

Executive

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AN IMPOSSIBLE BALANCE

Women who do it all



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EDITORIAL

#233

Dismantling privilege

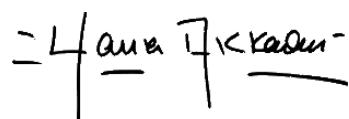
A friend of mine, an ex-minister, once told me, “The Lebanese system works perfectly, like clockwork—but in all the wrong ways.”

The money pledged by the international community at CEDRE requires long overdue structural reforms on our part. Take the deficit caused through subsidizing the failing public utility Electricité du Liban (EDL). To actually fix EDL would require our politicians to dismantle a parallel industry of which they are the benefactors. The corruption that keeps sectors like telecommunications and electricity profitable for our elite is entirely of their own making; and only through self-inflicted wounds would they be able to reform these sectors for the benefit of all Lebanese.

The frequent foreign delegations who come to Lebanon surely laugh as they come out of another pointless high-level meeting, knowing that the problems they have raised were caused by these politicians, and the reforms that are so desperately needed have been blocked by these same men—and it has been men—for decades.

Meanwhile, the distance between our government and the private sector and citizens continues to grow. Our government is still trying to figure out problems that should have been solved in the past, while our citizens and the private sector are looking toward our future in the digital age. The worry is that the more they move into the digital world, the more their reality will be on screens rather than on the streets—leaving our politicians free to manipulate those who are left behind. Our survival depends on our ability to stay connected to the realities on the ground.

And one reality that we cannot ignore, as we celebrate another women’s month, is that when it comes to gender roles, Lebanese culture has to change. And it is not our women who have to change, it is our men. Women are doing their best in a system designed against them. Men are doing their worst in a system geared to their every whim. Lebanese men have to cast aside their entitlement and make the necessary changes to push Lebanon into the 21st century. They must tear down the current system—one made by men for the benefit of men—so that all Lebanese, regardless of gender, are treated equal.



Yasser Akkaoui
Editor-in-chief

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Executive

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LAST MONTH

ZOOM IN



Lebanese President Michel Aoun (C) chairs the new government's first cabinet meeting, accompanied by Prime Minister Saad Hariri (C-L), at the presidential palace in Baabda, east of the capital Beirut on February 2.

Lebanese man self-immolates over child's school fees

Georges Zreik, a taxi driver from north Lebanon, self-immolated outside his daughter's school on February 7 in protest over the school's refusal to release his daughter's transcript. Zreik was rushed to hospital in Tripoli where he later succumbed to his injuries. Local media reports indicated that the dispute between Zreik and Bkeftin Orthodox College, a private elementary school, was over the late payment of school fees. There were disagreements between the school and Zreik's family as to what was owed and how much Zreik had paid. The education ministry ordered an investigation into the incident, telling the press that Zreik had not approached them over the issue. Zreik's death sparked sympathy and outrage across the country. A sit-in, organized by the Sabaa Party and the League of Parents' Committees at Private Schools in Lebanon, was held outside the education ministry on February 11.

Hajj Hobeiche testifies before military tribunal

Former head of the ISF Cyber Crimes Bureau Suzanne Hajj Hobeiche, who is currently under investigation alongside her alleged accom-

plice Elie Ghabash for conspiring to frame actor Ziad Itani as an Israeli spy, appeared before the military tribunal on February 7 where she denied the charges against her. Also testifying that day, Ghabash admitted to creating the fake page to turn security services onto Itani and that Hobeiche had directed him to investigate Itani, but contradicted earlier testimony where he had alleged that Hobeiche asked him to fabricate evidence. Itani was arrested and detained for over 100 days as an Israeli collaborator. Subsequent investigations unraveled the evidence against him leading authorities to Hobeiche and Ghabash, and Itani was released in March 2018. The trial is ongoing.

Cabinet gains the confidence of Parliament

Parliament voted to give confidence to the new cabinet on February 15, with 111 in favor, six against, and 11 absent. The cabinet's ministerial statement largely focused on economic issues (see story page 16). Over the course of the three-day session, however, there were several verbal spats in the chamber, most notably between Hezbollah MP Nawwaf Moussawi and Kataeb MP Nadim Gemayel, which led the Hezbollah MP to be reprimanded by his party. Cabinet, meanwhile, also got off to a rocky start



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PEACE OF MIND

LAST MONTH

QUOTE OF THE MONTH

"My decision and the government's decision is to work, work, work."

Prime Minister Saad Hariri, speaking to Parliament ahead of a vote of confidence in the government on Friday, February 15.

when the new minister for the displaced, Saleh Gharib, visited Damascus on February 20 to discuss the refugee file. The visit marked a major shift from the previous cabinet, in which the refugee portfolio was with the Future Movement, and caused disagreement within the new cabinet that forced the early breakup of its first session on February 21.

Constitutional Council revokes Dima Jamali's election win

On February 21, Lebanon's Constitutional Council announced that of the 17 appeals from May 2018's parliamentary elections all had been rejected bar one. The court removed MP Dima Jamali from office and ordered a by-election for the Tripoli seat. The Constitutional Council can either reject an appeal, call a special election, or replace the MP with the correct winner when hearing election appeals. The court reversed a vote count by the interior ministry that had put Jamali in office by just 25 votes, finding instead that there was only one vote between the two. Jamali announced the same day that she will run in the by-election to regain her seat; at the time of writing none of her potential opponents had declared their intention to run.

UK to label Hezbollah's "political wing" as a terrorist organization

The UK Home Secretary, Sajid Javid, announced on February 25 that the UK would be designating the entirety of Hezbollah as a terrorist organization, meaning that being a member of or offering support to Hezbollah would now be a criminal offense in the UK. The UK Home Office and its Lebanon ambassador released statements reaffirming the UK's support for Lebanon despite the ban. However, the reality is that any UK group currently funding or supporting projects from the health or youth

and sports ministries will no longer be able to as these are controlled by Hezbollah or Hezbollah linked-individuals.

State hiring scandal continues to unfold

On February 26, MP Ibrahim Kanaan adjourned a hearing of the Parliament's finance and budget committee as the education minister, Akram Chehayeb failed to attend to answer questions over illegal hiring at the ministry—carried out under his predecessor. Two reports, one from the Central Inspection Bureau, and the other from the Civil Service board are currently under review by the committee, as are allegations that some 5000 people were illegally hired in the run-up to the 2018 elections. The following day MPs announced that approximately 15,000 state employees may have been hired illegally.

Court rules in LBCI dispute

On February 28, Judge Fatima Jouni ruled that the Lebanese Forces (LF) would not regain ownership of LBCI, dropping charges against current chair Pierre Daher. LF leader Geagea filed a lawsuit in 2007, where he sought to restore ownership of the channel and denied having sold it to Daher. The LF owned the station under the name LBC until the party transferred ownership of the station in 1992 when it became apparent Geagea would face jail-time. The judge ruled that LBC was established by funds raised by the LF's then-militia and so—based on the premise that funds raised during the civil war are the property of the Lebanese state and people—had Daher not established LBCI with funds he secured in bank loans then the channel would have been state property. Geagea announced he would appeal that day.



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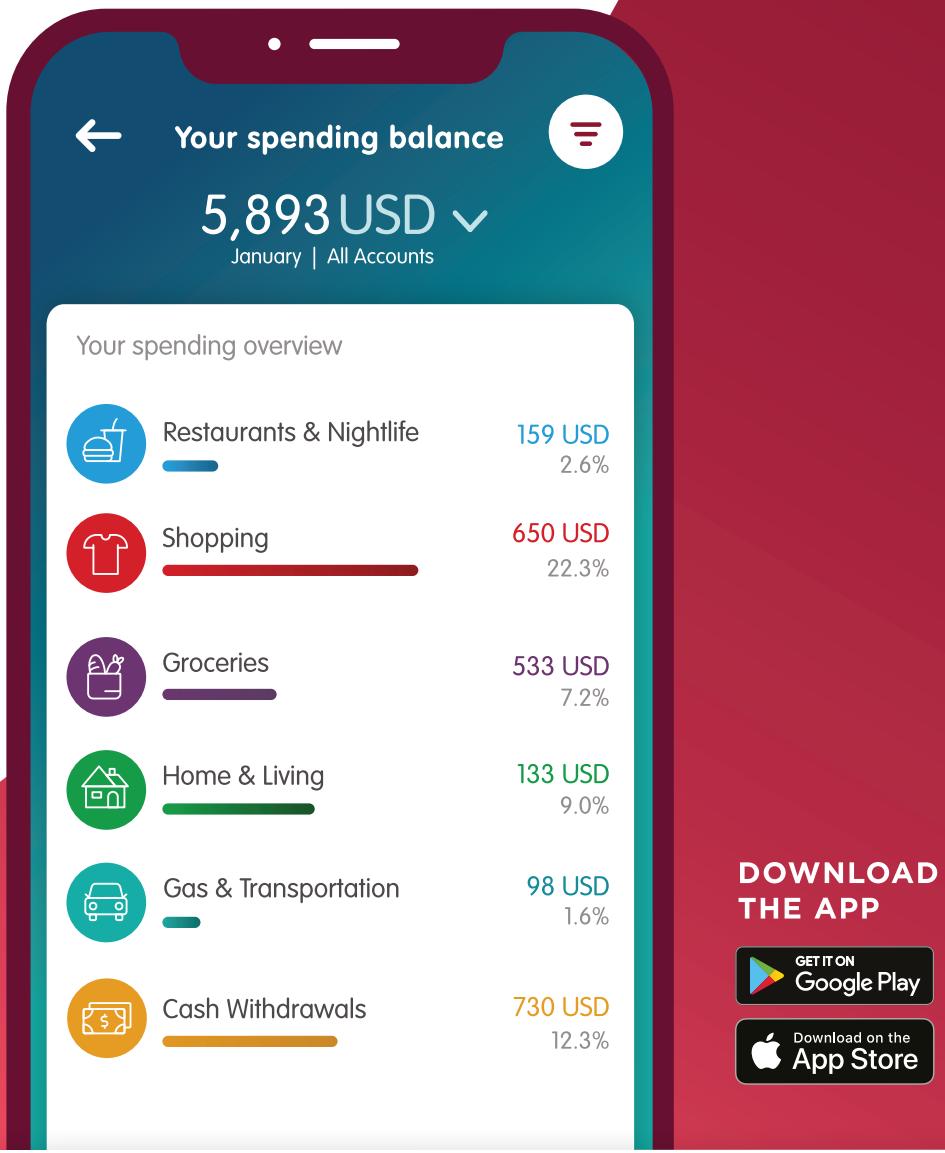
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LEADERS

WOMEN'S EMPOWERMENT

Time for a change

Women cannot be expected to do it all without proper support

In most Arab countries, Mother's Day is celebrated on March 21. On this day, a woman's role as a mother, the giver of life and the nurturer, is suitably enough recognized on the first day of spring, the season which marks nature's rebirth. This is a widely celebrated day in Lebanon, with queues forming outside of flower shops, and people rushing to show their mothers love and gratitude for their many sacrifices in raising them.

March 8 is also International Women's Day, the day where all women are celebrated for their achievements. It is interesting that both these days fall in the same month, reminding us that women have other roles in society, besides the role of a mother. These days, more women are active participants in the labor force, thriving in their chosen careers. But these same women are also expected to prioritize raising their children to the point of neglecting their career when they become mothers. Domestic responsibilities (namely childcare) are the main reasons women leave the

workforce—many women drop out of the labor market during the years of having and raising children (see overview page 50).

If we want women to excel in their roles as mothers, as well as in their roles as economic contributors, then things have to change. To begin with, raising children and taking care of the household can no longer be perceived as the woman's domain alone. It takes two people to bring a child into the world, and it should take two people to raise it—parenting must become a shared responsibility between the mother and the father.

While most of the women EXECUTIVE profiled said their husbands are supportive of their career and play an active role in parenting, the responsibility of childcare still laid heavily on their shoulders—this is a symptom of the pressure society puts on women to place their mothering role above all else (see profiles page 54). Lebanon has taken a very small step in the right direction by instituting a three-day paternity leave, which has at least kick-started the conversation regarding the role of the father within his family. But there is still a long way to go, and more awareness needs to be raised before childcare can be shared equally by both parents.

SUPPORT NEEDED

In the meantime, it should be acknowledged that mothers who also work are carrying a heavy load, and so measures should be put in place to lighten it thereby allowing women to excel in their careers and in raising their children.

As a start, civil society should support working mothers in demanding that the maternity leave law, which currently gives mother 70 days paid leave with no risk to her job, be amended and extended. All of the heads of human resource departments EXECUTIVE spoke to (see overview page 50), and the working mothers (see page 54) said seven weeks was simply too short a leave. Many countries allow for up to a year of parental leave recognizing the importance of mothers—and fathers—bonding with their child at the early stages. While giving a year off for maternity leave may not work within the Lebanese context, a six-month leave—during which the child would develop enough to be left at the daycare or with family, and the mother would be physically and emotionally ready to go back to work—should be implemented.

The private sector should also recognize its role in giving support to working mothers. Corporations should revise their internal policies in favor of their female employees who are mothers. As such, and in today's digital world, flexible working measures, such as working from home, or a condensed work week should be discussed by these corporations and implemented where it makes sense to do so.

As we celebrate Lebanese mothers and all women this month, we should offer them more than lip service by having fathers step up and assume responsibility in the household, and by realizing that in order for women to continue to do it all, they should be given the right support.





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By Thomas Schellen

Dipping into digital waters

Convergences of awareness on several of Lebanon's overdue cyber priorities

When four officers of two highly respected Lebanese military institutions—the Lebanese Army and the Internal Security Forces—in mid-January took their chairs on a panel at the American University of Beirut (AUB) to participate in what the university advertised as its first Cyber Security Day, the assembled students, professors from various academic institutions, and guests, did not exude any boredom or exasperation with the “dry” topic of which the moderator of this third panel had warned. To the contrary, during the panel’s progression, ears opened ever wider, and attention spans were uni-

versally beefed to their maximum settings when Major Marc Sawan, head of the ISF’s Digital Forensics and Cybercrime Unit, started telling his cautionary tale of two information technology (IT) experts, one of them an aggressive hacker and the other an IT administrator with a habit of posting personal information.

According to the officer’s revelations of a chain of incidents unfolding over 2017 and 2018, the hacker succeeded to outsmart his insufficiently wary victim in a classical phishing attack on the basis of well-informed social engineering. By doing so, the hacker infiltrated an ISP and then

a group of ISPs. When the hacker found governmental sites that were hosted on the infected ISPs, he managed to hack into these sites. The attacks peaked in hacking assaults being launched between governmental sites in Lebanon—the hacker causing them to attack one another just for fun—and even usage of these governmental sites for orchestration of an attack on a site outside of Lebanon that led the foreign site to file a complaint against a governmental site in Lebanon.

HIGH VULNERABILITY

Sawan’s cautionary tale concludes with “small statistics,” namely that at least six ISPs, 80 governmental sites, and over 700 sites in total were compromised in a single attack. “This is how bad the situation is in Lebanon,” he said, exasperated, before answering the moderator’s question over the immunity of Lebanese governmental sites today by adding, “I think that for the moment we do not have any immunity, because there is no cyber culture, no forensic site, and no cyber security vision in Lebanon.”

Stories about digital attacks and the damages they cause have, for several years now, been topics of international organizations endeavoring to draw attention to the problems of cybercrime growth rates. “The cost of cybercrime will have quadrupled since 2015, reaching \$2.1 trillion by the end of 2019 and outpacing spending on cybersecurity by over 16 times,” said a January 2019 blog entry on the World Economic Forum’s website, which bemoaned that despite growing information secu-



rity expenditures, the recent past was marked by such egregious disproportionality of cybercrime damages and cybersecurity investments.

The same, well-tested road of citing dystopian estimates “by experts” and providing scary studies to the unaware public via various uncritical media channels is often chosen by the vendors of cybersecurity tools with the dual aim to create greater awareness as well as boost sales of their products and services. By this year, however, this road is already so well-trodden and dusty that it might become difficult for the average business decision-maker to assess her or his investment needs for cyber defense tools or understand the ever-growing importance of covering one’s digital risks.

Underestimating cyber risk in recent years appeared especially virulent in Lebanon, given that citizens and companies were constantly being confronted with overburdens of various problems in the country’s existential economic situation. This possibility would at least help to explain why the country, despite its widely hailed tech-knowledge base and entrepreneurial prowess, has been regularly lambasted as underprepared for the risks of digital assaults from opportunistic cybercrimes to cyberterrorism or cyberwarfare by malignant powers.

However, a more accurate picture of the dismal digital status of Lebanon might be that the country in previous years did not only have too many other problems to pay the needed attention to its cyber risks but also that it lacked basic building blocks for becoming a cyber nation. The deficiencies included the absence of legal structures for protection of citizens’ data and digital privacy, for the punishment of criminal offenders prowling digital spheres, and of widespread digital underdevelopment in the corporate world, not just in the realm of cybersecurity.

“Our government elites have to appreciate our cyber assets, intro-

ducing digitized processes and the language of automation into governmental agencies,” says Hisham Itani, the chairman and CEO of Resource Group, a holding that entails numerous companies with focuses on various aspects of digital development. “After that, we can start thinking about how to protect these assets because then we will have something to protect. But today we have nothing, so what shall we protect? There is cyber, but there is no security. Efforts of implementing and sporadically improving cybersecurity are [undertaken] by the central bank and very few alpha banks but [cybersecurity] efforts are not yet extending to the important level of a state Security Operations Center, or SOC.”

Jacques Seif, the chief operating officer of Resource Group, adds: “From the start date of a cybersecurity ecosystem, which has not occurred yet because we are lacking a large cybersecurity project in Lebanon, we will need at least 36 months. We have the seeds for this since we are implementing cryptography and cybersecurity. Also, IT infrastructure vendors in Lebanon are delivering security applications such as intrusion prevention systems and firewalls, but you need to aggregate all of this around something called a SIEM or Security Incident Event Management system and around a SOC.”

ENTER A BRAVE NEW YEAR

The good news then is that Lebanon today not only has at least a promising shot at political invigoration and reform—with the potential to reduce many headaches in the citizenry although some others look set to increase—but also that the last two months have seen a rising wave of events that appear capable of raising digital awareness. While AUB’s Cyber Security Day impressed as an academic forum with frank evaluations

of the real digital Lebanon and participation by representatives of several universities, January and February of 2019 also saw a three-day conference marketed as a “Sustainable Digital Ecosystem Summit” with active corporate participation and media partnerships (EXECUTIVE MAGAZINE was a strategic media partner).

Tony Ghattas, the chief operating officer of the event’s organizer IFP, said the group was aiming to develop the sustainable digital ecosystem

■ The last two months have seen a rising wave of events that appear capable of raising digital awareness.

theme into a series of annual events in Lebanon and took the experience of the first summit as a starting point for internal discussions as to whether the next conference in the series will be held before the end of 2019 or in 2020. “It is going to be an annual gathering of like-minded professionals and stakeholders. The objective [of the event series] is to develop the digital ecosystem,” he said, talking about convergence of the key trends such as IoT, AI, Blockchain technologies, and digital identities under a comprehensively legislated framework that would establish Lebanon as the regional leader in its digital ecosystem.

IFP’s summit was followed by another event with an even more precisely defined focus on new cybersecurity solutions that could be applied in Lebanon. The one-day event at the end of January was driven by a partnership of local information security firm CIEL, an expert in email security and digital signatures, and Finnish firm Ubisecure, a specialist that wants to bring its digital identity management and access management solutions to Middle Eastern markets.

Declaring his satisfaction with the event and optimism for stronger

Overview

future adoption of cybersecurity solutions in different MENA markets, Salah Rustum, chief executive officer of CIEL, assesses the state of cybersecurity awareness in Lebanon as being significantly improved when compared to two years ago. "I expect good progress and good comprehension of the problem of cybersecurity and am sure that many organizations in need of cybersecurity will go ahead to apply the needed measures," he tells EXECUTIVE. "I will not try to forecast if it would be commercial establishments, or banks, or government entities that will be most responsive throughout this year but am speaking in general that awareness of cybersecurity has really surfaced in Lebanon."

For good measure, the Digital Arabia Network—which presents itself as the entrepreneurial lab for Arab digital future—spiced up the aforementioned corporate and academically themed events with a strong dose of social entrepreneurship in early February when it convened in the Beirut Digital District to present the initial results of an effort toward Digital Mapping of the Arab World. While the complete results were not available at time of writing, a press release of the DAN Mapping Project—the project is covering six countries in the Levant and North Africa—enthuses that "Lebanon appears to be growing in the digital sphere."

Most importantly, however, the first month of the year witnessed the coming in force of Law 81 that is relevant for the growth of fundamental digital services, such as electronic transactions, privacy and data protection, prosecution of cybercrimes and organization of digital processes in Lebanon. (See page 32 for interview with MP Nadim Gemayel, the chairman of the Information Technology

committee in the Lebanese Parliament and sponsor of the law.)

From the perspectives of private sector stakeholders whom EXECUTIVE talked to, the progress represented by Law 81 is enormous, despite the limitations of the current framework. "Law 81 has some loopholes, but a law with loopholes is better than no law," comments Salah Rustum. Resource Group COO Jacques Seif emphasizes, "The merit of Law 81 is that it sets a legal framework for electronic transactions in Lebanon, which is a great progress by itself."

On the executive side of the government, the corresponding impulse of new digital hope is the appointment of the first Minister of State for Information Technology and Investment, Adel Afouni (see interview on page 28).

OVERCOMING DIGITAL DÉJÀ-VU

The good mood and improved perceptions of Lebanon's cybersecurity awareness in the eyes of corporate players in this space notwithstanding, Lebanon has much to do to overcome its digital inertia. The result spurt of

■ The progress represented by Law 81 is enormous, despite the limitations of the current framework.

conferences and talks prompt flashbacks over similar talk of digital development strategies 15 and 20 years ago. Hearing in one conversation that the country is in need of leapfrogging into the digital era reminded yours truly strongly of an interview at the end of the 1990s when a senior expert at the Office of the Minister of State for Administrative Reform, Raymond Khoury, expressed his conviction that Lebanon would need to "supersonically leapfrog" in terms of e-government.

According to a report in *The Daily Star*, former economy minister

Nasser Saidi, visiting in late February, mused how perceived current discussions on AI-enhanced e-government and papers on digital strategy resembled proposals circulated at an e-government themed Beirut conference in 2003. "[Government leaders] are still living back in the '60 and '70s, when they should be living in the 2020s and planning for the 2030s," Saidi was quoted as saying.

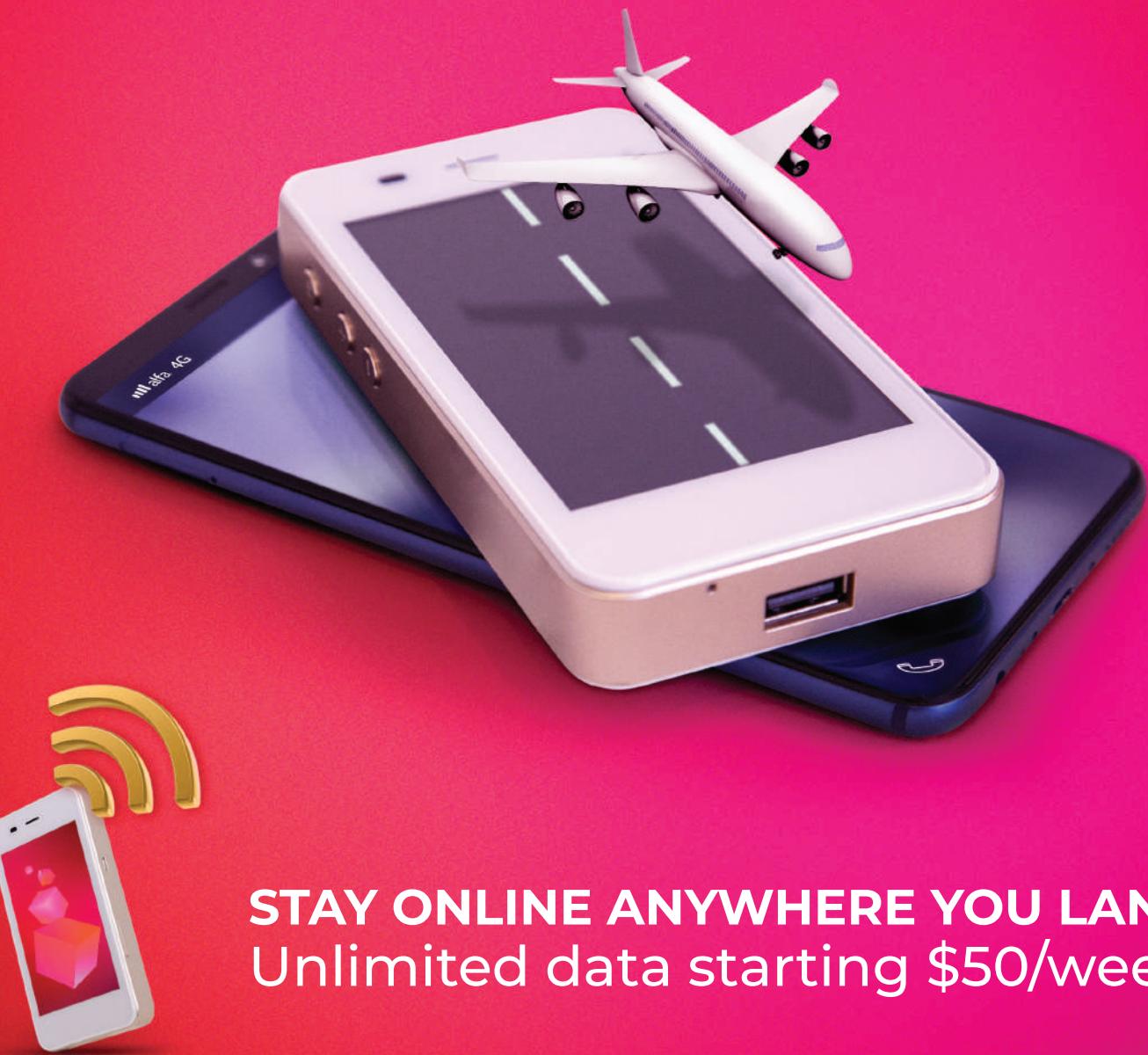
Even event organizers IFP caused a hint of *déjà vu* in the observer's mind. The company, which so energetically went about lifting the IT topic of a sustainable digital ecosystem in 2019, had been a notable absentee from the organizing of IT-centric trade shows in Lebanon since the early 2000s, when it was running an annual Beirut IT fair by the name of CompEx.

With so many points where depressed digitization and cybersecurity watchers in Lebanon might see the current surge in cybersecurity awareness and new digital vigor—especially on the side of public sector minds—as a temporary flash rather than sustainable change, it should serve well to envision the upside potentials of leapfrogging hops into the digital eras in one's mind. For example, researching success stories from peer countries, and then visualizing the downsides of not making the overdue jump into the future is useful.

For this exercise, all a Lebanese citizen or resident needs to do is, for example, to visit certain entrenched line ministries and administrative units where paper-based processes are—in 2019 still—being used to incredible bureaucratic excess. Or a seeker of such examples can traverse the central offices of the biggest municipality in Lebanon and pay attention to how much their personal time and effort all urban residents have to invest into jumping over bureaucratic hurdles for accessing normal services that could easily be provided digitally.



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By *Jeremy Arbid*

Long overdue reforms



What can the Lebanese government achieve in less than two years?

After nine months of deliberations, Lebanon formed a new government at the end of January. Saad Hariri, now in his third term as prime minister, announced a reform agenda as the cabinet's *raison d'être*. Since 2011, Lebanon's economy has been exhibiting recessionary symptoms and reforms are needed to reboot the economy.

According to media reports on the contents of the ministerial statement (the government's mission statement), the agenda includes: adopting a fiscal and monetary policy to instill confidence in the economy and reduce the debt-to-GDP ratio through growth and spending reduction; passing the 2019 draft budget and auditing public finance from pre-

vious years; adopting an anti-corruption strategy; and ensuring 24-hour electricity "as soon as possible," while reducing the subsidy to the failing public electricity utility. There is much that needs to be done, but given the length of time it took to form this government it is fair to wonder how many of these reforms can be achieved, and whether this cabinet's term will be long enough to make any substantive difference ahead of the 2022 parliamentary and presidential elections.

A LONG TO-DO LIST

State officials attended CEDRE in April 2018, pledging reforms in exchange for donor financing to develop the country's infrastructure

and ease supply-side bottlenecks. In Paris, Lebanon presented donors and investors with a Capital Investment Plan (CIP). The CIP was prepared to address specific economic shortcomings: tremendous challenges in public finances, monetary policy that has exhausted all options to maintain stability, low growth rates, high unemployment, increasing levels of poverty, and the balance of payments problem.

The reforms promised involved fiscal discipline measures—mainly through the reduction of the debt-to-GDP ratio by decreasing the deficit by one percentage point of GDP over the next five years. The state could work toward this reduction in two ways: First, by reducing the subsidy to

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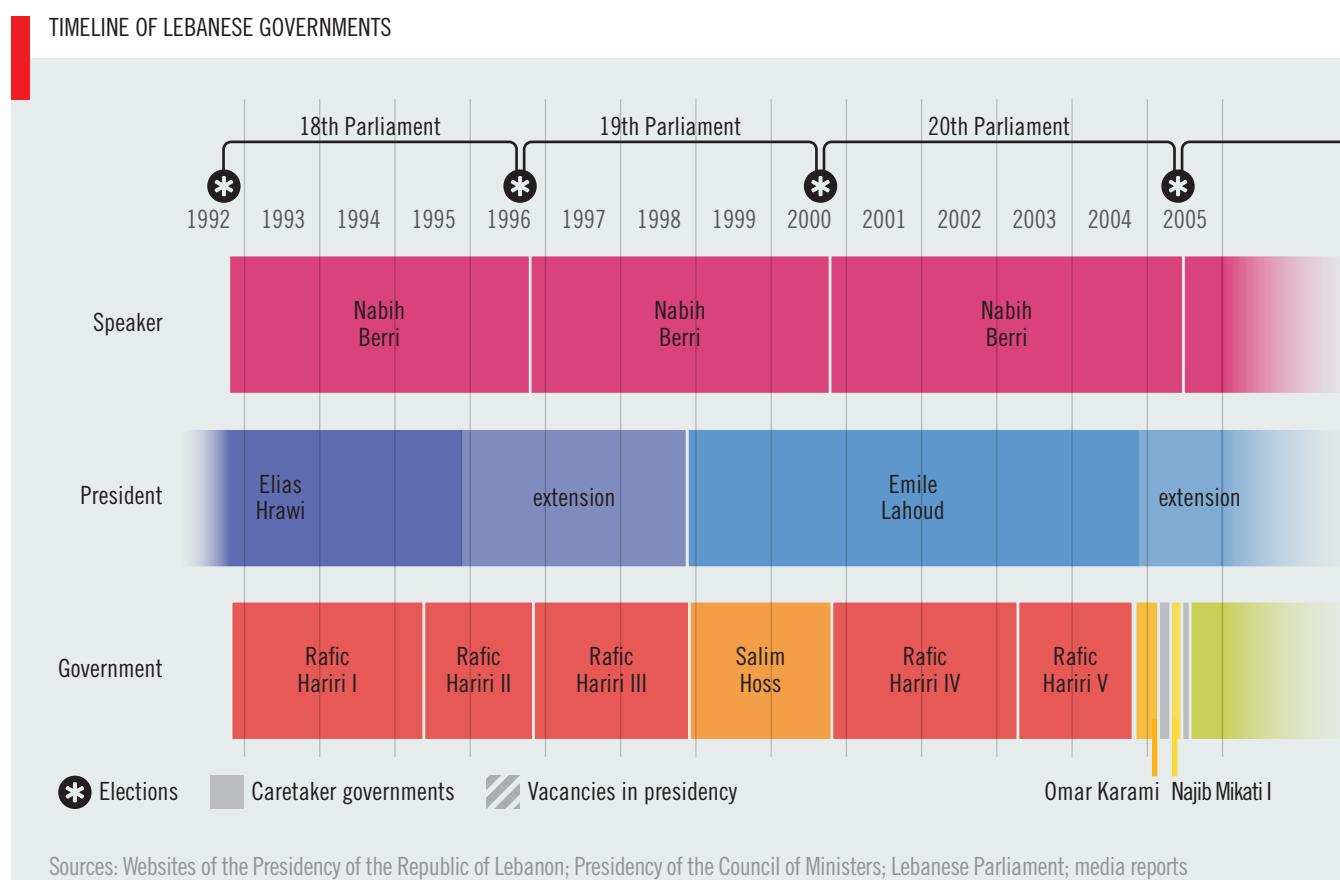


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the failing public electricity utility, Électricité du Liban (EDL), which averaged \$1.6 billion per year between 2010 and 2017, according to figures from the Ministry of Finance; second, by shoring up revenue to the treasury by increasing the tax base and reducing evasion of the value-added tax, which the International Monetary Fund last estimated in 2013 at \$1.5 billion.

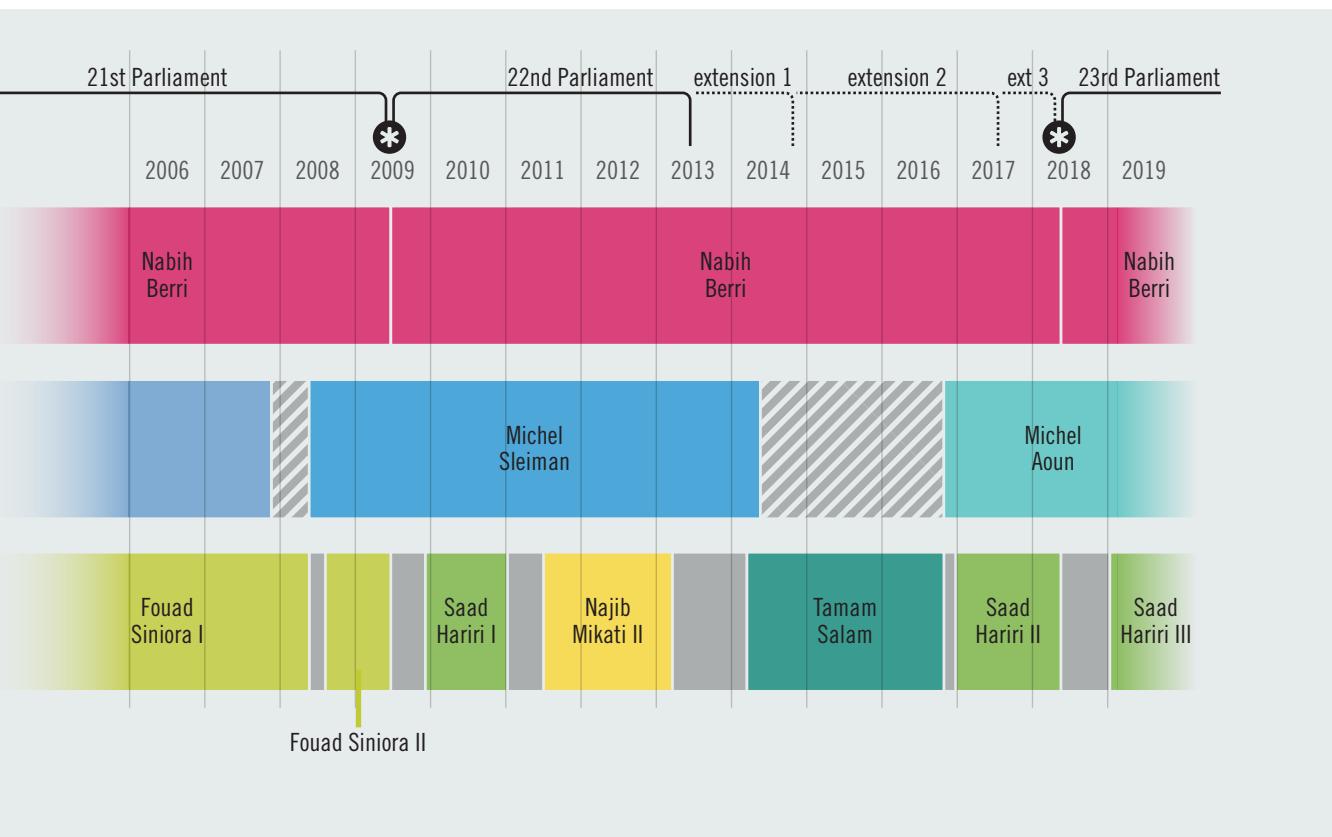
In February, Lebanon's political parties met with the Economic and Social Council (ESC)—an advisory body to the government addressing economic, business, and civil concerns—for discussions of a 22-point economic plan. According to a draft version reviewed by EXECUTIVE, the parties agreed to recommend fiscal measures the state should adopt to address the country's fiscal imbalances. The plan included:

eliminating the EDL deficit, with a timeframe of three years to achieve this; a call to reduce the cost of public debt servicing by at least 10 percent through a mechanism that the government, the central bank, and commercial banks agree on—though at the time EXECUTIVE went to print it was still unclear how this mechanism would work; and a recommendation that the state reform public sector pension systems and benefits, review public sector personnel and positions, and freeze hiring for 2019.

As EXECUTIVE reported last month, international organizations have advised Lebanon to adopt an evolving list of structural and sectoral reforms and doing business measures to spur economic productivity and enhance the private sector environment.

EXPERIENCE AND LONGEVITY NEEDED

In order for the government to be effective in implementing reforms, it needs ministers with some experience in office. If a seasoned cabinet minister retains their portfolio or is granted a new one, there may not be as much disruption or as long a learning curve as there would be for a fresh member of cabinet. It would not be accurate to call this a technocratic government, but it has a high share of members that have at least one of the following three qualifications: experience as cabinet member in previous governments, experience as a leader in a private sector enterprise, and/or experience that is related to the portfolio they are in charge of. There are definitely individuals in this cabinet appointed thanks to political ties, but even then there is no indication they



are completely unsuited to their position of appointment.

What could derail the reform agenda of this new government? In a recent interview published on the website of the Carnegie Middle East Center, the think tank's director, Maha Yahya, cited internal factors, including the usual domestic political infighting as well as a deteriorating economy, the fight over normalizing relations with Syria, the potential for conflict with Israel, collateral damage from possible US financial sanctions targeting Hezbollah, and other security challenges.

If the maximum constitutional lifecycle of this cabinet is until spring 2022—which is when Parliament and the presidency are up for election (as Parliament becomes the election college for the president)—then Lebanon will need to have a new cabinet empowered to continue the reform

agenda soon after. Why? As Lebanon experienced during the presidencies of Michel Sleiman and Michel Aoun, a caretaker cabinet has much less power than

an empowered government. For the country to have an empowered government requires three elements, otherwise known as the troika: the speaker of Parliament, the prime minister, and the president. For most cabinets after Rafic Hariri's assassination in 2005, this has not been the case. In the period since, there have been vacuums in every area: in cabinet, in the presidency, and in the mandate of Parliament—though not in the role of speaker of Parliament, which is somewhat ironic. That the speaker has had a 27-year run

in the job would normally be a cause for concern, but for Lebanon this has been almost a happy factor because everything else is so dysfunctional.

■ In order for the government to be effective in implementing reforms, it needs ministers with some experience in office.

Looking back at how much downtime the state has had over the last two decades—in terms of caretaker governments, extended mandates of Parliament, or vacancy of the presidency—suggests why the reform agenda has been stalled for so long. The question now is how much of the reform agenda can actually be accomplished if this cabinet has less than two years left of effective full power?

By Mounir Rached

An urgent need for reform

Lebanese fiscal outcomes in 2018

There has been a growing concern over Lebanon's debt outlook. True, the fiscal deficit at end of Q3 2018 was twice that of 2017 for the same period. Two main factors contributed to its escalation: First, the wage and salary increases that were adopted during the last quarter of the 2017 budget and extended through the first three quarters of 2018, generated a rise in personnel costs of 21 percent; and second, the escalation in the debt service cost by 8 percent, reflecting both higher debt and higher interest rates.

BLEAK FISCAL OUTLOOK

Rates are likely to post a further rise as the latest treasury bill issues commanded an interest rate rise of 2.5 percent to reach 10 percent on the 10 year note. Shorter term rates rose by 1 percent to the range of 6-7 percent. Real rates, however, are near zero at the current inflation rate. Nominal rates are expected to remain high and the primary instrument to support the peg.

Revenues have remained subdued, rising at 3 percent, reflecting slower economic activity in most tax bases. In addition, revenues of 2017 included a significant windfall transfer of over LL1 trillion that resulted from the financial engineering operations of Banque du Liban (BDL), Lebanon's central bank. A repeat of these operations is very unlikely.

The overall fiscal outlook for the whole of 2018 is expected to post further deterioration, and the overall deficit may reach the LL9 trillion (\$6 billion) mark, thus raising the deficit ratio to 10 percent of GDP compared to 7 percent in 2017.

This implies that a more serious effort is needed in order to comply with the CEDRE commitment to reduce the budget deficit annually by 1 percentage point of GDP in the coming five years. The budget for 2019 has not yet been approved by the new government in order to be submitted to Parliament and to be passed into law. But no major changes are expected, as the inflexible wages and debt service are built in, and constitute 70 percent of total spending.

The fiscal risk for Lebanon is high and is generating considerable damage to the whole economy. First, it weighs heavily on the current account of the balance of payments through the saving-investment gap of the public sector. Second, the high debt service, reaching nearly 50 percent of revenues, has limited the options for public spending. It has forced cuts in capital spending in order to have sufficient resources for current spending; a first priority for the government, as evidenced by the generous wage increases. Third, the high capital cost that is being generated is abating investment in all sectors.

Recent media statements reporting on potential debt restructuring damaged confidence in the financial secondary markets. These statements, sparked by a local press report where the then-caretaker finance minister was quoted as having raised the possibility of debt restructuring (comments he quickly refuted, reassuring the markets that no such plan was on the table), were based on unrealistic perceptions

of the structure of the debt and the legal implications of such a measure.

The repeated analogy to the Greek case is certainly faulty. Greece owed substantial external debt to European banks, and, given that it does not have its own currency, could not service its debt except through generating substantial surpluses in its balance of payments—quite an impossibility in the presence of perennial fiscal deficits. Foreign banks (mainly European) could offer a reduction in debt (haircuts) to Greece, as each holder had insignificant amounts of Greek debt relative to its assets. Such reductions could

■ The fiscal risk for Lebanon is high and is generating considerable damage to the whole economy.

have been done without implications for depositors, but certainly at the expense of shareholders' profit.

In the case of Lebanon, banks have significant holdings of public debt, amounting to 14 percent of their assets, and 64 percent of total bank loans. Any debt reduction of significance, therefore, would have an impact on depositors, and could engender a legal battle. Furthermore, politicians and prominent businessmen would be affected in a tangible way, likely prompting them to block such a move. It is estimated that the distribution of deposit holding is significantly skewed in Lebanon, with 1 percent of depositors holding about 50 percent of dollar deposits.

Debt cuts are a serious matter and are undertaken only when a country is on the brink of a default or de-facto de-

faulting. Lebanon is not in this category now for the following reasons:

Lebanon's debt is issued mostly in lira (60 percent), and is being held almost totally by domestic financial institutions. These are as follows: BDL with 45 percent, commercial banks with 40 percent, public enterprises with 9 percent, foreign bilateral and official institutions with 3 percent. Private non-bank debt holders carry only 3 percent of total debt, and this is split among foreign and domestic holders.

The risk of debt could emerge from market risk principally. Banks and the other private non-bank holders account for 43 percent of total debt, of which \$16 billion is denominated in foreign currencies (mostly US dollars), forming only 20 percent of total debt. The ratio of market debt to GDP becomes significantly less at 55 percent, which mitigates debt default risk.

REFORM NEEDED

As sovereign debt is one of the ma-

jer revenue generating instruments for banks, in addition to being constrained by maturities, sudden downloading of government securities is not seen as an immediate threat. International private holders carry less than \$1.3 billion, and would have a limited impact on the domestic and international markets in the event that they discount and redeem their holdings. Furthermore, substantive and sudden outflow of capital from Lebanon is technically not feasible due to maturities and clearance constraints.

The current situation does not portend a financial meltdown or crisis. The government can serve its debt in Lebanese currency without difficulty, at the risk of higher inflation, of course. In an emergency it could also pay back its Eurobond debt in local currency. This has undesired consequences, but is likely to be perceived better than a full default. Considering that BDL reserves (at \$45 billion) are equivalent to two and a half times market debt in Eurobonds, those risks are quite mitigated.

Nevertheless, the government's need for reform is very urgent and a continued deterioration of the fiscal outlook could precipitate a forced market adjustment that would reveal itself in a currency depreciation and de facto de-pegging of the lira from the dollar. It is important to pursue reform in order to achieve balanced growth and create job opportunities for our youth and the unemployed, and to reduce economic inequality, which would very likely worsen in a recession phase. Reform could commence in areas that are relatively less controversial, as in the power sector. Leasing power from international producers combined with a power purchase agreement and a tariff adjustment could save the economy \$2.5 billion annually, including a cut in the deficit by one third. Hope remains that the new government will address reform issues seriously. ■

Mounir Rached is a former IMF economist and currently the president of the Lebanese Economic Association.



ANNE ORDA

Saradar Finance House acquires 51% of Assurex SAL

Saradar Central Holding, the Lebanese energy company holding a controlling stake in the local 100% of Assurex SAL, a 25-year-old insurance reinsurance company owned by the Saradar Group, has acquired 51% interest in Assurex SAL in a \$25 million deal. The transaction is part of a overall strategic alliance between Capital Holdings to build an integrated financial services platform under the Saradar Finance House and the platform will combine life and microfinance, insurance, money transfer, microleasing, asset management and electronic commerce.

Assurex is a top-tier insurance and reinsurance company with underwriting strength amongst others in health, motor and property insurance and best life and pension for total gross written premiums of over US\$100 million in 2016.

We have worked over the past four decades to build a solid and reliable business model. Saradar Finance House and Capital Holdings are extremely excited about partnering with Assurex. Saradar Finance House and Capital Holdings will share a common set of values and a similar ambition to contribute to the prevention of poverty in the countries we serve.

The acquisition is also representative of opportunity for Saradar - Saradar House to consolidate its portfolio of financial services by gaining further access into the Lebanese insurance market. By combining Assurex's strong underwriting capabilities and rigor in risk management policies with Saradar's regional distribution channels and a banking presence, Saradar Finance House is poised to accelerate the building blocks of a successful insurance insurance platform. Assurex will continue to operate under its own name.

This acquisition and partnership with the Saradar Group comes at a strategic time during the expansion of Saradar Finance House and Saradar House's insurance and reinsurance business. It creates opportunities to expand our exposure into the insurance sector through new products and services, and broader geographic footprint. In addition, we believe in the strategic fit between Saradar Finance House and Capital Holdings as we share a common set of values and a similar ambition to contribute to the prevention of poverty in the countries we serve.

By Jeremy Arbid

It's all Lubnani to me



Bel Lebnééné calls for Lebanese Arabic to be standardized

Lebanon has a long history as a shipping and trading hub, leveraging its geographical location on the Mediterranean Sea and connecting mainland Europe to the Arab hinterland. In an attempt to spare readers from a history lesson, it was several thousand years ago that religious texts referenced the peoples of Mesopotamia (in what is now modern day Iraq) first migrating and settling on the coastal lands of the area. These people were known as Canaanites. Later, the Phoenician civilization dominated the coastal lands of the Eastern Mediterranean and was centered around the present-day geographical borders of Lebanon. For a period, the Romans ruled over the area before the Arabs, and this was followed by a struggle

over control of the region during a period known as the Crusades. Fast forward to the 1500s, and Lebanon was part of the Ottoman Empire for nearly 400 years until its collapse following World War I. From then until the Republic of Lebanon was established in 1943, the country was under the French Mandate. In the post-World War II period, following the lead of the politically and financially superior Americans, Lebanon, alongside many other countries, was integrated into the global economy. Throughout its entire history, it is thought that the maritime tradition

has had as strong an influence on the country as religion, foreign control, or other cultural influences, and that the language spoken today in Lebanon is rooted deeply in its past.

Lebanon is, in a formal sense, very much an Arab country. Politically, it is integrated with the region through bilateral trade agreements and other pacts with neighboring countries, and is part of the Arab League, a regional organization fostering relations and common interests of its member states. Arabic is the language of formal settings and is the country's national language, according to the constitution. However, the language spoken in everyday settings is not formal Arabic, but the local dialect of Lebanese Arabic. There is, according to Hsen Andil, co-founder of the new online collective Bel Lebnééné, a huge linguistic difference between formal Arabic and Lebanese, to the extent that they are two different languages. Bel Lebnééné aims to standardize a script for the local language and build a li-

■ There is a huge linguistic difference between formal Arabic and Lebanese, to the extent that they are two different languages.

brary of content. The collective aims to raise awareness and encourage Lebanese speakers to write and express themselves in Lebanese.

A COMMON LANGUAGE

Andil and fellow Bel Lebnééné co-founder Mahmoud Rasmi sug-



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gest that the problem may be that Arabic as a language has not evolved; they have struggled in academic settings to convey technical subjects in Arabic, and instead have to revert to English. Latin and Ancient Greek was the *lingua franca* of academia until the start of the 20th century. Nowadays, English is the go-to language for the definition of terms of global capitalism. This is especially evident to journalists listening in on the English-to-Arabic translation at conferences where the speaker uses a term or concept in English, and the re-translation into Arabic does not come out very easily, meaning the concept gets altered and diluted. To see this in practice, bilingual readers can try this exercise: How does one translate data breach, meaning a security incident where digital information is compromised, into Arabic, and how would that concept be retranslated back into English?

In terms of audience size, the online collective has big potential. The main communities that could benefit are the Lebanese that live abroad as part of diaspora communities living mostly in North and South America, Europe, Australia, and Africa. They number in the millions, and, for many in the diaspora, formal Arabic is not a language taught to schoolchildren. Instead, many in diaspora households might only be speakers of Lebanese and may have limited formal writing and reading ability, and so Lebanese diaspora may consider Lebanese, not formal Arabic, their mother tongue. That means that when they visit Lebanon, or return to live in the country, they can speak and interact in day-to-day conversations but may struggle in formal settings or when reading or completing official paperwork.

Those that come to Lebanon seeking to learn Arabic often find out very quickly that the country, and especially in the capital, Beirut, is not an ideal place to study the language.

This is because the language that is taught in the textbooks is not what is spoken on the streets outside the classroom. For foreign language students to learn Arabic in Lebanon is really challenging, and it is more akin to learning two foreign languages instead of just one.

At Lebanon's primary schools the situation is similar, formal Arabic is taught, but according to 2017-2018 enrollment figures from the Center for Educational Research and Development under the Ministry of Education and Higher Education, more than half of Lebanese students (almost 550,000) are enrolled at schools that teach French as the primary foreign language, with about 48 percent of students (almost 520,000) enrolled at schools that

teach English as the primary foreign language. Schools are licensed by the ministry to offer curriculum of the American system, the French system, or the International Baccalaureate system. However, the Lebanese official curriculum is taught alongside a foreign system, while the national exam, which must be passed to obtain the high school diploma, is offered only in Arabic. Often students have studied subjects, such as science or math, in English or in French. Those test subjects are part of the national exam, with their terminology transliterated from the foreign language into Arabic.

STANDARDIZING LEBANESE

At home, Lebanese tend to speak the local dialect and not formal Arabic, and there are some households where French or English is the dominant language. Media in Lebanon, such as the newspaper or news broadcasts as well as books are mainly delivered or written in formal Arabic. Locally produced television programming is often in the collo-

quial dialect with foreign productions dubbed, or subtitled in formal Arabic. But now in the digital era, many of these mediums are not as widely consumed as they once were. This makes practicing formal Arabic outside of the classroom somewhat challenging for Lebanese students and for foreign language learners.

Andil and Rasmi think of formal Arabic as almost a dead language. It is not an extinct language, they say, because it is still used in religious and formal settings, but dead in the sense that it is not commonly heard in day-to-day conversation. Leba-

■ **Lebanese is unique from formal Arabic in that it incorporates terms and concepts from other languages.**

nese is unique from formal Arabic in that it incorporates terms and concepts from other languages. This is most easily seen through code-switching, a term that refers to alternating between languages during a conversation. At its simplest, there is the famous phrase "Hi, *kifak, ça va?*" and conjugating words using spoken Lebanese Arabic rules, such as the use of "*bonjourayn*" to reply in greeting.

Bel Lebanon looks to standardize spoken Lebanese into a written format and to build a library of content to make written Lebanese more mainstream. The two co-founders point to poet and prose author Maurice Awad, financially-inclined academic Nassim Taleb, and other well-known authors that wrote in Lebanese, such as Said Akl and Talal Haidar. Their effort is not one with political goals—they do not aim for the collective to serve as a platform promoting national identity, but to express themselves better when talking about philosophical, political, or economic issues, and to inspire Lebanese to write as they speak. ■



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WEALTH MANAGEMENT

By Samer Elhajjar

Destination Lebanon

Building Lebanon's destination marketing to fuel growth

Lebanon has long been a crucial center for creativity and innovation, and is reputed to have some of the most successful advertising agencies and marketers among its citizens. Yet the country does not have its own marketing plan. There is no unified strategy for promoting Lebanon as a country to either tourists or investors. It is of the utmost importance, then, that the government develop a cohesive country marketing strategy that could play a role in alleviating the economic situation Lebanon faces.

The post-war situation in Lebanon has been marred by instability, with political conflicts hindering any reform efforts to improve government finances. The deteriorating economic situation since 2010 has burdened the private sector and led to worsening conditions for conducting business. In order to fuel economic growth, the government must re-brand the current image of Lebanon, from a risky unstable country to a safe and stable environment.

Globalization has led to increased competition among countries as they attempt to secure more resources and attract more foreign investment, both of which have a direct impact on social and economic development. The stability of nations in this aggressive global environment has relied mainly on their ability to create and promote competitive advantages in order to attract investment. Country marketing has become an essential tool used by governments to increase their competitiveness, promote local development, and attract foreign investment. In this context, national governments must act more like business entities, whereby territories are regarded as

products that should be marketed and branded to increase their attractiveness to investors and stakeholders.

In Lebanon, a unified marketing strategy for the country has been attempted before. In 2001, then-Prime Minister Rafic Hariri tried to develop a brand for Lebanon in a holistic and coherent way. However, this effort did not materialize due to Hariri's assassination and the political instability that followed. After the assassination, isolated efforts were made—by the tourism ministry, among others—to create a brand image. However, none of these efforts made it past the planning stage due to a lack of political will and support. Today, the brand image of Lebanon is very fragmented, and there is no conscious effort by the country to develop it. The failure of the government to create and communicate a unique brand for Lebanon has led to the country being perceived with indifference by, for example, its regional neighbors and European markets.

Isolated efforts undertaken by ministers and public influencers cannot create a national brand for Lebanon. If the government wants to play an important role in the region, it has to adopt the marketing tools that will help Lebanon project a better image. To effectively brand Lebanon, the cabinet must first develop its capital market strategy, which includes segmentation, targeting, and positioning. In Lebanon's case, two groups need to be courted: small and large investors. Small investors—the European market, for the most part, in addition to the GCC—should be courted by the creative and production sectors in order to attract investment in gastrono-

my and agro-industries. Large investors, namely the GCC market, should be courted by the financial and tourism sectors; the government should make a special effort to promote Lebanon in the GCC region.

To attract these markets, Lebanon should be positioned as a stable, safe, and alluring destination with fertile ground for investment. Another important step in its territorial marketing strategy is to develop differentiation tactics to attract investors and tourists. Any country marketing strategy should work to highlight any factors that differentiate Lebanon from its regional competition. The Lebanese people's innovativeness, creativity, and entrepreneurial mindset can be regarded as the main differentiator in Lebanon. Other assets include: the diversity of opportunities that Lebanon offers to investors in various industries; the vibrant, multicultural nature of the country; and the rich natural resources and agriculture conditions.

Finally, the government should make national security a priority to aid the implementation of any marketing plan for Lebanon. The government should also establish an open market economy with high levels of foreign direct investment and local savings. The government strategy should stress that the state's role in economic issues is important but limited; it should develop the legal framework for an economy in which the private sector is the main actor.

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

NEW INTERIOR



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By Thomas Schellen

An administrative startup venture

Interview with the new minister of state for information technology and investment

Lebanon is well-acquainted with the true diaspora returnee: the individual born in Lebanon who departed at some point in the 20th century, who has one or multiple tertiary education degrees—often earned at a ranking European or American university—and who succeeded in his career abroad before returning to Lebanon, for reasons ranging from family responsibilities or/and love to entrepreneurial hunger and will to invest. Some spirited entrepreneurs even get involved in diaspora organizations.

However, while this personality is frequently encountered in the entrepreneurial private sector economy of Lebanon, it has not been so common—at least for several political generations in positions of power, until the arrival of the 2019 Council of Ministers—to meet a minister that fits the profile. EXECUTIVE sat down with Adel Afouni, minister of state for information technology and investment, to understand his vision for this new role. Having been able to check the above-mentioned achievement boxes on Minister Afouni's professional track record in education and international banking, EXECUTIVE is now standing by to tick off the delivery boxes on the new ministry's KPI fulfillments or flops in the coming years.

E What is your perspective on knowledge economy development in Lebanon, including the state of the digital ecosystem and the readiness of our cybersecurity?

I have not yet gone into the details of the cybersecurity topic. I just started and am first mapping the

space. I am pretty familiar with the ecosystem, with the entrepreneurs, the VCs, and the government entities on the knowledge economy side, but in my first few weeks on the job I want to do a full mapping [of the digital landscape] and listen to all the key stakeholders from the government and the private sector, so that I can figure out what mandate I want to design for this ministry, what is the scope of work, and what is the vision that we want to achieve. From there, I want to determine the strategy and the deliverables. My ministry is actually a startup, which goes well with the way in which I like to operate. I am very excited about this and want to operate it in the way you found a business.

E Are you, in the sense of a startup enterprise, bootstrapping?

In my opinion, the ministry has a very strategic role, and I myself have high expectations as to what we want to achieve. I also am dealing with stakeholders who have high expectations, as this sector is, by definition, a fast-growing sector with entrepreneurial participants. I want to build a long-term strategy with clear deliverables.

E Of course, one does not expect a ministry to bootstrap, but there have been instances where entire ministries had no clear budgets and were forced to resort to tapping into external funding sources. Do you have a budget?

There are challenges. [The ministry] is a startup, and funding is obviously a key component when you build a startup. We have a commitment from the Prime Minister



to grow this ministry and deliver on our ambitions. I need to submit a plan with a budget. If you look at the policy statement [by the Council of Ministers] that was presented to Parliament [in February], there is a portion that says that ministers of state will be given resources, including budget[s]. We have to ask for [such allocations] as we operate in an environment where we can obviously not overspend. We have to be very rigorous [on spending control], and I do not have any issue with leveraging existing resources and cooperating with a lot of stakeholders inside the government. There are some ministries where there is complementarity and scope and the need to cooperate, like the Ministry of State for Administrative Reform (OMSAR) and [the Ministry of Telecommunications]. All ministries effectively are partners, we are all partners in the project of digital transformation. There are also large components of the private sector who want to be involved and help. We need to leverage those resources.

E As you mentioned, more than one ministry has been a stakeholder in building IT capacities in public administrations and Lebanon's transition into the knowledge economy. OMSAR was a stakeholder together with UNDP in developing an e-government strategy document as far back as 2003, and then in producing another, similar strategy document that was published late last year. Did you already have time to look at the priorities as they were presented in those papers and determine which of them you will pursue as minister?

Yes, you are right that we had a number of strategy papers and strategic initiatives that we need to execute; the key is execution. I looked at a lot of documents, not only from OMSAR, but every ministry had developed [such documents and plans]. Some administration units have made substantial progress, but others are a bit late in the game [in terms of digitization]. We have not implemented the full strategy so far, so we can leapfrog. There are new technologies and new ways of digitizing the government and the economy. That is the first priority item.

Secondly, this government has a strong commitment to the knowledge economy as a pillar of our strategic vision for the economy. Therefore, and this is also in the policy statement, there is a strong commitment to the digital transformation of the administration and the economy. We are going to start discussions, such as [convening] inter-ministerial committee meetings. The key for such initiatives, in my experience from other countries, is to first put the governance in place. The strategy is key, but the governance is fundamental for executing it. We need to establish the governance structure and decide on the role of each ministry within the governance structure and how we will work on a shared infrastructure

platform to be most efficient. Beyond this, each ministry or administration obviously will have its own [digitization] priorities and implementation inside the governance structure that can oversee the execution and [fulfillment of] KPIs.

Now, going back to my own priorities in entering into this position, I see the scope as twofold. One scope is the digital transformation of the government. That scheme has, for many reasons—transparency, efficiency, and the journey of the citizen—to be made much easier. This is important for the economy, but also for regaining the citizen's trust in the government. That is one side of the scope. Equally important is the second side: the emergence of Lebanon, from an economic and business perspective, as a hub for technology and the knowledge economy. This is a sector where we have many advantages and have the potential, contrary to other sectors, to grow and become a meaningful player in the region.

For me, therefore, there is the digital transformation of government, where I have to work closely with every partner in government who is involved—[which is] pretty much everyone. OMSAR has done a great job in setting the stage, but we need to progress from there. And there is the private sector, business side to the knowledge economy, which we need to grow

further. This weekend I spoke with the minister of education to jointly organize meetings with all the large universities and come up with a strategy where the universities can be actively involved in our vision and plans. When I talk about the private sector and how we can transform Lebanon into a business hub in the knowledge economy, enablers are key. Two enablers are first on my list. One is infrastructure, and that is where our neighbors at the ministry of telecoms are set on improving the infrastructure in the whole country. The second enabler is education, research, and development. We need to create [intellectual property] in the country; we do not just want to be an intermediary. To do that, we need strong research and development. We need to adapt the curriculum in the universities to the business world and to the new technologies. It is a part of the strategy and very important for us to include new technologies in the curriculum, starting with schools. I have friends in Parliament in this, and, for example, MP Nicolas Sehnaoui is going to propose a new law on introducing technology subjects in schools. We also need to do the same at the university level, where we need to introduce new technologies and link the universities better to the business ecosystem. All this is starting, but I think we need to turn it into a focused plan.

■ “The strategy is key, but the governance is fundamental for executing it.”

and transform from an emerging sector with a lot of potential into a well-established center for the region.

E What is your position on interaction with the academic and civil society sides?

I have many ideas on that side but, to be fair, I need to develop these

E If we turn to talk about the business community and specifically the financial sector, what is your perspective on the role of banks, and especially the function of Circular 331, for the development of the knowledge economy in Lebanon?

I think Circular 331 has been a major catalyst that has effectively jump-started the whole ecosystem [of the knowledge economy]. As we all know, you can have many plans, but if you have no funding for a plan, you can't progress. I salute [Banque Du Liban Governor Riad Salameh] for his

vision on this. [Circular] 331 has been a fantastic initiative, and what it did was basically make capital available to the startup ecosystem. Our role in government is not only to support it, but to complement it. [Circular] 331 has brought the banks as major investors into the ecosystem, but there are other types of investors that we also need to bring in [to] diversify the funding sources for the ecosystem. The most important thing is for our country to attract capital, not just in the form of deposits, but in any form of investments. Thus, we need to supply those other investors with sets of incentives and support. We have a pool of capital available, which mostly is diaspora capital, that we need to attract and encourage. So far, we have focused on this pool mostly as a source of deposits. That is fine, but we have to also attract them for investments in productive sectors. One of my priorities as minister for information technology and investment is to see how we can attract more diaspora capital to productive sectors in Lebanon, and in particular to the knowledge economy sector by providing support, help, and incentives.

E Does the minister of state for information technology and investment then also have a vital stake in collaboration with the central bank and the Capital Markets Authority of Lebanon?

We have a great relationship with the governor and the CMA, and we complement each other. We have to work hand-in-hand supporting crucial flows of capital into the country.

E Does your sightline also extend to a perspective on financial sector companies and banks on issues such as new payment solutions in the country?

Anything that makes the ecosystem more efficient, where we can see potential for growth and that helps us with digitization and the digital transformation of the economy has enablers that are important, and one of them is moving into a cashless society, where pay-

ments can actually be made in a more efficient and transparent way. This is part of my priorities.

E In order to create a virtuous cycle or upward development spiral for Lebanon's digital transition, it seems that this country needs to achieve much: investments, reforms, cybersecurity, digital identity, and e-governance. As the country would work on all these issues, do you see them as priority needs that are best pursued consecutively or concurrently? Phrased differently, must we achieve a succession of milestones or will it be better to work on all fronts at the same time?

As I see this, the tracks are parallel, and we should avoid taking on [digital transformation] one step after another. If we have a governance structure and agree on a common platform or shared principles, everything should go in parallel. [In this way,] we will actually create a virtuous cycle. For example, we will not wait for everything [else] to be ready before going to attract investment. This is because having attracted a small investment sometimes puts pressure on other things to progress faster.

E On the cybersecurity side, there seem to be several options in the sense of having centralization in the management of citizens' data and single-source issuances of digital identity files or having more of a decentralized approach. Do you favor one approach?

I have my views on that as I've done some work on [such issues] in my previous work. However, to be fair, these are sensitive matters that touch on national security. They involve the Ministry of Defense, the interior ministry and many organizations. Thus I would rather first discuss these matters and hear views from different parties before we can come up with a solution. As far as I'm concerned, it's very important to take into account some of the opinions from inside the government, especially from [the] security [establishment].

As I mentioned earlier these [cybersecurity issues] are matters where we've been a bit too late. At this stage,

where we already have digitized a lot of data, we need to put the mechanism in place to protect our country and our citizens. It is also very important to protect the privacy of citizens' data.

E Are we going to see another national plan on cybersecurity and other digital and e-government issues, something such as a national digital strategy, the next edition?

I hope we don't need to recreate this because there's a lot of good work that has been done. One of the reasons I see for delays [in implementing a national digital strategy] is that we've seen a lot of strategy papers come in. They keep reinventing the wheel. I prefer if we actually leverage the work that has been done and really [do this] in the near term. We will agree on a deadline [for the government's digital transition] so we [can] start implementing [the strategy]. We can get inspiration from a lot of countries that were in similar situations. We need to execute [our strategy].

E One of the experiences that have marked periods of technical migration and innovation seems to have been that in taking these steps, countries have tended to make mistakes. Perhaps it has even been necessary for administrations to make mistakes on the road to e-governance and learn from them. But as for Lebanon, it seems today that we are out of time and cannot afford to make mistakes and learn from them. How would you solve this challenge?

Hopefully we can progress faster by learning from other countries' mistakes and journeys into digital transformation. We honestly just need to have a clear governance—something that we don't have today—and then this governance will lead to the assignment of [the needed] roles. Some of these roles will be handled at the ministry's level, but to make things more efficient, shared infrastructure, with the ability to communicate between government entities and use similar tools, is very important, and we do not have this yet.



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By Thomas Schellen

A new legal class on digital

Interview with MP Nadim Gemayel on digital development and Law 81

Political class is not always a flattering term. Actually, undercurrents of personal animosity and/or political criticism are endemic when discussions turn to the political class—in any country. In Lebanon, the most frequent connotations of the term appear to be *wasta* and corruption. Hailing from a political family is in this sense a definite reputational burden in the court of public opinion.

However, in reality there are as many nuances on political positions and achievements as there are political individuals in Lebanon, and the task of legislating a framework for the country's digital transformation is much more important than bickering over ideology. As a significant stepping stone toward the digital future, Law 81 was adopted by Parliament last year and went into effect on January 19. EXECUTIVE sat down to interview MP Nadim Gemayel, the head of the Parliament's information technology committee and lead sponsor of Law 81.

E Do you already have a sightline on how Law 81 is impacting the Lebanese economy and being adjusted to by enterprises?

Until now, we have not had any feedback about the application of Law 81, since it entered into force on January 19. After 10 days, we still have no feedback from enterprises. But I am sure that over the next six months [the law] will provide an easier way to do business in the country, especially for e-commerce enterprises and for e-banking. We are also contemplating an enhance-



ment [of the law] with regards to dealing via emails and electronic transactions, especially concerning processes that used to be paper-based in terms of C2G [consumer to government] transactions and payments. This relates specifically to the realms of government to consumer and government to business interactions, or G2C and B2G, in areas such as payments at the ports and all kinds of e-payments. We are contemplating this, together with many companies, in order to provide them with the best environ-

ment, even though we do not have e-government yet.

E Does this plan for new legislation interlace with projects under the CEDRE framework and initiatives coordinated with World Bank-related projects, such as the streamlining of customs procedures?

Exactly. It all goes together. It is not only about CEDRE, but about creating a real, modern country that has [digital] procedures and regulations that extend all the way.

E So what are the most important points in Law 81 from your perspective, as its sponsor in producing it in Parliament?

Law 81 has three main aspects. The first is the civil law aspect, the second is the penal or criminal law aspect, and the third is organizational. The most important one is the aspect on civil law. This aspect includes four chapters. The first chapter includes the e-signature, all sorts of e-transactions, and electronic writing. Then there is the e-commerce chapter, an e-banking chapter, and the data protection chapter. These are the four main chapters [under the civil law aspect]. Then you have the criminal law aspect that covers all kinds of electronic crimes and cybercrimes, hacking, etc. All this is being covered under the penal aspect. The third aspect or section is the organizational one that provides [measures for the organization of] .lb and on how to manage internet service providers and data service providers.

E So, under the penal section of Law 81, cybercrimes and their penalties are clearly defined?

Yes, there are penalties for hacking, for intrusion into [IT] systems, for pornography and child abuse over the net. There is a set of [legal sanctions] for e-crimes.

E Is there also a provision in the law's penal section that deals with online harassment or bullying over the internet?

No, harassment is not included. It is still very general. The section has a set of articles that address a small part of the e-crimes but does not go into [all forms of] abuse, social media, or freedom of speech.

E This sounds as if victims of online trolling in Lebanon might, for the time being, still have to resort to the existing judicial means when seeking protection. As concerns the organizational section of the law, you say that the .lb issuance

is included?

On the organizational [segment] we have two chapters, one that is related to regulating the .lb—I personally have many reservations about this chapter because it is very badly done, and it was changed at the last minute in Parliament. It is not applicable, and we are attempting to change it again.

E What is the weakness of this chapter?

[By changing the text of Law 81, members of Parliament] created an entity to manage .lb that by law cannot be created; there is a contradiction in the chapter. There is another chapter in the organizational section of Law 81 that talks about all kinds of [Internet Service Providers and Data Service Providers] and all kinds of servers.

E You mentioned in a speech at a cybersecurity conference on January 31 that the law is a step toward something comparable to the EU's General Data Protection Regulation, or GDPR?

Right. This is the part that is related to data protection. This is in the fourth chapter of Law 81's segment relating to the civil aspect. We have a foot in the water in terms of data protection but it is not yet complete data protection, similar to GDPR.

E So it is not yet in the organizational segment?

There is a small [data protection aspect] in the organizational section, on how companies are to do business, and how [they are] to be regulated by the ministries.

E What is your perception regarding the readiness of Lebanese companies that do business online with European customers?

Any company that wants to deal with European citizens, or do busi-

ness in Europe, has to comply with GDPR. This is much stronger than our data protection regulation, but the companies in Lebanon will still have to adapt to Law 81.

E Is there enough awareness and training in Lebanon on how to comply with GDPR, noting that European countries have recently appeared to enforce the regulation with larger fines?

It is not enough. Probably only banks are aware of all the procedures related to GDPR. But in the overall

■ “We have a foot in the water in terms of data protection but it is not yet complete data protection, similar to GDPR.”

Lebanese market there is no awareness at all, and especially there is no awareness in the ministries that have to apply the data protection. That is why I requested a meeting on data protection last week with the ministries on how to implement the data protection. There was a sort of mess in this regard.

E What sort of mess is this? Is it concerning all ministries?

We have four ministries that are related to data protection. We are trying to coordinate the [issuance] of decrees that these ministries have to release. The Ministry of Justice, the Ministry of [Public] Health, the Ministry of Economy [and Trade], and the Ministry of Interior [and Municipalities] will all have to coordinate in order to have a competent structure [for data protection].

E How do you perceive the establishment of a new ministerial role, namely the Office of the Minister of State for Information Technology and Investment, in this context of need for coordination on digital policies and processes?

I heard very good things about

this minister as being very competent and trustworthy. [Ed: a first meeting between MP Gemayel and Minister Afouni was arranged after EXECUTIVE conducted this interview.] I hope that we will be able to cooperate with the new minister for [information technology], in order to organize this sector and move it forward to achieve better expansion.

E How is the situation, or need, in terms of implementation decrees for Law 81?

Some issues need regulation by the ministers, and some issues need government decrees. This should all be set [soon]. Law 81 needs about 10 decrees, and we are pushing the ministers. These decrees should have been implemented [in January 2019], but since there was no government [at the time when Law 81 went into effect], we are giving them a few weeks to organize themselves to start decreeing what needs to be decreed.

E You serve as head of Parliament's IT committee. How do you see the digital awareness of fellow members of Parliament?

The awareness is very good. This is a domain that is very young, dynamic, efficient, and that is evolving very quickly. Of course there are some colleagues among deputies who are more aware than others, but each is [aware] about a sector. Even I have been thrown into dealing with this sector, and did not know all details about it, but I decided to take this into my hands. We are also making efforts to improve our knowledge of all relevant issues. For example, we are organizing a trip for all parliamentarians in the [IT] committee to Estonia, which is the number one state for e-government, cybersecurity, etc. We will be going there to discover this horizon and take the necessary training to know what to expect.

E A fact finding tour?

Exactly, a tour to study, have e-government meetings, regulatory meetings and all this. [Ed: the tour had been conducted by the time of publication.]

E Without resorting to external ratings of Lebanon's digital readiness by think tanks and organizations such as the World Economic Forum, how do you personally rate Lebanon for digital and cybersecurity development when comparing it to peers in the Middle East?

Without having other criteria, from a legal point of view I think we are very late. [Law 81] was the first time that a law concerning IT

■ “[Law 81] was the first time that a law concerning IT and e-transactions was voted into existence.”

and e-transactions was voted into existence. It has been a first step, but other countries are very advanced in this. I also believe that we need to do a lot in the ecosystem, from education to evolving job descriptions for people to know from the beginning that we need different jobs from the traditional ones. We also need to reach new markets, find new horizons, and new ways to integrate the values of Lebanon into companies within this [digital environment]. We are late.

E Two years ago, EXECUTIVE published an analysis by a legal expert on digital legal frameworks in the region, and it indeed showed that Lebanon was behind the regional curve in legislation and adoption of policies for digital transformation as well as in cybersecurity issues.

It is far behind, but I can add one comment: Lebanon has always been known for private initiatives and personal initiatives in adopting new technologies, evolving new sectors,

etc. I believe that this time, the state needs to be following the private sector. We [in the state] must not be afraid to say that we are following the private sector. The private sector should be the pioneer and lead us. We are there to support them.

E In this context, it appeared from recent conferences on the digital ecosystem and cybersecurity, such as a Cybersecurity Day at the American University of Beirut, that Lebanese students are extremely eager to learn more skills in areas such as cybersecurity. Do you agree?

Of course. Cybersecurity is the future, not only for the state, but also for your personal digital identity.

E Do you recommend any specific steps that the state should take under the concept of following the private sector in the areas of digital innovation and cybersecurity? Should the state, for example, devise new curricula for tertiary education on cybersecurity?

No, but I believe that much should be done to make people from a very young age learn how to think differently and orient themselves in this area. It is also very important to create jobs in this area. Awareness is very important. Digital is part of our daily life. It's like learning how to drive a car—understand your limits. In a similar way, you need to learn how to use the [digital] technology around you. You have to know the limits that you have in this technology and how to protect yourself.

E Should the state take a leading role in education for digital, or should this digital transformation be driven by private education providers?

Both have a role to play. The ministries and the government have to play a role, and the whole public sector has to play a role, but it is complementary. It is similar to how creating awareness of child abuse



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problems is part public and part private responsibility—it is part of schools, cultural clubs, families. It is about everybody.

E For the interaction with the government today, are there special contact points at Parliament for the private sector, where companies can relate to the IT committee?

Of course, I am open to everybody, and I'm talking with all the sectors. Our committee engages on education, with the Ministry of Telecoms, with IT companies, with the clusters, with everybody. We are trying to talk to everybody and be part of [answering] their needs and requirements.

E How are you dealing with specific situations involving state contracts and work on issues such digitization of the cadaster?

We have yet to start on this issue, which goes into the development of e-government. This issue requires many strategic decisions, for example, who will own the data and what will be the [ID] number that you use to identify yourself? Will it be a number [given to citizens] by the interior ministry, the finance ministry, or any other ministry? We need to define this [ownership of data] first, and this has been a big debate; the ministries still do not accept to share their data among each other. If you do not organize this today, especially between the Ministry of Finance and the Ministry of Interior [and Municipalities], you will not be able to go forward.

This is because you need the personal, individual [data]—name, family name, and date of birth—as well as the financial information, and the data from the Ministry of Justice, which owns the cadaster. It is a management of three [ministerial stakeholders], of whom each considers themselves to own the data and wants to preserve it [at their ministry] without sharing it with anybody. This is problematic. It is where we

are today, but I think that we shall be able to find a solution very soon. Also, let me tell you about another innovation that we [in the IT committee] are working on: I am proposing a law on companies in technology that will be favorable for entrepreneurship and startup companies in the digital ecosystem. This law aims to provide simplified [processes] and quick registration, where we will waive many [requirements] for young companies in order for entrepreneurs to be able to start new tech companies and take them forward very quickly.

E Would this also involve smoothing of access for young tech companies to the Electronic Trading Platform, or ETP, once this entity is established?

The issue is completely different. [The new legal proposal] is for companies that seek to be incorporated in an easy and light process. That is what we are doing. If these companies later want to join the ETP or evolve onto the Beirut Stock Exchange or somewhere else, they are free to do what they want, but [this law will be there to help them] if they are young startups and want to go forward.

E It has been a request from participants in the entrepreneurship and tech startup ecosystem to have simpler incorporation requirements for startups. Is your new law proposal addressing this issue then?

Exactly. This [sort of complex requirement] is what we are going to waive. We are helping the [startups] do things. We know very well that perhaps two of 10 startups will fly. For the rest, we are facilitating the bankruptcy or shutdown, and in case that they are flying alone, we will facilitate their registration so that they can get integrated into the ecosystem. I hope that this law that we are preparing will help a lot in this way. It is a new law that I have not proposed yet, but plan to launch in the near future. It is being drafted.

E May I ask how you personally first became involved with the issue of digital empowerment, and what made you aspire to become the chair of the IT committee in the current Parliament?

I have always been interested in IT and technology issues and digital identity. In the last Parliament, I was a member of this committee that, at that time, was chaired by my colleague, [Tripoli MP] Samer Saadeh. So when Samer lost the election [last May], I proposed to become the chairman of the IT committee. I nominated myself because I believe this sector is the future, where a lot needs to be done, and where I have a lot to give.

E When you gave a speech on Law 81 and your perspectives on the challenges for politicians in the digital era at the end of January, you referred in the conclusion of your speech to issues of leadership and influencing—specifically the dilemma of whether politicians will resort to following the demands and pressures exerted on digital social networks, or if the networks should follow the politicians and their leadership. Would you elaborate on how you perceive this issue and what you see as the appropriate paradigm for digital political behaviors?

I believe that, today, big data is corrupting our mindset and is also corrupting the way we see things in society. It probably is also corrupting the values we have. I believe that, while [digital influences] can corrupt, we should not lose our values, our credibility, and our identities, or the human way of thinking. Data should help [politicians in making decisions] but it should not be [directing] our decisions instead of ourselves. I am pro-technology and pro-evolving, but I also believe that humans still need to [stay in charge]. There are many stories about things like dataism and the danger of data today. We cannot control it, but we need to contain it.

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By Thomas Schellen

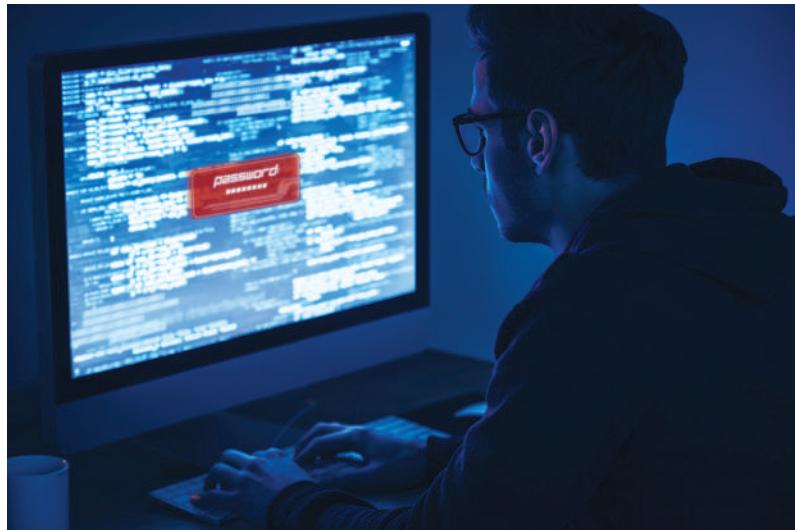
The inexorable march of digitization

Investing in cybersecurity companies

When it comes to predictions for this year, there are some prophecies that are practically risk-free, even outside the notion that the biggest risks of 2019 are not related to financial markets or even economic uncertainty. One such virtually risk-free prediction is that the digital transformation will continue. Another safe one is that Big Data and artificial intelligence (AI) will not wither.

The list of safe predictions for aspiring cyber gurus goes on, simply because many upside and even more downside developments are beckoning from all spheres of the wide digital cosmos. E-government tools will help improve the efficiency of public sectors in countries that improve e-governance and digital identity facilitation. Cybercriminals will use new attacks, and there will be spectacular and horrific breaches. Some of the attacks by cybercrime syndicates will employ AI tools. The financial damages count from cybercrime will be a multiple—a very substantial multiple—of investments into cyber-defense by public and private stakeholders (and this will by far not just be the case in Lebanon).

Even scarier, new cyber terrorism incidents will happen and target infrastructure or IoT (Internet of Things) vulnerabilities. There will be an arms race toward building new cyberwarfare arsenals, and in the daily life of humanity, plain old digital shit will happen—and probably escalate to unprecedented calamities. Digital futures will baffle us beyond our expectations and all predictions will be dwarfed by reality. In cybersecurity, the



biggest risk will be the human being, but there will not be a worthwhile cyber future without humans.

What then is a non-geek enabled, or cyber-enhanced human being to do

■ **Digital futures will baffle us beyond our expectations and all predictions will be dwarfed by reality.**

when one is faced with a digital future but has ethical and technical barriers against morphing herself or himself into a master black-hat hacker, devious digital snoop, or voracious cyber-predator? And what to do for someone, like an alert investor or an entrepreneurial whizz, who lives in a country that is lagging a felt 50 parsec (163 light-years, or more than 1,500 gazillion kilometers) behind its enemy state next door when it comes to creation of a competitive digital edge in robotics, artificial intelli-

gence, and machine learning, as well as general corporate research and manufacturing for the cyber age, or cyber attack and cyber defense preparedness?

IF YOU CAN'T BEAT THEM

Just over a century ago, when wars were overwhelmingly matters of human mass mobilization and deployments of ships, tanks, infantry, and artillery, the patriotically minded in the warring countries were asked by their governments to invest in war bonds. Similar financing tools for looming global conflicts in the digital era have not been developed. However, adapting the paradigm that "if you can't beat 'em, then you should join 'em" to digital transformation and the global financial markets environment, even investors from the most digitally backward countries at least can turn to developed stock markets for gobbling up slices of the digital future and the prowess of listed cybersecurity companies.



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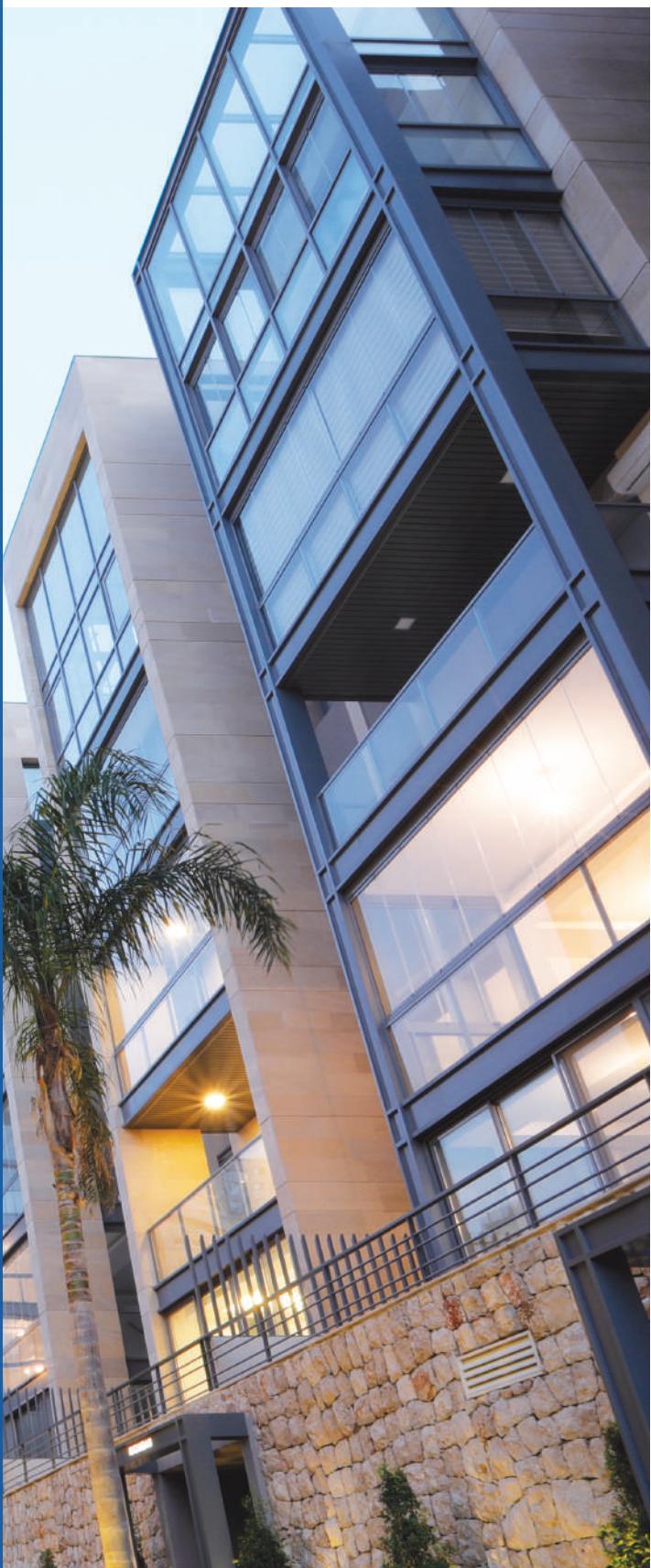
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Scanning the early 2019 results season in the investment landscape for interesting narratives of cybersecurity stocks yields another confirmation that digital security is one big bed of where the future lies. Undertaking a non-exhaustive or fully representative journey across February's earnings news of companies with exclusive cybersecurity focuses or significant involvements in the area, EXECUTIVE noted that companies tracked by exchange-traded funds (ETFs) made quite a splash. According to Seeking Alpha, an online financial publication, Fireeye—a cybersecurity company that was listed in 2013 and has a multi-year track record of rapid growth—achieved a 10 percent year-on-year increase in its billings in Q4 of 2018 and exceeded analyst expectations. Similarly, Fortinet, a cybersecurity company that, like Fireeye, is included in a pioneering cybersecurity ETF, achieved a 22 percent increase in fourth-quarter 2018 billings and topped Wall Street expectations according to a report by Dow Jones' MarketWatch.

In mid-February 2019, the stock of Israeli cybersecurity outfit CyberArk Software rallied as Q4 2018 earnings and profits greatly exceeded expectations. Akamai, a company with expertise in networks, cloud computing, and cybersecurity, for Q4, 2018 delivered 8 percent year-on-year earnings growth that was driven largely by a 36 percent year-on-year revenue growth in its cloud security unit.

And if you want to take a guess at what cybersecurity company Palo Alto Networks announced to investors in the last days of February: Yup, Palo Alto's revenue was up 30 percent year-on-year in its fiscal Q2 2019 results and the numbers were above analysts' predictions, while the stock rose over 8 percent to an unprecedented high.

DIGITAL DISRUPTION

All aforementioned stocks are on the portfolio lists of at least one cybersecurity-themed ETF. Further on, from lesser known niche players in cyberse-

curity to big established names such as the security and networking stalwarts Symantec and Cisco, market augurs promote them as promising on account of being anything from small risky plays with huge upside potentials to good investment opportunities because of strong share price performances and/or gain potentials, earnings-per-share forecasts, or dividend outlooks.

Prominent cybersecurity ETFs, such as ETFMG Prime Cyber Security Fund (known as Hack) and First Trust NASDAQ Cybersecurity ETF (CIBR) in the first two months reflected the good share price performances of stocks in their portfolios. Although both ETFs experienced a three-month slump in Q4 of last year, according to Bloomberg data CIBR at the end of February 2019 showed a return of 21.2 percent for the year to date (ytd) and a one-year return of 13.7 percent. Its three-year return was 21.1 percent. Also according to Bloomberg, Hack achieved an ytd return of 19.3 percent at the end of February and had one and three-year returns of 17.2 and 22.4 percent, respectively.

However, such fleeting observations should not be read as suggestions that individual investors and especially retail investors would be in for smooth rides to high returns by allocating large portions of their personal to passive funds with cybersecurity themes. For the moment, many analysts judge cybersecurity ETFs as having characteristics that justify minimal exposure even as the overall theme of cybersecurity might be perceived as a very attractive road to financial participation in the world's digital transitions.

EXECUTIVE asked Christian Gattiker, chief strategist and global head of research at Swiss bank Julius Baer, about his views on digital themes, cybersecurity stocks, and related ETFs for international investors at the end of last month when he came to Beirut for a presentation to the bank's local clients.

The economist (who confessed to an infatuation with technical analysis, despite his training as an academic economist, during the evening's presentation to investors) confirms that topics such as cybersecurity feature within what the bank describes as the investment theme of digital disruption. However, his view is leaning to active investing strategies and he would refrain from passive or static approaches when it comes to the sector. "We advise using active investing on those topics," Gattiker says. "These [digital disruption and cybersecurity topics] are highly active themes and many of these markets are winner-take-all markets. Thus, if there is any shakeout in the industry,

■ Many analysts judge cybersecurity ETFs as having characteristics that justify minimal exposure.

you lose as an investor if you hold all of [the involved stocks] because you win on one stock and lose on eleven others."

According to the Swiss banker, investors parsing cybersecurity stocks should thus make their own decisions instead of buying into a themed ETF. He advises further that investors should rely on analysts who have a good track record in calling these markets and that investors also should be nimble as to shift exposure if they sense any surprising change in the markets for these stocks when one winning cyber solution starts to rise at the expense of its competitors.

But in the sum of what Gattiker perceives as the biggest race there is in terms of companies competing for the crown of digital dominance, and one where the final outcome might not be determined for up to 10 years, he concludes, "Digital disruption is a big topic and digitalized healthcare is another one. These are big structural themes that can be of advantage to investors, but in very specific companies." ■

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By Olga Habre

Toward a cashless society

Lebanon's alternative payment solutions

Banking, like many other industries, is steadily moving toward digitization to accommodate changing lifestyles. People now need solutions to banking challenges that did not previously exist. With busy schedules, more travel, a surge in e-commerce, and a plethora of innovations that are spurring a global shift, the growing tech-native generation is increasingly asking to conduct their finances and spending on their own terms, and is moving away from using physical cash and toward alternative payment solutions that better suit their lives. In order to retain clients, traditional banks are feeling the pressure to address an onslaught of disruptions from within and outside the industry. Even older generations and those not necessarily asking for cashless alternatives are finding themselves nudged into using fintech.

As cash sees itself out, alternative payment solutions are becoming more mainstream. They include products like physical debit/credit cards; mobile payment systems and digital wallets issued by banks; payment applications, such as Paypal (which does not operate in Lebanon), and local varieties like PinPay; as well as other electronic banking platforms for payment, transfers, and more autonomous management of banking needs. Cryptocurrencies, for all their controversy, are growing in popularity abroad as a payment alternative too, but are not yet in use in Lebanon. Bank du Liban (BDL), Lebanon's central bank, has been vocal about their imminence, announcing in 2017 that it would launch its own digital currency.

A cashless society has its benefits, many experts EXECUTIVE spoke with agree, but that is not to say it does not



have drawbacks or raise questions: from money laundering, tax evasion, and privacy concerns, to overspending (linked to cashless transactions), as well as what this shift could mean for the unbanked, estimated to be almost 2 billion people worldwide.

GETTING WITH THE TIMES

Lebanon's current alternative payment offerings should be examined in the context of the global digital revolution, a time of adjustment for many sectors. Among the main woes of digitization are security concerns. The Lebanese government is said to be taking steps toward cyber security legislation (see Q&A with Minister of State for Information Technology and Investment Adel Aifiouni on page 28). The much talked about digital signature law came into effect in January, and once fully implemented it should boost online banking and transactions, among other things (see interview with Nadim Gemayel page 32). These actions will pave the way for further development in the payment solutions landscape.

A certain number of failures is inevitable in any new venture, and there have been alternative payment solutions that have flopped over the years.

Experimenting with offerings is one of the few ways to find out what works, but the downside is the hefty investment of time and funds that go into such R&D. The use of relatively affordable offerings like rented cloud space and Software as a Service has eased the cost of testing new financial products for many banks. Ultimately these often-bureaucratic institutions must demonstrate sufficient agility and consistently offer solutions that meet the new needs of clients in order to survive (see Q&A with Credit Libanais Deputy General Manager Randa Beir on page 46).

CATERING TO NEW LIFESTYLES

Banks in Lebanon are focusing on the user experience, adapting their products and services to a growing population of connected, tech-savvy multitaskers that need convenience, speed, and security. BLOM Bank Deputy General Manager Jocelyne Chahwan explains their strategy: "The rise of advanced technologies and new regulations have led [the bank] to provide a better customer experience and enhance the security level of all innovative payment solutions offered, thus offering seamless experience to clients."

One of the more traditional solu-



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tions, the card, has come a long way. There are even blockchain credit cards available in some markets—an alternative that could help merchants foot the bill of high processing fees but comes with a slew of its own disadvantages. Traditional cards are gaining in popularity, however. According to 2018 statistics from BDL, 2.78 million cards were issued in Lebanon, a rise from 2.63 million in 2017. These include prepaid, debit, and credit cards, and range from specialized options for use online, to cards born of partnerships among banks and merchants, as well as options with a variety of loyalty schemes.

Byblos Bank's Head of Group Cards, Accounts, and Bancassurance Products Georges Fares explains that they are constantly developing payment solution options, and boast a wide range of debit and credit cards in different currencies. "These cards are divided according to specific segments, and in a way that caters to the evolving needs of [the bank's] clients," he says.

Many banks have rolled out mobile payment solutions where cards are stored digitally on mobile apps, allowing users to pay with their Android mobile devices at points of sale (POS). Banque Libano-Française (BLF) will soon be introducing its mobile payment solution so customers can make payments mobile app, says Myrna Wehbe, BLF's director of cards services. Byblos Bank and BLOM Bank have integrated Visa Token Service (VTS) technology into their mobile apps. Chahwan reveals that by the end of April 2019 all the payment cards issued by BLOM bank will be equipped with the EMV chip for a higher level of security and contactless technology.

The relationships between banks and merchants is developing as payment options increase. Fares says the launch of their ByblosPay app has encouraged merchants to install accompanying contactless technology at POS. "Such technological advancements constitute business disruptions that are gearing Lebanese banks more and more toward mobile payments," Fares explains. "They

are also allowing us to be ready to offer new types of mobile payment, such as Apple Pay, when it becomes available for our market." On the other hand, BLOM Bank is enabling this disruption, partnering with General Security in 2017 to equip its centers with BLOM POS machines.

Chahwan says BLOM is currently negotiating future partnerships with international players Apple Pay and Samsung Pay, but points out that this depends on their appetite to enter the Lebanese market. Neither is available locally because of these companies' decisions not to enter Lebanon.

Byblos Bank is planning to expand the mobile payment options on ByblosPay, also making it available to debit cardholders by April, thanks to enhanced security measures which ensure cards are used online safely. They are also working on offering e-commerce solutions, including payment gateways, to local businesses through partnerships with local processors.

While millennials are the ones driving the digital revolution across sectors, and many banking products are geared toward them and the younger Generation Z, it is their parents and grandparents that still retain much of the world's wealth. A common reluctance to adapt to technology makes it necessary for banks to coax these clients into newer products and services.

A CASHLESS FUTURE

The currently available assortment of alternative payment offerings falls in line with a wider trend of fintech developments in the country, including those spearheaded by startups, as well as banking digitization initiatives like the opening of more and more Interactive Teller Machines (ITMs) and e-branches. BLF's Wehbe explains that part of their digitization has included transforming ATMs into multiple services teller machines that let customers make deposits,

make payments for tuitions and wedding registry, and will soon be enabled with payment options for taxes and donations. "We have a very clear roadmap that will transform our business and solutions in the next three years," BLF Director of Marketing and Retail Ronald Zirka adds, citing the enacting of the digital signature law and the inclusion of Lebanon in the list of oil producing countries as key events that could propel the sector.

Despite digital financial products fast becoming integral parts of daily life, there are still barriers to growth for alternative payment solutions in Lebanon. Wehbe credits payment service providers Visa and Mastercard for "assisting

■ There are still barriers to growth for alternative payment solutions in Lebanon.

the market in this shift by imposing mandates on licensed banks to adopt new advanced technologies in electronic payments." But despite this support, the speed with which the local market can move forward with the development of these options heavily depends on how quickly and efficiently public sector stakeholders resolve existing digitization challenges, specifically those related to security. It is then up to banks to continue their efforts in bettering payment enabling infrastructure, amping convenience, increasing awareness of the benefits of various payment solutions to consumers and merchants, and further improving incentives.

The experts interviewed for this article point out that with all the technological innovations aiming to reduce cash usage, the Lebanese are still heavily dependent on cash. Even so, there is a growing shift in client habits and business culture toward digitization that is putting Lebanon on track to becoming a cashless society—time will tell if this happens at leapfrog or snail speed. ■



The Sustainable Digital Ecosystem Summit: A firm step in the right direction

Does Lebanon have what it takes to take a leap into the fourth industrial revolution? What is being done to develop the country's digital ecosystem?



4

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Amid the tech hype that Lebanon has been witnessing, digital transformation proves to be more than just another buzz word; but rather a prerequisite to the economy and businesses of tomorrow.



6

Inspiring
Workshops

In the quest of exploring the status of digital transformation in Lebanon and driving positive change across multi sectors, IFP Group (International Fairs and Promotions) organized the first Sustainable Digital Ecosystem Summit (SDE Summit) from 22 to 24 January 2019 at the MEA Training & Conferences Center in Beirut.



8

Panel
Discussions

Held under the patronage of H.E. Mr. Saad Hariri, with the support of UN-ESCWA and UNESCO, the SDE Summit provided a platform for leading organizations and experts from the public, private, and educational sectors to delve into the current trends that are disrupting the digital ecosystem and derive a roadmap for the future.



53

Mind-blowing
Speakers

The summit's high-caliber advisory board comprised H.E. MP Sheikh Nadim Gemayel; Chairman of the ICT Committee in the Lebanese Parliament, H.E. MP Nicolas Sehnaoui; Former Minister of Telecom and



Chairman of UK-Lebanon Tech Hub, Dr. Fouad Mrad; Senior Program Manager of Frontier Technologies at ESCWA, and Dr. Ayman Kayssi; Associate Dean at the Faculty of Engineering and Architecture, AUB.

The summit witnessed several announcements and initiatives by government representatives and other stakeholders.

H.E. Mr. Jamal Jarrah, Former Minister of Telecommunications, who represented H.E. Mr. Saad Hariri, said: "We are working now on a national data center and we are on the look-out for a partner in the private sector; which will help us boost the digital economy."

H.E. Dr. Inaya Ezzedine, Former Minister of State for Administrative Reform, addressed the state of smart and e-Government and focused on its impact on public efficiency, transparency, and productivity. While Ms. Yasmina El Khoury Raphael, Head of Business Environment and Innovation, Presidency of the Council of Ministers, shed light on newly established initiatives like the Lebanese Internet Governance Forum which aims to improve the business environment.

Dr. Makram Bou Nassar, Executive Director, Head of Payment Systems Department at Banque Du Liban, revealed that the "Government Payment System" is expected to go live in the coming few months. He also said the Central Bank is working on cheque imaging solutions, as well as the necessary circulars to facilitate the implementation of the electronic transactions law Number 81 that was ratified by the Lebanese Parliament in September 2018.

Mr. Imad Kreidieh, DG & Chairman of Ogero shared plans for the new Lebanese Cybersecurity Centre and Digital Strategies for Lebanon.

Beyond scratching the surface of the multi-layered technological landscape, the summit prompted legislators, industry experts, and academics to come up with an action plan to be presented to executive authorities as the next step towards tangible development.

The Sustainable Digital Ecosystem Summit was held in partnership with: General Electric; North Assurance; Yellow Pages Lebanon; Dar Al-Handasah; Middle East Airlines; UK-Lebanon Tech Hub; American University of Beirut; Executive; and Barista; with the support of UN-ESCWA and UNESCO.

By Olga Habre

Banking agility in the era of millennials

Interview with Credit Libanais Deputy General Manager Randa Bdeir



Randa Bdeir has spearheaded innovation at three key banks in Lebanon since the early 1990s. The mother of four began working as a researcher on credit card payments at Banque du Liban (BDL), Lebanon's central bank, and quickly became one of the few women in a managerial position in the banking sector at that time. As Credit Libanais' new head of Electronic Payment Solutions and Cards Technology, Bdeir sat down with EXECUTIVE to reveal her vision for how the banking sector can progress forward and share her experiences in the industry.

E How has banking changed since you started in the industry?

Banks are facing a lot of competition from outside, with [entities] like Apple Pay and Google Pay trying to take business away. These challenges should be taken into consideration because the demographics of our potential clients is changing. Now, our new clients are millennials, [many of them] are launching startups, whereas before it was only [traditional] businessmen. Because of these changing demograph-

ics, and technological innovation, banks have to react and reinvent themselves. We cannot work the same way as before—we have to look into new opportunities and client needs, and try to help them and finance them.

E How are their needs different from those of their parents and grandparents?

They are very different. Before, when [banks] used to lend to a company, we studied its activity, financials, clients, and cashflow, in order to lend to it. When we look at a startup, it doesn't have cashflow, robust financials, or history. [A startup] has an idea and [investing in] that idea is a little risky. At the same time, it's been proven around the world that sometimes [startups can be] very successful. Maybe the bank should have an internal unit that deals with startups, like a VC, in order to help those [entrepreneurs]. Later, when they become a regular company, they will become a regular client of the bank. We should accompany those people in their journey from early stages until they exit because there will be a point where the bank will benefit, and it will be a win-win relationship. It's very important for a bank to reinvent itself, changing their target segment and trying to cater to a new kind of client.

E What is the importance of digitization in the banking sector?

They should work on creating new products in order to have better access to the consumer. We want to make the bank safer and more efficient—safer because, as long as digitization is increasing, the need for security is increasing. If you want to digitize, you have to have very strong [cyber]security.

E What kinds of new technologies are banks using today?

There is a lot of new technology that banks have to take into consideration. First of all, [there's] the cloud platform. Before, it was unacceptable that anything not be done on the bank's platform and closed and secured, but not anymore. Now they put the platform on the cloud in a secure way, and all the information is there. This helps banks to move very quickly and change and be agile. Agility is one of the main things that we need to speak about in this age. The most important thing is to make products that answer client needs, and their needs change by the minute, and [everyone has different needs]. The bank has to create an infrastructure [that allows it to be] agile—this, you cannot do internally. You cannot answer every need through a system—buy it, implement it, make it secure—[because] that takes ages. So now everything is created on the cloud [space] of big companies, with security and capacity, [rented] to banks. When a bank wants to create products that answer the evolving needs of the clients, they can [quickly] change—it's much easier.

Another technology that's very important is analytics. In order to understand the needs of clients, banks have to have a lot of analytics that look into credit card figures. They can see that you buy from Chanel or Zara, and they know your lifestyle. Some people [use cards to] bet at casinos, or most of their expenditure is at restaurants, or hotels for frequent fliers. We need these analytics to analyze the behavior of the customer in order to prepare ourselves as a bank with the products that are in need

in the market. Another technology is Big Data. Also, there is a lot of robotics, automation of processes. We put them in place in order to strengthen control [and reduce] human error. [For example] when a card is used in Paris, and at the same time in another place within less than four hours, it will automatically alert [the bank], [because] one of them is fraud. All this technology is needed in order for the banks to be agile, to better access the life of the customer and serve the customer.

We are also moving into self service. [By] having a mobile app in the hands of the client, we give them some mechanism to [have control]. [You can specify that cards stored on your mobile] can't be used in casinos, or at ATMs—if you know you don't use them there. If your card is stolen, you don't have to call [a call center] to stop the card. You can just go to your mobile app and refuse authorization in one minute. These apps are available in the market, and each bank is doing their own. What I'm trying to say is the bank [cannot be] rigid. It should follow you and your needs. While you travel, if [your cards] are lost or stolen, you wouldn't want to call Lebanon only to find that somebody is sleeping and doesn't answer. This is all [happening] through digitization.

Something else, we should always be very transparent with clients, and tell them everything in order to give them the [power] to decide. [We] let the clients determine their own needs, and we are open and clear about everything. Digitization enhances the customer experience. Building an agile platform is a must for [any] bank to be able to answer the needs of customer and smoothen their experience.

My message is that banks have a changing environment and [market] segment. They have to reinvent [themselves] through digitization in order to smoothen the customer experience and enhance it, and at the same time, they have to build a technology platform [that enables them] to be agile and work quickly to answer client needs.

E *All this technology is a large investment of time and money for banks and sometimes payment technologies that look promising end up failing. How can banks ensure their investments are worthwhile?*

We are moving from one era to another. Before, it was the industrial revolution, now it's the tech revolution. To move between eras we have to pass through a period where [some things] don't work, it's tough. That's why cloud platforms are good, and also software as a service (SaaS). Now banks are able to try software with another company and give it to the client and monitor. When everything is [successful], then they can buy the system, or [continue using] SaaS. By using SaaS and cloud, it's less of an investment for the banks, and it [gives them] agility.

But here comes the challenge: regulators. The good thing about Lebanon's central bank is that they're trying to be agile and are quite progressive. There is some technology that can't be used [in Lebanon]. Apple Pay and Google Pay [doesn't work here] because these companies [haven't decided to enter] Lebanon.

E *If there is a new technology that exists somewhere in the world, and a bank wants to use it, what is the procedure to bring it here?*

I was the one who introduced credit cards to Lebanon and [many] innovations were done by me. At Fransabank, Audi, and now [at Credit Libanais]. What I used to do when there was a new technology, I would go to Mastercard or Visa and ask them to do a pilot for me. With their help, we would create a pilot and [get it to] work, and the central bank would come and say 'What are you doing,' and BDL would [then] deal with Mastercard or Visa.

E *Going back to your life story, as a woman at the forefront of banking, did you find it difficult back when you started? Was it difficult also raising a family?*

At the time there were women working in banking, but not in mana-

gerial positions and not in innovation and new technology. [As for working and raising a family] I had someone at home to help me. But I believe that women are multitaskers. I used to [have] help, but I had four children. I was a role model for them. There are a lot of challenges to be a working mother, but they should be multitaskers to manage themselves. I used to manage myself. Other women in my society didn't work, and the people around me thought I was crazy or unusual. They questioned why I was doing this to myself, but at the same time they looked up to me. As for the men around me, I'm known in the market [as] tough. That's why they respect me now. At the time I started I used to go to merchants and tell them I want to put an electronic

E *"[Banks] have to reinvent [themselves] through digitization in order to smoothen the customer experience and enhance it."*

machine to accept cards, but they used to be happy to see a girl [and ask me questions] and [did] not take me seriously. Now they take me very seriously.

E *What do you think of the current state of working women in Lebanon?*

Because I believe in women, and I believe in a support system for women, I launched the Randa Bdeir Award at AUB. It is given every year to a person who supports a woman to achieve—not for women who achieve, but for those who support them. I don't think there is a support system for women [in Lebanon]. They are ok with women [working], but when a woman begins to achieve, there's a glass ceiling. You don't see any CEOs of banks that are women. This year, they began with [more women-led] ministries, [and other politicians]. Half [of Lebanon's] ministers should be women, because women are efficient. Women could clean out our government [from corruption]. It is beginning.

By Thomas Coughlin

Digitizing gold

Creating a price-stable cryptocurrency

It has been a tumultuous time for cryptocurrency investors and advocates alike who have watched the market value of the industry drastically drop in the past year. However, some optimism is growing in the space as committed developers and blockchain advocates shun the daily obsession over price changes. The highly speculative nature of the crypto-market leads to price fluctuations, which can be very taxing on investors. To break free from this instability, industry professionals are now looking into using blockchain to create a stablecoin as an optimal digital currency that would have the following characteristics: price stability, scalability, privacy, and decentralization.

THE VALUE OF GOLD

A useful currency should be an efficient medium of exchange, a unit of account, and a stable store of value; digital currencies excel at the first, but fail as a store of value or unit of account. A currency cannot be an effective store of value if its price fluctuates by 20 percent on an average day. This is where stablecoins come in. Stablecoins are price-stable digital currencies, meaning their market price is pegged to the value of an underlying asset, such as precious metal or fiat currency like the US dollar. By pegging their value to real-world assets, stablecoins promise price stability that can bring digital currencies into the mainstream, making the stablecoin the Holy Grail of the crypto ecosystem. However, with fiat currencies experiencing their own fair share of volatility, the historically stable nature of gold is looking increasingly attractive to investors.

In light of increasing political feuds and trade wars hitting economies around the world, gold has seen a surge of interest. Global gold purchasing in 2018 was 74 percent higher than in the year before, with central banks gold-buying hitting a half-century high. Physically, gold does not corrode nor shift in shape despite changes in temperature, location, and time. Even after thousands of years, gold remains pure and free from external elements, which allows for immediate processing, if needed. As a currency, these traits provide a sense of confidence that the value will be preserved.

This potential of innovative blockchain technology has attracted the attention of many industry experts. The institutional gold exchange, the Allocated Bullion Exchange (ABX), is leading innovation into how gold can be used as an international currency. Real, physical gold ownership is being digitized with ownership securely recorded on blockchain technology, so that physical gold and silver can be spent just as easily as fiat money, in the same way that banknotes used to be IOUs for gold. Incentivising use and adoption through a recurring income delivered via a unique yield system, which works in the same way as a bank deposit, incentivises use and prevents hoarding behaviors. This system combines new world-decentralized technology with the oldest, fairest, and most sustainable form of money, gold.

Throughout history, people have been fascinated by gold; it has been valued by civilizations across the globe and has been a sig-

nificant part of the Middle Eastern culture for centuries. It holds deep economic and cultural relevance in these nations even today, maintaining its status over time as the most effective store of value. The UAE and Saudi Arabia are listed respectively as the fourth and seventh largest gold jewelry consumers in the world, according to the GFMS gold survey for 2018. The Middle East is also gradually embracing blockchain and cryptocurrencies, with Dubai setting a goal of securing all government documents on blockchain by 2020, and Iran last year announcing it is developing its own digital money.

PROVIDING STABILITY

By introducing a stablecoin with a 1:1 allocation to gold, a digital currency like Kinesis Money can provide the stability and liquidity required in the crypto space. Each stablecoin minted would represent a physical bar of gold/silver secured safely in vaults around the world, subject to stringent third-party audit and quality assurance processes. Not only will this assure investors of the stable value of their investments, it would also allow them to request the exact value in precious metals when physically needed. This will usher in a new era of stability to the crypto market, ensuring they are well on their way to achieving their ultimate goal—the development of a decentralized and internationally usable replacement to the current fiat-based monetary system.

Thomas Coughlin is CEO of Kinesis Money and ABX, Allocated Bullion Exchange.

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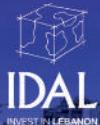


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CAUGHT BETWEEN HOME AND THE OFFICE



Challenges and the way forward for Lebanese working moms

A typical week-day in the life of a woman with a career and children looks something like this: She gets out of bed at 6 a.m. to get her children ready for their day, then goes to work for at least nine hours (often working through her lunch break) before picking up her children from daycare or their grandparents and being fully engaged with them and their needs until they sleep at 8 p.m. She then spends the remaining few hours before going to bed either catching up on small household

chores or work, spending some quality time with her husband, or doing things that interest her—and the next day she gets up to repeat it all again.

Although working women share the economic responsibilities of the household with their partners—or as single working moms, or with a partner who is unable or unwilling to contribute, take on the responsibility alone—societal norms still dictate they are the main caregivers of their children and the ones in charge of household affairs.

According to the World Economic Forum's (WEF) Global Gender Gap Report 2018, women tend to perform the majority of unpaid tasks—defined by the report as mainly housework and household care. In 29 of the 149 countries included in the report, women spend twice as much time on such activities than men. In Lebanon, a 2018 qualitative assessment conducted by the World Bank revealed that 70 percent of those surveyed said that the wife was responsible for domestic duties.

While the birth of a child is a joyous moment in a woman's life, for women who work, it also comes with the worry of how to manage everything once their brief maternity leave ends.

RETURN ON INVESTMENT

This dual role that women play once they become mothers has restricted their ability to build and sustain a career. Although more women are acquiring a university education than in previous decades—a 2013 report published by the Collective for Research and Training on Development-Action (CRTD.A) indicates that roughly 51 percent of university graduates in Lebanon are women—not all of them are utilizing this degree to get a job. The same report admits there is little national information on the participation of Lebanese women in the formal economy but says that various studies place it between 21 percent—which is the average for the Arab world—and 27 percent. Moreover, the report indicates that women are most likely to drop out of the labor force at childbearing years and beyond.

According to the World Bank survey, one of the major challenges for Lebanese women to enter and remain in the labor market is their home responsibilities, which include taking care of children and elderly relatives. The other challenge is societal pressure exhibited in the attitude of the community toward working mothers, and the mentality that a woman's place is at home with her children. "We hear this time and again that there is pressure [on women] to be at home and take care of the children, and it is the man's responsibility to be the breadwinner," says Frida Khan, gender specialist at the International Labor Organization. "Definitely, there is pressure for this, and I've seen a lot of research, generally from the region, talking about cultural issues being a restraint in women's participation in the workforce, especially after having children."

Both these challenges are clearly at work among the women EXECUTIVE talked to in this report. Some of the Syrian women working at Anamel, an NGO that works with Syrian refugees, told EXECUTIVE that they are only working because they need to support their family and would stop doing so if they were financially secure; in their perspective, their main role is to be at home with their children (see article page 62). One of the Lebanese women EXECUTIVE profiled, meanwhile, says her mother still criticizes her for not giving enough time to her children because of her work (see profiles article page 54).

If taken from the perspective of the investment in education versus the outcome in productivity, then the economy suffers because there are not enough educated women in the workforce. "The economy needs women's contributions, since half of the population and the majority of university grads are women," says Nada Genadry, human resources director at Liban Post. "It would be a pity to have so much payment done on educating women for no return to the economy in comparison with the investment."

WOMEN ON TOP

Childcare responsibilities are also one of the obstacles in the way of women reaching senior positions. The WEF's Gender Gap reports that only 34 percent of global managers are women. Lebanon is one of five countries worldwide where the gender gap for managerial positions is at 90 percent.

While there are several factors at play for this, the responsibility of childcare being placed largely on women is a major factor. Speaking from her own research on the topic and from her experience

as a working mother, Eve-line Hitti, chairperson of the department of emergency medicine and deputy chief medical officer at American University of Beirut Medical Center (AUBMC), says that we need to change the way we look at childcare if we

■ Lebanon is one of five countries worldwide where the gender gap for managerial positions is at 90 percent.

want women to grow in their careers. "After my experience, it became very clear: You can fix so much, but at the end of the day, if a woman is drowning between work at home and work at work, something has to give. This concept that we [women] are superheroes that can take 40 hours work weeks and

Women's empowerment



put the same time at home is not going to work for anybody," Hitti says. "I am not belittling the obstacles at work and glass ceilings and all that—there is still more that organizations do [in that regard]—but I think that even if you fix all this stuff but don't change the way you look at childcare, and you don't see it as a shared responsibility between the parents and not just the job of one person, namely the mother, I don't think we will ever be able to close that gap."

Genadry believes that it is the private sector and corporations that can jumpstart this mindset of childcare as a shared responsibility. "The theme of working women should be enlarged," Genadry says. "It is time for us in Lebanon to think about educating men and women to share household chores, and I think we should rely on companies to do that. Even women need to be educated because they have difficulty delegating what they do, thinking that it is their responsibility, while in fact it is parenting."

In January 2018, Lebanese labor law allowed for a three-day paternity leave, a move which the ILO's Khan sees as positive—despite the absurdly short length of the leave—because it kick starts the conversation regarding the role of fathers in parenting.

THE SHORT LEAVE

For the time being, parenting is still viewed as mainly the mother's domain and so, if women are to be active contributors to the economy after childbirth, then they need support to do so. This support often starts with maternity leave which, in Lebanon, was extended to 70 days in April 2014. Khan says that while the extension is commendable, it still falls short of the 14-week leave that is recom-

mended by the ILO convention. All of the companies EXECUTIVE spoke to for this article agree that the maternity leave in Lebanon is too short. "I believe that maternity leave should be 90 days," says Yara el-Ali, head of human resources at ABC. "Because if you take the normal evolution of babies, at three months old they would be more developed and could then be left at a nursery or with their parents."

What Khan says is lacking from the Lebanese labor law, but found in the laws of neighboring countries, such as Jordan or Syria, is a woman's right for an unpaid leave following her maternity leave—without the risk of losing her job. While this is not part of the law in Lebanon, some companies EXECUTIVE spoke to say they do make exceptions if needed. "Maternity leave is 70 days, but if a mother wants to take more days, we give her the choice of unpaid leave," Nayiri Manoukian, head of human resources at Bank Audi, says.

THE BIG DILEMMA

One of the main thoughts on a woman's mind while she is on her maternity leave is what to do in terms of childcare once she goes back to work. While in Lebanon reliance on family members, especially the child's grandmother, for childcare is common—all the mothers EXECUTIVE spoke to say this is what they did (see article page 54)—this is not always an option. "The first problem she'll face is who will take care of the child," Khan says. "Before there used to be large extended families, and there was always a family member or another woman to take care of the child, but as we go more and more into nuclear families that's not the case anymore."

For mothers who do not have the luxury of having family help with childcare, options in Lebanon are limited. While Hana Jojou, president of the syndicate of nurseries and daycare owners in Lebanon, says daycares are allowed by law to enroll children at the age of 70 days, her own nursery, Dent De Lait, takes children in only when they can walk. "Very few daycares accept children at [70 days] because of the risks at that age—the average age they accept children is at four months," she says. "Parents have to be very careful in selecting daycares for their newborns, and it is better to leave them with nurses in that case."

Khan says Jordanian law mandates that if a company has 20 or more mothers with children, then it is the employer's duty to provide an onsite childcare facility for them; in Lebanon this is still

in discussion among private sector players. “Based on our work, we know that the conversation regarding onsite childcare facilities is increasing,” says Zeina Mhaidly, program manager at the Lebanese League for Women in Business (LLWB). “One of the main concerns voiced by companies regarding this is that it is a big responsibility, and they would need to train or hire staff for that. The extra cost was also a concern, and they said it would need a feasibility study.”

Ali says ABC has made an onsite daycare facility its second priority for 2020, as part of their internal corporate social responsibility goals. “The problem is that there is a high level of responsibility, and also we have three flagships which are geographically diversified, so it’s hard to find a good central location for one daycare,” says Ali. “We also have to do the financial study on how much it will impact us. But there is a huge benefit because daycares these days are very costly, and also it gives the mother peace of mind that her child is close by and in an environment she trusts.”

Some mothers who do not have the option of family childcare either hire a babysitter—though these are still in relatively short supply in Lebanon (see article page 70)—or leave their child with their domestic worker.

A MOTHER’S MILK

When a woman returns to work after her maternity leave, she is often still lactating and therefore needs workplace provisions to pump her breast milk.

Khan says that Jordan’s labor law allows for two half-hour breastfeeding breaks for mothers who have returned to work after maternity leave but says she has seen nothing similar in the Lebanese labor law. LLWB’s Mhaidly says they worked with three pilot companies—LibanPost, Fattal, and Teknika—to assess their policies when it comes to gender equality and found that having provisions for breast pumping is very much up to each company’s policies and initiative.

Genadry says Libanpost allows lactating mothers to leave work an hour early so they can breast pump, as a mother’s milk is important for a baby’s development. Bank Audi has designated a breast pumping room in its headquarters. “Since a lot of mothers return from their maternity leave still needing to pump, instead of them using the bathrooms, we have created a lactating room in a private space, which is well equipped and clean for breastfeeding mothers,” Manoukian says.

THE POWER OF FLEXIBILITY

Women need flexibility in their work environment to manage raising a child at the same time as pursuing their career. “Usually, the difficulty women face is in the time where they have small children and are stretched. Basically what they need most in that period is flexibility in time,” Genadry says.

The representatives of all the companies EXECUTIVE spoke to say they have introduced a “flex-hour,” meaning employees can come to and leave work an hour early. This is mainly used to escape traffic, but it can also be used by parents to maximize time spent

with their children. Samar Diab, head of human resources at the American University of Beirut (AUB), says that they have recently coordinated with the workers and staff syndicate at AUB to implement an alternative to the 8 a.m. to 5 p.m. working schedule. In certain cases employees

are allowed to come to work at 7:30 a.m. and leave at 4:30 p.m. “Employees from several departments have asked for this as it helps them with commute, as well as those who have children and want to get back in time to help them with homework,” she says.

Liban Post recently introduced part-time work, but Genadry admits that the response has not been very favorable because it can come with reduced pay and benefits. Those who do use it are usually students.

Work from home, or a condensed work week are still not viable options in Lebanon. “You need to have the right culture and have employees who are responsible enough to be granted this privilege. We are not yet there,” Genadry says.

A woman who feels comfortable and trusted within her work environment will produce more. “If you give this motivational flexibility it will definitely increase the engagement for working moms and show her that we appreciate her role as a mother, which is as important as her job,” Ali says. “I can tell you from my team, when I am flexible with them they feel motivated to give me more.”

While it may still be a while before Lebanese women achieve the perfect balance between their role as a parent and their career, the conversation is underway, and there are signs that shifts in societal attitudes and steps taken by employers are heading in the right direction.



Women's empowerment

By Nabila Rahhal

ALL IN A DAY'S WORK

Profiles of Lebanese women who juggle a career and childcare

To paraphrase a popular saying: You cannot truly understand someone until you have walked a mile in their shoes. Even with all the research and theorizing on the plight of working moms, fully grasping the experience of raising children while maintaining a career requires actually living it, or the next best thing—truly listening to those who do. EXECUTIVE spoke with working moms from different industries, at different career stages, and with children of varying ages, and asked them how they manage to do it all. While these mothers only represent a fraction of the working moms in Lebanon, we hope that there are enough shared experiences for our readers to identify with or learn from.

What emerged from our conversations with these women is that all of them rely on their extended family for childcare. This is not surprising given the tight familial fabric that exists in Lebanon, but could also be a symptom of the lack of easily accessible and available childcare options, such as babysitters (for more see story page 70) or support from employers (see overview page 50).

All of the moms EXECUTIVE profiled also noted that their husbands share the responsibility of raising the children, perhaps an indicator that the traditional image of the Lebanese man who believes his wife's place is at home with the kids is gradually changing. This is not to say that the women we spoke to do not feel that there is still a long way to go before working mothers can be as free to pursue their careers as their husbands are, but at least the conversation has started.



■ “I won’t lie to you that I don’t feel guilty sometimes, because I do, but I’m not one of those mothers who are control freaks and worry about their children all the time.”



MOTHERHOOD ON THE ROAD

Profession: Middle East video producer at UNHCR
Children: A daughter, aged two

Dalal Mawad travels on average five to 10 days per month for her work, despite the fact that she has a two-year-old daughter. “I’m not going to lie; I do miss out on moments [of my daughter growing up] because I’m not there, but it’s a choice I made, and I don’t see why a dad can have a career, and a mom can’t,” Mawad says. She personally hates the term “working moms,” arguing it should be a given that mothers work—just as it is given that fathers work and are not labeled as working dads.

Mawad says she counts on family support when she is away for work. Her mother lives far from the family, so Mawad relies on her mother-in-law to pick up her daughter from the nursery at 2 p.m. and care for her until she (when in Lebanon) or her husband comes back from work. “My daughter is very fond of her grandmother. It’s been easy because I get along with her grandmother when it comes to [child] education and upbringing, so we don’t clash. If we had clashed, it would have been much harder. I feel very comfortable and at peace with myself when I am away,” Mawad says.

Her husband—who is self-employed but works long hours—is also integral in taking care of his daughter when Mawad is away. “He’s there for her bedtime routines, and on the weekends he’s with her all the time. We are very equal at home when it comes to child rearing

and other responsibilities. This is why I’m able to do what I do, and he’s very supportive of what I do. We found a system where we are both comfortable,” she says.

Speaking of being away from her daughter when she’s traveling, Mawad says: “It’s not easy, and I won’t lie to you that I don’t feel guilty sometimes, because I do, but I’m not one of those mothers who are control freaks and worry about their children all the time. When I’m at work, I focus on my work and I’m at ease because I know she is in good hands. I check on her once a day in the evening when we Skype or FaceTime.” Mawad explains that her daughter has gotten used to this lifestyle because she has been traveling since she was still breastfeeding.

When Mawad is in Beirut, her schedule is much more flexible and she spends a lot of time with her daughter. “I try to leave the office early as we don’t have stringent hours,” she says. “I see her in the morning and dress her up before her dad takes her to school. My job also allows me the flexibility of working from home, so on those days I pick her up from nursery and stay with her all afternoon. I kind of feel that I make it up for other days where I’m gone all the time.”

Mawad says she hopes she is providing her daughter with the role model of a woman who is passionate about both her career and her family, and with the example of a father who is engaged in raising his family too.

Women's empowerment



A TALE OF CHILDCARE IN TWO CITIES

Profession: Chairperson of the Department of Emergency Medicine and deputy chief medical officer at American University of Beirut Medical Center (AUBMC)

Children: Two daughters, aged 14 and 15, and a son, aged 10

Eveline Hitti's three children were born in America. She had her first daughter during her second year of residency—a stage of graduate medical education where one practices medicine under the supervision of a licensed practitioner—at Johns Hopkins Hospital in Baltimore, Maryland, and her second daughter a year later. "This is a bit unusual, because in a three-year residency program it's hard to have one child, but I ended up having two," Hitti says. "In hindsight, it was probably not a bad thing because in a residency you can plan to some extent. After residency, and especially for emergency medicine, vacation becomes a bit challenging because you always have to find someone to cover for you." She had her third child while she was working and says she went back to work five weeks later because she "felt the pressure of having to go back to work, both financially, and from the burden on the [team]," whereas with her daughters, she was able to take two months off after each of their births.

In America, Hitti says she was the primary caretaker of the children. During her residency, the couple outsourced childcare to a nanny (her husband was a PhD student at the time), and Hitti would take care of the children when she was home. When she finished her residency, she says she intentionally chose a nonacademic hospital so she could have control over her hours because she knew she was going to shoulder most of the responsibility of childcare. As such, she chose to work

■ "Adjusting to work at AUB was a big challenge, as was adjusting to negotiating the responsibilities at home as a result."

three full nights a week, despite that being considered a tough schedule.

When her children were aged one, four, and five, she and her husband decided to move back to Lebanon, and she began working at AUBMC. "The big difference I felt in this transition is that, in Lebanon, there is more family support, but my job changed a lot from the US to Lebanon. In the US, I was working full time, but in a place that was not academic, so I had only my clinical responsibilities, and I feel that helped a lot in that I spent a lot more time with my kids when I was there," Hitti says. "But with AUB came the extra load of teaching, research, and administrative service, which has a high-impact potential, of course, but also a higher time commitment—the spillover into personal and family life is a lot more when you have all these responsibilities. Adjusting to working at AUBMC was a big challenge, as was adjusting to negotiating the responsibilities at home as a result."

Before all of her children started going to school, Hitti says they outsourced childcare to their families and daycares, but there was also a little shift toward her husband—currently a professor of communications at the Lebanese American University—becoming more engaged in childcare.

Hitti became interested in researching the gender gap in careers and shifting the perception of childcare being a mother's responsibility to it being a shared responsibility for two reasons. The first was her personal experience with childcare, the second was attending her 13-year reunion at Johns Hopkins and discovering that four of the eight females who had graduated with her are no longer practicing emergency medicine, while four men in the class had high-level positions in their field.

■ “When a woman feels supported, she is more productive and dedicated to the job.”



IT TAKES A SUPPORTIVE ENVIRONMENT

Profession: Communication manager at Resource Group
Children: A daughter aged four and a half

When Ghina Ramadan was pregnant with her daughter, she was hired by the marketing department of a bank. She recalls telling them that she was pregnant at the time and their reaction being nonchalant, which she found unusual given the stories on corporations shying away from hiring pregnant women.

She returned to the bank after her 70-day maternity leave, which she found too short. “You are still not ready, physically or mentally, [to go back to work]. At that point, the baby still does not have a set sleeping schedule and wakes up at night. After I gave birth, I moved back to my mother’s house for six months so she could help me with the baby, and we would alternate waking up with her at night. I felt like I was doing hard time,” Ramadan recalls, adding that a fair maternity leave would be six months, in her opinion, although a year off would be ideal.

For the first year and a half of her daughter’s life, Ramadan would drop her at her mother’s while she was at work, before finally enrolling her in daycare. By that time, Ramadan had left the bank and was working at an advertising agency. Her husband, who worked in the nightlife business and was flexible during the day, would pick up his daughter from daycare at 4 p.m. and drop her at Ramadan’s office in downtown. “By its nature, an [advertising] agency job is more flexible with working hours—maybe because we often stay late working on deadlines—so it is beneficial for working mothers. I could even bring my daughter to the office for a bit, which does not happen often in the corporate world,” Ramadan says. “My boss had a daughter close to my daughter’s age, so she was very understanding and would say that children come

first. I would often continue working from home after my daughter slept.”

For personal reasons, Ramadan left her work at the agency and was out of the workforce for six months. “It was the first time in my life that I had been without work, and I felt that my life was empty. I felt I was not evolving at the same rate, intellectually or socially, and was not a productive member of society,” she recalls.

In early 2018, she began working with her current employer, Resource Group, an investment company. Here again, she benefited, as do all mothers in the company, from the option of working from 8-5 p.m. instead of 9-6 p.m., and from flexible working in case of family emergency. “This is very important, and I recommend that all companies do that. When a woman feels supported, she is more productive and dedicated to the job,” Ramadan says. “I know some women whose work did not provide them with this flexibility and they left their jobs. In our society, mothers play the bigger role in raising their families and should be supported at their work so they can do that.”

Ramadan believes such flexibility in work conditions requires that employees have a strong work ethic and good time management skills. She often has a quick lunch on her desk or continues working from home so that she is never behind on her workload.

Women's empowerment



■ "While other career options usually have late working hours, teaching allows my children to be with me most of the time."

THE GREENER GRASS

Profession: First grade teacher at International College (IC)

Children: A son aged nine, and a daughter aged five and a half

Teaching was traditionally perceived as an ideal job for a mother. While today all career options are—or should be—open to women, teaching still has undeniable benefits for those balancing work and childcare, Layla Shatila says. "The children get to go and come back from school with me, so I don't have to worry about who's going to pick them up and drop them off. While other career options usually have late working hours, teaching allows my children to be with me most of the time, and so I don't have to leave them with the nanny while I am working late." Most days, Shatila leaves school with her children at 2:30 pm, and when she has after-hours meetings they wait for her in her classroom.

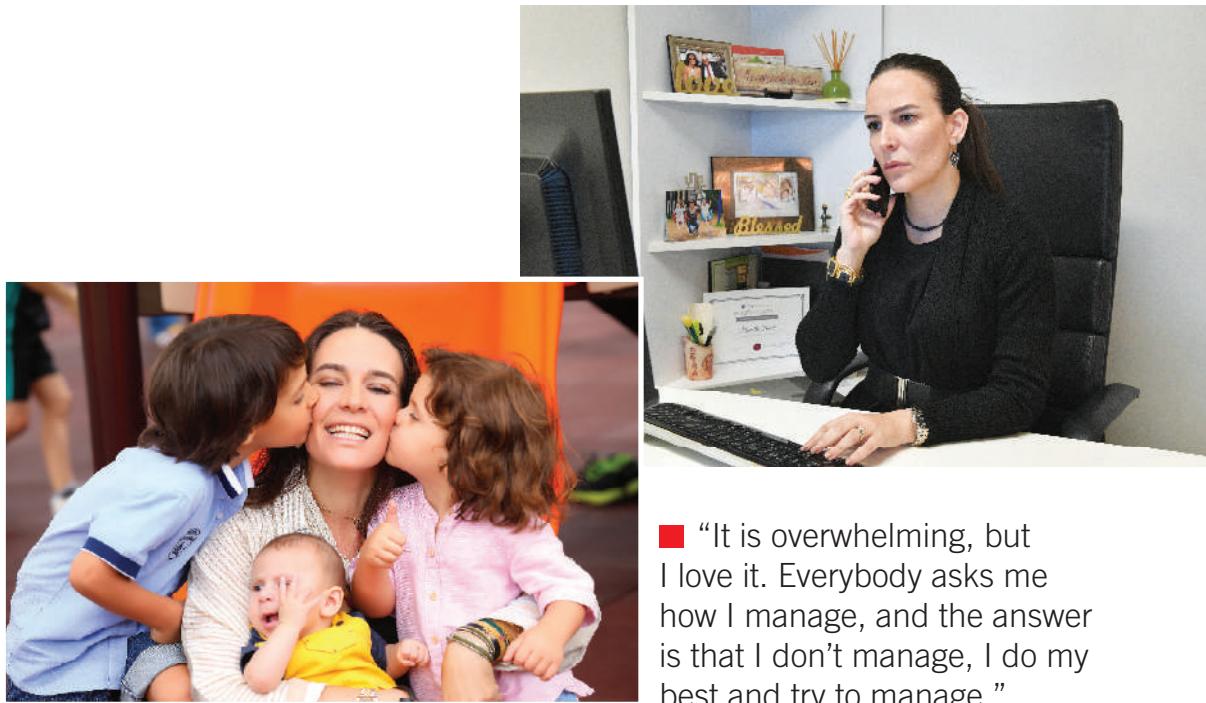
Teaching is also convenient for mothers in that—apart from the occasional professional development conferences abroad—no work-related travels are expected. Shatila says teaching also helps her raise her children, since she often uses the same behavior management strategies she uses with her students to discipline them.

She says, however, that teaching is an all consuming job that sometimes leaves her with little energy for her own children. "Teachers are drained physically and mentally from dealing with children all day. I wake up at 6 a.m. and have to be full of energy welcoming the students at 7:30 a.m. and spend the day with them until 2:30 p.m," Shatila says. "We also have meetings twice a week until 4 p.m., so by the time I'm done, I'm drained, but still have

to help my son with his homework and spend time playing with both my children."

Before the kids reached the age of two (when they would be allowed to enroll at the daycare located a few steps away from the school she teaches in), Shatila was like any other mother figuring out the best childcare options for her family. With her son, she was lucky enough to be granted an academic year off work and returned to school when he was eight months old. She then left him with her in-laws, who lived near the school in which she taught, and would spend her breaks with him. With her daughter, she was refused a year off work and so she quit. "I felt that I can't leave my children before they are at least eight months old. I stayed with her until she was a year old and then I started work at IC," Shatila recalls. The daughter spent the following year home alone with the domestic helper before being enrolled into daycare. "I would worry about her, but I had no choice. Once she started daycare, and my son was in school already, things got much easier."

Although Shatila is not at work in the afternoons, she still has a lot going on and has to manage her time efficiently. "I have to be very thorough in organizing my time between my lesson planning and work responsibilities, and my children's activities, wellbeing, and homework," she says. "I also need 'me time,' which is usually spent at the gym, while the children stay home with their father or with the helper. I also have to think of my time with my husband, which we barely have because one of us is usually with the children."



■ “It is overwhelming, but I love it. Everybody asks me how I manage, and the answer is that I don’t manage, I do my best and try to manage.”

A HECTIC YET FUN LIFE

Profession: Head of business development and communication at FFA Real Estate

Children: Three sons aged two, four, and seven

For Mireille Korab, juggling a demanding career while raising three boys is a challenge she relishes. “It is overwhelming, but I love it. Everybody asks me how I manage, and the answer is that I don’t manage, I do my best and try to manage,” Korab says.

Speaking about the experience of having three boys while growing a career, Korab says: “With each child, it got easier emotionally because you get used to the idea that you have to leave the house to come back to work, and that you have to separate the working hours from the mothering and worrying hours. But it gets harder trying to fit in taking care of three boys and managing your job up to your standards and taking care of the house, the husband, and your social life, and trying to find time for your self-care, and even for shopping because there is no time for shopping—thank God for Instagram so that we can shop online!”

Korab says her job entails attending afternoon and evening engagements, such as gala dinners or receptions and openings for clients’ places, which takes time away from her family. She feels the hour and a half during which she carries out bedtime routines with her boys is a crucial time for her, so she has taken to leaving the office early, if possible, when she has evening commitments, even if she spends extra time commuting.

Korab had a live-in Lebanese nanny, Angel, who

moved in with her when each child was born and stayed for the first year. “Angel is an essential part of me being able to have three kids while working full time and commuting three hours to and from home in Adma [to Beirut],” Korab says.

Now that her sons are older, she relies on family support for childcare. “My husband and immediate family are really a big support in handling everything in terms of the children’s activities and commuting from school,” Korab says, adding that she would not have been able to do it without her husband, who is very helpful with the children, handling the logistics of their daily commutes and waking up with them when needed. She and her husband make sure they do not travel for work at the same time so one of them is always with the children.

When her first son was younger, he would ask Korab why she did not pick him up from school like most of the other mothers. She has since made it a point to highlight that each member of their family has an independent life. “I make it a point to share little events from my day with them, and I ask them about theirs. That way, I show them that they can have their own day without needing their mother to be around,” she explains.

Korab hopes that she and her husband are good role models for their boys. “I think that their dad and I giving them this model of working parents who really try to do their best for their kids, and who organize their time for them, should push them to find partners who have this same ambition, and are really helpful to their partners. This is when I will see if I did it or not, when I see how they will treat their spouses,” she says.

Women's empowerment



“As a working mother, I have to always compensate and balance. If I’m traveling one weekend, I make sure to spend extra time with my husband and children the following weekend.”

OF PASSION AND DELEGATION

Profession: Chief Operating Officer of Robinson Agri
Children: A daughter aged 15, and a son aged 18

To Nadine el-Khoury Kadi, being a successful working mother entails three main aspects: a good support team, delegation, and passion.

Khoury Kadi’s support team includes her parents who helped her with childcare and household tasks. “When my children were young, I would leave them at my parents’ [home] or my husband’s parents. When they started going to school, they would go to there afterwards,” she recalls.

Her husband provides unconditional support so that she may excel in her career and looks after the children when she has business trips. “In Lebanon, we are luckier than in Europe because we have an extended family support system. Also, all the husbands I know are supportive of their wives’ careers, and so the perception of the traditional Middle Eastern man is changing in my opinion. My father, for example, equipped us with culture, education, independence, and thinking out of the box,” Khoury Kadi says.

At work, Khoury Kadi is supported by her sister who shares her passion for innovation and sustainability. Together, they run a successful enterprise, leaving a special mark in the agricultural sector. As COO, Khoury Kadi has learned the power of delegation. “Alone we can go fast, together we will go far. The more a leader empowers her employees, the better they perform at the job. As such, we create an environment for the team where sharing knowledge and values is a source of strength,” she mentions.

Being a working mother herself, Khoury Kadi says

she knows what it means to balance work and home. Saturdays are days off, and she allows her employees—both women and men—to leave work early, or take time off if they have something related to their children. “But they all continue their work at home and meet their deadlines, even if they left the office early. This is because they know I trust them, and they are happy, so they produce more,” Kadi explains.

Finally, Khoury Kadi loves her work. “I am passionate about agriculture and aim to develop smarter farming and solutions. This summarizes my moto in life: the three Ps of patience, passion, and perseverance” she says.

Khoury Kadi compares her brain to an excel sheet and says she has to be very organized to strike a healthy balance between work and home. “As a working mother, I have to always compensate and balance. If I’m traveling one weekend, I make sure to spend extra time with my husband and children the following weekend, for example,” she says.

Khoury Kadi says parenting her teenagers is a different experience than when they were children. “They are confused at this age, and you have to know how to approach them. It is a nicer age in a way, but harder for a parent,” she says.

Khoury Kadi has worked throughout her children’s lives and says this is very natural to them, especially since some of their friends’ mothers work. “When they see me on TV they are very proud that I work and am successful. My husband and I still make time for them, and we travel together as a family on an annual basis, no matter what happens,” she says.



LIVING WITH GUILT

Profession: Head of Human Resources at Bank Audi

Children: Two sons, aged nine and 13

To Nayiri Manoukian, being a working mother is perfectly summarized in this quote: "Women are expected to work as if they don't have a family and raise their family as if they don't have work."

Manoukian believes the core issue facing working mothers today is an intrinsic feeling of guilt that they are not doing enough for their families. In her opinion, this is related to the way women are raised. "I come from a family where my mother never worked and would always have lunch prepared when we came back from school. So I come from this background of a traditional mother who raised me to always put family first," Manoukian says. Her father, however, raised her with a different perspective, supportive of a working woman. "He was insistent I obtain higher education, something he was deprived from, and continue to learn as long as I am able to do so," she says. "He was also insisting on financial independence, continuously preaching to spend with caution and be in control of my financial situation."

When she got married and had her first child, she continued to rely on her parents' support. "When I gave birth to my first child," Manoukian recalls, "I used to work in oil and gas and would stay in the office until minimum 7 p.m. I would alternate leaving my son at my mother's and my mother-in-law's home]. You can imagine my mother's attitude in regards to me picking up my son late at night, and she would berate me for not having time for my family and child! On the other side, I had the full support of my father and husband, who would remind me that my career is very important, and that I should focus on it."

Although her husband has been very supportive of her

"I think I am raising my boys to expect their wives to be sharing with them the household expenses, as well as raising the children."



career since day one, she is still expected to manage the household and childcare. "I delegate of course, or as my husband puts it, I subcontract. So I don't do the cooking, but I am the one who has to make sure the cooking is done; I don't clean the house myself, but I make sure the house is clean etc—this takes time," Manoukian explains, adding that now that her kids are older, they are independent enough to stay home with the helper until she is back from work.

All this led to a feeling of "mom guilt," which Manoukian feels all women share to some extent. "With my second son, I remember coming back from my maternity leave with tears in my eyes and thinking I had one (child) whom I never had enough time for, and now I have two. Why am I putting them through all this?" she asks.

When she shares her feelings of guilt with her husband, Manoukian says he reminds her that the boys will eventually leave them to start a life of their own, so all she can do is be an example for what they should look for in a partner. "I think I am raising my boys to expect their wives to be sharing with them the household expenses, as well as raising the children," Manoukian says. "They should see women as equal partners. It is our generation that will raise the next one to have the right mentality, and that will go into the next generation."



Women's empowerment

By Lauren Holtmeier



REDEFINING ROLES

Refugee women take on new roles in their families

Fleeing conflict, leaving one's home, and settling in a strange—and often unwelcoming—environment is challenging. For female refugees these challenges can be compounded, as many experience a shift in their accustomed gender roles. Many women in Syria played the role of housewife, but in Lebanon they must assume a new role—that of breadwinner. The 2018 Vulnerability Assessment of Syrian Refugees (VASyR), a report compiled annually since 2013, estimates that 18 percent of households are female-headed and that 16 percent of women participate in the labor force. The percentage of women engaged in formal or informal employment is low, but most women take on more work as a refugee, even if that work is leaving the

house to collect humanitarian aid. EXECUTIVE interviewed six refugee women; only one said her role in the family largely remained the same.

This shift in gender roles affects all female Syrian refugees, whether single or married. But the breadth of work refugee women engage in is varied. While some refugee families can afford apartments in Beirut, and as a consequence, typically have improved access to more diversified labor markets, some live in crowded informal settlements in the Bekaa Valley and are limited in the type of work that is available to them.

Saja Michael, a gender and diversity technical adviser at ABAAD, a gender equality organization, says that socioeconomic status plays a large role in

determining what type of work refugees may find. "If you're a Syrian refugee who's a bit better off, definitely you're going to have access to employment opportunities that a Syrian refugee from a lower socioeconomic class will probably not have access to," she says.

For those at the lower end of the socioeconomic spectrum, many find work in the fields. The 2018 VASyR cites that of employed women the highest percentage work in agriculture (38 percent). According to Michael, whether the woman came from urban vs. rural areas in Syria also often gives an indication as to what type of work, if any, they did back home.

INCREASING RESPONSIBILITY

"It's important to understand where they're coming from in Syria," Michael says. "So if you're coming from urban vs. rural, I think it's an oversimplification to say Syrian women are more-used to child rearing. In some areas, I think this is the norm, but in more urban settings, women are more likely to be economic providers and caretakers."

Wiam Ghabash, originally from Darayya, a suburb of Damascus, worked for the Syrian Ministry of Health as an English teacher for nursing students. Arriving in Chtoura in 2014, for her finding work in Lebanon was a continuation of the norm. She works here as an IT and digital security trainer, and runs training sessions on human rights and women's rights at Women Now for Development, an organization that works with Syrian refugees. But even for Ghabash, who has degrees in public health and English, finding work in Lebanon was challenging.

"It was a difficult stage," Ghabash says. "I remember spending eight months walking in the streets, looking for jobs. I reduced the expectation to the minimal level. Like, it's ok if I get a job answering the phone in an office or cleaning offices."

While Ghabash would have been happy to do any job to support her family of six, she eventually picked up a six-month contract at Oxfam, but this did not solve her long-term financial problems. She says that the Lebanese system makes it hard for Syrians to find work; even if they find work with an NGO, the contract cannot be extended past six months for Syrians.

Syrian refugees began arriving in Lebanon in 2011, and currently there are just under 1 million Syrians registered with UNHCR. Shortly after Ghabash made the trip to Lebanon, at the end of 2014, the government introduced new policies



Razan Hussami, Anamel's founder, stands in a room where refugee women sew.

aimed at reducing the number of displaced Syrians. These measures included requiring Syrians to register with the UNHCR and sign a pledge not to work, or to find a Lebanese sponsor to stay in the country legally and pay a \$200 residency fee every six months.

For four years Ghabash renewed her residency without issue because she had signed the pledge not to work. However, the last time she went to renew her permit, General Security had learned she had

been working and stamped a deportation notice on her passport, effectively rendering her immobile within Lebanon. Ghabash is confined to an approximate 10 kilometer radius around her home

for fear of what might happen if she is stopped at a checkpoint.

Ghabash's future may be uncertain, but she knows for sure that she is not going back to Syria. UNHCR has an agreement with the Lebanese government that they cannot forcibly return anyone to Syria. She has applied for asylum in France and Italy and was waiting for her asylum interview when EXECUTIVE spoke with her.

Ghabash's story is just one example of the myriad challenges Syrian refugees face in Lebanon.

Women's empowerment

Following these new regulations, in May 2015, UNHCR suspended registering refugees all together per the host government's decision, leaving many refugees without documentation or the ability to obtain it.

At this point, more women had to find work as they were no longer able to rely on humanitarian aid to feed their families, says Sabah Hallak, a gender expert at Citizenship League, an NGO that works with Syrian refugees. Confined to working in the construction, agriculture, and environment sector per Lebanese labor law, refugees are limited in their opportunities to find employment. Female refugees are further limited because construction is a typically a male-dominated field. Hallak says that most work in the informal sector, primarily in the fields picking crops. This, of course, is seasonal work, meaning that in order to survive on these earnings you would have to save.

MAKING ENDS MEET

Saving money, however, is hard when wages are low. For those who work in the fields, Michael estimates that women and children may earn LL4,000 - 6,000 for a four to five hour shift, and many will work two shifts a day, making their daily wage around LL8,000 - 12,000. Men make around LL15,000 per shift. A refugee in the Sheikh Raja settlement outside Chtoura in the Bekaa Valley who preferred to be mentioned by her first name, Jouriya, recalls making LL6,000 for a five hour shift, while the men "made more, because they are men." An International Labor Organization (ILO) report using data from 2014 found that Syrian refugee women earned on average LL248,000 per month, where the men's average earning was LL432,000. Women earn less than men, and where women are the sole economic provider in a household, like Jouriya, they will likely be more hard-pressed to make ends meet than men in the same situation.

Jouriya worked in the fields three years ago, but now she has established a tutoring center for 19 children in the camp and also studies radiology. She is the only one in her family of five who works. Even though she charges LL55,000 per month, most people cannot afford her fee, so they pay her what they can. She says she earns around \$40 per month to support her family. Her parents are too old to work, and her brother has not been able to find any, leaving the brunt of the responsibility on Jouriya's shoulders.



In Idlib, Jouriya and her family owned their own land. The family grew their own food, and Jouriya taught fourth graders in her hometown. It was a simple life, but a stable one. Here, her family receives the UN nutrition card each month that comes loaded with LL120,000. When asked if this and her income from tutoring are enough to feed her family of five, Jouriya says, "we do our best."

■ Where women are the sole economic provider in a household, they will likely be more hard-pressed to make ends meet than men.

Part of the reason many women accept agricultural work, even though the wages fall far below minimum wage (LL30,000 per day or LL675,000 per month) is economic necessity. Women are also more vulnerable to losing hard found work. If a contractor needs to reduce the

number of workers on the site, the women are the first to go, says Frida Khan, a senior gender specialist in the ILO Regional Office for Arab States.

An ILO program, the Employment Intensive Infrastructure Program (EIIP), established in 2017, sought to help both men and women get into jobs in the construction sector. Participants are guaranteed employment for a certain number of days in the EIIP program, and then, ideally, will find other work in the sector. As the EIIP guarantees both a period of work and the minimum wage, it is an attractive option for Syrian refugee women who are often underpaid and struggle to break into male-dominated sectors.

Even though many women must work out of economic necessity, most refugee women would prefer not to, both Khan and Razan Hussami, founder of Anamel, an organization that works with refugee women, say separately. At the onset of the crisis, more refugee women reported going outside the home to make economic contributions to their families, but this did not necessarily mean working in the fields. Up until early 2015, women left the home to collect humanitarian aid at designated locations. While it was not a job, women felt burdened by the extra responsibility of having to collect aid in addition to taking care of their families, Michael explains.

Others have learned skills such as sewing or cutting hair to earn money. Across the country, programs have been established to provide refugee women an opportunity to learn new skills and provide a place where they can work to support their families.

One example is Hussami's program Anamel. In a two-story workhouse in Bchamoun just outside Beirut, women learn skills they can use to make a living. A tutoring center at Anamel offers women reading and writing classes, and children who cannot attend school, either because they lack proper identification or there are no available spots, also learn at the center.

Hussami says that many women who attend training sessions at the center are then able to find work in the community, and that these kinds of programs give women a sense of purpose and community and are empowering. Hallak, however has a slightly less optimistic view of these type of programs.

"At first we taught them sewing and hair cutting; some learned to make handicrafts," she says. "But now, things are not good in the camps. Who needs the coiffeur?"



A DIFFERENCE IN OPINIONS

It seems organizations, in their attempt to help provide women with livelihoods, flooded the market in camps for these certain skills. Hallak

says now there is a shift to teaching women English and equipping them with computer skills. These types of skills may benefit women in the long run, but the restrictions placed on Syrian workers in

Lebanon in terms of which fields they can legally work in and the limited jobs available will make it difficult for many to apply these newly learned skills and join the workforce.

Miriam, a refugee from the rural area outside Raqqa, and Sarah Youssef Hussein, originally from a rural area of the Idlib governorate, do not work

Women's empowerment



but have differing opinions on the matter.

Hussein fled to Lebanon in 2012 with her husband and son, and, unlike Miriam, would love to find work, but if she works there will be no one to take care of the children. They have had two children since coming to Lebanon. Her husband, who has no formal employment, typically begins his day under a bridge near the camp and hopes to find a day's work. If successful, he will earn around \$10 that will go toward feeding a family of five. Her family used to collect \$260 a month in aid she says, but they have not received any help since October 2018.

Miriam, once illiterate, has been learning to read and write at Anamel for the last two years. Before going to the center, she spent her days at home

alone. Everyone in her family of eight either go to work or school during the day, and, for Miriam, studying is a way to pass the time.

"At least when I go back to Syria, I didn't waste my years here," she says.

In Syria, Miriam took care of her family and tended the family sheep and garden. When the fighting in Raqqa intensified in 2014, the family sold its sheep and fled toward the border, eventually settling in Bchamoun. Miriam considers herself lucky that her husband and two daughters work, so she is free to continue her homemaker duties, largely as she did in Syria.

Like Miriam, Souad from Abu Kamal in the Deir ez-Zor governorate in Syria, a sous-chef at Anamel, would rather take care of her seven children than work. Another woman at Anamel, Zahra from Aleppo, teaches women to crochet three days a week, and while she enjoys her work, she feels guilty that she cannot spend more time taking care of her family.

ABAAD's Michael says that, as a women's organization, seeing women become providers and playing a larger role in their households, staff at ABAAD were excited. But this did not necessarily reflect the reality for the women; many were overburdened by their new role. "Any working woman has two jobs," Michael says, referring to the pre-defined role as caretaker in addition to any income-deriving activity.

For the women who worked before coming to Lebanon, like Ghabash and Jouriya, this shift seems less harsh. But these women are still the primary economic provider for their families. For women like Souad and Zahra, their shifting role is more

dramatic as they did not work outside the home in Syria. Perhaps the only commonality is that refugee women, for the most part, have an increased role in caring and providing for their families as refugees, regardless of individual feelings on that role.

■ "From what I've seen from four years working here, I see a definite change in gender roles."

"From what I've seen from four years working here, I see a definite change in gender roles," Ghabash says. "Maybe this is a positive side of the war, that we have an increased role here. Some focus on the work and exploitation. The other side is that they're the decision-maker, the breadwinner. They're not aware that it's a privilege."



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THE GREATEST ADVENTURE



Balancing motherhood and a career

The greatest adventure of all, that is how I would describe my dual journey: my career and motherhood. The ability to balance two vastly different worlds is testament to the versatility and strength that lies within each woman. This ability is often left untapped and underappreciated, because the world continually tries to convince us that we are the weaker sex.

Work has been a constant part of my life since my late teenage years because school fees always had to be paid. I had to combine a hectic scholastic life with as many working hours as possible to make ends meet. I was so determined to realize my dream of becoming a successful businesswoman and entrepreneur that I gave little attention to anything else.

I must confess that motherhood was not at the top of my mind during my early twenties, and it remained that way until I met my husband. After marriage, like most married couples, we discussed whether or not we should start a family. But with my career moving forward, as well as my husband's, the question was: How can we juggle work and a

child? I was confident that I would be able to balance life as a businesswoman and a mother—after all, I had managed to juggle work and school. But the first challenge came when I was pregnant and still had to work; it was a trying, yet exciting time.

When my first child was born, it was definitely a life-changing experience. It made every other experience pale in comparison.

Society makes many of us feel guilty for wanting to pursue a career after having children, and I was prey to those dark thoughts for a while.

I was one of those mothers who bonded with my baby even before I gave birth. I felt as if I knew my child. Being a working mother, I felt torn apart. Society makes many of us feel guilty for wanting to pursue a career after having children, and I was prey to those dark thoughts for a while.

Our motherly instincts drive us to provide comfort and security, so the idea of leaving our precious little one at home with someone else can

feel like a betrayal or abandonment. I struggled with these feelings, and it took me some time to come to terms with the situation. Women are expected to place themselves on the altar of sacrifice, to not compromise, and those who choose to—or have to—work are silently persecuted for wanting to have it all. This is the cultural reality.

REALISTIC EXPECTATIONS

My experience of being a new mother while also trying to keep my career moving forward made me realize that we cannot have it all. It is simply not humanly possible. Nevertheless, simple changes would have made it easier—not just for me, but for all mothers. This support includes longer parental leave and greater flexibility in the workplace. If we want more women to be in the workplace and to ascend the career ladder, women should not have to make tough compromises.

The current business arena is set up without such support, and so there will always be many instances where I am forced to miss out on important milestones, either in my child's life, or in my career. I could miss my toddler's first word because I had a meeting. Or I could miss out on a work opportunity or a client because my child is sick and needs attention. Beating myself up about such things is futile. I have learned to let go of attempting to make every moment perfect and memorable. Even full-time mothers cannot live up to such unrealistic expectations.

Once I broke free from the shackles of expectations, I had to perfect the art of compromise. Tomorrow there is always a chance to compensate for what was missed today. I do what it takes—even if it means moving my schedule around to wake up earlier or stay up later, or working overtime—to ensure I can enjoy a long weekend of quality time

with my child. I see time as something much like the love between a mother and a child: a priceless thing that must be given unconditionally. This is why I strive to ensure my family feels loved, and why I soak up their love in return. It is a heart-warming shield that counterbalances the cutthroat world of business and finance.

With regard to the impact being a mother has had on my career itself, it has helped me develop patience and become exceedingly good at managing time. Those two attributes have made me more efficient, which has benefited both business and family life.

THE POWER OF TEAMWORK

Building reliable support networks at work, and also closer to home, has been equally essential. These networks enable me to delegate and trust the right people for the right jobs. As a leader, knowing that I have a team capable of handling even the small details gives me the total confidence to make the best decisions for the company.

It is true that it is challenging to go against the tide of cultural expectations about motherhood, and I have seen so many talented women leave jobs they love to raise their children. And yet, it is ultimately about managing the emotional energy tied to your home, just as you would for work. As my career continues to evolve, the realization that I am not just working for myself, or my future self, but also for my child, the next generation, gives me extra drive to push ahead in this greatest of adventures. 

Once I broke free from the shackles of expectations, I had to perfect the art of compromise.

Zeina Zeidan Maalouly, PhD, is chair of the board at Royal Financials sal.

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Executive

Women's empowerment

By Angela Solomon

CHILDCARE IS NOT JUST A PRACTICAL PROBLEM



How Lebanese mothers can transition back to work

I had been working in childcare for two years before I became a mom. As a founder of Jaleesa, an online platform to find babysitters and nannies in Lebanon, I have spoken to hundreds of parents—mainly moms—about the challenges of work and childcare. Parents have helped us to define a carer's main role: to keep the kids safe, clean, and fed—and to support their development.

But now I am a parent myself, I realize this is just the beginning. Another key role of childcare is to relieve the pressure on parents. For the wellbeing of the whole family, there has to be a good childcare plan in place when mom returns to work.

Maternity leave is not generous in Lebanon; new mothers find themselves leaving their 70-day-

old babies in the care of others as they head back to work. I look at photos of my baby at that age—he was so vulnerable and small. How could I have gone back to work? How could I have concentrated for a whole day on anything but him? It seems impossible—but I did it, just like thousands of other moms. And I was able to do it because I had a childcare plan in place that I trusted was good for my baby.

Designing a childcare plan is not just about solving a practical problem, it is an emotional issue. We are looking for peace of mind and the best for our kids. We also need to know that things are sorted at home, so we can concentrate at work. This is not an easy task, the lack of accessible childcare is one of the greatest barriers moms face when

hoping to return to work. A 2017 OCED Gender Equality Report found that the most common response—cited by 23 countries—when asked for the three most effective ways to tackle barriers to female employment was “making childcare more accessible.”

When parents return to work, they have to weigh their options. Most people’s childcare plans combine one or more elements from the available options: daycare, a family member, a domestic worker, and a nanny.

FINDING THE RIGHT FIT

There are some truly excellent daycares in Lebanon, and this can be a cost effective part of a working parent’s childcare plan. Daycare is a chance for kids to learn to socialize, which they start to need at around 13-23 months according to the American Academy of Pediatrics. Before this age, babies are interested in other babies, but their brains are not yet developed enough to make friends with their peers, so socialising is more about learning to trust other adults and caregivers. Parents have to anticipate that their children will pick up illnesses while their immunity develops, and that can impact on parents’ ability to work productively. Flexibility can also be a challenge: worrying about getting through traffic to fetch the kids is a stress working parents do not need.

In some families, when a new baby is born, *teta* steps in as a childcare. For those who have this option it is fantastic; nobody is better qualified to teach young babies how it feels to be loved, nurtured, and looked after than those who raised us. But with our parents enjoying their health, and working later before retiring, this is not an option for everyone. My mom would love to spend more time with her grandson, but in her mid-sixties she is still busy with her own work, commitments, and travel.

Some families decide to put their domestic worker in charge of childcare, although this is not a choice I would make. I want my carer to be 100 percent focused on the baby, not worrying about other household tasks at the same time. And while many families still do have a live-in domestic worker, not all newlyweds can afford a big enough home to share with employees—if they even want to share their private space at all.

A nanny can be the main solution, she (or he) can be the glue that holds the childcare plan together. Some people fear that a professional

nanny will be very expensive, but combining a full or part-time nanny with support from grandma, daycare, and flexible working can actually save the family money.

Hiring your own childcarer or nanny also helps relieve some of the avoidable stresses of returning to work. Childcare is the clear priority, but when the baby’s sleeping my nanny is so proactive that sometimes I feel I have a sitter, home helper, and PA all in one. She is not just part of my baby’s daily schedule, but also supports our parenting choices and helps to manage challenges like tantrums, weaning, and sleep routines. Jaleesa hand-picks childcarers through an extensive vetting, interview, and training process, designed to find people who are trustworthy, professional, experienced, and who love kids.

A big part of me was happy to return to work—perhaps in part because I work for my own company, and we are extremely parent-friendly. My nanny could bring the baby to the office at lunch-times so I could feed him, and my team have been

■ “Childcare is not just about liberating our time for productivity, it is about freeing up our brain-space so we can be fully present at work.”

very open-minded about this (though our auditors found it to be quite a shock). We have all gotten used to the growl of the breast pump in the office twice a day. However, it has not

all been smooth. Some days, I start later and finish earlier than I would like. Not everyone can enjoy so much flexibility, but with the right support at home, hopefully other mothers can find their return to work less stressful too.

Childcare is not just about liberating our time for productivity, it is about freeing up our brain-space so we can be fully present at work. Having a plan, even one concocted from several options, is the first step toward a smooth transition back. Of course there are always hiccups along the road. My baby bumped his head for the first time because I was checking work emails on my phone. I feel guilty about that, of course. But I absolutely do not feel guilty about going back to work, because my baby is well looked after by a nanny I trust. To offer that peace of mind to more families, my plan is to keep working as long and hard—and flexibly—as I can.

Angela Solomon is co-founder of Jaleesa, an online platform for babysitting services in Lebanon.

BUSINESS ESSENTIALS

Company Bulletin

After the jury of local experts selected the winners of the 2018-2019 Startupper of the Year by **Total Challenge** in Lebanon, they were presented with their awards at an official ceremony held on March 1 at Liza Beirut restaurant.

IFC, a member of the **World Bank Group**, signed a memorandum of understanding with **FFA Private Bank**, a leading private bank in the Middle East and North Africa, on February 20 to help improve infrastructure services in Lebanon and the wider Levant region.

The **Hublot** Geneva Days 2019 Roadshow ended its journey in the Middle East with its last stop, Beirut, after having passed through Dubai, Bahrain, and Kuwait. On February 27, David Tedeschi, regional director Hublot Latin America and the Caribbean, Middle East and Africa, and Mher Atamian, managing director of **Ets. H. Atamian**, presented Hublot's first set of new watches for the year.

MINI is among the winners in this year's "Best Cars 2019" competition. The class victory in the readers' vote held by car magazine *auto, motor und sport* once again demonstrates the high level of popularity still enjoyed by the original in the premium small car segment in its 60th year.

The new **Mercedes-Benz** Vans Sprinter is the latest edition of the global bestseller vehicle segment to officially launch in the Middle East and North Africa.

Byblos Bank held a ceremony at its headquarters in Ashrafieh to hand out Certificates of Completion to students who took part in the 2018 Internship Program.

OMD Worldwide, an **Omnicom Media Group Agency**, has been named Global Media Agency of the Year by **Adweek**. In selecting OMD, Adweek cited the company's impressive turnaround performance following a very challenging 2017. Adweek's story details the comeback that took place during 2018—a journey that saw OMD win or retain over \$2.6 billion of business.

Byblos Bank and the **USAID** Lebanon Enterprise Development project collaborated to organize the first of a series of themed workshops at the bank's headquarters in Ashrafieh.

The **BMW Group** has started 2019 with a positive sales result: global deliveries of the company's three premium automotive brands increased by 0.5 percent in January, with a total of 170,463 **BMW**, **MINI**, and **Rolls-Royce** cars delivered to customers. This is the company's strongest-ever start to a year, achieved despite the current headwinds affecting the industry in several markets.

The **Brave Heart Fund** launched its annual congenital heart disease awareness campaign in line with world heart month at a press conference under the auspices of the **Ministry of Public Health** to bring more attention to the devastating impact of congenital heart defects on infants, children, and their families and to raise awareness about the need for more education, community support and funding to sustain the mounting number of congenital heart disease patients who are in need of financial aid.

Banque Libano-Française opened two new branches in Kfarhabab and Tyre-Hoch, bringing the number of its local branches to 60.

Byblos Bank issued the results of the **Byblos Bank Real Estate Demand Index** for the fourth quarter of 2018. The results show that the index posted a monthly average of 51.2 points in the fourth quarter of 2018, nearly unchanged from 51.4 points in the third quarter of 2018 and increasing by 14 percent from 44.9 points in the fourth quarter of 2017. The fourth quarter results constitute the 20th lowest level in 46 quarters.

In a ceremony held on January 30 at **BLOM Bank**'s Headquarters, BLOM BANK was awarded the "Excellence in Risk Management" award by Visa as Saad Azhari, Chairman and General Manager of BLOM Bank, received the award from Marcello Baricordi, general manager of Visa in the Middle East and North Africa.

RYMCO, the official distributor of **INFINITI** cars in Lebanon, announced the release of the INFINITI Driver's Guide, a new, free mobile app supported by augmented reality technology, which completely transforms the experience of driving INFINITI cars.

BBAC set out to upgrade its core banking solution—paving the way for digital innovation while ensuring full compliance with regulatory standards. BBAC has modernized its core banking infrastructure with a seamless upgrade to the latest version of Fusion Equation, integrated with Fusion Teller.

Bang & Olufsen presents a new powerful wireless speaker for the home that completely reimagines how we live with sound. Created in collaboration with globally acclaimed designer Michael Anastassi-

ades, Beosound Edge is yet another thoughtful design from the Danish luxury audio brand that transforms the everyday mundane to musical mastery and adds aesthetic value to the home.

Johnnie Walker has always been a champion of progress, creativity, and hope for a better tomorrow. Keep Walking Lebanon has been celebrating the resilience of the Lebanese at large and their positive spirit for years now. This year, Johnnie Walker specifically gave the opportunity to university students to interpret "Keep Walking Lebanon."

T. Gargour & Fils Mercedes-Benz Lebanon ranked number one in the luxury car market, an achievement reflecting the excellent level of customer loyalty, trust, and satisfaction.

On February 7, **USAID** celebrated the launching of its award with **Nudge Lebanon**, a local NGO focusing on low cost interventions that improve lives through better decision-making. This new partnership will enable greater access to the financial system of Lebanon with a focus on women.

While the Lebanese automotive market dropped 11.44 percent overall in 2018, according to a report by the **Association of Automobile Importers**, **NISSAN** witnessed unprecedented growth during the same period, with its sales hiking up 17 percent.

Byblos Bank Chairman-General Manager Semaan Bassil and **Byblos Bank Europe** Chief Executive Officer Fouad Trad welcomed the Governor of the **Central Bank of Lebanon** Riad Salameh in Brussels on the sidelines of a forum titled "Financial and Monetary Stability, Impact on the Lebanese Economy," organized by the Belgian Lebanese Business Council and sponsored by Byblos Bank Europe.

On January 31, **Saradar Bank** launched S17 in Beirut, a new bank branch concept unique to Lebanon. Located in Sodeco, S17 combines the comfort of a café, the convenience of a co-working space and the practicality of a digital bank.

adidas Running unveiled the all-new adidas Ultraboost 19, the most responsive, energy-charged version of the iconic running silhouette to date.

touch, managed by **Zain Group**, has collaborated with **Huawei Consumer Business Group** to issue a special bundle package dedicated to the Huawei Y7 Prime 2019, the newest device release from Huawei.

On a festive night held at the Cadillac House in Badaro, **IMPEX**, the exclusive **Cadillac** dealer in Lebanon, launched the Cadillac model the XT4, in the presence of Cadillac Middle East Executives, VIPs, clients, media representatives and brand's aficionados.

Nestlé announced the launch of a new range of coffee products under the **Starbucks** brand to be available globally. The new range consists of 24 products, including whole bean and roast and ground coffee, as well as the first-ever Starbucks capsules developed using Nespresso and Nescafé Dolce Gusto proprietary coffee and system technologies.

Following a remarkable demand during the pre-order phase, **Huawei Consumer Business Group** announced, on February 13, that their latest device, the Huawei Y7 Prime 2019, is officially available in the Lebanese market.

QOOT, which means food and sustenance in Arabic, is the first Agri-food innovation cluster in Lebanon. It was officially launched at the Lebanon Agri-Food Innovation Day 2019 organized by Berytech, with the support of the Kingdom of the

Netherlands and under the patronage of Prime Minister Saad Hariri.

touch, managed by **Zain Group**, has announced a partnership with **IoTree**, Lebanon's first wireless network of smart traps for harmful pests, at the Agri-Food Innovation Day held at New Biel on February 5.

Ericsson has launched its critical communications broadband portfolio for service providers. This will enable service providers to meet the business-critical and mission-critical needs of industries and public safety agencies as digitalization and modernization of land mobile radio communications increases.

Under the patronage and in the presence of the Lebanese Minister of Tourism Avedis Guidanian, **Hospitality Services** held a press conference on March 1 at Eau de Vie, Phoenicia Hotel Beirut, to launch the 26th edition of **HORECA Lebanon**, the region's premier hospitality and foodservice event, which takes place at Seaside Arena from April 2-5.

The annual **Pikasso d'Or Awards**, a competition showcasing the best creative work in out-of-home, has announced its 2018 winners.

The **Huawei** Mate X foldable 5G smartphone has won GSMA's prestigious "Best Connected Mobile Device of Mobile World Congress 2019" award.

Following a comprehensive upgrade, one of **Porsche's** most popular models, the Macan, is now available in Lebanon.

BBAC has opened its new branch in the Northern city of Kousba, district of Koura. The branch opening comes in line with the bank's expansion strategy to grow its geographic footprint in strategic areas in Lebanon, especially in the North Area, and serve its clients wherever they are.

BUSINESS ESSENTIALS

Company Bulletin

On the occasion of the **International Women's Day** on March 8, the **National Commission for Lebanese Women** joins the international campaign #BalanceForBetter, and reiterates the importance of balance between the roles, duties, and obligations of women and men.

The future of driving pleasure is approaching fast and the **BMW iNEXT** takes the next hurdle of its path to serial production maturity. With its purely electric drive, the **BMW iNEXT** meets individual mobility needs in an especially sustainable manner.

Believing that business can and should be used as a force for good, solving critical human challenges, **Changemaker** gathered more than 1,000 students from 60 university campuses across Lebanon for the Lebanon Student Startup Forum at Beirut Digital District, on February 23, where Lebanon's top young entrepreneurs pitched their innovative business ideas before leading judges.

touch, managed by **Zain Group**, announced its partnership renewal with Bassma Association after the outstanding success of the Night School Program, in which 95 percent of students passed their 2017/2018 academic year.

Careem has launched the biggest rewards programme, by number of users, for the wider Middle East region: Careem REWARDS.

Alfa, managed by **Orascom TMT**, announced that the Alfa Sports app, the exclusive broadcaster of the Alfa Basketball and Volleyball Cham-

pionships, as well as other sports activities, is now available on the **Cablevision** network, thanks to an agreement signed between Alfa CEO and Chairman Marwan Hayek and Cablevision's CEO Samar Khalil.

As part of expanding its offering in the cars section, **OLX** announced the launch of its new service: "Cash my Car" by OLX. The service's aim is to simplify the process of selling cars while ensuring each transaction happens in an efficient and transparent manner and at a fair market price.

TBWARAAD ranked number 8 for the second consecutive year on the **Contagious Pioneers 2019** list of Best and Bravest Agencies on the Planet.

Nestlé Middle East is aiming to further combat rampant vitamin D deficiencies across the region through an open invitation on the HENRI@Nestlé platform, offering \$50,000 to the winning applicant who develops a simple and economic method for checking daily levels, and creates an app that stores results and provides professional advice on how to improve them.

As part of **Kempinski** Corporate Social Responsibility and falling in line with its commitment to support the local community, **Kempinski Summerland Hotel & Resort** has launched its first Concertini, thus transforming its hotel's Lobby Lounge into a stage for young artists to demonstrate their talent and impress audiences.

The German government, through the **KfW Development Bank**, has renewed its commitment to the

Lebanese education system with a 50 million euro donation toward **MEHE's** Reaching All Children with Education (RACE) plan.

In the past year, **GROHE** has evolved from a mere hardware manufacturer into a driving force of the digital transformation within the sanitary industry, offering its own Internet of Things products. The intelligent water control system GROHE Sense Guard has now arrived in the world of smart homes.

The Italian government reaffirmed its commitment to the most vulnerable children living in Lebanon by contributing 1 million euros to **UNICEF's** Water, Sanitation and Hygiene (WASH) programme in Lebanon.

Arab Bank Group closed 2018 with solid results reporting net income after tax of \$820.5 million as compared to \$533 million in 2017 with net income before tax reaching \$ 1.1 billion. The Group's equity grew to reach \$8.7 billion while the return on equity increased to reach 9.5 percent.

LG Electronics Inc. announced record full-year revenues of KRW 61.3 trillion (\$54.4 billion) in 2018, exceeding sales of 60 trillion won for the second year in a row. Full-year profit of KRW 2.70 trillion (\$2.40 billion) increased nearly 10 percent from 2017 reflecting record profitability from appliances and home entertainment products.

Ford has appointed **ANB Motors sal** as its new partner for the sale and service of Ford vehicles and distribution of genuine Ford and MotorCraft® parts in all of Lebanon.



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MAR. 31, 2019



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CONFERENCES

	ORGANIZERS	CONTACT	WEBSITE
LEBANON			
2-4 Apr	LEBANON INTERNATIONAL OIL AND GAS SUMMIT Global Event Partners	+44 7850 025295; adagher@gep-events.com	www.gep-events.com
9-11 Apr	SOLID WASTE MANAGEMENT EXPO LEBANON Lebanon Expo	+961 76 785 855; info@lebanonexpo.com	www.lebanonexpo.com
23-24 Apr	THE ANNUAL ARAB BANKING CONFERENCE Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
DUBAI			
4-5 Mar	CONNECTED AIRCRAFT CONFERENCE IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae
6-7 Mar	GLOBAL WOMEN LEADERS CONFERENCE Datamatix Group	+9714 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
12-13 Mar	AIRFINANCE JOURNAL MIDDLE EAST EuroMoney Seminars	+44 20 7779 8349; registrations@airfinancejournal.com	www.euromoneyseminars.com
14-15 Mar	INSURANCE INNOVATION SUMMIT Fleming	+421 257 272 100; info@fleming.events	www.fleming.events
20-21 Mar	GCC HAPPINESS AND CUSTOMER CARE EXCELLENCE CONFERENCE Datamatix Group	+9714 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
31 Mar - 2 Apr	MARITIME SECURITY AND OFFSHORE PATROL WEEK IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae
9-10 Apr	RETROFITTECH MENA SUMMIT AND AWARDS ACM	+971 4 361 4001; opportunities@acm-events.com	www.acm-events.com
10-11 Apr	SEAMLESS MIDDLE EAST Terrapinn Middle East	971 1 444 02500; enquiry.me@terrapinn.com	www.terrapinn.com
14-18 Apr	CERTIFIED BLOCKCHAIN PROFESSIONAL TRAINING Fleming	+421 257 272 100; info@fleming.events	www.fleming.events
14-15 Apr	ATD MIDDLE EAST Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-meia.com
15-16 Apr	GLOBAL INFRASTRUCTURE CONGRESS IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae
16-17 Apr	MEGA CITY INFRASTRUCTURE WEEK IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae
21-25 Apr	GCC SMART GOVERNMENT AND SMART CITIES CONFERENCE Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
23-24 Apr	MIDDLE EAST INVESTMENT SUMMIT Terrapinn Middle East	+971 1 444 02500; enquiry.me@terrapinn.com	www.terrapinn.com
28 Apr - 2 May	STRATEGY EXECUTION AND INNOVATION FORUM Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-meia.com
29 Apr - 1 May	FUTURE PROCUREMENT LEADERS IQPC	+030 20913 274; info@iqpc.de	www.iqpc.ae
ABU DHABI			
1-2 Apr	GLOBAL FORUM FOR INNOVATIONS IN AGRICULTURE One Communications and Marketing group	+971 2 234 8400; info@InnovationsInAgriculture.com	www.InnovationsInAgriculture.com
16-18 Apr	CITYSCAPE ABU DHABI CONFERENCE Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
29-30 Apr	THE DIGITAL TRANSFORMATION IN THE BANKING SECTOR Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
SAUDI ARABIA			
5-6 Mar	SAUDI DOWNSTREAM FORUM BME Events	+2 02 2 5644116; info@bme-global.com	www.thebmegroup.com
17-19 Mar	SAUDI WATER FORUM Exicon intl group	+966 11 460 2332; info@exicon-specialist.com	www.exicon-specialist.com
23-24 Apr	FUTURE WORKFORCE KSA Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-meia.com

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EGYPT			
2-3 Mar	EGYPT INVESTMENT FORUM Al Iktissad Wal Aamal	+961 1 740173/4; info@iktissad.com	www.iktissadevents.com
30 Mar-1 Apr	CHIEF RISK OFFICERS IN ARAB BANKS FORUM Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
17-18 Apr	WATER DESALINATION CONFERENCE Exicon intl Group	+966 11 460 2332; info@exicon-specialist.com	www.exicon-specialist.com
1-3 May	COMBATING ANTI-MONEY LAUNDERING AND TERRORISM FINANCING	- ; -	-
KUWAIT			
18-21 Mar	ANNUAL CRISIS AND RISK MANAGEMENT SUMMIT IQPC	+030 20913 -274; info@iqpc.de	www.iqpc.ae
16-17 Apr	THE NEW KUWAIT SUMMIT Global Event Partners	+44 7850 025295; adagher@gep-events.com	www.gep-events.com
BAHRAIN			
18-21 Mar	MIDDLE EAST OIL AND GAS SHOW AND CONFERENCE Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
JORDAN			
5-6 Mar	FINTECH INNOVATION AND THE FUTURE OF BANKING SERVICES Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
OMAN			
15-17 Apr	OMAN DOWNSTREAM Oman Expo	+968 24660124; info@omanexpo.com	www.omanexpo.com
22-24 Apr	OMAN ENERGY AND WATER Oman Expo	+968 24660124; info@omanexpo.com	www.omanexpo.com

EXHIBITIONS

	ORGANIZERS	CONTACT	WEBSITE
LEBANON			
2-5 Apr	HORECA LEBANON Hospitality Services	+961 1 480 081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
10-13 Apr	SMARTEX INNOVATION'S PLATFORM MICE Lebanon	+9611 384 791; charlie@micelebanon.com	www.smartexlebanon.com
11-15 Apr	E-MOTOR SHOW e Ecosolutions	+961 9 856565; info@e-motorshow.com	www.e-motorshow.com
30 Apr - 4 May	BEIRUT BOAT IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
DUBAI			
5-7 Mar	AGRAME Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
5-7 Mar	MIDDLE EAST ELECTRICITY Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
8-9 Apr	MIDDLE EAST SPECIAL EVENT AND EXHIBITION SHOW Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
11-13 Apr	MIDDLE EAST FILM AND COMIC CON Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
14-15 Apr	ATD MIDDLE EAST Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-me.a.com
17-19 Apr	GULF EDUCATION AND TRAINING EXHIBITION Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com

BUSINESS ESSENTIALS

Events

ORGANIZERS

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ABU DHABI

25-26 Mar	FUTURE LANDSCAPE AND PLAYSPLANES ABU DHABI Advanced Conferences & Meetings	+971 4 563 1555; -	www.acm-events.com
25-27 Mar	IBTM ARABIA REED	+971 2 491 7615; info@reedexpo.ae	www.reedexpo.com
9-10 Apr	ANNUAL RETROFITTECH MENA SUMMIT AND AWARDS Advanced Conferences & Meetings	+971 4 563 1555; -	www.acm-events.com
16-18 Apr	CITYSCAPE ABU DHABI Informa Middle East	+971 4 407 2528; info-me@informa.com	www.informaexhibitions.com

BAHRAIN

18-21 Mar	MIDDLE EAST OIL AND GAS SHOW AND CONFERENCE UBM	+973 17 550033; fawzi.alshehabi@ubm.com	www.meos19.com
23-25 Apr	INTERIORS EXPO Hilal Conferences & Exhibitions	+973 17 299123; info@hilalce.com	www.hilalce.com

EGYPT

19-21 Mar	EG MEDIA TECH BME Events	+2 02 2 5644116; info@bme-global.com	www.thebmegroup.com
27-30 Mar	CITYSCAPE EGYPT Informa Middle East	+971 4 407 2528; info-me@informa.com	www.informaexhibitions.com
31 Mar - 2 Apr	AFRICA FOOD MANUFACTURING Informa Middle East	+971 4 407 2528; info-me@informa.com	www.informaexhibitions.com

QATAR

29 Apr-1 May	PROJECT QATAR IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
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SAUDI ARABIA

18-21 Mar	SAUDI BUILDING AND INTERIORS EXHIBITION Al Harithy Exhibitions	+966 2 654 6384; ace@ace expos.com	www.acexpos.com
26-29 Mar	SAUDI FOOD, HOTEL AND HOSPITALITY Al Harithy Exhibitions	+966 2 654 6384; ace@ace expos.com	www.acexpos.com
5-7 Apr	CITYSCAPE JEDDAH Informa Middle East	+971 4 407 2528; info-me@informa.com	www.informaexhibitions.com
14-16 Apr	INTERSEC Al Harithy Exhibitions	+966 2 654 6384; ace@ace expos.com	www.acexpos.com
29-30 Apr	KSA MANUFACTURING AND INDUSTRIAL TECH SHOW Advanced Conferences & Meetings	+971 4 563 1555; -	www.acm-events.com

OMAN

17-19 Mar	COMEX - IT, TELECOM AND TECHNOLOGY SHOW OITE	+968 2465 6000; info@oite.com	www.oite.com
15-17 Apr	OMAN DOWNSTREAM Oman Expo	+968 2466 0124; info@omanexpo.com	www.omanexpo.com
16-18 Apr	GLOBAL HIGHER EDUCATION EXHIBITION AND CONFERENCE OITE	+968 2465 6000; info@oite.com	www.oite.com
22-24 Apr	OMAN ENERGY AND WATER Oman Expo	+968 2466 0124; info@omanexpo.com	www.omanexpo.com
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LAST WORD

By Rena Timsah

Bridging the gap

Factors keeping Lebanese youth unemployed

On the one side are Lebanese youths eager to work, on the other are local employers looking for staff. So why are businesses—especially those based outside of Beirut—not recruiting more local youth? This question was the driving force behind Mercy Corps' Youth-led Market Assessment (YLMA) in 2018.

The YLMA explored the reasons why youth were not penetrating the labor market in three areas of the country: Saida, Tripoli, and Barja (Mount Lebanon). It was conducted as part of a three-year Canadian-funded program aimed at protecting youths' well-being and providing better opportunities, particularly in those three areas. The study interviewed 800 employers and involved 75 local youth volunteers as researchers, as well as Remark, a Beirut-based research consultancy that is studying livelihood opportunities for Lebanese, Syrian, and Palestinian youth and their families.

Three main findings were gleaned from the research. Firstly, the largest barrier to Lebanese youth employment found was a lack of communication skills. Almost 60 percent of the surveyed employers, who worked in industries including retail, manufacturing, pharmaceuticals, services, and F&B, cited poor communication skills as a factor preventing those aged 16-25 from being employed (compared with just 8 percent raising the inability to work under pressure, 7 percent poor teamwork skills, and 6 percent poor time management). When asked to elaborate, participants highlighted a perceived inability of youths to talk to customers, to accept criticism, and to express themselves adequately.

To improve their communication skills, the report recommends that Lebanese youth attend life skills courses when possible; Mercy Corps currently offers such classes at its three branches of Bussma, local youth community centers (in Saida, Tripoli, and Barja). The report also suggests that technical, vocational, and educational training institutes across Lebanon include soft skills training in their curriculums.

Secondly, the study found that unemployed youth in Lebanon (Lebanese, Syrian, and Palestinian) were pursuing careers that did not match market needs. Work trends in Lebanon are geared toward industrial jobs in, for example, agro-food and STEM, but youths surveyed planned to pursue careers in photography, design, acting, dancing, and sport. Trade careers in demand, such as electricians and mechanics, are shunned in favor of accountancy or marketing studies. Social standards can play a role here; a director at a vocational training institute cited a huge demand for waste management and sanitation specialists, but said that Lebanese students refuse to go into this field as it is deemed shameful.

To break this disconnect between the careers in demand and the careers studied, the report recommends that technical, vocational, and educational training institutes and universities provide more information to prospective students about in-demand jobs—thought by the interviewed employers to be in retail, creative industries (such as jewelry design and our craftsmanship), agriculture/agro-food, and tourism.

Thirdly, the study debunks the commonly held assumption that the Syrian crisis has increased the unemployment rate in Lebanon. The study focused on recruitment trends for Palestinian and Syrian youth and found that they often take jobs requiring intense physical labor in the agriculture, environment, and construction sectors—and are not competing with locals in other sectors. These sectors are shunned by local youth, who are pushed by societal pressures into careers in the banking, services, or public sectors.

On the other hand, employers admitted to preferring to hire Palestinians and Syrians as they can do so for lower wages, no benefits, and no official contract. But these youths rarely make managerial positions, and some employers stated they always hire Lebanese for positions in direct contact with customers.

The results of this study were shared with another 2,000 youths living in the three target areas over the last six months, with information sessions to help them better understand how to approach labor market opportunities. Syrian and Palestinian youth were encouraged to seek safer jobs with better legal protection of their rights. Lebanese youth were told to pay attention to market needs and specialize in jobs in demand. Mercy Corps also called on employers to develop an “open-door policy” toward youth by creating short-term internships and mentoring opportunities. As for the government's role, the study suggests it should invest more in local businesses to increase job vacancies and invest in developing young people's skills to better integrate them into the labor market.

Rena Temsah is the senior communication and advocacy coordinator at Mercy Corps Youth For Tomorrow program

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