

Social Entrepreneurship and the Social Economy : International Experiences and Lessons for Algeria

ريادة الأعمال الاجتماعية والاقتصاد الاجتماعي: تجارب دولية ودروس مستفادة للجزائر

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Abstract:

This study aims to highlight social entrepreneurship as an effective tool and an alternative for achieving sustainable development, as well as for contributing to the establishment of a fair economy that targets all segments of society, ultimately leading to comprehensive social well-being. This is achieved through the analysis of the experiences of three leading countries, namely Malaysia, Singapore, and Egypt. In light of the current economic and social challenges, these countries seek to adopt innovative economic models that strike a balance between financial sustainability and social impact. The study concludes, based on the analysis of these experiences, that the success of social entrepreneurship in these countries is primarily attributed to the availability of an appropriate legislative and regulatory environment, in addition to the adoption of innovative financing mechanisms and policies by each country.

Keywords: social entrepreneurship, social economy, sustainable development.

JEL Classification: L 31, p13, Q1.

ملخص:

تهدف هذه الدراسة إلى إبراز ريادة الأعمال الاجتماعية باعتبارها أداة فعالة وبديلاً لتحقيق التنمية المستدامة، وللمساهمة في إرساء اقتصاد عادل يستهدف مختلف فئات المجتمع، بما يفضي إلى تحقيق الرفاهية الاجتماعية الشاملة. ويتم ذلك من خلال تحليل تجارب ثلاث دول رائدة، وهي: ماليزيا، سنغافورة، ومصر. وفي ظل التحديات الاقتصادية والاجتماعية الراهنة، تسعى هذه الدول إلى تبني نماذج اقتصادية مبتكرة تقوم على تحقيق التوازن بين الاستدامة المالية وإحداث الأثر الاجتماعي. وقد خلصت الدراسة، بعد تحليل هذه التجارب، إلى أن نجاح ريادة الأعمال الاجتماعية في هذه الدول يعود أساساً إلى توفر بيئة تشريعية وتنظيمية ملائمة، إلى جانب اعتماد آليات وسياسات تمويل مبتكرة تتبناها كل دولة.

الكلمات المفتاحية: ريادة الأعمال الاجتماعية، الاقتصاد الاجتماعي، التنمية المستدامة.

تصنيف JEL: L31, P13, Q1

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1. Introduction:

Today, the world is witnessing significant economic transformations due to globalization, the expansion of economic liberalization, and the dominance of market economies. This has led to a reshaping of the state's role in economic activity, especially after adopting structural adjustment programs and privatization policies recommended by international financial institutions. These transformations have resulted in profound social effects, notably rising unemployment and poverty rates, increasing economic vulnerability, and widening the gap between the rich and the poor due to poor distribution of wealth and growth returns. To address these challenges, many countries have sought to adopt new policies aimed at reducing social disparities, enhancing social cohesion, and ensuring greater economic justice. Among the most prominent of these policies is the support for social entrepreneurship as a sustainable development option.

In this context, social entrepreneurship has become an effective tool for promoting the social economy, representing a hybrid economic model that combines financial sustainability with positive social impact. It aims to address social and economic issues through innovative solutions based on market mechanisms. Social enterprises work to provide job opportunities for marginalized groups, promote social innovation, and achieve more inclusive local development. International experiences have shown that this model can contribute to restructuring local economies, prompting many countries to integrate it into their economic policies as an alternative capable of balancing economic efficiency and social justice.

Despite the growing interest in this approach, the widespread adoption of social entrepreneurship still faces numerous challenges and obstacles, primarily the absence of a supportive legal and regulatory framework, difficulties in accessing financing, and a lack of sufficient business incentives to encourage this type of project. This necessitates studying and analyzing successful international experiences to extract lessons and strategies that can help develop this sector. The success of some countries in promoting social entrepreneurship reflects the importance of having clear government policies, strong partnerships between the public and private sectors, and effective institutional support that contributes to creating a favorable environment for the growth and sustainability of social projects.

Through this study, we will attempt to analyze and review a set of international experiences in the field of social entrepreneurship, aiming to understand the factors that contributed to their success and explore the potential for leveraging these lessons to support the social economy in various developmental contexts. This will be addressed through the following research question:

What are the most notable successful international experiences in the field of social entrepreneurship? How can the lessons learned from them be utilized to enhance the social economy in Algeria?

1.2. Research Questions:

Instead of formulating testable hypotheses, this descriptive study seeks to address the following research questions:

- How does social entrepreneurship contribute to promoting social justice within the framework of the social economy?
- What are the main features and success factors of international experiences in social entrepreneurship?

- To what extent can lessons drawn from successful international experiences be adapted to support the development of the social economy in Algeria?

1.3. Importance of the Study:

The significance of this study lies in the critical importance of its subject, especially in the context of Algeria's efforts to find strategic alternatives to the hydrocarbon sector, thereby reducing dependence on a single resource and mitigating the national economy's vulnerability to fluctuations in global market prices. The study is also important due to the growing role of social entrepreneurship institutions in achieving both economic and social development, making it one of the core components of sustainable development policies.

1.4. Methodology of the Study:

To address the research question and validate or refute the hypotheses, and given the nature of the subject under study, a descriptive methodology has been adopted. We have presented the experiences of leading countries in this field and attempted to extract lessons and insights from their experiences, exploring the applicability of this developmental model in Algeria to rectify existing imbalances, particularly regarding social justice and income redistribution.

1.5. Justification for Selecting These Countries :

Malaysia, Singapore, and Egypt were selected to represent diverse developmental contexts aligned with the study's objectives. Malaysia exemplifies an emerging economy that has successfully integrated social entrepreneurship into its economic diversification strategies, while Singapore serves as an advanced reference case due to the maturity of its institutional and financial ecosystem despite limited resources. Egypt, as a developing Arab country facing socio-economic challenges similar to those of Algeria, offers a practical experience from which adaptable lessons for the national context can be drawn.

1.6. Previous Studies:

Undoubtedly, this research has been preceded by several studies, theses, and publications that explored aspects of the topic. Among the most significant previous studies that investigated some facets of the subject are:

- Filipe M. Santos (2009), titled *A Positive Theory of Social Entrepreneurship; A Working Paper in the INSEAD; The Business School for the World, Social Innovation Centre: * This study aims to place social entrepreneurship within the context of the dialogue about economic organization and modern economies. It concludes several results, most notably that social entrepreneurship challenges our assumptions about human behavior and economic work, as well as our beliefs about the role of entrepreneurship in society. Social entrepreneurship is a complementary economic approach that focuses on creating value and operates according to its own rules and logic, while also being capable of meeting urgent needs in modern society.
- Manal Hani, Aziz Mahjoub, Asmaa Borkane (2021), titled Activating the Role of Social Enterprises in the Context of the Social and Solidarity Economy: A Study of the Moroccan Experience, Journal of Innovation, Volume 11, Issue (01): This study clarifies the reality of supporting social enterprises in Morocco, as they have become tools relied upon today in both developing and advanced economies. The Moroccan experience was studied using a descriptive

methodology, concluding that the social and solidarity economy still needs support to face various challenges hindering its development and progress.

2. The Theoretical Framework of the Study Variables

In this section, we will explore the following elements:

2.1. Concept of Social Entrepreneurship

The concept of social entrepreneurship is relatively modern, with multiple definitions arising from diverse ideas and perspectives related to this developmental model rooted in humanitarian and philanthropic tendencies. Social entrepreneurship has always existed but was not recognized as it is today in some countries. This movement emerged to confront global forces that have impacted societies, aiming to create opportunities for individuals to effect change (BORNSTEIN & DAVIS, 2010, pp. 21-23).

The origins of the terms “social entrepreneur” and “social entrepreneurship” date back to the early 1960s and 1970s, but they gained prominence in the 1980s and 1990s in response to increasing indicators of social inequality, marginalization, and unemployment (Jørgensen, Hansen Hansen, Sørensen, Fuglsang, Sundbo, & Jensen et al., 2021, p. 2). The World Bank defines social entrepreneurship as “institutional structures that use business approaches to achieve social, economic, and environmental outcomes simultaneously” (Agapitova, Economiste, & World Bank Group, 2017, p. 1).

Meanwhile, the Organisation for Economic Co-operation and Development (OECD) views social entrepreneurship “as a type of entrepreneurship aimed at providing innovative solutions to unresolved social problems. Thus, it goes hand in hand with social innovation processes that aim to improve people’s quality of life through social changes” (OECD, 2010, p. 188). It is also defined as “a business model where profit generation using market mechanisms is primarily linked to social goals and priorities” (Greblkaitė, Rakštys, & Caruso, 2017, p. 159).

At the same time, describe social entrepreneurship “as a process through which citizens build or transform institutions to promote solutions to pressing social problems such as illness, poverty, environmental degradation, human rights violations, and corruption, to improve the lives of many” (BORNSTEIN & DAVIS, 2010, p. 1).

2.2.Theoretical Insights from Prior Research on Social Entrepreneurship :

Social entrepreneurship is an economic entity that has been designated as a social enterprise by the state after committing to incorporate the principles and rules of the social and solidarity economy into its statutes and directing a portion of its profits continuously and sustainably to achieve social objectives such as: employment support, education, or housing construction for workers.

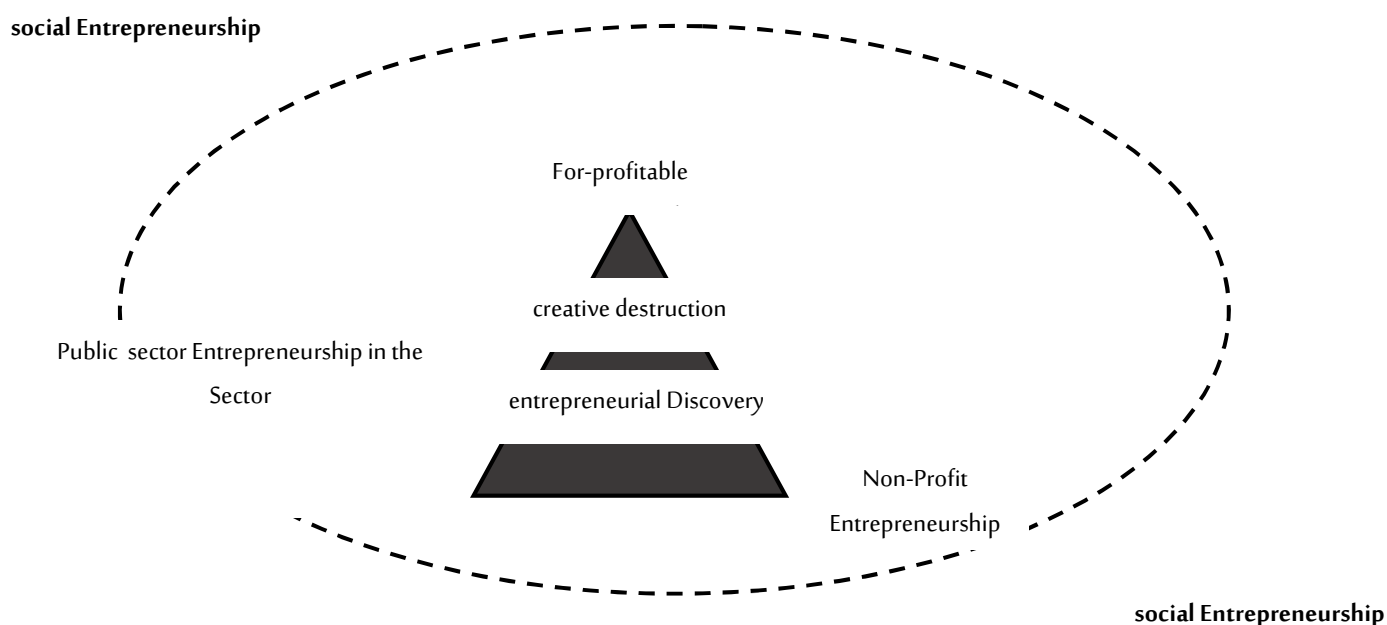
Social entrepreneurship represents a hybrid economic model as it embodies two conflicting dimensions: the first dimension is the pursuit of material profits that contribute to economic growth; the second dimension is achieving social goals that have an impact on reducing poverty and combating unemployment. Thus, it can be considered a tool for achieving the overall goals of sustainable development (Certo & Miller, 2008, p. 1).

It is worth noting that the concept of social entrepreneurship does not equate to corporate social responsibility, which the European Commission defined in its Green Paper in 2001 as the voluntary

integration by businesses of social and environmental concerns into their commercial activities and relations with stakeholders (COMMISSION DES COMMUNAUTÉS EUROPÉENNES, 2001, p. 7).

Despite the echoes of characteristics such as “diligent pursuit” of new opportunities, continuous innovation, learning, risk-taking, proactivity, and resourcefulness in previous research, placing social entrepreneurship under the same umbrella as traditional entrepreneurship (Hossain Sohel & Shamsuddoha, 2020, pp. 62-63), social entrepreneurship differs from traditional entrepreneurship. The latter assumes that profit is the primary driver behind entrepreneurial success and occurs mainly in a market-driven context. However, this idea has undergone a transformation, and there is a growing acceptance of “mission-driven rather than profit-driven” businesses. In other words, entrepreneurs need not be solely profit-driven; they can also be motivated by their mission, making profit a secondary product (Yadav, 2015, p. 83).

Figure 1: The Position of Social Entrepreneurship within the Entrepreneurial Field



Source: (Sheldon & Daniele, 2017, p. 26)

2.3. Objectives of Social Entrepreneurship

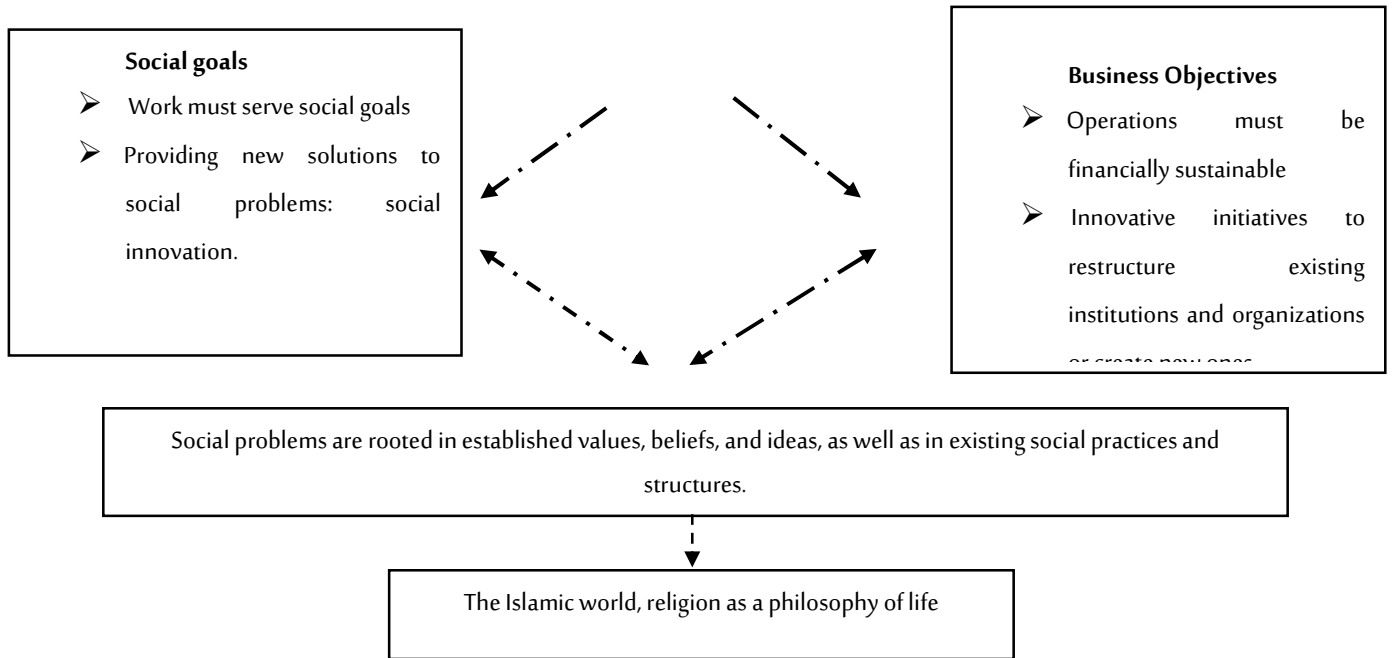
Social entrepreneurship aims to create social value alongside economic value and to promote sustainable social change by providing innovative solutions to social problems and supportive services in various fields, including (Mthembu& Barnard, 2019, p. 171):

- Promoting Social Well-being: Enhancing the quality of life for individuals and communities through initiatives that address social needs and challenges.
- Empowering Communities: Encouraging social independence and reducing dependency on external support by fostering local capacity and resilience.
- Driving Social Transformation: Facilitating systemic changes that lead to sustainable social improvements, recognizing that collective responsibility is essential for social progress.

- Integrating Social and Financial Goals: Achieving a balance between welfare objectives and financial sustainability, ensuring that neither social impact nor economic viability is neglected.
- Encouraging Social Responsibility: Motivating individuals and organizations to actively contribute to societal development, beyond reliance on government intervention.

Figure 2: Model of Social Entrepreneurship

Social entrepreneurship is a hybrid economic model.



Source: (Almarri & Meewella, 2015, p. 412)

2.4. Importance of Social Entrepreneurship

The importance of social entrepreneurship stems from its multifaceted concept, reflecting the diverse environments and cultures in which various social entrepreneurial organizations operate globally. Scholars and researchers have focused on the concept of social entrepreneurship from several different perspectives (Al-Hunaiti, 2021, pp. 53-54):

- Innovative and effective activities that strategically focus on finding creative solutions to social market failures and creating new opportunities to add social value, utilizing necessary resources in appropriate organizational forms to drive change for maximum social impact.
- A set of activities aimed at identifying and diagnosing social problems and needs, using entrepreneurial principles to establish and manage social projects to achieve desired social change.
- An organizational process aimed at creating appropriate social change by organizing projects capable of effectively identifying and evaluating opportunities and innovation.

- Establishing new projects to enhance social wealth or managing existing organizations in a more creative and innovative manner.

2.5. Dimensions of Social Entrepreneurship

The dimensions of social entrepreneurship can be summarized as follows (Al-Abadi, 2021, pp. 314-315):

1. Call of Conscience and Sense of Humanity: The call to conscience and the sense of humanity are among the reasons that lead project organizers to engage in social activities and businesses. The desire to help when witnessing others in need compels them to act and provide solutions to the problems faced by others. This humanitarian work sometimes puts them at risk and may cause injustice to others who face the same challenges as those they assist.
2. Trust: Trustworthiness in social entrepreneurship is essential for maintaining positive relationships with those they help and with others contributing to their social activities. Trust can dismantle feelings of selfishness, apathy, and pessimism, ensuring ongoing connections with fellow social entrepreneurs, donors, and clients based on mutual trust that facilitates all actions taken.
3. Social Learning: Social learning enables social entrepreneurs to understand and empathize with their surroundings through experiential learning from their environments and social networks.

3. Social Economy:

The social economy is neither a new birth nor a new discovery added to the economic equation composed of two patterns: liberal or market economy and public economy, which refers to state ownership of the means of production (Khazzaz & Rahmani, 2022, p. 2015).

3.1. Concept of Social Economy

The social economy is considered a branch of economics that studies the interrelationships between economic activity and social behavior in different economic systems. Generally, studies of the social economy are divided into two main categories (El-Din, 2023, p. 23):

1. Sectoral Study: This focuses on the study of the social economy or what is referred to in some circles as the social solidarity economy, due to its inclusion of voluntary institutions and non-profit organizations that collaborate to solve problems of poverty, unemployment, and social exclusion among underprivileged classes. This economic activity is associated with the so-called “third sector” in mixed economic systems, distinguishing it from the two formal sectors: the private sector and the public sector.
2. Analytical Study: This focuses on the theoretical modeling of the role that ethical values and social and cultural behavior relationships can play in the distribution of wealth and income, as well as directing overall economic performance toward the goal of social welfare in a more equitable manner. These areas have been emerging more clearly in the literature over the last few decades, especially in the realm of social policies and economic development programs.

3.2. Actors in the Social Economy

Many studies that have attempted to address the subject of the social economy and diagnose its reality reveal that, in general, it is based on (Ahmed, 2022, pp. 5-6):

- Cooperatives: These are organizations composed of a group of individuals who agree to organize together to meet their economic and social needs according to universally recognized cooperative values and principles. The cooperative fabric is the main component of the social economy sector, given its significant contribution to economic development and its capacity for social inclusion (number of jobs).
- Mutual Societies: these are entities that do not aim to generate profits but seek, through their members' contributions, to provide assistance and solidarity for the benefit of these members or their families, primarily through insurance against risks affecting individuals.
- Associations: These are agreements between two or more individuals to pursue a non-profit goal. Historically, their work focused mainly on cultural, educational, sports, and social welfare fields. However, some associations that emerged in recent decades have chosen to focus on local economic development issues, especially in rural areas.
- social Enterprises: These are businesses that obtain the designation of "social enterprise" from the state if they meet several conditions, such as adhering to the principles of the solidarity economy in their statutes and directing a portion of their profits permanently toward social goals (supporting employment, education, or building housing for workers).

3.3. Principles of the Social Economy:

The social economy encompasses several principles, which we will attempt to address:

Table 1: Principles of the Social Economy

Principle	Explanation of the Principle
Participation	– Democratic Governance: A fundamental value of the social solidarity economy. - Participation: Involvement of stakeholders, including users and beneficiaries, in decision-making. - Shared Responsibility: Encouraging collective accountability among all participants. - Empowerment: Enabling beneficiaries through participatory work methods. - Equality: Ensuring equal voices and voting rights for individuals.
Solidarity and innovation	- Innovative Alternative: A creative substitute for traditional economic models. - Inclusive Economies: Benefiting the most marginalized and impoverished groups, which is challenging to achieve within conventional neoliberal economic plans or traditional aid and development programs. - Need for Flexibility and Innovation: Directing resources and benefits to beneficiaries and contributors.
Voluntary participation and independence	- Voluntary Participation: Engaging in social solidarity economy institutions. - Bottom-Up Approach: Building institutions based on social needs. - Independent Economy: Naturally self-sustaining. - Opportunities for Communities: Enabling the creation of projects, skills acquisition, job opportunities, and benefits unattainable through market economies.
Public interest	- Cultural Improvement: Fostering a community culture based on cooperation and mutual support. - Shared Responsibilities: Participation in shared responsibilities. - Primary Goal: Growth and well-being for all without compromising individual well-being within the group.

Source: (United Nations Economic and Social Commission for Western Asia., 2014, p. 2)

4. International Experiences in Social Entrepreneurship

For over a decade, interest in non-governmental organizations (NGOs) has gradually increased, with international organizations beginning to involve NGOs in public sector programs as part of a strategy to reduce governmental bureaucracies and enhance the role of the private sector. This has been seen as an indicator of increased participation and transparency in the development process, aligning with the evolution of development philosophy and income distribution. A new doctrine has emerged emphasizing income distribution, employment, self-reliance, and community participation—known as the social economy. Organizations in this sector have started to play a significant role in addressing issues related to populations, the environment, marginalized groups, and human rights, among others. Generally, Arab countries with directed economies have suffered from a crisis of stagnation and slowing actual growth, leading to calls for allowing social economy organizations to operate in developmental matters, alongside the emergence of civil society organizations and NGOs (Al-Sha'ar., p. 138).

4.1. Malaysia's Experience

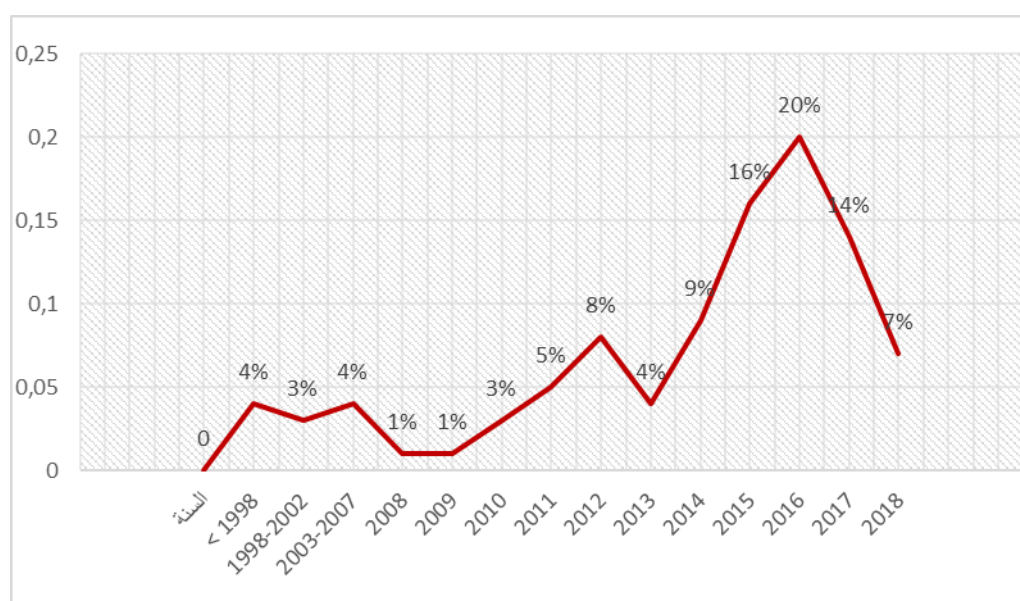
The Malaysian government has emphasized the role of social innovation as a key driver of economic growth, actively seeking to enhance collaboration in the field of innovation among the government, academia, and the private sector, while increasing expenditures on research and development as a part of GDP. It also provides funding and incentives for technological innovation (Rizawati Binti Nasir & Din Subarib, 2017, p. 2).

The concept of social entrepreneurship was introduced in 1986 through the Malaysian Investment Development Authority (AIM). With the economic transition toward a strong and resilient economy, the Malaysian Social Enterprise Plan 2015-2018 was launched, aiming to build a community of successful social enterprises for sustainable long-term growth in this sector. Although the term “social entrepreneurship” is still relatively new in Malaysia, its implementation can be traced through the establishment of cooperatives and non-profit organizations (BASKARAN, TANG, CHELVAM K, MUHAIRAH SHAHABUDIN , & CHAN, 2019, p. 1). According to a report by the British Council in 2018 titled “The State of Social Entrepreneurship in Malaysia,” there are approximately 20,749 social enterprises in Malaysia, representing 0.8% of small and medium enterprises, 79% of cooperatives, and 3.34% of NGOs (MINISTRY OF ENTREPRNRUR DEVELOPMENT AND COOPERATIVES, 2030, p. 36).

Despite the fact that the social entrepreneurship sector in Malaysia is still young, the government has sought to integrate social projects into its strategy to combat rising unemployment (Daud, Noordiana Wan Hanafi, & Abu Bakar, 2023, p. 7037). This effort gained urgency following the 2015 financial scandal, where over \$2 billion in government funds went missing (about \$700 million). Investigations were initiated, but no one was held accountable, and no arrests were made. Subsequent investigations revealed the involvement of then-Prime Minister Najib Razak in the scandal (Maksum, 2020, p. 198). This incident prompted Mahathir Mohamad to establish a political party and announce his candidacy in the Malaysian elections, as Najib's administration was perceived to have made Malaysia one of the ten most corrupt countries in the world.

When Mahathir ran for prime minister in 2018, increasing attention to social entrepreneurship became one of his top priorities. Thus, one of the goals of his electoral program was to establish a ministry for social entrepreneurship. He recognized that Malaysia faced numerous challenges if it wished to achieve economic prosperity, political stability, and social solidarity, including the need to establish a cohesive society with a shared vision, emphasizing a culture of solidarity and justice, and creating a scientifically advanced community capable of adapting to changes (El-Din N. S., 2017, p. 143).

Figure 3: Number of Social Enterprises in Malaysia



Source: (british council , 2018, p. 114)

The graph above illustrates the development of social enterprises over time, showing variations in growth rates during the periods studied. Before 2008, the rate of social enterprise establishment was low, not exceeding 4%, indicating limited interest in this sector at the time. Starting in 2009, a gradual upward trend began, reaching 8% in 2012, driven by increasing awareness of social entrepreneurship.

The period from 2014 to 2016 witnessed significant growth, with the percentage peaking at 20% in 2016, reflecting increased government and institutional support for this field. However, subsequent years recorded a gradual decline to 7% in 2018, potentially due to economic challenges or market saturation. This change reflects the dynamism of the social enterprise sector and its responsiveness to public policies and economic trends.

4.2. Challenges of Social Entrepreneurship in Malaysia

These can be summarized as follows (Rashid, 2019, p. 48):

1. Lack of a Unified Legal Framework: There is no standardized legal framework for social entrepreneurship institutions to be recognized as established business entities. This has led entrepreneurs to establish organizations under various legal forms, following different ministries and laws.
2. Limited Funding: Many social entrepreneurship institutions in Malaysia still rely on traditional funding methods, such as corporate social responsibility programs.
3. Insufficient Support: The lack of directed support for this sector makes it difficult to attract and retain managerial and leadership talent capable of managing and growing social entrepreneurship institutions.

4.3. Singapore's Experience in Social Entrepreneurship

Despite Singapore's small size and lack of numerous resources, it has achieved tremendous success in its developmental experience, unlike many developing countries rich in natural resources but lacking in effective developmental practices (Al-Juhaifi, 2004, p. 382). Singapore recognized the importance of social work in adapting to the global economic system, helping youth who wish to serve the community to work in companies that ensure sustainability while providing them with a good income, thus reducing the need for alternative income sources and enabling them to focus on community service.

Consequently, Singapore has become an entrepreneurial hub due to its attractive business environment, substantial government support, and extensive use of soft power to address barriers to organizing enterprises (Bakri, 2018, p. 598).

In 2003, the Ministry of Social and Family Development was established in Singapore to support social entrepreneurs. In 2008, Singapore set up a committee to propose ways to develop the social entrepreneurship sector. In 2009, the first institution dedicated to raising awareness about the importance of social entrepreneurship, known as the Social Enterprise Association (SEA), was founded. In 2013, the DBS Foundation was established with funding of \$50 million to promote and spread social entrepreneurship within the community (Rashid, 2019, p. 48).

In 2015, the Singapore Centre for Social Enterprise was established to develop this sector through cross-sector collaboration among various ministries and agencies. The center was officially launched by Dr. Tony Tan Keng Yam, the former President of Singapore (<https://www.raise.sg/about/about-menu/about-us.html>, s.d.).

Regarding the nature of the areas of work for these social enterprises, statistics indicate that the largest sector is education at 18%, followed by training and capacity building at 17%, and health at 12%. The ecosystem for social entrepreneurship in Singapore has significantly evolved, now encompassing seven key stakeholders (Rashid, 2019, pp. 48-49):

1. Policy Makers: This includes state institutions and various international organizations.

2. Networking and Support Networks: This encompasses all institutions interested in the field, including government centers, civil society organizations, and private sector companies.

3. Funding Providers

4. Competition Organizers.

5. Professional and Support Services Providers.

6. Capacity Builders: Such as incubators and accelerators, educational institutions, and platforms for knowledge exchange in social entrepreneurship.

7. Research Institutions.

The maturity of the social entrepreneurship ecosystem in Singapore is evident, with 31% of social enterprises generating annual income between \$50,000 and \$250,000. The vast majority (81%) of the social enterprises studied reported funding from founders, friends, or family, indicating a strong personal commitment from social entrepreneurs to support their projects, while grants accounted for only 37%.

4.4. Characteristics of Social Enterprises in Singapore

Social enterprises in Singapore are characterized by several features that support their sustainability and contribute to achieving their social and financial goals (THE STATE OF SOCIAL ENTERPRISE IN SINGAPORE, 2020, p. 11):

1. Revenue and Funding: Social enterprises often generate more than 50% of their revenues from providing services and goods, which contributes to their financial sustainability.

2. Financial Planning and Sustainability: Social enterprises in Singapore have clear business plans aimed at achieving financial sustainability, including identifying funding sources and managing costs and revenues to achieve profits.

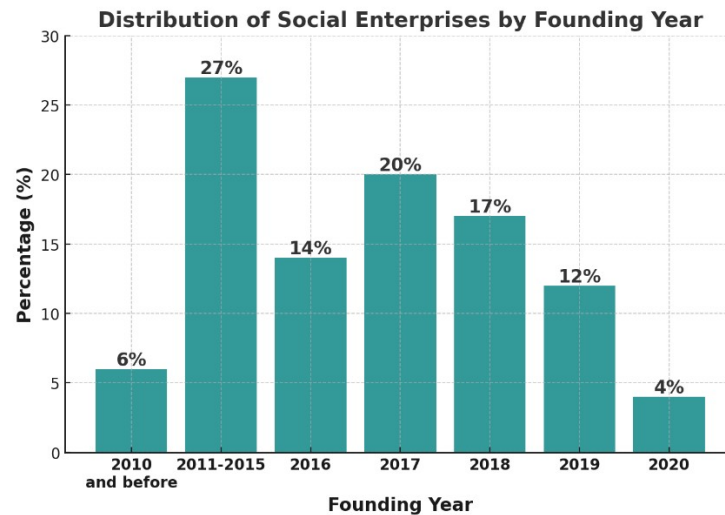
3. Clear Social Objectives: Social enterprises aim to address specific social needs, and these objectives are translated into concrete actions that contribute to improving the lives of target communities.

4. Equity and Inclusivity: Social enterprises strive to ensure that resources are allocated fairly and without discrimination, ensuring that all stakeholders benefit from these processes.

5. Social Outcomes: Enterprises aim to achieve measurable social outcomes through the implementation of social objectives, with these results being measured to ensure a positive impact on the community.

6. Clear Management: Social enterprises have strong management, with founders or managers having clear and specific goals regarding how to achieve their social and financial objectives.

Figure 04: Percentage of Social Enterprises in Singapore



Source (Global Social Enterprise, 2020, p. 11)

The curve above reflects a notable increase in the establishment of social enterprises in Singapore between 2011 and 2015, indicating a growing interest in the social economy during this period. This can be attributed to supportive policies and increased awareness of the importance of social enterprises in achieving sustainable development. However, the decline in new establishments reflects the impact of the global pandemic on economic capacity and investment in new projects.

4.5. Challenges of Social Entrepreneurship in Singapore

The challenges of social entrepreneurship in Singapore can be summarized in three major issues (Rashid, 2019, pp. 39-40):

1. **Scaling and Customer Acquisition:** Expanding and attracting more customers while maintaining the vision of the social enterprise.
2. **Funding and Access to Financial Support:** There are 31 social enterprises with an annual income of less than \$50,000, indicating that one-third of social enterprises in Singapore are still considered relatively small. Additionally, social entrepreneurs primarily rely on personal relationships for funding.
3. **Lack of Public Awareness:** There is a general lack of understanding of social entrepreneurship globally, as many people still do not comprehend how to integrate socially-oriented activities—which are often seen as akin to charity work—with profit-making ventures.

4.6. Egypt's Experience in Social Entrepreneurship

Social entrepreneurship in Egypt is a growing field that aims to address social and economic challenges through innovative and sustainable solutions. These initiatives seek to achieve positive social impact alongside financial returns, contributing to the comprehensive development of Egyptian society.

The environmental context is a priority in discussions, as issues such as pollution, resource depletion, waste accumulation from household, industrial, and agricultural activities, and water pollution require substantial treatment and recycling projects. Additionally, high unemployment rates, particularly among youth in the Middle East and North Africa, are significant drivers behind social upheavals. Community projects have emerged to help tackle these challenges and create opportunities for young people. Given that these projects require support and encouragement, many suffer from funding shortages and need technical and institutional assistance. Consequently, governmental and non-governmental institutions have begun to support these types of projects, including: (Ahmed H. I., 2019, p. 24)

- Sakia Abdeen El-Sawy: A successful model in social entrepreneurship in Egypt, this cultural center in Zamalek, Cairo, was founded based on the idea of promoting cultural enlightenment and has successfully engaged youth around various cultural products, becoming a cultural beacon as envisioned by its founders.
- Nafham: Founded by Ahmed El-Alfy, this organization offers school curricula to students in several Arab countries, including Egypt, Kuwait, Algeria, and Saudi Arabia, helping students and their parents avoid the burden of private tutoring.
- Be'oolak App: This Egyptian entrepreneurship model consists of ideas from five young computer science graduates who developed a mobile application that allows users to share real-time traffic information. The app is freely available for download on Android and iOS systems and can also be accessed via a mobile website.
- Acumen Investment Funds: A nonprofit organization focused on finding sustainable and innovative solutions to community problems by empowering social entrepreneurs and collaborating with the public and private sectors. According to the Egyptian Investment Management Association report, the funds managed by Acumen Holdings, such as the Egypt Good Fund, ranked first in performance in 2018 and continued to excel in subsequent years, achieving a 39% investment return.
- Heart of Gold Association: Founded in June 2005, this Egyptian association, despite its limited financial resources and small number of staff and volunteers, has presented a different model of social responsibility for Muslim youth. It focuses on psychological, family, and educational issues, receiving recognition as a "Social Innovator" from Ashoka, a leading global organization in social innovation (Aal.(2010), p. 505).

- Nama Initiative: A youth volunteer initiative for learning and working towards sustainable development in Egypt across various fields, established in 2005 under the umbrella of a developmental project incubator. Nama aims to build socially proactive individuals equipped with knowledge, skills, and values necessary for undertaking developmental initiatives in different areas (Said, 2014, p. 90).

4.7. Major Challenges Facing Social Entrepreneurship in Egypt

A number of experts in the field of entrepreneurship discussed the main challenges facing entrepreneurs during the seminar “Entrepreneurship and Investment in the Middle East and North Africa,” which are as follows (Ahmed H. I., 2019, pp. 26-27):

1. Inadequate Infrastructure: There are a limited number of institutions in Egypt that support this sector in terms of funding, support, or incubators for projects, whether to assist these projects in their early stages or during their growth and expansion phases.
2. Education Systems and Dominant Culture: Shortcomings in educational institutions are evident, including weak curricula, poor teaching methods, high dropout rates, and the prevalence of private tutoring. While many social projects and the achievements of social entrepreneurship are numerous, most remain unreported. Despite these successes, these projects still face many difficulties and challenges.
3. Lack of Funding: Despite notable growth in investments, the amounts invested in startups remain small. Talented entrepreneurs face significant challenges in attracting attention and securing the necessary funding for their projects.
4. Absence of a Cohesive Ecosystem: The entrepreneurial ecosystem in Egypt suffers from many gaps, exposing entrepreneurs and their startups to unexpected daily obstacles. This is due to the lack of an effective ecosystem that they can rely on to support their talents, often resulting in one or more missing links in the chain.
5. Restrictive Laws and Legislative Environment: Legislative systems in Egypt are still far from supporting businesses. Establishing a company can take up to a month, and dealing with regulations and bureaucracy wastes entrepreneurs’ energy and time, increasing investors’ hesitance to support new projects.

4.8. Social Entrepreneurship in Algeria

Social entrepreneurship in Algeria is an emerging field that seeks to address various challenges through innovative and sustainable solutions. Despite the efforts made, these initiatives still face several challenges that hinder their growth and development, especially since there is no unified definition for social enterprises in Algerian legislation.

Below are estimated statistics on the number of social enterprises in Algeria according to a report. Due to the lack of a legal framework specifically designed for social enterprises in Algeria and the

contribution of the informal sector to the national economy, it is challenging to assess the exact number of social enterprises in the country. During the Euro-Mediterranean summit in 2016, estimates from the Euro-Mediterranean Network for Social Economy indicated that there were approximately 7,727 social enterprises in Algeria, employing 168,000 workers and around 1,500,000 members. This estimate considers various types of organizations, including:

- Cooperatives: These are organizations that do not aim for profit, founded on the principle of solidarity, as outlined in Article 2 of Executive Decree No. 96-459. They often operate in artisanal industries and agriculture.

- Mutual Associations: In Algeria, mutual associations are non-profit organizations whose mission is to implement solidarity and mutual assistance for the benefit of their members. In fact, Article 2 of Executive Decree No. 02-15, issued on January 4, 2015, defines mutual associations as “non-profit legal entities governed by private law.” Their resources primarily come from member subscription fees, donations, and other revenue. The Ministry of Labor, Employment, and Social Security has registered 32 mutual associations.

- Associations: Although some might not consider associations as social enterprises, Articles 29 and 31 of Law No. 06-12 allow associations to generate income, provided this income is used and allocated to achieve the organization’s goals. Thus, associations may meet the criteria for social enterprises (generating income, having a positive impact as their main goal, and not using profits to increase shareholders’ wealth). It should be noted that associations are prohibited from receiving funds from foreign institutions and NGOs unless authorized by the Ministry of Interior and Local Communities. According to the Algerian Ministry of Interior and Local Communities, there are 1,027 registered associations, 326 of which are social enterprises, and 926 of which may potentially be social enterprises (6.7%).

- Other Organizations: The report (BRITISH COUNCIL, 2021, p. 31) indicates that while this estimate dates back to 2016, it gives us an approximate idea of the scope of social enterprises in Algeria. We believe that the number of associations and mutual associations in this estimate remains relevant. However, the number of other organizations, including small and medium-sized enterprises and unregistered organizations, could be much higher than 73. In fact, the total number of small and medium-sized enterprises nationwide increased from 934,569 in 2015 to 1,193,339 in 2019. This increase of 28% could apply to social organizations as well.

Moreover, there are likely to be fewer than 1,091 cooperatives in Algeria today, as illustrated in the following table:

Table 2: Estimated Statistics of Social Enterprises in Algeria

Members	Workers	Social enterprises	
286.000	84,000	1091	Cooperatives
1,137,267	4,000	32	Mutual Associations
76,219	79,000	6,531	Associations
514	1000	73	Other Organizations
1,500,000	168,000	7,727	Total

Source: (BRITISH COUNCIL, 2021, p. 33)

5. Lessons Learned from the Studied Experiences and Ways Algeria Can Benefit from Them

The aforementioned experiences serve as inspiring models from which Algeria can benefit to develop this promising sector through:

1. **Diversifying Income Sources:** Drawing on the Malaysian experience in economic diversification and reducing reliance on a single sector.
2. **Supporting Education and Training:** Implementing the Singaporean model that focuses on continuous education and skill development to foster innovation.
3. **Empowering Marginalized Groups:** Adopting Malaysia's approach to integrating underprivileged groups into the economy through income-boosting programs and improving quality of life.
4. **Enhancing Partnerships:** Leveraging the Egyptian experience in promoting collaboration between the public and private sectors to support social entrepreneurship.
5. **Improving the Regulatory Environment:** Establishing a legal and regulatory framework that supports the establishment and growth of social enterprises, with a focus on transparency and combating corruption.

By adopting these strategies, Algeria can enhance its social entrepreneurship sector and contribute to achieving sustainable economic and social development.

6. Conclusion

In our research, we aimed to encompass the concept of social entrepreneurship, which many economic experts consider to be aimed at meeting people's needs rather than maximizing profits. This model places humans at the heart of the development process, making them the primary actors and the first stakeholders in its outcomes, by integrating both economic and social dimensions. Through the presentation of the international experiences available to us, we recognized the significant role that social entrepreneurship institutions play in supporting growth rates, increasing employment levels, and integrating vulnerable groups.

The evidence supporting the importance of the role played by social entrepreneurship—both economically and socially—in the economies of countries, especially in the social economy, is reflected in the trend where most European countries have begun to integrate entrepreneurship into national and local community strategies and initiatives.

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