chapter, the focus will be on Palestinian product design as a concept, and the contextual value chain analysis of such designed products.

Industrial, technological and digital innovations have impacted the concepts of product design and the original value chain production of crafts, thereby creating new activities, services, goods and actors. While crafts are replicated products with cultural values, heritage and inherited skills at their core, innovative product design[173] foresees the needs of end users/consumers, seeking out innovative new ideas and means to solve certain problems, while tailoring new skills and knowledge to meet those needs. Influenced by this amalgam of technologies, product design in Palestine has also been evolving; however, it is still closely linked to the inherited values. Younger designers have explored new creative ideas in design and have incorporated new innovative tools into contemporary designs that carry the spirit of Palestinian heritage and other world heritage.

Although new concepts and modalities of production have been developed, product design in Palestine is still not completely intersected with other societal and developmental sectors: “It is not based on research of societal needs. It does not take into account the innovative modalities or tools, neither the functionality of the products.”[174] The value chain of product design typically becomes quite elaborate if such considerations are taken into account. This reflects on the social values and economic dimensions, including job creation. Any precise data on actors is difficult to find, and often design is very much linked to crafts, given that many designers work informally or are home-based. Below is a list of the known key actors in product design:

	Name of actor	Governorate	Type/ Activity
1	Handmade from Palestine	Ramallah	Marketing crafts
2	Disarming Design from Palestine	Ramallah	Crafts marketing/ production
3	Designers for Change_Shagaf for Digital expression	West Bank	Digital and content Design
4	AlElieh	Jerusalem	Creation/ Training

172 https://www.productplan.com/glossary/product-design/?fbclid=IwAR2ZXKuwkDGowe7F4YAycu55WFdO9oVwGrbkFlp5oEg-68fuPf2ykK2pzlA

173 The definition of product design describes the process of imagining, creating, and iterating products that solve users’ problems or address specific needs in a given market. https://www.productplan.com/glossary/product-design/?fbclid=IwAR2ZXKuwkDGowe7F4YAycu55WFdO9oVwGrbkFlp5oEg-68fuPf2ykK2pzlA

174 Interview Hamza Abu-Ayyash

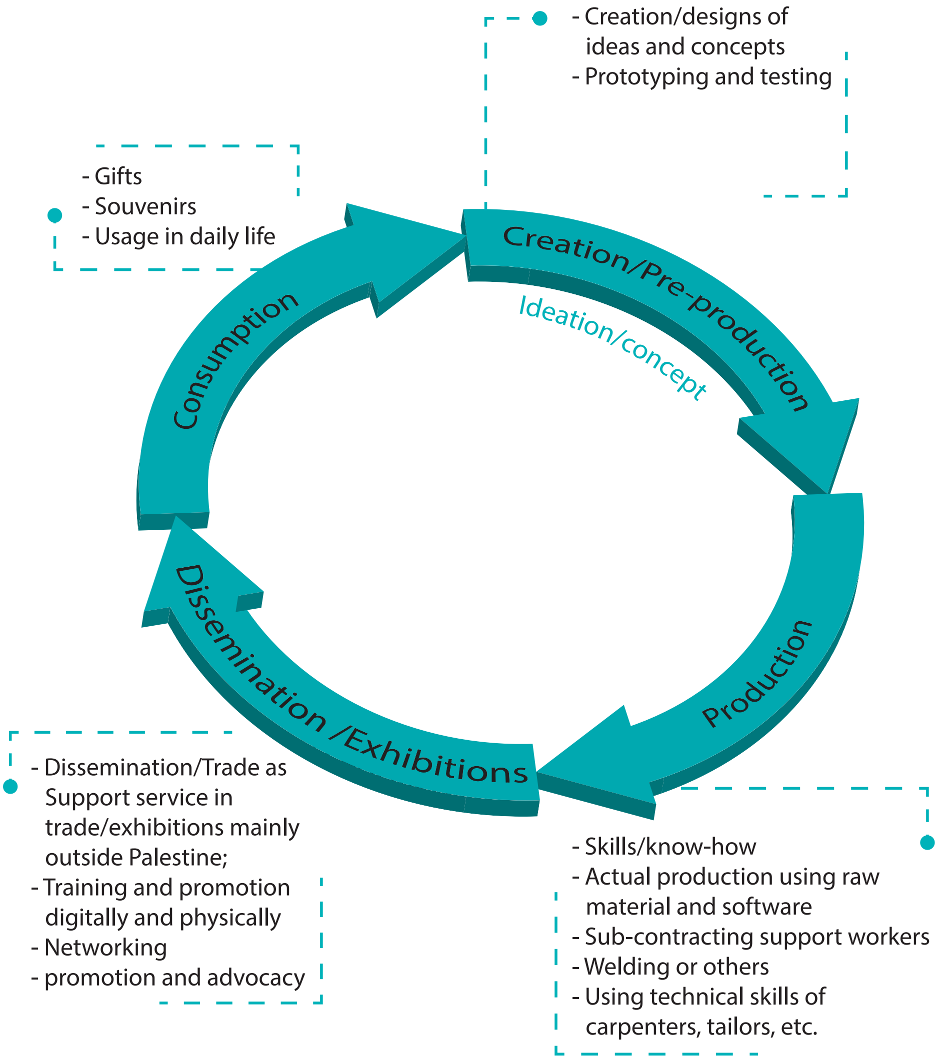
	Name of actor	Governorate	Type/ Activity
5	Afanen	Ramallah	Wooden products and furniture
6	Jelled/ Ashraf Zaatary	Hebron	Leather
7	Burj Al Laqlaq	Jerusalem	Ceramic
8	Power Group	Bethlehem	Digital and content Design
9	Local Industry	Bethlehem	Furniture
10	Atfaluna Society for Deaf Children	Gaza	Crafts and Furniture
11	Fazza3a	Ramallah	Clothing, Arabic calligraphy
12	Habbar	Ramallah	Clothing
13	Tiraz project by Business Women Forum	West Bank	Fashion design
14	Khitan (UNIDO/MONE)	Gaza	Fashion Design
15	Noon, Ceramic and Arts	Nablus	Ceramic
16	Salsal	Beit Sahour	Ceramic
17	Lara Sal'ous	Ramallah	Furniture
18	Nadia Ghattas	Beir Jala	Silver accessories
19	Mahmoud Rabah	Jenin	Micro mosaic accessories
20	Nol Collective	Ramallah	Fashion
21	Sulafa Embroidery Centre	Gaza	Fashion/ Embroidery
22	Nareman Obeid	Gaza	Fashion design/ Embroidery
23	Fanzati	Hebron	Creation and dissemination
24	The Wonder Cabinet (Being developed)	Bethlehem	Product Design

5.2. Value chain functions

The creative function in product design is more elaborate. Once a design is ideated or even prototyped and tested, the production process follows the same value chain functions. Product design can establish diverse services, activities and inter-linkages among actors and other sectors. The Palestinian value chain map for design is illustrated in the following table:

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Creation/pre-production/ Ideation/concept Prototype/ testing	Individual, freelance designers men and women in fashion, jewelry, pottery, leather, artifacts, etc. Students of Design at different universities	MSME, informal, or privately owned registered formally; often home-based Limited workshops facilities University programs of Design (list in table under section 2.2.7)	Creation/designs of ideas and concepts Conducted manually or using computer software Prototyping and testing
Production	Designers as creators of the ideas Workers/labourers, often working on hourly or project basis Technicians in fabrication workshops (carpenters, tailors, blacksmiths, etc.) Students at Design program	Raw material providers/ retail or wholesale Fablabs and local fabrication workshops (carpentry, welding, tailoring, glasscutting, etc.) Equipment and accessories providers Credits: Small& micro finance organizations Business Development Centres, and incubators NGOs/women's societies Universities and TVET ICT companies/Labs	Skills/know-how, actual production using raw material Sub-contracting support workers in sewing, welding or others Using technical skills of carpenters, tailors, etc.

Function in value chain	Actors / stakeholders	Facilities/support institutions and resources	Activities
Dissemination /exhibitions	Designers as owners of the creation and production NGOs/women Centres, and municipalities organizing exhibitions Private sector coalitions (PalTrade, PiPA, etc.)	Business centres and incubators Chambers of commerce in every governorate Unions and private sector coalitions Local governments Local exhibitions / seasonal and permanent Local delivery service companies Platforms E-commerce such as “Handmade Palestine” and “Disarming Design from Palestine”, Other platforms used by individual designers to promote their products	Dissemination/Trade as Support service in trade/exhibitions mainly outside Palestine; Training and promotion digitally and physically Networking, promotion and advocacy
Consumption	Palestinian public Palestinian diaspora Tourists in Palestine International consumers		Gifts, souvenirs, usage in daily life



Key activities of product design value chain.

5.2.1. Creation

The creative process is quite crucial, as it is where designers' thoughts and creativity converge with technical and digital innovations to meet both the vision of the designer and the objective of the product.[175] This creative phase may encompass different steps until a satisfactory prototype is finally produced, before ultimately moving onto the other functions of the value chain. The creative function of design might include, for example: research, exploration, ideation, prototyping and testing. In Palestine, these activities are not exactly taken into consideration and designers are often inclined towards conversional methods. Globally, contemporary design creation is "*built on research of people's and societal needs in diverse developmental sectors. Creation and production*

175 Product design is predicated on a popular framework called Design Thinking which is a human-centered approach to innovation that integrates the needs of people, technological possibilities and business requirements. https://uxplanet.org/what-is-product-design-and-the-product-design-process-41b41a5bf795

of designs then meets these needs and responds to solve problems". [176] The creation of ideas requires "*design thinking, project-based learning and agile product development*".[177] Often, this phase features passionate young innovators or entrepreneurs exploring new horizons, thinking "outside the box" to create new styles expressing their personal approach while responding to broader needs.

For sketches and initial ideas, curiosity, an investigative spirit, drawing or design skills, and basic technical skills are all assets for an explorative designer to create and cultivate knowledge. While this is present among many Palestinian designers, often research is a missing activity. Some still sketch their ideas out manually, either because they lack computer skills, or because they are "not confident that the computer would give the exact concepts."[178] Others use a mix of hand, "Rhino", 3D and molds. For prototyping, fabrication workshops are used by the designers to produce their concepts. In Palestine, many designs are still influenced by "traditional" colours and forms; others meanwhile have elected to revolutionize their ideas (in fashion, leatherwear, jewelry and other functional products). To compensate for a lack of experimentation and creative spaces for designers, Fayez Al-Karaki established "Fanzati" [179] as a Fab-Lab and Samar Qirrish established "Al-Illieh". "Our local environment and diverse culture are full of topics for knowledge expansion, for inspiration and for creation".[180] The pre-production phase is therefore critical for prototyping and testing, where input and experimentation are the key activities.

5.2.2. Production

Since research is not conducted during the creational phase, the production is also affected. "Testing a sample product is also essential to ensure usability and feasibility; this is not implemented by Palestinian designers."[181] Faced with a lack of resources, designers often become producers to ensure the quality of their design lines or products. Palestinian independent product designers of fashion, jewelry, leather, and graphic design face many challenges during this stage. Designers' inability to access well-equipped studios or workshops and the lack of "makers' spaces/ fabrication spaces" to visualise ideas and produce them are among the problems. Some designers lack certain skills (sewing, carpentry, welding, etc.) and are also unable to purchase expensive equipment or quality material which, if available locally, are priced out of reach. "Some traders have a monopoly on certain equipment or raw material".[182] Access to privately-owned fabrication workshops (carpentry, welding, etc.) to construct a prototype or carry out a production can be intimidating for female designers in particular. For fashion, although it has been growing

176 Interview Hamza Abu Ayyash

177 Interview Samar Qirish

178 Focus group discussion with female designers – Tiraz project

179 See Fayez Al-Karaki's success story, p. 47 of this report

180 Interview: Samar Kirresh and Ghadeer Dajani

181 Interview Hamza Abu-Ayyash

182 Focus group discussion with women designers graduates of Dar al-Kalima

importantly in the past few years, some designers have been faced with difficulties finding efficient, high quality tailors: “I had to learn sewing and finishing to guarantee the best quality for my designs”.[183] Female fashion designers who are also carrying out home-based production projects cannot produce large quantities: “limited space in my house for tools and equipment is a problem. In addition, the Palestinian market does not have a diversity of fabrics/textile and accessories.”[184] A lack of or limited funding resources hinder many designers from enlarging their productions or seizing on new ideas; therefore, they are forced to produce in small quantities only. Additionally, this phase is where many links and connections are established with other services, fields and actors. In line with this, a new initiative in Bethlehem is “the Wonder Cabinet” supported by Drosos, which combines crafters, skilled labourers, and industrial producers to produce newly designed pieces of furniture.

5.2.3. Dissemination/trade

To distribute/market or disseminate their products, Palestinian designers need to invest in this phase, which includes a number of interlinked services and actors. Individual designers and graduates of design cannot showcase their products in permanent showrooms or gift shops. Such venues can be established at municipalities, chambers of commerce, cultural centres, and universities. Annual graduation exhibitions enable students to showcase their products. For example, Dar Al-Kalima University invites private businesses to these exhibitions as a marketing opportunity for young designers. Like crafts, the marketing and dissemination of product design is conducted through “exhibitions organized by women organizations, unions and chambers of commerce, partnerships with different organizations and privately owned businesses, retail or gift shops, and personal contacts.”[185] Fair Trade organizations such as: Sunbula, Bethlehem Fair Trade Artisans, Kanaan Fair Trade (Jenin/USA), and Handmade Palestine are important avenues for disseminating digitally and physically both traditional crafts and contemporary product designs. However, critical services play a role in the success of the dissemination of product design such as special and artistic packaging, efficient delivery and advertising. A visual identity including high quality photographs and images of digital and printed material must be developed as part of the branding. Hiring a marketing company that can provide digital and physical services would thus be ideal. In addition, specialized design websites and magazines can be launched to promote and disseminate the innovations of designers locally and internationally. Unfortunately, such services are costly and individual Palestinian designers cannot invest in them. Interviewees confirmed that marketing to the Gaza Strip is extremely difficult, and that it is too expensive to market their products in Jordan. The market in the West Bank meanwhile is flooded with cheaper products imported from China and elsewhere. Women trained by the BDCs mentioned that they were trained sufficiently in business development, and were connected with entrepreneurs and the private business sector. In view of the limitations mentioned in the production and dissemination

183 Focus group discussion with women designers – Tiraz project

184 Focus group discussion with women designers – Tiraz project

185 Interview with female design graduates of Dar al-Kalima, Fayez Al-Karaki and others

phases, many designers opt for local production and marketing through conventional means. Through social media they publicize their products, and they rely on local delivery services if needed. Some use e-commerce platforms like "Deelzat". However, entering into international markets has been cultivated in the past few years for industrial fashion design and production through programs of the MoNE.[186]

5.2.4. Consumption

In general, consumers in Palestine still prefer more conventional designs perceived as **crafts**, particularly in fashion and jewelry. The consumption of innovative products, such as household utensils or cloths depends on imported products, which are flooding local markets. Locally-produced designs have also not been given sufficient appreciation by consumers, although they can be more innovative and of good quality. It is the younger generation—or middle and upper class persons—who purchase new and innovative, functional and artistic, locally-designed products. However, many of these products are too expensive for local consumers of the middle and lower class. For example on "Handmadepalestine.com," artistically woven stools (e.g. stools with a price of $195-240 US) or olivewood kitchen utensils ($35-80 US), or authentic but elaborate embroidered items (ranging between $15-300 US). Imported and imitated products are available in the local markets at cheaper prices making them thus more affordable for consumers. The free market policies so far do not block or hinder such unauthentic imported products. To cultivate sustainable consumption, trade and financial policies in Palestine have to support and encourage the designers and producers of local innovative products of higher quality which can be purchased at reasonable prices. Private sector companies, gastronomy services, telecommunication companies, banks and others can all encourage designers to produce tailored, high quality gifts. Gift shops in hotels and touristic venues retailing specialized products can be venues harnessed for their potential to help promote and market Palestinian products.

5.3. Support services and academia

The key elements contributing to the development of product designs are public sector policies, private sector investment, and civil society support services. BDCs and incubators provide business development training, and some provide credit and facilitate the registration of new brands. Although many designers receive specialized training, there is always room to improve "artistic capacities, get more specified training, and be updated on new trends, designs and modalities of production. Many [designers] are self-taught through the internet and YouTube."[187] Designers who were trained, and then created their own products confirmed that "funding allocated for training has been quite substantial, while there is a need for direct funding to individuals and MSMEs to

186 An example is the Khitan project, as a design based cluster, which was launched by UNIDO Palestine in 2019 in West Bank, and in 2021 in Gaza, within the Development Clusters in CCI" . https://www.facebook.com/creativepalestinehub/. Other projects such as "Tasdeer" by the UK government include support for training, trade and production, upgrading the textile sector in general.

187 Focus group discussion with women designers – Tiraz project

grow."[188] Many also sought out small and micro-finance organizations; however, marketing and its related policies hinder any further progress.

At the academic level, nurturing creativity has to start at the primary and secondary school level: creativity, innovation and experimentation are not currently catered for in the public school system. Resultantly, 23 higher education institutions awarding BAs and diplomas in: Graphic, interior, fashion, and contemporary "design"[189] (see the table on page 17). Courses offered encourage skills development more than innovation and experimentation according to the interviewees. It was found that nine universities and colleges have programs in fashion, ceramics, jewelry design and contemporary design in addition to three NGO TVET centres which offer fashion design,[190] as well as design courses being offered by governmental and privately-owned TVET training centres in both the West Bank and Gaza Strip. Well-equipped studios and infrastructure are not always available at universities. For example, "laser equipment for jewelry designs is not found at Dar Al-Kalima University. To fill in this gap, and to provide a holistic experience, Dar Al-Kalima facilitated practical "internships for its students at different jewelry workshops".[191] Dar Al-Kalima has adopted "international trends in jewelry designs for example, adding digital design courses, and have adapted their curriculum accordingly."[192] Many universities organize business development and marketing courses for students of design, yet they have not followed global trends such as research and other activities.

5.4. Digitalization

Product design is more oriented towards technology and digital avenues than traditional crafts from the onset of the conceptualization stage. Designers use internet programs in the creation and realization of their design ideas; as such, designers should master digital skills not only for creation, but also for developing production processes, promotion and dissemination. Using social media platforms has been crucial for Palestinian designers' visibility and promotion, especially Instagram and Facebook. Although there are at least seven e-commerce websites in Palestine[193], designers' usage of them has been limited in view of complications in external marketing and money transfers. "Handmade Palestine" and "Disarming Design from Palestine",[194] are among the platforms specialized in promoting and marketing contemporary Palestinian crafts and design.

188 Interview with female design graduates of Dar al-Kalima

189 Ministry of Higher Education www.mohe.pna.ps

190 https://www.tvet.ps/institutions

191 Interview Mrs. Fatin Nistas, Dean of Arts and Design Faculty, Dar Al-kalima University

192 Interview Mrs. Fatin Nistas, Dean of Arts and Design Faculty, Dar Al-kalima University

193 https://documents1.worldbank.org/curated/en/472671640152521943/pdf/Palestinian-Digital-Economy-Assessment.pdf (p. 84)

194 https://handmadepalestine.com/ and https://disarmingdesign.com/ (based in Brussels)

5.5. Policies

Policies should be enabling for design as a sector which is interconnected with all other development sectors in Palestine. Innovation is mentioned in many of the policies of the various ministries, although it is only linked to the ICT sector. The registration of design companies and trademarks falls under the mandate of the MoNE[195], followed by registration at the local Chamber of Commerce and municipality if the purpose is to start an entity. Unregistered entities do not benefit from marketing and training services offered by the MoNE, or chambers of commerce. Designers remain reliant on individual informal initiatives or on CSOs that organize exhibitions and capacity building programs. The policies of MoC and MoTA do not specify design productions as they link them to "crafts", yet both of these ministries highlight the importance of "creativity" for upgrading craft designs.

5.6. The economic value

Unfortunately, there was no data available on economic indicators such as employment and international trade from PCBS and other sources, except for the data below on value added and GDP. However, PCBS, in its Establishments Report for 2017, stated that there are 110 specialized design establishments (80 in the West Bank, 30 in the Gaza Strip) employing a total of 305 persons; no further details are given on the fields of "design".[196]

It is important to note that according to the data provided by PCBS, the following figures cover different productive activities under the main domain: "Design and creative services"; these activities include: specialized design activities (including interior design), architectural and engineering activities, and advertising activities for 2019.

The Domain	Production (output)	Value added of goods and services (in 1000 US)	% of value added of goods and services
Design and creative services	**151,056.00**	**112,613.40**	**74.55%**

In terms of value added and in comparison to the other domains, "Design and creative services" has the second highest value. The figures in UNCTAD's report thus revealed that design has the highest share of exports and imports.[197]

5.7. Interconnectedness with other sectors and job creation

It is evident that product design can have an important spill over to other sectors, mainly at the production and dissemination levels. As stressed above, product design may find solutions to societal needs, and can intersect with numerous sectors: health, agriculture, education, etc. However, if product design is only linked to heritage and artistic design, its spill over to other

195 Patent and trademarks are registered under the department of "Property and Intellectual Property" at the MoNE, which follows the 1953 laws (http://trademarks.mne.gov.ps/page.aspx?page_key=TMlegislations&lang=ar)

196 https://www.pcbs.gov.ps/Downloads/book2384.pdf (p.123)

197 https://unctad.org/system/files/official-document/ditcted2018d3_en.pdf (p.433)

Product Design

- health
- agriculture
- education
- Science & Technology
- Social services
- tourism

sectors remains limited albeit certainly important in its economic value and job creation among the younger generation in particular. There are many stakeholders and jobs that can be created following the "creation" phase. As well, there is a need for a holistic approach to the updating and upgrading of policies, services and capacities, starting from the creation level at schools and academic institutions, through to services at the production and post-production levels. Such interconnectedness—if adequately invested in—can lead to the design sector's important economic potential being properly harnessed.

Success Story

Fanzati – a Fab Lab and multi-functional space, non-registered, initiated by Fayez Al-Karaki in Hebron

Fayez, a self-taught person who left school in the 9th grade, had to discover his passion in different fields which the school could not provide (interview with Fayez). He started working in various workshops and factories in Hebron: ceramics, carpentry, blacksmith, mosaics, and so on. He learnt a great deal about materials and the possibility of designs and productions; this was his passion until he was able to launch his own project eight years ago. He first created his own work space as a lab where he produced puppets and decorations for animated films, which he has also been filming for advertising or upon request from NGOs or others. Then he decided to sell these animated products, subsequently starting to design new pieces, such as the sets and puppets based on requests. He had a conviction that academia does not provide sufficient practical experience for students of design in particular. As such, he decided to expand his workshop by renovating an old family property until he eventually opened his own fab lab and multi-purpose space, thereby creating a unique business model. The space is mainly for young designers to use at a very low cost: "emerging designers use it for creation, experimentation and developing products." The fab-lab (called PalMotion, registered as a company at MoNE in 2018), has different facilities, including a film studio, workshops with different equipment and tools for design production, and a permanent exhibition or show room. He also has a training space for multiple purposes rented out for different users and NGOs. Fayez self-financed the project (through family support), and applied for external funding for the first time which he received by winning the first prize of the Welfare Association in 2022, receiving $17,000 US. The Fab Lab is financed through: the sales of products, the rental of space and workshops, the service provision of filming, training and capacity building in design and other subjects. He also has a small team and provides a co-working space in Hebron. In 2021 and 2022, Fayez made a net profit of about 7000 USD and 15000 USD consecutively from his multiple purpose space rental. From the fab lab space he had an income of between $50000-60000 USD annually; this income is used for further development, maintenance and experimentation. He is not yet self-sufficient yet despite this income, noting that he has invested importantly in the renovation of his space and equipment from his own resources.

6. Recommendations

Taking into account the context and value chain analysis above, it is quite important to adopt an holistic and interlinked approach which can be implemented in a participatory consultative process between different stakeholders and relevant actors of the value chain of music, crafts, and product design, as well as all CCIs in general. The social and economic values of CCI can be promoted and strengthened if such an approach and recommendations are adopted. The analysis provided in the research lays the foundation for developing long-term, intermediate and short-term recommendations and targeting potential areas for spurring further development by the different stakeholders. In the long-term, key recommendations for the public policy makers represented by the different ministries are critical for nurturing the value added of the CCI as a vibrant sector. International donors' support to CCIs in Palestine is pivotal for strengthening a vibrant and sustainable cultural and creative sector led mainly by CSOs. Recommendations relevant to the partnerships of international donors with the public and private sectors for the development of resources and the capacities of CCIs can be incentivising for the CCI in the long and medium term. The private sector can also play a proactive role in the development of CCIs in the short and medium terms in conjunction with the CSOs as key CCI actors. Developed public policies further facilitate and encourage private sector investment, encourage CSOs (both institutional and individuals), to produce, and disseminate diverse forms of CCIs. Such a mature ecosystem serves both the social and economic potential of CCIs.

1. **Recommendations for public policy makers at the national level:**

   Improvement of public policies starts with the recognition of CCIs as a viable social and economic sector through:

   - Increasing public allocations to ministries and local governments (Cabinet, MoC, MoTA)
   - Updating and ratifying intellectual property rights, trade mark laws and the Intangible Heritage law, including regulations which strengthen the ecosystem of the creative & cultural industries (Cabinet, MoC, MoNE, MoEE, etc.)
   - Draft laws and regulations that promote business development, tax exemptions for and investment in the creative and cultural industry as well as drafting business laws which encourage individuals, labels and production companies for music and design, facilitated by MoNE
   - The relevant ministries (e.g. MoC, MoET) should continue seeking membership in international copyright/intellectual property rights organizations like WIPO, CEZAK and others
   - Improving digital infrastructure for all areas (increase broadband speed, 4G, and services in area C facilitated by MTIT and the private telecom sector.

- Developing national plans and policies for the archival of Palestinian music in view of free digital streaming and exploitation; this will protect cultural and music identity and the copyrights of producers. This will be the responsibility of the MoC with the support of UNESCO and donors
- Integrating CCIs into the public school system and TVET crafts and design. This would be the responsibility of the MoE, MoL, MoHE, MoC, and MoTA in consultation with academic institutions.
- Developing and establishing a national management structure for the music industry with full cooperation of the line ministries (MoC, MoNE), CSOs, academia and the private sector
- Draft regulations and policies which ensure the provision of quality raw materials, tools and accessories at affordable prices for crafters, while avoiding a monopoly and protecting Palestinian handicrafts

2. Recommendations for the Palestinian Private Sector[198]:

- Support the incubation of CCI start-ups and entrepreneurs through simple funding schemes, micro-financing, and encouraging e-commerce and financial transactions
- Create tailored programs for capacity building for different types of digital CCI actors and the latest technological innovations while linking CCIs with ICT and BDCs
- Invest in equipping and improving the infrastructure in different governorates, which can be more accessible to CCI actors and consumers (including studios, concert halls, production and meeting halls, fablabs, creative hubs, creation facilities, permanent showrooms, journals and publications specific to Palestinian crafts and design)
- Investing in early stage/venture capital funds, tax exemptions, competitions on best practices, and micro funding modalities
- Foster procedures that encourage the development of informal MSMEs, particularly female- and youth-led projects in crafts and design, and open up new markets for their products locally and internationally.

3. Recommendations for International donors:

- Integrate culture/CCIs as a cross cutting or a transversal sector to be mainstreamed through other programs supported by the EU delegation and EU states (the Joint Programming strategy): to the PA's good governance, social services, education and gender programs; the private sector through the economic development programs by encouraging cultural entrepreneurs and programs which foster employability, as well as funding to NGOs in human rights, social and educational sectors through ENI programs)

198 Including ICT and Business Development incubators and companies (BDCs), chambers of commerce, private sector coalitions such as PalTrade, banks and private businesses

- Support the development of the structure of the newly established Cultural Industries directorate at the Ministry of Culture, supporting capacity building programs for the CCI actors.
- Continue direct funding to CSOs (without intermediaries to decrease overhead costs), for programs that that engage youth, individual artists, and women, and for organizing diverse artistic and cultural public events such as festivals, performances, exhibitions, all year round.
- Foster more accessible procedures and eased conditions which encourage different types of CCIs and diverse actors in all areas (exclusion only after documented proof by the donor)
- Support tertiary education organizations for improving research and education programs for CCIs including international exchange (e.g. Erasmus, EUNIC programs), and support development of CCI programs in TVET, particularly programs that can increase women enrolment.
- Support CSOs which encourage young and women designers to create and produce designs which combine multi-sectors, focusing on innovation in finding solutions and covering communities‘ needs.
- Support the development of mechanisms for identifying national indicators for statistics, research and value chain analysis of CCIs, by supporting PCBS to work with MoTA, MoC, MoNE, and CSOs/NGOs

4. **Recommendations for CSOs/NGOs and independent individuals:**
   - To find innovative tools to partner and attract private sector funding, and create synergy and links with other vital sectors, particularly in community-based programs.
   - To be open to strengthening their entrepreneurship, digital and business skills through partnering with the established specialized centres run by the private sector.
   - Universities as one type of NGO should adopt more practical programs and seek to develop value chain approaches (e.g. in music and design).
   - CSOs/NGOs should promote awareness raising among their practitioners on all legislation and laws, including copyright, trademark laws, and commercial laws.
   - CSOs/NGOs should adopt diversity, digital innovation and creative approaches, skills and methods for the creation, production and dissemination of CCIs to enable sustainable consumption locally and internationally
   - A capacity building program in value chain development, technical and artistic skills development as well as business development, should be adopted by NGOs to encourage their members, actors and affiliated CSOs to follow.
   - Individual artists in particular are encouraged to be open to other sectors

- University programs for design should encourage research, exploration and experimentation through well-equipped facilities and prototypes.

5. **Recommendations for cultural entrepreneurs:**

- Development of their entrepreneurial capacities concerning digital tools, tailoring it to their products and developing their businesses towards more innovative expansion locally and internationally.
- Product designers should make proper use of research results from other developmental sectors and integrate this knowledge with other sectors such as health, education, and social services.
- Entrepreneurs in the various cultural and creative fields can organize themselves in coalitions to push for policy change and to advocate for better infrastructure, funding and services.
- Entrepreneurs can invest greater effort towards benefiting from the newly modified company laws, so as to develop their business and to benefit from the incubators and business development training centres which are linked to universities and the private sector
- To be open to innovations locally and internationally, and to make an effort towards exchange and exposure to international experiments.

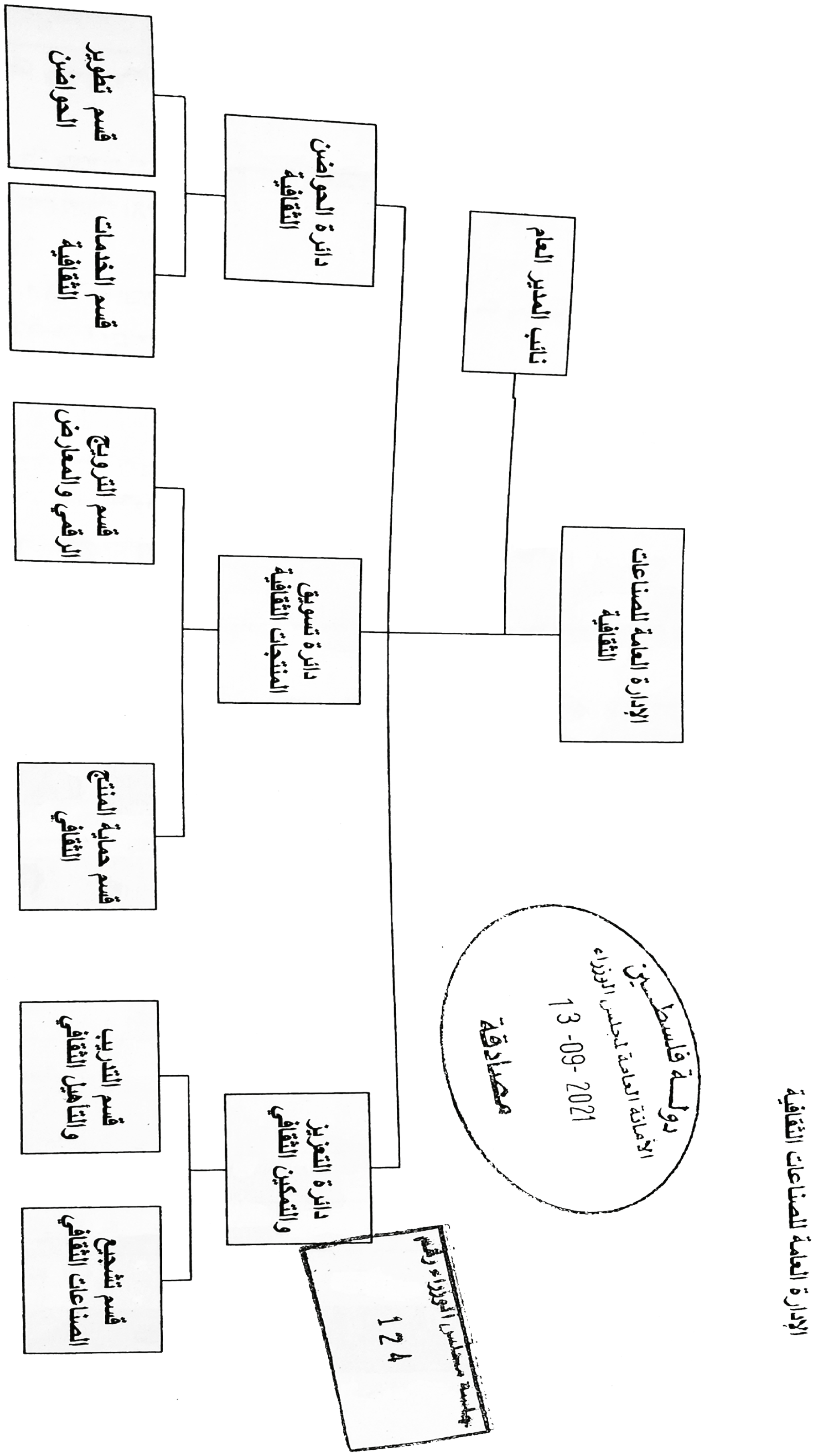
Anexxes

Annex 1: List of interviewees:

Interviewee	Domain/ Description
Public sector	
Ministry of Culture	CCI
Ministry of Higher Education	Academic aspects
Palestinian Central Bureau of Statistics	CCI
Academic Institutions	
Dar Alkalima university	Design, crafts, music
Khdouri collage	Design, music
Donors/ International agencies	
Drosos..	CCI
UNESCO	CCI
Non-governmental organizations/ Groups	
Traditional and Tourism Industries Association	Crafts
Bethlehem Mosaic center	Crafts, Design
Bethlehem Icon School	Crafts, Design
Delia Arts/ Gaza	Music
Atfaluna society for Deaf Children/ Gaza	Crafts, Design
Burj Allaqlaq/ Jerusalem	Crafts, Design
Jafra for music and production	Music

Interviewee	Domain/ Description
Alelieh العلية/ Jerusalem	Crafts, Design
Lammet Designers	Design
Designers for Change	Design
Private sector & Incubators/ Studios	
Power Group	Design, Music
Palestine Polytechnic University (Business incubation services)	Design, crafts
Rani Sharabati studio	Design
Fanzati (Multi-functional space)	Design, crafts
Individual artists/ artisans	
Zikrayat and Mahmoud/ Micro-mosaic jewelry	Design, Crafts
Nisreen Barghouthi	Design, Crafts
Faten Nayroukh	Design, crafts
Jelled project	Design, crafts
Hamza Abu Ayyash	Artist and creative Designer
Ramzi Shomali	Music, Academia
Itar for Music/ Diaa' Rishmawi	Music

Annex 2:


الإدارة العامة للصناعات الثقافية
الإدارة العامة للصناعات الثقافية
نائب المدير العام
دائرة الحواضن الثقافية
دائرة تسويق المنتجات الثقافية
دائرة التعزيز والتمكين الثقافي
قسم تطوير الحواضن
قسم الخدمات الثقافية
قسم الترويج الرقمي والمعارض
قسم حماية المنتج الثقافي
قسم التدريب والتأهيل الثقافي
قسم تشجيع الصناعات الثقافية
دولة فلسطين
الأمانة العامة لمجلس الوزراء
13-09-2021
مصادقة
جلسة مجلس الوزراء رقم
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cultural
relations
PLATFORM

The Cultural Relations Platform is project funded by the Partnership Instrument (Service for Foreign Policy Instruments, European Commission) launched in April 2020 to support the European Union to engage in international cultural relations within the framework of the EU strategy for international cultural relations.

The CRP follows up on the previous Cultural Diplomacy Platform, CDP (2016-2020). It provides a renewed approach based on a set of shared principles and new activities, aiming to promote and facilitate sustainable cultural exchanges, people-to-people activities, and co-creation processes between Europeans and citizens from countries all over the world.

GOETHE INSTITUT

European Cultural Foundation

International network for contemporary performing arts

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