

The Role of Governmental Authorities in Supporting Entrepreneurship in Tourism Industry

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Abstract

Governments look to entrepreneurship as a main pillar of the economic development. The current study investigates the role of Egyptian governmental authorities in supporting entrepreneurship in the tourism industry in Egypt. It discusses the opportunities and challenges of entrepreneurship and their impact on the tourism industry development. The study employs the deductive approach using quantitative method based on a questionnaire survey to explore the opportunities and challenges relevant to entrepreneurship in tourism sector. The findings revealed that the entrepreneurship in tourism industry benefits from the initiatives launched by the Egyptian government while there are some challenges relate to risk-taking by youth entrepreneurs and lack of sufficient entrepreneurship education in tourism. It is also found that encouraging entrepreneurship is significantly contributing to tourism industry development in the country. The present study has useful implications to policy-makers in tourism and hospitality education and relevant governmental authorities in tourism sector in Egypt and other developing countries.

Keywords: Tourism Entrepreneurship; Tourism Education; Governmental Authorities; Opportunities; Challenges; Egypt.

Introduction

Governments aim to develop innovative solutions to fill society service delivery gaps and to improve development outcomes. Therefore, the public sector started to support small enterprises have emerged in the past two decades to develop and fill in these service delivery gaps (Ribeiro-Soriano & Mas-Verdú, 2015; Pirnar, 2015; Khan & Krishnamurthy, 2016; Agapitova, et al., 2017; Marire & Dhurup, 2018). Entrepreneurship is a favorable solution encouraged by governments as a driving force for the development and competitiveness of the economy (Jochaud, 2014; Deale, 2016; Omoruyi, et al., 2017). Thus, governments help entrepreneurs via various venues including finance of their ideas (i.e., venture capital, micro-finance, banks) and encourage institutions (i.e. NGOs, incubators and accelerators) to play a significant role in helping entrepreneurs and improve their success rates (Ahmad & Abdel-Aziz, 2015).

The Egyptian government has assigned a public entity to support micro and small enterprises and young entrepreneurs. The Micro, Small & Medium Enterprise Development Agency (MSME) aims mainly to develop entrepreneurship practices, and help young entrepreneurs to start up their business. The MSME is an affiliated member in the Ministry of Commerce and Industry, the Ministry of Finance, the Ministry of Social Solidarity, the Ministry of Local Development, the Ministry of Agriculture, The Central Bank of Egypt, Information Technology Industry Development Agency, and Bidaya Center for Entrepreneurship and Development of Small and Medium Enterprises in cooperation with the General Authority for Investment (ECES, 2017).

MSME is responsible for providing small and micro enterprises (SMEs) and young entrepreneurs with support in terms of identifying investment opportunities and preparing feasibility studies, as well as, information on regulations, potential risks, and marketing channels. In addition, it helps

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