

## Chapter 52

# The Lebanese Way: A Cultural Propensity Toward Entrepreneurship

John Stephen Hess  
*AUB, Lebanon*

### ABSTRACT

*Within this diverse and often unstable environment, the social phenomenon of entrepreneurship has emerged. Although this concept is found in many segments of society and individuals, it is often linked to the small business venture, and this environment is where our research will take place. Defining the term presents some challenges because it is more of an activity encompassing a wide range of character traits and skills than just a static concept. Additionally, the Lebanese context may share in the collective nature of a definition, but will also offer unique displays of entrepreneurship that may differ from other societies.*

### LEBANON IN CONTEXT

Just a short walk along any city street, a drive out to a sub-urban neighborhood or a further trip into Lebanon's many villages, and one finds the ever present family owned business. These small to medium sized enterprises (SME) not only mark the landscape of the country, but they account for 98% of the business environment and employ 72.4% of the population (ESCWA report 2001). At the heart of each business venture is an entrepreneurial spirit that thrives on freedom, opportunity, and at times, desperation.

The vast majority of these family enterprises are set within a society that has known recent war, civil unrest, and political and economic disparity. The latter conflicts are also set in the backdrop of the country's civil war from 1975-1990 which claimed 150,000 lives and displaced nearly one million citizens through emigration (Hourani, 2006).

## ***The Lebanese Way***

The country's ancient history does not appear as bleak as the past few decades of strife. Modern day Lebanon traces its origins back to the ancient Phoenicians who were known for their maritime trade. In addition to being traders, the Phoenicians were cultural intermediaries, explaining to the West the heritage of the East, and introducing the East to the modern material and spiritual civilization of the West (Salibi, 1965). Even today, the Lebanese are still just as adventurous and dynamic and awed neither by strange lands nor by foreign tongues as their Phoenician patriarchs (Sayigh, 1962). This trade legacy was also evident in the seventeenth century as Lebanon emerged as a major exporter of silk to Europe, namely France and Italy. As demand for this product grew, Lebanon also developed its expediency in manufacturing and shipping. In so doing, the country established itself as a center for European trade along the Mediterranean for the next 200 years (Gates, 1997). This event also solidified their outward orientation for economic opportunity.

Also unique in the Middle East is Lebanon's blend of religious, political and educational diversity. Although no formal statistics are kept, it is estimated that 59.7% of the current population adhere to the faith of Islam and 39% practice Christianity. These two faiths and their many sects have coexisted since the inception of the country in 1943. Homes, shops, and touristic sites all bear the marks of religious symbolism and colloquial sayings. The country's parliamentary system of governance reflects this diversity as each major office of the government is chosen along religious identity. Through war, a history of trade, and the recent effects of globalization, Lebanon has adopted a multi lingual, namely French and English, system of education and has privatized schooling for nearly 65% of its student population (Freyha, 2003). It is not uncommon to find a vast majority of Lebanon's population to be at least conversant in French or English. The same can be said of advertisement, mass media, and conventional road signs in the county. In short, these events and experiences have brought not only exposure, but savviness to the latest trends, products, and opportunities from foreign lands.

## **Entrepreneurship**

Within this diverse and often unstable environment, the social phenomenon of entrepreneurship has emerged. Although this concept is found in many segments of society and individuals, it is often linked to the small business venture, and this environment is where our research will take place. Defining the term presents some challenges because it is more of an activity encompassing a wide range of character traits and skills than just a static concept. Additionally, the Lebanese context may share in the collective nature of a definition, but will also offer unique displays of entrepreneurship that may differ from other societies. Initial research into this topic finds Robert Hisrich and Michael Peters' definition to include generally shared terms from the field and the Lebanese business environment. They define entrepreneurship as a process of creating something new with value by devoting the necessary time and effort, assuming accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence (Hisrich & Peters, 1998).

Entrepreneurship is also a key component to the economic cycle from two perspectives. First, ideas and innovation lead to products and services that enhance our daily lives. Secondly, whether it is from an individual's self employment or to a SME's staff team, entrepreneurship contributes to the economy in the form of job creation. In the case of Lebanon, with such a high percentage of SMEs, they are indirectly acting as gatekeepers of the economy.

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