Chapter 13

Expatriate Lebanese Entrepreneurship

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ABSTRACT

The Lebanese have always been great travelers and emigration played an important role in their history. It became inevitable then that entrepreneurship played a major role in shaping the life of those Lebanese residing outside their motherland, as they had to rely on new and creative ways to sustain their living. Although Lebanese entrepreneurs know how to pinpoint opportunities, they still have limited knowledge of the administrative aspects of managing a business. In other words, Lebanese entrepreneurs have the talent but lack organizational skills. Lebanon is a country where management styles are still traditional. Thus, trying to apply modern management practices can be rather difficult. New technology and product diversification are introduced informally through individual efforts of entrepreneurs.

HISTORY OF ENTREPRENEURSHIP IN LEBANON

The revitalization of the industrial sector in Lebanon happened in the 1920s. Lebanon and the Syrian Arab Republic possessed some resources in the industrial sector before the outcomes of World War Two. This was a fact for Lebanon, where entrepreneurship was a factor which was prominent in the country. (Sayigh, 1962). The typical business structure in Lebanon is small family-owned companies. A major load that small entrepreneurial firms have to face is a limited resource base.
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in relation to what is obtainable to larger firms (Jarillo, 1989). Therefore, Lebanese entrepreneurs get capital chiefly through autofinancing, which builds a heavy load on enterprises.

Debt financing is considered as a barrier to entrepreneurship in Lebanon. Debt financing problems grows from a lack of understanding of the needs of the entrepreneurial segment. (Chakour, 2001). Lebanese people do not think that there are enough opportunities and these people consider it difficult to acquire the information necessary to assess business opportunities. “Successful entrepreneurs not only are accepted but also are often considered ‘champions of industry’ and presented as role models for others” (Chakour, 2001).

INNOVATION

“Schumpeter posits a single constitutive entrepreneurial function: innovation” (Kilby, 2001). “The entrepreneur is looked upon as the innovator or the introducer of new products to new markets” (Haddad, 1992). According to Sayigh, “Perhaps, more important than a creative or primary form of innovation introduced only infrequently and in a few isolated cases, is a much more frequent and more widely diffused introduction of derivative innovations—indeed, of mere adaptation to local conditions and imitation of innovations generated outside the underdeveloped locale”. Lebanese enterprises need to apposite more funds for the innovation of products and services and the improvement of internal processes to attain improved quality.

INDIVIDUALISM/ COLLECTIVISM

Societies differ from each other in terms of their focus on individual goals as contrasting to collective goals (Steensma, 2000). Hofstede (1991) defines individualism as a characteristic of “societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family”. The nature of the Arab family restricts entrepreneurship because Arab families are in general patriarchal and extended. Furthermore, the Arab family is characterized by a pyramid relative to age and gender (Barakat,1992).

Collectivism is seen in societies where citizens are united (Hofstede, 1991). According to the National Human Development Report (Lebanon 2001-2001) “exports cannot thrive on individual initiative alone. Efforts made through institutions pursuing collective interests could lead to sustainable and more efficient results. The Lebanese citizens perceive Lebanon as a country where individualism dominates, without depending on the government for help (Chakour, 2001).
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