



NAVIGATING PATHWAYS IN ENTREPRENEURSHIP: A COMPARATIVE STUDY OF THE CHALLENGES AND OPPORTUNITIES IN PALESTINE, JORDAN, AND EGYPT

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SHIFTING PARADIGMS:

Opportunities for a Deeper EU-Mediterranean Integration in a Changing World

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ABSTRACT

This study conducts a comparative analysis of entrepreneurship in Palestine, Jordan, and Egypt, focusing on the agriculture, handicrafts, and tourism. In the context of a dynamic Middle Eastern entrepreneurial landscape, characterized by unique political, social, and economic dynamics, this research aims to uncover the challenges and opportunities encountered by early-stage entrepreneurs. Utilizing in-depth interviews, country profiles, and secondary data sources, the study explores the motivations, trajectories, funding sources, and sustainability of ventures in these sectors. It also investigates the role of policy frameworks, institutions, networks, and market dynamics. Our analysis highlights that entrepreneurial success in Palestine, Jordan, and Egypt is shaped by the complex interplay of resources, institutional frameworks, social capital, and ecosystem maturity. While resource constraints and institutional barriers are common challenges, the role of social capital becomes critical in navigating these gaps, particularly in weaker institutional contexts. However, each ecosystem has unique dynamics shaped by political, economic, and cultural contexts, underscoring the need for tailored policy interventions to foster entrepreneurship and economic resilience. Policy implications include the need for tailored entrepreneurship support programs that address sector-specific needs, enhance access to finance, foster cross-border collaboration, and strengthen institutional frameworks to create more enabling environments for youth and women entrepreneurs. Addressing these issues through targeted policy interventions, improved business support services, and inclusive entrepreneurship programs is essential for fostering sustainable growth and unlocking the full potential of youth-led ventures in these diverse ecosystems.

NAVIGUER LES VOIES DE L'ENTREPRENARIAT : UNE ETUDE COMPARATIVE DES DEFIS ET DES OPPORTUNITES EN PALESTINE, EN JORDANIE ET EN EGYPT

RÉSUMÉ

Cette étude réalise une analyse comparative de l'entrepreneuriat en Palestine, en Jordanie et en Égypte, en se concentrant sur les secteurs de l'agriculture, de l'artisanat et du tourisme. Dans le contexte d'un paysage entrepreneurial dynamique au Moyen-Orient, marqué par des dynamiques politiques, sociales et économiques uniques, cette recherche vise à identifier les défis et opportunités auxquels sont confrontés les entrepreneurs en phase de démarrage.

Grâce à des entretiens approfondis, des profils nationaux et des sources de données secondaires, l'étude explore les motivations, trajectoires, sources de financement et la durabilité des entreprises dans ces secteurs. Elle examine également le rôle des cadres politiques, des institutions, des réseaux et des dynamiques de marché.

Notre analyse met en évidence que le succès entrepreneurial en Palestine, en Jordanie et en Égypte est influencé par une interaction complexe entre les ressources, les cadres institutionnels, le capital social et la maturité des écosystèmes. Bien que les contraintes de ressources et les barrières institutionnelles soient des défis communs, le capital social joue un rôle crucial pour combler ces lacunes, en particulier dans les contextes institutionnels plus faibles. Cependant, chaque écosystème possède des dynamiques uniques façonnées par les contextes politiques, économiques et culturels, soulignant ainsi la nécessité d'interventions politiques adaptées pour favoriser l'entrepreneuriat et renforcer la résilience économique.

Les implications politiques incluent la nécessité de programmes de soutien à l'entrepreneuriat adaptés aux besoins spécifiques des secteurs, d'un meilleur accès au financement, du renforcement de la collaboration transfrontalière et du développement de cadres institutionnels plus solides pour créer des environnements plus propices aux jeunes entrepreneurs et aux femmes entrepreneures. Aborder ces enjeux par des interventions politiques ciblées, des services d'accompagnement aux entreprises améliorés et des programmes inclusifs d'entrepreneuriat est essentiel pour favoriser une croissance durable et libérer tout le potentiel des entreprises dirigées par des jeunes dans ces écosystèmes diversifiés.

البحث في مسارات ريادة الأعمال: دراسة مقارنة للتحديات والفرص في فلسطين والأردن ومصر

ملخص

تُجري هذه الدراسة تحليلاً مقارناً لريادة الأعمال في فلسطين والأردن ومصر، مع التركيز على قطاعات الزراعة والحرف اليدوية والسياحة. في سياق المشهد الريادي الديناميكي في الشرق الأوسط، والذي يتميز بدinamikiات سياسية واجتماعية واقتصادية فريدة، تهدف هذه الدراسة إلى الكشف عن التحديات والفرص التي يواجهها رواد الأعمال في مراحلهم المبكرة.

دوافع رواد الأعمال وباستخدام المقابلات المتعمقة والدراسات القطرية ومصادر البيانات الثانوية، تتناول الدراسة ومساراتهم ومصادر تمويلهم واستدامة مشاريعهم في هذه القطاعات. كما تبحث في دور الأطر السياسية، والمؤسسات، والشبكات، ودinamikiات السوق.

نجاح ريادة الأعمال في فلسطين والأردن ومصر يتشكل من خلال التفاعل المعقد يسلط تحليلنا الضوء على أن بين الموارد والأطر المؤسسية ورأس المال الاجتماعي ومدى نضج النظام البيئي الريادي. وفي حين أن القيود المفروضة الموارد والعوائق المؤسسية تمثل تحديات مشتركة، فإن دور رأس المال الاجتماعي يصبح حاسماً في سد هذه الفجوات، لا سيما في السياقات المؤسسية الضعيفة. ومع ذلك، فإن لكل بيئة ريادية ديناميكياتها الفريدة التي تتأثر بالسياقات السياسية والاقتصادية والثقافية، مما يبرز الحاجة إلى سياسات مخصصة لتعزيز ريادة الأعمال وتعزيز المرونة الاقتصادية.

تشمل التوصيات السياسية ضرورة تطوير برامج دعم ريادة الأعمال المصممة خصيصاً لتلبية احتياجات كل قطاع، وتحسين الوصول إلى التمويل، وتعزيز التعاون عبر الحدود، وتعزيز الأطر المؤسسية لتهيئة بيئة أكثر دعماً لرواد الأعمال الشباب والنساء. وتُعد معالجة هذه القضايا من خلال سياسات مستهدفة وتحسين خدمات دعم الأعمال التجارية وبرامج ريادة الأعمال الشاملة أمراً ضرورياً لتعزيز النمو المستدام وإطلاق الإمكانيات الكاملة للمشاريع التي يقودها الشباب في هذه النظم في هذه النظم البيئية المتنوعة.

Keywords: Agriculture, Ecosystem, Entrepreneurship, Handicrafts, Social Entrepreneurship, Tourism

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INTRODUCTION

In the domain of contemporary academic and developmental research, entrepreneurship emerges as a dynamic force propelling innovation and fostering economic growth (Baumol & Strom, 2007; Kritikos, 2014) drawing substantial scholarly attention.

The entrepreneurial landscape in the Middle East has undergone significant transformations in recent years, irrespective of the political conflicts that persist in the region. Palestine has emerged as a noteworthy participant in the evolving entrepreneurial landscape. With fewer than 300 tech enterprises, limited early-stage funding, and an absence of high-value scaleups, Palestine's startup ecosystem currently resides in the early-activation phase (Morrar et al., 2022). While few studies have delved into entrepreneurship within the national context of Palestine (Morrar & Baba, 2022; Morrar, et al., 2022), often amid the challenges presented by the Israeli occupation, they have indeed yielded invaluable insights into Palestine's business environment, encompassing aspects such as policy formulation and socioeconomic inclusion. It is essential to acknowledge that Palestine's business environment is not isolated but operates within a broader geographical framework that extends beyond its borders.

Jordan, with its diverse population and growing urbanization, is witnessing a flourishing entrepreneurship ecosystem. Entrepreneurs in Jordan were not only economically motivated but also exhibited a strong desire to contribute to the betterment of society (Al-Dajani & Marlow, 2010).

Egypt, on the other hand, has a larger and more mature entrepreneurial ecosystem, with access to investors and accelerators. Egypt's well-established trade infrastructure and ports enable entrepreneurs to access global markets more easily than in the case of Palestine. Also, entrepreneurs in Egypt like their counterparts in Palestine and Jordan, are driven by a desire to address pressing societal issues through their ventures (Fakoussa et al., 2020).

This research aims to bridge a significant gap in the existing body of work by conducting a comprehensive comparative examination of entrepreneurship in Palestine, Jordan, and Egypt. The three countries characterized by their shared and divergent entrepreneurial contexts in the MENA region, which provide a rich basis for analysis. In addition to their shared cultural ties, historical legacies, and demographic similarities, they also face common regional political instability, which impacts market access, investment flows, and institutional support. In addition to the fact that each country has emerging entrepreneurial ecosystems in sectors like agriculture, handicrafts, and tourism, shaped by both traditional practices and modern innovations. Meanwhile, **Palestine** operates under unique political constraints with severe limitations on mobility, access to resources, and regulatory challenges due to the ongoing conflict. While **Jordan** offers a relatively stable political environment with strong governmental

support for entrepreneurship, it faces limitations due to its small domestic market and reliance on external aid. In contrast, **Egypt** possesses a larger, more mature entrepreneurial ecosystem with access to international markets and investors, though it struggles with institutional inefficiencies, financial constraints, and gender disparities.

The primary emphasis of the research is not on social entrepreneurship itself but rather on entrepreneurship and on entrepreneurial projects that incorporate a social dimension. Incorporating a social dimension in entrepreneurship can contribute to the development of sustainable solutions that align with the cultural and societal values of the MENA region. Our study conducts an in-depth analysis of Palestine's entrepreneurial landscape in comparative with Egypt and Jordan landscape. This approach enables us to grasp the specific intricacies of the entrepreneurial environment, encompassing aspects such as product development processes, fundraising strategies, marketing tactics, financial management procedures, and the effectiveness of current support systems.

Our research focuses on three distinct sectors—agriculture, handicrafts, and tourism—as they are industries influenced by both global and local dynamic. The selection of agriculture, handicrafts, and tourism reflects their vital role in economic growth, employment, and cultural identity across Palestine, Egypt, and Jordan (see table 1). Therefore, studying entrepreneurship in these sectors provides insights on how entrepreneurs navigate global market trends, local regulations, and cultural considerations.

In the second section, we introduce a comprehensive background and literature review about entrepreneurship ecosystem in the MENA region focusing on the agriculture, handicrafts, and tourism sectors. Section three provide the theoretical background of entrepreneurship ecosystem. Section four introduces the stylized facts about each sector. Section five presents the methodology of the analysis, followed by the results (section six) and finally section seven provides the main conclusions and recommendations.

BACKGROUND AND LITERATURE REVIEW

Entrepreneurship, characterized as the ownership, launch, management, and assumption of economic risks in ventures, plays a pivotal role in job creation, innovation, and economic growth (Greve & Salaff, 2003). The transformative power of entrepreneurship is evident in its role as an engine driving economic growth, employment generation, innovation, and international political openness (Farzanegan, 2014). Moreover, Parrish (2010) emphasizes that successful enterprises not only sustain their operations but also contribute to the sustainable development of broader social-ecological systems. The Middle East and North Africa (MENA) region, encompassing Palestine, Jordan, and Egypt, has attracted growing attention from scholars aiming to comprehend entrepreneurship's dynamics within this diverse context (Morrar et al., 2022; Jarrar, 2022; Hassan, 2023).

The MENA region's burgeoning entrepreneurial landscape is marked by a dynamic interplay of factors. It emerged as a hub of commercial innovation and entrepreneurship, driven by its demographic advantage of a youthful population, expanding access to technology, and a burgeoning digital economy (Alkasmi et al., 2018). The conducive market environment in the MENA region offers ample opportunities for sustainable development, encouraging the establishment of new firms and economic activities (Lordkipanidze et al., 2005). This environment calls for an exploration of entrepreneurship beyond the confines of the dominant US entrepreneurship model, and to advocate for research into varied perspectives, theories, and models of entrepreneurship (Terjesen et al., 2016).

Entrepreneurship within sectors such as agriculture, handicrafts, and tourism hold distinctive features compared to traditional entrepreneurship. While definitions of entrepreneurship often highlight individuals creating, discovering, evaluating, and exploiting market opportunities (Naude, 2010; Shane, 2003), the context within these sectors introduces specific nuances that shape the nature of early-stage entrepreneurial projects. In the realm of agriculture, early-stage entrepreneurial initiatives may involve identifying innovative farming practices, pursuing sustainable crop cultivation techniques, or optimizing value chains (Brush & Vanderwerf, 1992). Agriculture entrepreneurship often hinges on a deep understanding of soil quality, climate conditions, and evolving agricultural technologies, making it distinct from other sectors. Within the domain of handicrafts, entrepreneurship takes on an artistic and cultural dimension. Artisans engaged in early-stage projects in this sector often focus on revitalizing traditional crafts through innovative design, marketing strategies, and adapting to changing consumer preferences. Here, the entrepreneurial journey is closely intertwined with preserving cultural heritage and ensuring economic sustainability (Baum, 2017). The tourism sector presents yet another facet of entrepreneurship, one that centres on offering unique travel experiences and sustainable lodging options (Hall & Williams, 2008). Entrepreneurial endeavours in tourism require an intimate knowledge of local attractions, hospitality management, and a commitment to sustainable tourism practices (Sheldon & Park, 2011). Crafting memorable travel experiences and addressing the growing demand for eco-

friendly tourism options are central to the challenges and opportunities faced by early-stage tourism entrepreneurs.

It is essential to recognize that these sectors offer unique opportunities and challenges for entrepreneurs. Each sector demands a specialized set of skills, knowledge, and resources. Agriculture requires a deep understanding of soil, climate, and agricultural techniques (Etemad & Wright, 2003). Handicrafts demand artistic and cultural sensitivity, as well as business acumen to effectively market traditional crafts (Smith, 2011). In contrast, tourism entrepreneurship necessitates a grasp of local attractions, hospitality, and sustainable tourism practices (Hall & Williams, 2008). These sectors present their own set of barriers, enablers, incentives, and contextual conditions that profoundly influence early-stage entrepreneurial projects, making them distinct and complex within the broader entrepreneurial landscape.

By understanding the unique characteristics and challenges of entrepreneurship within these sectors, we can better explore the concrete barriers, enablers, opportunities, and incentives that promote or hinder early-stage entrepreneurial projects in agriculture, handicrafts, and tourism. This understanding is crucial for designing effective support structures and policies tailored to the specific needs of entrepreneurs operating in these sectors.

THEORETICAL BACKGROUND

The resource-based view (RBV) is a managerial framework used to determine the strategic resources a firm can exploit to achieve sustainable competitive advantage (Barney, 1991). The resource-based view is interdisciplinary in that it was developed within the disciplines of economics, ethics, law, management, marketing, supply chain management and general business (Hunt, 2013). RBV suggests that resources should have four key attributes to contribute to a firm's competitive advantage: value, rarity, inimitability and non-sustainability, popularly known as the VRIN framework (Bhandari et al., 2020).

The theoretical lens of RBV can guide startups towards strategic resource allocation and sustainable competitive positioning within the agricultural landscape. Startups in the sector can effectively manage agri-elements including water, seed, soil, and market demands to maximize the entrepreneurial potential of the agriculture industry. Precision agriculture and vertical farming reshape traditional practices. Innovation in farming practices can encompass tillage, pest control, nutrient management and water management.

Crafts making is a growing phenomenon and is regaining its position both as hobby and business with evidence manifesting in the "third wave of crafting" (Miller, 2017) and in the emergence of popular online craft platforms such as Etsy. The common perspectives are that this third wave entails technology and social media (Luckman, 2015), fusion of tradition and innovation (Zulaikha & Brereton, 2011), focus on sustainability and ethical practices (Wood, 2011), entrepreneurial spirit, and community engagement and activism (Kenning, 2015). Craft entrepreneurs create different types of values ranging from materialistic to idealistic by nature and from economic to transformational by the impact (Smagina & Ludviga, 2020; UNCTAD, 2010).

In the theoretical landscape, entrepreneurship in tourism is a strategic endeavour that entails customer-centric approaches, sustainable destination management, resource leverage, cultural preservation, and the orchestration of valuable tourist experiences to thrive in an ever-evolving global tourism market. Service-Dominant Logic (S-D Logic) is a new orientation that allows greater competitive advantage by recognising the active role of tourists in the creation of their own experiences. Through this model, research findings have evidenced that tourist loyalty is achieved through the development of relationship quality in the co-creation of tourist experiences which can help destination managers to achieve a greater competitive advantage through the development of customer-centric strategies (Blazquez-Resino et al, 2015). Destination management is another critical framework highlighting the strategic planning and coordination required for effective tourism development. Entrepreneurs must navigate diverse aspects, including sustainable development, community engagement, and marketing strategies to enhance the overall appeal of tourist destinations (Risfandini et al, 2022).

STYLIZED FACTS ABOUT THE THREE SECTORS STUDIED

Before we dive into the analysis of the entrepreneurial patterns in these three sectors (agriculture, handicrafts, tourism) in the three benchmark countries, we summarize in table 1 below the main stylized facts in these sectors.

Table 1. Stylized facts in the three studied sectors (agriculture, handicrafts, and tourism) in Palestine, Jordan, and Egypt

	Palestine	Egypt	Jordan
AGRICULTURE SECTOR	Although, agriculture sector has experienced a decline in the contribution to GDP in the last three decades, from 12.1% in 1994 to 6.0% in 2022 ¹ due to the challenges posed by limited access to resources and geopolitical constraints, however, it remains an important livelihood for many Palestinians, especially in rural areas, and it is the backbone of food security now and in the future.	Agriculture is the backbone of the economy, employing millions and contributing significantly to the national GDP with ample opportunities for entrepreneurship. In 2023, it contributed approximately 15% to the country's GDP ² .	Jordan's agricultural sector is crucial for the country's economic stability and food security. Despite challenges such as scarce water resources and arid climatic conditions, in 2022, it contributed around 5% to the national Gross Domestic Product (GDP) and provides employment for approximately 3% of the workforce ³ .
	Geopolitical factors, including land access and restrictions, pose significant challenges to agricultural entrepreneurship.	Opportunities for water management entrepreneurship as the Nile faces increased pressure from population growth.	Water scarcity and limited arable land (mostly in the Jordan Valley) pose significant challenges and at the same time opportunities for youth entrepreneurship.
	Focus on new products in AgriTech including greenhouse control/automation, drip irrigation/fertigation and hydroponics.	Focus on value-added products such as juices, jams, dried fruits, and other value-added products.	Focus on precision agriculture practices like drip irrigation, climate-controlled greenhouses, soil sensors, and IoT devices.
	Increased emphasis on organic and sustainable practices - mostly through developing new compost products.	Precision agriculture startups offering products that employ farming optimization techniques including drip irrigation, smart sensors, and data-driven farming.	Experimenting with the production of high-value fruits, vegetables, and herbs that cater to niche markets.

1. Palestinian Central Bureau of Statistics. (2023). *National accounts 1994–2022*.

2. <https://www.sis.gov.eg/Story/193153/Agriculture-sector-contributes-about-15%25-to-Egypt%E2%80%99s-GDP?lang=en-us>

3. <https://www.fao.org/jordan/our-office/jordan-at-a-glance/en#:~:text=Jordan's%20agriculture%20sector%20plays%20a,3%20percent%20of%20its%20workforce.>

	Palestine	Egypt	Jordan
HANDICRAFTS	<p>The handicrafts sector in Palestine, Jordan, and Egypt is uniquely positioned to harness the profound cultural richness embedded in the products artisans create. Each of these countries boasts a rich tapestry of traditions, history, and heritage, which serves as a wellspring of inspiration for artisans. Entrepreneurs in the sector leverage this cultural wealth to craft products that not only embody artistic excellence but also carry deep cultural significance. This cultural richness is a substantial advantage, as it appeals to discerning markets that seek authenticity and craftsmanship. However, the political and economic instability in the region can hinder investment opportunities and the availability of financial resources for the handicraft sector in Palestine. Jordan and Egypt enjoy more economic stability compared to Palestine, which can facilitate access to international markets and financial resources for handicraft entrepreneurs.</p> <p>Gender-related challenges within the handicraft sector can significantly differ among Palestine, Jordan, and Egypt. Cultural and social norms may impose restrictions on women's access to resources and their ability to engage in public life.</p>		
	<p>Handicraft sector play a vital role in the Palestinian economy as a part of the tourism sector. It represents a main economic sector in terms of income and employment in Bethlehem and Jerusalem.</p> <p>Focus is on intricate olive wood carvings and mother-of-pearl depicting religious artifacts, traditional embroidery (mostly functional and decorative art pieces) embodying the Palestinian identity.</p> <p>Startups are mostly home-based micro-projects with fluctuating income with no vision or intention of registration/formalization of the projects into businesses.</p> <p>Difficulty in sourcing raw materials including fluctuations in the availability and cost.</p> <p>In the absence of foreign tourism and the limited ability to market domestically, Palestinian handicrafts face significant challenges. These products are often considered luxury items</p>	<p>The handicraft sector is a vital contributor to Egypt's economy, with exports reaching \$210.76 million in 2018, reflecting a 4% growth. It plays a key role in women's employment, especially within MSMEs, supporting livelihoods and promoting inclusive economic development (Crown Consulting for Agribusiness development, 2021)⁴.</p> <p>Focus is on textiles, papyrus art, pottery, glassware, wood and copper crafts, handmade carpets and leather products, and traditional jewelry depicting ancient civilizations and Pharaonic motifs.</p> <p>With a more stable economic environment, Egypt has more established channels for exporting handicrafts.</p> <p>Sales are affected by competition from mass-produced imports.</p> <p>Egypt's well-established trade infrastructure and ports enable entrepreneurs in the handicrafts sector to access</p>	<p>Jordan's handicrafts have great in economic development and job creation in Jordan mainly for women and rural areas (Arinat, 2016)⁵.</p> <p>Focus is on textiles, mosaic art and pottery depicting Bedouin heritage.</p> <p>Crafts entrepreneurship is a notable strategy for empowering refugees, with the potential to create competition for indigenous artisan entrepreneurs.</p> <p>Relatively easy to source raw materials (such as clay for pottery and others) because of abundance in the region.</p> <p>Sales are affected by seasonal demand and many entrepreneurs utilize e-commerce platforms to access international markets to offset the decline in sales during low-demand seasons. This is enabled by Jordan establishing itself as a cultural and heritage tourism hub.</p>

4. Crown Consulting for Agribusiness development (2021). Gender-sensitive analysis of the handicrafts sector in AL-Minya Governorate. <https://downloads.unido.org/ot/25/13/25133430/Final%20report%20-%20Handicrafts%20Value%20Chain%20Minya%20Fa-youm%20-%20October%202021.pdf>

5. Arinat, M. (2016). The Status of Handicrafts in Jordan: Challenges and Prospects . Dirasat, Human and Social Sciences, Volume 43, Supplement. 5, 2016

	Palestine	Egypt	Jordan
HANDICRAFTS	<p>rather than necessities, making them less accessible to the local population due to high cost. In addition, weak marketing strategies including limited use of e-commerce platforms and sales to reach foreign markets.</p> <p>Many logistical challenges related to market access because of political (West Bank) and geopolitical issues (Gaza).</p> <p>Payment and transaction challenges including limited e-payment options.</p> <p>Palestine startup ecosystem is in the early activation stage but with a sluggish growth potential because of ongoing political instability.</p> <p>political and economic instability, mainly the movement restrictions hide the advantage of profound cultural richness in Palestine.</p>	<p>global market as more easily than in the case of Palestine.</p>	<p>Jordan has a larger and more diverse market and more developed infrastructure (compared to Palestine) affecting the overall business environment including financial transactions and logistics.</p> <p>Jordan's strategic location in the Middle East allows it to serve as a gateway for entrepreneurs in the handicrafts sector looking to access markets in the region.</p>

TOURISM

Palestine, Jordan, and Egypt are endowed with a wealth of cultural and historical attractions that create significant opportunities for tourism entrepreneurship. Entrepreneurs can seize these opportunities by offering guided tours, culturally immersive accommodations, and curated experiences that bring history and culture to life.

Adventure tourism is a burgeoning trend across all three countries. Entrepreneurs in the tourism sector can diversify their offerings to cater to the growing demand for adventure experiences. By providing services such as guided treks, rock climbing expeditions, and underwater excursions, they can tap into this dynamic market.

Tourism holds significant potential as a contributor to the Palestinian GDP but remains underexploited due to Israeli restrictions. In 2022, inbound tourism consumption accounted for only 4.2% of Palestine's GDP at current prices, highlighting the sector's untapped economic opportunities amidst ongoing constraints⁶.

Tourism is the most dynamic sector in Egypt's economy contributing about 25% of the country's GDP in 2024⁷.

Startups are collaborating with existing local businesses, including hotels, restaurants, and transportation services, to create integrated travel solutions.

Tourism is a major driver of Jordan's economy, indicating its role in generating foreign exchange, creating jobs, and stimulating other industries like hospitality, transportation, and retail. In 2023, tourism receipts as a percentage of Gross Domestic Product (GDP) grew to 14.6%⁸.

6. https://www.pcbs.gov.ps/statisticsIndicatorsTables.aspx?lang=en&table_id=3483

7. <https://www.sis.gov.eg/Story/193384/Egypt%E2%80%99s-tourism-sector-to-contribute-8.1%25-of-national-GDP-in-2024-World-Travel-and-Tourism-Council?lang=en-us>

8. https://mota.gov.jo/ebv4.0/root_storage/en/eb_list_page/quarterly_review_-_q1_2024_en.pdf

	Palestine	Egypt	Jordan
TOURISM	<p>Geopolitics negatively impact the sector in terms of travel restrictions and security concerns.</p> <p>Limited and underdeveloped infrastructure hinder startups from offering visitor experience and site accessibility.</p> <p>Startups struggle to compete with established tourist destinations in the region due to limited marketing resources and negative media portrayals.</p> <p>Focus on adventure tourism enabled by religious sites, history, and eco experiences.</p> <p>Startup emphasis on community-based tourism including themed trails, homestays, local crafts workshops, and cultural performances.</p> <p>Some experimentation with VR, AR, and 3D technologies to improve tourism experiences.</p> <p>Entrepreneurs utilize digital storytelling platforms and content creation to contribute to the tourism scene by highlighting the stories, people, and places of Palestine.</p> <p>Technical and funding support for entrepreneurs and startups is scarce.</p> <p>Palestine faces unique challenges related to funding due to political and economic constraints.</p> <p>sustainability initiatives in Palestine are more focused on heritage preservation and responsible cultural tourism.</p> <p>Palestine, on the other hand, experiences more pronounced seasonality due to political factors and weather conditions.</p>	<p>Emergence of online travel startups that offer a wide range of tourism services, including flight bookings, hotel reservations, and tour packages.</p> <p>Emergence of tourism experience platforms that connect travelers with local guides, experiences, and activities, allowing them to explore destinations in a more authentic way.</p> <p>Egypt, as a larger and more economically diverse nation, has a wider range of funding options, including government grants and private investors.</p> <p>Egypt has made efforts to promote sustainable practices in its coastal areas.</p> <p>Egypt, with its unique touristic attractions and its year-round favorable climate, enjoys a more stable flow of tourists throughout the year.</p>	<p>Startups focusing on slow tourism including food and culinary specialized tours.</p> <p>Innovative services focus on niche markets like ecotourism and adventure tourism and capitalize on immersive VR experiences.</p> <p>Startups engaged with tech-driven tourism – mostly creating mobile apps that provide information about historical sites, cultural events, and navigation assistance, enhancing the overall visitor experience.</p> <p>Jordan, while smaller, benefits from strategic partnerships and international aid for its tourism sector.</p> <p>Jordan's commitment to eco-tourism in the Dana Biosphere Reserve and Wadi Rum is well-documented.</p> <p>Jordan experiences some seasonality, with peak tourist seasons coinciding with cooler weather.</p>

METHODOLOGY

A qualitative approach was employed to gain a comprehensive yet detailed understanding of the challenges and opportunities encountered by emerging entrepreneurs in each respective country. For qualitative data collection, in-depth semi-structured interviews were conducted with a diverse sample of 37 youth entrepreneurs (about 60% females) in each country (Palestine: 14, Jordan: 14, Egypt: 9) in the period between June and December 2022.

The interviews with early-stage entrepreneurs in Jordan and Egypt were facilitated using the Zoom platform. This approach was constrained by the lack of digital skills of many entrepreneurs which made it difficult to reach them through digital channels, particularly in rural areas. For example more than 35 interview requests were sent across the three different sectors for Egyptian entrepreneurs, but only 9 were able to respond.

A list of the distribution of the interviews across the sectors is outlined in the appendix. . Guiding questions for the semi-structured interviews were sent to the interviewees at least one week before the interview. To substantiate the findings and overcome the limited number of interviewees, the primary data (collected from the interviews) was supplemented by secondary sources, including country profiles, government reports, international organizations' publications, and case studies (Nadim and Hoffman, 2007; Ibrahim et al., 2016; GEM, 2020; Fakoussa et al., 2020).

Geared towards capturing the realities of the selected startups, with focus on the challenges and opportunities related to their ventures, the checklists for the interviews included themes on the biographical information on the founders including their motivations, intentions and goals, project background and trajectory, skills and informational gaps at the time of founding, seed funding received and sources, support organizations and programs and the overall market environment, challenges and available opportunities, assessment of the entrepreneurship ecosystem and identification of possible bottlenecks that hamper youth entrepreneurship, and identification of key stakeholders, policies, and entrepreneurship programs and their roles in the ecosystem (Appendix 2).

These overall themes allowed for capturing the shared challenges amongst all projects as they relate to entrepreneurship in the selected countries, but also for the space for noting the particular challenges and trajectories trailed by each venture. The checklists were subject to change based on the feedback of the first five interviews, but were found to be well suited for the objective of the interviews.

The selection of the interviewed ventures/projects relied on the following criteria: Active within one of the targeted sectors (or is closely related to them): agriculture, handicrafts and tourism, significant portion of projects being women-led, located in Palestine, Jordan and Egypt, relatively new ventures/projects

(which have been started between the past three-five years) so as to be relevant to the current entrepreneurial context in these countries, and focusing on social entrepreneurial ventures that focus on finding sustainable solutions and innovative solutions.

The process also followed a snowballing approach starting with notable ventures that had been acclaimed in various entrepreneurial programs/competitions in the three countries for their potential. During the interviews, referrals were obtained from these projects for other ventures/projects that present unique cases and lessons in the context of entrepreneurship. If relevant, the referred enterprises were interviewed and also asked for further connections. While effective for accessing hard-to-reach populations, the snowball sampling approach has several shortcomings like selection bias and potentially excluding less visible or informal entrepreneurs. It also lacks the needed diversity, as referrals tend to come from similar networks, leading to homogenous samples.

As aforementioned, each interview consisted of questions spanning the entire process of founding a project: from ideation and motivation all the way to creating products/services, marketing and selling them. It is worthwhile to mention that the snowballing design has an inherent limitation as it relies heavily on existing social networks and connections. In order to minimize the potential selection bias effect, the researchers made sure that the initial participants or seeds are identified from a diverse set (several entrepreneurship programs), represent different characteristics, and also by encouraging the seed participants to refer entrepreneurs who are outside of their close network.

Processing and analyzing the interviews was done by first transcribing and coding them into themes in order to identify patterns, recurring topics, or shared experiences in terms of motivations, challenges, opportunities, perceived success factors, and unique aspects of the ventures – taking into consideration responses within each sector for sector-specific insights.

RESULTS AND DISCUSSION

Case studies from Palestine, Jordan and Egypt (Ibrahim et al., 2016; ILO, 2017; GEM, 2020; Abdelwahid et al., 2022; Ead and Elbadry, 2023; Alawamleh et al., 2023) provide concrete evidence that youth-driven social entrepreneurship is not merely a theoretical concept but a practical and impactful approach to addressing pressing challenges (alignment of entrepreneurial initiatives with the socio-economic context), which validates the premise of the social entrepreneurship theory. In other words, case studies mirror the alignment between youth initiatives and the distinct challenges within the MENA region, reaffirming the relevance of the social entrepreneurship theory, and shed light on the motivations, challenges, and impact of young entrepreneurs in these countries, emphasizing the alignment between their initiatives and the unique socio-economic context.

In Palestine, a region marked by ongoing political conflict and economic hardship, entrepreneurs are not merely driven by profit motives but are deeply committed to addressing critical issues such as unemployment and community development (Hashim et al., 2017). **Interviews found that youth entrepreneurs** are rising to the challenge by developing creative solutions that address critical issues such as unemployment, poverty, access to education, youth and women empowerment, and building resilience. This commitment was reflected in their business models, which often incorporated social impact as a core element.

Visionaries in Jordan are harnessing the power of business and entrepreneurship to tackle social challenges such as unemployment, education inequality, and refugee support. Entrepreneurs in Jordan serve as a catalyst for local economic development and societal progress. **Interviews found that** some social entrepreneurial initiatives like “Ruwwad⁹” stands out as a leader in community development and empowerment, particularly in marginalized areas. “Souq Fann”, a remarkable online marketplace for handmade crafts and locally produced products, on the other hand, empowers local artisans to access global markets, creating income opportunities and preserving traditional crafts. Jordan's rich historical and cultural heritage, including attractions like Petra and the Dead Sea, continues to draw tourists. This sector offers opportunities for entrepreneurs in tourism-related services and experiences.

In the context of Egypt, youth, like their counterparts in Palestine and Jordan, are driven by a desire to address pressing societal issues through their ventures (Fakoussa et al., 2020). **Interviews show that** entrepreneurs in Egypt are leveraging technology, education, and sustainability to drive change. Initiatives like “Nafham”, provide free educational resources to students, bridging educational gaps, while

⁹ Ruwwad is a non-profit community development organization that works with disenfranchised communities through education, youth volunteerism and grassroots organizing. <https://www.ruwwad.ngo/index.php/node/19>.

“RecycloBekia” tackles electronic waste and job creation. “SolarizEgypt” is making strides in renewable energy adoption, addressing both energy access and environmental sustainability. In addition, young artisans leverage traditional craft techniques to create innovative ventures that simultaneously preserve cultural heritage and generate economic value.

AGRICULTURE

Based on insights gathered from 11 in-depth interviews with agricultural entrepreneurs across Palestine, Jordan, and Egypt, it was found that the commitment of all three countries to support agricultural entrepreneurship is commendable. Government programs and policies aimed at streamlining processes, promoting innovation, and offering financial incentives play a pivotal role in fostering the growth of this sector. However, some key challenges still face the agriculture entrepreneurs, which have some variation among the three countries.

Results from interview found that one of the most pressing common challenges facing the agricultural sector in Palestine, Jordan, and Egypt is water scarcity, which was underscored by most of the respondents in the three countries (see table 2). This shared issue arises from climate change, erratic rainfall patterns, and fierce competition for limited water resources. Agricultural entrepreneurs in these countries are compelled to adopt water-efficient irrigation techniques, such as drip irrigation, to mitigate the adverse effects of water scarcity on crop yields. Collaborative research and investments in sustainable water management practices are crucial to ensuring the sector’s resilience.

Table 2. Challenges and Opportunities in the Agriculture Sector

Country	Challenges	Opportunities
Palestine	<ul style="list-style-type: none">- Water scarcity due to climate change and political constraints.- Limited market access due to occupation.- Financial constraints; fragmented arable land.- Lack of mentorship in agri-tech.	<ul style="list-style-type: none">- Potential for innovation in AgriTech (IoT applications).- Sustainable water management practices.- Community-based agricultural initiatives.
Egypt	<ul style="list-style-type: none">- High cost of technology acquisition.- Limited training opportunities.- Resource access issues; water management challenges.- Market access limitations.	<ul style="list-style-type: none">- Strong governmental support for agriculture.- Export-oriented crop production.- Investments in mechanization and modernization.- Favorable domestic and international markets.
Jordan	<ul style="list-style-type: none">- Water scarcity.- Resource limitations; small domestic market.- Regional political instability.- Challenges for small-scale farmers in remote areas.	<ul style="list-style-type: none">- Emphasis on precision agriculture.- Preferential trade agreements (e.g., Jordan-U.S. FTA).- Opportunities in high-value crops and niche markets.- Strategic location for regional trade.

While entrepreneurs from the three countries emphasize the promotion of innovation in agriculture, the adoption of advanced farming technologies remains a challenge. They also face obstacles such as the high cost of technology acquisition, limited training opportunities, and restricted access to resources.

Interviews found that modernization and productivity hold particular significance in the Palestine's agricultural landscape, where entrepreneurs grapple with a set of challenges distinct from their regional counterparts. These include complex political landscape, financial constraints, limited access to resources, and the fragmentation of arable land. Maysara, an agritech entrepreneur from Palestine mentioned that "despite being pioneers in utilizing IoT technology in the software and hardware parts of our product, the learning curve was steep and mentors in the field were scarce." Meanwhile, entrepreneurs in Jordan are generally open to embracing new technologies to bolster productivity. Nonetheless, the challenges persist, particularly for small-scale farmers situated in remote regions. In Egypt, large-scale farming operations have successfully integrated modernization and mechanization into their practices, particularly in the cultivation of export-oriented crops. These advancements are facilitated by substantial investments and resource allocation.

Within Palestine, the specter of limited market access assumes a singular dimension, primarily arising from political constraints and the enduring Israeli occupation. Jordan enjoys relatively more accessible market avenues. Entrepreneurs readily engage with neighboring markets, bolstered by preferential trade agreements such as the Jordan-U.S. Free Trade Agreement. Egypt endowed with a sprawling and diverse marketplace both domestically and internationally, presents an intriguing facet of the limited market access challenge.

To address the challenges identified in the agricultural sector across Palestine, Jordan, and Egypt, policymakers should prioritize enhancing access to sustainable water management technologies through increased investment in climate-resilient irrigation systems, such as drip irrigation and water harvesting techniques. Facilitating affordable financing mechanisms and tailored training programs can help entrepreneurs overcome barriers related to high technology costs and limited expertise, particularly in agri-tech fields. Regional collaboration in agricultural research, combined with knowledge-sharing platforms, can foster innovation and address mentorship gaps, especially for early-stage ventures. Additionally, improving market access through streamlined trade policies, enhancing export infrastructure, and supporting community-based agricultural initiatives will promote resilience, economic growth, and food security in the region.

HANDICRAFTS

Results from the 14 interviews with entrepreneurs in the handicraft sectors in the three countries highlight remarkable results:

It shows that while artisans in these countries possess remarkable traditional handicraft skills passed down through generations, they often lack modern business and marketing expertise (see table 3 below).

Nadia, a crafts entrepreneur in Palestine notes that “bridging this skills gap is vital to empower artisans and enhance their competitiveness in the global marketplace.” Rawan, an artisan living in Karak, Jordan attributes her overall success of sustaining the startup to the diverse training programs that she took and “that covered not only craftsmanship but also business skills, digital marketing, and e-commerce management.” She noted that “these skills are essential for entrepreneurs in the handicrafts sector.”

Table 3. Handicraft Sector Challenges and Opportunities

Country	Challenges	Opportunities
Palestine	<ul style="list-style-type: none"> - Limited market access due to political constraints, movement restrictions, and high costs. - Weak marketing strategies and lack of modern business and marketing expertise. - Difficulty sourcing raw materials with fluctuating availability and costs. - Payment and transaction challenges due to limited e-payment options. 	<ul style="list-style-type: none"> - Rich cultural heritage offering unique, authentic products. - Potential growth through digital storytelling and e-commerce. - Emerging interest in community-based and heritage-focused products.
Egypt	<ul style="list-style-type: none"> - Competition from mass-produced imports impacting local artisans. - Lack of modern business and marketing expertise. - Limited professional support and high production costs. - Gender inequality affecting women's participation in the sector. 	<ul style="list-style-type: none"> - Strong export potential with established trade infrastructure. - Growing interest in traditional crafts, textiles, and jewelry. - Opportunities for scaling through global markets and MSMEs.
Jordan	<ul style="list-style-type: none"> - Lack of modern business and marketing expertise. - Seasonal demand fluctuations affecting income stability. - Competition from refugee-driven craft businesses. - Limited formalization of micro-projects, affecting growth potential. 	<ul style="list-style-type: none"> - Cultural tourism hub supporting demand for traditional crafts. - Strategic location enabling access to regional markets. - Potential for empowering women and rural communities through crafts.

While limited market access is a critical challenge for entrepreneurs in various sectors worldwide, its impact and scope can differ significantly among Palestine, Jordan, and Egypt in the context of the handicrafts sector. Palestinian entrepreneurs in the handicrafts sector often rely on neighboring countries and regional markets for trade due to limited access to global markets. Mariam who creates personalized embroidery designs in Gaza and sells them through Instagram notes that “it is difficult to penetrate global markets given my limited financial resources, yet I receive many personal orders from Arab countries. I deliver them through a small shipping company.” This dependence can be both a challenge and an opportunity, as it may lead to specialized trade partnerships with nearby countries.

Access to capital and resources is a critical challenge for handicraft entrepreneurs in various sectors worldwide, and it varies among Palestine, Jordan, and Egypt in the handicraft sector. However, access to capital can still be challenging for startups and small businesses in the handicraft sector, particularly in the absence of collateral or a robust credit history. Most interviewed entrepreneurs from Palestine and Jordan mentioned that, given their small volume of sales and fluctuating income, they decided not to formally register their startups. While this gives them operational flexibility, it negatively impacts their eligibility to receive loans and funding. Egypt, as the most populous country in the region, provides handicraft entrepreneurs with a more developed economic infrastructure and access to capital. The Egyptian government has taken steps to facilitate entrepreneurship in the handicraft sector, attracting investment and promoting the sector's growth.

In terms of gender-related challenges, results show that women in Palestine have made significant progress, leading successful women-led entrepreneurial initiatives in the handicraft sector. Jordan has made notable progress in promoting gender equality and enhancing women's participation in the economy, including within the handicraft sector. When asked about the motivation for starting their ventures, the majority of interviewed women entrepreneurs mentioned that their startups were driven by the desire to improve their families' well-being, achieve economic independence, breaking free from societal constraints and claiming control over their destinies. A few mentioned that their ventures are an act of self-expression and a platform to showcase their creativity and resilience in a society that sometimes undervalues them. Gender-related challenges in Egypt's handicraft sector exhibit a broad range, with significant disparities between urban and rural areas. Nancy a craft entrepreneur from Egypt revealed that "urban centers offer more opportunities for women, including access to education and employment within the handicraft sector.

To support the growth of the handicraft sector in Palestine, Jordan, and Egypt, policymakers should prioritize comprehensive capacity-building programs that bridge the gap between traditional craftsmanship and modern business skills, with a focus on digital marketing and e-commerce. Enhancing access to affordable financing, particularly for informal and women-led enterprises, through micro-loans and grants can promote business formalization and scalability. Regional cooperation initiatives can improve cross-border market access, while investments in digital infrastructure will help artisans overcome logistical barriers, especially in politically constrained areas like Palestine. Additionally, fostering inclusive policies that address gender disparities, provide targeted support for women entrepreneurs, and encourage community-based enterprises will ensure sustainable growth and resilience in the sector.

TOURISM

The 12 entrepreneurs in the tourism sectors in the three counties agreed that the infrastructure development is a challenge in the tourism entrepreneurship of all three countries (see table 4 below). However, the extent and nature of this challenge can vary. Egypt, as a larger and more economically diverse country, has invested heavily in tourism-related infrastructure, Jordan has also made significant strides in infrastructure development. In contrast, Palestine faces more pronounced infrastructure challenges due to its unique political situation. Saed, a Palestinian entrepreneur who specializes in organizing guided tours for birds watching mentioned that almost all the sites that he visits with tourists lack public restrooms. He further notes that transportation lacks accessibility for those with disabilities.

All entrepreneurs from the three countries mentioned that political instability and security concerns in the Middle East are shared challenges in the context of tourism entrepreneurship. Egypt has experienced periods of political turmoil in the past, particularly during the Arab Spring, which had an impact on its tourism industry. Jordan, while generally stable, is located in a region with geopolitical challenges, and its stability is closely tied to the surrounding countries. Palestine's tourism sector can be particularly sensitive to political events and security situations, given its unique political context. Lina, an entrepreneur who organizes cultural and religious guided tours in Palestine noted that "fear of violence, instability, and travel advisories often cause tourist numbers to plummet, leaving hotels empty and tour guides idle not to mention the adverse impact on restaurants and souvenir shops."

Table 4. Tourism Sector Challenges and Opportunities

Country	Challenges	Opportunities
Palestine	<ul style="list-style-type: none">- Underexploited tourism potential due to Israeli restrictions.- Limited infrastructure affecting visitor experience and accessibility.- Struggles with competing against established tourist destinations.- Political instability affecting funding and sustainability initiatives.	<ul style="list-style-type: none">- Focus on adventure tourism and eco-experiences.- Community-based tourism including themed trails and cultural performances.- Digital storytelling platforms to promote tourism.- Use of VR, AR, and 3D technologies to enhance tourism experiences.
Egypt	<ul style="list-style-type: none">- Competition from mass-produced imports in handicrafts.- Political instability causing sudden contractions in demand.- Limited infrastructure affecting visitor experience and accessibility.	<ul style="list-style-type: none">- Dynamic tourism sector contributing 25% of GDP.- Strong collaboration with local businesses and online travel startups.- Established trade infrastructure for global market access.

	<div>- Challenges in sustainable practices in coastal areas.</div>	<div>- Promoting sustainable tourism practices in coastal regions.</div>
Jordan	<div>- Small domestic market limits long-term growth.</div> <div>- Political instability in the region affecting tourism.</div> <div>- Regulatory bureaucratic hurdles in registration and licensing.</div> <div>- infrastructure affecting visitor experience and accessibility.</div>	<div>- Major driver of the economy with growing tourism receipts.</div> <div>- Focus on slow tourism and eco-tourism.</div> <div>- Strategic partnerships and international aid support.</div> <div>- Immersive VR experiences enhancing visitor engagement.</div>

Licensing and regulations are common challenges faced by the majority of interviewed tourism entrepreneurs in all three countries in the context of tourism entrepreneurship. However, the specific regulations, permitting processes, and bureaucratic hurdles may differ. Entrepreneurs in Palestine, Jordan, and Egypt need to navigate their respective legal frameworks, which can vary in complexity and requirements.

Access to funding is a common challenge for entrepreneurs in the tourism sector across the board. All interviewed entrepreneurs highlighted the scarcity of funding opportunities for startups in the tourism sector, noting that entrepreneurs in this field may encounter sporadic pre-seed funding ranging from \$2,000 to \$5,000.

To enhance tourism entrepreneurship in Palestine, Jordan, and Egypt, policymakers should prioritize targeted investments in infrastructure, focusing on accessibility, public amenities, and transportation, particularly in underdeveloped areas like Palestine. Simplifying licensing and regulatory processes will reduce bureaucratic hurdles and encourage formal business growth. Regional cooperation initiatives to promote cross-border tourism packages can help mitigate the impact of political instability. Additionally, governments should expand financial support through tourism-focused grants, micro-loans, and public-private partnerships to address funding gaps. Finally, leveraging digital technologies such as VR and AR in tourism marketing strategies can attract diverse audiences and improve resilience against external shocks.

CONCLUSION AND POLICY RECOMMENDATIONS

Our integrated theoretical analysis of entrepreneurship in Palestine, Jordan and Egypt provides insight into how Resource-Based View (RBV), Institutional Theory, Social Capital Theory and Entrepreneurial Ecosystem Theory intersect to influence entrepreneurial outcomes in these countries.

This suggests that whilst entrepreneurs possess an ability to develop many aspects of VRIN resources, particularly around technological innovation, those in Palestine are actively constrained by institutions (both hard and soft) from reaching their full potential.

Interview evidence indicates that **Palestinian entrepreneurs** experience a range of challenges: technical entrepreneurs are hampered by barriers to adoption of emerging technologies such as virtual reality (used in the tourism sector) and precision control systems (used in agriculture); incubators and accelerator programs promote funding incentives without simultaneously addressing resource acquisition for early-stage ventures. In addition to these challenges, the lack of support services related to business development, lack of market information asymmetry as well as absence of a proper research and business strategy further exacerbates these issues. These results are consistent with the central role of institutional support predicted by our theoretical framework in consideration of necessary resource development.

While **Egypt's** entrepreneurship ecosystem has advantages of relatively more mature institutional frameworks and resource infrastructure, it also still faces critical challenges. While the government pledges to assist entrepreneurship and the country possesses geographical advantages, entrepreneurs continue to contend with institutional limitations ranging from financial access to market restrictions, as well as gender disparity. Entrepreneurs with tech backgrounds in Egypt want to use advanced technologies such as AI and machine learning, but they cannot scale because of understaffed resources. Political instability is a long-term issue that creates sudden contractions in demand especially for tourism. Our theoretical lenses also help analyze why, even in more developed ecosystems, institutional conditions and access to resources continue to matter for entrepreneurship.

Jordan occupies an intermediate category: strong state backing and educational support for institutional development, but facing significant hurdles in ecosystem building. Drawing on our theoretical architecture, Jordan nonetheless faces resource limitations in an inevitably much smaller domestic market as well as regional political instability affecting institutional roots. It accentuates the role of social capital in dealing with institutional constraints, particularly for women entrepreneurs at a country level. Not only is financial access an especially acute problem in Jordan, more so for early-stage ventures, but investor interest is also growing. The case of Jordan illustrates how opportunity structures for women entrepreneurs are not solely determined by institutional environments, but rather through a complex interplay of cultural norms and societal expectations.

THEORETICAL IMPLICATIONS FOR THE MENA REGION

On the basis of a cross-sector analysis, we identify some important common trends across the three countries. We observe that most technologies are significantly constrained by the availability of resources, but this burden can differ across both sectors and nations. Entrepreneurial outcomes are heavily mediated by institutional frameworks, with political stability being among the most prominent factors.

That social capital becomes even more important when it comes to dealing with challenges, particularly in places where the structures of institutional support are weaker. While the effectiveness of specific mechanisms will depend on how they interact with an ecosystem, ecosystem maturity is very country-specific and can vary widely from one to another. This provides major theoretical implications of this study. The interaction between resources and institutions is more complex than once assumed in the literature on entrepreneurship. First, the interaction between resources and institutions proves more complex than previously recognized in the entrepreneurship literature, particularly in developing economies. Second, social capital serves as a crucial mediating factor in resource acquisition, especially in environments with institutional voids. Third, ecosystem development requires balanced development across all theoretical dimensions - resources, institutions, social networks, and support structures.

This study adds to the theory and practice of entrepreneurship success in the MENA region, as it argues that there is no simple relationship between resource accessibility configurationally, institutional context and social capital mobilization through ecosystem maturity.

Our results lead to the conclusion that for policymakers, effective support of entrepreneurship is not achieved through isolated provisions such as forming a fund or providing training but rather requires a well-coordinated development across all these dimensions.

POLICY RECOMMENDATIONS

At the national level, tailored policy interventions are essential to address the unique challenges faced by entrepreneurs in Palestine, Jordan, and Egypt.

- In Palestine, there is a critical need to strengthen support for entrepreneurs through targeted financial programs, particularly for early-stage ventures in agriculture, handicrafts, and tourism. This can be achieved by facilitating access to grants and microloans tailored to the specific needs of small businesses. Additionally, streamlining bureaucratic procedures and reducing regulatory burdens will create a more conducive environment for business growth. Investments in digital infrastructure are also vital, enabling artisans to access broader markets through e-commerce platforms, while enhancing tourism infrastructure—such as improving transportation, signage, and accessibility—can significantly boost the sector's potential.
- In Jordan, enhancing capacity-building programs, especially for women entrepreneurs, is key. This includes providing comprehensive training in digital marketing, e-commerce, and cross-border trade facilitation to help entrepreneurs expand beyond the limited domestic market. Given the country's water scarcity issues, promoting eco-tourism and sustainable agricultural practices, such as precision farming and water-efficient irrigation systems, can help mitigate environmental challenges while creating new business opportunities. Simplifying licensing processes and reducing bureaucratic hurdles will further stimulate entrepreneurial activity.
- For Egypt, expanding access to finance for micro, small, and medium-sized enterprises (MSMEs), particularly in the handicrafts and agricultural sectors, is critical. This could be achieved through the establishment of dedicated funding programs and incentives for investors targeting these sectors. Fostering public-private partnerships will also play a pivotal role in supporting tourism startups, especially in developing innovative tourism experiences. Moreover, promoting the adoption of modern technologies in agriculture, such as smart farming techniques and sustainable water management practices, can significantly boost productivity and resilience in the face of climate change.

The insights from this study offer valuable lessons that can be adapted to other countries facing similar developmental challenges:

- One key takeaway is the importance of cross-sector innovation. The integration of technology in traditional sectors—such as the use of IoT in agriculture, digital storytelling in tourism, and e-commerce in handicrafts—has proven effective in enhancing productivity and market reach across all three countries. These innovations can be replicated in other developing economies to modernize traditional industries.

- Additionally, women's empowerment strategies observed in Jordan, where targeted programs have successfully increased female participation in entrepreneurship, can inspire reforms in countries with persistent gender disparities. These programs demonstrate the importance of not only providing financial support but also creating mentorship opportunities and removing cultural and legal barriers to women's economic participation.

The potential for collaboration across the South Mediterranean (South-Med) countries is significant, especially in fostering regional entrepreneurship ecosystems. Establishing regional entrepreneurship hubs focused on knowledge exchange and capacity-building in sustainable agriculture, cultural heritage crafts, and tourism can create a robust support network for entrepreneurs. Joint initiatives, such as cross-border incubators, regional trade fairs, and mentorship programs, can facilitate the sharing of best practices and promote economic integration. Collaborative efforts in areas like water resource management, renewable energy, and digital economy can address common challenges faced by the region.

In terms of EU-Mediterranean (EU-Med) partnerships, there is a strong opportunity to leverage the European Union's expertise and resources to support entrepreneurship in the region. Euro-Med cooperation can be strengthened through funding programs aimed at promoting digital transformation, green entrepreneurship, and cultural tourism. Initiatives such as technical assistance programs, business matchmaking platforms, and research collaborations can help South-Med countries adopt sustainable practices and access European markets. Additionally, the EU's focus on inclusive growth can support efforts to enhance women's participation in entrepreneurship, promote social enterprises, and strengthen the resilience of MSMEs against economic shocks.

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APPENDIX 1: LIST OF INTERVIEWS

Country	Sector	#	Specialty
West Bank and Gaza	Agriculture	4	Livestock Rooftop gardening Irrigation Vermiculture
	Handicrafts	5	Dot Mandala Art Silver and handmade accessories Embroidery and jewelry design
	Tourism	5	Travel Virtual reality for tourism
Jordan	Agriculture	3	AgriTech - Composting Beekeeping
	Handicrafts	6	Jewelry design Woodcrafts Silver and handmade accessories
	Tourism	5	Eco-sustainable lodging Culinary experiences
Egypt	Agriculture	4	DajenZR3I
	Handicrafts	3	Handy DIY kitsGhazl Banat
	Tourism	2	Marsa Waves

APPENDIX 2: SEMI-STRUCTURED INTERVIEW QUESTIONS

Interviews with Entrepreneurs in the Fields of Agriculture, Tourism, and Handicrafts

Interview Duration: 30 – 45 minutes

General Information about the Project and Demographics of the Project Owner:

- Project type: partnership or sole ownership
- Project location
- Project age in years
- Gender
- Age group
- Marital status
- Education level

Part One. Objectives and Motivation

1. What are the motivations for establishing the project?
2. To what extent have friends/family supported (or not supported) your project?
3. What was your experience in the field when you started the project, and what information was lacking at that time?
4. What sources did you use to gather this information?
5. Which entities do you turn to for assistance (information) as an entrepreneur in general and specifically in your field?

Part Two. Product or Service and its Quality

1. Describe the product/service and its sector.
2. Who are the customers, and how do you reach them?
3. What are the main challenges in developing the product/service?

Part Three. Project Launch and Establishment

1. Who is the team, founders, and partners? (Number of females and males)
2. What is the age group of the founders?
3. How did the founding team change during the project launch/establishment period?
4. Is the project registered? What type of registration? In which year was it registered?
5. Have you obtained a patent?
6. What are the main challenges related to project registration?
7. Are there centers/offices that help in developing startups and provide information? What information might you request from such centers?
8. Do you believe these centers are effective in assisting startups and projects?

Part Four. Financing

1. How has the project been financed since its launch? What are the invested amounts?
2. Have you received loans or grants? What is their value? Who are the funding entities?
3. What are the main challenges in seeking and accessing funding?

Part Five. Continuity and Growth

1. What factors affect the continuity and growth of your project? (External and internal factors)
2. What factors could threaten the sustainability of your project? (External and internal factors)
3. What are the monthly/annual sales and collections?
4. What marketing channels do you use?
5. What is the profit margin?
6. Do family/social commitments affect project management or development? How and to what extent?

Part Six. Business Development Services

1. Have you participated/benefited from training programs? Which ones, and how have they contributed to your project's development?
2. Have you benefited from institutions or acceleration programs offering business development services? Which ones, and how have they contributed to project development?
3. Do you use technology in your project? How does it help (or not help)?
4. Have you benefited from any government facilities in developing your project? How?
5. Do you have mentors you turn to for help in solving problems in your project?
6. What are the main challenges you face in developing and expanding your project?

Part Seven. Business Operations and Project Management

Evaluate your knowledge about the following (Proficient – Moderate – I know nothing about it):

- Specifications and standards – e.g., quality certificates
- Tax laws
- Shipping and export procedures
- Developing the project's identity and branding
- Registration procedures
- Entities providing technical and legal support
- Procedures for obtaining funding – e.g., loans
- Use of technology in production operations

What aspects (not listed above) do you need help with in terms of business operations and project management?

Part Eight. Opportunities Available in the Sector

Part Nine. Open-ended Questions

1. What opportunities exist for the development of the project – e.g., export, technology utilization, diversification of payment methods, etc.?
2. Are there any important pieces of information that have not been covered in the above questions?
3. Do you know entrepreneurs working in the same field but not from your close network? Who are they?



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