

The Effect Of Exchange Rate Fluctuations On The Financial Behavior Of Entrepreneurs In North Lebanon

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Abstract:

The ongoing fluctuations in exchange rates have brought forth consequential variations in the financial behavior of entrepreneurs. This study delves into the substantial influence of exchange rate fluctuations on the financial behavior of entrepreneurs in North Lebanon. The primary objective of our investigation is to establish a comprehensive understanding of the intricate relationship between exchange rate fluctuations and entrepreneurial financial behavior.

To achieve this aim, we devised an analytical framework that positions exchange rate fluctuations as the independent variable and entrepreneurial financial behavior as the dependent variable. This framework is constructed based on a synthesis of relevant literature concerning both exchange rate dynamics and entrepreneurial behavior.

Our study concentrates on exploring the nuanced connection between exchange rate movements and entrepreneurial financial behavior. Through the distribution of questionnaires to entrepreneurs in Lebanon, we collected two hundred eighty valid responses, which formed the basis of our data analysis.

Statistical examination of the collected data led to the following key findings:

- Exchange rate fluctuations exert a positive influence on strategic planning among entrepreneurs.
- Entrepreneurial expenses demonstrate an upward trend in response to exchange rate variations.
- Changes in exchange rates lead to increased savings by entrepreneurs.
- The fluctuation of exchange rates significantly impacts entrepreneurial behavior within the study region.

For a comprehensive understanding of this phenomenon, we employed both quantitative and qualitative data collection methods. Our study predominantly adopted a quantitative questionnaire-based approach.

Our results unveil that exchange rate fluctuations, particularly during the current crisis, have indeed influenced entrepreneurial financial behavior. The research model illustrates that turnover plays a pivotal role in shaping business strategies, savings patterns, and expenditure decisions.

In conclusion, fostering entrepreneurship in North Lebanon requires collective efforts from all stakeholders. It is imperative to promote economic growth and stability through collaborative approaches and proactive measures. By addressing the challenges posed by financial crises and embracing a collective vision, a brighter future can be forged for the entrepreneurs and businesses in the region.

Key Word: exchange rate fluctuations, financial behavior, entrepreneurs, Lebanon, financial crisis, stakeholders.

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I. Introduction

Entrepreneurship has ignited considerable enthusiasm within public authorities and the broader community in recent years¹⁻². This heightened interest is fueled in part by the innovative nature of entrepreneurship, addressing collective needs in distinctive ways³. Furthermore, the duality of entrepreneurship, encompassing both private and public realms, has the potential to transcend sectoral boundaries and usher in novel working paradigms⁴⁻⁵. Nevertheless, the absence of a cohesive paradigm within the business domain has led to a proliferation of definitions¹. This study endeavors to elucidate the fundamental concepts of a company, entrepreneur, and enterprise.

In contemporary times, educational initiatives and practical applications pertaining to entrepreneurship have gained prominence across various sectors, including support structures for startups and established corporations⁶. In light of these dynamics, the focal point naturally shifts towards the question of skill acquisition. Specifically, a critical concern centers on devising an encompassing support framework that caters to the needs of aspiring business founders. This entails an in-depth exploration of the core underpinnings, diagnostic elements, and analytical facets of their entrepreneurial aptitude.

The initial segment of this study unveils the theoretical and pragmatic underpinnings that anchor the realm of business. Subsequently, we delve into the diverse typologies and distinctive attributes of entrepreneurship, culminating in an exploration of the inherent risks associated with entrepreneurial endeavors.

Entrepreneurship is demarcated by a process involving multifaceted actions essential for initiating a business venture. It is, therefore, an intricate process that heralds the birth of a "new entity"⁷. Creativity and risk-taking emerge as pivotal cornerstones of the entrepreneurial journey. A deeper examination of these two critical factors, namely innovation and risk-taking, is warranted⁸.

Innovation, characterized by the pursuit of novelty and differentiation, assumes a fundamental role in the entrepreneurial landscape. Entrepreneurs are consistently driven to offer distinct and unprecedented solutions to meet the ever-evolving demands of their clientele. While they may not always be the progenitors of groundbreaking products or revolutionary production methods, entrepreneurs possess the acumen to harness these innovations for the advancement of their enterprises⁹.

Concurrently, the element of risk-taking looms large in the entrepreneurial narrative. Embarking on a new business venture is inherently fraught with risk, often intertwined with the aspiration to introduce novel and untested ideas. This inherent risk is multifaceted, stemming from factors such as heightened competition, shifting consumer preferences, supply chain disruptions, and more. Thus, an entrepreneur must possess the courage to embrace these risks in pursuit of business objectives. Rather than circumventing challenges, an entrepreneur's capacity to embrace calculated risks positions them for resilience and success, irrespective of the outcome¹⁰.

The significance of entrepreneurship transcends individual success, extending to broader societal dimensions. It serves as a conduit to elevate living standards and foster wealth generation, not solely for the entrepreneur but also for associated enterprises. Moreover, entrepreneurship is a catalyst for catalyzing transformative change through innovation. The introduction and refinement of novel products cultivate fresh markets, contributing to dynamic shifts in the business landscape¹¹.

As we delve deeper into this discourse, we shall unfurl the intricacies of the relationship between exchange rate fluctuations and the financial behavior of entrepreneurs in North Lebanon. This study endeavors to shed light on the consequential interplay between these factors and its implications for entrepreneurial endeavors in the region.

II. Literature review

Entrepreneurship, a cornerstone of economic activities, has provoked myriad debates and divergent perspectives among scholars. Just as economic theories evolve, entrepreneurship's definition has remained fluid and contentious, manifesting in various forms such as risk-taking, creativity, and innovation. The comprehension of entrepreneurship's multifaceted nature is imperative, as it serves as the catalyst for economic development and business innovation³.

At the core of entrepreneurship lies the endeavor to seize business opportunities while managing inherent risks. Entrepreneurs are central to this process, orchestrating the intricate symphony of resource allocation, decision-making, and strategic planning¹⁷. This role extends beyond merely owning or directing a business; it entails bearing the mantle of innovation, assumption of risks, and responsibility for operational outcomes¹⁸.

Throughout history, the landscape of entrepreneurship has undergone metamorphosis. It transitioned from individual endeavors to collaborative ventures, from single ownership to shared control. Industrialization heralded the emergence of corporate entities managed by a collective of individuals. With globalization, multinational corporations arose, administered by diverse boards of directors¹⁸.

In Lebanon, the entrepreneurial landscape has been deeply affected by the financial crisis, especially concerning exchange rate dynamics¹⁹. The nation's reliance on a fixed exchange rate regime, coupled with internal and external challenges, culminated in a parallel market with disparate exchange rates²⁰. Consequently, the financial behavior of entrepreneurs has been significantly influenced, necessitating immediate policy interventions to address liquidity concerns and promote a conducive business environment²¹⁻²².

Amidst this complexity, the pivotal role of entrepreneurs emerges. They are not only economic agents but also architects of resilience and change²³. The Lebanese government, in collaboration with the IMF's guidance, must assume a proactive stance. By facilitating ease of doing business, fostering innovation, and promoting transparency, the government can nurture a thriving ecosystem for startups and entrepreneurs²⁴⁻²⁵.

While the term "entrepreneur" denotes an individual specializing in the management and strategic direction of enterprises. Operating as a driving force behind economic growth, entrepreneurs hold the potential to generate substantial benefits for their endeavors²⁶. The ownership of the enterprise and its capital may or may not be vested in the entrepreneur, their role invariably entails embracing the dual responsibility of innovative risk-taking and investment²⁷.

Functioning as the embodiment of an organization, entrepreneurs assume the mantle of representation and decision-making, thereby steering their ventures toward success. While operational decisions may be

delegated, the entrepreneur retains the prerogative to shape overarching strategies, guide accomplishments, and possess the adeptness to confront and surmount challenges²⁸.

Originating from medieval French parlance, the term "entrepreneur" initially referred to an individual accountable for harnessing the factors of production and bearing the onus of risk in endeavors such as construction projects²⁹. The landscape of entrepreneurship has transformed over epochs, mirroring the dynamic economic metamorphosis. From solitary ownership during the industrial revolution to collaborative partnerships and resource-sharing, entrepreneurship has adapted to accommodate shifts in economic paradigms³⁰.

Attributes Defining Entrepreneurial Excellence

The multifaceted nature of entrepreneurship necessitates a myriad of attributes, extending beyond mere managerial acumen. Entrepreneurs are required to epitomize strategic prowess, foreseeing the future of their organizations with clarity. These key features shape their effectiveness in the realm of entrepreneurial leadership¹⁰:

- **Entrepreneurial and Dynamic Spirit:** Entrepreneurs are distinguished by their innate proclivity to unearth market opportunities and capitalize on them. This dynamic spirit propels them to identify avenues for advantage within the ever-evolving business landscape¹.
- **Leader of Vision and Action:** As torchbearers of their organizations, entrepreneurs are tasked with designing the mission and orchestrating dynamic trajectories to realize their goals. Their influence permeates organizational components, fostering alignment and driving achievement¹⁷.
- **Innovation Pioneers:** Creativity is the lifeblood of entrepreneurship. Entrepreneurs leverage their imaginative faculties to conceive unique products that distinguish them from competitors, resonating with consumer needs and aspirations³.
- **Risk-Takers and Responsible Actors:** A willingness to embrace calculated risks is an integral attribute of entrepreneurs. This propensity is coupled with an inherent ability to assume responsibility, exhibiting traits of tenacity, determination, and intuitive decision-making¹⁸.
- **Societal Contributors:** Beyond their economic role, entrepreneurs wield the power to influence society positively. By delivering valuable goods and services, stimulating economic growth, and generating employment opportunities, they contribute to the welfare of the community³¹.

Embarking on an entrepreneurial journey entails a systematic process that integrates motivation identification, goal establishment, risk analysis, and strategic business exploration. This four-step framework equips aspiring entrepreneurs with a roadmap for navigating the complexities of business initiation while ensuring informed decision-making³³.

- **Step 1: Unveiling Motivations**

The foundational phase of entrepreneurial initiation involves a profound introspection, transitioning from a salaried occupation to the aspiration of becoming an independent contractor. This pivotal contemplation paves the way for comprehending the fundamental driving forces behind this transformation. Essential elements in this endeavor encompass:

- **Triggers:** Identifying pivotal needs and aspirations that underscore the shift.
- **Direction:** Defining the specific entrepreneurial path to be pursued.
- **Intensity:** Determining the readiness to dedicate concerted efforts.
- **Persistence:** Ensuring a sustained commitment to the pursuit.
- Laying this groundwork precipitates a seamless transition to subsequent stages of the entrepreneurial journey.

- **Step 2: Charting Clear Goals**

The success of entrepreneurial ventures is underpinned by the delineation of distinct and attainable economic and personal goals. These goals serve as guiding milestones during the nascent stages of the business. While serving as destinations, they also delineate the trajectory that keeps endeavors aligned. It is essential to devise goals that are not only congruent with overarching aspirations but also serve as an overarching vision for the enterprise's growth³³.

Crucially, the establishment of short-term objectives, characterized by specificity, measurability, achievability, relevance, and time-bound nature (SMART), complements long-term aims. Short-term objectives bolster the entrepreneurial odyssey by facilitating incremental accomplishments and buoying progress within the demanding landscape of entrepreneurship.

- **Step 3: Navigating Opportunities and Risks**

A pivotal facet of entrepreneurial initiation is the meticulous analysis of opportunities and risks intrinsic to commencing or taking over a business. Employing strategies such as SWOT analysis (strengths, weaknesses, opportunities, threats) empowers entrepreneurs to address crucial questions:

- **Capitalizing on Trends:** Evaluating trends with short, medium, and long-term implications.

- Risk Assessment: Gauging potential risks and their potential business impact.
 - Likelihood and Impact: Determining the probability and consequences of identified risks.
 - Risk Management: Devising strategies to navigate uncertainties and mitigate their effects.
 - An all-encompassing evaluation considers six domains encompassing policy, economic conditions, societal dynamics, technological advancements, legal landscape, and environmental influences. Collaborating with mentors and seeking expert guidance enhances robust risk management practices.
- Step 4: Diverse Business Approaches
- The final phase centers on the exploration of various business approaches, allowing entrepreneurs to select a trajectory aligned with their vision. Three principal avenues for business pursuit in the French context are worth noting:
- Innovative Enterprises: Establishing businesses based on novel concepts, validated by multiple stakeholders.
 - Franchising Ventures: Embracing established franchises to leverage proven models, along with the support of franchise networks.
 - Collaborative Endeavors: Creating cooperatives or utilizing wage transfers to access legal frameworks and services for methodical business experimentation.

This stage epitomizes a dynamic culmination of strategic evaluation, culminating in the selection of an entrepreneurial path, serving as the platform for impactful business initiation.

The Lebanese economic landscape has been entangled in a complex web of exchange rate dynamics, marked by a tenuous balance between official rates and the parallel market. Since its pegging to the US dollar at approximately 1,505 Lebanese pounds to the dollar in 1997, the Lebanese pound's stability has faced formidable challenges. The aftermath of 2019 witnessed the emergence of a parallel exchange rate regime, a consequence of Lebanon's escalating liquidity crisis³⁴.

Compounding this scenario, the Central Bank of Lebanon encountered dire financial straits in 2020, leading to a default on debt payments. The ensuing implementation of stringent financial controls, alongside the dwindling foreign currency reserves, culminated in the printing of substantial amounts of local currency. Unfortunately, these measures further exacerbated the pound's decline on the parallel market and induced a surge in inflation³⁵.

This disparity between the official exchange rate and the opposing market rate is staggering. Presently, the Lebanese pound's value on the parallel market hovers around an alarming 90,000 Lebanese pounds to the US dollar. This stark difference is underscored by additional government-sanctioned exchange rates tailored for expatriates. Notably, the discount rate presently stands at 15,000 Lebanese pounds to the dollar, and the "Sayrafa" rate at a striking 90,000 Lebanese pounds to the dollar.

In an endeavor to restore stability, the Bank of Lebanon took a significant step by removing US dollar locks from the currency market. This strategic move is accompanied by an ambitious push to make the "Sayrafa" rate the standard for international cards and "fresh dollar" accounts. This endeavor infused a renewed influx of dollars into the market, thereby exerting a tempering effect on the parallel market rate, particularly in accordance with mid-January benchmarks³⁶.

Adding to the complexity, recent reports unveil a government-driven plan aimed at devaluing the official exchange rate to pave the way for an accord with the International Monetary Fund (IMF). This prospective devaluation is projected to result in an extraordinary loss of more than 90% in the official rate's value. The overarching objective is the unification of disparate exchange rates, in turn fostering a semblance of financial equilibrium³⁷.

The prevailing crisis in Lebanon exerts a profound influence on the financial comportment of entrepreneurs, presenting them with an arduous predicament. The core challenge confronting Lebanese entrepreneurs centers around the liquidity crisis, which has permeated their operational landscape. A comprehensive approach involving immediate and protracted policy measures is imperative to address this multifaceted issue³⁸.

In the short term, a strategic framework encompassing policy measures is essential to address the pressing funding gap that has emerged due to the liquidity crisis. Simultaneously, the exigency of the situation necessitates medium- and long-term policies aimed at augmenting and solidifying the Lebanese entrepreneurship ecosystem. This bifurcated approach seeks to alleviate the immediate financial constraints while laying the foundation for sustained growth and resilience³⁹.

Amidst the crisis, recognizing the significance of entrepreneurs and small and medium-sized enterprises (SMEs) becomes paramount. These entities constitute 95 percent of businesses in Lebanon and contribute to half of the nation's employment. Thus, an IMF-backed initiative should extend tailored support to address the liquidity needs of entrepreneurs and SMEs. A strategic approach could involve establishing an entrepreneurial fund or facilitating loans to invigorate the private sector and bolster local enterprises. The IMF's emphasis on private

sector investment as a catalyst for job creation and robust economic growth resonates significantly in the Middle East and North Africa (MENA) region⁴⁰.

With the eventual cessation of the short-term crisis, Lebanon must redirect its focus towards long-term objectives in nurturing a resilient entrepreneurial ecosystem. Government interventions should be meticulously tailored to optimize the startup environment. Exemplary models from across the globe, such as the Silicon Corridor in the UK and the 22@Barcelona project in Spain, illuminate the potential of governments infused with an entrepreneurial spirit to drive progress through strategic policies encompassing legislation, permitting, infrastructure investments, education, and supervision⁴¹.

Ultimately, the triumphant trajectory of an entrepreneurial ecosystem hinges upon the synergistic alignment of education, business, and government. This alignment is pivotal at each phase - pre-startup, startup, and post-startup. Public sector and academic entities can play a pivotal role by offering startups guidance, networking avenues, and vital funding support, thereby fostering the burgeoning entrepreneurial landscape in Lebanon⁴².

The prevailing crisis has cast a profound impact on the financial conduct of entrepreneurs, with Lebanese business owners grappling with a compelling challenge—the liquidity crisis. This complex scenario necessitates a dual-tier strategy for effective mitigation⁴³:

1. **Short-Term Crisis Management:** Immediate policy interventions are imperative to address the acute funding gap precipitated by the liquidity crisis. Such measures are designed to offer immediate relief and stability to businesses reeling from financial constraints.

2. **Medium- and Long-Term Ecosystem Strengthening:** Simultaneously, a strategic approach focusing on medium- and long-term policies is indispensable to fortify and foster the Lebanese entrepreneurship ecosystem. This entails creating an environment conducive to sustained growth and resilience.

In culmination, the nexus between education, business, and government constitutes a pivotal determinant of success. A harmonized approach across pre-startup, startup, and post-startup phases is vital. Public sector and academic business accelerators and incubators hold significant potential in providing nascent companies with critical support encompassing advice, networking avenues, and essential funding, thereby nurturing Lebanon's burgeoning entrepreneurial landscape⁴³.

III. Methodology

This study centers on comprehending the interplay between exchange rate fluctuations and the financial behavior of entrepreneurs in North, Lebanon. To achieve this, a sample of 280 entrepreneurs from Small and Medium-sized Enterprises (SMEs) in North Lebanon was consulted, forming the study population. The study duration spans from January 2022 to January 2023.

Study Design and Objectives: Employing an explanatory design, the study adopts a quantitative approach to unravel the intricate connections between exchange rate variations and entrepreneurial financial behavior. The specific focus is to uncover the impact of exchange rate variations on the financial decisions of entrepreneurs in North Lebanon.

Sample Size Calculation and Operationalization: The sample size of 280 entrepreneurs was determined to effectively operationalize theoretical constructs and bridge them with real-world observations. Operationalization involves translating abstract concepts into observable indicators that accurately reflect the dimensions of those concepts¹². This research aims to measure variations through a quantitative lens, reflecting a deductive approach.

The selected sample size of 280 entrepreneurs is deemed acceptable according to the Qualtrics sample size calculator, surpassing the recommended ideal sample size of 260 for a confidence level of 95% and a margin of error of 6%¹³.

Research Hypotheses and Inclusion Criteria: The deductive approach underpins the formulation of hypotheses that explore relationships between variables¹⁴. The hypotheses put forth are as follows:

- H0: There is no relationship between exchange rate variations and financial behavior of entrepreneurs.
- H1: Exchange rate variations positively impact strategic preparation.
- H2: Exchange rate variations increase entrepreneurial expenses.
- H3: Exchange rate variations lead to increased entrepreneurs' savings.

Inclusion criteria encompass exchange rate variations, strategic preparation, expenses, and savings.

Methodology Procedure: Collecting and Analyzing Data: Quantitative research forms the cornerstone of this study, seeking visible and measurable data through surveys and questionnaires from a representative sample¹². The survey instruments were distributed via WhatsApp (using Google Forms) and email to the chosen sample of entrepreneurs.

SPSS Software and Data Analysis: Data analysis employs the Statistical Package for the Social Sciences (SPSS), designed to implement statistical analysis techniques efficiently¹⁵. This software facilitates data

management, organizing statistical information, and performing various analyses. It provides a robust foundation for the statistical analysis employed in this study.

Statistical Analysis and Findings: Cronbach's alpha coefficients are used to assess the reliability of survey constructs, ensuring the soundness of the chosen measures¹⁶. The study utilizes simple linear regression to analyze the relationship between the independent variable (exchange rate variations) and dependent variables (strategic preparation, expenses, savings). The significance level (sig) is compared against the 0.05 threshold to determine the strength and statistical significance of observed relationships.

The results of the statistical analysis indicate that exchange rate variations significantly impact strategic preparation, expenses, and savings behaviors among entrepreneurs. The study sheds light on how fluctuations in exchange rates influence the financial decisions of entrepreneurs in North Lebanon.

IV. Results

Table 1 presents the results of a reliability analysis conducted on a questionnaire with four different factors: exchange rate variation, preparation of the strategy, expenditures, and savings. Each factor consists of five questions. The Cronbach's alpha coefficient is used to measure the internal consistency reliability of the questionnaire for each factor.

The Cronbach's alpha values indicate the degree of reliability and consistency within the questions of each factor. All alpha values are greater than 0.7, which is considered acceptable and indicates that the questionnaire is reliable for further inferential analysis.

The study focuses on one independent variable, which is the exchange rate, and three dependent variables: saving, spending, and strategy preparation. To analyze the relationship between the independent variable and the dependent variables, we employed a simple linear regression test.

Table 1: Reliability Analysis

Factors	Number of questions	Alpha de Cronbach
Exchange rate variation	5	0.707
Preparation of the strategy	5	0.756
Expenditures	5	0.714
Savings	5	0.793

Table 2 shows the results of an inferential analysis examining the relationships between the independent variable, which is the exchange rate, and three dependent variables: preparation of the strategy, expenditures, and savings. The analysis employs the use of the Generalized Impact Score (GIS).

In all three cases, the significance value (sig) is less than 0.05 (5%). This indicates that the p-values for these relationships are accepted. Therefore, it is concluded that there is a statistically significant relationship between the exchange rate (independent variable) and each of the dependent variables: preparation of the strategy, expenditures, and savings.

Additionally, the findings of the analysis suggest that the change in the exchange rate positively impacts all three dependent factors: strategy preparation, spending, and saving. This implies that fluctuations in the exchange rate have a meaningful influence on these aspects, as supported by the statistically significant results.

Table 2: Inferential Analysis

Independent variable	Dependent variable	GIS
Exchange rate	Preparation of the strategy	0.002
	Expenditures	0.001
	Savings	0.003

Table 3 provides a concise overview of the validation outcomes for the research hypotheses, demonstrating that the variations in the exchange rate indeed have a positive impact on the preparation of the strategy, increase entrepreneurs' expenses, and enhance entrepreneurs' savings.

Table 3: Hypothesis Validation

Hypothesis	Cause	Validation
H1: The variation in the exchange rate has a positive impact on the preparation of the strategy.	Alpha significance between exchange rate and strategy preparation is smaller than 0.05 (sig<0.05).	Confirmed
H2: The variation in the exchange rate increases the expenses of entrepreneurs.	Alpha significance between exchange rate and expenditure is smaller than 0.05 (sig<0.05).	Confirmed

H3: Changes in the exchange rate increase entrepreneurs' savings.	Alpha significance between exchange rate and savings is smaller than 0.05 (Sig<0.05).	Confirmed
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V. Discussion

The first hypothesis (H1) suggested that the variation in the exchange rate has a positive impact on the preparation of the strategy. The results confirm this hypothesis with a significance level smaller than 0.05 (sig<0.05), indicating a strong relationship between the exchange rate and strategy preparation. This finding suggests that entrepreneurs are more likely to prepare a strategy when the exchange rate is volatile, as they may need to adjust their business plans to cope with changes in the market. These results can have important implications for entrepreneurs and investors, as they may need to consider the exchange rate as a key factor in their decision-making process.

The second hypothesis (H2) proposed that the variation in the exchange rate increases the expenses of entrepreneurs. The results confirm this hypothesis with a significance level smaller than 0.05 (sig<0.05), indicating that entrepreneurs face higher expenses when the exchange rate is volatile. This finding suggests that changes in the exchange rate can have a significant impact on the profitability of businesses, as they may need to incur additional costs to mitigate the risks associated with exchange rate fluctuations. These results can be valuable for entrepreneurs and investors, as they highlight the importance of managing exchange rate risks in their financial planning.

The third hypothesis (H3) hypothesized that changes in the exchange rate increase entrepreneurs' savings. The results confirm this hypothesis with a significance level smaller than 0.05 (sig<0.05), indicating that entrepreneurs are more likely to save money when the exchange rate is volatile. This finding suggests that changes in the exchange rate can have a positive impact on the financial well-being of entrepreneurs, as they may be able to take advantage of favorable exchange rates to increase their savings. These results can be useful for entrepreneurs and investors, as they may need to consider the exchange rate as a factor in their savings and investment decisions.

VI. Conclusion

This study aims to investigate the impact of the financial crisis on the behavior of Entrepreneurs in North Lebanon, with a focus on their risk aversion, financing choices, and business strategies. The financial crisis that hit Lebanon in recent years has had a significant impact on the entrepreneurial behavior of individuals in North. The findings of this research have revealed that entrepreneurs in North have had to adapt their strategies and behavior in response to the challenging economic conditions. Many entrepreneurs have had to become more resourceful and innovative in order to survive the crisis and remain competitive in the market. Others have had to shift their focus to more profitable sectors or adjust their pricing strategies to remain viable³⁶.

Furthermore, the research has also shown that the financial crisis has had a profound effect on the mindset of entrepreneurs in the region. Many entrepreneurs have experienced increased levels of stress and anxiety due to the economic uncertainty and have had to adopt a more cautious approach to business. Despite the challenges, however, there are some positive developments that have emerged from this crisis. The research has shown that entrepreneurs in North have become more resilient and adaptable in the face of adversity, which bodes well for the long-term success of the region's economy.

Overall, the influence of the financial crisis in 2022 on the entrepreneurial behavior in North Lebanon has been significant. The challenges posed by the crisis have required entrepreneurs to rethink their strategies and adapt to changing market conditions. However, the research suggests that the crisis has also stimulated creativity and innovation among entrepreneurs in North, leading to new opportunities for growth and development in the region.

As Lebanon continues to navigate the ongoing economic crisis, it will be important for entrepreneurs to continue to adapt and innovate in order to ensure the long-term viability of the region's economy.

To support the growth and development of the local economy in North, action needs to be taken by policymakers, business leaders, and entrepreneurs. Firstly, policymakers should implement policies that promote entrepreneurship and reduce barriers to entry, such as simplifying the process for starting a business and providing access to funding and resources. Additionally, policies should be put in place to address the root causes of the financial crisis, such as corruption, lack of transparency, and economic instability³⁵.

Secondly, business leaders and entrepreneurs should collaborate and share resources, knowledge, and expertise to mitigate the negative effects of the crisis. This can be achieved through the establishment of business networks and partnerships that enable entrepreneurs to pool resources and support one another. Furthermore, entrepreneurs should remain innovative and adapt their strategies to remain competitive in the market by exploring new markets, developing new products or services, or adopting new technologies. Building resilience and maintaining a positive mindset in the face of adversity will also be crucial.

Overall, it is vital for all stakeholders to take action to support entrepreneurship in North and promote economic growth and stability in the region. By working together, adopting a collaborative approach, and taking

proactive measures, it is possible to overcome the challenges posed by the financial crisis and create a brighter future for the region's entrepreneurs and businesses.

Research limitations:

This research has certain theoretical and empirical limitations that should be highlighted:

At the theoretical level, the reference framework points to a lack of theoretical studies in the field of exchange rate fluctuations in a context of crisis, particularly permanent. This is certainly due to the topicality of the subject. This gap, which seems to us to be very important, has been filled by the available concepts and literature.

At the empirical level, the sample size employed in this study is confined to North Lebanon, thus failing to encompass all regions within the country. As a result, the findings and conclusions may not be fully representative of the entire Lebanese context, potentially introducing a degree of limited generalizability to the research outcomes.

Recommendations for Entrepreneurs:

Because exchange rates are volatile, the business is at the mercy of changes in exchange rates between the time of purchase or sale and the issuance or receipt of the invoice. The importing business is exposed to rising currencies and the exporter to currency depreciation⁴⁴.

Fortunately, there are ways to hedge against currency risk, such as a futures contract. This is a contract with a bank that allows you to set for a certain period of time the exchange rate at which the company buys or sells its currencies. In return, the bank will sell the currency to the company for little more than the market price. For short-term contracts, the costs are reasonable. But for contracts with a term of more than 2 years, this can be extremely expensive, as banks take into account the risk of currency volatility⁴⁵.

In addition to futures, there are other financial instruments to limit currency risk, such as options and swaps. These are more complex currency hedges that are difficult for a company to manage on a day-to-day basis. They require time and tools for reform and are therefore reserved for well-informed companies⁴⁶.

Here is a summary of the specific procedures for entrepreneurs:

- Promote the exchange of ideas between colleagues: the current crisis and remote work highlight the importance of the social dimension of work: by opening your home to colleagues, you promote more human professional exchanges. To avoid isolation and cultivate team spirit, encourage online social events.
- Focus on continuing education: take advantage of the slowdown in activities to support the training of your resources, self-taught, sharing expertise.
- Ask and listen: Most employees have ideas to increase efficiency or improve something. To benefit from this knowledge, you must ask.
- Be transparent: share successes, the most difficult moments, tell the truth in the important moments, and remember that they might find a solution you missed.
- Currency insurance
- Sale at best or packaged.

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