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Market Research on the Cultural and Creative Industry

in the West Bank and Gaza Strip

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1. Executive Summary

The cultural and creative industry in the occupied Palestinian territory (oPt) is in dangerous decline. Decades of difficult economic conditions and periods of low tourism, which is closely linked to industry production, has caused workshops to close and production units to shut down in nearly every sector. Producers of handicrafts made from raw materials and reflecting aspects of Palestinian culture, such as olive wood carving, embroidery, olive oil soap and other local goods are finding it hard to survive and flourish.

This study uses participatory means to examine ways of reviving the industry, which would thus preserve important aspects of Palestinian heritage and contribute to strengthening and stabilizing the Palestinian economy. Through a review of desk research and a survey of 140 producers, the study draws conclusions about the obstacles that producers face in marketing their products locally and abroad and makes recommendations for both the producers themselves and government and commercial authorities. An important component of the study is its review of legal statutes that relate to the industry and recommendations about how they can be improved.

Growing international interest in traditional crafts and industries has led to the emergence of international and regional organisations to support national institutions that support craft and heritage. Yet, the industry has not received adequate attention, especially in terms of supportive legislation.

Palestinian laws and regulations related to the creative and cultural industry are disjointed and scattered throughout various legislations. A gap exists between regulations from the British Mandate period and those of Jordanian origin. This deepens regulatory confusion and hinders decision-making and enforcement processes.

As such, a sound legal basis exists for enacting a special legal framework for the creative and cultural industry. It is strongly recommended that a new set of legislation be created for each legal aspect of the industry to address the current legislative gaps and weaknesses.

The absence of a working definition on the ground for the creative and cultural industry means that some sectors are falling through the cracks in support and regulation.

This lack of support from the government, appropriate ministries, commercial organisations and the private sector means that producers struggle largely on their own to overcome serious obstacles. These include the costs of raw material, travel constraints, high costs of production, declining tourism trends, high cost and transport obstacles connected with exportation, lack of quality control and regulation, and so on.

Producers identified the following difficulties as they seek to sell their products domestically and abroad:

- Lack of space allocated for permanent exhibitions
- Absence of coordination between unions and ministry/other authorities
- Lack of quality control
- Lack of financial support to attend local and international exhibitions
- Lack of technical assistance in developing new designs, upgrading facilities, developing packaging and marketing and other means of being more cost effective and competitive

The Palestinian Authority has already recognized the importance of the handicraft industry and established a Cultural Sector Strategy (2011-2013). Its strategic plan is to encourage and support the creative and cultural industry, taking into account women's participation in particular. Still, nothing concrete has been implemented in this regard.

Much needs to be done quickly to rescue this industry, which is an important component of the cultural and economic survival of the Palestinian people. Besides the legislative changes mentioned above and the establishment of clear roles and accountability for each ministry, financial resources must be allocated for training, development, improving the quality of craftsmanship, exhibitions and marketing, increasing quality and meeting international standards. There must be incentives to attract the younger generation and encourage them to learn the skills of their parents and grandparents.

Moreover, it is of utmost urgency that the chambers of commerce, municipalities, ministries, nongovernmental entities and the private sector play a more active role in supporting this cultural industry by providing the necessary funds and tools for development. One incentive should be to reduce custom taxes on raw materials imported from abroad and addressing the logistics of transport for marketing products locally and abroad.

As shown in the success stories explored at the end of the study, industry sustainability can only be achieved through a strong link and cooperation between local communities and the public and private sector.

The most important recommendations in this regard are to initiate:

- Training for producers to introduce a market-based production model rather than the current process of marketing what is produced. Development and modernization of forms, packaging, presentation and promotions are critical.
- Product development to meet international standards and specifications and compete with foreign products in international markets.
- Support for producers to participate in local and international exhibitions by covering their costs and other facilitation.
- Tax incentives for the private sector to establish specialized companies to export cultural and creative industry products.
- Expansion in the role of industry organisations, chambers of commerce and private sector organisations in supporting the industry and its exports.
- Coordination between producers and the Ministries of Culture, National Economy and Tourism as well as Palestinian missions abroad to promote the creative and cultural industry and open foreign markets abroad.
- Capacity development for producers, designers, marketers, exporters and other stakeholders in modern manufacturing, packaging, promotion, marketing and export.

2. Introduction

The Palestinian cultural and creative industry has always had an important standing among the various domestic industries, in part due to its role in propagating the history and culture of the Palestinian people. The industry has also been a critical part of the local tourism sector, which is built on historic Palestine's location, history and religious significance for the three monotheistic religions. For centuries, the Holy Land has been a major site for religious pilgrimage and cultural adventure.

There have been approximately 18 different types of handicraft products produced in the West Bank and Gaza. The types being produced at the time of this writing include embroidery, ceramic, pottery, glass, olive wood, mother of pearl and bamboo.1 These handicraft industries combined are estimated to comprise nearly half of all handicraft production in the occupied Palestinian territory (oPt).

There are many different meanings for the term 'cultural and creative industry'. It encompasses a wide range of economic activities that are concerned with the generation or exploitation of knowledge and information.2 These types of production may variously also be referred to as the 'cultural industry'.International references such as the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the General Agreement on Tariffs and Trade (GATT) refer to 'cultural industries' (sometimes also known as 'creative industries') as combining the creation, production, and distribution of goods and services that are cultural in nature and usually protected by intellectual property rights.3 This appears to include traditional cultural and creative industries.

One of the definitions cited in a Palestine Economic Policy Research Institute (MAS) research paper defines the cultural and creative industry as:

Simple, handmade, mainly depending on craftsmanship, and family-based products. These industries require inherited or acquired special skills. The products are typically simple, in limited quantities, and do not depend heavily on costly sophisticated machinery. Therefore, similarities can be found between heritage industries and micro industries in terms of the volume of capital, the number of workers, the level of technology use, and the ability to operate at home or in limited spaces.[4]

The collectively-edited Wikipedia incorporates the following in its definition of cultural and creative industries:[5]

Handicraft, which is also expressed as artistic crafts, is a type of work where useful and decorative devices are made completely by hand or by using only simple tools. It is a traditional main sector of craft. Usually the term is applied to traditional means of making goods. The individual artisanship of the items is a paramount criterion; such items often have cultural and/or religious significance. Items made by mass production or machines are not handicraft goods.

For the purpose of this report, 'cultural and creative industry' is defined as:

Crafts or cultural and creative industries, whether traditional or indigenous, such as those cultural and creative industries that are practiced by an individual or group of individuals, for the purpose of producing or manufacturing products, using raw material in a traditional manner. The artisan relies on his/her own mental or physical skills that have been gained over time. These products may be produced either completely by hand or with the help of simple tools. Mechanical tools may be used as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Cultural and creative industry products are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian, aesthetic, artistic, creative, cultural and touristic, decorative, functional, traditional, religious, and/or socially symbolic and significant to the culture of the country in which they are produced.

1 Study prepared by DAI, "Cluster Competitiveness Assessment", USAID, 2007.

2 Wikipedia.com, http://en.wikipedia.org/wiki/Creative_industries (last accessed Sept. 5, 2012)

3 Wikipedia.com, http://en.wikipedia.org/wiki/Creative_industries (last accessed Sept. 5, 2012)

4 Heritage Industries in the OPT Investment Opportunities and Horizons for Micro, Small and Medium Industries

5 Wikipedia Free Encyclopedia Website,

3. Overview of the Cultural and Creative Industry in the Occupied Palestinian Territory

There is evidence that segments of the Palestinian cultural and creative industry date back thousands of years and have contributed substantially to the regional economy, although quantitative data about the industry is sparse. Recent studies have identified some 18 different varieties of contemporary cultural and creative industries in the area, including glass blowing, pottery, embroidery, rug weaving, mosaics, handmade jewellery, cane weaving, soap making and traditional furniture.

In 2003, olive wood enterprises were the dominant production unit in the oPt, representing 36% of the industry. Mother of pearl production units accounted for 10% of the industry. Around 19% of handicraft establishments were located in the Gaza Strip and 81% in the West Bank.[6]

The exact role of the cultural and creative industry in the Palestinian economy is difficult to measure for three reasons. First, many Palestinian products are exported to Israel and, in turn, exported as Israeli-made. Therefore, a large proportion of the Palestinian cultural and creative industry is included in Israeli national accounts and not those of the Palestinian Authority, the interim Palestinian government. Second, economic data for the cultural and creative industry are not monitored separately but are integrated into Palestinian national statistics under industrial 'manufacturing' statistics. Third, limited research has been done on the sector, making the measuring and collection of accurate data challenging.

The cultural and creative industry in the occupied Palestinian territory (as is the case in most countries) is closely related to tourism and is dependent on the influx of visitors to the country. During the height of the second Intifada from 2000 to 2003, for example, the sector was greatly affected by the reduction in the number of tourists, which forced many souvenir shops and cultural and creative industries establishments to shut down and lay off workers. The Palestinian cultural and creative industry has suffered from mobility restrictions and weak institutional and political support (i.e. lack of any national plans, policies or laws for the perpetuation and development of Palestinian crafts as compared with other Arab countries, such as Morocco and Tunisia, where the state in cooperation with other stakeholders has developed strategies and created national institutions for this purpose). In addition, low levels of entrepreneurial capability, over-dependence on Israeli firms, export limitations imposed by the Protocol on Economic Relationships between the Government of Israel and the Palestine Liberation Organisation and the poor quality and limited variety of the arts and crafts were all factors. Most finished products have been destined for local souvenir shops and not for international markets. For these cultural and creative products to be able to penetrate international markets, much has to be done as regards quality, design, packaging, marketing and merchandising.

The cultural and creative industry in the region of Bethlehem, Beit Jala and Beit Sahour provides a microcosm of the history of production units.[7] Of those production units in existence today, only three per cent were established prior to 1925 and nine per cent were established between 1925 and 1950. While it is logical that older production units may have closed over time, this data also suggests that the cultural and creative industry at that time was relatively small. These older units produce glass, fur, rugs, embroidery, pottery and bamboo.

By comparison, 23% of the production units in existence today were established between 1951 and 1967 during the period of Jordanian rule over the West Bank. The industry continued to grow after Israel occupied the West Bank in 1967, with 31% of existing cultural and creative industry units being founded between 1968 and 1977. This was mainly due to an increase in demand from the rising numbers of tourists to the region as a whole and to the Bethlehem district in particular.

Thirty-four per cent of existing handicraft units began production between 1977 and 1986; most of the workshops established in this period were olive wood workshops. Subsequently, the first Palestinian uprising or intifada caused a recession in the cultural and creative industry, with the creation of production units shrinking by 40%. Conversely, between 1993 and 2000, there was a boom in the industry as tourism flourished and Bethlehem 2000 festivities got underway. This period was marked by the establishment of the Palestinian Authority, which attempted targeted development and sought to address the problem of unemployment. Among these efforts were some to strengthen small enterprises.

In 1999, President Yasser Arafat donated 7,000 square meters in Ezzeriya (Bethany), on the outskirts of Jerusalem, for the establishment of Palestinian Crafts Centre. Unfortunately, with the outbreak of the second Palestinian Intifada, the project froze before it officially got off the ground. The goal of the project was to establish a specialized centre for the development of traditional Palestinian handicrafts, based in Jerusalem, providing training, developing new products and designs, and enhancing marketing and promotions. The project was aimed at young people interested in building a career related to Palestinian culture, art and handicrafts, as well as experienced workers who sought to increase their knowledge.

In September 2000, the outbreak of the second Intifada caused the cultural and creative industry to collapse. Israeli-imposed restrictions on movement of Palestinians and goods within the oPt and between the oPt and Israel and abroad, the

6 "Bethlehem Cultural and Creative Industries: Olive Wood and Mother of Pearl", Bethlehem Chamber of Commerce and Industry, 2004

7 Research on Handicraft Industries in Bethlehem District – Fayrouz Khourie July 2008

confiscation of agricultural lands, and the destruction of physical capital including valuable olive tree groves and orchards all impacted the industry. More than 60 percent of Palestinian households fell below the poverty line, as compared with 21 percent before the crisis.[8] Moreover, the economic situation in the West Bank worsened after the construction of the wall (comprised of cement walls, fencing, guard towers and crossing points running through Palestinian land) began in the second half of 2002. Real GDP growth in the West Bank declined substantially in 2000, 2001, and 2002 before increasing modestly in 2003 and 2004; about a third of the wall had been completed by late 2005. Moreover, the high levels of violence and the difficult economic conditions resulted in many artisans emigrating from the Bethlehem area in particular to provide a better life for their families.

Conditions in Gaza, which is separated geographically from the West Bank, are distinct. With the exception of embroidery production, which relies on simple raw materials, most industry sectors face great challenges, including the high cost of materials, transport of finished products, lack of export possibilities, inability to attend exhibitions abroad or share ideas with external parties. The cost of raw materials is exorbitant due to Israel's blockade on Gaza, which prevents the movement of people and goods outside the territory. Also, raw materials are of poor quality. Straw producers face a problem with rodents eating their raw materials. Gaza artisans also encounter a lack of funds for even small advancements due to the poor economic situation.

While very recently, some goods have been exported through Gaza's main crossing, there is no guarantee that the borders will be open at any given time. This, coupled with the high cost of transportation and other supplementary costs, make export almost impossible.

The cultural and creative industry in Gaza faces extreme hardship and could die out without direct and immediate intervention. It is this deteriorated situation in the entire oPt that this study seeks to address.

SIDEBAR: Women's Participation in the Cultural and Creative Industry

Women play a major role in the creative and cultural industry, especially in rural areas. Women artisans are key to several traditional crafts, among them embroidery and straw, rug weaving and others. While women have not been active in the traditional soap factories of Nablus, they have recently developed producer groups experimenting with other types of olive oil soap production. Likewise, while women are not engaged in the production of ceramics products, they are engaged in painting them before sale. Times of economic stress in Palestinian society have opened up fields to women, allowing them to support their families by creating and selling products through cooperatives and associations.

Some of these societies include the Rozana Association for Women, ASALA, In'Ash Al Usra Association, Social Relief Association, Rural Woman Cooperative Association for Savings and Credits, Al Mahata Gallery, Young Women's Christian Association (YWCA), Qalandia Cooperative Association For Handcrafts and Sewing and others.

Many of these organisations support women in the industry through a wide range of projects, including micro enterprises that contribute to encouraging women's participation in the creative and cultural industry, preserving traditional crafts and reviving diminishing sectors such as carpet weaving. Some are teaching women ownership of particular projects, thus contributing to changing the perspective of society about women's participation in the workforce.

Some associations encourage women's participation in training courses that raise the capacity of young women artisans. A number of training courses for women are provided using modern specifications in an attempt to raise the quality and efficiency of production. This is true in the case of the YWCA, for example.

Also, international entities such as UN Women, UNESCO and others have played a vital role in supporting the empowerment of women and women in the industry through training and facilitation of workshops.

4. Methodology

This study seeks to identify the specific obstacles the cultural and creative industry faces today in order to assist in its revival as an integral part of the Palestinian economy.

The study gathers information on the existing traditional Palestinian cultural and creative industry through a desk review of documents and then updates this information through semi-structured interviews with producers and various related

8 "A Statistical Report", Palestinian Central Bureau of Statistics, 2002(a)

entities. Through this process, the study identifies gaps in the present producer system and provides sound, solid and feasible solutions to ensure the sustainability of the cultural and creative industry. It provides recommendations for industry development and enhancement through quality improvement (including by meeting international standards), structured marketing strategies, special skills training and legal issues that can ensure industry sustainability.

Several methods of data collection were used to maximize information gathering, ensure accuracy despite limitations and attain as broad coverage as possible with the time and resources available. These methods included:

Desk Review

A broad range of research material and segment market information from secondary resources was reviewed, including approximately 70 documents. These national research papers, studies, and papers related to women's economic security aided in identifying gaps and missing information in the process of developing the research. Since the research also addresses the regional and international context, studies related to women's economic security in the culture and creative industry, including possible models, were also sought out via the internet and other resources.

To ensure the possibility of improving quality, skills and sustainability, the legal framework for the cultural and creative industry in the West Bank and the Gaza Strip was reviewed.

Semi-Structured Interviews

Key actors were interviewed to track their contributions and impact on beneficiaries. Through these interviews, success stories and challenges were identified. Stakeholders in the culture and creative sector were involved in order to learn more about the companies, their products, strategies, financial and credit policies, quality assurance, guarantees, etc.

Those interviewed included representatives of related Palestinian Authority ministries, the Women's Technical Committee, Women's General Union, Business Women's Forum, Women's Social committees, Women's Working Union, various women's non-governmental organisations and societies, individual businesswomen, the Chamber of Commerce, PALTRADE and other key informants.

Questionnaire Development

Additional interviews were conducted with UN Women, UNESCO and various other stakeholders with the aim of drafting a wide-ranging questionnaire addressing cultural and creative industry producers in Gaza and the West Bank. The draft questionnaire was then distributed for further feedback on its structure and content, and then discussed at a partnership coordination meeting.

Field workers were then trained in distributing the finalised questionnaires in the West Bank in its southern regions (Bethlehem, Hebron, Ramallah and Jericho) and northern regions (Nablus, Salfeet, Tulkarem, Jenin and the Jordan Valley), as well as the Gaza Strip.

Data Collection

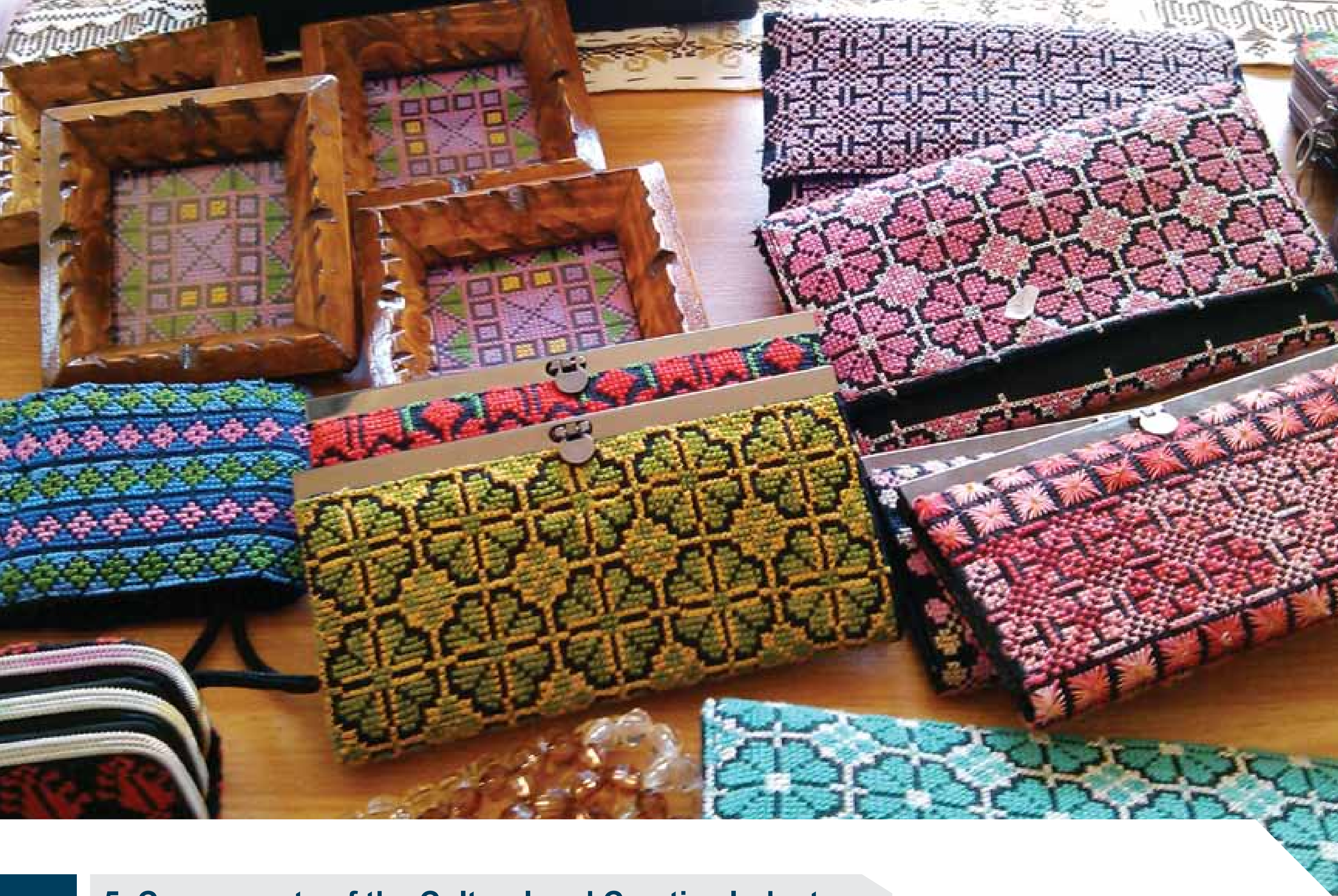
Approximately 140 questionnaires were filled out in face-to-face interviews, 40% from Gaza and 60% from the West Bank. The questionnaires were used to collect data from producers in the cultural and creative industry, whether they were privately owned, by one person or a company, registered or unregistered, a non-governmental organisation, related to a local government unit such as a municipality or village councils or representing other types of cooperatives and organisations.

The study sample was selected randomly in both the West Bank and Gaza.

About the Findings

Survey responses were limited by the fact that many producers did not want to disclose actual or estimated figures on income or expenses for fear of the impact on tax collection. Also, many producers work from their homes to avoid costs and again avoid exposure to income taxes. Some producers declined to answer certain questions, resulting in a smaller sample.

Figures related to women artisans are particularly difficult to assess accurately as many are working from their homes. It is known that the embroidery sector is very large and has good exposure, yet actual figures on the number of workers in the sector can only be estimated. Still the data gathered by the questionnaires is sufficient to provide a new baseline for any nationwide survey of all the sectors of the industry.



5. Components of the Cultural and Creative Industry in the Occupied Palestinian Territory

Following are descriptions of the various production types found in the cultural and creative industry in the oPt.[9] These descriptions are based on the study survey of 140 workshops in the oPt and are not comprehensive but rather representative of each sector.

1. Embroidery

Embroidery is a component of Palestinian heritage that has been inherited over generations. It is one of the largest sectors of the traditional cultural and creative industry in terms of the number of labourers working in the craft, which comprises 70% of all industry workers. All of the artisans are female and most are located in rural areas. Palestinian embroidery is rich in colour, texture and history: Palestinian women use the same technique of cross-stitching throughout the oPt but maintain regional influences in the design and colour of the embroidery, most distinctly in creating traditional Palestinian women's dresses.

Embroidery is either done at home or at associations and centres working in this sector. Some associations assist the artisans in producing embroidery by providing some or all of the raw materials and then marketing the work in exhibitions at the association or elsewhere. Some associations, such as Qalandia Cooperative Association and In'ash Al Usra, have a special corner where all handicrafts are displayed.

According to a study by MAS, there are about 4,000 artisans working in embroidery overall, with large associations including more than 12 workers, middle sized associations employing eight to 11 workers and small associations including one to three workers[10]. There are also workshops in homes employing one to three workers of the same family and a few additional workers when needed.

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10 While associations exist employing four to seven artisans, the bulk of them fall under the mentioned categories.

Embroidery workers don't get a monthly salary but are usually paid by piece. Products can be categorized as 'religious', 'non-religious', handicrafts for local use, and handicrafts for tourists and overseas export.

The price of small framed embroidery pieces, bags and shawls, for example, range $10-$40 per piece. Dresses and large framed pieces can cost $50-$100 or more. The price is the same locally as it is in foreign markets.

Embroidery products are often manufactured upon the request of the client. New designs are added every 5 to 12 months without taking into consideration marketing to increase sales. The sector is more active in summer months (June, July and August) when there are more events (such as weddings) and tourists.

Individuals and associations working in embroidery have participated in several exhibitions, such as:

- Al Rozana exhibition in Birzeit
- Jifna Days in Jifna
- Al Harajeh Souk (market) in Ramallah Al Tahta
- Ramallah Cultural Palace exhibition in Ramallah
- Community Rehabilitation Exhibition in Jenin

These exhibitions are held once a year and participants contribute at their own expense. Participation might cost $1,000 - $10,000. **The problems encountered during exhibition participation are:**

- High cost of booth fees, transportation, accommodation and transfer of products
- Return of unsold products
- Scarcity of sale due to few visitors

There is no outreach between the ministries, chambers of commerce and municipalities in support of embroidery and no support provided to this sector.

In part because Palestinian embroidery, more than other sectors, is closely tied to Palestinian cultural heritage and national character, it is threatened with becoming extinct. Israeli companies have been trying to produce similar embroidery products and brand them as 'Israeli cultural heritage.

2. Pottery

Traditions of Palestinian pottery-making can be traced back to ancient civilizations in the region. Until recently, pottery designs and styles were distinct to each area and created by households as a domestic craft.

Palestinian pottery often models ancient pottery found at archaeological sites in the region. It is frequently sold in Israel alongside the trade in artefacts and exported overseas as Israeli-made.[11] Pottery products are also sold in Oriental goods shops as souvenirs, as well as in local plant nurseries located on the sides of roads and to tourists.

Pottery production constitutes about five per cent of the cultural and creative industry. There are about 15 factories or workshops in Hebron in which 96 workers work and eight pottery workshops in Gaza employing 50 workers.[12] There is also one workshop in Jenin and another in Tubas. The capital invested ranges between $16,000 and $30,000 for each enterprise, whereas capital invested in assets and machinery for each enterprise ranges between $1,000 and $5,000. Field visits showed that these small manufacturing centres still use simple equipment such as wood-burning or diesel-fuelled ovens (which have a negative impact on the environment). Most workshops refuse to mechanise the production of their pottery.

While many of the workshops are family-owned, employing relatives that learned the craft from their elders, they are all formally operated and officially registered in the Chamber of Commerce, relevant ministries or municipalities. The educational level of the owner is either tawjihi (high school matriculation) or lower.

Very few women are engaged in pottery making; most companies are owned and operated by the male family members. About one to three family members work in each enterprise on a permanent basis. Since the businesses are run by family members, no salaries are paid to the workers; instead, workers are paid according to items sold. The owners of these workshops lack associations or federations to represent them. Only one or two workshops stated that their managers are members of an association and even these said organisational communication is rare.

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12 ALECSO Workshop- Nader Jalal Tamimi- Chairman of the Federation of Traditional Industries

In spite of the fact that pottery is sold in shops throughout the year, the work is in fact seasonal, with the peak season being between the months of June to September. Products sold by the workshops are promoted through word of mouth with no formal advertising or promotions. Only two of the workshops surveyed advertise their products in newspapers, magazines, radio and/or the internet.

Israel is the main market for this craft, constituting approximately 70% of the market. Approximately 20% of the products are exported to Europe and the remaining 10% goes into the local market (meaning the local market is very small for pottery compared with other products).When products are exported overseas, they are exported by Palestinian companies.[13]

The problems encountered during export are:

- Complicated procedures at the crossings
- High costs for transport and other measures
- Possibility of damage to the products during transportation, especially where the back-to-back method of transportation is used.

The final price of pottery ranges between $1-$10 in the domestic market, $20-$30 in the Israeli market and about $50 and above in the export market.

Pottery production faces a problem with its packaging, especially when exporting overseas when it is critical in protecting the product. Only about two companies specialising in packaging exist in the oPt and there is an absence of companies able to provide the various sizes of packaging required. Moreover, the process of packaging exceeds the final sales price of the product by two per cent, although adding beauty to the item and contributing to its promotion. Usually the item follows a basic shape or form; even if new designs have been introduced, they are layered on top of the classic product.

The total estimated pottery sales in the year 2009 were $800,000 and $1,200,000 in 2010. Of these sales, exports comprised $200,000 in 2009 and $200,000 in 2010. The estimated profit for each enterprise varied between 11% and 30% of production cost. Usually, the final product is sold directly to the consumer without the need for a mediator, who is usually a peddler. The estimated profit of gift shops and retail merchants is 10%-50%.

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There is active participation in exhibitions held in Palestine. Some of the exhibitions held for this sector have been held at:

- Ramallah Cultural Palace in Ramallah
- Al Rozana festival in Birzeit
- An Najah University gallery in Nablus

The craftspeople participate in exhibitions once a year and at their own expense. The estimated funds allocated for participation in these exhibitions ranged from $1,000 to $10,000.

Problems faced by participants in these exhibitions are as follows:

- Weak marketing and few visitors
- High cost of transporting the goods
- High cost of participation in the exhibitions, with booth fees ranging between $100 and $400 for two or three days
- Lack of support from the ministries, municipalities, chambers of commerce and organisations working in the same field.

General problems encountered by the craftspeople were:

- Main problem of marketing at all levels
- Difficulties in securing raw material
- Complex procedures at crossings and the transfer of goods between different vehicles
- Difficulty of marketing in Jerusalem
- High cost of participation in exhibitions and export
- Lack of facilities provided by those responsible for this sector in terms of tax exemption or even moral support
- High cost of water and electricity, which are basic resources needed in production

Moreover, pottery production is threatened with extinction because of:

- Scarcity and limited nature of people working in the craft
- Difficulty in securing raw materials
- Attrition of workers moving to other industries
- Lack of distribution of producers

3. Ceramics

Ceramic production dates back approximately 400 years when the Ottoman Turks brought the industry to Palestine while restoring the Al-Aqsa Mosque. The first ceramics factory was established in Jerusalem in 1922 for follow-up restoration by Armenian ceramics artisans.[14] Today, Hebron leads in the production of ceramics, including colourful tiles and plates. The first factory was established there in 1962 and the handicraft has flourished in recent decades. Many factories and workshops were established between 1960 and 1990. Today, ceramic production makes up about 10% of the creative and cultural industry in the oPt.

Prior to the second Palestinian uprising, there were some 30 ceramics workshops in production; that number dropped by half after the period of insecurity to the present number of 15. Of these 15 workshops, four establishments employ one to four workers, six establishments employ five to 10 workers, and only five employ 11 to 20 workers. There is a total number of 150 workers in the industry, with an average of 10 craftsmen per production unit.

Annual production for the industry is valued at four to six million dollars, of which 30% is marketed locally, 30% is exported to Israel,20% to Arab countries, mostly to Jordan, and 20% is exported abroad (mostly to European Union countries and the United States of America). Export is usually done through Palestinian exporters to Palestinian merchants abroad who are considered distributors of this handicraft

14 ALECSO Workshop- Nader Jalal Tamimi- Chairman of the Federation of Traditional Industries

in their countries. The raw materials for ceramics production, i.e. clay and paints, are mainly imported from Holland and Spain, however there have been some attempts by local manufacturers to produce raw material locally. In this case, production costs were higher than the cost of importing the materials, meaning that raw materials remain inaccessible in the oPt. The capital required for this handicraft is estimated at almost $21,000, with assets and machinery comprising nearly $10,000.

Mostly men are involved in the actual ceramic production process, with women active in the administrative side of the business, working as accountants, and in painting the final products. Ceramic enterprises and workshops are often family-run businesses where the father or the eldest son is the owner and manager, and the family members work together. The manager of the workshop usually holds a tawjihi certificate (high school). The salaries paid to artisans range between $500 and $1,000 per month.

This sector is organized with associations and unions representing artisans. Most workshop managers are members in the related associations and unions.

Some of these associations are:

- Charity Associations Federation
- Handmade Ceramic Federation
- Handicraft and Traditional Industry Federation

Ceramic products are manufactured according to order, with new designs introduced occasionally (every six to twelve months). The manager is usually the person in charge of introducing new designs but other family members may assist. The highest demand for ceramics products is usually during Christian religious holidays, especially the months of April and May (the Easter holiday). Demand in the summer season is not always stable.

What makes this handicraft more dynamic than others is that ceramic production has been modernized, with some machinery introduced into production. Ceramic products are also marketed, with workshop managers carrying out promotional activities such as placing advertisements in newspapers and magazines, hanging posters in different places and selling over the internet. Moreover, production guidelines have been developed.

The sales price of ceramic products in the domestic and Israeli markets ranges between $21 and $40, while the sales price for the same product in foreign markets reaches $50. The total sales of ceramic products in both 2009 and also 2010 were valued at $6 million and $5 million respectively,

Usually ceramic products are sold without packaging, i.e. by piece. A few workshops sell ceramic products wrapped. This is due to the fact that there is only one factory specialized in producing packaging and it produces only one size and shape that is not always suitable for the various ceramic products. Ceramic artisans emphasized the importance of wrapping and packaging as an essential element in marketing.

The problems encountered during export are:

- Lack of specialized companies to export overseas
- High costs of exporting in terms of good transfer and others issues
- Complicated conditions imposed by some importing countries
- Lack of sufficient experience in export and its new methods

Ceramic artisans are known for their participation in local exhibitions such as:

- Nablus Gallery for Originality and Creativity
- Crafts Gallery in Jerusalem
- Al Rozana Exhibition in Birzeit
- Ramallah Cultural Palace in Ramallah

Producers also participate in exhibitions held overseas, however, including in Algeria, France, Egypt, Turkey and Malaysia. Producers participate in all exhibitions at their own expense, allocating an estimated $10,000 - $20,000 every year.

Producers faced the following problems when participating in such exhibitions:

- High cost of shipping
- High cost of booth fees ($100-$400 in some exhibitions for three or four days) when compared to sales
- Lack of promotion and low number of visitors

Producers in this field faced the following problems:

- Difficulty of marketing, especially in Israel
- Lack of financial support and loans for the advancement and development of ceramics
- Israeli measures imposed on the areas where the industry is located (for example Hebron), especially in recent years
- Lack of continuous and sufficient support between the ministries especially the Ministry of Tourism and Ministry of Culture, as well as the unions, Chamber of Commerce, Trade Centre and municipalities.

4. Glass

Handmade glass production is an ancient industry that became more defined with a variety of colours and designs after the entry of Islam into historic Palestine. The industry was particularly well-established in Hebron, which is known for its famous royal blue hand blown glass. There are currently four glass factories in Hebron and one in Nablus that closed during the second intifada.

The sector employs approximately 30 workers who were mostly trained by working in their fathers' factories. The factories in existence are family-run businesses, usually managed by the father or the eldest son. Each enterprise has about one to three workers (who are family members) that are permanently employed and paid according to sales. Factory owners have either a tawjihi certificate (high school) or a bachelor degree.

The production of glass is male-dominated. The work is physically demanding, with glass blowers being exposed to high temperatures for long periods of time. Glass products are usually sold as gifts as well as religious and non-religious handicrafts.

Glass production requires remnants of glass, which is a locally available raw material. The ovens used continue to use oils and diesel fuel, which is environmentally unfriendly. This is one of the most important problems that needs to be addressed in the sector.

New product designs are introduced by the workshop owner with the help of other family members/workers. Usually new designs are added to the original classic designs.

Glass production is very basic and uses no machinery. It has narrow distribution, especially abroad, and little technology is required in manufacturing or promotions. One factory advertises its products in newspapers and magazines and in the radio. It also does promotions through the internet and by e-mail.

The problems encountered by craftspeople in this sector are:

- Long periods required for manufacturing glass products in ovens
- Insufficient demand for glass products
- Weak distribution in local and international markets
- Weak advertising - a main pillar in the process of marketing
- Lack of sufficient support from the authorities represented by ministries, chambers of commerce, Trade Centre, municipalities and related associations

Glass products are sold in Oriental goods shops along with other Palestinian heritage items. They are sold by unit, with wrapping provided at the point of sale. Products are often based on a previously received order and are not made to meet any set standards. Half of all glass products are sold in the domestic and Israeli markets, 40% go to exhibitions in Europe, and 10% are exported to Arab countries, mainly Jordan.[15]

The glass industry is endangered for the following reasons:

- Scarcity of craftspeople
- Limited number and poor regional distribution of factories
- Lack of market's and interest of buyers
- Hardship and fatigue by artisans who work in the heat of the furnace
- Increased penetration of foreign imports into the local market
- Lack of support from ministries and other authorities

15 ALECSO Workshop, Nader Jalal Tamimi, Chairman of the Federation of Traditional Industries

5. Olive Wood

Olive wood production is considered a relatively old sector of the Palestinian cultural and creative industry, with increased growth after 2006 that appears to indicate a rebirth of interest in the craft. Franciscan monks originally introduced the craft to Bethlehem. This, combined with flourishing tourism in the 1970s, reflected positively on the growth of the olive wood industry, which became a source of income for many families from the Bethlehem area.

In the 1970s, there were approximately 250 home-based workshops (licensed and unlicensed). In 1985, 50 production units were licensed at the Chamber of Commerce and today, there are approximately 210 licensed and unlicensed production units in operation. Most of these establishments are centred in Beit Sahour, Bethlehem and Beit Jala and specialise in olive wood carvings in the shape of camels.

Olive wood production units developed from small workshops into larger factories; today, factories use computerized equipment and laser cutters for delicate work. The sector is considered one of the most organized and visible that make up the cultural and creative industry and most of the enterprises are formally registered,unlike other sectors.

The average private capital invested in the establishments of this sector is nearly $30,000, with capital invested in assets and machinery approximately $20,000 since olive wood carving requires equipment for drilling, etc. Most of the establishments are family-run, although some workers may be non-family members. Some workers are contracted for a specific period of time, as the work is seasonal and focused on religious holidays such as Christmas and New Year when there is an influx in tourism and increase in exportation.

Like other sectors, women are rarely employed in olive wood production. Sixty per cent of the establishments have less than three workers, 35% have between four and seven workers, and 5% have eight or more workers. Monthly salaries for artisans are estimated between $500 and $1,000.

Establishment managers hold either tawjihi certificates (high school) or vocational diplomas. As these are family-run businesses, the father or ranking male is also the head of the business.

Some of the factories' management are members of related unions and associations, but others said they were not aware that unions and associations exist to provide support for their craft.

Olive wood products are hand-made religious handicrafts manufactured and produced at the request of the customer. The sector is poorly promoted, with little advertising or marketing, and, as a result, is very weak. The costs of advertising and marketing are very high when compared to profits from production.

Usually, olive wood products are sold in Oriental antique shops. There are marginal sales made via the internet or other contemporary methods, and products are therefore marketed in a traditional and limited manner. Also, olive wood producers, whose items are handmade, face competition from cheap mass-produced imports of low quality. Tourists are the main consumers, making up 70% of the buyers, while Palestinian and Israeli consumers make up the remaining 30%. Domestic sales were estimated at $15 million in 2009 and $14 million in 2010.

Olive wood carvings are exported mainly to Europe, America and Arab countries. Buyers are mainly Palestinians living abroad who distribute these products. Exports were estimated at $6.1 million in 2009 and $7 million in 2010.

Obstacles to the export of olive wood products include:

- Lack of institutions or companies specialized in export and marketing
- Lack of permanent distributors abroad
- Israeli measures taken to block export at border crossings

Most olive wood products sold locally or abroad are sold individually without packaging despite the fact that no obstacles exist to developing quality packaging that meets the needed standards.

The profit margin in the olive wood sector is about 15-20% of the sales price. The final cost for olive wood products is $1-$20 and $30-$50 in foreign markets. The median percentage of profits for both the wholesaler and distributor ranges between 11-20%.

Producers participate in local exhibitions of their products that have included:

- Al Rozana in Birzeit
- Jifna days in Jifna
- Ramallah Cultural Palace in Ramallah

Craftspeople are invited to participate annually in these exhibitions. Usually, participation in such exhibitions is at the expense of the producer and costs range from $1,000 to $10,000 for all exhibitions throughout the year.

Obstacles to participation for olive wood producers include:

- High costs of participation including transportation, accommodation and booth fees
- Limited sales
- Poor advertising for the exhibitions
- Return of unsold goods

Unlike other sectors, olive wood producers have obtained support from public and other entities. For example, the Chamber of Commerce in Bethlehem arranged for producers to purchase raw material in instalments. The initiative did not succeed, however, in developing the olive wood sector as projected. More successful was an initiative by the Crafts Industry Association for the Holy Land in Bethlehem, which offers workshop owners assistance in marketing their products in Italy. Approximately 30 of its member enterprises produce olive wood and mother of pearl goods. Over time, the association began packaging the products and maintaining contact with Italian buyers to ensure the quality, date of delivery and other related issues. For this service, the association took one to two per cent of the sales as a commission. The association succeeded in increasing the export market for olive wood and mother of pearl during the years 2002-2005.

6. Mother of Pearl

The craft of producing items of mother of pearl, like olive wood carving, was introduced to the region by Franciscan monks in the 16th century. The raw material for these goods is imported from Australia, California, Mexico, Brazil and New Zealand. Skilled craftsmen working with mother of pearl manufacture statues, crosses, brooches, bookbinding and small icons for religious sites.

Just like its sister handicraft olive wood carving, mother of pearl production has experienced a deterioration in its performance.

Following the expansion of the craft during the years of British Mandate in Palestine, Jordanian supervision of the West Bank, during which the Jordanian government exempted all religious products from taxes, was the golden era for this sector. Taxes were re-imposed after Israel's occupation of the West Bank and Gaza Strip in 1967 and later, between 1998 and 2003, the number of mother of pearl workshops declined by about two-thirds and the number of workers employed in this industry dropped by 90%.

Most of the existing workshops operating in this sector were established between 1960 and 1975. There are approximately 10 production units/workshops in operation in the Bethlehem region. Of these units, the workforce size ranges between two to four workers in eight of the units, while two workshops employ 8 to 10 workers. Monthly salaries paid to mother of pearl craftspeople range from $500 to $1,000. New designs are occasionally (every two months to once a year) introduced by the owners of the workshops.

The workshops are officially registered in the Chamber of Commerce or municipality, usually as a sole proprietorship. Capital is limited because it is difficult to obtain loans since no guarantees exist. Like in other sectors, workshops are usually family-run businesses, owned and operated by the men in the family. The management's level of education is a tawjihi certificate (high school) or lower.

The mother of pearl sector is represented by associations and many workshop owners are members in these groups, including:

- Crafts Industry Association
- Holy Land Association
- Industry Federation

Outreach is conducted by these associations and between the artisans to advance the mother of pearl craft. A supportive role was played by the Crafts Industry Association and Holy Land Association in Beit Sahour that helped develop marketing and export options for mother of pearl and olive wood producers (see above) in exchange for a one to two per cent commission.

The sector is seasonal, with greater demand during the Christian pilgrimage season and during October, January, March and April. The domestic market comprises about 25% of sales, with products sold by wholesalers and retailers to shops near touristic areas. Other points of sale include exhibitions owned by the workshop owners and associations such as the Cooperative Association for Holy Land products in Beit Sahour .Approximately 45 wholesalers and retailers are located in Bethlehem and Jerusalem, serving tourists and local residents. Some five workshops have their own exhibition space for selling their products. The above-mentioned association and its 35 members market their products locally and overseas and tourism agencies or other organisations also order products directly from the workshops to distribute as gifts.

Exports comprise some 75% of mother of pearl sales, with most exports to Gulf states, Jordan, Europe and the United States. Most exports are carried out directly but some are done through Palestinian exporters.

Obstacles to the export of mother of pearl products include:

- Transport challenges
- Inspection procedures at Israeli-controlled crossings
- Damage to this delicate product

The sales price of mother of pearl products ranges from $1 to $40 in domestic markets, and $50 to $100 in foreign markets. Production costs comprise 11%-20% of the sales price. Producers estimate that 35% of mother of pear products are sold to tourists, 30% are sold to Palestinians in the diaspora, 30% are sold to local consumers, and five per cent are sold in the Israeli market.

Estimated sales were $660,000 in 2009 and $720,000 in 2010. Export sales were estimated at $150,000 in 2009 and $120,000 in 2010.

Producers have participated in local and international exhibitions such as:

- Al Rozana exhibition in Birzeit
- Jifna Days exhibition in Jifna
- Ramallah Cultural Palace in Ramallah
- Exhibitions in Egypt, Rome, Jordan, Turkey, Tunisia and Israel

Producers estimate that they spend $1,000-$10,000 in exhibition participation approximately once a year.

Obstacles to participating in these exhibitions include:

- High cost of participation including flight tickets, booth fees, accommodation, and transportation
- Suitability of exhibition venue in terms of traffic flow, limited space or inadequate capacity
- Few visitors due to poor advertising

There is no support or outreach by government authorities and chambers of commerce to mother of pearl producers. However, producers say they receive support through professional organisations such as the Crafts Association for the Holy Land that has supported the marketing of mother of pearl products locally and abroad.

7. Bamboo

The bamboo production industry is mostly based in the Gaza Strip and includes about 12 bamboo factories (Historically, bamboo production was centred in Gaza prior to the Palestinian displacement in 1948). However, there is one bamboo factory in Beit Jala in the West Bank, where the raw materials are imported through Israeli suppliers.

Bamboo workshops are often family-run businesses headed by the male family members. Employees are family members who do not receive monthly salaries but are paid according to the pieces sold by the factory.

New designs are introduced occasionally by the workshop owner or other workers. Production is seasonal, however, with increased sales from July to October. No machinery is used in production and no promotional activities are carried out.

The average sales price for a bamboo product sold locally is $100 or more.

The bamboo production sector is considered vulnerable, particularly due to its lack of representation in local and overseas exhibitions. Producers complain of a lack of institutional support from official organs or other producers.

8. Olive Oil Soap

The olive oil soap sector comprises one per cent of the creative and cultural industry in the oPt.[16] This small share is remarkable, given that olive oil soap originated in the city of Nablus and was once exported by traders throughout the Levant and the Arab world. All of the factories were established during the 19th century when production was at its height.

The Nablus area has an abundance of the olive oil that makes up the raw material needed for making the soap. A major consumer market has been the city's Turkish baths. The soap industry was responsible for making the fortunes of several prominent Nablus families and driving the local economy.

At the height of the sector's economic success, some 40 soap factories were in operation. Today, only seven factories make olive oil soap, four of them in operation throughout the year. During the first and second Palestinian uprisings, the soap factories were targeted by Israeli forces, suffering physical damage that combined with a lack of steady demand for their products and ultimately led to closing of the factories.

The capital of these factories varies widely. Two of the seven stated that their capital ranged between $6,000 and $15,000 whereas two other factories stated that their capital was more than $70,000. Meanwhile another factory stated its capital is at $1,000-$5,000, while yet another said it reaches $31,000-$50,000. One factory declined to answer the question.

The soap sector is well-organized with all operating soap factories registered as partnerships or sole proprietorships. Nevertheless, the factories are owned and operated by families and are usually inherited from previous generations. Most of the workers in the factories are males, although a large number of women manufacture soap for domestic use (Smaller producer groups, many of them managed by women, have also sprung up and introduced innovations to the traditional olive oil soap recipe but these were not surveyed here).

The number of workers in each factory is one to three family members and one to three non-family employees. Salaries range from $500-$1,000 monthly.

The management of the factories varies in its educational achievement: two of the owners had high school degrees (tawjihi), two had bachelor degrees and one achieved higher education. Despite its small size, the sector is dominated by managers with higher level of education, unlike other sectors.

The production of olive oil soap is not seasonal, as the soap is a product of daily use. The shape of the soap is generally the same, although recently some soap factories have begun introducing new designs in an attempt to improve marketing. Additives have recently been incorporated into the product to meet the demands of consumers who use the soap for bathing, as a facial wash, for weight loss, and to treat back pain and acne.

Olive oil soap products are sold in beauty salons, cosmetics shops, pharmacies and supermarkets, as well as Oriental heritage shops. The main consumers of the soap are Palestinians living overseas who are visiting their homeland, followed by foreign tourists. Foreigners living in the region as well as Israelis are also consumers of the olive oil soap. Lack of a company specialized in packaging and wrapping poses a problem for the sector and its marketing.

The average price of olive soap products in the domestic and Israeli market is $1-$20, and $10-$50 when exported. Total sales for the sector were estimated at $1 million in both 2009 and 2010 and the profit margin for each enterprise is estimated at 1%-10% of the sales price.

Only one factory reported conducting promotional activities, among them advertisements on local radio and television, in newspapers and magazines, and on the internet.

Producers faced the following problems in marketing their products:

- Lack of a continuous stable local market
- Strong competition between local products of the same sector in areas where the demand is great
- Weak media and advertising for the products in comparison to strong marketing for foreign imports and competing products

Four soap factories out of seven export their soap products to the United States, Europe and Arab countries. One factory

16 Ms. Hanan Abu Rmeileh, Representative of Chamber of Commerce and Industry Hebron & Nader Tamimi Company for Ceramic Hebron

out of the four exports through Palestinian exporters while the rest export the goods themselves.

Obstacles to export were reported as follows:

- High taxes imposed on products
- Complicated procedures for licensing and export
- Complicated regulations set and imposed by the Ministry of Economics

This sector participates in local exhibitions such as:

- Al Rozana Exhibition in Birzeit
- Jifna Days exhibition in Jifna
- International Exhibition of Palestinian products in Ramallah
- Orthodox Club exhibition in Ramallah
- Other exhibitions in Nablus and Hebron

Participation in international exhibitions, however, has been limited. One enterprise said it had only attended exhibitions in Turkey and Japan. The costs of participation for local and international exhibitions were $1,000-$10,000 are all covered by the producer.

Moreover, producers said they receive no support from official or commercial institutions and were unaware of associations representing them.

The olive oil soap sector is threatened with extinction due to:

- Scarcity of producers
- Limited regional reach of soap production (i.e. Nablus)
- Competition from foreign imports
- High taxes
- Decline in consumer confidence in local industries

General problems encountered in the sector include:

- Difficulty in marketing
- Lack of a continuous and stable market
- Difficulty in exporting as a result of complicated procedures
- High taxes on the product
- Declining interest in local products, especially among young consumers
- High cost of raw material (olive oil)
- Weak promotions by the sector

9. Straw

Straw production is found mainly in Salfeet and Nablus where it is carried out by women's associations, centres and clubs. Straw products are marketed at local and international exhibitions. Also, training courses are held to develop and advance the skills of artisans and to gain technical and marketing advice. Straw is a seasonal craft, with production increasing in the summer.

There is no evidence of when this handicraft originated but it is believed that it, too, was an ancient craft in the region. About 37% of the producers surveyed in this study reported that their enterprises had been established between 1960 and 1975, while another 12% were established between 1976 and 2000. Between 2001 and 2005, the sector seems to have grown, with 28% enterprises established in those years.

The capital held by workshops in this sector ranges between $50,000 and $70,000, whereas capital held in assets and machinery by individual workshops was estimated at $20,000. This sector is organized; as civil society organisations, these producers must be registered with the Ministry of Interior. All of those surveyed were registered.

Most of these producers have traditionally been family-run businesses, however, unlike in other sectors, straw production is dominated by women. The female head of the household managed the production and sales of the product, with

the assistance of other family members. More recently, the management of the sector has changed. Now women-run associations bring together artisans and support them by providing raw material so that they can work from their homes in their leisure time,as well as providing a central location for marketing the products. The associations also train artisans in manufacturing products using straw.

One to seven workers are employed in many of the enterprises, with some producers employing eight to 11 workers. Workers associated with the enterprises are not paid on a monthly basis, but according to the products sold.

Management of the enterprises holds either a tawjihi certificate (high school) or a vocational diploma.

The following are associations that represent this sector:

- Working Women's Union Association
- Rural Women's Development Association
- Charitable Association General Federation

Products are manufactured and sold to meet consumer demands. The product has a classic form, and new designs, if any, are layered on top of this classic design. Straw products are sold in souvenir shops and Oriental goods shops in touristic areas, as well as at exhibitions run by the associations. Products are sold without packaging despite the fact that packaging plays an important role in marketing.

The average price for a product made of straw ranges from $21 to $40 domestically, and from $40 to $60 in foreign markets. Total straw production sales by the producers were estimated between $1,000 and $20,000 in both 2009 and 2010. Only two of the associations interviewed export their products to Algeria, Jordan and Syria. There is no estimate of the value of exports straw products as exporters are few and operate sporadically.

The problems encountered in the export process were:

- Complicated procedures and inspections at border crossings
- Complicated terms imposed by some countries
- High cost of shipping and transport
- Absence of a specialized and experienced export company

One producer association reported promoting its products through television and radio advertising. This was done once a year, without continuity.

Participation in local exhibitions is widespread, including the following venues:

- Al Rozana in Birzeit
- Nablus Municipality Park Exhibition
- Sabastiah exhibition
- Salfeet Municipality exhibition
- International Village exhibition in Qalqilia
- Al Harajeh Market in Ramallah Al Tahta
- Siniyeh exhibition in Jenin

Participation in exhibitions held abroad exists, although it is rare. One of the producers participated in the Algeria International exhibition and an exhibition in Syria. The participation is annual and carried out at the expense of the association itself at an expense of $1,000-$10,000. Unfortunately, ministries, municipalities and commercial centres provide little support for straw producers; the Chamber of Commerce, on the other hand, has supported the craft with marketing and export.

The obstacles encountered by straw producers and artisans include:

- Difficulties in marketing and the absence of a stable market
- Difficulties in exporting due to complicated procedures and lack of expertise
- Absence of companies specialized in export and marketing
- High cost of participation in exhibitions
- Lack of new, more practical designs
- High costs of raw materials due to a decline in wheat cultivation and the high cost of dyes
- Scarcity of skilled labourers
- Lack of support
- Foreign products sold at low prices
- Unwillingness of the new generation to learn the straw craft
- Stagnation of the craft in local and foreign markets

Straw production is in decline as its daily use has dwindled. Today, straw products are used mainly as gifts or souvenirs.

10. Rug Weaving

Rug weaving is a sector of the cultural and creative industries in the oPt that is greatly endangered, as only one producer association works in this sector. Samou' Charitable Society in the southern area of Hebron was established in 1975 and is officially registered with the Ministry of Interior. Its capital invested in fixed assets and machinery reaches approximately $3,000. Approximately 150 women work in the society in Samou'. Only 40 of them are permanent workers while 110 are part-time employees. Their monthly salaries range between $500 and $1,000. The manager of the workshop holds a bachelor degree.

There are federations or unions representing this sector, such as the Charitable Society Union.

Rugs are woven upon consumer demand. New designs are developed by the manager infrequently (perhaps once a year), and usually remain close to the original classic design. Rugs are sold without packaging in exhibitions held by associations. Half of the rugs sold by the association are purchased by tourists, 20% are purchased by foreigners living in the oPt, and 30% are purchased by Palestinians.

The average price of the woven rugs is approximately $55. Unfortunately, the rugs are not exported, as there is no support for marketing and exporting them abroad.

Samou' Charitable Society has participated in the following local exhibitions:

- Al Rozana exhibition in Birzeit
- Jifna Days exhibition in Jifna

The society also participated in an international exhibition held in Egypt. These exhibitions are usually annual and the society must pay for its own participation, in light of the lack of support from the ministries, municipalities or others.

Obstacles to association's participation in exhibitions include:

- High cost of transportation, freightage and accommodation
- High booth fees
- Return of goods if not sold
- Lack of sales due to insufficient advertising and poor attendance

UNIFEM (now UN Women) was the only supporter for this Society.

The reasons why the craft of rug weaving is at risk are the following:

- Low number of skilled artisans
- Lack of a stable market
- Inability to export
- Lack of support for developing the craft
- Retention of traditional designs over product development

11. Mosaics

The term 'mosaic' is of Greek origin meaning art, beauty and artistic inspiration. Mosaic production involves adhering small cubes to floors and walls in order to create designs and images. The cubes are of various colours and materials such as stone, metal, glass and shells. Often, the pieces are laid out in such a way as to express religious and cultural values.

The Byzantine period expanded the ancient production of mosaics by introducing glass and metal. The Kutbaniyeen Arabs also contributed to the evolution of mosaics by introducing geometric shapes and Islamic designs visible today in the Umayyad Mosque in Damascus and the Dome of the Rock in Jerusalem.

For some time, mosaic production in the oPt involved the renovation and restoration of old mosaics such as that in Hisham's Palace in Jericho and area monasteries and holy sites. More recently, however, Birzeit Centre began training artisans and producing new designs in an attempt to open up new markets. The centre designs chess sets, office furniture and wall

decorations,among other attempts to merge the traditional craft with modern home and office decor. The result has been the revival of an ancient craft with an emphasis on consumer needs and tastes.

The Jericho Mosaics Centre employs no workers but provides training in mosaic production.

Despite the sector being relatively small in size, it is active in marketing and advertising, especially through the internet, magazines and other media. A leaflet has been produced about the craft.

Exports are limited in quantity due to the high cost of transport, product weight and the absence of specialized export agents to handle the fragile mosaic products.

Mosaics are mainly sold at workshop exhibition halls and souvenir shops. Occasionally, products are sold based on a special order.

The work is seasonal and impacted by tourism. Buyers are mainly tourists, visiting Palestinians that live abroad,and some local Palestinians.

The sales price of the mosaic products ranges from $81 to $100. No packaging exists for mosaic products.

Producers have attended exhibitions such as:

- National Exhibition, Ramallah
- Birzeit Heritage Week exhibition, Birzeit
- FIBEX, Ramallah / Bireh
- Al Harajeh, Ramallah
- Al Bireh Municipality Exhibition, Al Bireh

Exhibitions attendance occurs annually, at the cost of the producers who pay up to $1,000 to participate.

Obstacles to exhibition participation include:

- Cost of transport due to the checkpoints, where goods are often moved from the back of one truck to another at the crossing
- Cost of exhibition space

- Lack of appropriate marketing and advertising, leading to poor public turnout and low sales
- Cost of returning unsold products

Mosaic producers do not participate in international exhibitions due to a lack of official and organisational support for the high costs associated with such exhibitions. There is no support for the sector from Palestinian authorities or other organisations.

Analysis of Popular Products

The following is an outline of the most popular products sold by the creative and cultural industry, according to the survey conducted, and the reasons that producers gave for their popularity.

Sector	Products with the most sales domestically and abroad	Reasons for popularity
EMBROIDERY	• Palestinian traditional dress • Wall hangings • Framed embroidery • Embroidery items (various sizes) • Key chains, medallions • Bags, scarves and shawls	• Palestinian heritage and legacy • Luxury souvenirs and gifts • Reasonable prices • Beauty
POTTERY	• Pottery jugs (flasks) • Large pottery jars • Pottery vases • Gifts in various forms	• Variety of products
CERAMICS	• Dishes (plates) • Pots • Ceramic tiles in various shapes and forms • Models and figures • Balls • Frames • Vases	• Palestinian heritage and legacy • Home decor • Luxury souvenirs and gifts • Reasonable prices
GLASS	• Drinking glasses • Vases • Frames • Gifts and ornaments of various forms and sizes	• Palestinian heritage and legacy • Home decor • Luxury souvenirs and gifts • Reasonable prices
OLIVE WOOD	• Wood crosses • Religious figures or products • Slogans indigenous to Palestine (Handala character and map of Palestine) • Trophies	• Palestinian heritage and legacy • Religious significance • Beauty • Easy to carry and transport, not fragile
MOTHER OF PEARL	• Crosses • Panels • Models (figures) • Quran covers	• Palestinian heritage and legacy • Beauty and quality • Reasonable price

Sector	Products with the most sales domestically and abroad	Reasons for popularity
BAMBOO	• Children's beds (cradles) • Garden seating • Rocking chairs • Tables • Trays	• Palestinian heritage and legacy • Beauty and quality • Demand from female consumers
OLIVE OIL SOAP	• Plain bathing soap • Perfumed soap • Creams and oils for weight loss • Acne treatment soap	• Palestinian heritage and legacy • Organic product • Demand from elderly consumers • Reasonable price
STRAW	• Straw trays • Baskets • Plates • Decorative items • Vessel (small container)	• Palestinian heritage and legacy • Home use • Artistic designs and colours • Reasonable price
RUG WEAVING	• Prayer rugs • Bags • Wall hangings • Table runners	• Palestinian heritage and legacy • Beauty • Reasonable price • Handy, long-lasting product
MOSAICS	• Palestinian figures • National Palestinian slogans (Handala and map of Palestine) • Floor tiles • Chess boards • Wall decorations • Small gifts • Bowls, plates and containers	• Palestinian heritage and legacy • Attractive designs • High quality • Practical • Reasonable price • Luxury souvenirs

Summary of Problems Faced by Each Sector

Sector	Problems Faced
EMBROIDERY	• Difficulties in marketing due to the lack of a stable and consistent local market • Competition from cheaper foreign imports, despite high quality of local product • Export obstacles - Lack of experience - High costs of shipping - Complicated Israeli border procedures - Lack of specialized marketing companies

Sector	Problems Faced
POTTERY	• Inability to market in Israel • Difficulties navigating crossing/checkpoint procedures • Lack of permanent markets for this craft, especially domestic
CERAMICS	• Difficulties marketing inside Israel • Problem navigating crossings and inspection and transfer of goods from vehicle to vehicle, which could lead to damage of goods • Competition from cheaper foreign imports that are in high demand, and a lack of protection for local products
GLASS	• Complicated crossing inspection procedures • High costs of transport and taxes • Complicated import procedures of some countries • Possible loss or damage of goods, particularly when crossings require transfer of products from one vehicle to another • Lack of specialised glass export organisations
OLIVE WOOD	• Difficulties in marketing • Competition from foreign imports • Relatively high taxes on the product • Expensive raw materials • Difficulties in exporting due to a lack of knowledge about payments and procedures • Difficulties participating in local and regional exhibitions due to the high cost of booth fees, transportation and accommodations • Monopolies by large producers over tourist trade • Better training to improve quality • Lack of a committee to set specifications and standards for quality control of the product in order to protect it • Laws and regulations fail to support the sector
MOTHER OF PEARL	• Competition from foreign imports • Lack of a mark of origin, which allows for the possibility of falsifying products • Lack of interest in packaging,an important component in marketing
BAMBOO	• Great difficulty in marketing • Difficult labour conditions • Lack of public appreciation for product value • Difficulty in securing raw materials • Competition from cheaper foreign imports
OLIVE OIL SOAP	• Demand is decreasing and export is limited • High costs for exhibition accommodation and transportation • Packaging of the products is traditional and its shape is the same since many years • Weak promotion of the product
STRAW	• Lack of a stable market • Competition from cheaper foreign imports of lesser quality • Lack of a standards committee to protect the product and set prices according to quality and competition • Low sales prices in comparison with efforts

Sector	Problems Faced
RUG WEAVING	• Lack of skilled labour • Lack of support in developing the sector • Lack of demand in and access to export markets
MOSAICS	• Instable demand • Competition from cheaper foreign imports of inferior quality, mainly from China • Out-dated designs limit to sales souvenir items • Lack of skilled artisans

OFFICIAL INVOLVEMENT AND RECOMMENDATIONS

Study surveys showed that the roles of the various ministries could be enhanced to better support the creative and cultural industry. The following table details these findings.

ENTITY	PRESENT INTERVENTION	FUTURE EXPECTED INTERVENTION
Ministry of Tourism	• All licensing related to local tourism • Inspection of sales outlets • Invitations to artisans to participate in local and international exhibitions • Contributions to marketing of the handicraft products via exhibitions • Financial and moral support	• Take a more pro-active role • Support various sectors by providing proper infrastructure • Establishment of pilot projects to address gaps • Support women artisans • Protect the sectors through quality control mechanisms
Ministry of Culture	• Support and protection for the industry, especially that connected with the tourism industry • Protection of specifications and character of each sector	• Provide awareness of the various sectors to the community • Supporting women artisans • Promote the industry locally and internationally
Municipalities	• Licensing of peddlers	• Coordinate with the various ministries to support the industry

ENTITY	PRESENT INTERVENTION	FUTURE EXPECTED INTERVENTION
Ministry of Women Affairs	• Invitations to women to participate in exhibitions • Encourage participation of women in the labour market and thus reduce poverty rates among women • Raise the participation rate of young women in education and vocational and technical training • Study (completed 2005) women artisans and train a group of women on issues of craft and heritage followed by an exhibition in Ramallah for the products of women • Support women artisans in their weaknesses (marketing, packaging, design, finishing and funding) and their strengths (experience of the elders in handicrafts, possibility to revive and exploit knowledge)	• Support the 2011-2013 Plan to create employment opportunities for women through craft workshops • Also support its Jordan Valley component and inventorying of Jordan Valley resources • Selecting women beneficiaries in projects and gathering and disseminating surveys and studies about them • Develop policies and regulations related to the creative and cultural industry that open up opportunities for marketing products produced by women • Provide technical and administrative support through training
PalTrade	• No direct intervention with the cultural and creative industry as such, but does market research to help handicraft producers in marketing • Invitations to some artisans to participate in exhibitions locally and internationally • Coordination of trade agreements between parties • Skills training for artisans • Networking attempts between entities in order to promote transfer of experience and knowledge	• Opening of new channels for marketing sector products

Several of the responsibilities and tasks carried out by the ministries are overlapping, yet each ministry works separately without coordination. This is the result of the absence of proper regulations defining the roles of each ministry that would allow improved support of the industry and its individual sectors.

Summary of Priority Needs per Sector (1 – 10 rating; highest to lowest)

Sector	1	2	3	4	5	6	7	8	9
Embroidery	Product marketing	Export services	Financial loans and support	Secure raw materials	Commercial laws and regulations	Product pricing	Training on quality	Production	Product design
Pottery	Product marketing	Financial loans and support	Export services	Secure raw materials	Training on quality	Product design	Commercial laws and regulations	Production	Pricing
Ceramics	Product marketing	Export regulations	Financial loans and support	Product design	Commercial laws and regulations	Training on quality	Product pricing	Production	Securing raw materials.
Glass	Secure raw materials	Financial loans and support	Product marketing	Export service	Commercial laws and regulations	Product design	Training on quality	Pricing	Production
Olive Wood	Product marketing	Financial loans and support	Export services	Secure raw materials	Training on quality	Commercial laws and regulations	Pricing	Product design	Production
Mother of Pearl	Marketing	Securing raw materials	Financial loans and support	Export services	Product pricing	Product design	--	--	--
Sector	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Bamboo	Secure raw materials	Product marketing	Provision of skilled laborers	Product design	Product pricing	Production	Training on quality	Commercial laws and regulations	Export services
Soap	Product marketing	Financial loans and support	Export service	Commercial laws and regulations	Secure raw materials	Product pricing	Production	Training on quality	Product design
Straw	Marketing	Export services	Secure raw materials	Financial loans and support	Product pricing	Training on quality	Commercial laws and regulations	Production	Product design
Rug Weaving	Product marketing	Training on quality	Product design	Secure raw materials	Export services	Commercial laws and regulations	Product pricing	Production	Financial loans and support
Mosaics	Marketing	Secure raw materials	Export services	Financial loans and support	Training on quality	Product design	Product pricing	Production	Commercial laws and regulations

6. The Legal Status of the Cultural and Creative Industry in the West Bank

Introduction

A growing global interest in traditional crafts and industries led several international and regional organisations to support the establishment of national institutions for the support and development of crafts and heritage. The Arab Organisation for Education, Culture and Sciences supported the establishment of a national plan for the advancement of traditional industries in the Arab world in the early 1990s. Economic, social and cultural data was used to evaluate cultural and creative industries.

There are three visions of how to address the creative and cultural industry. The first vision views crafts as a traditional heritage that should maintain their dominant and original patterns. The second vision seeks to merge the traditional crafts and industries with modern industries, neglecting what cannot be integrated despite its likely disappearance. The third vision joins these two approaches by calling for the preservation of traditional heritage, while also regarding it as an industry that provides employment and can be developed.

This study adopts the third approach while advocating for the development of laws that meet market requirements and adapt to tourism trends. Accordingly, this section tackles the legal framework governing the creative and cultural industry in light of current Palestinian Authority legislation. (While the West Bank and Gaza Strip remain occupied by Israel and bound by its military regulations, the promulgation of the Palestinian Authority has provided the opportunity in some areas to develop systems and standards that support local commerce and trade. The Palestinian Authority incorporates some Jordanian law in the West Bank and Egyptian law in the Gaza Strip, as these authorities were briefly in control there.)

This study is divided into three sections in line with the main legal sections. Section One reviews the amended Basic Law, Section Two examines ordinary legislation and Section Three reviews secondary legislations (regulations) in order to paint a picture of the general legal framework governing the cultural and creative industry. The section concludes by making recommendations in this regard.

Section I: Basic Law

The Amended Basic Law (94) states the following:

“The law shall determine rules and procedures for granting privileges or obligations relating to the exploitation of natural resources and public utilities ...”

It is clear from the above text that the Basic Law allows the Legislative Authority to establish laws granting concessions or taking action on materials derived from natural resources.

As such, a law was enacted by the Palestinian Authority concerning natural resources in 1999; it is detailed in the following section.

Section II: Legislation

The Jordanian Law of Crafts and Industries No. 16 for the Year 1953[17] includes the definition of ‘Classified Crafts’ and ‘peddler’, as follows:

The term (Classified Crafts) refers to every trade or profession mentioned in the table attached to this law, or had been added at a later stage according to Article (7).

In addition, the term(peddler), every person who:

A - sells goods or merchandise or offers merchandise for sale, or is engaged in trade or industry on any street or public place without having a fixed place to sell from.

B - moves from one place to another or visits homes to sell goods or merchandise offered for sale, or is engaged in trade or industry without doing so from a fixed place.

17 Published in the Official Jordanian Gazette No. 1131 on 17.01.1953, p. 467

Additionally, Article 4 of the Act requires obtaining a license for the practice of any classified craft set in the annex of the same article, which stipulates as follows:

It is not permitted for any person to practice any craft in any region which this law has jurisdiction over, unless the person holds a valid license issued in pursuance of the licensing authority. If the craft in question is one of the crafts listed in second or third table of the annex of this law, then additional approval must be granted in the first case from the Minister of Defence or his deputy in writing, and in the second case, the Department of Veterinary Medicine.

According to the law's annex as to which crafts are subject to obtaining the required license, some crafts that overlap with other professions include:

1. Craft made from pottery and bricks, tiles and ceramics
2. Crafts used for the preparation of ornaments and the manufacture of them.

Practicing trade without the necessary license means penalties ranging from imprisonment to fines.

Jordanian Tourism Law No. 45 for the year 1965[18] was modified by the Palestinian Authority when it came into power through Decree Law No. 1 in year 1998[19]. Article 1 of this decree extended the Tourism Law to cover all parts of the occupied Palestinian territory. Also, Article 2 of the same law gave the full authority and functions mentioned in Tourism Law No. 65 to the Ministry of Tourism.

Returning to the provisions contained in the Tourism Law of 1965 in relation to the subject under study, **several aspects are important. Article 2 of this law identifies industries of tourism as the following:**

A. Travel and tourism offices
B. Oriental antique stores in the Holy Land
C. Hotels, motels, restaurants and parks
D. Tour guide services
E. Any other activity that the Council decides, that should be announced in the Official Gazette

Perhaps Item B is the closest category that applies to the cultural and creative industry. If so, what legal provisions does this law make in the practicing of these crafts?

Licensing Procedures for Tourism Industries: The Ministry of Tourism, according to Article 4 of this law, has the jurisdiction to oversee, control, organize, and develop the tourism industries.

It can organize these industries according to the powers vested in the Council (Ministry of Tourism), in Article 6 of the law, and as stated in Section 2 of this article (specifically, the authority to license tourism industries).

This is clear in Article 8 of the law, which banned the practice of any tourism industry, except with a license from the authority (Ministry of Tourism).

The question posed in this regard then is if Item A of Article 8, which requires tourism industries to acquire a license to operate, is applicable without regulations implementing this provision. These regulations, in fact, have not materialized at this writing. Thus, the provision requiring tourism industries to obtain a license still depends on unwritten regulation[20].

Article 8 of the law gives the Authority (Ministry of Tourism) the right to refuse to grant a license without reason.

Finally, Article 8 prohibits the merging of two industries of the tourism industry, whether directly or indirectly. However, it exempts some companies from this stipulation; in other words, it does allow individuals to be stakeholders in more than one company engaged in tourism.

Suspension of Licensure for Tourism Industries: Article 10 gave the Council (Ministry of Tourism) the right to suspend or refuse to renew any tourism license, where the applicant is subject to punishment of imprisonment or a fine. It is the jurisdiction of the Magistrate's Court to consider breaches of this article immediately, and within 24 hours of the filing of a complaint.

18 Published in the Official Jordanian Gazette No. 1882 on 25/10/1965, p. 1757.

19 Issue No. 26 of the facts of Palestine, on 11.26.1998, p. 5

20 This is in contrast to the specific order issued under Jordanian law concerning the licensing of traditional crafts or tourism, which is 'traditional crafts and industries, folkloric and the trading of No. 36 for the year 2002'.

Classification of Tourism Industries and Pricing: According to Article 11, the Ministry of Tourism can set classifications for any of the tourism industries, with the exception of Travel Offices and Tourism Companies, to be rated into categories based on levels of service. The article also gave the Ministry of Tourism the right to set the price of services provided to tourists for both individuals and groups.

The Prohibition of Harmful Competition: Article 12 of the law banned owners of the tourism industries from entering into competition that can cause damage to the national economy, subject to penalty represented by immediate suspension of license of any entity where the owner was proven to be engaging with such harmful competition.

Issuing Regulations: According to Article 14, the Council of Ministers issues bylaws necessary for the implementation of the provisions of this law, and perhaps most important of these regulations, which is linked to the subject of this study, and which was referenced in Item 2 is the need to issue rules concerning related licensing, collection of fees and establishment of financial guarantees.

Definitions:

- The term (ancient monuments):
  A. Any fixed or movable historic monument created or engraved or built or discovered or produced or amended before the year 1700 AD, including any part that was added to the effect, or re-built after that date;
  B. Any human or animal remains dating before the year 600 AD; or
  C. Any remains, fixed or movable, dating after the year 1700 AD declared by the Minister as historical.

- Meaning of trader: A person who deals with buying and selling antiquities.
- Meaning of historical monuments trading: The buying and selling of it.

The above is terminology used in this law that relates to the study. Following are the most important contents of the law related to the this research.

Trafficking in Antiquities:

Chapter VIII of the law is dedicated to provisions for trafficking in antiquities beginning with Article 37, summarized as follows:

1. Any person who owns any historical or ancient artefacts and wishes to dispose of them must acquire a license from the Director; even if his right to purchase is waived, the owner is given a certificate in this regard.
2. A license is issued for the sale of the artefact or for trading purpose from the Director of Antiquities.
3. The license granted for the sale of the effects and the purpose of trading is issued to the owner and is non-transferable.
4. The license will be issued for a period of one year from the beginning of the fiscal year and ends at the end of the fiscal year.
5. A fee of 200 Jordanian Dinars is levied for each license[21].
6. The Director has the right to withdraw the license of trading if the owner violates any of the conditions listed therein, or commits any violation of this law.
7. This license must be presented upon request to any staff member of the Department of Antiquities, or any member of the police.
8. It is not permissible for the holder of the license to sell or trade the artefacts in a place other than the place designated in the license.
9. Each person granted a license for the sale or trading of the artefacts must keep a record of all the artefacts in his possession, or purchased for sale, or sold.

Restrictions to Sale of Artefacts:

Article 37/b was amended[22] to place restrictions on the sale of artefacts, as follows:

1. Prohibit any person from selling a copy of any artefact or counterfeit, or offering the sale without properly labelling it in the manner set forth in the regulations to the effect that artefact is not an authenticated antiquity item.
2. Prevent any person from selling an antiquity item created from different parts of artefacts - with updates or additions or subtractions – unless the item has been branded properly in the manner prescribed in the regulations.

21 This article was amended under Article 9 of the order on the law of ancient monuments No. 1166 of 1986, 01/06/1986. Where previously the amount was equivalent to 100 dinars

22 This article was amended under Article 10 of the warrant the Law of Antiquities No. 1166 of 1986, effective date: 06/01/1986.

All of these regulations relating to the trade of historical artefacts fall under the umbrella of penalties for the violation of its provisions, which range between imprisonment and fine, in addition to cancellation of license, closure and confiscation.

Provisional Professions Permits Law No. 89 for the year 1966[23] regulates the licensing of occupations in general and details the process of obtaining the license, the fees, the validity, and consequences of the actions committed, until its expiry, withdrawal or suspension.

Definitions:

The law contains definition of terms that apply to the provisions, as follows:

- Occupation: Any trade or profession or trade or any other work.

It is noted that the broad nature of this definition to include all professions, without exception, means that industries and crafts or traditional cultural and creative industries are covered by the provisions of this law. Referring to the table attached to this law to determine the fees to be charged for the license for each craft or profession, shows that the crafts or occupations listed in the table under Item 34 Paragraph 4 of this section are closer to the concept of the traditional crafts in question, which included the following:

Crafts of the Holy Land:

- Place: Shop, warehouse, office and any other place dedicated for the practicing of the profession.
- Person: One or more person including a company, institution, trading house mentioned in the Company Law.
- Company: Involvement of two or more persons in one or more professions including all types of companies under the Companies Law.

Scope of Application of the Law:

Article 3 outlines the scope of the application of the law, while noting that its provisions apply to each person or company working in any profession who are not subject to the license fee under any other law.

License:

Articles 4-8 of the law note the procedures for obtaining the license, and what documents are needed for issuance, the specified fee and that the validity of the permit (license)shall be one calendar year.

Companies Law No. 12 for the year 1964[24] does not include provisions related to this study, unless the production of crafts or traditional cultural and creative industries is carried out by a company.

Trade Law No. 12 for the year 1966[25] regulates provisions for merchants and businesses, but it is questionable if the provisions of the law apply to persons engaged in commerce or industry or traditional cultural and creative industries. This is what the law addresses in its provisions:

Determining Commercial Business:

Article 6 of the Act describes commercial business by virtue of its inherent nature, which included the following:

A. Purchase of goods and other tangible personal property sold at a profit, based on its condition, whether sold as is or after transforming it.

B. Purchase of items for the purpose of leasing or renting with the intent of re-leasing or renting again.

C. Purchase, rental or leasing again for the purpose of sale or rental or leasing a second time for things purchased or leased in the manner described above.

D. Supply of materials.

E. Industrial work, even it was associated with an agricultural investment unless the conversion only involves simple manual work.

It is clear from the provisions of the preceding article that the business or industry buying and selling of goods in general is

23 Published in the Official Jordanian Gazette No. 1956 16/10/1966, p. 2081

24 Published in the Official Jordanian Gazette No. 1757 3/5/1964, p. 493.

25 Published in the Official Jordanian Gazette No. 1910 03.30.1966, p. 469

one of the business by its nature, and thus subject to the provisions of this law. However,as this relates to the theme of the study,Item E above excludes from the provisions of the law industry based on material diversion involving simple manual work. This description could apply to many industries, traditional or heritage.

Merchant:

The law identifies the merchant, and the provisions the merchant must be committed to, in Article 9:

A. A person whose profession is to do business.

B. A company that has business as its core activity.

But again, as relates to the topic of this study, the provisions of Article 10 of the law stipulate the following:

Individuals who practice a small business or a simple craft with low overhead that depend mostly on their physical efforts to gain few profits to secure their livelihood and not basing themselves on their cash capital, as is the case with peddlers ... Who are not subject to taxes, book keeping nor the rules of monthly reporting and the provisions of bankruptcy and so on as stipulated in this law.

This text is important in determining the legal nature of a person who could be classified as a merchant (trader) or who is working in traditional handicraft industries.

The Law of Natural Resources No. 1 for the year 1999[26] regulates natural resources in terms of prospecting, discovery and exploitation.

Article 1 of the Law of Natural Resources defines natural resources as non-living metallic and non-metallic materials that include hydrocarbons, rocks, sand and salts that are found in or on the surface or in the territorial waters, the Dead Sea or the exclusive economic zone and the geology of groundwater and its movement.

These are also known as minerals, all natural mineral raw materials of economic value, including rocks, aquifers of metals, mineral deposits and any other mineral salts.

Article 3 of the law details the functions of the public administration of natural resources, including as provided in Paragraph 5 overseeing the operations of the organisation of the natural resources investment. In addition, Article 4 of the same law stipulates that public administration is responsible for the issuing of the licenses required under the provisions of this law.

As relates to the theme of this study, if artisans were using materials that fall under the concept of natural resources, then the provisions of this law relate to their production.

Section III: Regulations

Organisation of Oriental Souvenir Stores No. 47 for the year 1966[27] was a regulation issued on the basis of Article 14 of Tourism Law No. 45 for the year 1965. This regulation includes provisions for the organisation of souvenir shops as follows:

Definition:

Article 2 defines the store as any place where sale of antiquities and archaeological materials and articles of the Holy Land is carried out, which include such products as olive wood and mother of pearl, silver artefacts, embroidery, national costumes, homemade toys, ceramic, Hebron glass, tourist maps, photos of attractions and any other commodity the Council decides to add from time to time.

License:

Article 3 bans the operation of any Oriental souvenir shop, or trade or dealings with any oriental souvenirs prior to obtaining a license under the provisions of this order.

26 Published in Palestinian Official Gazette Issue 2813.3.1999, p. 10

27 Published in the Official Jordanian Gazette No. 1921 05.21.1966, p. 878.

Article 12 of the order also banned street vendors and kiosk sellers from displaying any souvenir or selling it, with the exception of licensed vendors under Resolution No. 5 for the year 1953 and the amendments thereto to implement the conditions set by the Authority. It also banned the sale of oriental artefacts in hotel establishments except by consent of the Council (Ministry of Tourism) and in accordance with the provisions of this regulation.

Article 4 references the requirements for obtaining a license to sell antiquities, and that the license is issued by the Council (Ministry of Tourism), **with the need to adhere to the following conditions:**

1. Be independent and suitable
2. Be of good conduct and behaviour
3. Provide a bank guarantee from an authorized bank for the amount of 500 JD, according to the form approved by the Authority (Ministry of Tourism); this must be renewed during the last week before its expiration at the end of each year.
4. Provisions of trading in antiquities.

Here regulations are set for procedural rules to be followed for those who want to trade in artefacts as defined, in Article 5 of the rule that states that if a trader or any staff tried to unlawfully extort any amount of money from the buyer, the Ministry of Tourism may request in writing from the bank to pay that amount to the buyer and the bank must pay the amount immediately.

Article 13 of the law commits each store owner to display retail prices on all items offered for sale in a manner approved by the Ministry. It also bans shop owners from charging higher prices than the prices set out on their goods, or exploiting or cheating buyers, deceiving or harming other stores in front of the visitors, or entrusting others to lure tourists and visitors and attract them to enter into the store with intent to buy from them.

Council of Ministers Order No. 227 for the year 2004 on the structural and functional organisation of the Ministry of Culture[28] is based on the Basic Law and defines the organisational and functional structure of the Ministry of Culture. **It refers to some issues related to the organisation of the creative and cultural industry:**

Objectives of the Ministry:

Article 2 of the order determines the goals of the Ministry of Culture along with a reference to the objective of working on preservation of local cultural heritage and encouraging industries, crafts and traditional knowledge. The resolution neglects to mention the mechanisms for promoting these industries and traditional crafts.

Mandate of the Ministry:

Article 3 specifies the terms of reference of the order. Item 6 of this article, referring specifically to the topic of industries and traditional crafts, includes the following text:

"6. Support for cultural industries and information and encourage investment."

Again, this text does not address the mechanisms for activating this jurisdiction.

The Department of Traditional Crafts and Industries:

This order was issued to outline the organisational structure of the ministry and its administrative departments. One of these departments is to be called 'the General Administration of Arts'. Article 24 of the order, which includes this administration department, also includes traditional crafts and industries, which were specified in Section 2/4 of the article.

It is clear from the above text that the ministry is to oversee the department that handles all matters relating to the creative and cultural industry, but the order does not indicate what functions, duties or tasks are entrusted to this department.

28 Published in Palestinian Gazette No. 58, on 8/9/2005, p. 103.

7. The Legal Status of the Cultural and Creative Industry in the Gaza Strip

If the preceding presentation relates to the legal status of the cultural and creative industry in the West Bank, the next question is whether the same legal issues apply to the Gaza Strip, or whether different legal provisions are in force there.

As a result of the inherited legal regime in the oPt, there are a variety of laws governing various sectors and industries,to the extent that many of the laws governing the various sectors in the West Bank differ from those in Gaza.

The Interim Tourism Law No. 45 for the year 1965[29] was affected by Palestinian Authority Decree No 1 for the year 1998[30], which includes in Article 1 text that extends the validity of the Tourism Law to apply to all parts of the Palestinian territories (the West Bank and Gaza Strip).

Article 2 of the same Decree orders the transfer of all powers and functions contained in Tourism Law No. 65 to adhere to the Ministry of Tourism.

Therefore, the legislation that was detailed in Section II of this study does apply to the Gaza Strip.

The Law of Ancient Monuments during British mandate,Section 5 for the year 1929[31] defines a 'dealer' in Article 2 as:

- The meaning of the term (dealer); the person who deals with buying and selling antiquities for trading purposes.
- The term (antiquity dealing) means the purchase and selling of the antiquity.

Article 25 of this law prohibits the trading of antiquities without first obtaining a permit from the relevant authorities:

"No person shall trade in antiquities without carrying a dealer's license issued by the High Commission Representative."

The Municipalities Act of 1934[32] was promulgated in the period of the British Mandate over Palestine and included text governing the municipalities. Article 99 gave a municipality the right to issue regulations preventing any activity without a license and the payment of subscription fees, as follows:

The municipality may issue regulations to enable itself and enforce this law as required by the municipality in regard to its authorities in this domain and may impose a state tax or fees or revenues to any person, other than the municipality, on such things and to grant or issue any license or permission on these issues and sets the fees charged for such licenses or permits, it may also be required to pay compensation to any person affected by it.

A tremendous amount of secondary legislation was issued in Gaza over the different political regimes. The most important regulations have been highlighted here, as related to the cultural and creative industry.

Municipal tax regulation for the year 1950[33]is a bylaw that establishes the taxes levied on various trades and professions, among them sectors of the cultural and creative industry.

A Statement on the Ownership of Archaeological Objects and Materials for the year 1953[34] prohibited individuals from owning the artefacts, or possession or disposing of them, with a penalty of ranging from paying a fine to imprisonment.

The Order on the Licensing of the Cultural and Creative Industries No. 413 for the year 1972[35] relates to the practice of different trades and professions:

- Article 2 allows the authorities to prohibit the practice of any profession without obtaining a license from the competent authorities to exercise this profession.
- Article 5 confirms that it is not permissible for anyone to practice a trade without a license.
- In identifying the trades that require a license to practice, the order refers to the final point of the law that organizes the crafts and industries; indeed, it contains many of the professions and trades that can be described as traditional.

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29 Published in the Official Jordanian Gazette issue 1882 25/10/1965, p. 1757.

30 Published in the Palestine Gazette Issue 26 26/11/1998, p. 5.

31 Published in the Drayton Collection Issue 5 22/1/1937, p. 30

32 Published in the Palestinian Gazette Issue 414 12/1/1934, p. 1.

33 Published in the Palestinian Gazette Issue 531/12/1950, p. 171.

34 Published in the Palestinian Gazette issue 18 15/5/1953, p. 631.

35 Published in leaflets and orders issue 371/6/1972, p. 2515

Regulation on the Licensing of Crafts of the year 1972[36] updates the previous regulation, laying out the license fee, limiting the license to one year, and identified the renewal process for this license.

Regulations on the Licensing of the Character of the year 1974[37] is an important regulation, modifying the final point in the law regulating trades and industries, and stipulating that the trade or industries require licenses before their practice. The list includes many sectors of the creative and cultural industry.

The Order to Amend the Antiquities Act No. 462 of 1975[38] prohibits leasing or selling any of the artefacts, except after obtaining a license from the relevant authorities.

8. Summary of the Study Findings

A review of the literature available on the creative and cultural industry, discussions with artisans and an analysis of the prevailing legal framework shows that much can be done to improve support for artisans, who are providing a critical service of preserving tradition as well as providing jobs and benefitting the Palestinian economy.

Defining the Industry

The first and perhaps most obvious finding is the absence of a distinctive working definition of the cultural and creative industry and which sectors it includes. One definition has been drawn up by agreement between the Federation of Cultural and Creative Industries and the Ministry of Industry and includes the producers of 17 different handicrafts.

Handicrafts included under this umbrella are those crafts that relate to tourism, excluding all others. As such, there is a distinction drawn between sectors that relate to tourism and heritage and other sectors.

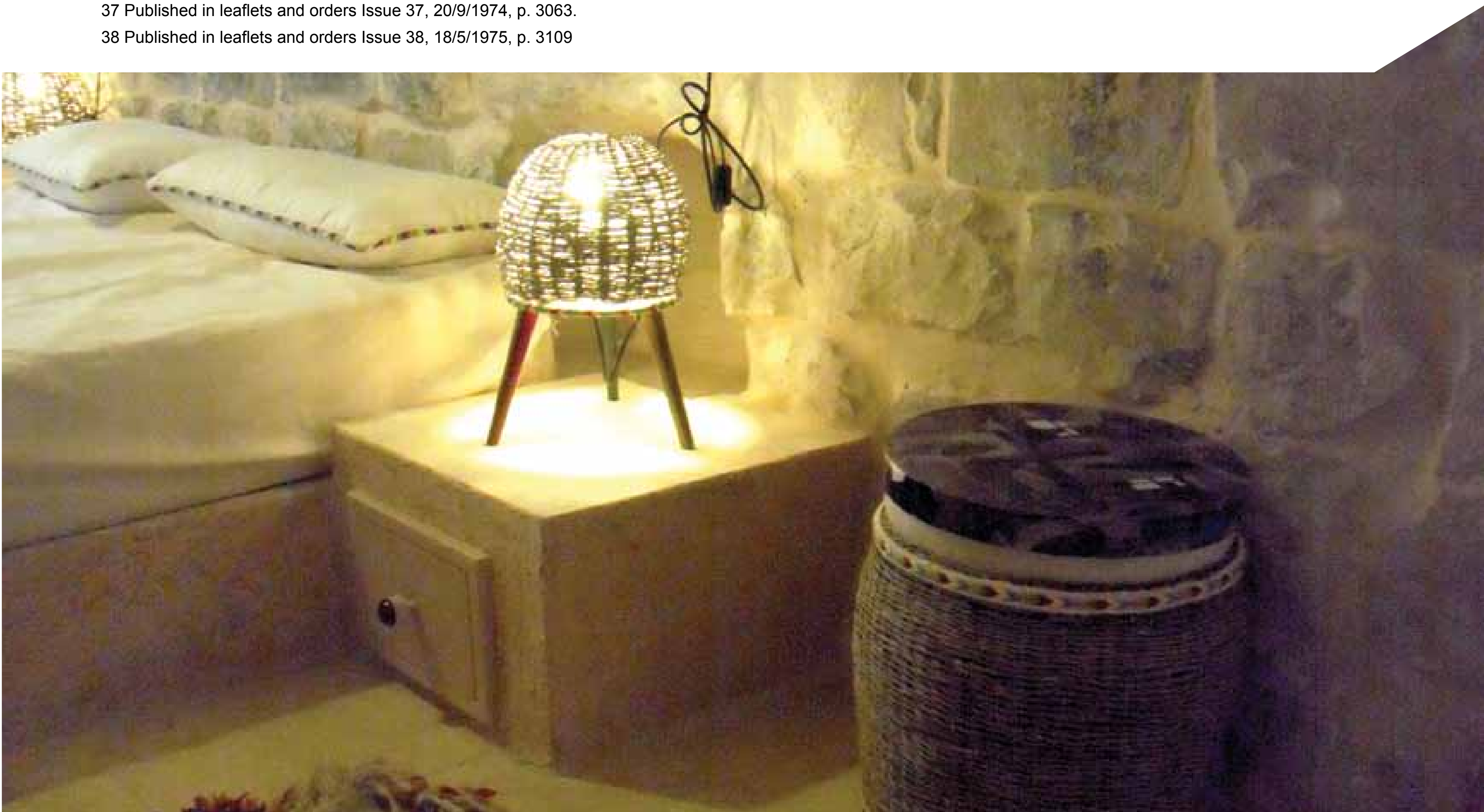
The lack of data is greater than the lack of a clearly defined field: in general, the findings of research included in this study all seem to focus on the same points. Many use the same recycled data. The information is obviously very outdated and does not reflect the true positioning of the industry. Moreover, many of the papers reviewed in this study made recommendations for improving the industry that were not heeded or followed. As such, much more in-depth research and commitment are required and this study should only be viewed as a first step.

The Chamber of Commerce and the Hebron Municipality are planning on conducting a comprehensive statistical study in

36 Published in leaflets and orders issue 3720/6/1972, p. 3083.

37 Published in leaflets and orders Issue 37, 20/9/1974, p. 3063.

38 Published in leaflets and orders Issue 38, 18/5/1975, p. 3109



order to establish an accurate and updated baseline of the industry, including registered and non-registered entities, in order to open communication channels with the producers and assist them on a long-term basis.

Weak Support, Timid Development

The study found that much can be done to improve conditions for producer groups, whether by providing institutional support or easing transport difficulties. Broadly, the following conclusions can be drawn:

- Political and economic instability deeply impacts the industry by scaring away tourists/foreign consumers and decreasing the purchasing power of domestic ones.
- Transport of products within the oPt and abroad, as well as the import of raw materials (shipping and transport is 50% of the cost), is draining in resources and funds. Producers list Israeli procedures at crossings and checkpoints as a major obstacle for sales.
- Space allocated for permanent exhibitions is insufficient.
- The industry suffers from a lack of coordination between the producers and officials on one hand and producers and lending institutions on the other hand. Funding shortfalls could be ameliorated and production upgraded (through design improvements, marketing, packaging, etc.) were this problem addressed.
- Quality control for finished products is non-existent, which has wide-ranging implications for the industry.
- Showing products at seasonal exhibitions locally or abroad is a huge financial drain on producers.
- Licensing regulations for the industry overlap between the ministries and some authorities defined in the law have not been implemented, creating a gap in oversight and support.
- Most handicraft producers are characterized by low capital investment. Approximately 35% of establishments are operating with investment capital lower than $1,000.[39]
- A large percentage of producers are unlicensed and unregistered, which besides, isolating them from possible support, prevents them from being able to export their goods.
- Production does not have a clear strategy and is based on outmoded means of doing business, employing workers and gaining financing.
- Cheap foreign imports pose a serious challenge to the survival of many sectors of the industry.
- A lack of marketing and promotions ensures very minimal product reach. Few producers seem to recognize the importance of proper marketing of their goods (for example, the need for packaging to ensure brand recognition).

Looking for Change

Of the 30 entities interviewed in the West Bank and the six in Gaza, many shared the same ideas and concerns. A few notable projects stood out as ways of resolving the issues addressed above.

1. An-Najah National University‘s Department of Fine Arts has a specialization in ceramic art. This is a unique course, where students gain knowledge, practical skills and technology in the field of clay, pottery, porcelain, and all that is connected with this raw material. The course includes field training.
2. A successful pilot scheme operated by the Nablus Municipality is worth noting. This pilot scheme is the Women’s Corner Centre, which provides marketing services for its members and their cultural and creative industry products and food items at its permanent headquarters located in the centre of the city of Nablus.

The centre is operated by a team of women that specialize in hall layout and design for all occasions (wedding, engagement, graduation, birthdays, etc.) and offer other services. There are instructors in integration of ancient with modern heritage, colour coordination, quality product development and other topics. The objective of this project is to provide technical and administrative advice and marketing for workers in small enterprises. Special attention is given to solving the problems of marketing products and services and promoting and developing the capacities of women in marketing and sales, management and finance, all leading to the promotion of women’s participation. The centre has benefitted 60 female artisans and seeks to conduct more courses for small cooperatives, provide periodic loans for women entrepreneurs, and conduct overseas exhibitions and international networking.

Looking at other counties in the region that share characteristics of the cultural and creative industry in the oPt, Morocco and Algeria among others, have had some success in preventing the decline in the traditional handicrafts by identifying the various gaps and resolving them.

At the Arab League Educational, Cultural and Scientific Organisation workshop held in Rabat, Morocco in September 2005, Morocco presented its experience. Some of the activities the government supported included strengthening the

39 Bethlehem Handicrafts Industry: Olive wood and Mother of pearl, Bethlehem Chamber of Commerce and Industry (BCCI), 2004.

infrastructure in artisans' villages as a strategic priority for the short and medium term to create the appropriate atmosphere suitable for production, supply and marketing by the cultural and creative industry. This support included the development of production techniques and alternative work tools enabling quality and preserving the environment. In addition, vocational training in traditional crafts effectively contributed to preparing artisans and sustaining the handicraft, keeping abreast of developments and addressing the constraints of the market nationally and internationally.

The state supported the industry by reducing duty taxes on certain raw materials used in cultural and creative industries. These reductions included materials used in treated wood, production of plant products, pottery, weaving and leather.

Shops located at traditional handicraft industry centres were supported and subsidised, with producers benefitting by placing goods there. Cooperatives helped meet the costs of production and exemption from some taxes also assisted producers. Authorities also aided marketing products both locally and internationally by developing booklets and establishing laws and regulations to organize and protect the industry.

The Palestinian National Authority Cultural Sector Strategy 2011-2013 has been prepared but may be difficult to implement under the present political environment. Many of the targets set are related to issues that the authorities cannot control, such as Israeli restrictions on movement of goods and people, for example.

Outline of the Palestinian Authority Cultural Sector Strategy (2011-2013)

POLICY	GOALS
1. Encourage and support the creative and cultural industry, taking into account women›s participation	1. Raise the level of capabilities and skills of workers in traditional industries 2. Develop legislative regulations for the protection and advancement of traditional industries 3. Improve access to local, Arab and foreign markets

INTERVENTIONS	DESIRED RESULT	IMPLEMENTATION BY	PERIOD		BUDGET (THOUSAND DOLLARS)		
					2011	2012	2013
2. A comprehensive survey of the traditional handicraft industry	• Database of traditional crafts and industries highlighting the role of women in these trades	• Ministry of Culture • Central Bureau of Statistics(PCBS) • Ministry of National Economy	2011		100		
3. Review and activate laws that support and encourage the creative and cultural industry and its development	• Implementation of policy to certify and label products and the foreign competition for traditional crafts	• Ministry of Culture • Ministry of Trade and Industry	2011		5		
4. Protect and improve the quality of creative and cultural industry production in order to empower women technically and administratively in order to end the male leadership cycle	• Specialized training courses in the field of design for both genders. • Improved conventional industrial productions for both sexes.	• Ministry of Culture • Civil society institutions	2011	2012	130	150	

Interventions	DESIRED RESULT	IMPLEMENTATION BY	PERIOD		BUDGET (THOUSAND DOLLARS)		
					2011	2012	2013
5. Promotion of traditional industries and crafts abroad, stimulation of women's participation, and support for artisans.	• Awareness campaigns and promotions for both genders. • Brochures and leaflets reflecting diversity. • Coordination with Palestinian embassies abroad to organize exhibitions in international fairs with participation for both genders.	• The Ministry of Economy. • Ministry of Culture • Ministry of Tourism and Antiquities, Palestinian embassies abroad	2011	2013	60	60	60
6. Awareness campaign in schools and universities and through the media over the importance of supporting the creative and cultural industry in order to support Palestinian heritage, the environment, the national economy, and women's participation	• Awareness campaigns promoting the participation of women at all levels. • Leaflets and brochures identifying the roles of women and men in the industry.	• Ministry of Culture • The Ministry of Education and Higher Education • Universities • Civil society institutions	2011	2013	40	40	40
7. Promoting and organizing exhibitions locally and internationally that highlight women's production in particular	• Annual exhibitions in the oPt and abroad with participation of both genders.	• Ministry of Culture • Ministry of Foreign Affairs • Ministry of National • Economy • Supreme Council of Culture	2011	2013	100	100	100
8. Reviving the Traditional Industries Centre located in Ezzeriya and ensuring the participation of women's production	• Develop the centre to revive the traditional industries and serve as a tourist site.	• Ministry of Culture • Ministry of Tourism • Civil society institutions	2011	2013	50	2000	2000

9. Focus: Strengthening Export Capacities

In line with the study's findings that the creative and cultural industry suffers from obstacles to exporting its products, this section examines this issue in depth, looking at each sector's export capacity. It seeks to learn from the experiences of other industries (food and agricultural, for example) and their successes.

Interviews conducted for this study estimated the overall proportion of industry sales made locally and overseas.[40] Of annual sales, 30%-40% of products are sold in the domestic market, 20%-30% are sold in the Israeli market, and 20%-30% of the goods are sold in the European Union, the United States and the Arab world.

Earlier, the report described how most sectors are not fully utilizing their export potential, although there are some export activities to Arab and Western countries. Olive wood, ceramic, glass, embroidery, pottery, mother of pearl and olive oil soap are all exported to varying degrees. The strongest export sector in the creative and cultural industry is that of olive wood production, which exports approximately six million pieces annually according to estimates by manufacturers and experts in the industry.

The rest of the creative and cultural industry (straw, carpets/rugs, mosaics and bamboo) are considered to have little export potential. The carpet industry is very small, the quantities of production and sales of mosaics are very few, and straw sales are weak domestically and dominated by local consumers. Bamboo is mainly produced in the Gaza Strip and the blockade in Gaza allows almost no regular export nor the import of raw materials, although bamboo furniture was previously exported to Israel and some Arab countries.

The following are the most important foreign markets for Palestinian products, as determined by interviews with producers and exporters.

Israel

Israel is considered one of the main destinations for Palestinian creative and cultural industry products, especially pottery. The Israeli market absorbs about 70% of pottery products, 30% of ceramic products, 50% of glass products, five per cent of mother of pearl products and about 10%-20% of olive wood products.

Many of the Palestinian products that are exported to the Israeli market are re-exported to the world market as Israeli goods. Others are distributed inside Israel for tourists, Palestinians and Israelis.

Export to Israel is through Israeli-controlled crossing points that limit the entry of all goods from the Palestinian market to Israeli markets. According to agreements signed with Israel, Israeli and Palestinian markets are considered a single customs union and no custom barriers exist between the two markets. Palestinian goods flowed into Israeli markets prior to the year 2000 without extensive difficulties, but after the second Palestinian uprising, Israel tightened controls on the entry of Palestinian goods.

Exporting to Israel is considered critical by most artisans, however, the recently imposed shipping procedures (delivery) have become prohibitive due to complicated and costly procedures at crossings/checkpoints, among them the requirement of moving goods from the back of one vehicle to another. This can lead to the damage of products, especially those that are fragile. Most products that are exported to Israel are sold without packaging by item, but are packaged as a group of items and are then re-packaged by Israeli merchants.

The main importers in the Israeli market are wholesalers, distributors and exporters to Western countries,especially the US and the EU. Israeli merchants know a great deal about the Palestinian creative and cultural industry as the Palestinian and Israeli markets were once completely open to each other. Many Palestinian manufacturers once targeted the Israeli market, selling their products to Israeli dealers in order to re-export abroad, as the movement of Palestinian merchants and craftsmen was then easy and unrestricted.

Arab Countries

Arab countries import a relatively small number of Palestinian products in general, although some countries have closer ties in this regard than others.

a. Jordan imports many Palestinian products, including olive wood, ceramics, glass, mother of pearl, olive oil soap and bamboo. The quantities imported by Jordan are considered commercial quantities and are shipped in containers and by commercial means.

40 Interview with Ms. Hanan Abu Rumeleh and Mr. Nader Tamimi.

b. Arabian Gulf countries import products from Palestinian industries, but in limited quantities (including olive wood, ceramic, glass, mother of pearl, soap and embroidery). The quantities are driven by orders from Palestinians living in Gulf countries and those interested in Palestinian heritage.

c. Other Arab countries import relatively small proportions of creative and cultural industry products. Imports are seasonal and not regular and marketing relies on exhibitions and the Palestinian communities in those countries.

Export to the Arab world from the West Bank is conducted across the bridge to Jordan and then on by land, sea or air depending on the nature, quality and quantity of goods and the targeted countries. Exporting across the bridge, which is controlled jointly by Israel and Jordan,requires coordination and extensive and costly search procedures. Exporting to Jordan is done on wood pallets rather than closed containers and is only done over the bridge.

To export from the Gaza Strip, Palestinians first used the Israeli-controlled Beit Hanoun crossing and then Karam Abu Salem crossing. Today, however, exporting from Gaza is very difficult and if allowed, only in small quantities. Usually it must be facilitated by international agencies via the Karam Abu Salem crossing.

Importers from Arab countries are mostly merchants and associations of Palestinian roots that work to help promote Palestinian products in Arab markets. Some Arab merchants import Palestinian goods as a good source of profit, while Palestinians in the Diaspora consume many of these products because they are related to their heritage and customs.

Other Countries

United States, Germany, Italy, France and Austria are the main importers of Palestinian creative and cultural industry products. On a smaller scale, Spain, Canada, Sweden, Australia, Hong Kong and others are included.

Pottery dominates these exports, with 20% of pottery production exported directly by the Palestinians to foreign markets, especially Europe. Twenty percent of ceramic production is exported to America and the European Union and 40% of glass production is exported to the EU. More than 40% of mother of pearl products and more than 40% of olive wood products are exported to the US and EU. This does not include the sales of embroidery, rugs, straw and olive oil soap by Palestinians living in the Diaspora.

Exporting to the US, EU and other non-Arab countries is done through Israeli ports. Large containers or small parcels weighing 20 kg or less are shipped through the ports. Most Palestinian export is conducted using postal parcels containing a variety of products (often a variety of goods from different sectors). Shipping in parcels is easier for producers than shipping by containers because the demand remains low, although the cost of shipping parcels per kilogram is much higher than that when shipping by container.

Exporting via Israeli ports requires time and considerable effort. When the origin of the goods is marked as the oPt, Israeli procedures are more extensive and include long security checks.

Importers from non-Arab countries are mostly Western associations and churches or Palestinians who live in these countries. Sometimes relatives of the producers rent points of sale such as kiosks in large shopping centres during the holiday seasons in order to sell Palestinian products. Some licensed fair trade institutions also purchase from producers for resale in foreign countries.

Product Development for Export

Most of creative and cultural industry products that are exported to foreign markets are the same products that have been exported for years. Product development by producers to try to suit the tastes and needs of foreign markets is very limited, although some ceramic and olive wood products have been adapted for use in the kitchen or office. Most manufacturers try to sell what is produced, and not what is demanded by foreign markets.

There are very few professionals in the field of design with experience and knowledge in market needs, design practicality, and production feasibility. Those who do exist do not have special knowledge in marketing in foreign markets.

Promotion of Exports

Product promotion by Palestinian companies is weak, if it exists at all. Most exporters rely on previous sales to promote their work. The most common promotional tools are printed product brochures that are sometimes paid for by donor projects.

Most industry producers have no official name or trademark to promote their products. Among olive wood producers, for instance, all factories or producers of olive wood are representatives of the sector and no single producer has a well-known name used across sectors and industries. It is difficult to talk about promotion in the absence of a clear concept of branding by the artisans themselves.

Promotion and marketing is often done for the sector in general, rather than the specific products of a firm competing with other firms. Most exporting companies do not invest in their own brand names; most sell their products without a known trademark.

Participating in foreign exhibitions is rare, since it requires the following elements:

- Financial capacity to cover the costs of the exhibition, travel and accommodation (around $10,000, depending on the nature of the exhibition, the country and travel costs);
- Export facilities and the ability to deal with foreign companies, experience in shipping and export,knowledge of procedures, and financial means to finance exports;
- Products in demand in the export markets (i.e. market driven versus production driven).

One of the key issues related to participation in exhibitions abroad is that goods exported from the oPt for exhibitions abroad are prevented from re-entering Israeli ports. Producers must be well-versed in the quantities and types of goods in demand and have a plan for handling unsold products after the exhibition (such as selling them or storing them to be re-displayed in other places). Exporting large quantities of products without advanced planning could result in serious financial losses if there are no buyers.

The use of technology and internet sales by producers is very limited. The most common way of selling goods for export is through a contract with local merchants, foreign merchants, churches and/or associations to sell limited amounts at set prices.

Export Pricing

The impression of most producers is that the international profit margin for their products is much less than the profit margin for the same item in the Palestinian market. This is because the price of production in the oPt is among the highest in the world due to electricity and petroleum products being relatively costly and added fees imposed by Israeli inspection procedures. These increase the cost of exporting.

The fact that the international profit margin is low compared to similar industries should not be an obstacle to the export of Palestinian products. Rather, the problem should be diagnosed and mechanisms and strategies identified to overcome them. The rising cost of production in the oPt is one of the main obstacles to the opening and expansion of export markets.

Moreover, producers' understanding of pricing and methods of cost analysis is modest and not based on a scientific analysis of the cost components. This means that there is little discussion of how to reduce costs by trying to control the basic elements upon which the products cost depends.

Most producers price their export goods in the same manner as goods sold in local markets and do not have specific prices targeting individual markets. Most prices are the same, regardless, and are not related to the number of products manufactured by the factory. As a result, there is no ability to deal with fixed and variable costs and link the prices to these costs.

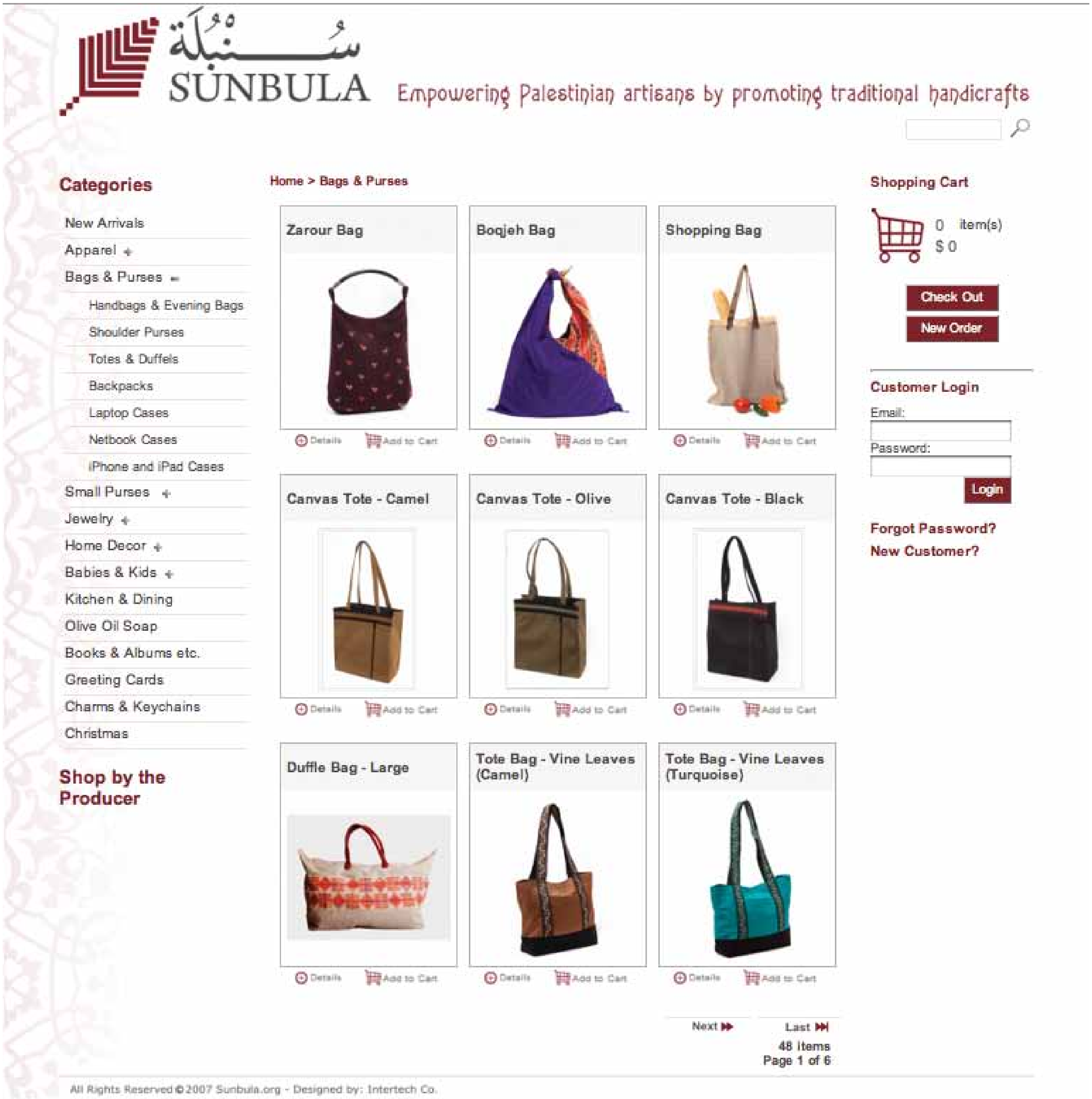
Success Stories in Exporting

Sunbula

Sunbula is a leading Jerusalem institution in the promotion, marketing and sale of creative and cultural industry products. Sunbula uses the internet to sell products made by local producers to Palestinian expatriates and foreign buyers, mainly to the United States and Europe.

Sunbula sells mainly embroidery, carpets, olive wood, jewellery, mother of pearl, olive oil soap and ceramics. It sells the products of more than 19 societies and institutions that produce different Palestinian cultural products from the West Bank, Gaza and the Negev. It is constantly updating its list of suppliers and the types of goods marketed via the internet and through direct marketing in Jerusalem.

Sunbula selects products according to their attractiveness to foreign consumers and well-to-do Palestinians (Sunbula clients



are foreigners and a limited segment of Palestinians who wish to have Palestinian gifts and souvenirs and can afford the prices of these products). It works with the producers in the manufacture of each item to ensure it is made in a professional manner and maintains the same level of quality. Sunbula also assists producers in creating new designs, modernizing and diversifying products along with the producers in order to produce new varieties of high quality.

Sunbula is considered a mediator and not a producer, working as a trader and marketer of cultural products for retail through two shops in Jerusalem and sales on the internet. Its estimated annual sales reach approximately $200,000-$300,000.

Moreover, Sunbula's relationship with producers is an excellent two-way relationship: sometimes, new designs are created by the producers and Sunbula markets them and at other times, Sunbula initiates new designs. Sometimes a new product integrates more than one sector in one product.

Sunbula's sales via the internet do not exceed 15% of total sales, but can be increased through promotion and social networking websites. The tools used by the institution in marketing include sending emails to a list of participants (users) to introduce new products or by printing publications, conducting bazaars or participating in various local exhibitions.

Sunbula defines itself as a fair trade institution and seeks to cooperate with the producers on the basis of justice, equality and assisting those in need. This approach gives Sunbula a major advantage over other traders and marketers because the international interest in fair trade has a wide consumer audience.

Canaan Company for Fair Trade

Canaan Company for Fair Trade is a Palestinian firm that exports Palestinian food products to international markets. It is part of the private sector and aims at helping poor and marginalised communities and generating economic development while positively impacting farmers by helping them market their products overseas.

The company works with a group of farmers in marginalised and isolated communities to try to create livelihood opportunities for them. Canaan Company has contracts with a number of farmers through the Association for Palestine Trade Fair which is now a union itself with approximately 43 members from different farming communities. It communicates with the farmers in all aspects of the production process, working with them to meet international specifications determined by the countries where the products are marketed and exported. The products should be related to Palestinian traditions, but be manufactured in a modern way to meet demand in Western markets.

Canaan Company has contracts with importers on the basis of fair trade principles, setting prices and making an agreement based on the size of the importer's market, willingness to engage in the social goals of the Canaan Company, marketing prospects for the products, tools available to support the process of marketing and the importer's professionalism and credibility. This requires a prior understanding of the market by the importer.

Communication is ongoing and continuous between Canaan Company and the importer, which the company counts as one component of its success and sustainability. Not only is it important that someone be contracted to market the products, but Canaan Company believes it is more important to know whether the importer is capable of marketing the product properly and satisfactorily and consistently present Palestinian products. Producers must listen to distributors in order to respond to market needs and distributors must convey the producer image to consumers. If importer's marketing abilities are limited, this will be reflect poorly on the product and there will be limited demand.

Canaan Company exports a large number of food products, mainly olive oil and almond products since these are seasonal and are in high demand overseas. Exports include olive oil, almonds, thyme, olive oil soap, preserved olives and food products (figs with sesame, dried tomatoes in olive oil, sauces, fig preserves, cactus preserves, 'Jernak' preserves, cherry preserves, and orange marmelade).

Canaan Company currently exports its products to the United States, where it has a branch company that manages warehouses where the products are stored, as well as marketing and distribution to retailers. It also exports to Germany, Holland, Denmark, Sweden, Austria, Italy, France, South Korea, Hong Kong, Japan and other countries. Its top-selling product is olive oil.

Canaan exports its products through Haifa port in 20 and 40-foot containers. The cost of land transport from company headquarters to the port is paid by the company and is estimated at more than $1,250 per shipment, with about four to five shipments/containers leaving every month. Costs related to shipping from the port to the export destination fall to the importer. All payment is done through a remittance system and no problems are faced in this regard.

Canaan product importers act as distributors in the countries where they are present. Marketing in all European countries is done through distributors, unlike in the US, as mentioned earlier. Marketing in the US is done directly through the branch company and does not require distributors.

Canaan Company seeks to offer a high-quality product that will bring a consumer back, even if the pricing is comparatively more than other products in the market. Products are packaged in a simple but modern way that reflects this philosophy. Packaging designs are produced by the company itself, using specialized staff. Exports must meet the requirements of the fair trade license that states that the product is organic and natural, produced without chemicals and fertilizers. Exports by Canaan Company are estimated at nearly $5 million annually.

All promotions carried out by Canaan target the foreign market. Canaan uses the following tools:

- Promotion on the internet by the branch organisation in the US
- Lectures and seminars used to identify foreign markets for Palestinian products through solidarity with Palestinians.

These activities also inform foreign consumers of the challenges of producing these goods under occupation, and meeting international specifications

- Advertising through Green Magazine
- Advertising through Fair Trade Magazine
- Participation in local and foreign exhibitions
- Promotions through social media such as Facebook
- Promotion through each country's importer

Canaan Company also participates in many exhibitions abroad, such as:

- Exhibitions in European countries where Canaan exports
- Four US exhibitions yearly
- Hong Kong
- China
- Dubai

The cost of this participation varies from one country to another. For example, the cost of participating in a US exhibition is estimated at 14,000 Euro per exhibition, in Europe about 12,000 Euro per exhibition and in other countries about 10,000 Euro per exhibition. These are incurred by Canaan itself.

Canaan Company is currently seeking to open up local markets in Jerusalem and Bethlehem, as well as export markets in Gulf countries and an expansion of markets in Germany and France. These attempts are built on a furthering of the company's goals and its business plan.

10. Conclusion and Recommendations

General Recommendations

For officials and support organisations

- Provide/allocate funds for training, development and improving the quality of industry craftsmanship.
- Establish rigorous standards of excellence for the cultural and creative industry and its various sectors. Quality crafts should uphold rigorous standards of excellence to ensure marketability, competitiveness and customer protection. For products to be acceptable in world markets, they must comply with basic guidelines, such as being environmentally friendly and manufactured in a socially-responsible manner.
- Until new laws and regulations are drafted and approved as per the study's legal recommendations (see below), clearly identify the roles, responsibilities and accountability of each ministry as it relates to the industry.
- Develop regulation to support the industry, for example, custom taxes should be reduced on imported raw material used by producers. Tax credits should be offered to producers. Political steps should be taken to remove transport obstacles for import and export (locally and internationally). Legal incentives could be created to support private sector investment in the creative and cultural industry.
- Enhance support from the various chambers of commerce in the respective regions, from governmental and non-governmental entities and local communities.
- Establish an entity of persons from various ministries, the private sector, chambers of commerce and independent sector representatives to set up quality control, lobby on regulation, monitor and evaluate the industry and propose/recommend to government representatives bylaws that protect, develop and promote the industry.
- Establish or upgrade existing three centres in towns visited by tourists (such as Jerusalem, Jericho and Bethlehem) to showcase and sell creative and cultural industry products and serve as mini heritage museums. The ministries of Tourism and Culture can promote these centres as part of tour group visits, as is done in Israel.
- Prepare a guidebook that identifies and lists all workshops and producers.
- Engage new communities in the industry workforce to resolve the need for additional and skilled workers.
- Initiate training programs for the disabled and released prisoners to promote industry production skills and help them generate income.
- Provide technical support in the fields of promotion, marketing, design and printing and promotional materials, including internet and social media.
- Assist and support producers in developing appropriate packaging for their products.

- Develop and support the packaging industry due to its direct impact on promotion and marketing of cultural and creative industry products.
- Support the cultural and creative industry by sponsoring local exhibitions.

For producers

- Change product development procedures so that new designs reflect market demand and serve practical as well as commercial purpose.
- Develop staff capacity in new technologies surrounding manufacturing, packaging, promotion, marketing and export.
- Develop packaging that gives products a unified look and appears linked to a company brand that can also be promoted.
- Initiate quality assurance controls that allow products to compete internationally, meet international standards, and open new markets globally.
- Work with the private sector to establish specialized export companies for the cultural and creative industry. Lobby for tax breaks for companies that support the industry.
- Lobby authorities to develop laws and regulations that support the industry and help increase its role in the Palestinian economy (see legal recommendations below).
- Develop the role of industry umbrella organisations and chambers of commerce in supporting and developing the industry, particularly the opportunity for exportation.
- Work with the Ministries of Culture, National Economy and Tourism and Palestinian missions abroad to open foreign markets for the industry.
- Use the Palestinian media to promote the creative and cultural industry locally and diplomatic missions to promote handicrafts abroad.

Legal Recommendations After reviewing the legal framework governing the cultural and creative industry in the oPt, the following observations are in order:

- The existing legal regulations related to the cultural and creative industry do not address issues of organisation and integration of the law, either in the West Bank or Gaza Strip.
- Regulations are fragmented throughout provisions related to other issues and scattered in several separate legislations.
- Current provisions derive from various sources (British Mandatory regulations, laws of Jordanian origin and Palestinian law), which creates a state of confusion in applying or enforcing the law.
- Due to the numerous laws and regulations governing the creative and cultural industry, the authorities overseeing and monitoring the industry are also many (the Ministries of Tourism, Economy, Environment, Local Authorities, and so on).
- There is a sound legal basis for enacting a special legal framework for the creative and cultural industry, exemplified by issuing a regulation or regulations in this regard based on the Tourism Law Provisional No. 45 for the year 1965, and in effect over both Gaza and the West Bank under Decree Law No. 1 for the year 1998.

Accordingly, local authorities with the support of international agencies should work on enacting separate legislation for each normative legal aspect of the cultural and creative industry in order to further government development plans, and preserve an important part of Palestinian cultural identity.

An annex to this study includes legislation governing the cultural and creative industry and trade that was enacted in Jordan.

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Appendixes

Appendix I: Interviews Conducted

Name of Organization	Interviewee	Position
Bethlehem		
Bethlehem Chamber of Commerce	Dr. Samir Hazboun	Head of Chamber of Commerce
Nablus		
Nablus Municipality	Raja' Al Taher	International Relations officer
Nablus Chamber of Commerce	Khaled Musleh 'Akkoubeh	Public Relations
An Najah University	Kamal Zeidan	Head of Art Faculty
Union of Charity Associations for Northern West Bank provinces	Eng. Qamar Al 'Ubwah	Project and program coordinator
Ramallah		
Ministry of Tourism	Ibrahim Hafi	Director General of General Administration of Tourist Services
Ministry of Culture	Raed Fares	Manager of Traditional Industry Department
Qalandia cooperative Association for handicrafts and sewing	Khadijeh Farhan Yasser Malaysheh	Chairperson Marketing manager
Palestinian Culture Association	Nidal Shaheen	Association Manager
YWCA	Faten Al Husary	Program officer
Al Rozana Association	Rana Sa'adeh	Program and project officer
ASALA	Nisreen Sweilem	Program coordinator in West Bank
Palestinian Association for Cultural Exchange	Lina Hashem	Cultural Industries coordinator
Al Mahatta Gallery	Ra'fat Sa'd	Designer
Women working Association for Rehabilitation	Ghadeer Ghazawneh	Executive manager
Al Najdeh Social Association	Mariam 'Ataya	Chairperson
Rural Women Cooperative Association for Savings and Credit	Manal Mohammad Shreim	Treasurer
In'ash Al 'Usra Society	Nabil Anabtawi	Director General
Kobar women and youth Association	Amira Albaraghthi	Coordinator

Kufr Laqef women Charitable Association	Reem Jabr	Executive manager
Joreesh Charitable Association for Development	Iman Mansour	Chairperson
Pal Trade	Ibrahim Najjar	Trade promotion Manager
Faseel and Oja Women Center	Maha Nujoum	Director
Kufr Al Deek Youth Center	Hala Al Deek	Director
Birzeit Mosaic center	Ibrahim Qtait	Chairperson
Talfeet women Center	Maysa Musallam Abdel Qader	Coordinator
Hebron Chamber of Commerce	Hanan Abu Rmeileh	Representative of Chamber of commerce
Al Tamimi for Ceramics	Nader Tamimi	Director General
UN Women	Mona Nashashibi	Project assistant
UN Women	Siham Rashid	Project manager
Ministry of Culture	May Odeh	MDG F coordinator
Ministry of Culture	Yousef Al Tartouri	Director General Assistant for the General Management for Culture
Gaza		
Palestinian Women committees Union Association	Iktimal Hamad	Chairperson of Management Board
Al ‘Ata’ Charity Association	Ibtisam Al Za’aneen	Chairperson of Management Board
Palestinian Women Development Studies Association	Asma’ Ja’rour	Project manager
Al Bayt Al Samed Association	Intisar Al Afifi	Chairperson
Atfalunah For Deaf Association	Naim Kabaja	Chairperson
Creative Industries Association	Abdel Rahim Abu Sido	Chairperson

Appendix II:

Jordanian Legislation No. 36 for the year 2002 on Cultural and Creative Industries

Article 1

This regulation is called the Regulation for the Trade in Traditional Crafts, Handicrafts and Local Industries, for the year 2002 and has been endorsed since the date of its publication in the Official Gazette

Article 2

The following words and phrases wherever mentioned in these rules shall have the meanings *below unless the context indicates otherwise:*

Ministry: The Ministry of Tourism and Antiquities.

Minister: The Minister of Tourism and Antiquities.

Committee: Tourism Committee formed under the Tourism Law in force.

Profession: The profession of traditional industries and popular handicrafts and antiques production and trade.

Institution of traditional industries: any natural person or a cooperative or a company or institution engaged in an activity for the profession.

Store: shop which sells antiques and crafts and products of traditional and popular industries.

Article 3

For purposes of this order, traditional industry is subject to the following:

A. Practicing the profession to be considered as the prime profession.
B. The practice is based mainly on handicraft / manual labor.
C. Aims to transform raw material into a product manufactured in its final form or half completed form.

Article 4

Traditional handicrafts, crafts and industries, mainly include the following:

Different types of traditional textiles, embroidery, metal, stone carvings, wood, wood sculpturing and in-sets, copper itching and white metal, pottery and porcelain, hand-decorated glass, sheep skin, straw weaving, decorative colored sand bottles, mother of pearl, leather goods, gems assortments, holy water bottling, mosaic, manufacturing of folkloric musical instruments, manufacturing of swords and daggers, the preparation of maps, books, tourist and archaeological sites, weave rugs and handmade carpets and garment industry and tourism films, and any other craft or industry considered and approved by the Minister as a craft, based on the recommendation of the Committee considered a traditional trade or industry.

Article 5

Defines the terms and conditions of license institution of traditional industries in accordance with instructions issued by the Minister upon the recommendation of the Committee, that includes in particular the following:

A. That the application be for independent stores appropriate for the practice of its activity.

B. Be of good conduct and not convicted of a felony or misdemeanor involving moral turpitude and public threat or bankruptcy fraudulent or negligent, unless he has been rehabilitated.

C. Provide a bank guarantee for the amount of five hundred dinars renewed automatically, and the Minister to reconsider the value of the bond whenever the need arises. As for the small folkloric markets, the bond is decided by the Minister, not to be less than 100 Jordanian Dinar.

The order of the minister determines the amount of bail, including at least one hundred dinars.

Article 6

Professional License is divided into the following:

A. Production of antiques and traditional industries.
B. Antique shops and traditional industries, souvenir shops and traditional local markets.

Article 7

A. Application for a license is submitted to the Minister on the form designated by the Ministry for this purpose and after checking the availability of the required conditions, the Minister shall issue, upon the recommendation of the Committee, his decision to approve the license for a period of one year.

B. A record is maintained at the Ministry of all the names of the owners of traditional crafts and industries and local folkloric industries.

Article 8

A. Prohibits the licensee to practice profession of Tourist Guide.

B. Licensee may exercise the profession or more to open a branch in the territories provided it complies with all terms and conditions contained in this regulation with the exception of condition of bail.

Article 9

A. The owner or store manager must abide to the following:

1. Display the license in a visible place.
2. Erect a banner bearing the brand name of the shop in both Arabic and English.
3. Installing the phrase (Made in Jordan) on each piece are displayed in the store were manufactured in the Kingdom.
4. Put the price tag on each item displayed.
5. To respond to the buyer by issuing the buyer with an invoice clearly stating description of the items sold and the price of each item.

B. And adheres to the shop's owner or manager and everyone who works in the production of antiques and traditional industries and popular, including the following:

1. Display these items and sell them as decent and appropriate quality.
2. Does to revive the heritage of traditional industries of Jordan.
3. Work to improve product quality and development according to scientific bases while retaining the originality.
4. Not to exhibit in the store products and handicrafts, traditional and folkloric of Jordan less than (70%) of the total items on display, and to display all imported artefacts in a specific space especially allocated in the store, and clearly labelled (imported) in a prominent place where these items are displayed.
5. Provide a written undertaking to the Ministry not to assign any person hired to lure tourists and visitors to attract them to the store or pay a commission for any of them.
6. To clearly display the prices on all items offered for sale in a clear and appropriate manner.

Article 10

Prohibits the owner or manager or the store employees from the following:

A. Change the trade name of the store without the consent of the Minister.

B. Charging a higher price than the price indicated on the item.

C. Exploitation, cheating or fraud by or against any other shop in the vicinity.

D. Waiver of the license, or transfer without the written consent of the Minister.

Article 11

A. The application for license renewal shall be during the month of January of each year and every person who fails to renew until the end of February, will result in an additional payment of (50%) of the annual license fee and does not renew until the end of March of that year, the license shall be considered cancelled.

B. The license shall not be renewed if the Commission found that any of the conditions or terms set forth in the regulations was breached.

Article 12

It is possible, with the consent of the Minister as follows:

A. The establishment of centres for the training of the local community to produce artefacts and traditional industries and folkloric crafts.

B. The establishment of a permanent exhibition of crafts and traditional industries and folkloric crafts in any of the governorates of the Kingdom in cooperation with the local community in order to highlight the industries to visitors and tourists.

Article 13

The Minister or his authorized representative (in writing) the control and inspection of production of antiques and crafts and traditional industries and Middle Eastern (Oriental) folkloric crafts stores and antiques to ensure compliance with the provisions of the Tourism Law and these rules and instructions issued pursuant thereto, and if it is proved to the Minister the violation of any factory or store, he must shut it down immediately or after the warning period to remove the violation within the period determined.

Article 14

If the Minister is convinced that the shop's owner or manager or any of its employees has violated any of its obligations under the law and this Regulation or met from the tourist or the buyer of any amount unlawfully, he may confiscate the equivalent of that amount from the bank guarantee provided by the store to return it to tourist or the buyer.

Article 15

A. The Ministry shall collect annual fees to the following:

1. Hundred Dinars for the licensing institution of traditional industries and ten dinars for each branch license.
2. Ten Dinars for the licensing of a manufacturer who engage in any activity of the traditional industry.
3. Fifty Dinars for the licensing of souvenir shops and twenty dinars for each branch license.
4. Twenty-five dinars for the licensing of local handicrafts shops market stall.

B. The Ministry shall collect the amount of five dinars for any change in the data license to practice or to issue a replacement of lost or corrupted.

C. To meet the goals of the annual fee when the license for the first time is part of the year, it shall be considered as a full year.

Article 16

All those who violate the provisions of this law and instructions issued pursuant thereto, shall be penalized as per the penalties prescribed in the Tourism Law in force.

Article 17

The Minister shall issue, upon the recommendation of the Committee, the necessary instructions for the implementation of the provisions of this Regulation, including the organization of the relationship of this profession with other tourism professions that do not conflict with its provisions.

Article 18

The Oriental Souvenir Regulation No. (47) for the year 1966, as amended to keep the stores licensed under the judgments, shall invalidate the license under the provisions of this order that the owners of antiques and artisans and traditional industries and folkloric crafts to adjust their status with its provisions within a period not exceeding ninety days from the date of this regulation.