

# Chapter 44

## Social and Civic Entrepreneurship in Lebanon and the Middle East

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### ABSTRACT

*The Middle East has acknowledged the importance and need of entrepreneurial activities which would flourish the economy and open new opportunities for employment. Providing employment to a young and growing population is the major challenge faced by countries in the MENA (Middle East and North America) region. Everywhere in the world, it is small firms that contribute most to job creation. Their ability to thrive and generate jobs is a function of the environment in which they operate and their capacity to deal with continuous change and build assets for the future. Hence firm competitiveness is high on the development agenda. In today's global environment, firms rather than nations have become the engine of growth, and competitiveness is the key for firms to survive.*

### SOCIAL ENTREPRENEURSHIP IN LEBANON AND THE MIDDLE EAST

People are attracted to entrepreneurs like Muhammad Yunus, the Nobel Peace Prize laureate, the same way they are attracted to Steve Jobs, they believe that these people are extraordinary with the ability to do extraordinary things. Muhammad Yunus and Steve Jobs are both examples of social entrepreneurs that have worked long and hard in order to change and improve people's lives (Martin, Osberg 2007). The exact definition of social entrepreneurs can vary depending on the situation and on the person. Entrepreneurship is the ability to create a viable and prospective business that would have promising abilities to expand and regenerate to form several other successful businesses. Social entrepreneurship, is a sub group that focuses on the social impact of business. (Alvord, et al., 2002). Social entrepreneurship is summarized as a person, who has acquired a social idea, pursued a goal in mind that is set to develop and expand that idea, regardless of the limitations and obstacles, in order to help and improve society and its population. (Peredo, McLean 2005). Firstly, it can focus on the commercial aspect of entrepre-

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neurship. Secondly, it can focus on the innovation of social entrepreneurship and its impact toward other businesses. Thirdly, social entrepreneurship can be viewed as solving a potential social problem before acquiring it (Alvord, et al., 2002). In Lebanon, findings have suggested that the Lebanese population are motivated to work depending on the availability of independence and flexibility, this could be due to the long war history that affected the Lebanese population physically and psychologically. Most Lebanese have acquired the skill of working from a relatively young age with an average of 17 years of experience (Sreih, 2010). However, Lebanon is not considered as part of the top innovating countries in the world, despite the long years of experience, due to the fact that at some point and time, Lebanon lacked a sense of stability and creativity. This instability has led to the Lebanese population shift from local corporate businesses, to private businesses in order to gain direct advantage over the long run. More than 90 percent of the businesses in Lebanon are family-owned, whereas the state-owned businesses dominate the economy today. (Charbaji, 2009).

Social and Civic Entrepreneurship revolve around the central question of who should and can take responsibility for the needs of civil society (Haugh, 2005). Two main social democracy models have been applied following the Second World War until today: The Keynesian model and the free market neo-liberalism or Laissez faire. But there also exists a third model, a compromise between the two models, which looks for the rebuilding of a strong civil society through community effort in partnership with the government (Thompson *et al.*, 2000).

Social entrepreneurship and civic entrepreneurship follow the same definition and comprise the same actions (Sud *et al.*, 2009); a converging consensus to the meaning of it states: “it is an independent organization with social and economic objectives that aim to fulfill a social or environmental purpose as well as achieving financial sustainability”. It plays the role of change agents in the social/civic sectors by adopting a mission to create and sustain social and civic value (Murphy and Coombes, 2009).

Furthermore, social enterprises often come with a “triple bottom line” (TBL) mandate. The triple bottom line refers to people, profits, and the planet, and implies that businesses should be run in a financially, socially, and environmentally responsible manner; whence derive environmental enterprises which are “for-profit businesses that pursue business strategies designed to capture a growing market for environmentally sustainable products and services while simultaneously “greening” their operations” (Gliedt and Parker, 2007).

Looking at the sectors by ownership, we see the following models of social entrepreneurship: a) Social entrepreneurship in the private sector: This model has the advantage of latitude in terms of the orienting to planning, profit, and innovation, and CEOs have more freedom to pursue values they cherish. b) Social entrepreneurship in the public sector: This model of social entrepreneurship does not easily innovate or adapt to change due to the political and administrative constraints attached to it (Roper and Cheney 2005).

Consequently, there are two kinds of entrepreneurs: a) CEO as social entrepreneur: CEOs who style themselves and their organizations as innovative and socially responsible. The relative autonomy of the company allows for the consistent pursuit of social values. [Ex: Dame Anita Roddick- founder of *The Body Shop*] b) Social entrepreneurs in the public and third sectors: Despite financial constraints being greater in these sectors, new organizations still arise and governmental agencies often engage in public-private partnerships that involve creative combinations of organizational interests in a project-focused way. [Ex: *Grameen Bank of Bangladesh* – the concept of microfinance] (Roper and Cheney, 2005).

Social entrepreneurship is an active field in Lebanon, more and more seminars, workshops and awareness campaigns are being done and people are highly interested. Sarah’s bag, Souk el Tayeb, and YASA are few examples.

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