Challenges facing social entrepreneurship

The implications for government policy in Egypt

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Abstract

Purpose – Although there are over 55,000 social enterprises operating in Egypt, the social entrepreneurship field is still failing to create the desired social change. This paper aims to explore the challenges faced by the field with a special focus on government related challenges as well as offer a set of recommendations to the Egyptian government to enhance the field.

Design/methodology/approach – The research was carried out in two phases; reviewing the literature around the topic through a secondary research followed by an empirical research interviewing four social enterprises, the ministry of social solidarity and experts in the field of social entrepreneurship.

Findings – The paper arrived to several challenges and they were organized into three main themes: challenges related to policy-making and other legal aspects; challenges related to institutional and operational support; and challenges related to social, educational and cultural awareness of the field and its ecosystem. The paper also came up with a set of nine recommendations directed to the Egyptian Government.

Originality/value – The originality and value of this research is that it offers first hand viewpoints of the challenges facing the field of social entrepreneurship in Egypt as well as offer practical recommendations to the Egyptian Government to overcome them.

Keywords Egypt, Challenges, NGOs, Policy, Social entrepreneurship

Paper type Research paper

1. Introduction

Capitalism has always been a positive force in the world economy, but growth started to slow down in the 1970s and the side effects of that slow down started to appear. At the time, it has been argued that managers and executives of corporations are taking advantage of the owners. Academics and practitioners since then focused on the idea of maximizing shareholder value "financial returns to shareholders". Under the "shareholder maximization mentality," businesses are judged by one simple indicator, which is "stock price." They had

a single-minded drive to boost profits "now" in the short term as opposed to long-term value creation. This mentality by default has negative social and environmental consequences. Yes, some of these corporations engage themselves in CSR activities, yet the effectiveness of these initiatives remains questionable. Peter Buffet, the philanthropist and son of Warren Buffet, referred to such activities as "conscience laundering," which is giving back to the society to feel better for accumulating more money than any person could ever possibly need (Westaway, 2014). At the same time, governments, especially in developing countries, were consistently failing to address the growing socioeconomic changes in their countries on their own. The challenges were too much and the resources were usually limited. Therefore, something else was needed to emerge to fill this gap – social entrepreneurship.

The importance of social entrepreneurship globally, as well as its emergence and development over the years, is highlighted after the virtual collapse of communism and the rise of capitalism which inevitably resulted in social injustices. Therefore, the emergence of a sector that would tackle those injustices that have long been neglected by major corporations (because they do not serve their interests) and governments (because they are not capable due to limited resources and access to these problems) was deemed essential. One can safely say that finding and implementing solutions to such issues is therefore critical to our continued survival as species (Sud *et al.*, 2009).

2. Literature review: challenges facing the field
Even though the field has a lot of potential to help countries deal with their most stressing problems in creative ways, it faces many challenges that hinders it to do just that. Social entrepreneurship operates in a wide variety of cultures, geographic locations, and accordingly deals with a totally different set of social problems (Sud *et al.*, 2009). Therefore, it is difficult to establish a certain set of ideal practices or rules, both on the academic and practical fronts. The field has to deal with water supply and hunger issues in one country and sexism in another country. This wide gap between social matters constitutes as a major challenge for academics or practitioners to advance the field theoretically and in the real world.

It is also difficult to monitor all social enterprises and/or individuals with regard to their genuine mission and expectations out of their activities. The most prominent figure of social entrepreneurship and the Nobel Prize winner, Muhammed Yunus, publicly criticized some organization in the field of micro finance for "marketing and privileging economic value (revenue) over the goal of social value creation" (Dacin *et al.*, 2011). So the challenge here is the difficulty in remaining true to the original mission, which is purely social in nature. Social entrepreneurs seek to offer social value to the communities they work in. Unlike financial value, social value is not easily measured, and accordingly it is not easily communicated to the concerned stakeholders, whether governments and politicians, funding bodies, or the public.

The way social entrepreneurship is being marketed could also hinder the progression of the field. The main focus usually is on individual "heroic" social entrepreneurs and their accomplishments. As Dacin et al. remark (2011), individual successful social entrepreneurs provide rich and powerful narratives that tend to receive funding and get noticed and often celebrated. This focus on individuals, however, ignores the social activities of organizations (Light, 2006) (NGOs or corporations) and teams of diverse stakeholders (Spear, 2006), which results in a narrow view of the field of social entrepreneurship.

The local nature of social entrepreneurship activities is a challenge as well facing the development of the field on both academic and practical fronts. A lot of innovations are created in the local society where the problem originally resides and these initiatives never

travel outside of their local nature because the problem or the issue at hand is usually specific to the local community (Shaw and Carter, 2007) (Mair and Marti, 2009). Some examples, however, travel outside of their local community such as the infamous example of Muhammed Younis and his micro finance initiative in Bangladesh that has now been a global field of interest and a distinct discipline within finance research (Dacin *et al.*, 2011).

Another major challenge is the absence of motive in many cases. Why should someone start a social enterprise when they can start a commercial one where they can potentially make a lot of profit? Although there are selfless people who genuinely care to only help the society without much attention or emphasis on making profit out of their business, these are usually a trivial percentage of any population (Sud *et al.*, 2009). To make things even more challenging, not a very big percentage of those become "successful" social entrepreneurs. That is why and how social entrepreneurship is and should be different from pure philanthropy or charity. The difference here is that social entrepreneurs, on their quest of providing social value, can generate profit, as long as it is not their main mission. Profit that will help them sustain and develop their social business so that they can grow and continue helping more and more people.

Finally, it is always difficult to persuade investors for non-for profit initiatives. Investors are usually not as convinced the initiative or the idea itself as much as the social entrepreneur is. More importantly, investors usually depend on previous investment activities for comparison to help them make the decision of whether to invest in a new venture or not. This comparability does not exist in the social venture market the way it exists in the business markets. The social venture markets are yet to demonstrate clear trends in delivering investor returns. Investors require concept models as a proof of return on their investment (Ghanimeh, 2015).

3. Social enterprise in Egypt

Egypt's socioeconomic problems are no secret to anyone. From the high illiteracy rates, poor and insufficient healthcare services, over quarter of the population live under the poverty of $2 a day, youth unemployment, increasing gap between the rich and poor, and its worsening public education system, to its youth wanting to flee the country for better opportunities in the GULF countries or elsewhere. While these problems have long been recognized, it seems that neither the public, or private, nor the non-governmental sector have been able to effectively address these challenges in a sustainable long-term manner. The Egyptian Government is large and centralized and understandably lacks the expertise and the financial resources to sustainably tackle such rooted challenges, especially after the political instability in the country since the Arab Spring in 2011. Similarly, the private sector has been suffering due to the political and economic turmoil and slowly starting to regain its strength in the past couple of years. With these facts in mind, it seems that the third remaining sector; the non-governmental organizations are the country's big hope for at least elevating some of the most stressing socioeconomic challenges. Unfortunately, with over 5bn pounds being donated on a yearly basis in Egypt, and over 55,000 registered NGOs operating in Egypt (Ministry of Social Solidarity Website, 2018), they have historically failed to result in the desired and expected social impact.

On a more promising note, however, over the past few years, the social entrepreneurship sector in Egypt has been tremendously growing in several sectors. This growth is mainly stimulated by youth who have been encouraged by the revolutionary spirit to take matters into their own hands and do not wait for others to help them – be it the government or the private sector. They have been using their innovation and creativity in the fields of education, healthcare, arts, recycling, technology, and urban development to establish their own ventures. They understood that there was a crucial need for change. As a result, more young Egyptians have been abandoning the traditional career paths (doctors, engineers, lawyers, etc.) and starting their

own careers in social enterprises; doing things that fulfill them on social and moral levels, as well as a financial one (Younis, 2016). A study by Kirby and Ibrahim (2011) on university students found out that although the majority of students want a career in a multi-national enterprise and that a sizeable number are interested in establishing their own social enterprise. Also, several big platforms have been recognizing the potential of social entrepreneurship in Egypt and started to help in creating an ecosystem that will help those youth and the whole sector to flourish. Table I outlines the major active incubators and initiatives that help in fostering a strong social entrepreneurship ecosystem in Egypt.

4. Research methodology
The overall aim of this paper is to examine the challenges faced by the field of social entrepreneurship in Egypt to arrive to implications for policy. In light of this aim, the following two objectives have been formulated:

(1) examine the challenges facing the field of social entrepreneurship in Egypt in relation to the challenges in the literature; and

(2) provide a set of recommendations to the Egyptian Government to enhance its support to the field of social entrepreneurship.

The researcher adopted an interpretative perspective to this research. It is an exploratory research and data has been collected through semi-structured interviews with social enterprises and the ministry of social solidarity. The researcher chose to employ the purposive sampling method. Saunders *et al.* (2009) explain that purposive sampling enables researchers to use their judgement to select cases that will best enable them to achieve the research objectives. Obviously, this sampling method is not considered to be statistically representative to the whole population; however, it is suitable for the purpose of this research, especially because the researcher wanted to select cases that are particularly informative. A total of nine interviews were conducted for this research with four social enterprises and the ministry of social solidarity. Two large social enterprises (Ahl Masr Foundation and Nahdet El Mahrousa) have been chosen along with two other small ones (Dooko and Masr Dot Bokra) to allow for different perspectives. The interviews were designed according to three main themes/sections. Section A aims to examine the interviewees' understanding of social entrepreneurship as a field of study and its scope, section B aims to examine the potential benefits of social entrepreneurship, and section C aims to explore the challenges facing the field in Egypt and the role of the government in supporting it. This allows for comparison between the different social enterprises and the ministry of social solidarity. This paper will only present and discuss the results relating to the challenges the field is facing in Egypt. Table II summarizes the data collection techniques as well as provide a schedule for the interviews conducted. Details about all interviewees for this research can be found in the appendix.

5. Findings and discussion: challenges facing the field in Egypt
Although there is a considerable amount of NGOs working in the country with over 5 billion Egyptian pounds donated yearly, these enterprises are still failing to create the desired social impact. That is largely because most of these enterprises are facing several challenges within the country, regardless of their size. Accordingly, there is still a gap between is being accomplished and what can and needs to be accomplished. This section explores these challenges from the viewpoints of the various social enterprises interviewed for this paper

Incubator/Initiative	Description
Alashanek Ya Baladi	Alashanek Ya Balady seeks to alleviate poverty and unemployment in Egypt by empowering youth who are economically and socially underprivileged through technical, vocational, and life-skills training. AYB also helps these youth finding a suitable job or secure micro loans
Nahdet El Mahrousa	First incubator of innovative social enterprises in the Middle East. Nahdet El Mahrousa offers a platform for building social enterprises as well as a network of supportive like-minded people that aim to elevate Egypt's most stressing social problems. It offers an incubation program as well as partners with social enterprises and other volunteers
Ashoka	Ashoka is the largest network of social entrepreneurs in the world. Since its inception in 2003 and from its offices in Cairo, Ashoka Arab World has pioneered and been the platform for social entrepreneurship across Egypt and the Arab region
AUC	The American University in Cairo (AUC) holds an annual Hult Prize event at its campus. The Hult Prize (worth one million US dollars) is the world's largest student competition and accelerator for social impact. The final prize is awarded by the Hult Prize Foundation in partnership with Clinton Global Initiative to the groups of students who can offer game-changing solutions to an annually-selected global challenge. Last year's challenge was to build a scalable social enterprise that can provide quality early childhood education to 10 million children in urban slums by year 2020. The AUC is also the only university in Cairo that has a very active entrepreneurship unit as well as its own incubator (the AUC Venture Lab)
Nawah	*Nawah is a Social Business Competition entering its fourth year of implementation.* After three consecutive years, in which the project substantially grew both in size and scope, this fourth edition is building on previous successes and lessons learnt. The objective of Nawah is to promote social entrepreneurship in Egypt and support innovative social businesses that attempt to solve social or economic issues
Ahead of the Curve	Ahead of the Curve is a social business dedicated to the promotion of sustainable management practice, inclusive market growth, and social innovation. They launched "Thrive" program that aims at identifying and addressing areas of development for social enterprises to accelerate growth and become investment ready. It involves training and one-on-one consultations and is specifically tailored for enterprises that create positive impact on the society, environment, or the economy
Nebny Foundation	Nebny is a social enterprise that aims to improve the living conditions and the quality of life of the underprivileged in Egypt, with a special focus on the fields of healthcare, education and unemployment
Sawires Foundation for Social Development	The primary objective of the foundation is to support development projects, programs, and initiatives that improve lives in all of Egypt's governorates by: 1. Job creation 2. Increasing access to and quality of education 3. Addressing the most pressing health-care issues (e.g. Hepatitis C, nursing shortage, etc.) 4. Working on developing the community in terms of infrastructure 5. Encouraging artistic and cultural innovation through annual competitions
Fekretak Sherketak	Fekretak Sherketak is a nationwide initiative, created under the auspices of the Ministry of Investment and International Cooperation (MIIC). Our aim is to support and accelerate the growth of Egyptian entrepreneurs to develop innovative businesses in today's competitive economy. Fekretak Sherketak created its flagship program, Falak Startups in September 2017

Table I.
Major initiatives
supporting social
entrepreneurship in
Egypt

Technique	Source	Time and duration	Comments
Semi-structured Interviews	*Central government* Ministry of social solidarity (Mr. Ayman Abdel Mawgood and Mr. Khaled Mohamed) Ministry of Education (Dr. Tarek Shawky) *Parliament* Committee of budgeting and planning (Dr. Karim Salem) *Social Enterprises* Ahl Masr Foundation Nahdet El Mahrousa Masr Dot Bokra Dooko	All interviews were conducted from the period between November 2017-July 2018. Each interview lasted about 1 h	The aim of these interviews was to obtain the interviewees' view on the social entrepreneurship scene in Egypt in general, the challenges facing the enterprises, and the role of the government in supporting the field
Unstructured Interview	Louay El Shawarby (Cofounder of Nahdet El Mahrousa, founder of Alex angels) Ahmed El Alfy (Founder of the Greek Campus and Flat6labs)	June-July 2018	Obtain their views on the overall social entrepreneurship scene in Egypt and aid the researcher in analysing the data gathered from the semi-structured interviews with the social enterprises and the government officials
Secondary data	Official government reports, social enterprises websites and their Facebook pages, magazines and newspapers related to social entrepreneurship	November 2017-July 2018	–

as well as the viewpoint and responses of the Egyptian Government represented by the Ministry of Social Solidarity.

Most of the challenges faced by the field in Egypt corroborate with the challenges mentioned in the literature review chapter of this dissertation, while other challenges are more specific to Egypt and the Middle East region in general. This is discussed in further details below. For the purpose of this paper, the researcher arranged the different challenges that were gathered from the interviews with the different social enterprises into three main themes: challenges related to policymaking and other legal aspects, challenges related to institutional and operational support, and challenges related to social, educational, and cultural awareness of the field and its ecosystem. The following paragraphs explore these themes in details.

5.1 Institutional and operational challenges

For a social enterprise to be sustainable, it needs continuous funding, access to qualified specialized services (technical support, marketing, scalability), and the availability of talent who are motivated by social work. Unfortunately, however, the growth of social entrepreneurship in the Egypt is limited due to the absence or weakness of many of the above factors. Although things have been getting better in the recent years with regards to the entrepreneurship field in

general, there is still a gap in access to finance and investments targeted toward enhancing the social sector. Many of the region's social entrepreneurs rely on funding from international donors and note the difficulty of securing funds for their core operations and activities from these donors. Small enterprises that have been interviewed like Dooko and Masr Dot Bokra as well as larger well-established enterprises have complained about funding issues. During one of the interviews with the ministry of social solidarity, funding has also been labeled as one of the main challenges to the field in the country (Mohamed, 2018). Moreover, even when an enterprise manages to secure funding, this funding tends to focus on short-term project financing. Accordingly, the field's ability to have long-term planning, become self-sufficient, and reach a bigger and a more sustainable impact is limited. "I do not think the field will ever get the support it deserves financially" expressed Mr El Alfy. He went on to explain that the reason is simply that most people that invest this kind of money are capitalists and expect a good return on their money. That's why governments and international organizations should step in (El Alfy, 2018). These findings match the findings of the literature review with regards to access to financing.

On top of having a limited access to financial support, the field also suffers from a minor access and assistance with technical support in terms of consulting services, business planning, and legal counseling. Although there has been a noticeable boom in the number of enterprises that facilitate (and encourage) the establishment and the growth of the entrepreneurship field in Egypt like incubators, accelerators, angel investors, and co-working spaces, these organizations mainly focus on business entrepreneurship, not social entrepreneurship. The main motive for the new startups that are being established within the scope of these "facilitators" is profit and scalability. Only the minority of these startups has a social mission at the core of its business model. Examples of the enterprises that provide a support system for business and social enterprises include Nahdet El Mahrousa, flat6labs, AUC venture lab, Cairo Angels, Alex Angels, and Fekretak Sherketak (launched by the Ministry of Investment). Out of the 17 startups that Mr. El Shawarby – founder of Alex angels and cofounder of Nahdet El Mahrousa - is currently investing in as part of Cairo and Alex angels, only three of them have a pure social mission (El Shawarby, 2018).

"One of my biggest challenges is finding talents in the market related to art and art supplies," explained Mr. Hassan, founder of Dooko. "Hiring is not always easy, especially when you are looking for those with specific technical skills like painting on walls" he continued. Access to qualified employees who have the needed technical skills is obviously a challenge to many of the enterprises interviewed for this research (Ismail, 2018). Ahl Masr and Masr Dot Bokra explained similar concerns. Even when an enterprise finds such talents, working for a social cause that does not always involve as big of a financial return as in the private sector discourages those talents to actually do the job, whether it is a project based job or a fulltime position. That takes us to the next challenge that has to do with the awareness of the society itself of what social entrepreneurship is about, and accordingly the absence of motive (Halouda, 2018).

5.2 Social, educational and cultural awareness challenges
Perhaps one of the biggest challenges facing the field of social entrepreneurship in Egypt is that it is not widely recognized as a concept among the common citizen, let alone understood. The efforts that have been exerted in the field are noticeable to anyone who is in or around the field; academics and practitioners alike. However, when it comes to the regular citizens, the field is far from where it should be. A big part of the problem is related to lack of enough efforts from the practitioners of the field itself, weak local media role in showcasing the field's successes, and the near complete absence of the subject in school and university education.

"There is what I call social laziness in Egypt, it has been part of the culture for as long as I lived in this country" explained Hassan, the founder of Dooko. "Everyone seems to want to

become a Doctor, an Engineer, or join the army. These are considered the best jobs." He continued that social entrepreneurship is probably the most promising hope for lifting Egypt's socioeconomic problems, especially in the fields of education, healthcare, poverty, unemployment, energy, and arts and culture (Ismail, 2018). Masr Dot Bokra, which is of similar size as Dooko, had the same remark. Nadine, the project manager at Masr Dot Bokra went on to explain that they face the same problems:

> We do not have a social entrepreneurship culture, people are not fully aware with the concept. We are mainly in the training and development business and people are not easily accepting the concept of delivering or even receiving training for free as a good cause or learning experience.

There is a notion in the stakeholder's mind in Egypt that it is not good or beneficial if it is for free (El Derini, 2018).

This cultural and social barrier or as El Shawarby referred to it "psychological barrier" is largely a result of lack of education about the topic; either at school or at university level. There is no social entrepreneurship module that is being taught at any of the universities in Egypt; public and private. The module has only been taught a few times at Cairo University as part of the postgraduate program in Public Administration at the Faculty of Economics and Political Sciences. There has been in the recent years however an entrepreneurship major at The American University in Cairo, The British University in Egypt, and the German University in Cairo, with social entrepreneurship being mentioned as a chapter or a single topic within the syllabuses of the entrepreneurship modules being taught.

When asked about the presence of any social entrepreneurship related modules, or content during school, Dr Tarek Shawky, Egypt's minister of education, explained that there are not any content in any of the courses related directly to social entrepreneurship. However, the new proposed system, that just started its application phase this school year, teaches skills that were never part of the Egyptian educational system at school level, such as critical thinking, innovation, and creativity. He went on to further explain that such students who would graduate school with these set of new skills will be more likely to become entrepreneurs (business or social) in the future as they will be better equipped to come up with innovative solutions to the problems around them (Shawky, 2017). This corroborates with the findings of one of the earliest researches done on the topic by Kirby and Ibrahim (2011). Most of the students researched in that study recognized the need for "soft" support in the form of training and mentoring either as part of curriculum or extracurricular activities. The authors concluded that to promote a more socially aware and a sustainable economy, Egyptian support organizations (the ministry of education in that case) need to work with the country's universities to change the curriculum and the way students are taught, which is exactly what is currently being done, thanks to the efforts of Dr Tarek Shawky.

Previous research on this specific issue in Egypt shows that education is very likely to impact peoples' actions by influencing their attitudes and behaviors. For instance, Dr Hala Hattab's study of the effect of entrepreneurship education in the British University in Egypt has revealed a significant relation and an obvious increase in students' intentions to start their own business after studying entrepreneurship modules (Hattab, 2014). This is especially relevant in the case of Egyptian students as previous research revealed that they are largely unaware of existing Egyptian social entrepreneurs and that there is an obvious need to amend the educational system in Egypt to encourage students to think and behave more entrepreneurially (Kirby and Ibrahim, 2011).

Based on the above, there is an obvious need to teach entrepreneurship modules at school and university levels. More importantly, as Bloom et Al suggest, social entrepreneurship education should be taught not only to business school students, but also to other students in other faculties (El Dahshan *et al.*, 2012). Considering the size and reach of public universities to millions of

Egyptian students, including entrepreneurship as a course of study at least at university level will highly influence students' intentions and attitudes when they graduate to start their own social businesses, or at least be active in the field to some capacity.

Faculties of business and commerce are the home for business and management education, which makes entrepreneurship very relevant to what is already being taught. A teacher who teaches business or management can easily teach entrepreneurship because of the similarity between these disciplines (El Dahshan *et al.*, 2012). Also, collaborations with top international schools who have a great record of success in the field like Babson in the USA would be a great starting point. These international schools could offer specialized training workshops to Egyptian teachers on the best practices in teaching entrepreneurship in general and social entrepreneurship in specific.

The best examples from all around the world include Babson college in the USA who was a pioneer in introducing the field as a separate teaching area, Oxford University that has a main centre for social entrepreneurship (Skoll Centre for Social Entrepreneurship), Harvard University Business School Social Enterprise that holds an annual competition for teams with innovative social ideas that address the world's most stressing problems, Cambridge University that has Social Incubator East, Duke University and Cape town University. All these social entrepreneurship academic programs and initiatives gradually grew from a single module to multiple modules all the way to separate specializations and units on the undergraduate and graduate levels.

The ignorance about the field as a result of the lack of social entrepreneurship education results in a low buy-in from citizens. Added to that the legal and operational challenges mentioned above, the result is low buy-in from investors and other stakeholders as well. "People will say to themselves why bother? It's a dead-end anyway" expressed El Shawarby (El Shawarby, 2018). Accordingly, the very few who are invested in the field and want to effectively contribute to it or through it get demotivated at times:

> It is not easy for me to do what I do, there is a clear lack of creative infrastructure in the country on many levels; an educational and art supply levels, and on creative facilities for art and design, stressed Mr. Hassan (Ismail, 2018).

For Masr Dot Bokra, Nadine affirmed that sponsorship is difficult because of the above factors. She had an interesting remark though. She went on to elaborate that this has to do with the mentality of the society where it is not easy to attract investors if the return is not money. When asked if she thinks that it is easier raise money abroad, her answer was yes. The reason to that was the collective overall motive of a third world society in terms of Maslow's hierarchy of needs. She explained that the third world mentality focuses on the short term and the lower levels needs in terms of food, shelter, and a sense of security, and they want these things now or today, without much thinking about sustainability and the future. Is the third world less likely to invest or raise money although it is in a bigger need for social entrepreneurship? (El Derini, 2018).

Finally, El Shawarby regards social entrepreneurship as a field that is "not for everyone." He explained that charity and social and development work in general are for certain kinds of people who would be invested in the cause, and motivated to work for it (El Shawarby, 2018). As El Alfy put it "social entrepreneurship comes from the heart, not the head." (El Alfy, 2018). So as the field is not for everyone in the first place, and those minority who interested and invested in it face the many challenges mentioned above, the government has to step up and play a vital role.

5.3 Policymaking and government-related challenges
Most social enterprises in the country are legally registered as nonprofit organizations, and accordingly social entrepreneurs find themselves struggling with restrictive regulations and slow

procedures that often constrain their aptitude to become sustainable and scale up their business. In addition, there seems to be lack of knowledge and awareness by several social entrepreneurs, and this results in fear of any kind of dealership with the government. This section will start by presenting the claims and arguments that were raised against the government by the interviewed social enterprises, then the government responses (represented by the interviews conducted at the Ministry of Social Solidarity) will be discussed and analyzed against the claims made by the social enterprises.

In Egypt, a social enterprise can take one of two general legal forms; either register as a nonprofit enterprise (NGO) and work under the Ministry of Social Solidarity under the law 70 for the year 2017 or register as a for-profit and work under the ministry of investment under the new investment law 72 for the year 2017 and law 159 for the year 1981. From the enterprises interviewed in this paper, all enterprises are registered as NGOs except Dooko, which is registered as a Limited Liability Company LLC.

5.3.1 The relationship between the three sectors. According to Ahl Masr, the government, the private sector and the NGOs have different roles that complement each other in which the government should provide support to the other two sectors to flourish because they are able to work faster and more efficiently (Ahmed, 2018). Hassan from Dooko asserted that the three sectors are equally needed for economies and countries to flourish. He articulated this relationship eloquently when he said:

> [. . .] the public sector should only facilitate, aid, and administer the process. The private sector is very important for sustainability. Social enterprises are the small seeds that can have a huge effect quickly, since they only have a social mission, they have a bigger motive, they believe in something bigger than them (Ismail, 2018).

When asked whether he thinks social enterprises could be more effective than the government in solving the society's most stressing problems, El Shawarby replied that he believes "anyone, or any entity, would be more efficient than the government [. . .] I am not against the government, I am just referring to one specific aspect, which is efficiency." The government "keeps rotating around itself with all the unnecessary procedures." El Shawarby strongly believes that social entrepreneurship and CSR activities from the private sector are more effective and certainly more efficient (El Shawarby, 2018). This conforms with what Ahmed El Alfi has mentioned during the researcher's interview with him that "the government should just stay out of it, let us work, and let us be" (El Alfy, 2018). El Shawarby, however, does not think the government should "stay out of it." He thinks the government should have a regulatory role. In its essence, the government is a regulatory and political organization, doing projects is not its specialty, and that is why it is inefficient. The government should focus on the macro level, and with regards to the micro level, matters should be left to the private sector and the social enterprise sector. Besides its regulatory role, there are some basic duties that the government should be doing in exchange for the taxes it is collecting. The government should not leave the basic infrastructural duties like security, healthcare, and education, for the private sector or social enterprises (El Shawarby, 2018).

5.3.2 The governance structure and the new law. Dr Adel (projects director at Ahl Masr), however, thinks that the current governance structure in Egypt does not govern this relationship between the three sectors effectively. Instead of encouraging them, the new NGO law 70 for the year 2017 for instance has "monstrous like" power and authority by the government at the expense of the social enterprises. It has restrictions over how to manage money, starting from getting it all the way to spending it. "There is no chance for negotiations even under the new law, just monstrous oversight" (Ahmed, 2018).

Under the new law, there are five different bodies monitoring the work of NGOs. These five bodies are: the Ministry of Social Solidarity, the Central Auditing Organization, the

General Intelligence, the Administrative Control Authority, and the private external auditors:

> Yes, social entrepreneurship has a bigger capacity to solve Egypt's problems, it moves and acts faster than the public sector, but under these restrictions, you think a 100 times before you act, and when you do, you lose motivation to continue, even when you have very innovative ideas (Halouda, 2018; Ahmed, 2018).

According to Ahl Masr, this situation gets even worse especially if the enterprise is dealing with any international body and if there is any sort of money coming from outside of the country. There has been a radical change in the last couple of years with regards to this matter because of the security situation and the "justified paranoia" by the government. Now, if an enterprise is doing a field questionnaire without the legal permit from the Central Agency for public mobilization and Statistics, the person can get to the jail immediately (Ahmed, 2018). In the past, the government would investigate the situation and try to figure out the reasons, but now it will be dealt with as a security matter. Collecting data is also very difficult according to Hesham. Ahl Masr's recent awareness work in Assyut for instance, which is awareness programs about doing proper evacuation plans in case of fire since the casualties caused from the crowds and the escaping process are usually more than the casualties from the fire itself, has been halted and then refused all together by the security for "national security reasons." The reasons provided even were ambiguous. In the past, this was being done in a hidden manner, now under the new law, it is legal and has complete legitimacy. "Isn't this monstrous?" (Halouda, 2018).

For the same reasons, Dooko decided to not register his social enterprise as an NGO. The founder decided to register it as a Limited Liability Company to escape all the hassle/restrictions of the NGOs. Nonetheless, Mr. Hassan explained that although he thinks social enterprises move faster and can have a bigger impact on the socioeconomic state of the country, social entrepreneurs have their "hands tied" by the government and all the different monitoring bodies. In his case, although he escaped the "hassle" of NGOs, he suffers from being monitored by several bodies that slows and hinders his work. He is currently being monitored by the Ministry of Investment, National Organization for Urban Harmony, the local government, and Egyptian Association for Advertising. "Even a passerby police man could be a source of problem for me and my operations," expressed Mr. Hassan. Dooko is trying to avoid all this by going around the system and working organically with people who own private properties so they would avoid all this "nonsense." Eventually, however, Hassan's vision is to beautify the whole of Egypt in a systematic and sustainable manner. "It saddens me to find the walls of the streets dirty and repelling to just look at" (Ahmed, 2018).

Talking to El Shawarby of Nahdet El Mahrousa about the law, he clarified that the new NGO law does not have executive regulations yet for over a year now since it came out. The executive regulations will determine everything. He agreed that the law in and of itself is restrictive in many ways, obviously because of political and national security reasons. He added that the worst part for social enterprises that there is no room to discuss the law with the government when anyone starts raising the national security issue. "It will be hard to reason or negotiate, they will tell you that we are the security people, we know better," he continued. According to El Shawarby, there was another law introduced by Dr Ghada Waly, the Minister of Social Solidarity that has been a lot simpler and less restrictive than the current one. "When the current law came out, the minister said in one newspaper that she was surprised they did not take by her law" (El Shawarby, 2018). Obviously, the law directly affects the future of the NGO sector in Egypt in a way that it could help it flourish or shrink.

Interestingly, during the world youth forum 2018 that was held in Sharm El Sheikh from 3 to 6 November 2018 under the auspices of His Excellency President Abdelfattah El Sisi, the new law

was discussed in many of the entrepreneurship related sessions. At the end of the forum, one of the recommendations announced by the president was the revision of the NGO law and making it less restrictive. 48 h after the closing ceremony of the forum, the Prime Minister held a meeting with the minister of social solidarity and other relevant key officials regarding the revision decision and the law is currently being revised and amended. The important question to raise here however is: Does the president have to be personally involved for a problem – that has been talked about and raised numerous times during the past year and a half since the law came out – to be taken seriously and potentially getting solved?

5.3.3 Support and partnerships. With regards to the social enterprises responses and comments on the kind of support they receive from the government, there has been a consensus on the fact that support had more of an individual nature than a systematic governmental nature. For example, the Minister of Petrol himself personally helped Ahl Masr foundation to get funding through gathering all presidents of petrol companies to raise awareness about Ahl Masr's cause and work. Also, the Minister of Housing helped Ahl Masr by providing them the required land to build the hospital and Ahl Masr only paid/pays for the amenities (Ahmed, 2018).

For Masr Dot Bokra, however, they always struggle with this same issue, it is very difficult and always a hassle to secure a piece of land or to even be allocated a permanent one in the first place (El Derini, 2018). May be it was easier for Ahl Masr as it is a big organization whose founder Heba El Sewedy is a very well connected person and knows the minister personally, so usually she calls him directly when she needs any kind of support. "But I cannot call that government support, because it is more of an individual support" (Halouda, 2018).

When it comes to support from the local government, things are no better as well. They are worse actually to deal with than the central government according to Ahl Masr. The interviewees at Ahl Masr have extensively criticized the local government when it comes to licensing and other encounters with them. "The bureaucracy is unbelievable, maybe it is even something worse than bureaucracy but I do not want to say the word," expressed Dr Adel referring to intentional delay of the processes in expectation for money. Corruption is not always the Max Weber type; part of it has to do with increased bureaucracy and evident inefficiency (Ahmed, 2018). Commenting on the same matter, Nadine at Masr Dot Bokra said that any help they receive from the local government are individual efforts from the governor. "Usually how it works is that the founder of the enterprise calls the governor to arrange for a space that we need" (El Derini, 2018).

The founder of Dooko could not think of any direct support he has ever gotten from the government. Dooko only received some sort of indirect support since Nahdet El Mahroussa (another social enterprise) provided them with some funds at the beginning of their work, and Nahdet EL Mahrousa themselves have agreements/partnerships with the governmental social developments funds. Examine the below quote from Hassan about this matter reflecting on the highlighted words (Ismail, 2018):

> I heard of facilitated loans from Ahly bank or Bank Misr but honestly when I spoke with my network and asked around, I have only heard that the interest rates are high, not like in Europe or the US. There may be a fund to art related enterprises by the Ministry of Culture. I think things are getting better. I also heard about a development fund available at the Ministry of Social Solidarity may be or the Ministry of Investment, but I never even asked because I felt it would be so much trouble and bureaucracy. I did not hear in my circle about any kind of support from the government to social enterprises. I never heard of a success story by the government, either in the form of initiation or support to the field to any of his friends and network, all efforts seem to be individual efforts, there is no clear coordination and support seems more formalistic than actual.

Analyzing the above statement, words like "I heard" "when I asked around" "felt" imply that there is a lack of effort from the ministry of social solidarity as a representative of the government in that matter with regards to their public relations department and their ability

to effectively deliver information about their services to the social entrepreneurs. From the other angle, these words also imply the immaturity of the Egyptian social entrepreneur and their reliance on friends instead of official bodies such as the ministry for their information. Similarly, stating that he "has never heard" a success story by the government implies the inherited negative perception of the government as a whole when it comes to dealership in general in terms of its bureaucracy, inefficiency, and its slow nature, and the public frustration that results from that. Finally, words like "individual efforts" and "formalistic" imply the congruence of opinions between Dooko, Ahl Masr and masr Dot Bokra. The three enterprises seem to agree that there is some sort of support to the field, but this support has an individual nature, not systemized, and in many cases formalistic.

To analyze the relationship between the government and social enterprises, the interviewees were asked what the role of the government should be moving forward. What kind of support should the central and local governments offer and to what extent should they be involved? Interviewees' answers' were similar to a great extent with the fact that the central government should mainly focus on policies and regulations to facilitate the work of the social enterprises and to make sure that regulations are attractive to motivate social enterprises to do their work and expand, not just facilitate their work. The central government should focus on the strategic level and then empower local authorities to partner with and endorse social enterprises within their parameters, as the local authorities are more aware of the nature of every district. But that gets us back to the same problem expressed by Ahl Masr, which is the inefficiency of the local authorities and how hard it is to deal with. That is why Ahmed El Alfy and Louay El Shawarby want minimal involvement by the local authorities even and to "just stay away from the field" as El Alfy described it. They both agree that the involvement should be only on the strategic and legal levels to have the proper infrastructure to facilitate the work of social enterprises, giving them the maximum amount of freedom.

El Shawarby admitted that the government is currently trying to support the general field of entrepreneurship heavily and the fact that every ministry is somehow involved in the field, especially the for-profit and technological startups. Shawarby sees this as some sort of a "make-up process" with the public after what the government did with the NGOs. The government is obviously afraid from the work of NGOs and their funding from outside, so to be in the safe side, they decided to do the work themselves, explained El Shawarby. That is why, in his opinion, the government is investing heavily in the incubation/ acceleration part of social entrepreneurship, especially with science and technology related enterprises – and of course avoiding the political or social enterprises.

What El Shawarby said is evident through the regular national and international conferences that are held by the presidency, and how this practice was cascaded down to government. We now see many ministries involved in similar entrepreneurship programs and projects. For example, the ministry of investment has two initiatives; Fekretak Sherketak for small and medium companies and Egypt Ventures for larger companies (1.5 million dollars and above). The ministry of planning has a similar entrepreneurship initiative as well. The Ministry of Trade and Manufacturing has its own incubators through its small and micro business institute. Moreover, the academic research academy, the central bank, and the Egyptian bank of investment invest in the field with money and research.

The government officials' responses to some of the above specific criticisms can be found in the Appendix.

6. Implications for policy
Findings of the research have arrived to several specific challenges in the Egyptian context; mainly related to communication and effective publicity from the government's side

(represented by the ministry of social solidarity), lack of social entrepreneurship education, policy and other legal challenges, partnerships and funding related challenges, and absence of a structure or a cohesive system to develop the field and depending on individual efforts instead. Based on these challenges as well as the challenges from the literature review, the researcher arrived to the following recommendations for the Egyptian Government:

(1) Holding semiannual meetings with representative members of social enterprises to discuss any problems, receive ideas to improve cooperation, and explore partnership opportunities. The website, brochures and announcements are not enough from the ministry's part for a sustainable and productive relationship with the social enterprise community. Face-to-face interactions are especially important to deal with the negative perception about the ministry's formalistic role. This will be particularly effective given that both sides seemed genuine with their good intentions during the interviews genuine. This will also address and help avoid the communication problems that were evident during the interviews. (Quick-win intervention).

(2) Adding social entrepreneurship as a field of study across Egyptian universities. This will optimally be offered as part of a business related degree and should be open for students from any faculty to register to. This can take many forms and should be integrated gradually within universities. Because of the legal frameworks Egyptian universities work within, the easiest and quickest way to start this integration process is through introducing a chapter about social entrepreneurship within an existing course. This requires no permissions or approvals from the Supreme Council of Higher education or even the university/faculty councils. The next step in the process should be the introduction of a course about social entrepreneurship within a bigger entrepreneurship major/specialization within the business schools. Then, thanks to the current legal framework that allows universities to establish their own special units, social entrepreneurship units should be established within the faculties of business. This unit can offer more than social entrepreneurship training, it can actually serve as a center for mentorship, incubation, acceleration, and funding. A good example to follow is the Venture Lab at the American University in Cairo. This recommendation utilizes some of the best practices concluded from the literature review phase of this research in which universities can play a strategic role in spark the knowledge and culture of social entrepreneurship and potentially encourage a more entrepreneurial society. Universities can serve as hubs for social entrepreneurship innovation by bringing key stakeholders together within the social entrepreneurship ecosystem in Egypt. There are several successful university models worldwide to adopt regarding this integration process. Figure 1 further illustrates the integration process in terms of quick and long-term wins.

(3) Launching an initiative like Fekretak Sherketak (The official incubator of the Ministry of Investment), that would serve as a social entrepreneurship incubator and accelerator, and would be under the supervision of the Ministry of Social Solidarity. The centre should offer mentoring cycles that starts from as early as the idea generation process. Priority and focus should be to issues that are predetermined by the ministry and deemed essential and urgent with regards to their socioeconomic impact on Egypt, mainly the fields where the government cannot function properly or the areas it cannot reach. The center could offer programs and competitions where promising and innovative enterprises would be sent abroad to get trainings in their respective fields of work. This could be done in partnership with leaders in social entrepreneurship in the

USA, Canada, the UK and Australia with a condition to return back to Egypt right after the training ends.

(4) Establish an entrepreneurship committee in the Egyptian parliament to discuss all policies and matters related to the field and serve as a monitoring body on all the entities working in and around the field and a representative of the voice of small business as well as social enterprises. There are similar committees all around the world. Examples include the Social Enterprise Committee in the Scottish parliament and the European Social and Economic Committee in the European parliament.

(5) Have Social Entrepreneurship to be a main theme of the World Youth Forum to be held in Sharm El Sheikh 2019. 2019 is the forum's third edition and it has been growing bigger each year since the world youth forum is getting bigger and more impactful every year. In 2018, one of the forum's recommendations that have been mentioned by HE President Abdelfattah El Sisi during the closing ceremony was to finally revise the new NGO law. Building on this decision by including Social Entrepreneurship as a main theme in 2019's forum would serve as the next logical step and a true beginning in the re-establishment of trust and cooperation between the NGO sector and the government. Later, this could result in the establishment of a regional annual social investment forum for scaling up social youth initiatives hosted in Egypt. (Quick-win intervention)

(6) Introduce activities that encourage and foster social innovation in general:
- Following the successful example of the "Proudly made in Egypt" campaign with the ministry of industry, the Ministry of Social Solidarity can introduce social entrepreneurship consumer labels and logos that recognize social enterprises as unique and leveraged Egyptian entities as part of a clear government initiative. This could help foster cultural awareness by introducing identifiers for social enterprises' activities, campaigns, and goods/services. This way, a social initiative or a product could be labeled something like "social-enterprise" friendly, which would be an effective way to raise the visibility of the field among the public and its impact on the community as a whole. Improved
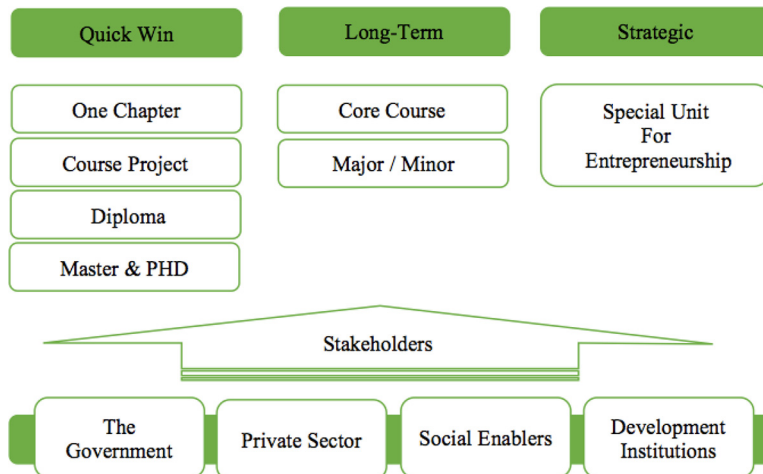

Figure 1.
Integrating social entrepreneurship into the educational process

Source: Abbas, (2016)

recognition and publicity would affect both awareness of and demand for services provided by social enterprises. It would also create incentives for funders and international organizations to invest in social enterprises to benefit from this increased demand among citizens (Abbas, 2016).

- Develop awards programs to recognize and reward innovative and sustainable social solutions. Establishing government award programs, through the newly established Social Entrepreneurship initiative within the Ministry of Social Solidarity (mentioned above) to recognize innovative examples in social entrepreneurship, would identify and support successful approaches. This could in turn be reflected in the form of publicity, training, networking opportunities, and funding. Accordingly, this would speed up the development of the involved social enterprises. There are a number of entities, as well as philanthropists, that are already sponsoring awards programs that could serve as models for the government. Famous and effective examples include: Alashanek Ya Balady, Nahdet El Mahrousa and Sawires Foundation on the local level and Ashoka and the Skoll Foundation on the international level.

(7) Seek partnerships with foundations and corporations to support and fund social-entrepreneurial efforts and initiatives; this includes national and international organizations. These organizations have more theoretical, practical and technical expertise about the sector. More importantly, many of these organizations already have access to funds that they want to spend on the NGO sector in Egypt. Partnering with them will make sure the money goes into the right (and urgent) types of initiatives and sectors within the Egyptian socioeconomic scene. As the government's resources are already very limited, facilitating existing funding opportunities is key to flourish the field in Egypt.

(8) The ministry of social solidarity should set up a new public relations office or team that would be responsible to publicize the ministry's services and activities properly, as well as reestablish a new image for the ministry in front of all stakeholders. The empirical research results showed a clear negative perception from the social entrepreneurs' side towards the ministry and now is the perfect time (with the current revision of the NGO law) to begin a new wave of trust between the whole civil society and the government. The team would also handle the direct communications with the social entrepreneurs and could be responsible for the semiannual meetings mentioned in recommendation 1 above. Therefore, the team should be selected or internally nominated carefully with interpersonal skills being the main selection criteria because the team will basically act as the face of the ministry in front of the various stakeholders in the social entrepreneurship ecosystem.

(9) Set up an agency that would be responsible for monitoring and coordinating a long term strategic vision and plan for the social entrepreneurship sector in Egypt with a holistic approach in coordination with the ministry of social solidarity, ministry of finance (for tax cuts), the local governments, and the social enterprises. With the comprehensive view this entity would have on the social entrepreneurship macro scene, this team would be responsible to: setting performance standards, mobilizing resources, coordinating activities, proposing reform when necessary, and reach a common agreed upon definition of what social entrepreneurship is to avoid any misuse of benefits being offered to the sector. The agency should use a multi-stakeholder approach that can move the whole sector forward and unleash its true potential in a developing country like Egypt that is going through a major transformation change.

7. Conclusion

This research paper was mainly interested in exploring the challenges faced by social entrepreneurship with a special focus on government related challenges. The research was conducted on four social enterprises operating in Egypt as well as the ministry of social solidarity as a representative for the government with regards to that field. The research classified the challenges and arrived to three broad themes; institutional and operational, cultural and educational, and policy making and government related challenges. The institutional and operational challenges were related to limited access to funding, limited access to technical support for social enterprises, and limited access to qualified employees. The cultural and educational challenges were related to limited recognition of social entrepreneurship as a field to the ordinary citizen and institutions and the absence of social entrepreneurship education at schools and universities, which results in difficulties in attracting sponsorships. The policymaking and government challenges were related to the new NGO law, taxation, tight monitoring and supervision, negative perception about the dealership with the government, and the individual nature of support that the government offers, instead of a systematic one.

While the findings indicated some policy interventions by the government to support the field of social entrepreneurship in Egypt, the research is not without its limitations. As data have been collected via qualitative methods, there has been room for subjectivity from the researcher's side (unintended researcher bias). The researcher has attempted to use structured methods while conducting the interviews, however, the fact that some subjectivity is still present cannot be denied. to reduce this possible bias, the interview questions and the choice of social enterprises should have been content-analyzed by two or more independent researchers. Moreover, although the researcher tried to include a representative sample (two large and two small enterprises) of social enterprises for the purpose of this research, the opinions and claims of the interviewees cannot be generalized to all other social enterprises that have not taken part of this research.

The field of social entrepreneurship in Egypt is still ripe from a theoretical standpoint further research is highly needed. There is a need to identify specific areas where challenges are most stressing and social entrepreneurship efforts could be most effective in Egypt. There should be a focus on identifying the areas where the government does not work effectively or efficiently with regards to stressing social challenges as well as identifying opportunities for social innovators in these areas. Moreover, this research has arrived to a number of challenges without digging deep into each challenge. One of the challenges for example was the fact that local governments impede the work of social enterprises in Egypt. There is a need however to research the specific ways where local governments across Egypt hinder the development of the field of social entrepreneurship and reach particular recommendations to turn this around. Same applies for the findings of the new NGO laws. Finally, there is a need for developing models and tools to successfully measure social value creation within an Egyptian context. These models could be adopted from countries that are pioneers in the field such as the USA, Canada, Australia and India and then adjusted to suit the Egyptian ecosystem.

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Further reading

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Appendix

Background on the parties interviewed for this research

Ahl Masr foundation

Ahl Masr Foundation is the first non-for profit foundation in the Middle East and Africa specialized in burn prevention and treatment. It has been founded in 2013 to bring about a positive change in the Egyptian healthcare sector by focusing on a neglected yet crucial aspect, which is burn and accidents. Its official foundation was more was

more of an institutionalization process for already existing activities for helping injured people from the 2011 revolution. It started off to offer healthcare services to the most marginalized sectors or underprivileged specialties such as eye and burn for children. Now, and since 2013, Ahl Masr Foundation is a registered NGO at the Ministry of Social Solidarity that is specialized in burn victims now in general.

Interviewee: Dr Adel Ahmed, Projects director.

Interviewee: Hesham Hallouda, Chief Operating Officer.

Nahdet El Mahrousa

Nahdet El Mahrousa (the renaissance of Egypt) is the first incubator of early stage innovative social enterprises in Egypt and the Middle East. It was founded in 2003 by a young Egyptian by the name of Ehab Abdou who is a big believer in the power of Egyptian youth with a social mission. In simple words, Nahdet El Mahrousa leverages the ideas of social innovators to tackle Egypt's toughest problems through offering them a platform for building their own social enterprises along with a network of likeminded innovative people. To this day, Nahdet El Mahrousa has helped more than 70 social enterprises in the fields of youth development, education, health services, environment, arts, culture, and identity.

Interviewee: Loay El Shawarby, member of the board.

Masr Dot Bokra

Masr Dot Bokra is a non-for profit organization founded by Ali Faramawi back in 2013. It aims to develop the skills and abilities of Egyptian youth so they would have a positive impact on their society. It provides mentoring and coaching to entrepreneurs, students, and art enthusiasts through giving them access to high profile stakeholders, career guidance for students, and assisting in starting up new businesses.

Interviewee: Nadine El Derini, projects manager and member of the board.

Dooko

Dooko is actually a for-profit small business registered as a Limited Liability Company that has a social mission. Founded by Hassan Ismail, an art enthusiast with an urban engineering background, Dooko aspires to beautify the city of Cairo by painting its street walls with various kinds of street art. Hassan's main emphasis was to adopt best practices from the developed world and apply them in his country.

Interviewee: Hassan Ismail, founder.

Ministry of social solidarity

The ministry of social solidarity is the main governmental body supervising the work of social enterprises in Egypt. The ministry has different classifications for the different social enterprises depending on their size, structure, and nature of work, but all of them share one main common aspect; they have to be non-for-profit enterprises. The total number of registered social enterprise non-governmental institutions in Egypt is 50,278 as of June 2018.

Interviewee: Ayman Abdelmawgood, Assistant to the minister for NGOs.

Interviewee: Khaled Mohamed, projects director.

Dr Tarek Shawky

Dr Tarek Shawky is the current Minister of Education in Egypt and is carrying out the biggest educational reform in decades.

Ahmed El Alfy
Ahmed is the founder of the Greek campus and flat6labs.

The government's responses to specific criticisms

Taxes criticism. Both Ayman and Khaled agreed that social enterprises should either be exempted from taxes or get some sort of special treatments in that regard:

> These enterprises have employees, they pay income and sales taxes, on top of that, the enterprise pays property taxes and other registration fees (damgha) that is too much for someone who chose to do social work. It is very discouraging, explained Mr. Khaled.

As a matter of fact, the researcher believes that social enterprises should also get discounted electricity and phone bills. Ayman, however, explained that the Ministry of Social Solidarity has nothing to do with that. Taxes are related to the Ministry of Finance, and it is the only entity that has the authority to do so (Abdelmawgood, 2018).

Monitoring and hectic reports criticism. As for the ministry's response to the "too much monitoring" claim, Khaled explained that the ministry only monitors the social enterprise twice; the first time is when they first grant the license to the enterprise (to make sure that all money raised has been deposited in the enterprise's account and not spent anywhere else) and the second time is on annual basis where they do financial and administrative reviews, monitor how the money was spent, and check all the relevant reports. The interviewees at the ministry mentioned on more than one occasion that the ministry has this role according to the law and has to execute it to the dot. "If your work is okay and you're not hiding anything, why worry about who monitors you?" (Mohamed, 2018).

With regards to the claim that the reports are too much and hectic, the ministry thinks that it is an unreasonable criticism since the NGO is already doing these reports to the granting institution or whoever is providing them with funds. "Why is it easy to do these reports for the granting institutions and hard to do similar ones for us?" questioned Ayman. Khaled went on to say that the enterprises seem to be unclear about the issue they are raising since they are doing these reports anyway. Khaled further expressed the ministry needs data and needs to make sure there are not any illegal activities happening, how else can it know for sure if not through reports and monitoring? He went on to explain that if the management of these NGOs does not have the time to host someone from the ministry to do the review, this can be solved by setting the date of the revision to suit their own schedule and work. It is understandable that preparing reports will not be easy during the first year or two of operations, but it should get easier afterwards. Luckily, the staff at the ministry who do the monitoring are not enough compared to the number of registered enterprises, so naturally the ministry does not start the monitoring process before a year or two of the enterprises operate. Ayman also added that the enterprises also benefit by the monitoring as the monitoring staff give advice on operational and legal issues when they see fit. "Our staff are well trained and perfectly capable of doing that," said Ayman, "we care for these enterprises, their success is our success, and Egypt's as well," he added.

Negative perception of dealing with the ministry criticism. The way the public thinks of the government is ridiculous according to Khaled. He explained that everyone thinks of the whole government with all its different ministries as one entity with one mentality. It is no secret that there is a long-standing reputation about how bureaucratic the government is, and in the interviewees' opinion, this is harming other governmental institutions that are doing good work. Khaled explained that the big problem is with the local governments. "That's why most of the 50+ thousand enterprises want to be directly reporting to the central government (ministry) instead of the local authorities," explained Khaled. They

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cannot do that of course because of the limited resources and the obvious geographical barriers. From the ministries side, the interviewees explained that they are trying their best to unify the standards and the definitions of those standards with the local government in different cities. They also expressed how difficult this process is since there is a human element involved. When asked about specific measures that the government is using to standardize the procedures and the quality of services, Khaled said:

> [...] we are trying to standardize, we distribute brochures of best practices and procedures. You have to understand that people are running these local governments, and not all people are the same, they do not have the same ability to comprehend and apply these procedures distributed in the brochures.

The question the researcher is inevitably raising here: are brochures enough? If there is a serious will to standardize the quality of service, a lot more than brochures should be done; starting from choosing the right calibers at the local government, moving through periodical trainings, workshops and monitoring, all the way to offering them proper incentives and punishments. That, however, is not the responsibility of the ministry of social solidarity as much as it is the responsibility of the central government at large.

The government should stay away criticism. Should the government be involved in initiating social projects or should it just monitor and let others who are more efficient do work? To this question, Khaled thinks that there is no conflict of roles here. The development triangle is clear: the government, the private sector, and the NGOs. "Even when I as a government initiate a project, I do not execute it. I just put it out there, finance it, and partner with NGOs to execute, like the Sakan Kareem project," clarified Khaled. "The government is and should be a regulator and monitory, but never a viewer. We will not be viewers," he affirmed.

The problem with the government is big and multifold; inefficiency, lack of proper coordination between the ministry of social solidarity and the local governments, the obvious inefficiency of the local government, lack of funding, misuse of personnel, the long-standing negative reputation of the government as a whole, and the lack of trust between both sides. Then there is the question of "should the government take the initiative to fix the situation or should the social enterprises do so?" Theoretically speaking the government should, practically speaking, however, the social enterprises themselves can be more effective in moving still waters, they are the most important stakeholders in the ecosystem, and by nature, entrepreneurs are built to make things happen, they have something government officials do not have, creativity and innovative problem solving. The researcher believes they are more responsible as they are more aware.

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