

Chapter 2

Cooperative Entrepreneurship in the Middle East

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ABSTRACT

Socio-cultural characteristics as defined by Hofstede lay out the basis for understanding entrepreneurial characteristics within a given society. Masculinity, collectivism, and uncertainty avoidance are related to competitive behavior, then cooperative versus competitive dilemmas are analyzed in the cultural setting of Middle Eastern entrepreneurial activity. The purpose is to prove that a relationship exists between culture, and entrepreneurial attitudes. Among Middle Eastern countries, Lebanon is found to go against generally acceptable relationships between cooperation and entrepreneurial autonomy. Furthermore, risk avoidance in Lebanon presents a major discrepancy factor with entrepreneurial culture in general.

HISTORICAL OVERVIEW

Collective action on the business level has been rising, initial collaboration started informally between friends and family in societies. It quickly expanded to include networks of interfirm, then formal strategic alliances, consortia to finally reach trade associations (Bird, & Romannelli, 2001, p.219). Historically, all phases of entrepreneurial activities were carried out by a single individual. One man used

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to manage the perception, the planning and the implementation phase of a new venture. Collective or cooperative behavior evolved with time, allowing a group of individuals under the form of partnerships, networks or corporation to perform as a united body and execute the tasks required more efficiently

The authors of Portraits of successful entrepreneurs and high-flyers (Lam & Kit, 1999) have defined the two critical aspects of this issue: collectivism and individualism.

- **Collectivism:** Collectivism is defined such as the collective welfare is placed above individual welfare. Individual conduct and pursuits are directed at achieving collective harmony, maintained through preserving the social order and following the rules entailed in each relationship.
- **Individualism:** Individualism or the “view of man” as present by Sum Lam (1999), defines the individual in terms of his or her relationship with others which are structured in differential order with different degree of closeness and trust.[...] this relational identity predisposes the individual to consider his or her internal needs in relation to the external environment.(Sum Lam, 1999)

ADDRESSING THE COOPERATIVE/COMPETITIVE DILEMMAS IN ENTREPRENEURSHIP

“The Fundamental issue addressed by this dimension is the degree of interdependence a society maintains among individuals. It relates to people’s self concept: ‘I ‘ or ‘We’ wrote Hofstede in addressing the entrepreneurship dilemmas. (Sum Lam, 1999). Influencing factors in addressing cooperative/competitive dilemmas in entrepreneurship have been identified. In addressing the cooperative/competitive dilemmas in entrepreneurship, a variety of economical, socio-cultural, historical and other factors are to be studied. (Sweldberg, 2000).

SOCIETIES’ PREDISPOSITION

No society is solely competitive or cooperative. All society must possess both traits. For example competitive groups within a society make that society more cooperative by intuition. Mead states that competition does not necessarily reflect conflict and nor does cooperation translates into solidarity. In cooperative societies, she explains, “competition is often introduced and acts as an associative mechanism” (Mead, 1937, p.460). “It is telling that when Gates talks about the competition he

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