

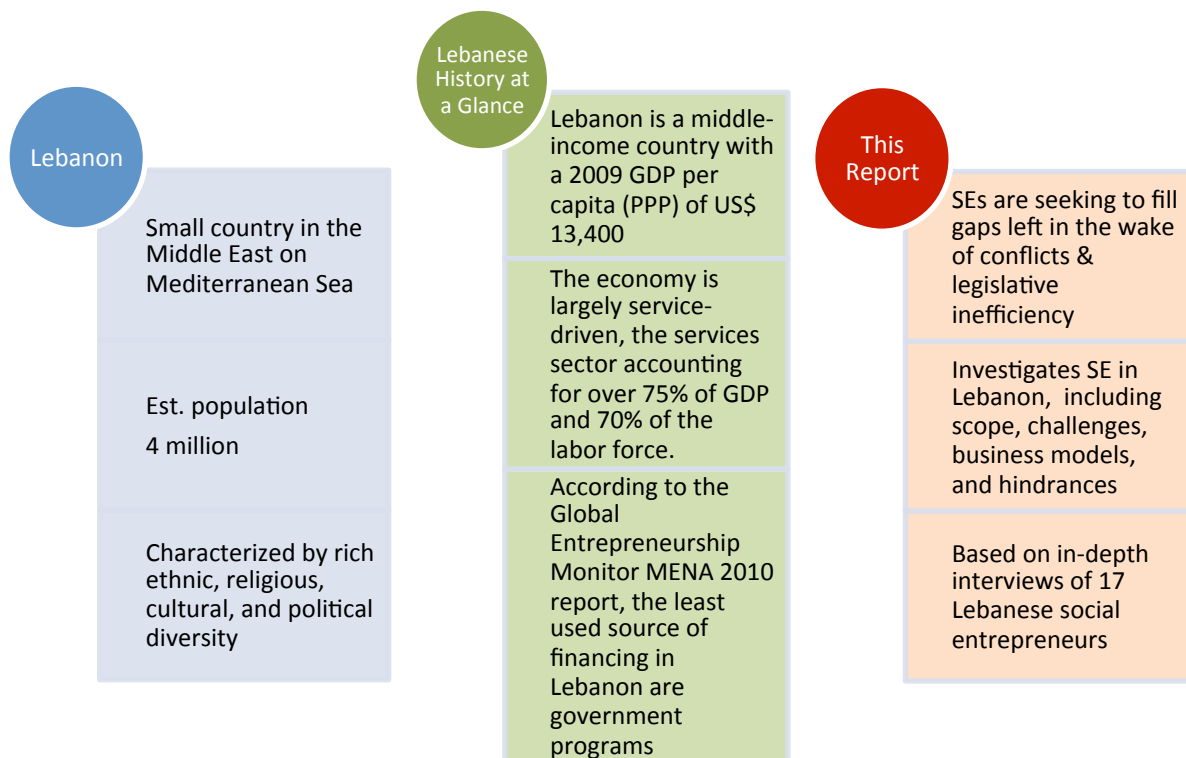
Social Entrepreneurship in Lebanon: Contexts and Considerations

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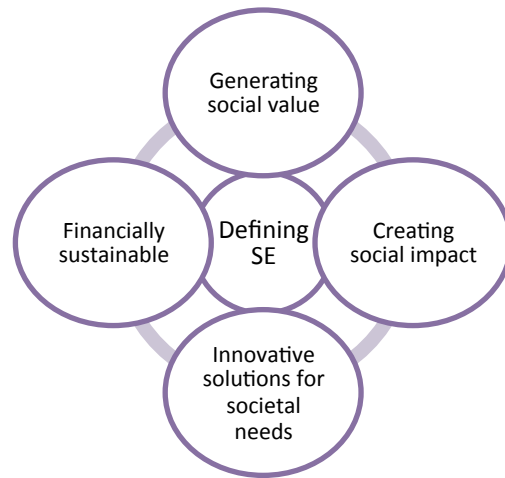
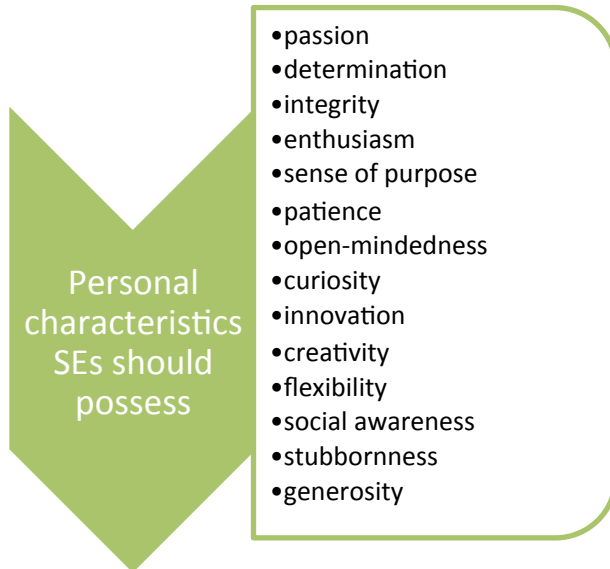
Abbreviation

SE social entrepreneurship, social entrepreneur, social enterprise (context sensitive)



Defining social entrepreneurship

When asked to define social entrepreneurship, the participants cited similar definitions to those definitions found in academic scholarship. In fact, 13 participants used almost identical phrases to define the concept; particularly that SE involves generating social value or social “impact” using business.



Personal characteristics of social entrepreneurs

Many scholars promote that social entrepreneurs are a unique breed of people that share an array of similar personal characteristics that set them apart from commercial entrepreneurs or other individuals.

Getting involved in social entrepreneurship

Most participants did not begin their enterprises with the intention of going into “social entrepreneurship.” Instead, they wanted to fill gaps they personally identified in society. About 30% of the participants cited a personal experience that triggered their interest and drive to create the venture, ranging from war, death, interaction with marginalized people, or travel.

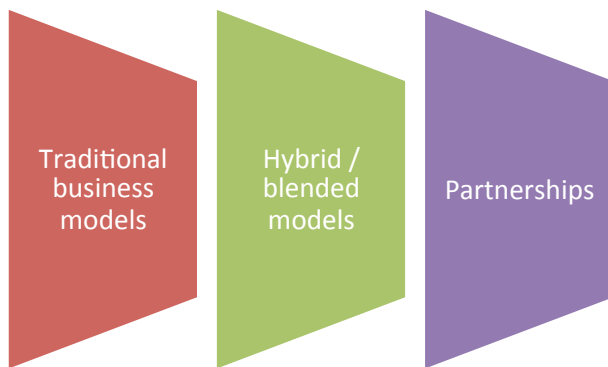
Notably, each participant’s enterprise and/or NGO does not overlap significantly with the other participants’, indicating that the SEs are filling gaps uniquely. For example, the participants engaged in enterprises related to healthcare are all engaged in distinctive practices: blood and platelet donation, speech therapy, drug addiction, disability rehabilitation, and therapeutic drama. For participants involved in environmental engineering, enterprises include recycling and fertilization, waste elimination, and conservation and environmental education.

Benefits of establishing social enterprises

Participants in the study cited that social enterprises can be vastly beneficial to Lebanon, remarking generally on SE's potential to empower marginalized individuals and to contribute to the development of the country by providing services that the government currently fails to provide, or does not provide well.

Giving back	Fringe benefits
<ul style="list-style-type: none"> • Providing services that are life changing • Reaching out to others who would otherwise be shunned 	<ul style="list-style-type: none"> • Challenging work • Contributing to economic development of the country • Pursuing passion • Networking

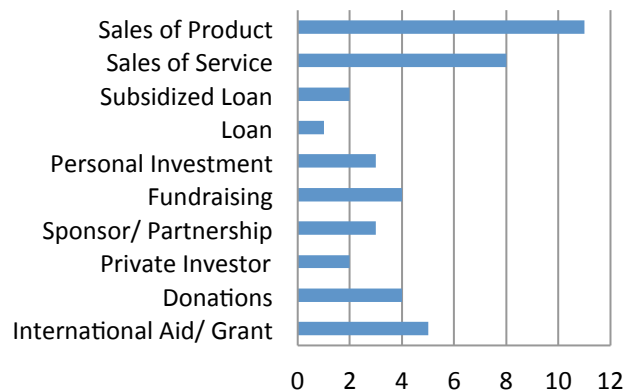
SE business models in Lebanon



The idea of a “Lebanese business model for SE” does not exist. Participants use a range of models, including traditional business models and hybrid (or blended) models, some of which involve selling products/services to consumers in combination with external funding. One participant utilizes a partnership model, in which partners hold equal shares and are active decision-makers.

Sustainability

Though the participants agreed social enterprises should seek 100% sustainability, most SEs interviewed are not completely sustainable at this point. The majority of SEs are sustained through their own personal funding; grants or start-up capital; loans; or donations. The more sustainable SEs gravitate toward selling services or products. It is important to note that not all participants in the study are seeking to become “profitable,” in the commercial sense of profit.



Challenges of social entrepreneurship in Lebanon

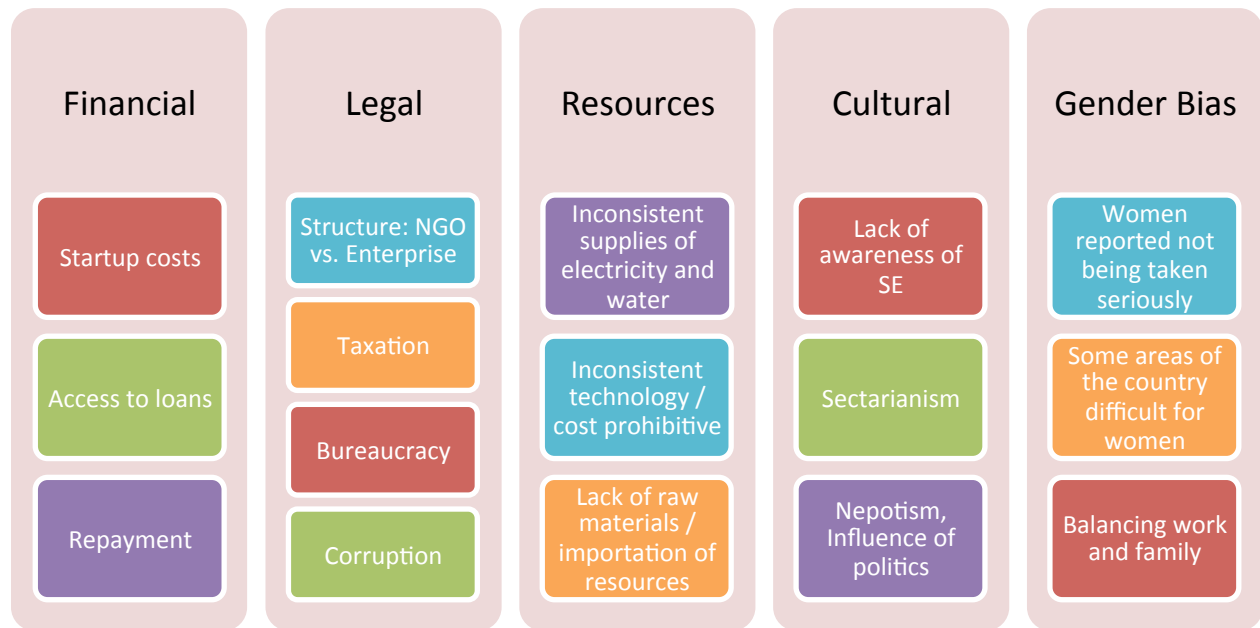
SEs in Lebanon face a host of financial risks, legal obstacles, technological access, resources, and infrastructure difficulties, cultural conflicts, and gender biases.

Financial

Participants remarked that, paradoxically, securing a loan is difficult because local banks are hesitant to invest in any *new* venture that has yet to prove its success. Subsidized loans are also not easy to obtain, as such loans are available only in small amounts, and only in some sectors. Some participants remain wary of taking on loans, fearing repercussions from banks or are concerned that taking on loans just postpones the problem of long-term viability.

Legal

Currently, no laws exist in Lebanon that differentiates a social enterprise from a commercial enterprise. One either starts an NGO or a commercial enterprise that is subject to taxation and commercial regulations. Almost 30% of participants reported that they had difficulties securing appropriate permits or had problems registering their enterprises with the government. Others noted inefficiency or corruption as impediments to the advancement of their enterprises.



Technological access, resources, and infrastructure

With the government providing only up to 12 hours worth of electricity on any given day—in urban areas—SEs have to find other means of accessing electricity, and consistent access to adequate water supplies is another challenge. Telecommunications access and cost remains a challenge, and accessing the raw materials sometimes poses difficulties for Lebanese SEs. Some have been forced to import resources, resulting in higher costs from import fees/taxes.

Cultural considerations and the Lebanese context

Cultural challenges abound for SEs, ranging from a lack of awareness about SE in Lebanon; limitations that sometimes come with being an SE as opposed to being a commercial entrepreneur; and a lack of collaborative spirit amongst Lebanese. In a region that places a high value on being able to blend in, working alongside or employing marginalized people can complicate an SE's advancement.

"No one believed.... Whenever you come up with a revolutionary idea, [there are more] naysayers...than people who say, 'Bravo.'"

Gender bias

Female participants reported "not being taken seriously" as the major challenge they experienced. Others said the rural, male-dominated areas of Lebanon are especially difficult areas in which to work. Some participants related instances of sexual harassment, saying they were spoken to with sexual overtones or with a "sexual attitude." Several participants mentioned that balancing work and family continues to be a challenge.

Conditions needed for social entrepreneurship to thrive in Lebanon

Recognition of SE

When asked what conditions are needed for SE to thrive, 47% of the participants said SE in Lebanon needs to be recognized as a concept. Specifically, there is a critical need to increase awareness of SE in the civic sector.

"There needs to be particular emphasis on how the social entrepreneurs' work impacts the country on all the levels."

Resources and networking

Beyond desperately needing access to necessary and/or specialized raw materials for the enterprise at affordable prices in Lebanon, the participants suggested other nonmaterial resources they would find helpful, including a structured network for social entrepreneurs. This network is manifested through an entity whose role is to lobby and raise awareness, draft detailed benchmarks that define an SE within the Lebanese context, provide leadership and consulting, and form partnerships.



Legislative support and intervention

The government needs to recognize SEs as independent entities that require unique solutions. Almost 1/3 of participants in the study specifically called for tax exemption or tax reform for social enterprises. Others emphasized the need for accountability and transparency between SEs and the government or insisted on improvement of the Lebanese infrastructural systems to sustain and advance SE.

Financing SE

Streamlining financing for SEs, said 53% of participants, is necessary. On a practical level, one SE suggested creating

policies to “facilitate access to finance,” including the capability for third-party donors to contribute to the organization via online portals. Others recommended loan reform. In general, participants said that access to loans are needed, and for reasonable amounts and rates.

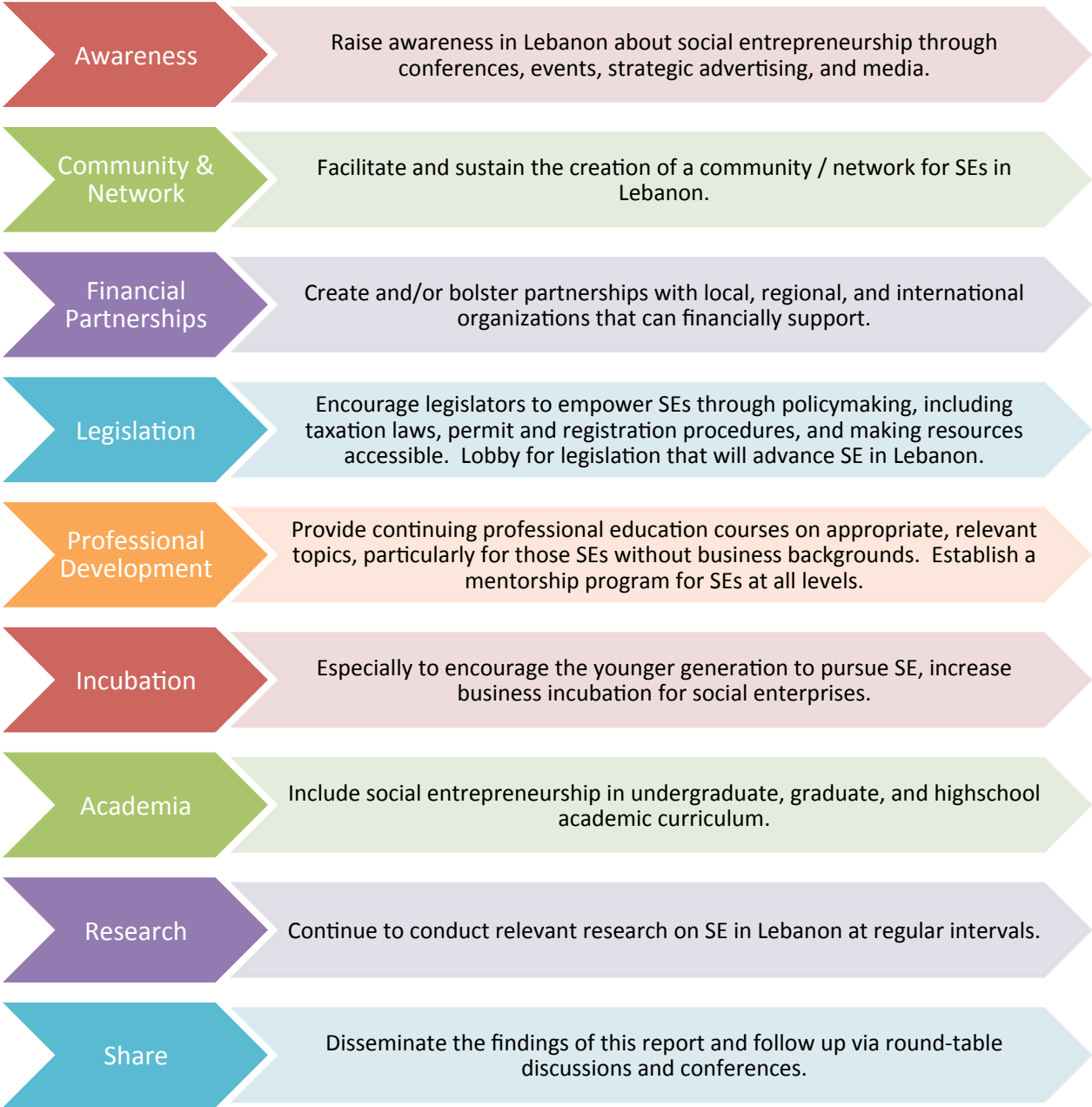
SE and academia

The participants related that academia should value creativity and innovation and express appreciation for SE in tangible ways, including public appreciation and incorporating SE into academic curricula. Some participants recommended local academic institutions offer affordable business education for those SEs who do not have a background in business or provide “proper guidance” on writing business plans and advise on general business practices.

Lebanese cultural context

As opposed to other countries in the Arab region, while SEs in Lebanon have more of a voice in the country, on the other hand, they become the “crutch” for the government, leaving SEs to deal with social problems that the government is otherwise choosing not to address. One participant put forth that it will also be important for Lebanon to establish a culture conducive to establishing social enterprises, including eliminating competition between SEs.

Recommendations



Credits

Partners

Synergos

Ashoka

The Schwab Foundation

USAID

Interviewees by alphabetical order

Ali Dimashkieh

David Munir Nabti

Dima El Khoury

Ella Bitar

Gilbert Doumit

Kamal Mouzawak

Mazen Sukkarieh

Nadya Mikdashi

Paul Abi Rached

Pierre Issa

Raja & Benedicte Moubarak

Sahar Jamali Jalaleddine

Sarah Beydoun

Yorgui Teyrouz

Zahya Ghaddar

Zeina Daccache

Ziad Abi Chaker

Teach for Lebanon

AltCity/ Hibr/ Rootspace

Injaz-Lebanon

St Vincent de Paul

Beyond Reform & Development

Souk El-Tayeb, Tawlet

ITSME Innovators & Trendsetters of the Middle East

Skoun

T.E.R.R.E Liban

Arc en Ciel

Beyt by 2bdesign

Ahlouna

Sarah's Bag

Donner Sang Compter

Centre de Loisir / Mosaik

Catharsis

Cedar Environmental

Research assistant

Tatiana Audi

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