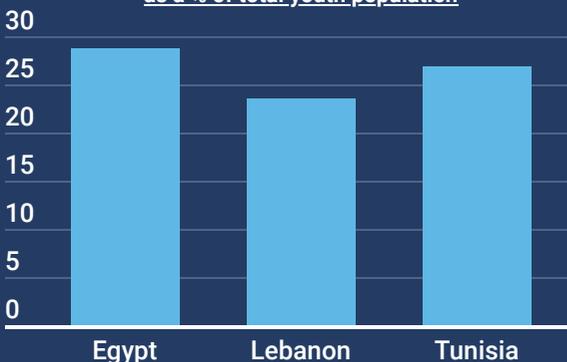


# Fostering Social Enterprises in Egypt, Lebanon and Tunisia: Challenges and Opportunities

## Assessment

- A substantial number of young individuals in the MENA region are neither employed, enrolled in education, nor undergoing training

Youth not in employment, education or training-NEETs as a % of total youth population



Source: Source: LFS - Labour Force Survey (available on ILO website <https://www.ilo.org/>)  
 Latest available year: 2021 for Egypt, 2019 for Lebanon and Tunisia

- Social enterprises are purpose-driven businesses that reinvest surpluses into their social objectives, blending the impact of non-profits with the efficiency of for-profits
- Recognized by the United Nations, they use market strategies primarily for social impact
- They can play a crucial role, particularly in generating decent employment opportunities within low-growth sectors and for vulnerable groups like women and the youths



## Recommendations



### A supportive legal framework

A framework crafted by governments in collaboration with European and international institutions, is vital for social businesses. Specific laws on the Social and Solidarity Economy legitimize and promote the growth of social enterprises, offering avenues for market expansion, financial support, and incentives through fiscal benefits



### Capacity building programs for social entrepreneurs

Especially in public schools where over 60% of respondents reported inadequate or low-level skills. Policymakers should prioritize identifying and addressing these skill gaps to better support the development and training of social entrepreneurs in the education sector.



### Establishment of an integrated policy for evaluating social enterprises

This approach enables social businesses to measure outcomes, showcase their social entrepreneurial value, and maintain accountability to members, employees, and funders. With an evaluation framework in place, social entrepreneurs gain the ability to measure and communicate both their economic and social impact. This capability allows them to effectively showcase the value and significance of their work in driving positive change.

## Challenges



### Market Size

Nearly half face barriers due to market size, impacting 45.5% significantly.



### Talent and Skills

Accessing and retaining skilled workers is a big challenge for 45.5%, with 42.5% noting some impact



### Market Knowledge

Quality and availability concerns affect 54.5%, with 30% facing some impact



### Access to finance

A pervasive issue, impacting 72.7% for funding and 64.5% for cash flow



### Digital Infrastructure

Quality and availability concerns affect 54.5%, with 30% facing some impact



### Network

Insufficient connections impact 64%



### Government Support

A prevalent concern, as 72% express a high impact of lacking government support