

We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

6,900

Open access books available

185,000

International authors and editors

200M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?
Contact book.department@intechopen.com

Numbers displayed above are based on latest data collected.
For more information visit www.intechopen.com



A Comparative Study of Social Enterprises: North vs. South Perspectives

Dima Jamali, Nadine Mohanna, Dina H. Sherif and Salma El Sayeh

Additional information is available at the end of the chapter

<http://dx.doi.org/10.5772/62318>

Abstract

Social entrepreneurship as a practice that integrates economic and social value creation has a strong global presence. This chapter capitalizes on the evolution of the concept of social enterprise in the Western literature to analyze its manifestation in the Middle East and North Africa (MENA) region. Specifically, using empirical evidence from seven Arab countries, this chapter documents the understanding and application of social enterprises in the MENA region. Through the voices of social entrepreneurs who are working across the MENA countries, we document how social enterprise is displayed in practice along with both the constraints and the opportunities facing social entrepreneurs across this region. This new context-specific approach is then used to shed light on the similarities and differences of social enterprise practices across the international scene and the MENA region. The findings presented highlight the uniqueness of social enterprise in the MENA context, combining elements of both European and American approaches, in addition to some context-specific features.

Keywords: Europe, MENA region, social entrepreneurship, social enterprise, the United States

1. Introduction

Social entrepreneurship and social enterprise continue to advance and seem to be increasingly recognized as an addition to the traditional business lexicon, given their immense potential for shared value creation. Scholars have framed social enterprise and social entrepreneurship [1–3] as an encompassing set of strategic responses to a variety of environmental and situation-

al challenges that nonprofit organizations face today [4]. Although there is no consistent usage of the term “social entrepreneurship” in the academic literature, the broad definition of social entrepreneurship refers to a business mindset [5], in the for-profit or nonprofit sectors, which shows sensitization to social value creation [6]. Similarly, the term “social enterprise” has a vast array of meanings. According to Young [7], a social enterprise varies from classical business and traditional nonprofit activity, integrating elements of the social purpose, the market orientation, and the financial performance standards of business. Overall, the definitions of social entrepreneurship and social enterprise vary to a great extent at the international level with a number of authors using the two interchangeably [8,9].

Despite soaring interest in recent years, the knowledge of social enterprises is still nascent across the Middle East and North Africa (MENA) region [10]. The current chapter’s contribution is intended to document the evolving understanding and application of social enterprises in this part of the world. This chapter draws on the literature on social enterprise and tries to document and capture its manifestation in the MENA region by exploring comparative linkages. Through the voices of practitioners and social entrepreneurs who are working across the region, and the rich empirical qualitative fieldwork across a number of countries in this region (e.g., Egypt, Jordan, Lebanon, Tunisia, UAE, KSA, and Qatar; Table 1), we document how social enterprise is manifested in practice along with the constraints and opportunities facing social entrepreneurs across this region. Our contribution is thus intended to complement recent efforts at tracing and trying to gain an understanding of what social entrepreneurship actually means and how it is enacted in a region and context that remain largely underexplored [10]. We also compare our findings to what we know about social entrepreneurship in developed countries to highlight peculiarities and differences. Throughout the chapter, we use the terms “social enterprise” and “social entrepreneurship” interchangeably.

Social enterprise	Country	Sector
Case 1	Egypt	Solar energy
Case 2	Egypt	Education
Case 3	Egypt	Education and responsible tourism
Case 4	Egypt	Agriculture
Case 5	Egypt	E-commerce
Case 6	Jordan	Healthcare
Case 7	Jordan	Recycling
Case 8	Jordan	Tourism
Case 9	Jordan	Education
Case 10	Jordan	Education
Case 11	Jordan	Tourism
Case 12	Lebanon	Social entrepreneurship support
Case 13	Lebanon	Agribusiness

Social enterprise	Country	Sector
Case 14	Lebanon	Services
Case 15	Lebanon	Agribusiness
Case 16	Tunisia	Financial services
Case 17	Tunisia	Agribusiness
Case 18	Tunisia	Agribusiness
Case 19	Tunisia	Education
Case 20	Tunisia	Handicrafts
Case 21	UAE	Social entrepreneurship support
Case 22	UAE	Healthcare
Case 23	UAE	Recycling
Case 24	UAE	Handicrafts
Case 25	UAE	Tourism
Case 26	UAE	Handicrafts
Case 27	KSA	Services
Case 28	KSA	Social entrepreneurship support
Case 29	KSA	Recycling
Case 30	Qatar	Consulting
Case 31	Qatar	Education
Case 32	Qatar	Education
Case 33	Qatar	Edutainment

Table 1. List of the interviewed social enterprises.

2. Overview of the literature on social enterprise

Social enterprise has gained greater visibility and recognition in recent years as a business-like contrast to the traditional nonprofit organization [4]. Social enterprise differs from the traditional understanding of the nonprofit organization in terms of strategy, structure, norms, and values and represents a radical innovation in the nonprofit sector [4]. A social enterprise is fundamentally defined as a business venture trading for a social purpose. Its main aim is to mitigate a social problem, a market failure, or an inequality in distribution [1,11,12].

Since the 1980s, social enterprise initiatives in the United States and Europe have acquired growing importance [13]. Although social enterprise has become an increasingly popular means of funding and supplying social initiatives in the two regions, the concept of social enterprise differs from one region to another. Such differences arise from contrasting forces characterizing and shaping the movement in each region [13]. In terms of understanding,

context, and policy *vis-à-vis* social enterprise, two main approaches can be identified at the international level.

The first approach, prevalent across Europe, combines the entrepreneurial component of nonprofit organizations with the innovative potential of the for-profit companies. The European Research Network (EMES) proposed a common approach to the study of social enterprises in Europe by combining two existing concepts of organizations: the nonprofit sector and the social economy. The concept of social enterprise introduced by EMES aimed at enhancing third-sector concepts by highlighting entrepreneurial dynamics tackling social aims within the sector while also capturing the evolutionary trends involving the sector of social services [14]. One defining characteristic of the European social enterprise is the setting up of an institutional structure designed to achieve a social goal through a continuous activity producing goods and/or selling services [8,13]. Additionally, the collective and participatory dimensions are key features of European social enterprises, which generally aim to reduce the possibility of opportunistic behavior by individuals [15]. According to this perspective, “social enterprises may be seen as more oriented to address the needs of the most fragile segments of society, as they put more emphasis on the dimension of general interest when compared to traditional nonprofit organizations and especially donative nonprofit organizations” [8]. As stated by Clotfelter [16], there is empirical evidence that the main goal of traditional nonprofit organizations tends to address opulent consumptions rather than serving the poor.

The second approach represents the U.S. perspective, where terms such as social entrepreneurship, social entrepreneur, and social enterprise started to also proliferate and are commonly used interchangeably [17]. This approach is much broader and more focused on enterprise for the sake of revenue generation than what we encounter in the European definitions [13]. Thus, the term “social enterprise” is more generally used as a synonym for nonprofit organizations that are not simply managing productive activities but are also becoming more market driven [4]. Using this broader conception or approach, for-profit organizations with the goal of collecting revenues to fund social activities, and not necessarily built around a single social mission, also qualify as social enterprises [8]. In this respect, the existence of an institutional arrangement specifically designed to serve a social goal is therefore not a necessary condition for social enterprises. Furthermore, in U.S. academic circles, there is an emphasis on the individual dimension or the social entrepreneur as an agent of change tackling social problems overlooked by other actors in different fields of general interest [8]. The U.S. perspective is therefore not only broader in terms of the spectrum of initiatives that qualify as social entrepreneurship but also more sensitive or alerted to the significant role of individual entrepreneurs as potential architects of positive social change in their respective societies.

When analyzing the two approaches of social enterprise, it becomes evident that the main differences identified stem from the specific context in which these concepts were constructed. Therefore, the context dependence of social entrepreneurship comes across as an important consideration that has not been accorded sufficient attention beyond the traditional Western contexts (e.g., Europe and the United States). With pressing socioeconomic and environmental concerns becoming widespread in both developed and developing countries, there is a need

to complement what we know and supplement knowledge about social entrepreneurship by looking at other regions and contexts, where scholarship on the topic continues to be scarce [10]. Moreover, with increasing financial transgressions documented in the West, investors and entrepreneurs are increasingly focusing on the developing world, where the concept of social entrepreneurship is gaining increasing traction and interest. This is also the case in the MENA region, which has witnessed a surge in social entrepreneurial efforts in recent years, although the promise and impact of those efforts have not been systematically assessed. We thus focus in this chapter on documenting how social entrepreneurs are leveraging the power of business to generate positive social innovations across this region. We also document in the process what is unique or different about social entrepreneurship in this region particularly when compared to mainstream approaches including what is encountered in the United States and Europe.

Research on social entrepreneurship still lags far behind the practice [18], particularly in developing countries that have received less attention in the literature [4,8,10,13]. Drawing on rich qualitative empirical fieldwork and interviews with social entrepreneurs across a number of Arab countries, we begin to document the evolving understanding and practice of social entrepreneurship in this part of the world. This effort helps to fill an important knowledge gap while also making a contribution to sorting out the competing and contrasting predictions of social enterprise [4]. We also adopt in this discussion section a comparative perspective or outlook to allow for an interpretation of the findings in context, comparing and contrasting to what we know about social entrepreneurship in other parts of the world.

3. Regional context

The recent Arab uprisings served to highlight deep-rooted socioeconomic problems facing countries of the MENA region. With a population of more than 345 million, half of whom are under the age of 25, the region has among the highest youth unemployment rates and the lowest labor force participation rates by women in the world [19,20]. Additionally, the region continues to struggle with a myriad of social and economic problems, including poverty, discriminatory access to quality healthcare and education, and gender inequality. These pressing social and environmental problems require urgent attention, which accentuates the need for positive change through social enterprise. Evidence shows that social entrepreneurship drives the creation of sustainable economies, which are crucial for the development of the MENA region today [21], given the stagnating patterns of economic development. Such initiatives can be specifically relevant to emerging country contexts where the traditional social sector activities are often seen as inefficient, ineffective, and unresponsive [22].

In this context, social entrepreneurship presents a significant potential for addressing the region's challenges by complementing the efforts of governments, civil society organizations, and the corporate social responsibility (CSR) initiatives across the region [23]. Additionally, there is a number of factors that can help in the integration and advancement of social enterprise in the MENA countries. The recent events in the region have created a sense of youth empowerment translating into an array of social entrepreneurial efforts tackling cultural

activities, health, agriculture, water and sanitation, and women empowerment, among others [10]. The region has also witnessed over the past few years a substantial increase in the infrastructure supporting social entrepreneurship, such as dedicated centers, social incubators, and accelerators [10]. The fast development of the technology sector in the region can also stimulate technology-oriented social entrepreneurial investments [24]. On the contrary, there are many challenges that can slow the progress of social entrepreneurship across the MENA region, including the limited availability of funds, tight legal restrictions, brain drain, and poor infrastructure, which have only begun to receive some attention in recent years [10].

Although social entrepreneurship is not new to the region, only a few are familiar with the terminology of this concept [25]. The region is currently witnessing a proliferation of social enterprises that are tackling education and talent development, healthcare, and women empowerment [10]. Although some of the conducive factors leading to the recent growth of social entrepreneurship in this region have begun to be traced and identified, including the growth of regional social enterprise incubators and accelerators and the increased availability of investment funds [21], the existing knowledge base pertaining to this important topic is thin at best, which may serve to limit the further evolution and expansion of social entrepreneurship in this region. This book chapter is therefore intended to complement what we know about social entrepreneurship from a Western perspective (mainly the United States and Europe) by providing a Middle Eastern flavor, thus contributing to nurture our understanding of social entrepreneurship as a nascent phenomenon and its potential implications both in this region and more globally.

4. Methodology

This chapter aims at filling the literature gap by empirically examining the performance of select social enterprises in the MENA region. Our study is based on 33 in-depth interviews conducted with social entrepreneurship decision-makers and stakeholders from Egypt, Jordan, Lebanon, Tunisia, UAE, KSA, and Qatar (Table 1). The enterprises in our sample belonged to different sectors, including education, handicrafts, services, and energy. The interviews were conducted as part of a wider research project on the trends of corporate responsibility and social entrepreneurship in the Arab region. Through a qualitative research methodology, this chapter presents a summary of the diagnostic results on social enterprise practices and capitalizes on the empirical data to synthesize insights about social entrepreneurship in the MENA countries.

5. Social enterprise in the MENA region

The findings of our study are presented here in the aggregate with respect to the main themes explored. The interviews revealed that most of the business models aimed at tying commercial activities to social value creation as opposed to adopting a model where social and commercial activities are detached. The business models of the majority of enterprises in our sample were

based on selling products or services to affluent consumers and companies, however. Services included selling consulting services and tourism trips, whereas products ranged from handicrafts to organic produce and solar energy technologies. Additionally, there was a consensus among interviewees regarding the importance of developing a flexible business model to achieve growth and survival in such uncertain environments. Although all of the entrepreneurs can be considered as innovators, as they decided to avoid the traditional donor-driven developmental template, the models of the interviewed social enterprises were not innovative in the sense of introducing new disruptive solutions to pressing societal challenges. Social enterprises in our sample targeted primarily affluent customers and businesses, with fewer innovative strategies identified aiming to integrate marginalized segments of society as consumers or users. Moreover, all interviewed enterprises implemented traditional solutions with the minimal use of technology. Such lack of innovativeness significantly limits the potential growth in scale and impact and potentially jeopardizes the longevity of the sector as a whole. For example, one of the interviewees stated that, due to the outdated technology systems used in the enterprise, he faced significant difficulties in scaling and expanding the business model in accordance with the increased demand that the venture is facing.

Only two social entrepreneurs had adopted an online advertising model (Cases 2 and 6). As mentioned by these interviewees, both enterprises were experiencing additional challenges in implementing and sustaining the online model given their need to attract high business traction when compared to traditional purely commercial websites. This hindered their ability to attract advertisements and thus generate revenues. Moreover, only a few of the interviewed enterprises have actually expanded their reach and impact to date. For example, one of the companies operating in the renewable energy sector reached agreements with large companies to implement large-scale projects, but the majority of the enterprises interviewed were growing incrementally and trying to alleviate obstacles that many owners conceded were rather overwhelming and difficult to address through individual initiative.

With regard to financing, almost half of interviewed entrepreneurs started their enterprises using their own savings. In later stages, some of those entrepreneurs continued to self-finance their entrepreneurial projects, whereas others reported obtaining financing from different sources of funding, including grants, competition awards, and friends and family. After completing the testing phase, some of the interviewed entrepreneurs declared that they adopted a commercial approach in generating funds by relying on sales revenue. However, only a small number of interviewed enterprises reported reaching a stage of financial self-sufficiency; these included two enterprises from the services sector in Lebanon and an enterprise from the healthcare sector in Egypt. For some of the other enterprises, access to resources was ensured through grants from the private sector, donor organizations, and social entrepreneurship support organizations, such as Ashoka and Synergors, among others. Some funding also originated in CSR budgets, competitions and awards, and fellowships. The representative of Case 11 captured the theme of external support in this discussion: "Winning an award helped us a lot in the strategic issues and how to think in a correct way. Also, the mentors and consultants I dealt with made a huge difference." Additionally, most of the enterprises relied on international funding as opposed to local resources. In this respect, the

representative of Case 13 noted: “Our main sources of funds are Agence Française de Développement (AFD) and a Swiss foundation that are supporting our projects.” It is interesting to note here that only few of our interviewed entrepreneurs made reference to governmental organizations as sources for project funding; these included a UAE-based social enterprise that has mobilized support through a Governmental Entrepreneurship Support Fund. Additionally, only two of the enterprises in the sample declared raising additional capital from investors to expand the scope of their business activities; these were Egypt-based enterprises from the healthcare and energy sectors. This means that social enterprises in the MENA region are going about mobilizing and soliciting funding in ways that are very similar to what is commonly encountered in the traditional nonprofit sector. In this respect, the limited availability of donors has led to a growing competition on grants and funds within the social enterprise sector in the region. Accordingly, the survival and growth of social enterprises in the MENA region is dependent on sustained availability of funds in the future.

In terms of best practice sustainability efforts, the vast majority of those enterprises appeared to adopt at least one best practice sustainability behavior. For example, about half of interviewed entrepreneurs referred to stakeholder engagement through the stages of their organizational development. As for corporate governance, many of the sampled social ventures emphasized the role of good corporate governance and accountability processes in maintaining sustainable growth. Most of the ventures had a functional board of trustees or advisors that was responsible for ensuring the achievement of the social mission. Many of the entrepreneurs were also producing regular reports on how the firm was meeting and advancing its social goal. Additionally, many entrepreneurs made reference to responsible workforce activities such as employee empowerment and supply chain activities including choosing environment-friendly suppliers. With respect to environmental practices, six of the social enterprises were involved in creating energy efficient products, whereas only four of the interviewed enterprises were engaged in green activities such as paper recycling, water-saving initiatives, waste management, and tree planting. Finally, although many of the social enterprises were tracking their progress internally, the vast majority did not report their sustainability practices to the public. In brief, social enterprises in the MENA region are still lacking a sustainable business model that can ensure their long-term survival and growth. The absence of sustainable development again risks dissolving with time the much-needed social for-profit entrepreneurial business model to something that resembles more the not-for-profit scheme.

Entrepreneurs explicitly identified their social mission as the impact they want to accomplish through their ventures. Extending this view, the representative of a social enterprise in Egypt indicated: “So, for the development of doctors, we take young doctors, promising young graduates who have the knowledge but not the life experience or connections of starting a practice with all its issues. So usually the normal model for the doctor would be to struggle, doing shifts in hospitals and trying to maybe leave the country, go to another country to just work, and to save money to open a clinic in Egypt again. We allow them to enter the medical system and to start practicing; this is very unusual in the Egyptian ecosystem where the ability of doctors to practice is largely based on a family member’s reputation; we are trying to change

that." Another interviewee summarized the venture's purpose as follows: "By becoming employees (marginalized women), their whole system is going to change; they will get money to improve their houses and will be able to access health services. We are also providing insurance schemes and some kind of educational support for children." The environmental impact was highlighted as well by the representative of Case 7: "Our impact is mainly related to environmental sustainability because we do recycling, waste management, and consulting; we do this to improve environmental sustainability, so we teach our clients how to reduce waste and how they can reuse what they already have and then how they can recycle."

In terms of impact monitoring and measurement, only one of the sampled ventures had developed an appropriate monitoring system. According to the majority of interviewees, the implementation of such systems was considered as a burden that is too complex and time and resource consuming. Findings also showed that social enterprises in our sample do not have access to the training and skills that are required to introduce such performance systems. This low uptake of impact and evaluation is a serious drawback that social entrepreneurship in the MENA region is facing. Performance analysis can offer social enterprises a competitive advantage and help alleviate potential loss of credibility or relevance. Such processes allow expressing the social objective of the business in a measurable way and provide for further transparency and accountability, which are key to the differentiation of social enterprises from their not-for-profit counterparts. Performance and impact measurement are also key in reducing transaction costs, improving productivities, and staying aligned with strategic objectives. They also allow an organization to identify best practice, benchmark progress with relevant metrics and indicators, make informed budgetary decisions, and put the necessary control processes in place to ensure continuous progress [26]. In the absence of such impact monitoring and measurement systems in the majority of social enterprises, the effective delivery on the social mission is seriously put in question, jeopardizing in turn the long-term survival of the social enterprise sector.

The interviews finally documented that social enterprises faced many salient challenges in managing their business. Access to capital and financial resources were characterized by all interviewees as the major challenges. As expressed by the entrepreneur of Case 7, "It is stressful not having cash when you want to pay employees and the social security and contractors and buy the materials and the fuel." Social entrepreneurs were also heavily constrained by the difficulty in recruiting and retaining skilled human resources. The lack of awareness about social entrepreneurship and cultural discrimination was equally described as a constraint, as, in all countries of the sample, people are not familiar with the concept of social entrepreneurship and they associate it with not-for-profit organizations. As the interviewee of Case 1 indicated, "People were skeptical about our idea of solar energy that is new to the market." Interviewees also noted the absence of support organizations that focus on social enterprises and the unavailability of suppliers and other stakeholders that are ready to cooperate with such ventures. Several interviewees also made reference to limited efforts by the government in incentivizing and supporting social entrepreneurship. The interviewee for Case 5 noted: "We need to understand the difference between social enterprises and business companies. There is a huge difference and it can be seen. The governmental sector, the nongovernmental

sector, and the media sector need to treat the social enterprises in a different manner than business companies, which are purely profit-oriented.” The entrepreneur of Case 6 also built on this line of thought arguing that “If somebody makes a comment on the website and it is politically incorrect or anything that they do not like, they have the authority to close the website, which undermines freedom of speech and is quite repressive.” The entrepreneur of Case 17 put the need for governmental support in these words: “All the national institutions treat you as a normal organization; this is not the right way, not encouraging. The people who do social business have no encouragement or support.” In this respect, the interviewees pointed to inefficient government bureaucracy, such as being subject to for-profit corporations’ taxations and regulations. In most cases, public bureaucracy and economic and political instability were frequently raised as serious obstacles faced.

6. Discussion of findings

The last few years have witnessed a growing interest in social entrepreneurship in the MENA region. The findings of the chapter highlighted both convergence and divergence in terms of what is happening vis-à-vis social entrepreneurship in the MENA region when compared to a developed country’s perspectives. This is what Jamali and Neville [27] referred to as cross-convergence, combining elements of convergence and divergence. For example, one element of convergence is the prioritization of the social value or social mission and putting this at the core of the social enterprise model. However, as opposed to the American model that emphasizes sustainable revenue generation and self-sufficiency, social enterprises in the MENA region and Europe tend to manifest a social benefit focus. This implies that European and Arab social entrepreneurs have to secure alternative sources of funding to ensure financial viability and avoid compromising the social mission. Whereas social entrepreneurs in Europe often depend on a combination of innovative income-generating methods, such as revenues derived from public contracts, these sources of public funding seem very scarce across the Arab region, except in rich Gulf countries such as the UAE and Qatar. Accordingly, social enterprises in the Arab region depend on fundraising techniques that are similar to those adopted by not-for-profit organizations. The main sources of funding are entrepreneurs’ own savings and philanthropic contributions such as grants and donations.

As shown by the EMES approach, the governance structure of social enterprises in Europe is characterized by a high degree of autonomy. This is also the case in the MENA region, where most social enterprises have a functional board of directors or trustees that are responsible for advancing the overall strategy and social purpose of the venture. This is possibly a point of convergence with social enterprises in the United States and Europe, which also rely on advisory boards to ensure that the social mission stays in focus and is achieved. In contrast, a point of divergence is possibly related to the poor impact monitoring and measurement systems across the social enterprise sector in the MENA region, which also jeopardizes the long-term viability of the sector. The participatory multistakeholder governance that we often observe in Europe is also a point of divergence, given that it seems less applicable both in the United States and in the MENA region. In fact, in the MENA region, social ventures often

emerge as projects championed by individual social entrepreneurs who play a crucial role in setting up and growing the enterprise and ensuring its sustainability over time. Despite the presence of advisory boards for social innovations in the MENA region, the individual entrepreneur is still the focal driving force of change. Such individual dynamics places a huge importance on charismatic leadership and leaders' profiles and characteristics in the orientation and development of social enterprise in both the United States and the MENA region.

Finally, unlike the European social enterprises that are generally supported by governments, the financial and strategic development of social ventures in the United States and in the MENA region tends to be supported by private organizations. In fact, governments in the MENA region have so far assumed no role in stimulating the creation and development of social enterprise. The supportive institutional environment in Europe includes other entrepreneurs, social incubators, and investors who are interested in social and environmental development. This is another point of divergence that risks undermining the long-term viability of the social enterprise sector in the MENA region. With respect to innovation, the American model seems to take a more innovative approach, especially that the growth of the enterprise depends on marketing its products and services. On the contrary, innovation is severely attuned in the MENA region, and this can be attributed to a number of factors, including the absence of a supportive ecosystem and the limited availability of funds. The fact that the region is lagging behind in terms of technological advancement also impedes social businesses in leveraging the latest technological innovations. Additionally, social enterprises in the MENA region seem to be providing a narrow range of products and services that often prioritize consumption over social mission considerations. This suggests the need for more innovation in product and service delivery and market expansion.

In closing, our findings in this book chapter certainly accentuate the context dependence of social entrepreneurship and the elements of convergence and divergence with global best practice. Social enterprises in the MENA region continue to rely primarily on individual goodwill and initiative of social entrepreneurs who serve as drivers and architects of positive change in a difficult environment. However, those social entrepreneurs continue to be constrained by the nonconductive ecosystem around them, including the limited availability of funds, the fledgling technological advancements, and the absence of visible support from other entrepreneurs, social incubators, and investors who are interested in social and environmental development. The lack of government support and the outdated legislation that continues to treat social enterprises as traditional for-profit corporations were also identified as important constraints. Finally, the findings make clear that the lack of awareness about social entrepreneurship in the MENA region is also proving to be a hindrance particularly in relation to the attraction and retention of talent in this sector. All of these elements in combination make the practice of social entrepreneurship in the MENA region distinctive, and certainly more protracted and difficult, when compared to the European and American models of best practice commonly popularized in the academic literature. The context dependence of social entrepreneurship thus implies that these peculiar constraints need to be identified and mitigated in context to ensure the long-term advancement and viability of the social enterprise sector.

7. Conclusion

This chapter has presented novel insights in relation to social entrepreneurship in the MENA region. Although social entrepreneurship has advanced in this region and the scope of the social interventions is extremely diversified ranging from education to poverty alleviation to tourism and agriculture, the social enterprise sector in this region is also facing some salient constraints, including the absence of strategic planning, the attuned innovation, and a host of constraints stemming from the predominance of a nonconductive ecosystem. In particular, the tight funding environment and the outdated legislation constitute important constraints that threaten the long-term viability of the social enterprise sector in the MENA region. These constraints need to be addressed to allow social entrepreneurial organizations in this region to find the dynamic balance between financial viability, sustainability, and innovation [28] and ensure long-term social value creation. An important contribution of this chapter is to accentuate the context dependence of social entrepreneurship, implying that constraints facing social entrepreneurs need to be identified and mitigated in context to ensure the long-term advancement and viability of the social enterprise sector. Moreover, we believe it is crucial for social entrepreneurs to adopt a business model that is best suited to tackle region-specific socioeconomic challenges and hence create context-specific sustained economic growth and prosperity. Although there is room to learn from best practice around the globe, there is also a need to tailor our own models and address the context-specific constraints and issues raised, as quick-fix solutions are not likely to stick or provide sustainable solutions that can ensure the viability of social enterprises operating in this region.

Author details

Dima Jamali¹, Nadine Mohanna¹, Dina H. Sherif² and Salma El Sayeh²

1 American University of Beirut, Beirut, Lebanon

2 Ahead of the Curve and American University of Cairo, Cairo, Egypt

References

- [1] Dees JG. The meaning of social entrepreneurship.
- [2] Emerson J, Twersky F. New social entrepreneurs: The success, challenge and lessons of non-profit enterprise creation. San Francisco; 1996.
- [3] Leadbeater C. The rise of the social entrepreneur. Demos; 1997.
- [4] Dart R. The legitimacy of social enterprise. Nonprofit management and leadership. 2004 Jun 1;14(4):411–24.

- [5] Roberts D, Woods C. Changing the world on a shoestring: The concept of social entrepreneurship. *University of Auckland Business Review*. 2005;7(1):45–51.
- [6] Austin JE, Stevenson HH, Wei-Skillern J. Social entrepreneurship and commercial entrepreneurship: Same, different, or both? Division of Research, Harvard Business School; 2003.
- [7] Young DR. Alternative perspectives on social enterprise. *Nonprofits and business*. 2009;21–46.
- [8] Galera G, Borzaga C. Social enterprise: An international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*. 2009 Nov 13;5(3):210–28.
- [9] Peredo AM, McLean M. Social entrepreneurship: A critical review of the concept. *Journal of World Business*. 2006 Feb 28;41(1):56–65.
- [10] Jamali D, Lanteri A, editors. *Social Entrepreneurship in the Middle East*. Palgrave Macmillan; 2015 Aug 14.
- [11] Alter K. Social enterprise typology. *Virtue Ventures LLC*. 2007 Nov 27;12.
- [12] Page A, Katz RA. The truth about Ben and Jerry's.
- [13] Kerlin JA. Social enterprise in the United States and Europe: Understanding and learning from the differences. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*. 2006 Sep 1;17(3):246–62.
- [14] Borzaga C, Defourny J. Conclusions: Social enterprises in Europe: A diversity of initiatives and prospects. *The emergence of social enterprise*. 2001:350–70.
- [15] Nyssens M. Social enterprise. At the crossroads of market, public policies and civil society. 2006.
- [16] Clotfelter CT, editor. *Who benefits from the nonprofit sector?* University of Chicago Press; 1992 Oct 15.
- [17] Seanor P, Meaton J. Making sense of social enterprise. *Social Enterprise Journal*. 2007 Mar 30;3(1):90–100.
- [18] Johnson S. Literature review on social entrepreneurship. *Canadian Centre for Social Entrepreneurship*. 2000 Nov;16:23.
- [19] The World Bank. *World Development Indicators (WDI)* [Internet]. 2014. Available from <http://data.worldbank.org/products/wdi>.
- [20] Roudi F. *Youth Population and Employment in the Middle East and North Africa: Opportunity or Challenge?* Population Reference Bureau. 2011 Jul 22.

- [21] Buckner E, Beges S, Khatib L. Social Entrepreneurship: Why is it Important Post Arab Spring? Program on Arab Reform and Democracy-Center on Democracy, Development, and the Rule of Law (CDDRL)-Stanford University. 2012.
- [22] Dees JG. The meaning of social entrepreneurship revisited. Working Paper, Stanford: Stanford University Graduate School of Business [Internet]. Available from: http://www.fuqua.duke.edu/centers/case/documents/dees_SE.pdf; 2001.
- [23] Jamali D, Sidani Y, editors. CSR in the Middle East: Fresh perspectives. Palgrave Macmillan; 2012 Sep 18.
- [24] Anderson B. As Arab Startups Get More Serious, So Too Does VC Investment. Wall Street Journal blog [Internet]. 2014. Available from <http://blogs.wsj.com/middleeast/2014/03/04/as-arab-startups-get-more-serious-so-too-does-vc-investment/>.
- [25] Abdou E, Fahmy A, Greenwald D, Nelson J. Social entrepreneurship in the Middle East. Toward sustainable development for the next generation. Wolfensohn Center for Development at the Brookings Institution; 2010.
- [26] Jain T, Jamali D. Looking Inside the Black Box: The Effect of Corporate Governance on Corporate Social Responsibility. *Corporate Governance: An International Review*. 2015 Dec 1.
- [27] Jamali D, Neville B. Convergence versus divergence of CSR in developing countries: An embedded multi-layered institutional lens. *Journal of Business Ethics*. 2011 Sep 1;102(4):599–621.
- [28] Weerawardena J, Mort GS. Investigating social entrepreneurship: A multidimensional model. *Journal of World Business*. 2006 Feb 28;41(1):21–35.