

**An-Najah National University  
Faculty of Graduate Studies**

# **Developing a Framework for Social Entrepreneurship in Palestine**

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## **Dedication**

**I dedicate my work to my family. A special feeling of love to soul of my Father, to my Mother, Sister, my beloved nephews, my Family and my beloved ones.**

## **Acknowledgement**

**I would like to express gratitude to the mighty Allah for giving me the patience and perseverance to accomplish my study. I would also like to extend my sincere appreciation to my supervisor Dr. Rabeh Morar.**

**For his time, support and valuable recommendations. Many thanks are to the internal and external examiners whose comments and suggestions would enrich my thesis.**

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## الإقرار

أنا الموقعة أدناه مقدمة الرسالة التي تحمل عنوان:

تطوير إطار عمل لمؤسسات الريادة الاجتماعية في فلسطين

## Developing a Framework for Social Entrepreneurship in Palestine

أقر بأن ما اشتملت عليه الرسالة إنما هو نتاج جهدي الخاص باستثناء ما تمت الإشارة إليه حيثما ورد وأن هذه الرسالة ككل أو أي جزء منها لم يقدم من قبل لنيل أي درجة علمية أو بحث علمي لدى أي مؤسسة تعليمية أو بحثية أخرى.

### Declaration

The work provided in this thesis, unless otherwise referenced, is the researcher's own work, and has not been submitted elsewhere for any other degree or qualification.

Student's Name:

**Hoda Barakat**

اسم الطالب:

Signature:

..... Hoda .....

التوقيع:

Date:

19/09/2018

التاريخ:

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# **Developing a Framework for Social Entrepreneurship in Palestine**

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## **Abstract**

The entrepreneurship has grown steadily in the last five years. The wheel of entrepreneurship launched for many people and organizations in Palestine starting from the curriculum in the university, the diffusion of entrepreneurship training programs, incubators and startups, investment in ideas by many companies and organizations (Atala, 2015).

In this work we created a framework for social entrepreneurship in Palestine through studying major perspectives that influence social entrepreneurship, such as the level of awareness of the concept of social entrepreneurship, the motivation behind social entrepreneurship, the strategies and business plans these social entrepreneurs apply, the evaluations tools they use and finally the obstacles they face and how they overcome them.

Descriptive statistics and an econometric approach were both utilized. The target population was the organization in West Bank that are involved in social entrepreneurship and who were supported or funded by Synergos Palestine, as Synergos is among the very few organizations that widely support entrepreneurs and social entrepreneurship in Palestine. A sample of 73 organizations were selected distributed among the sectors that

were targeted by social entrepreneurship (education, health, community development, regional economic development, Social Care, Human Rights and Environmental sector).

The research identifies stages of which social entrepreneurship organizations go through, the start is always by identifying a systematic problem that is driven from the existing social systems (motivated to create social change), then defining activities needed by founder or co-founders of the social entrepreneurship, followed by an organized activity by the team of the organization to carry out the entrepreneurship mission, then the socialized activity which is defined as the activity within the stakeholders in each society who strive to solve systematic problem collectively and finally Systematic change and this is the fundamental change at the level of social system (business strategy and operations).

This research displayed a suggested framework for social entrepreneurships in Palestine that allows organizations to become more sustainably and grow in the direction needed and supported by its surroundings. This framework consisted of five main pillars. Firstly, the identification of the social problem the entrepreneur would like to solve. Secondly, the identification of the typology of social entrepreneurship organization as for profit or nonprofit organization. Thirdly, the identification of the social entrepreneurship organization's operations and business strategies such as annual budgets, stakeholders, number of employees and volunteers, organization's sector, business strategies and

practices and fundraising and supporting organizations. Fourthly, the determination of the obstacles facing social entrepreneurship organization and identifying solutions. Finally, the determination of the indicators of success within social enterprise such as number of beneficiaries, number of services provided, sustainability of financial support, quality of services and geographical expansions.

This study also provided a set of recommendations. The first for social entrepreneurs is to follow suggested framework to help secure sustainability and growth for their organizations. Moreover, good business strategies and indicators of success should be identified; this could be accomplished by creating incubators for social enterprise in all Palestinians cities, creating seeds capital or venture capital or equity capital funds that will help finance small businesses for youth. Also, encouraging banks and microfinancing organizations to loan small and medium entrepreneurship projects with acceptable loaning conditions. The second of the policy makers is to create crowd funding platforms for social enterprises and finally activating role of government is crucial in helping entrepreneurship and social entrepreneurship

## **Chapter One**

### **Introduction & Theoretical Background**

#### **1.1. Introduction**

Entrepreneurship means different things for different people. Some people will think it is technology or a business startup, others may consider it as owning a business and opening a shop, ultimately it could be defined as these examples and many others that share a commitment to turning an idea into a business (Amini, 2016). It also consists of more than having a great idea; the idea is the first part of it, it is very important to have a vision of how to translate this idea into profit and reach intended goals efficiently and effectively. Entrepreneurship is considered more of a mind-Set, it is all about imaging new ways of problem solving and creating value (Amini, 2016).

A recent definition for entrepreneurship describes it as the capacity and willingness to develop, organize and manage a business venture along with any of its risks to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

In economic, entrepreneurship combined with land, labor, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace (Business Dictionary, 2017).

Social entrepreneurship, as a concept is driven by creating solutions to cultural, social or environmental issues by using techniques and skills used to create startups companies. It contains the practice of innovation, resourcefulness and opportunity to address solutions for these cultural, social or environmental issues. They could be set up as non-profit or for-profit organization. The main goal of these social entrepreneurship is to create real and sustainable change in any of the social, cultural or environmental issues. In addressing problems in certain communities and trying to solve them in a systematic and effective way that insures continuity of the intended change.

Social entrepreneurship was introduced in the 1970s to help address the social challenges and find sustainable solution for them. The idea was to use managerial skills to address social problems. The practice of social entrepreneurship surfaced in the 80s, when an organization called ASHOKA<sup>1</sup> started to support social entrepreneurship worldwide (EL Brashi, 2012). The concept of using managerial skills to establish social entrepreneurship was referenced in many literatures in the 90s, for example, Drucker (1990), suggested the using of management skills in non-profits organizations to obtain sustainable social changes.

The development of entrepreneurship behavior is crucial for the Palestinian economic, knowing the huge economic, social and political challenges the Palestinian economic face. Palestine is being considered a

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<sup>1</sup> branded Ashoka: Innovators of the Public, is an international organization that promotes social entrepreneurship by affiliating individual social entrepreneurs into the Ashoka organization.

young society with around 30% of its population between the ages of 15-29 (PCBS, 2016a), 36.9% of them earned secondary level education, and 12.7% earned college and higher education (11.2% males and 14.3% females). But, this important sector of population suffers from high rate of unemployment around 30.2%, 25% among males and 60.4% for females), which is above the national average (around 26% in 2016). However, these youth represent a potential asset for the development in Palestine: if provided with the necessary tools and guidance to support new business development, youth-founded enterprises can promote private sector development and create jobs. This consistent with the report published by the International youth Foundation (2011), that there is an opportunity for the Palestinian youth to establish their own startup and being self-employed if they are provided with the practical and applied training, financial and non-financial support. The advancement in the technology use in the Palestinian society in the last decade creates also opportunities for the youth exploit as it is become very essential for entrepreneurship thinking and behavior in the knowledge-based economy.

The culture of entrepreneurship is starting to launch in Palestine, however there is still a long way to go. In an important study implemented by GEM (the global entrepreneurship monitor is the world's foremost study of entrepreneurship), in the period between 2009-2012, one of the most important result was that 9.8% of new projects in Palestine are entrepreneurship, which is considered low given available economic opportunities. However close to the average in other developing countries

like Egypt (7.8%), Iran (10.8), Pakistan (11.6), Croatia (8.3 %), Turkey (12.2%), Tunisia (4.8%) , Taiwan (7.5%) and many others (Dawod, 2012).

Also, the adult Population Survey (APS) in the Palestine for 2010 and 2012, (conducted by MAS in collaboration with the Palestinian Central Bureau of Statistics) demonstrate that the rate of early-stage entrepreneurship among young people in Palestine is slightly above the MENA average of 9% in 2012. In terms of established business rate (1.3%), however, the Palestine marks (2.4%) points below the MENA average. In terms of early-stage young entrepreneurship, the Palestine ranks 38th out of 67 countries and 58th in terms of established businesses.

In recent studies conducted by the Palestinian Economic Research Policy Institute (MAS) in 2012, it was found that 77 different types of organizations that have been working in the field of supporting and financing entrepreneurship projects in Palestine, this includes different forms of support like incubator programs, accelerating programs, financial support, consulting and training services and networking between entrepreneurs and investors.

## **1.2. Problem Statement**

Palestine suffers from severe social, economic and political challenges. These challenges create a hostile entrepreneurial environment, and added layers of complexity that command different thinking, innovation, and partnerships. Therefore, more than any other place in the

world, one of the most important tasks for entrepreneurship in Palestine is to enhance the society, i.e. entrepreneurship in Palestine should be oriented to solve the problem of society and deal with the huge challenges the Palestinian people face.

The entrepreneurial organizations in Palestine is characterized by misallocated resources, fragmented effort and not connected to a systematic work and one framework. Thus, one of the main challenges for the entrepreneurship sector in Palestine is to create a general framework, organizing body. A comprehensive vision which has specific objectives and a clear vision that lead at the end to support entrepreneurial behavior in the society and open new job opportunities mainly for youth and consequently improve the economic performance of the Palestinian economic.

### **1.3. The Purpose of the Study**

This study will help to develop a framework for social entrepreneurship in Palestine and how it should function within the entrepreneurial organizations in both private and non-governmental sectors. This includes the structure of social entrepreneurship activities, the structure of social entrepreneurship organization and its development process, the challenges or obstacles that they face, and the role it must play in the Palestinian society.

#### **1.4. Objective of the Study:**

This research aims to develop a framework for social entrepreneurship in Palestine. It sheds light on issues concerned with social entrepreneurship in the Palestinian society such awareness of social entrepreneurship and its motivation, the business strategies and operations used in social entrepreneurship, evaluation techniques used in social entrepreneurship organizations and obstacles facing social entrepreneurship organizations.

#### **1.5. Questions of the Study**

To achieve the purpose of the study the researcher addressed the following questions:

The creation of the framework for social entrepreneurship in Palestine will enable to answer the following set of questions:

1. What is the level of awareness of the concept of social entrepreneurship in Palestine? and what is social entrepreneurship motivation?
2. What are practices of business strategy and operation used in the social entrepreneurship organizations? What are best practices?
3. What are evaluation techniques of social entrepreneurship organizations?

4. What are the struggles and obstacles facing these organizations? And how to overcome them?

### **1.6. Significance of the Study**

The significance of this study comes from the importance of social entrepreneurship to cope with different social and economic struggles in Palestine, and the lack of opportunities for youth specially females has encouraged many to peruse this path. With Palestine's specific political and economic reality, it becomes crucial to initiate and sustain entrepreneurship projects and specifically social entrepreneurships. This will help provide more employment opportunities, help organizations create and follow clear vision that will sustain these social changes, and help identify any growth opportunities on social and economic

### **1.7. Hypotheses of the Study**

#### **1. First Hypotheses:**

$H_0$ : there is a lack of understanding about the concept of social entrepreneurship in organizations classified as social entrepreneurship.

#### **2. Second Hypotheses:**

$H_0$ : there is a lack of motivation for social entrepreneurship.

#### **3. Third Hypotheses:**

$H_0$ : social entrepreneurial firms lack business strategies and operations.

#### **4. Fourth Hypotheses:**

H<sub>0</sub>: there is a lack for success and evaluation indicators within social entrepreneurship organizations.

#### **5. Fifth Hypotheses:**

H<sub>0</sub>: social entrepreneurship organizations don't face many obstacles in their activities.

### **1.8. Definition of Terms**

1. Entrepreneurship: entrepreneurship is the act of creating a business or businesses while building and scaling it to generate a profit<sup>1</sup>.
2. Social Entrepreneurship: social entrepreneurship is recognizing the social problems and achieving a social change by employing entrepreneurial principles, processes and operations<sup>2</sup>.
3. Innovation: the process of translating an idea or invention into a good or service that creates value or for which customers will pay<sup>3</sup>.
4. Sustainability: it's the growth, or indeed survival, of any organization providing goods or services is dependent on the economic and social conditions in the communities in which it operates (Wales, 2013).

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<sup>1</sup> <https://www.oberlo.com/blog/what-is-entrepreneurship>

<sup>2</sup> <https://www.managementstudyguide.com/social-entrepreneurship.htm>

<sup>3</sup> <http://www.businessdictionary.com/definition/innovation.html>

5. Social impact: a significant, positive change that addresses a pressing social challenge. It's the result of a deliberate set of activities with a goal of addressing social change<sup>1</sup>.

## **1.9. Summary**

In this chapter, the researcher presented the main components of the thesis starting with the introduction of the study. She also presented some theories about social entrepreneurship and stress the importance of it. She also included the statement of the problem, the purpose of the study, the questions of the study, the hypotheses of the study, the significance of the study, the limitations of the study, and finally, it exhibited the meaning of vital terms used in the study.

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<sup>1</sup> <http://socialimpact.umich.edu/about/what-is-social-impact/>.

## **Chapter Two**

### **Review of related Literature**

#### **2.1. Introduction**

Before thinking to develop the framework for social entrepreneurship in Palestine, it is crucial to review the literature to understand the concepts and its theoretical background.

Several papers, research and studies have been examined. Based on reviewing these studies, many conclusions have been made which helped the researcher make connections and create a clear vision on the work that needs to be done for the intended framework to be constructed in a way that serves its purpose. The researcher examined the definition of entrepreneurship in general in the literature. Then moved to define the characteristics of an entrepreneur and his/her motivation going into this.

The researcher then examined definition of social entrepreneurship and although this concept is still new, multiple definitions were found relative to this research. The motivation of social entrepreneurship was identified, and the connection to its status in the Middle East and the World. A very important portion was dedicated to obstacles facing social entrepreneurship and suggestions of methods to overcome them. Measuring success was an important area to focus on as well as examining sustainability and sustainable models of social entrepreneurship.

## **2.2. What is Entrepreneurship?**

Sadi, Belwal and Badi (2011) argued that entrepreneurship supports the process of economic development, fosters economic growth, job creation, and reduces rural unemployment and migration. While Williams & Kadamawe (2012) defined entrepreneurship as a concept aimed at improving the economic development of nations. However, they argued that entrepreneurship as a process has a goal of reaching societies where the regular market has failed to service or reach. As for Estrin, Mickiewicz & Stephan (2013), they defined entrepreneurship as the effort to create viable business that are a direct result of an individual's choice to be his/her own boss.

## **2.3. What are the Characteristics of Entrepreneur?**

Bygrave & Hofer (1991) defined the characteristics of an entrepreneur as the ability to foresee uncertainty, the ability to react to profit, the ability to handle the uncertainty and the capability to explore unnoticed opportunities. Other researchers identified different characteristics for example Veeraraghavan & Vimala (2009) suggested that the traits of an entrepreneur are defined to be a higher need for achievement or higher level of motivation, self-control and ability to take risks, be innovative and creative. And finally, Goldsby & Nelson (2012) defined entrepreneurs as facilitators who don't generate the idea or the answer to a problem but go through the feedback and ideas of others that have insights about the subject.

## **2.4. What are Entrepreneurship Motivations?**

Trexler (2008) stated that the main motivation for entrepreneurial behavior in individuals was the market need or demand, providing examples how atomic business emerged after WWII and in more present time the emerging of hedge funds and subprime mortgages. While Veeraraghavan & Vimala (2009) suggested that there are two kinds motivation for entrepreneurship the opportunity in which the entrepreneur finds a business opening and decided to pursue it and the necessity in which an entrepreneur has no career options or has negative work experience and feels the need to find a viable option. However, in any case the level of motivation among entrepreneurs is considered very high. In a similar argument Goldsby & Nelson (2012) argued that motivation for entrepreneurship to be aligned with opportunity, they concluded that there are two schools of thought, the first one addressed the opportunities exist in the world and the second are created based on individual necessity.

## **2.5. What is Social Entrepreneurship?**

Le Grand (2003) viewed social entrepreneurship as a private economic initiative in overcoming market failures that creates more cohesion in a society by solving problems unmet by public welfare systems. Peredo & Mclean (2006) defined social entrepreneurship as actions implemented by a person or a group which aims to create social values, shows capacity to recognize opportunities and employ innovation to help create these social values and willingness to accept associated risks.

Trexler (2008) argued that although there is a lot of possible contradictory definitions of the concept of social entrepreneurship the main value that cuts across all others is sustainability. In addition, he defined social entrepreneurship as the concept to promote sustainable environment, sustainable social order and sustainable nonprofit and for profit social enterprises. The "Social" component which contains a lot of values that are associated with behavior that isn't necessary related to markets, on the other hand the other component "Enterprise". However, Light (2009) suggested four assumptions about social entrepreneurship that it should be unique in motivation, behavior and instinct, desired change comes in large scale initiatives, innovative types of ideas and projects and that entrepreneurial organization and specifically built to create change rather than it is coming from more traditional organizations.

Ascigil & Semra (2012) defined both entrepreneurship and social entrepreneurship as trying to find a special place in market place, however social entrepreneurship searches for innovation to solve community problems. Whereas El Barshi (2012) defined entrepreneurship as the process of discovering opportunities to eliminate social institutional barriers and address market failures related to the provision of public goods and distributional equity, experimenting ideas, establishing innovative social organizations, having clear social outcomes and impact. As well as performing activities to achieve these outcomes, working on social organizations growth and using specific indicators to measure the success

of the organization through achieving intended impact. And many more great examples

Estrin et al. (2013) defined social entrepreneurship as the promise to alleviate social problems such as poverty, discrimination or environmental problems, ASHOKA defined social enterprise as disruptive innovation in resolving social problems. In addition, Swanzen & Rowe (2013) defined social entrepreneurship to be innovative social ventures that could be found in non-profit, for profit or governmental sectors. Meraj (2014) concluded that the definition of social entrepreneurship is the framework of identifying a social cause then clubbing that social cause to a business opportunity and then managing the resources to solve the issue or the problem in a sustainable manner.

## **2.6. What are Social Entrepreneurship Motivations?**

Ascigil & Semra (2012) connected the social entrepreneurship motivation to unmet needs of communities, ineffectiveness in eliminating inequalities that are related to market failures lead some individuals to seek their own solutions to these problems. Williams & Kadamawe (2012) suggested that the motive of social entrepreneurship is to make sure the enterprise is serving the intended social value.

## **2.7 What are the Types of Social Entrepreneurship Organization?**

Trexler (2008) stated that social enterprise could have different forms such as for-profit, non-profit NGO's organization and sometimes a

complete third sector apart from state and market. However, when separating between social and business values it provides a frame that states that hybrid types of organizations are not set to succeed. As for Williams & Kadamawe (2012) they stated that while some enterprises will have business ventures it will also contain a social responsibility aspect, and these organizations could be in different forms such as for profit however they questioned genuine motivations of these types of structures to create real social change.

Puia & Jaber (2012) concluded that social enterprises can be in the form of non-profits however it's important to clarify that not every non-profit is a social enterprise as some non-profits will not always contribute to social welfare such as political lobbying. in addition to this conclusion they stated clearly that social enterprise could be for-profit organizations and categorized social enterprises in three categories the first is seeking avant-garde sources of funding: where social enterprise partners with for-profit organizations to leverage resources. Second, social enterprise as a socially responsible practice of a commercial business. and third, social activist movements: these are defined as non-profit organizations with specific social agendas.

## **2.8. What is the Connection between Social Entrepreneurship and Innovation?**

McKeown (2008) defined Innovation to be a radical and revolutionary changes in thinking, processes, or organizations. innovation

is an idea that is applied successfully. As for Veeraraghavan & Vimala (2009) defined innovation as positive change and those who are responsible for it are considered to be pioneers in their fields, however they stated that innovation is more visible as a concept in established countries and less applicable for developing countries.

In addition, Ascigil & Semra (2012) connected sustainability to innovation and argued that the most important thing that separates social entrepreneurships from non-for-profit organizations which has been proven to not be as sustainable is innovation, as they stated that one of the reasons for that failure was the dependency of social entrepreneurship was purely for the needs of their partners who actually need these service and are empowered and trained to be competitive and integrated in creating the social change needed.

## **2.9 What are the Obstacles that Face Social Entrepreneurship?**

Nasra & Dacin (2008) discussed the obstacles facing entrepreneurial behavior such as state or government's role in identifying opportunities that might arise for entrepreneurs. They stated that the state could act as both entrepreneurs where they are able to recognize opportunities in their societies and as institutional entrepreneurs where they craft the institutional needed for entrepreneurs to capitalize on similar opportunities.

Puia & Jaber (2012) stated that the main struggle that faces social entrepreneurship is the question raising the needed capital to start this type

of organization, while for-profit organization relays on a system of exchange where they provide a product or a service in exchange of profit. The non-profit has a more challenging exchanging system. Which leads to another struggle of also sustaining these organizations once needed initial capital is raised. Swanzen & Rowe (2013) identified the role of higher education in shaping entrepreneurial behavior. In addition to that the lack of education around the meaning of social responsibility and community engagement. Petrovici (2013) stated the struggles facing social entrepreneurship more clearly such as lack of financial resources or financing systems, legal frames that have an impact on the development of social entrepreneurship, fear of failure, and the lack of functioning framework for these organizations which enables development of social entrepreneurship organizations.

Meraj (2014) discussed the development of entrepreneurship in the ME specifically UAE and was able to identify some obstacles such as the lack of exact definition of social entrepreneurship and lack of institutionalization models for its implementation, another dilemma was the absence of legal framework. Knife et al. (2014) stated that social enterprises are unable to be sustainable because they fail to examine or identify what are the significant elements that motivate social value creation within their enterprise and how to effectively develop their intervention strategies. They stated that there is a clear focus on delivering outcome and output however ignoring impact.

## **2.10 How to Measure Social Entrepreneurship Success?**

Goldstein et al. (2008) argued that the stability of a social enterprise will rely heavily on the positive feedback that outlines the outcomes for stakeholders. And unbalanced feedback could lead to uncontrolled divergence that could be considered catastrophic. They argued that the social enterprise is a dynamical system (non-linear) and stability will allow a higher level of predictability. On the hand, Clark & Brennan (2016) stated that social entrepreneurship organization are faced with the question of measuring success in order to be able to secure funding and donation, and different organizations approach this differently and organizations often struggle with answering that question. They defined performance measurements such as evaluating sustainability of resources, number of services provided and evaluating economic and social impact.

Ascigil & Semra (2012) stated that sustainability of social entrepreneurship could be measured through two elements the first is the collective efficiency and second is the social capital. Collective efficiency which is defined as the willingness to act on behalf of the common good which is measured by social cohesion within a community. As for social capital is an indicator of success it's like how donors look at returns in business entrepreneurship. And this could be measured by evaluating elements such as sharing common aims, creating common investments, development of informal relations with the community serving and knowledge between business partners at personal levels. Other indicators of

sustainability are percentage of community members affected by project, number of donors (time and money) to number of members affected by services of the project and the turnover of volunteers as low numbers indicate more stable or successful projects.

## **2.11 How to Overcome the Obstacles Faced by Social Entrepreneurship?**

Ascigil & Semra (2012) stated that social capital is very valuable in ensuring sustainability of the project therefore gaining community support in all steps is crucial and if not achieved could be considered as an obstacle to success. Another clear obstacle that emerged from this literature was the lack of financial viability; because the measurement of performance isn't as clear in social entrepreneurship as they are in commercial entrepreneurship- cost benefit analysis and so on- there is always a need or advice to develop governance systems that ensure expectations are aligned with the reality within the stakeholders.

In Meraj (2014) research he suggested many steps to start overcoming obstacles or struggles facing social entrepreneurship, the first suggestion is to start with motivating people to become entrepreneurs by introducing entrepreneurship as a career option and raise awareness and information about incubators and governmental support. In addition, Meraj (2014) also suggested that helping the institutionalization of social entrepreneurship, so this body can act as a civic agency responsible for

identifying problems in different communities. And final suggestion is to bring the concept of entrepreneurship into higher education.

Knife et al. (2014) suggested that a big obstacle facing social entrepreneurship is for nonprofit frame as it is the limited recourse available such grants or individual donations. They also argued the focus for policy support and capacity building within these organizations should focus on two areas; resource adequacy and adaptability. Addressing these two areas will also render the organizations less vulnerable.

## **2.12 What are the Sustainable Models for Entrepreneurship and Social Entrepreneurship?**

Meraj (2014) proposed a model for public private partnership "PPP" based on a multi relationship among different stakeholders of economic and social development, where the government corporate house shares its expertise with the NGO and responsible individuals, this model allows stakeholders to feel ownership over projects and therefore provides better outcomes, this model will also optimize the utilization of resources as stakeholders in the process will be working in their areas of expertise, and the private party in this partnership will get an indirect advantage in developing their market and customer base. He also highlighted examples of social entrepreneurship that are relevant to examine to conclude sustainable models of social entrepreneurship. Table 2.1 shows these examples explaining their social and entrepreneurship concepts.

**Table 2.1: Examples of Social Entrepreneurship from around the world**

<b>Name</b>	<b>Concept</b>
<b>Banker to the Poor</b> by Mohammed Younes	Help poor people escape from poverty by providing loans on terms suitable to them and by teaching them a few sound financial principles, so they could help themselves.
<b>BRAC</b> <sup>1</sup> by Fazle H. Abed	Established to rehabilitate returning refugees in a remote area in north-eastern Bangladesh. He directed his policy towards helping the poor develop their capacity to better manage their lives
<b>SEKEM</b> <sup>2</sup> by Ibrahim Abouleish	Initiative on an untouched part of the Egyptian desert (70 hectares) 60 km northeast of Cairo. Using biodynamic agricultural methods, desert land was revitalized, and a striving agricultural business developed. It became the umbrella of a multifaceted agro- industrial group of companies and NGOs. And is regarded as a leading social business worldwide.
<b>SEWA</b> <sup>3</sup> Self- Employed Women's Association by Ela Bhatt	The bank helps women to gain financial independence and raise their standing in their families and communities - and puts into practice the Gandhian principles of self-reliance and collective action.

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<sup>1</sup> <http://www.brac.net/>

<sup>2</sup> <http://www.sekem.com/en/index/>

<sup>3</sup> <http://www.sewa.org/>

## **Chapter Three**

### **Entrepreneurship in Palestine**

#### **3.1 Introduction**

This chapter is dedicated to discussing the entrepreneurship status in Palestine, exploring the history and evolvement of entrepreneurial wheel. In this chapter the researcher examined many Palestinian statistics of employment rates and education status in Palestine and their effect on the growing entrepreneurship ideology in Palestine, moving to atmosphere in which this ideology grow and obstacles it faces, followed by some entrepreneurship examples in Palestine.

#### **3.2 Statics of Palestinian Society**

The Palestinian society suffers from high levels of unemployment which reaches 25.0 % for young adults within the ages of (15 and above) and these percentages also differed based on gender splits were male's unemployment rates were 21.0% compared to females with an unemployment rate of 43.9% (PCBS, 2016b). In table 3.1 unemployment rate in Palestine is displayed between the years of 2003-2016 with unemployment rates reaching lowest rates in 2008, however clearly increasing between the years of 2012 and 2016 and raising.



**Figure 3.1: Unemployment Rate in Palestine 2003-2016 (PAM, 2018)**

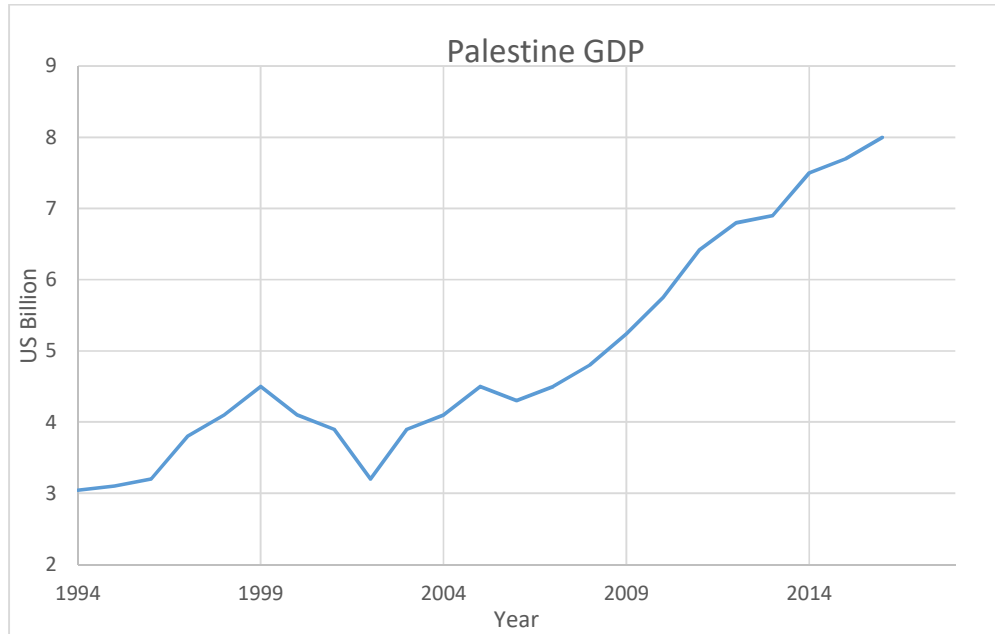
The participation rates also varied based on economic sector, the agriculture fishing and forestry has the lowest rate of participation with only of 7% (6.7% males and 8.3% are females). Followed by mining, quarrying and manufacturing with a total of 13.2% participation rate (13.6% males and 11.3% females), however the construction sector has a participation rate of 18.0% (21.1% males and 1% females), as for commerce, restaurants and hotels the Palestinian labor participation rate was found to be 19.5% (21.1% male and 11.2% female). Next in line is the transportation, storage and communication sector and with labor participation rate of 6.8% (7.7% males and 1.5% females). And lastly services and other branches were estimated at a participation rate of 35.5% (29.8 % males and 66.7% females). All of these are statistics for workforce above the age of 15 and doesn't include Palestinians workers in Israel and Israeli settlements. (PCBS, 2016b).

The labor force participation was classified as following: young adults between the ages of 15-19 had a participation rate of 17.2% and for

the age of 20-29 to have a participation rate of 60.1%. not to ignore the major difference in participation rates when it came to men and women, as men had a participation rate for the range of 20-29 of 87.5% and women had for the same age bracket a rate of 31.6% (PCBS, 2016b).

Palestinian economy grows by 8% between 1993-1999 after the institution of Palestinian authority (Abdallah, 2015), accompanied with a sharp decrease in unemployment rate mainly after Israel allowed more than 200,000 Palestinian workers to work inside Israel. Since the lunch of the second intifada in September 2001 it was reported that Palestinian economy lost its capacity by one third in 2002 to what it compared in 1999.

The Palestinian gross domestic product (GDP) has its lowest numbers in 1994 around 3.04 Billion USD, however it increased in 1999 suffer a fall again in 2002 and then raised from 2008 to its highest in 2016 8 billion USD (figure3.2). The GDP per capita in Palestine was last recorded at 1997.30 US dollars in 2016, reaching its highest levels of 1997.30 USD in 2016 and at lowest level of 879.52 USD in 2002 (figure 3.3) (Palestinian Monetary Authority, 2016).



**Figure 3.2: The Palestinian Gross Domestic Product from Years 1994-2016 (PMA, 2018).**

After 2005 the Palestinian economic experienced significant improvement in some of economic indicators which related to the flow of international aid and the rebuild of the Palestinian governmental institutions which were destroyed through the second intifada between 2001-2004. Alongside that the Palestinian government has put noticeable effort to relaunch program for investment and public resource projects in 2007 (Abdallah, 2015). However, with all these attempts unemployment rates was still high in 2010 around 25%-28% among youth.

### **3.3 Entrepreneurship Stats in Palestine**

The entrepreneurship growth has been very rapid in the last five years. A lot of people have started to find the entrepreneurship wheel a very interesting one starting from university training programs that incubates startups, to advanced levels of investments in companies and

organizations to help elevate them into the next levels. There has been a noticeable raise in the number of nonprofit organizations that incubate, accelerate and help grow an idea of a business proposal in Palestine and some examples of these nonprofits would be Ibtikar fund founded in 2015, Work Factory founded in 2014, Leaders Organization founded in 2004 and Pioneers of Palestine Synergous founded in 2008.

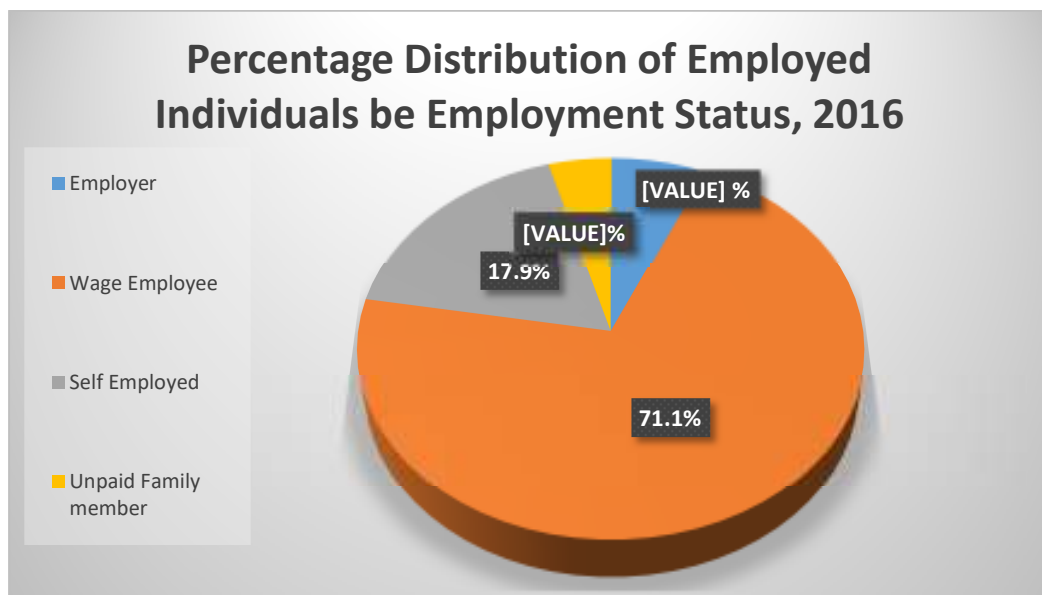
Abdallah (2015) in his study about policies for scaling up youth entrepreneurship in the state of Palestine pointed out that entrepreneurship projects in Palestine are divided into three clear categories: 1) nascent businesses. 2) new businesses and 3) established businesses. Where nascent business is the level where the entrepreneur doesn't pay himself or his employees, the new business were an entrepreneur starts paying himself and the employees and finally the established business where the project has been paying off for 42 months or more. Although it was noticed that in general youth participation in entrepreneurship is getting lower in the first stage a lot are making it into the more established stages with a percentage that varied from 7.8% to 12% from 2010-2012. Which indicates a clear development in the infrastructure for entrepreneurship and sustainability. That said for Palestine in comparison to other countries has lower indication of growth within the entrepreneurship approaches by sometimes almost 60%.

Global entrepreneurship monitor (GEM), is considered an influential factor in the entrepreneurship society. As its research and prediction has

shown the norm in the adult society towards entrepreneurship and its advancement. When examining its studies regarding entrepreneurship among the young society in 2012 (18-34) and comparing Palestine to other countries in the middle east and north Africa it was found that Palestinians had higher opportunities by 4.6 points than other countries. As 83.4 % of Palestinian youth (18-34) stated that creating a new project is an appealing professional career path. And it was reported that the 78.8 % had a positive perception towards individuals who started their own projects. In a similar report by GEM about entrepreneurship in Palestine between 2009 and 2012 it was found that 9.8% of new projects in Palestine were entrepreneurship, which is considered low given available economic opportunities, but close to the average in developing countries like Egypt (7.8%), Iran (10.8%), Pakistan (11.6%), Croatia (8.3%), Turkey (12.2%), Tunisia (4.8%), Taiwan (7.5%) and many others (Dawod, 2012).

The adult population survey (APS) which was implemented between 2010-2012 between The Palestinian economic policy research institute (MAS) and the Palestinian central bureau of Statistics demonstrate that the rate of early-stage entrepreneurship Among young people in the Palestine is slightly above the MENA average of 9% in 2012. Meanwhile, Palestine recorded 1.2% business rate, 2.4% below the MENA average. In terms of early-stage young entrepreneurship, the Palestine ranks 38<sup>th</sup> out of 67 countries and 58<sup>th</sup> in terms of established businesses.

There is no source statistics about the entrepreneurship projected launched yearly. But if we consider the self-employed as an indicator for entrepreneurial behavior, figure 3.3 and table 3.4 present the distribution of employed individuals by employment status as reported in PCSB statistics in labor Force survey in 2016 and it stated that 17.9% of Palestinians were self-employed (18.7% males and 13.6% females).



**Figure 3.3: Percentage distribution of employed individuals by employment status 2016. (PCSB, 2016).**

**Table 3.1: Percentage distribution of employed individuals aged 15 years and above from Palestine by sex, employment status and region (ILO Standards), October- December, 2016 (PCSB, 2016)**

Employment Status and Sex	Region		
<b>Males</b>	Palestine	Gaza Strip	West Bank
Employer	<b>7.3</b>	3.9	8.8
Self Employed	<b>18.7</b>	14.6	20.4
Wage Employee	<b>70.9</b>	79	67.5
Unpaid Family Member	<b>3.1</b>	2.5	3.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Females</b>			
Employer	<b>2.5</b>	3.1	2.3
Self Employed	<b>13.6</b>	15.7	12.9
Wage Employee	<b>72.2</b>	76.4	70.7
Unpaid Family Member	<b>11.7</b>	4.8	14.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Both Sexes</b>			
Employer	<b>6.6</b>	3.7	7.8
Self Employed	<b>17.9</b>	14.8	19.2
Wage Employee	<b>71.1</b>	78.6	68
Unpaid Family Member	<b>4.4</b>	2.9	5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

It's also important to point out that in Palestine the entrepreneurs are classified into 2 categories entrepreneur necessity driven and the second one is an entrepreneur opportunity driven (Abdallah, 2015). The first one usually lacks innovation and is just a way of generating income. However, the latter is one that depends on market demand and people needs which is usually innovative and creative.

### **3.4 Education and Entrepreneurship in Palestine**

Despite the attempts a more effective role through education but the role of education in fostering entrepreneurship performance in Palestine is still not formalized and inconsistent.

In 2010 the Palestinian ministry of education and vocational training joint with the ministry of labor started a joint strategy called national strategy for education and vocational training that focused on developing the Palestinian teaching strategy to include the following goals:

- 1) Developing a structure for education and vocational training in Palestine; through encouraging problem solving, critical thinking, entrepreneurship concepts and trying to merge the entrepreneurship concept with the educational process.
- 2) Developing the human resources department.
- 3) Advancing education quality.
- 4) Advancing all vocational trainings types.

These goals have been set by both ministries is a sign that both ministries are aware of the need and importance of entrepreneurship in educational systems, however there has been no proven effort to show strategies above have been practice through the educational systems (Ministry of education and higher education, 2010)

Hashwah (2012) conducted a study that have identified with the help of experts in the educational sector indicated that 89% of the school curriculums doesn't care about entrepreneurial subjects. And 83% indicated that the current curriculums don't provide any instructions or skills on basic economic knowledge. In addition to that 86% indicated that these

curriculums don't foster the culture of innovation and creativity. It was also determined that university education is still providing traditional fields of study that doesn't keep up with the Palestinian markets, as 67% of the experts in the university educational systems believed that the university educations doesn't provide needed knowledge and skill for the Palestinian youth to enter Palestinian market and start their own entrepreneurial projects.

Hashwah (2012) also defined the input of the Palestinian educational system that will help in encouraging entrepreneurship concept and culture in Palestine, such as creativity and innovation, communication skills and networking, decision making, critical thinking, problem solving, self-empowerment, ability to identify opportunity, teamwork, leadership and motivation. He found that public schools in Palestine still lag behind private schools regarding the above inputs and the curriculum in public school is still not fitting to support entrepreneurship culture and still practicing traditional teaching and classic teaching techniques.

Many organizations that provide education and vocational Trainings and each organization/school will have its own curriculums, some are done with the supervision of the education ministry (government), some are supervised by non-profit organization with all having one goal, is to cultivate skilled youth that are ready to be deployed into the workforce in many different sectors (Palestinian vocational training gate, 2013).

### **3.5 Obstacles that face Entrepreneurship in Palestine**

One of the basic obstacles of innovation is the lack of funds to support it, other obstacles were identified the lack of a robust ecosystem, lack of cooperation, poor trainings, the regulatory systems, lack of cooperation and usability in political atmosphere (Zakaria, 2014). All these obstacles were proven to influence the growth of the entrepreneurial concepts, for example the cooperation among entrepreneurial projects can provide grounds needed for overcoming many obstacles. It could help with marketing problems, provide larger markets, bridge gaps in the ecosystem, and, more importantly, secure a much better access to information, which would be a huge step forward for entrepreneurship, however it's clear that there no cooperation and so on the entrepreneurial projects suffer. All of these obstacles are present in the Middle East (Zakaria, 2014). Palestine suffers from severe social, economic and political challenges that hamper the development or growth of entrepreneurial practices.

#### **3.5.1 Political Factors**

The military occupation imposed on the West Bank and Gaza resulted in creating a hostile environment for Palestinians in terms of movement, utilizing natural resource such as area C which is almost 62% of the West Bank, and this uncertainty has led to many instabilities in financial sectors which automatically influences the creation of entrepreneurship projects whether they are social or else (Abdallah, 2015).

### **3.5.2 Economy Conditions or Environment**

The Palestinian economy have is defined as a donor-driven economy (Abdallah, 2015). Meanwhile, Palestinian government with their own capabilities is unable to tackle with all the society challenges alone. These challenges create a hostile entrepreneurial environment, and add layers of complexity that command different thinking, innovation, and partnerships. Therefore, more than any other place in the world, one of the most important task for entrepreneurship in Palestine is to enhance the society, i.e. entrepreneurship in Palestine should be oriented to solve the problem of society and deal with the huge challenges the Palestinian people face, mainly through the entrepreneurial organizations in the private sector and non- government organizations. According to the 2016 World Bank's doing business report, the Palestinian economy is currently ranked 170th out of 189 world economies in terms of ease of starting a business. This represents a drop of 11 places from the 2015 ranking, which only leads to one conclusion that starting a business in Palestine isn't not getting easier. however, it is difficult to ignore the growing start-up community in Palestine that is highly demonstrated by the growing numbers of start-up events, grassroots meetings, and the increasing number of accelerators and incubators. This current motivation is bound to dissipate.

### **3.5.3 Law & Regulations in Palestine**

In Palestine, the legal framework governing the establishment of companies and their operations is predominantly administered by the

companies Law No. 12 of 1964, trademarks law No. 33 of 1952, and patents law No. 22 of 1953, yet the performance of these laws in their assignment has been passable, at best. Both the law which aim to encourage investment in Palestine issued in 1998 and the tax law No. 8 of 2011 clearly neglects the young and enthusiastic entrepreneur. These laws focus on mega investments, inventors, and designers with only an innovative idea and a pocket full of change are left to fend for themselves. In general, the current Palestinian legal framework is filled with barriers for entrepreneurs, and these entrepreneurs are finding themselves surrounded by an “unfriendly” legal and administrative environment that does not reward innovation and ambition (Hashwah, 2012).

#### **3.5.4 No Single Framework for Entrepreneurship in Palestine**

The entrepreneurial organizations in Palestine is characterized by resources misallocation, fragmented effort and not connected to a systematic work and one framework. Thus, one of the main challenges for the entrepreneurship sector in Palestine is to create a general framework and organizing body (Amleh & Qaderh, 2015). A comprehensive vision which has specific objectives and a clear vision that lead at the end to support entrepreneurial behavior in the society and open new job opportunities mainly for youth and consequently improve the economic performance of the Palestinian economic.

### **3.5.5 Fear of Failure**

One of the struggles that faces entrepreneurs is the lack of experience when it comes to founding an organization, such as market knowledge, communication and networking, fundraising and many other skills that are important to sustaining a project. Lack of experience also creates a fear of failure for many entrepreneurs, which limits their innovation and creativity (Abdallah, 2015)

### **3.5.6 Weak Entrepreneurial Attitude of the Palestinian Education System**

As mentioned above education role is crucial in creating the correct motivation for students to start thinking like entrepreneurs through many skills such as critical thinking, problem solving, team building and so. The fact that these are remaining strategies and not implemented through Palestinian schools and universities put Palestine at a huge disadvantage in terms of ability to foster innovation and creativity needed to start any type of entrepreneurial projects (Hashwah, 2012).

### **3.5.7 Limited Financial Recourses for Entrepreneurship and Startups**

The financial situation in Palestine faces many difficulties and although based on many laws starting a project sometimes seems to be the hard part however the actual hard part is to sustain that project once it has started specially with the lack of stability of financial revenues when

organizations non-profit. The question of sustainability becomes a must (Atala, 2015)

### **3.6 Organization that Support Entrepreneurship in Palestine**

If we back to the literature, we find that there are many of the entrepreneurs and entrepreneurial projects are supported by civil society and non-governmental organizations (national and international). It was found different types of organizations have been working in the field of supporting and financing entrepreneurship projects in Palestine, this includes different forms of support like incubator programs, accelerating programs, financial support, consulting and training services and networking between entrepreneurs and investors.

Here are some examples about entrepreneurship supporting institutions:

#### **3.6.1. Sharek Youth Forum<sup>1</sup>**

Sharek Youth Forum was established in 1996 and since then it has been focusing on the development of young people into engaged, employable, and active citizens. Sharke helps in the development of entrepreneurs in form of providing them with needed skill building and so on. Sharek works to develop and empower youth as active participants in civil society and encourages the youth to be more involved in politics, economic and social issues. They have many active programs: 1) The

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<sup>1</sup> <http://www.sharek.ps/>

Youth village 2) Economic Empowerment. 3) Palestine Ta3mal 4) Active Citizenship 5) Working Towards Change.

### **3.6.2. Leaders Organization<sup>1</sup>**

Since 2004 Leader organization is acting as an incubator and support for entrepreneurship that includes trainings sessions for these entrepreneurship projects in the West Bank. These programs are implemented into two phases the first phase is the passport to develop their own entrepreneurial skills and the second phase is build your own start up or entrepreneurial project. They believe that their work in supporting the growth of an ecosystem and the development of a community around entrepreneurship and startups in Palestine has seen significant pay off.

### **3.6.3. Injaz Organization<sup>2</sup>**

Since its establishment in 2007 Injaz has been aiming to provide programs in Palestinian schools and universities with the goal of developing students skills in the areas of business, economics, entrepreneurship, ethics and career development. Injaz have executes several programs in many area of entrepreneurship, as the identify the skill each students have and start working on developing each student based on their skill which they believe increases creativity and innovation, The main aim of these programs is to narrow the gap between academic knowledge and skills needed in the workforce, and help increase the creative and

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<sup>1</sup> <http://www.leaders.ps/>

<sup>2</sup> <http://www.injaz-pal.org/>

innovative spirit within the Palestinian youth that is believed to help push the wheel of entrepreneurship in Palestine.

#### **3.6.4. Pioneers of Palestine- Synergos<sup>1</sup>**

Since 2008 Synergos have launched a program in Palestine called Pioneers of Palestine, Pioneers of Palestine provide leadership building, financial support, training, and networking opportunities to help entrepreneurs sustain and scale up innovations in a variety of sectors – including youth employment, economic development, education, health, energy and the environment, sanitation, arts and culture, and social inclusion. This not only included money grants over the last 10 years to entrepreneurship project but also provided capacity building through providing many types of trainings such as project management, Human resource management, marketing, financing and legal registrations of organizations and so on, these grants, training and networking opportunities are provided over a period of 24 months.

### **3.7 Entrepreneurial Organization in Palestine**

In the last 10 years, a steady growth of entrepreneurial institutions was launched in Palestine driven by the needs of communities and the high unemployment rate. In this section the researcher mentions some of the examples of such organizations and highlights their characteristics that qualifies them as entrepreneurial organizations in their communities:

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<sup>1</sup> <https://www.synergos.org/>

### **3.7.1 Right to Movement<sup>1</sup>**

Right to Movement is trying to bring awareness since 2012 of the Palestinian inability to move freely within our country, the limitations imposed on Palestinians such as the separation wall, the settlements, checkpoints, and others. In addition, the fact that Palestinian women do not have the ability to move freely and do what they like to do whether, dance, sing, run. Through various physical activities such as running they aim to encourage youth and women to explore Palestine and challenge those limitations by defying the existing structure and help improve awareness regarding these issues. Through this movement, a proper atmosphere is created for the Palestinian people particularly women to feel welcome and be able to practice running. In the Palestinian community usually, women don't have space to join any kind of running practices in public and this movement helps provide this space.

### **3.7.2 Witness Organization<sup>2</sup>**

Since its establishment in 2015 Witness Organization main goal is to educate and develop the younger generation in refugee camps about their social and economic rights, this startup also helps them develop their skills in smart phones and social media to help express their social and economic realities to help spread awareness and highlight it to the general public eye. This startups goal is to activate and reinforce the positive voice of youth in

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<sup>1</sup> <https://www.palestinemarathon.org/>

<sup>2</sup> <http://witness.ps/>

expressing themselves, using social media and smartphones to create a platform in marginal communities and finally making the public aware of these rights and realities.

### **3.7.3 Build Palestine<sup>1</sup>**

Build Palestine is a crowdfunding platform for social impact projects since 2016. Its goal is fostering the growth of the startup ecosystem in Palestine. Build Palestine is a crowdfunding platform for social impact projects that aims to do just this. Each project on their platform is vetted and they track the impact to share with supporters. Build Palestine aims to be the go-to source when anyone around the world asks, “How can I help Palestine?”

### **3.7.8 The Dalia Association<sup>2</sup>**

The Dalia Association was established in 2006 and since it was established it has been functioning as a community foundation for Palestinians focused on strengthening community philanthropy. In community philanthropy, all givers and there are no donors. They believe that every Palestinian has something to give, be it material such as financial, or immaterial such as expertise and time. They revive social and cultural traditions that have benefited us as a community and respected our environment.

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<sup>1</sup> <https://buildpalestine.com/>

<sup>2</sup> <http://www.dalia.ps/>

## **Chapter Four**

### **Research Methodology**

#### **4.1 Introduction**

Methodology in general is about choosing the best research approach to answer the research question, that is, to build a valid argumentation (Miles & Huberman, 1994). The Research methodology is defined as a philosophy that describes how the researcher is going to do in his study and guides him (Dawson, 2002). It is mostly about the techniques of the data collection and analysis. The research design (“Blueprint of research”) deals with the logical not the logistical problem of the thesis and is thus about choosing the appropriated dimensions and units of the phenomenon to be investigated, Research design refers to the plan of action that links the philosophical research, survey research, ethnography, and mixed methods are all research designs (Ghauri, 2004).

The main objective of this work is to develop a framework for Social entrepreneurship organizations in Palestine. This chapter provides the methodological approach that researcher followed to explore the researcher questions.

#### **4.2 Research Design**

In this section the researcher defines used research design, there are mainly three research approaches:

**First**, quantitative research which examines the relationships between and among variables and the numeric description of trends of data so as to provide answers for the research questions and hypotheses (Bryman, 2007).

**Second**, the qualitative research design which studies things in their natural settings, to make sense of a certain concept. In this method of research design includes an exploration of a certain topic and information regarding that topic is collected by researcher through different methods such as case studies, interviews and so on (Denzin & Lincoln, 2005).

**Third**, the mixed method design which mixes the qualitative and the quantitative approaches. Johnson and Onwuegbuzie (2004) defined mixed methods research as the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods and approaches in a single study.

In this research the quantitative research design methodology was used. It was used in the data collection as a structured questionnaire was formulated to collect valid data, after collecting the data through the questionnaire this data was analyzed with two methods the first one is descriptive analysis meaning the T-test using means, standard divisions and percentages and the second method is the regression analysis by identify performance indicators.

### **4.3. Research Population and Sample Size**

This part of the study introduces the targeted population and the sample size, considering all the different organizations.

#### **4.3.1 Population**

In this section the researcher defined population of the study, and the researcher identified the target to be social entrepreneurship organization in Palestine. It was clear to the researcher that this population is very complicated and hard to identify clearly in Palestine as there is no clear yearly statistics regarding social entrepreneurship organizations. In result of this difficulty the researcher identified Synergos one of the few organizations that support social entrepreneurship organizations over the last ten years in the West Bank. Based on Synergos annual report they have launched a project in 2015 called Pioneers of Palestine that supported 132 Social entrepreneurship organization which the research defined as the research population. (Synergos in the Arab World Ten Year Impact Report, 2017).

#### **4.3.2 Research Sample**

The research sample was 73 organization classified as Social Entrepreneurship and have ranged in different sectors such as education, health, community development, regional economic development, social care, human rights and environmental sector.

#### **4.4 Instrument of the Study and Data Collection**

In this section the instrument was defined as the questionnaire that measures variables and test relationships between them to collect the data which is applied to meet the research objectives. In this research the questionnaire was used.

The questionnaire is one of the most commonly used research methods, the questionnaire in this study explored the proposed framework of social entrepreneurship by answering the questions of the study, the questionnaire was divided into five sections 1) the understanding of social entrepreneurship concept. 2) motivation behind social entrepreneurship. 3) the strategy and operation in each organization. 4) tools of evaluations used by each organization and 5) the obstacles facing social entrepreneurship organization face.

The scores of responses to each item were calculated according to the five-point Likert scale as the following: Strongly disagree = 1, Disagree = 2, Cannot determine =3, Agree =4 and Strongly agree =5.

#### **4.5 Validity and Credibility of The Study**

Assessing the validity of the research instrument is one of the major quality assurance tests to measure the reliability and validity of tools. This section determines the validity and reliability of the questionnaire which was designed as an instrument to collect data to measure the understanding

of social entrepreneurship in Palestine, its motivation, impact, evaluation indicators and obstacles in Palestine.

#### **4.5.1 Validity of the Questionnaire**

Leung (2015) asserted that validity is arguably the most important criteria for the quality of a test. The term validity refers to whether the test measures what it claims to measure or not. the researcher distributed the questionnaire to expert in the entrepreneurial field from Synergos organization (Husam Jubran, Program Representative Jordan & Palestinian Territories) and two faculty members of An-Najah National University. These experts in field were asked to judge the appropriateness of each item for the whole purpose of the study, in addition the faculty members were asked to judge the structure, order and length of the questionnaire. All consulted ensured the appropriateness by suggesting more modifications in arrangement of some items, some cancelling of items and some paraphrasing for better understanding on the respondent side.

#### **4.5.2 Reliability of the Study**

The reliability of an instrument is an indication of the extent to which the test measures a single topic such as Social Entrepreneurship in Palestine. Reliability results are characterized by receptiveness (Psarou and Zafiroopoulos, 2004). Data are reliable if the testing processes are repeated with a group of test takers, essentially the same results would be obtained. There are several methods for computing test reliability including test-

retest reliability, parallel forms reliability, decision consistency, internal consistency, and inter-rater reliability.

Cronbach's alpha is considered an adequate measure of internal consistency. The index alpha ( $\alpha$ ) is the most important index of internal consistency and is attributed as the mean of correlations for all the variables, and it does not depend on their arrangement (Anastasiadou, 2006). It is based on the number of the variables/items of the questionnaire, as well as on the correlations between the variables. A low Cronbach's alpha indicates a lack of correlation between the items on a scale, which makes summarizing the items unjustified. Cronbach's coefficient alpha value ( $\alpha$ ) ranges between 0 to 1 (Burns and Grove, 2011), and is divided into a group of intervals, each interval is classified as in Table 4.13 below. A positive rating for internal consistency is given when factor analysis is applied and Cronbach's alpha is between 0.70 and 0.95.

**Table 4.1: Cronbach's Alpha for Reliability Test (Farrell, 2012)**

<b>Cronbach's Alpha (<math>\alpha</math>)</b>	<b>Internal Consistency</b>
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Fair
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Table 4.3 below shows the Cronbach's alpha results for the six social entrepreneurship indicators of the questionnaire following the 5 points of Likert scale. All elements scored acceptable value of Cronbach's alpha,

which denotes a high degree of internal consistency among the items included in each of the social entrepreneurship indicators, therefore a high degree of reliability. The Cronbach alpha for the social entrepreneurship concept and awareness isn't included in table below. The concept and awareness are very broad concept and could have multiple directions and elements that aren't necessarily consistent with the statistics analysis.

**Table 4.2: Cronbach's alpha for the social entrepreneurship variables**

No	Item	Number of Items	Cronbach's Alpha coefficient ( $\alpha$ )
1	Social entrepreneurship motivation	10	0.695
2	Social entrepreneurship strategy and operation	7	0.691
3	Social entrepreneurship evaluation.	6	0.829
4	Social entrepreneurship obstacles.	7	0.73

#### 4.5.3 Data Collection Process

The researcher explained the purposes of the study to the respondents. To estimate the Founder/Co-founder responses toward their social entrepreneurship organizations. The researcher distributed the questionnaire in February 2018 using two methods the first was creating online survey using survey monkey application, and the second one was through one on one meetings with the founders/co-founders of each organization and they filled printed out copies of the questionnaire.

#### **4.6 Variables of the Study**

The researcher identified the demographic variables, year of establishing the organization, location of organization, organization type, number of employees in the organization, number of volunteers in the organization, the sector your organization is involved, organization annual budget ratio of the total expenses etc.

**Table 4.3: Demographic Variables in the questionnaire**

<b>Variable</b>	<b>Description</b>	<b>Reference</b>
Years of establishment of the organization	Years of establishment of the organizations was divided into three stages first five years, five to ten years of experience and more than ten years	Abdallah (2015)
Location of the organization	North West Bank, South West Bank, Middle if the West Bank and East Jerusalem	Abdallah (2015)
Organization Type	For- profit, non-profit or public sector.	Trexler (2008)
Number of employees and volunteers in the organization	Each the employees and volunteers were divided into four parts from 1-5, from 6-10 , from 11-20 and from 20 to more employees and volunteers.	Atala (2015)
The sector the organization is involved	This is to understand the sector that organization provides services within, such as health, education, regional economic development or social care (reduce poverty) and community development that include women development, human rights and environmental	Atala (2015)
Organization annual budget	Organization annual budget ranged between 1,000-9,999 USD, 10,000-99,999 USD, 100,000- 249,999 USD and 250,000 USD and more	Williams & Kadamawe (2012)
Ratio of the total expenses	Ratio of expenses from the total income and was divided into four percentages 10%-29%, 30%-49%, 50%-79% and 80% and More	Williams & Kadamawe (2012)
Organizations that support social enterprises	Local and international NGOs, private and family business, governmental organizations, private charity funds, microfinance organizations and banks	Puia & Jaber (2012)
Success indicators of social entrepreneurship	This element could be connected to age, years of experiment, level of education and geographical location.	Clark & Brennan (2016)

## 4.7 Statistical Treatment (Data Analysis)

To identify the actual framework of social entrepreneurship in Palestine a quantitative survey was used. This survey has targeted 73 social entrepreneurship organizations supported by Synergos organization. The statistical analysis included two main quantitative approaches: descriptive statistics and econometric model.

### 4.7.1 Descriptive Statistics

In this section the means and frequencies are mainly used. The means were used to show average agreement with social entrepreneurship variables. And the frequencies measure the percentage of each answer at the five Likert scale. The researcher identified the response average mean into five levels, each related to intervals as shown below.

**Table 4.4: Scaling Degrees**

Interval	Degree
1.00-1.80	Very low
> 1.80-2.60	Low
> 2.60-3.40	Moderate
> 3.40-4.20	High
> 4.20-5.00	Very High

The interval length is calculated by dividing the response range by the number of intervals,  $\text{interval length} = (5-1) / 5 = 0.8$ . The response range = 5 (which presents a very great extent) minus 1 (which presents not at all).

The T-tests was used in this research, T-tests are handy hypothesis tests in statistics when you want to compare means. You can compare a sample mean to a hypothesized or target value using a one-sample t-test. You can compare the means of two groups with a two-sample t-test. There are two kinds of hypotheses for a one sample t-test, the null hypothesis and the alternative hypothesis. The alternative hypothesis assumes that some difference exists between the true mean ( $\mu$ ) and the comparison value ( $m_0$ ), whereas the null hypothesis assumes that no difference exists. The purpose of the one sample t-test is to determine if the null hypothesis should be rejected, given the sample data. The alternative hypothesis can assume one of three forms depending on the question being asked.

#### **4.7.2 Econometric Approach:**

The researcher in this approach employed the multiple linear regression analysis, the regression model for the estimation equation is as following:

$$Y_i = B_0 + B_1X_{1i} + B_2X_{2i} + B_3X_{3i} + B_4X_{4i} + B_5X_{5i} + U_i$$

The dependent variable  $Y_i$  represents the performance indicator (evaluation), and the independent variables denote a set of social entrepreneurship indicators as follows:

$X_1$ : *The Motivation of social entrepreneurship.*

$X_2$ : *The strategy and operation of social entrepreneurship*

$X_3$ : *The Obstacles of social entrepreneurship*

$X_4$ : *The Number of employees in of social entrepreneurship organization.*

$X_5$ : *The Years of establishment of social entrepreneurship organization.*

$U_i$ : *Error term.*

Regression analysis is a statistical technique for estimating the relationship among variables which have reason and result relation. the regression analysis is used to understand which among the independent variables are related to the dependent variable, and to explore the forms of these relationships. It's used to determine forms of correlation between two or more variables having cause-effect relations, and to make predictions for the topic by using the relation. The regression using one independent variable is called univariate regression analysis. When regression is used between one dependent variable and multiple dependent variables it's called multivariate regression, and in this type an attempt is made to account for the variation of independent variables in the dependent variable synchronically. The assumption of multivariate regression analysis is normal distribution, linearity, freedom from extreme values and having no multiple ties between independent variables, ( Uyanik & Guler, 2013)

## **Chapter Five**

### **Research Results**

#### **5.1 Introduction**

In the section the researcher examines the results of the questionnaire starting with the demographic variables of each organization like sector they are involved in, years of establishment, annual budget and percentage of input to expenses etc. Then analyzing the questions related to the understating of social entrepreneurship concept, its motivation and their strategy and operation, evaluation tools and the obstacles facing these social entrepreneurships.

#### **5.2 Results of Demographic Variables**

In this section the researched analyzed the demographic variables including age, gender, education, qualifications, and experience. This section is important to highlight social entrepreneurship organization characteristics which helps with understanding the framework for these organizations.

##### **5.2.1 The Job Status of Respondents**

Table 5.1 below shows that 49.3% of the respondents are founders of their organizations, 28.8% are Co-founders of these organizations and 21.9% are employees in these organizations. It's important that overwhelming majority of respondents 78.1 % are either founders or co-

founders or organizations and classified as social entrepreneurs. And the 21.9% are managers of these organizations and can answer on behalf of the organizations perceptive. This demographic is able to help in answering questionnaire as they can provide accurate reflections on all elements of creating to running a social entrepreneurship enterprise

**Table 5.1: The percentage of respondents that are founders of their originations**

Variable	Classification	Frequency	Percentage %
Founder of organization	Yes	36	49.3
	No	16	21.9
	Co-founder	21	28.8

### 5.2.2 The Years of Establishment for Respondent's Organization

In this section we examine the number of years the respondent's organization has been established. It's clear the majority of 78.1% of the organizations have been established in the last 5 years, and 11% of them are between the age of 6-10 and finally 11% of them have been established for 10 years or more. This is consistent with the literature that stated that the concept of entrepreneurship has been growing more rapidly in Palestine in the past five years.

**Table 5.2: The years of establishment for respondent's organization**

Variable	Classification	Frequency	Percentage %
Year of establishing the organization	1-5 years	57	78.1
	6-10 years	8	11.0
	More than 10 years	8	11.0

### 5.2.3 Location of Respondent's Organization Operations

This section shows the location in which each organization is operating and creating their social impact. 28.8% of the respondents are located in the northern part of the west bank. 41.1% are operating in the Southern part of the best, 20.5% are in the middle and only 9.6% are located in East Jerusalem. This is a reflection on social entrepreneurships that are supported by Synergos organization which is concentrated in the southern part of the West Bank.

**Table 5.3: The location of Organization Operations**

Variable	Classification	Frequency	Percentage %
Location of organization	North West Bank	21	28.8
	South West Bank	30	41.1
	Middle West Bank	15	20.5
	East Jerusalem	7	9.6

### 5.2.4 Organization Typology

The researcher classified the organization into three basic types; for profit and non-profit. 52.1% were reported for profit and 47.9% were reported non-profit, this shows that number of nonprofit and for profit are similar as both typologies of these organizations are qualified as social enterprises if the social change in the core of their mission.

**Table 5.4: Organization typology**

Variable	Classification	Frequency	Percentage %
Organization type	For profit	35	47.9
	Non-profit (Non-governmental)	38	52.1

### **5.2.5 Organization Number of Employees and of Volunteers**

In this section the number of employees and volunteers were an indicator to size of each organization. Almost 65.8% of organizations examined have between 1-5 employees, 26% have between 6-10 employees, 5.5% had between 11-20 employees and only 2.7% had 20 employees or more. This leads to the conclusion that social enterprise examined in this study are relatively new and small which is consistent with the length of establishment stated in section 5.2. which showed that 57% of the social enterprises have been established for five years or less.

As for volunteers almost 71.2% reported to have 1-5 volunteers, and 16.4% had between 6-10 volunteers. 5.5% had 11-20 volunteers and 6.8% had 20 volunteers or more. This is also consistent with the findings above that states that 71.2% of the social entrepreneurship organization have less than 5 volunteers in their organizations.

**Table 5.6: Number of employees and volunteers**

Variable	Classification	Frequency	Percentage %
Number of employees in the organization	1-5 Employees	48	65.8
	6-10 Employees	19	26.0
	11-20 Employees	4	5.5
	20 or more	2	2.7
Number of volunteers in the organization	1-5 volunteers	52	71.2
	6-10 volunteers	12	16.4
	11-20 volunteers	4	5.5
	20 or more	5	6.8

### 5.2.7 Organization Sectors

In this section the organization sector was identified as health 20.5%, education with 37%, regional economic development that includes social care and reduction of poverty 19.2% and community development which includes women development, human rights and environmental with 23.3%.

**Table 5.7 Organization sectors**

Variable	Classification	Frequency	Percentage %
The sector your organization is involved	Health	15	20.5
	Education	27	37.0
	Regional economic development /Social care (reduce poverty)	14	19.2
	Community development (women development, human rights, environmental)	17	23.3

### 5.2.8 Organization Annual Budget

In Table 5.8 the researcher presents the results for the organization's annual budgets, this is also another indicator of the size of each organization. Almost half of the organizations with an annual budget between 10,000-99,999 USD with 47.9%. and 39.7% have annual budget between 1,000- 9,999 USD, 2.7 % have a budget between 100,000- 249,999 USD and 9.6% had an annual budget of 250,000 USD and more.

These findings are consistent to finding in section 5.2 and 5.6 that most of the organizations are operation within smaller annual budgets that means that most organizations examined in this study as stated above are small and young.

**Table 5.8: Organization annual budget**

Variable	Classification	Frequency	Percentage %
Organization annual budget	1,000-9,999 USD	29	39.7
	10,000-99,999 USD	35	47.9
	100,000- 249,999 USD	2	2.7
	250,000 USD and more	7	9.6

### 5.3 The Descriptive Analysis of Social Entrepreneurship Indicators:

In this section the researcher introduces the descriptive statistics for social entrepreneurship organizations elements. That includes awareness to the concept of social entrepreneurship, its motivation, business strategies and operation, tools of evaluation social entrepreneurship obstacles.

### **5.3.1 Social Entrepreneurship Concept**

In this section the researcher wants to examine respondent's general awareness of the concept social entrepreneurship. This is very important in shaping researcher understanding of status of social entrepreneurship in Palestine.

**Table 5.9: Means, standard deviation, percentages, T-Test and Sigma and levels of items of Social Entrepreneurship concept domain**

No.	Items	Mean	SD	%	T-Test	Sig	Degree
1	In Social entrepreneurship social value prevail over economic ones.	4.23	0.74	84.6%	14.3	0.0	Very High
2	Social Entrepreneurship's function is to create systematic social change and sustainable improvement.	4.42	0.49	88.4%	24.45	0.0	Very High
3	Social enterprise can be for profit organization as well if it fulfills targeted social impact	4.04	0.77	80.8%	11.53	0.0	Very High
4	Social Entrepreneurship main goal is to solve the underlying cause of a social problem in a certain community.	4.05	0.66	81.0%	13.53	0.0	Very High
5	Social Entrepreneurship is supported mainly by government	2.16	0.93	43.2%	-7.69	0.14	Very Low
6	Social Entrepreneurship is supported mainly by local and international donors	3.18	1.02	63.6%	1.49	0.0	Moderate
7	Social Entrepreneurship offers novel product / service or satisfy a social need that was not met before.	4.01	0.77	80.2%	11.21	0.0	Very High
8	Social Entrepreneurship is characterized by innovation and risk-taking	4.25	0.59	85.0%	17.87	0.0	Very High
9	Social Entrepreneurship uses new technology for producing goods / working with clients	4.07	0.73	81.4%	12.46	0.0	Very High
10	Social Entrepreneurship utilize uncommon resources for production of goods / services	4.2	0.69	84.0%	15	0.0	Very High
<b>Total score of Social Entrepreneurship concept domain</b>		<b>4.05</b>	<b>0.27</b>	<b>77.2%</b>	<b>32.47</b>	<b>0.0</b>	<b>High</b>

Table 5.9 shows that the total score of Social Entrepreneurship concept domain achieved a mean of (3.86) and a percentage of (77.2) which indicates a high level. The highest percentage was given to the concept that Social Entrepreneurship is characterized by social entrepreneurship's function is to create systematic social change and sustainable improvement (88.4%), second to that was Social Entrepreneurship is characterized by innovation and risk-taking (85.0%). And the results showed the lowest percentage was given to the perception that social entrepreneurship is supported mainly by government which is scored (43.2).

### **5.3.2 Motivation of Social Entrepreneurship**

In this section the researcher wants to examine respondent's motivation to create a social entrepreneurship project. This is very important in shaping researcher understanding of status of social entrepreneurship in Palestine.

**Table 5.10: Means, standard deviation, percentages, T-Test and Sigma and levels of items of social entrepreneurship motivation domain**

No.	Items	Mean	SD	%	T-Test	Sig	Degree
1	To address a social problem, I personally experienced	4.34	0.56	86.8%	20.55	0.0	Very high
2	To address social challenges witnessed within certain communities and feel the need to change it	4.36	0.48	87.2%	24.03	0.0	Very high
3	To address Gender inequality	3.99	0.82	79.8%	10.22	0.0	High
4	To address Geographical distribution and social classes challenges	3.92	0.89	78.4%	8.77	0	High
5	To address environmental change	3.33	0.96	66.6%	2.93	0.005	Moderate
6	To create personal employment opportunity	3.82	0.9	76.4%	7.78	0	High
7	To create help, solve unemployment issue in your country	3.95	0.7	79.0%	11.46	0	High
8	To deal with the inadequacy of existing social service in main cities	3.97	0.83	79.4%	9.98	0	High
9	To deal with the inadequacy of existing social service in marginalized communities	4.15	0.81	83.0%	12.12	0	Very High
10	To address inequalities of disabled people in public and private sectors.	3.89	0.81	77.8%	8.79	0	High
<b>Total score of Motivation of Social Entrepreneurship domain</b>		<b>3.97</b>	<b>0.41</b>	<b>79.4%</b>	<b>20.17</b>	<b>0.0</b>	<b>High</b>

Table 5.10 shows that the total score of Motivation of Social Entrepreneurship achieved a mean of (3.97) and a percentage of (79.4%) which indicates a high level. The highest motivation was identified to be to address social challenges witnessed within certain communities and feel the need to change it with an approval rate of (87.2%), the second highest motivation was identified as to address a social problem, I personally experienced with approval rate of (86.8%). And the lowest motivation was identified to address environmental change which was approved with a rate of (66.6%) which is moderate at its best and not low.

### **5.3.3 Business Strategy and Operations:**

In this section the researcher wants to examine respondent's understanding of business strategy and internal operation as an indicator to their own strategies and internal operations. This is very important in shaping researcher understanding vision of organizations which will help identifying sustainable approaches for organizations. The showed below suggested business strategies were based on the researcher readings of literature.

**Table 5.11: Means, standard deviation, percentages, T-Test and Sigma and levels of items of social entrepreneurship business strategy and operation domain**

No.	Items	Mean	S. D	%	T-Test	Sig	Degree
1	Social entrepreneurship lies on the core of our annual strategy	3.97	0.71	79.4	11.76	0.0	High
2	The annual growth number of beneficiaries within the established specialization of the organization	4.34	0.63	86.8	18.25	0.0	Very high
3	Expanding the provision of services to new social groups	4.22	0.69	84.4	15.05	0.0	Very high
4	Increasing the range of services per beneficiaries	4.15	0.83	83.0	11.87	0.0	Very high
5	Further developing one of the most promising activities of the organization	4.12	0.74	82.4	11.93	0.0	Very high
6	Improving the quality of services provided while maintaining their structure and target audience	4.21	0.71	84.2	14.53	0.0	Very high
7	Expanding beyond the organization's existing geographical locations	3.97	0.74	79.4	11.16	0.0	High
<b>Total score of business strategy domain</b>		<b>4.14</b>	<b>0.42</b>	<b>82.8</b>	<b>23.03</b>	<b>0.00</b>	<b>Very high</b>

Table 5.11 shows that the total score of business strategy domain achieved a mean of (4.14) and a percentage of (82.8) which indicates a very high level. The respondents identified most with the annual growth number of beneficiaries within the established specialization of the organization as a business strategy with a percentage of 86.8%. followed by Expanding the provision of services to new social groups with a percentage of 84.4%. the lowest two business strategies that were identified are Expanding beyond the organization's existing geographical locations and Expanding beyond the organization's existing geographical locations with a 79.7% percentage which is still considered high in the researcher analysis.

### **5.3.4 Role of Other Organizations in Developing Operations:**

In this section the researcher wants to identify the main organizations that provide support for social entrepreneurs. The below types of organizations were found to provide support for entrepreneurship organization from researcher's readings of literature for other countries and researcher wanted to identify whether it was similar for Palestine. This should be helpful in creating the sustainable models for such organizations.

**Table 5.12: percentages of items of Social entrepreneurship supportive organization typology domain**

No.	Items	Yes	No
1	International NGOs	56%	44%
2	Local NGOs	73%	27%
3	Privet or family business	40%	60%
4	Bank	5%	95%
5	Private charity funds	16%	84%
6	Microfinance organizations	15%	85%
7	State organizations (Governmental sector)	19%	81%

Table 5.12 shows that respondents stated that international and local NGOs have supported social entrepreneurs organizations with 56% & 73% approval rates. and lowest levels of support were given to banks with an approval rate of 5% as banks were not viewed as a supporter of social entrepreneurship organizations.

### **5.3.5 Evaluation of Social Entrepreneurship:**

In this section the researcher explores tools of evaluations used by social entrepreneurship organization to evaluate social impact and change.

**Table 5.13: Means, standard deviation, percentages, T-Test and Sigma and levels of items of social entrepreneurship tools of evaluating social impact domain**

No.	Items	Mean	S. D	%	T-Test	Sig	Degree
1	Annual growth in Number of recipients of goods / services	4.14	0.98	82.8%	9.95	0.00	Very high
2	Increase in Number of services provided	4.36	0.65	87.2%	17.73	0.00	Very high
3	Sustain Local and international support for your organization	3.89	0.79	77.8%	9.6	0.00	High
4	Sustainability of your project after funds are completed and spent	3.92	0.85	78.4%	9.27	0.00	High
5	Reaching different segments of the society	4.08	0.85	81.6%	10.93	0.00	Very high
6	Improvement in quality of your services	4.32	0.78	86.2%	12.51	0.00	Very high
<b>Total score of Evaluation of Social entrepreneurship domain</b>		<b>4.11</b>	<b>0.61</b>	<b>82.4%</b>	<b>15.45</b>	<b>0.00</b>	<b>Very high</b>

Table 5.13 shows that the total score of Evaluation of Social entrepreneurship achieved a mean of (4.12) and a percentage of (82.4) which indicates a very high level. And the highest tool of evaluating social change was identified as the Increase in Number of services provided for each social entrepreneurship organization with a 87.2% and the second tool that followed that was the Improvement in quality of your services with a percentage of 86.2%. and the lowest tools were Sustainability of your project after funds are completed and spent with 78.4% and Sustaining Local and international support for your organization with a percentage of 77.8% which are also considered high.

#### **5.3.6 Obstacles Facing Social Entrepreneurship:**

In this section the researcher explores obstacles faced by social entrepreneurship organization in Palestine. This will be very important when identifying recommendations to overcome these obstacles which will help with organization's overall sustainability. The below suggested obstacles was obtained from researchers reading of literature in Palestine and worldwide.

**Table 5.14: Means, standard deviation, percentages, T-Test and Sigma and levels of items of obstacles facing social entrepreneurship organizations domain**

No.	Items	Mean	S. D	%	T-Test	Sig	Degree
1	The Lack of fund or support of organizations and donors	4.07	1.02	81.4%	8.96	0.0	Very high
2	Your organization faced rejection from society or community	2.51	1.32	50.2%	-3.81	0.0	Low
3	Your organization faced opposition from the Government rules or regulations	2.48	1.21	49.6%	-3.66	0.0	Very low
4	Political situation causes an obstacle to provide our services	3.32	1.32	66.4%	2.04	.45	Moderate
5	Local organization/communities lack awareness of social entrepreneurship	3.70	0.88	74.0%	12.25	0.0	High
6	Donors sometimes try to dictate vision or policy	3.10	1.40	62.0%	0.82	0.41	Moderate
<b>Total score of Obstacles facing Social Entrepreneurship domain</b>		<b>3.31</b>	<b>0.61</b>	<b>65.6%</b>	<b>4.64</b>	<b>0.0</b>	<b>Moderate</b>

Table 5.14 shows that most of the firms face some obstacles in their entrepreneurship process with an average mean of (3.28). One of the most important obstacles was the lack of fund or support from other organizations and donors with a percentage of 81.4% which is consistent with the literature and observations within such organizations.

#### **5.4 Results of the Econometric Analysis**

In this part, the researcher applies the ordinary least square (OLS) regression analysis in order to find the performance indicators of the of social entrepreneurship organizations. Here, the researcher uses the motivation of social entrepreneurship, the firms' strategy and operation for social entrepreneurship, the obstacles of social entrepreneurship, the number of employees in of social entrepreneurship organization and the years of establishment of social entrepreneurship organization as the independent variables. Please find regression equation below:

$$Y=2.29+0.23*X1+ 0.6*X2 -0.27*X3+0.47*X3-0.53*X4$$

$$T^* \quad (2.52) \quad (1.33) \quad (3.63) \quad (-2.75) \quad (-2.75) \quad (-0.046)$$

Such that:

Y=Evaluation of social entrepreneurship

X1: Motivation

X2: Strategy and business operation

X3: Number of employees in the organization

X4: Years of establishment

X5: Obstacles

**Table 5.15: The Ordinary Least Square Analysis for Evaluation**

Dependent Variable: Evaluation of social entrepreneurship				
Method: Ordinary Least Squares				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Concept	2.29	0.907	2.52	0.14
Motivation	0.23	0.171	1.33	0.19
Strategy and business operation.	0.60**	0.166	3.63	0.02
Number of employees in organization	-0.27***	0.098	-2.75	0.008
Years of establishment	0.47***	0.100	-2.75	0.0098
Obstacles	-0.53	0.115	-0.046	0.65
R-squared	0.24			
Adjusted R-squared	0.19			
F-statistic	4.32			
Prob(F-statistic)	0.002			

It is clear from table 5.15 above that the included independent variables significantly explain around 25% of the entrepreneurial performance of social enterprises. Also, the tests for multicollinearity, normality and heteroscedasticity gives no trace for multicollinearity and heteroscedasticity and normally distributed error.

Table 5.15 shows that the existence of clear strategy and business operation will positively affect the entrepreneurial performance of the social enterprise listed in the sample. It's also clear that social enterprises with more experience perform higher than new social enterprises. However, the unexpected result is that a greater number of employees leads to lower entrepreneurial performance. Another finding that was unexpected

was that the obstacles of entrepreneurship do not negatively affect the performance of social entrepreneurship organizations, and the motivation of entrepreneurial enterprises is not efficient to improve the social enterprise' performance.

## **Chapter Six**

### **Social Entrepreneurship Framework**

#### **6.1 Introduction**

The aim of this study is to create a framework for the social entrepreneurship in Palestine to explore the degree of social entrepreneurship and its ability to become a sustainable organization with consistent social change. through exploring the determinants of firm's social entrepreneurship performance, and the typologies of social entrepreneurship organizations, the obstacles they are facing in their entrepreneurial activities and finally the most successful ways to achieve sustainability and overcome obstacles within their social impact.

#### **6.2 The Status of Social Entrepreneurship in Palestine**

The status of social entrepreneurship in Palestine was examined through understanding the concept of social entrepreneurship and the degree of awareness about the concept of social entrepreneurship amongst the sample organizations.

Results in this study found that 88.4% of the respondents agreed that social entrepreneurship's function is to create systematic social change and sustainable improvement. Also, 85% of respondents agreed that social entrepreneurship is characterized by innovation and risk-taking which is consistent with Swanzen & Rowe (2013) who agreed with Trexler (2008)

and identified social entrepreneurship to be innovative social ventures that could be found in non-profit, for profit or governmental sectors and they continued to define the social entrepreneurship as an agent of change within these different sectors that look for innovative solutions for social problems in pursuit of organization sustainability. Furthermore 80.8% agreed that social enterprise can be for profit organization if it fulfills targeted social impact which is consistent with Meraj (2014) as he stated that the connection between social values and business should prioritize social profit in the form of value creation solving social issues in comparison to economic profit. Therefore, the first null hypotheses that stated there was a lack of understanding about the concept of social entrepreneurship was rejected.

More than 80% of respondents agreed that main objective of social entrepreneurship is to solve the underlying cause of a social problem, which is consistent with what Ascigil and Semra (2012) found that social entrepreneurship as an answer to unmet needs voiced by communities and in response to those needs entrepreneurs try to generate solutions to help provide these needed services with the help of these communities, in a way to complement or substitute to public systems.

The most important motivations to social entrepreneurship was to address social challenges and the need to social change with 87.2% agreement rate of the respondents, while 86.8% stated that their motivation was to address a social problem they personally experience, 79.8% to

address gender inequality and 79.4% to deal with the inadequacy of existing social service in main cities. These findings are consistent with Ascigil & Semra (2012) argument which connected the social entrepreneurship motivation to unmet needs of communities, ineffectiveness in eliminating inequalities that are related to market failures lead some individuals to seek their own solutions to those problems.

Seventy nine percent of respondents stated that motivation for creating or joining a social entrepreneurship is to solve unemployment issue in the country and 76.4% agreed that another motivation is to create personal employment opportunity this is consistent with high unemployment rate in Palestine among youth is around 25. % for young adults within the ages of 15 and above (PCBS, 2016) this finding is also consistent with Abdallah (2015) finding that Palestinian entrepreneurs are classified into two categories, necessity driven, and opportunity driven. The first one usually lacks innovation and is just a way of generating income. However, the latter is one that depends on market demand and people needs which is usually innovative and creative. All this concludes that second null hypothesis that stated there is a lack of motivation for social entrepreneurship is rejected.

In our regression analysis it was stated that motivation of entrepreneurial enterprises is not efficient to improve the social enterprise performance this is mainly because social entrepreneurs are driven through necessity and opportunity (Abdallah, 2015) and Veeraraghavan & Vimala

(2009) that suggested that there are two kinds of motivation for entrepreneurship and he defined them as follows: a) opportunity in which the entrepreneur finds a business opportunity and decided to pursue it. b) necessity in which an entrepreneur has no career options or has negative work experience and feels the need to find a viable option which makes it harder to be more innovative and motivated once these two reasons are less urgent (end of employment necessity) or available (end of fund for the project).

### **6.3 Business Strategy and Operation in Social Entrepreneurship Organizations in Palestine**

In this section the research attempts to examine the organizational practices used in social entrepreneurship organizations in Palestine, the researcher identified practices based on the literature examined in previous chapters. In the literature it was stated that for social entrepreneurship organization to be successful it needs a reliable plan that includes good business practices (Zakria, 2014). These business strategies and operation could be an indicator of success for cognizations such as community members affected by project, number of donors (time and money) to number of members affected by services (Ascigil & Semra, 2012) which is consistent with respondents answers were they rated the annual growth number of beneficiaries within the established specialization of the organization with an agreement percentage of 86.8% , expanding the provision of services to new social groups with an agreement rate of 84.4

% and Increasing the range of services per beneficiaries with an agreement rate of 83%.

Clark & Brennan (2016) stated that an important organization practice is to evaluate economic and social impact which is consistent with respondents respond in which they agreed that social entrepreneurship lies on the core of our annual strategy with a rate of 79.4% approval rate.

The main indicators of business strategies and operations that lead to success in organization are considered as measurements of success in most literature. These indicators were identified in this section and were examined by respondents and the results was an average rate of 82.8% for this section. This contradicts Amleh & Qaderh (2015) and Petrovici (2013) who stated that the lack of a clear framework to create and sustain a social enterprise is one of the major obstacle facing the creation and sustainability of such projects. This might denote that the current Palestinian social entrepreneurs are younger than examined by the literature and less mature however they are able to identify basic business practices, yet they still lack the comprehensive framework in which these indicators could be used and utilized which adds to the significance of this study to help create this framework that could be used by Palestinian entrepreneurs as their roadmap for success.

In addition, the researcher have examined different types of supportive organizations, the result clearly stated the largest supporters of social entrepreneurship were international and local NGO's with 58% and

73% of respondents stated that they have received support from such organizations and it was clear that minimum support was given from banks, private charity funds, microfinance organizations and State organizations (Governmental sector) with %5, 16%, 15% and 19% of respondents stated that they have received support from them, this is consistent with two simple facts stated in the literature the first is that Palestinian economy is donor based economy which supports the finding that most supported organizations were relaying on donations international and local NGOs (Abdallah, 2015). And based on all mentioned above the third null hypothesis that stated that social entrepreneurship lack business strategies and operations is rejected.

#### **6.4 Evaluation of Social Entrepreneurship Organizations in Palestine**

The increase in number of services provided by their organization with 87.2% agreement rate is identified as a very important indicator of success and an evaluation tool they use to reflect their efficiency. In addition, 86.2% identified that an improvement of the quality of their service is another key indicator they use to evaluate their work. Another indicator was agreed upon with an 82.8% approval rate was the increase in number of services and goods within their organization. Other indicators of success were identified by social entrepreneurs such as reaching different segments of society, sustainability of funds after projects are completed and sustainability of support from local and international organizations these indicators are very consistent with the literature where

Clark & Brennan (2016) stated that social entrepreneurship organizations are faced with the question of measuring success in order to be able to secure funding and donation, and different organizations approach this differently and organizations often struggle with answering that question. They defined performance measurements such as a) evaluating sustainability of resources, b) number of services provided c) evaluating economic and social impact.

The regression analysis results stated that the existence of clear strategy and business operation will positively affect the entrepreneurial performance of the social enterprise listed in the sample and this is consistent with Ascigil & Semra (2012) that stated that business strategies and operation could be an indicator of success for cognitions such as community members affected by project, number of donors (time and money) to number of members affected by services. which indicates a rejection of the fourth null hypothesis that there is a lack for success and evaluation indicators within social entrepreneurship organizations.

The regression analysis also stated that the greater the number of employees the lower entrepreneurial performance in Palestinian social enterprises which contradicts with the assumption that more employees indicate growth as it could also indicate more expenses and commitments to the organizations which creates an addition burden. This finding was not referenced in any of the literature that examined social entrepreneurship in other countries.

## **6.5 Obstacles of Social Entrepreneurship Organizations in Palestine**

In this section the researcher attempts to understand obstacles faced by social entrepreneurship organizations in Palestine and as stated by fifth null hypothesis that the social entrepreneurship organizations don't face many obstacles in their activities and based on the results this null hypothesis was rejected. The results stated that 81.4% of respondents agreed that lack of fund or support of different organizations and donors and this is one of the most common obstacles mentioned in the literature such as Puia & Jaber (2012) and Petrovici (2013) as both papers argued that one of the biggest obstacles facing social entrepreneurship is the lack of financial resources and capital that will facilitate the sustainability of certain organizations. In addition, Ascigil & Semra (2012) stated that social capital is very valuable in ensuring sustainability of the project & Knife et al. (2014) defined continued funding as one of two critical elements of consideration regarding sustainability within social entrepreneurship.

Long-term strategy for organizations and framework were rated as 75.6% approval rate of respondents this is in agreement with literature and findings of previous studies such as Knife et al. (2014) that stated that social enterprises are unable to be sustainable because they fail to examine or identify what are the significant elements that motivate social value creation within their enterprise and how to effectively develop their intervention strategies. There is a clear focus on delivering outcome and output however ignoring impact. Also, Meraj (2014) stated that social

entrepreneurship that lacks Institutionalization models for its implementation is a major obstacle in the way of the growth of social entrepreneurship

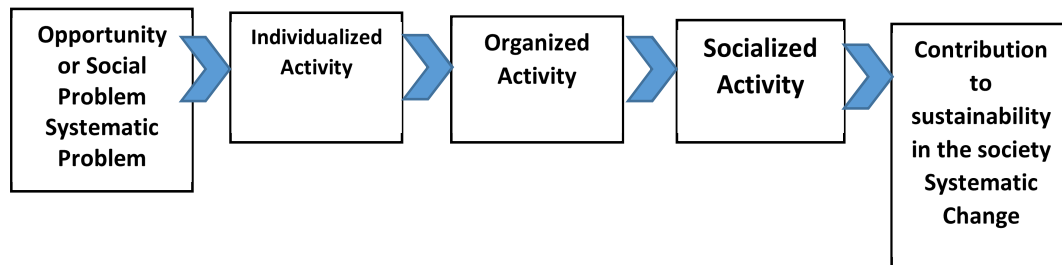
Seventy four percent of respondents agreed that local organization/communities lack awareness of social entrepreneurship as an obstacles to development of social entrepreneurship organization, which supports the assumption that lack of understanding of the concept of social entrepreneurship leads to lack of support for it and negatively affect the growth of social entrepreneurship, lack of understanding of social entrepreneurship meaning is viewed as obstacles that face the development after conducting a study in 26 countries (Petrovici, 2013). This is due to absence of entrepreneurship and social responsibility teaching in different educational systems as education role is crucial in creating the correct motivation for students to start thinking like entrepreneurs through many skills such as critical thinking, problem solving, team building and so. The fact that these are remaining strategies and not implemented through Palestinian schools and universities put Palestine at a huge disadvantage in terms of ability to foster innovation and creativity needed to start any type of entrepreneurial projects (Hashwah, 2012).

However, the unexpected result in our regression analysis is that the obstacles of entrepreneurship do not negatively affect the performance of social entrepreneurship organizations which donates that social entrepreneurs in Palestine are able to evaluate the obstacles they face and

overcome them in a way that doesn't allow it to affect their performance an example of this would be that social entrepreneurs didn't highly rate the political situation ( Israeli occupation) as one of the highest obstacle because they have adapted and found methods to ensure it doesn't influence performance.

### **6.6 Social Entrepreneurship Stages**

Social entrepreneurship stages can be identified as the following: the first stage, identify a systematic problem that is driven from the existing social systems the second stage is to define the activities needed by founder or co-founders of the social entrepreneurship, third stage will be to start organized activity by the team of the organization to carry out the entrepreneurship mission, fourth stage is to socialize the activities which are defined as the activity within the stakeholders in each society who strive to solve systematic problem collectively and finally the fifth stage Systematic change and this is the fundamental change at the level of social system ( business strategy and operations).



**Figure 6.1: Social Entrepreneurship stages (Tanabe, 2012)**

## **6.7 Social Entrepreneurship Framework**

One of the main obstacles is the lack of functioning framework which enable social entrepreneurship organizations to develop and sustain their activities (Petrovici, 2013). Our framework here is consistent of a set of pillars: an understanding or definition for social entrepreneurship concept in the Palestinian social entrepreneurship enterprises, understating the motivation behind it, identification for the efficient strategies and business operations that should be adopted to have efficient entrepreneurship performance, defining the obstacles that face the organization and how to overcome it, and finally identification the success factors within the organization (monitoring and evaluation).

This framework starts with an identification of social entrepreneurship elements within an organization, as the organization defines the social problem they wish to solve, the researcher was able to identify from the results that most of the respondents 86.8% started their social enterprises as an answer to a social problem they personally went through or they witnessed through their communities. Once the social issues are highlighted the entrepreneur is to move to next step that is

defining the typology of their organization either non-profit type that uses methods and discipline of business and the power of marketplace to advance their power or the for-profit type of organizations that is mission-driven businesses addressing social needs and the common good through the sale of a product or a service. The researcher was able to identify 51.2% of organizations as non-profit and the remaining as for-profit organizations (See table 6.2).

Moving forward with a social enterprise leads to the third step which is to define social entrepreneurship organization's operations and business strategies. The business strategies: a) Annual budgets as 47.9% of the organization in the sample identified their annual budget between 10,000-99,999 USD (See Table 6.2). b) Define stakeholders of their organization such as beneficiaries, donors, volunteers and employees this will help each entrepreneur define the appropriate organizational structures needed for their organizations and later will identify their indicators of success. as 65.8% of organizations in our sample have 1-5 employees and 71.2 % have 1-5 volunteers. c) Define organization sector such as health, education, regional economic development/ social care (reduce poverty) and community development (women development, human rights, environmental). 37% of the organizations in our sample are in the education sector, 23% in community development sector 20.5% are in the health sector and 19% in economic development sector (refer to table 6.2). d) Define the organizations business strategies such as:

- 1) Defining an annual strategy for the organization.
  - 2) Identifying methods of increasing annual number of beneficiaries.
  - 3) Identifying new communities to receive services.
  - 4) Investigating new range of service per beneficiaries.
  - 5) Developing one of the most promising activities of the organization.
  - 6) Improving the quality of services provided while maintaining their structure and target audience.
  - 7) Expanding beyond the organization's existing geographical locations.
- And finally, e) Define supportive organizations and possible fundraising strategies, in our research 56% and 73% of the support came from international and local NGOs, respectively. (refer to table 6.2).

Fourth step in this framework is for social entrepreneur to identify possible obstacles that will face their social entrepreneurship organizations. In the sample the main obstacles identified by respondents were lack of sustainable funds, lack of organizations business strategies, lack of understanding of social entrepreneurship.

The fifth and final step in the framework is for social entrepreneur to identify indicators of success within social enterprise (monitoring & evaluation of organization), indicators of successes are as follows: a) identifying the number of beneficiaries of their social services. b)

identifying the number of services provided through their organizations. c) sustainability of financial support and identify other financial opportunities. d) defining the quality of their services. and finally, e) identifying any geographical expansions for their services (refer to table 6.2).

Below in table 6.2 is a summary of the suggested framework that is based on literature and existing practice with social entrepreneurship organization in Palestine.

**Table 6.1: Framework for Palestinian Social entrepreneurship organizations**

Social Enterprise Framework			
Steps	Elements of Social Enterprise	What is Existing Practice in Palestine	Action Plan
Step 1	Define social entrepreneurship elements within the organization.	Most organizations defined the social problem they wish to solve, and this is usually a social problem that affects them personally or communities they live in.	In this part each organization defines the social problem they wish to solve through their organization around them.
Step 2	Define typology of social entrepreneurship organization	In the survey both types were found in social enterprises in Palestine with the following Percentages:  1) Nonprofit: are 52.1 % of the social enterprise examined. 2) For-profit: are 47.9 % of the social enterprise examined.	Through literature two types of organizations are identified as social entrepreneurship: 1) Nonprofit Social Enterprises That uses the Methods and disciplines of business and the power of the marketplace to advance their mission. 2) For-profit Social Enterprises that is mission-driven businesses addressing social needs and the common good through the sale of a product or a service.
Step 3	Define Social entrepreneurship organization's operations and Business strategies	1) The most annual budgets were identified with ranges of 1,000- 9,999 USD with a percentage of 39.7% and 10,000-99,999 USD with a percentage of 47.9%. This indicated that most enterprises define their annual budgets. 2) The social entrepreneurs defined stockholders to be the beneficiaries, donors, volunteers and employees and the government and answers varied in the amount of support or obstacles these stockholders have provided. 3) 65.8% of the social entrepreneurship enterprises have 1-5 employees, followed by 26 % that have 6-10 Employees.	1) Define annual budgets for organization. 2) Define stakeholders of organization. 3) Define number of employees and volunteers needed in the organization. This will help identify organizational structure. 4) Define organization sector to be able to identify appropriate operations strategies and skills needed such as health, education, regional economic development/ Social Care (Reduce Poverty) and Community development (women development,

	<p>And 71.2 % have 1-5 volunteers.</p> <p>4) 20.5% of organizations surveyed are in the health sector, 37% is in education, 19% are in regional economic development and 23% is in community development. This indicates that our sample examined all types needed.</p> <p>5) For Palestinian social enterprise examined they were able to identify their business operations and strategies (Percentage was between 86%-79%) for all elements below:</p> <p>a) Annual strategies within the organizations.</p> <p>b) Annual increasing number of beneficiaries.</p> <p>c) Expanding of services to new communities.</p> <p>d) Increasing range of service per beneficiaries.</p> <p>e) Developing one of the most promising activities of the organization.</p> <p>f) Improving the quality of services provided while maintaining their structure and target audience</p> <p>g) Expanding beyond the organization's existing geographical locations.</p> <p>6) Supportive organizations identified by Palestinian social entrepreneurs:</p> <p>a) International NGOs: 56% of organization received financial aid from</p> <p>b) Local NGOs: 73% of organization received financial aid from.</p> <p>c) Private family business: 40% of organization received financial aid from.</p> <p>d) Banks: 5% of organization received financial aid from.</p> <p>e) Private charity Funds:</p> <p>16% of organization received financial aid from.</p>	<p>human Rights, environmental).</p> <p>5) Define Organizations business Strategies.</p> <p>6) Define supportive organizations and possible fundraising strategies</p>
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Step 4	Defining Obstacles facing social entrepreneurship organization and identifying solutions	<p>When examined Palestinian social entrepreneurship enterprises the following obstacles were identified from highest to lowest:</p> <ol style="list-style-type: none"> <li>1) Lack of sustainable funds</li> <li>2) Lack of organization business Strategies</li> <li>3) Lack of understanding of social entrepreneurship.</li> </ol>	<p>Through the literature obstacles were identified as facing social entrepreneurship enterprises:</p> <ol style="list-style-type: none"> <li>1) Lack of sustainable funds</li> <li>2) Community support</li> <li>3) Governmental support</li> <li>4) Political obstacles</li> <li>5) Lack of understanding of social entrepreneurship.</li> <li>6) Lack of organization business Strategies</li> </ol>
Step 5	Identify indicators of success within Social Enterprise (monitoring & evaluation of organization)	<p>When examining the Palestinian social enterprises, it was found that most organizations have positively possessed these growth characteristics within their organizations with rates as 87% as highest and 77.8% as lowest (listed based on agreement order):</p> <ol style="list-style-type: none"> <li>a. Number of services provided</li> <li>b. Quality of services.</li> <li>c. Number of beneficiaries</li> <li>d. Geographical expansions</li> <li>e. Number of services provided</li> </ol> <p>Sustainability of financial support</p>	<p>Through literature the researcher was able to define growth characteristics:</p> <ol style="list-style-type: none"> <li>a. Number of beneficiaries</li> <li>b. Number of services provided</li> <li>c. Sustainability of financial support</li> <li>d. Quality of services</li> <li>e. Geographical expansions</li> </ol>

## **Chapter Seven**

### **Conclusions & Recommendation**

#### **7.1 Conclusion:**

This research addresses the framework for Palestinian social entrepreneurship organizations. In this research 73 of Synergos social entrepreneurship organization were surveyed, most respondents in this research were founder/co-founder of organizations represented. It was found that majority of organizations examined have been operational in the last five years or less. A round half of these organizations are non-profit, and the rest identified as for-profit organizations. The organizations were speared among different sectors such as health, education, regional economic development /social care (reduce poverty) and community development (women development, human rights, environmental).

This research has showed understanding of concept/awareness of social entrepreneurship within Palestinians organizations that is consistent with literature definitions. It confirms that the motivation of social entrepreneurs is defined in two forms necessity and opportunities driven. Moreover, the trend of social entrepreneurship in Palestine is spreading and increasing as most organizations has reported annual growth in number of beneficiaries within their organizations and increasing range of services. In addition to these most organization have identified increases in the quality of their services.

Key obstacles facing social entrepreneurship organizations in Palestine are the lack of sustainable financial support for the organizations specially for nonprofit organizations, another obstacle is lack of long-term strategy, as most organizations start identifying their strategies after facing internal/external problems and not based on a clear framework. The last obstacle is lack of communities and local organizations understanding of the concept of social entrepreneurship. An interesting observation was that political situation wasn't identified as a major obstacle and this was attributed to the fact that social entrepreneurs already anticipate this as an obstacle and have been equipped with necessary tools to overcome this as an obstacle facing their organization.

The main conclusion from this research is the suggested framework for social entrepreneurship in Palestine. This research identified key steps, first step is for social entrepreneurs to define social entrepreneurship elements and identify the social problem they wish to solve. Second step is to define typology of social entrepreneurship organization as for profit or nonprofit organization, third step is to identify social entrepreneurship organization's operations and business strategies such as annual budgets, stakeholders, number of employees and volunteers, organization's sector, business strategies and practices and fundraising and supporting organizations. fourth step is to define the obstacles facing social entrepreneurship organization and identifying solutions. The fifth step is to identify indicators of success within social enterprise such as number of beneficiaries, number of services provided, sustainability of financial

support, quality of services and geographical expansions that will help them evaluate their work and enhance it where needed.

## **7.2 Recommendations**

The research suggests a set of recommendations amongst the main recommendation of this study is for Palestinian social entrepreneurs to follow suggested framework to help secure sustainability. Other recommendations are the following:

1. Increase awareness of concept of social entrepreneurship in Palestine, this is crucial to help identifying social issues for future entrepreneurs
2. Role of education in advancing the entrepreneurial skills is an untapped recourse to help introduce entrepreneurial skills to youth through some of the following:
  - a. Activate the joint program between the Ministry of Education and vocational Trainings centers that each organization/school will have its own curriculums with all having one goal to cultivate skilled youth that are ready to be deployed into the workforce in many different sectors.
  - b. Create specialized programs through different educational institutes such as high schools and universities with their main goal

to help develop student's understanding of innovation and problem-solving skills.

3. Social entrepreneurs need to Identify good business strategies and indicators of success, this could be accomplished by:
  - a. Creating incubators for social enterprise in all Palestinians cities to include all Palestinian entrepreneurs.
  - b. Train trainers to help as many of the youth gain entrepreneurial skills.
4. Creating seeds capital or venture capital or equity capital funds that will help finance small businesses for youth
5. Creating networks of investors such as angel investors to help provide good loans to entrepreneurship projects
6. Encourage banks and microfinancing organizations to loan small and medium entrepreneurship projects with acceptable loaning conditions.
7. Training Palestinian social entrepreneurs on fundraising skills such as proposal writing, presentation skills and budget management skills.
8. Create crowd funding platforms for social enterprises

9. Activate role of government is crucial in helping entrepreneurship and social entrepreneurship projects through some of the following:
  - a. Simplify the process of the starting a project for small and medium size projects.
  - b. Create Governmental support for young entrepreneurs to help pay of their loans
  - c. Provide Tax deductions for entrepreneurship and social entrepreneurship projects as incentives to help develop their projects furthermore.

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**Appendix (A)****1. Demographic Information:**

1.1 Are you the founder of your organization?

- a- Yes
- b- No
- c- Co-Founder

1.2 Year of establishing the organization:

- a- 1-5 years
- b- 5-10 years
- c- More than 10 years

1.3 Location of your organization:

- a- North West Bank
- b- South West Bank
- c- Middle West Bank
- d- East Jerusalem

1.4 What is your Organization type?

- a- For profit
- b- Non-profit (Non-governmental)
- c- Public

1.5 Number of Employees in the Organization:

- a- 1-5 Employees
- b- 6-10 Employees
- c- 11-20 Employees
- d- 20 or more

1.6 Number of Volunteers in the Organization:

- a- 1-5 Volunteers
- b- 6-10 Volunteers
- c- 11-20 Volunteers
- d- 20 or more Volunteers.

1.7 What is the sector your organization is involved in( you can choose more than one):

- a- Health
- b- Education
- c- Regional Economic development/ Social Care (Reduce Poverty)
- d- Community development( women development, Human Rights , environmental )

1.8 What is your Organization annual Budget?

- a- 1,000-9,999 USD
- b- 10,000-99,999 USD
- c- 100,000- 249,999 USD
- d- 250,000 USD and more

1.9 Please indicate Ratio of the total expenses To the funds received of the organization:

- a- 10%-29%
- b- 30%-49%
- c- 50%-79%
- d- 80% and More

## 2. Social Entrepreneurship concept:

This section describes to what extent the concept of social entrepreneurship is known in your organization:

**(The answers are based on five Likert scale)**

<b>2.1 -Please determine to what extent you agree on each of the following sentences</b>	Strongly agree	Agree	Cannot determine	Disagree	Strongly disagree
In Social entrepreneurship social value prevail over economic ones.					
Social Entrepreneurship's function is to create systematic social change and sustainable improvement.					
Social enterprise can be for profit organization as well if it fulfills targeted social impact					
Social Entrepreneurship main goal is to solve the underlying cause of a social problem in a certain community.					
Social Entrepreneurship is supported mainly by government					
Social Entrepreneurship is supported mainly by local and international donors					

Social Entrepreneurship offers novel product / service or satisfy a social need that was not met before.					
Social Entrepreneurship is characterized by innovation and risk-taking					
Social Entrepreneurship uses new technology for producing goods / working with clients					
Social Entrepreneurship utilize uncommon resources for production of goods / services					

<b>3. Motivation of Social Entrepreneurship:</b> This Part aims to find social entrepreneurship motivations. <b>(The answers are based on five Likert scale)</b>					
<b>3.1-Motivation of starting your social Entrepreneurship is:</b>	Strongly agree	Agree	Cannot determine	Disagree	Strongly disagree
To address a social problem, I personally experienced					
To address social challenges witnessed within certain communities and feel the need to change it					
To address Gender inequality					
To address Geographical distribution and social classes challenges					
To address environmental change					
To create personal employment opportunity					
To create help, solve unemployment issue in your country					

To deal with the inadequacy of existing social service in main cities					
To deal with the inadequacy of existing social service in marginalized communities					
To address inequalities of disabled people in public and private sectors.					

<b>4. Strategy and Operations:</b> This section is to understand your organization strategy and internal operations. <b>(The answers are based on five Likert scale)</b>					
<b>4.1</b> business strategy of your organization means:	Strongly agree	Agree	Cannot determine	Disagree	Strongly disagree
Social entrepreneurship lies on the core of our annual strategy					
The annual growth number of beneficiaries within the established specialization of the organization					
Expanding the provision of services to new social groups					
Increasing the range of services per beneficiaries					
Further developing one of the most promising activities of the organization					
Improving the quality of services provided while maintaining their structure and target audience					
Expanding beyond the organization's existing geographical locations					

<b>4.2</b> To what extent did these organizations help develop operations in your organization.	Yes	No
Local NGOs		
International NGOs		
Private or family business		
State organizations (Governmental sector)		
Private charity funds		
Microfinance organizations		
Bank		

### **5. Evaluation of Social entrepreneurship**

This section is to help evaluate your organization progress and sustainability.

**(The answers are based on five Likert scale)**

<b>5.1- To what extent does the following apply to your organization</b>	Strongly agree	Agree	Cannot determine	Disagree	Strongly disagree
Annual growth in Number of recipients of goods / services					
Increase in Number of services provided					
Sustain Local and international support for your organization					
Sustainability of your project after funds are completed and spent					
Reaching different segments of the society					
Improvement in quality of your services					

### **6. Obstacles facing Social Entrepreneurship:**

This section is to help identify obstacles facing social Entrepreneurship.

**(The answers are based on five Likert scale)**

<b>6.1 To what extent you agree that each of the following is an obstacle for social Entrepreneurship In your organization</b>	Strongly agree	Agree	Cannot determine	Disagree	Strongly disagree
The Lack of fund or support of organizations and donors					
Your organization faced rejection from society or community					

Your organization faced opposition from the Government rules or regulations					
Political situation causes an obstacle to provide our services					
Local organization/communities lack awareness of social entrepreneurship					
Do you have a long-term strategy for your organization?					
Donors sometimes try to dictate vision or policy					

جامعة النجاح الوطنية  
كلية الدراسات العليا

## تطوير إطار عمل لمؤسسات الريادة الاجتماعية في فلسطين

اعداد

هدى هاني بركات

إشراف

د. رايح مرار

قدمت هذه الأطروحة استكمالاً لمتطلبات الحصول على درجة الماجستير في الإدارة الهندسية بكلية الدراسات العليا في جامعة النجاح الوطنية في نابلس، فلسطين.

2018

ب

## تطوير إطار عمل لمؤسسات الريادة الاجتماعية في فلسطين

اعداد

هدى هاني بركات

إشراف

د. رايح مرار

الملخص

شهدت ريادة الاعمال نموا سريعا جدا خلال الخمس سنوات الماضية، حيث لاقت اهتمام الكثيرين بها خلال هذه الفترة بدءا من المناهج الجامعية والبرامج الريادة التدريبية المنتشرة، وحضانات المشاريع الصغيرة وانتهاء بالاستثمارات من قبل الشركات والمؤسسات (عطالله، 2015).

هذا البحث قام بإنشاء إطار للريادة الاجتماعية في فلسطين وذلك من خلال دراسة العناصر التي تؤثر عليها مثل فهم مقدار الوعي بمفهوم الريادة الاجتماعية، والدوافع الكامنة خلفها، والاستراتيجيات والخطط المتبعة من قبل هذه المشاريع، وأدوات ومؤشرات التقييم النجاح المستخدمة، وأخيرا العقبات التي تواجه هذه المشاريع الريادية وكيفية التغلب عليها. تم استخدام الإحصاء الوصفي ونهج الاقتصاد القياسي في هذه التوجهات والتي ركزت على فحص عناصر مشاريع ريادة الأعمال المجتمعية، حيث كانت العينة المستهدفة هي المشاريع الريادية التي تم دعمها من قبل مؤسسة "سينارجوس".

تم استخدام الإحصاء الوصفي في هذه الدراسة والتي ركزت على فحص عناصر مشاريع ريادة الأعمال المجتمعية، حيث كانت العينة المستهدفة هي المشاريع الريادية التي تم دعمها من قبل مؤسسة "سينارجوس" والتي هي من المؤسسات القليلة التي تدعم المشاريع الريادية والريادة الاجتماعية على نطاق واسع في فلسطين. تم اختيار 73 مؤسسة من مختلف القطاعات والتي تعنى بالريادة الاجتماعية تضم قطاعات التعليم والصحة والتنمية المجتمعية والاقتصادية والرعاية الاجتماعية وحقوق الإنسان والقطاع البيئي.

يحدد البحث المراحل التي تمر بها هذه المشاريع الريادية ، وتبدأ دوماً هذه المراحل بتحديد المشكلة والتي غالباً يكون مسببها الانظمة الاجتماعية القائمة (دافع لخلق تغير اجتماعي)، ثم يأتي تحديد الأنشطة التي يحتاجها المؤسس أو الشركاء في ريادة الأعمال الاجتماعية، يليها نشاط منظم من قبل فريق العمل الخاص بالمشروع لتنفيذ مهمة ورؤية المشروع . وتأتي المرحلة اللاحقة وهي النشاط الاجتماعي الذي يعرف بأنه النشاط أصحاب المصلحة في كل مجتمع والذي يسعى جاهدًا لحل مشكلة جماعية منهجية. وأخيرًا يأتي التغيير المنهجي وهذا هو التغيير الأساسي على مستوى النظام الاجتماعي (إستراتيجية الأعمال والعمليات).

وعليه فهذا البحث يقترح إطار عمل لمنظمات ريادة الأعمال المجتمعية في فلسطين والذي من شأنه أن يجعلها أكثر استدامة ونموًا باتجاه هدفها المرجو مع دعم البيئة والظروف المحيطة.

يتكون هذا البحث من خمس أعمدة رئيسية: أولاً ، تحديد المشكلة أو العقبة الاجتماعية التي يرغب صاحب العمل حلّها. ثانياً، تحديد إذا كان هدف المؤسسة ربحي أم لا. ثالثاً، تحديد عمليات واستراتيجيات المشروع الريادي والتي تقتضي بتنظيم العمل كالميزانية السنوية، أصحاب رأس المال، عدد الموظفين والمتطوعين، واستراتيجيات وممارسات الأعمال ، وجمع التبرعات والمنظمات الداعمة. رابعاً، تحديد العقبات التي قد تواجه مشاريع الريادة الاجتماعية ووضع حلول للتغلب عليها. وأخيراً، تعريف مؤشرات النجاح مثل عدد المستفيدين ، وعدد الخدمات المقدمة، واستدامة الدعم المالي، ونوعية الخدمات والتوسعات الجغرافية.

يقدم هذا البحث توصياته لريادي المشاريع الاجتماعية، أولها هي اتباع إطار العمل المطروح بهذا البحث والذي يساعد في تأمين الاستدامة والنمو للمشاريع الريادية، ويعمل على زيادة الوعي بمفهوم ريادة الأعمال الاجتماعية في فلسطين. ومن ثم تحديد استراتيجيات عمل جيدة ومؤشرات النجاح، والتي يمكن أن تتحقق من خلال إنشاء حاضنات لمشاريع الريادية الاجتماعية في جميع المدن الفلسطينية، والعمل على إنشاء رأس مال تأسيسي وصندوق استثماري ورأس مالي واستثمارات التي تدعم المشاريع الصغيرة الخاصة بالشباب، وتشجيع البنوك والمؤسسات التمويلية على إقراض المشاريع الريادية الصغيرة والمتوسطة بشروط إقراض مقبولة نسبياً. ويليه، العمل على

تشجيع أصحاب القرار على إنشاء منصات دعم جماعي للمؤسسات الاجتماعية. وأخيرا تفعيل دور الحكومة والذي هو من الضروري لمساعدة ودعم مشاريع الريادة والريادة الاجتماعية.