

Social Investment as a New Approach for Financing Developmental Non- Governmental Organizations

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Abstract:

This research highlights the importance of social investment (SI) as a new approach for financing development. It is particularly relevant in the community practice of developmental social work, particularly in the context of community development projects. Social investment aims to create tangible services for community members and achieve both financial and social returns through investment instruments and social enterprises. This research seeks to analyze the current state of organizations' capabilities for SI. It also aims to determine the reality of social investment practices as a new approach for developmental financing NGOs. The results of the study indicate acceptance of the hypotheses. The level of organizations' capabilities towards social investment is medium, with a mean 3.84. In addition, the level of influencing factors towards adoption of social investment strategy is low, with a mean of 2.50. The level of social investment barriers and challenges is medium, with a mean of 3.50. It was determined that the respondents agree that lack of knowledge creation and sharing (with a mean 4.20), and the lack of an enabling policy environment (with a mean 3.98) are major barriers and challenges for social investment for financing.

Key words: Social Investment, Financing, Developmental NGOs.

Introduction:

The Sustainable Development Goals SDGs align strongly with the social work profession. This alignment reflects social work's focus on individuals, families, groups, organizations and communities as targets of intervention to promote health and well-being (Rice, Fisher, & Moore, 2022, p. 1). The financing process has now become one of the most important processes that affect the performance of services. It also influences the extent to which these organizations play their role in providing social welfare programs to the beneficiaries of their services (Abdul Latif, 1992, p.548).

Perhaps the problem of financing and providing the necessary money for is a problem facing social work and institutions working in this field. As the extent to which this money is available, the volume of services required to be provided will be achieved (Ahmed, 1995, p. 223). A study (Qarni, 2022) has indicated that financing civil society organizations is a pivotal issue. The availability of funding for these organizations means the ability of these organizations to overcome the scarcity of financial resources. This enables them to carry out their duties and implement their programs. The study (Rashwan, 2011) also

confirmed that the funding deficit is one of the most important obstacles facing NGOs. This significantly causes them to lose their ability to play their prominent and vital role in the targeted community. Ensuring the continuity of these organizations depends on continued funding to carry out their activities and complete their various programs.

Developing societies are exposed to the loss of some of their material and social resources (Abdel-Aal, 2000, p. 327). In addition to this, some or many of the agencies do not have sufficient experience or study in methods of raising funds to manage their projects and services while others are keen not to risk inventing methods to collect self-necessary money (Ahmed, 1995, p 223).

Developmental social work must address this problem in order to preserve resources that must be directed to the maximum of their potential in investment operations (Abdel-Al, 2000, p. 327). The method of community organization, including the processes and skills it contains, contributes to helping institutions develop their financial resources. It also helps design appropriate programs that contribute to achieving existing goals (Abdul Latif, 1997, p. 99).

Community development programs are clearly committed to creating economically productive enterprises, creating jobs, and raising incomes and living standards. They actively promote social investments. In addition, it uniquely integrates economic and social objectives (Midgley, 2017, p. 25).

The idea of social investment began to develop all over the world, and it was no longer just an idea to find an alternative source for solving social problems. Rather, it became an opportunity to change the concept of social services in creative and innovative ways in terms of their management, delivery, and results (Al-Jubouri and Al-Naimi, 2016, p. 6). Adopting a social investment strategy is one way for non-profits to achieve sustainability as they adapt to ever-changing environmental complexity (Nganga, 2013, p. 5). Sustainability is about the long-term well-being of society. This issue encompasses a wide range of ambitious goals including the Sustainable Development Goals (“SDGs”) contained in the 2030 Agenda for Sustainable Development (Gutterman, 2023, p. 1).

In addition to the importance of social awareness and its impact on the investment decision-making process, the more investors have high social awareness, the better their results will be in terms of profits resulting from their investment operations (Al-Sharifi and

Muhammad, 2022 , p. 271). This was confirmed by researchers. AlZahrani & Alasmari (2017) recommended that an innovative kind of policies and support should be adopted to enhance investment activity in charities. This will ensure the provision of permanent sources of funding for associations and attract specialized capabilities and professionals. This will be an important enabler for those associations to sustain and grow their resources in the long run.

(Vasylchuk, Moskalenko, Sadovenko, & Slyusarenko, 2019)It aims to provide an introduction and overview of social investment as a new investment approach for solving social or environmental problems with capital purposely directed to traditionally underserved individuals or groups. Financing is provided to businesses with a clear social or environmental purpose.

Alanazi (2020) concluded that proposals resources to reduce the challenges included providing multiple funding for each project. They also included organizing programs and projects according to specific priorities, hiring and investing in trained human resources in financial affairs, and effectively investing and managing the organization's properties.

A study by Izzo, Sánchez, & Fonseca (2022) confirmed that sustainability remains an underestimated concept when evaluating the impact of philanthropic and social investments in communities. This is due to the difficult task of reconciling human development, economic protection, and environmental protection. A study by Vasyl Kuybida, et al., (2023) analyzed the methods, principles and mechanism of legal regulation of social investment activity. It set priority directions to improve the legislative framework that aims to increase the effectiveness of attracting investment and achieving social and economic efficiency. Improving the legal framework and introducing changes taking into account the instability of the external environment are two separate directions of state regulation of social investment activities.

The functions of investment in community practice have recently been recognized and examined more systematically. In community discussing social work practice, Midgley (2010) noted that the investment function of community interventions requires consolidation and remobilization within a broader development approach that emphasizes the role of programs to enhance human and social capital as well as employment opportunities (Midgley, 2017, p.25). **Egyptian Law No. 149 of 2019**, article no (33) obliges the

organization to spend its funds for the purposes allocated to it. It may invest its surplus revenues in a way that guarantees it an appropriate financial resource or re-employ them in its production and service projects to support its activities. The same article permitted the organization to establish or contribute to establishing companies and charitable investment funds related to its activities. This is in a way that achieves safe investment for them and invests the returns to achieve financial sustainability of the organization's activities.

Therefore, this study will highlight: What is the reality of social investment practices as a new approach for developmental financing NGOs? What the factors influences organizations towards the adoption of social investment strategy? What are the social investment barriers and challenges?

Study Hypotheses:

First Hypothesis: “It is expected that the level of developmental NGOs' capabilities in social investment as a new approach for financing will be medium.”

Second Hypothesis: “It is expected that the level of factors that influence the organization towards adopting social investment strategies in developmental NGOs will be low. “

Third Hypothesis: “It is expected that the level of social investment Barriers and challenges in developmental NGOs will be moderate.“

Study concepts:

Developmental NGOs:

In this study, we will follow the definition of Egyptian Law (No. 149 of 2019) for Developmental NGOs : This refers to every organized group that aims to contribute to the development of the individual and society, achieve its requirements, and maximize its capabilities to Participate in public life and sustainable development without aiming for profit. They are established in accordance with the provisions of this law and consist of a minimum of ten natural individuals or legal entities, or both.

The operational definition of Developmental NGOs in this study is civil organizations whose statuses have been regularized in accordance with Law No. 149 of 2019 and whose sources of funding are diverse. They are active in the field of providing skills and training for populations, projects, and social enterprises.

Organizations financing:

It is a key aspect of their sustainability, and such financing is undergoing significant innovation and transformation. Such financing ranges from traditional government funding and philanthropic support to new forms of revenue generating social enterprise (Phillips & Hebb, 2010, p.181)

The operational definition of financing in the current study is as follows: Financing is the process of providing funds for an organization's activities to help them achieve their goals and financial sustainability, through new social finance and social entrepreneurship for social change.

Social investment is the provision of finance to organizations with the explicit expectation of a social, as well as financial return (Wilson, 2014, p. 4).

The United Nations, 2010, defines social as “the practice of making voluntary financial and non-financial contributions that demonstrably help local and broader communities address their development priorities.” For an investment to be considered responsible and social, it must be purposeful, accountable, respectful, and ethical (Izzo, Sánchez, & Fonseca, 2022, p. 3).

The operational definition of social investment in this study refers to new financing models that provide resources and promote sustainability within organizations. This is based on the organization's relationship with investment, its products and clients, its employees, and its work processes. It also takes into account the quality of its financial management, compliance with legal requirements, and its adherence to ethical obligations. This tool used in this study addresses these aspects.

Methods:

Population: The research was carried out using a purposive spatial sample consisting of seven organizations. These organizations operate in the field of social projects and enterprises in Fayoum Governorate, Egypt. The selection was based on specific criteria: the nomination of officials in Fayoum Social Solidarity Directorate for these organizations, the approval and willingness of the organization's officials to cooperate with the researcher, and the presence of actual headquarters, programs, and activities within each organization.

The aforementioned organizations include:

1. Egyptian Hands Organization for the Development of Crafts and Handicrafts

2. Vocational Training and Productive Families Organization
3. Community Development Organization in Tbahar
4. Community Development Organization in Nazla
5. Community Development Organization at Abdulmajeed Facility
6. Community Development Organization in Hadiqa
7. Community Development Organization in Benton

The researcher used a purposeful sample of boards and workers in organizations. Those who were present at the time of data collection totaled 50. This sampling approach was taken due to the challenges encountered in interviewing some of the respondents, refusals and apologies from some employees, and the irregular presence of unpaid volunteers in certain organizations. The data collection period was from 1/8/2023 to 31/1/2024.

Sample Description:

The percentage of females in the organizations, including board members and workers, is 44%, while the percentage of males is 56%. Board members and workers in the age category less than 30 years make up 6%, those in the age category from 30 years to less than 40 years account for 12%, in the age category from 40 years to less than 50 years it is 12 %, in the age category from 50 years to less than 60 years it is 2%, and in the age category from 60 years and above it is 68%. In terms of education, those with an intermediate qualification make up 28%, those with an above-intermediate qualification make up 28%, and those with a higher qualification make up 42%. When it comes to experience, board members and workers with less than 5 years of experience make up 18%, those with 5 years to less than 10 years of experience make up 16%, and those with 15 years of experience and more make up 66 %.

Organizations Description:

NGOs in the annual budget category of less than 500 thousand accounts for 10%, while in the budget category of 500 thousand to less than a million, it is 20%. Finally, in the budget category of more than one million, organizations make up 70%. In the investment projects number category, organizations with less than 3 projects represent 8%, while those with 3 to less than 6 projects make up 90%. Finally, organizations with more than 6 projects account for 2%. In the employees' number category, organizations with less than 10 employees represent 16%, those with 11 to 20 employees make up 26%, and those with 21 to 30 employees represent 48%. Finally, organizations with more than 30 employees account for 10%.

Measure:

The study utilized a qualitative-quantitative approach through analytical descriptive studies. The researcher developed a questionnaire for NGOs' boards and workers to explore social investment as a novel approach for financing developmental NGOs. The questionnaire was meticulously structured based on existing theoretical foundations, relevant literature, and established survey instruments pertinent to the subject. Furthermore, the researcher drew from the questionnaire by Nganga (2013) and a guide by Al-Jubouri and Al-Naimi (2016) titled "14 Steps to Successful Social Investment: A Procedural Guide for Social Organizations in the Kingdom of Saudi Arabia." The questionnaire employed a five-point Likert scale for respondents to indicate their views and opinions.

Validity and reliability of study tool: The researcher presented the study form to (5) arbitrators from the faculty members of the Faculties of Social Work, Helwan, and Beni Suf Universities, in order to judge the validity of the questions in the form. An agreement was reached at a minimum of (80%), and some phrases were deleted while others were reworded. Consequently, the tool was in its final form. Additionally, reliability was assessed through a pilot study in which the researcher administered the questionnaire to a sample of 20 respondents. The same sample was retested after 15 days to evaluate the reliability of the questionnaire. Cronbach's alpha values were found to be greater than 0.6, which is the minimum value for accepting the reliability of the scale. The Cronbach's alpha values ranged between 0.692 and 0.940, indicating a high degree of dependability in the scale. All scales used in the research demonstrated great reliability values, making them very reliable

Results

The level of organization capabilities toward the social investment:

(1)The organization's relationship with investment

Table No. (1): The organization's relationship with investment

Statement	Mean	Std. Dev.	Chi Square	Rank
Is there an integrated vision in the organization for the way in which investment will be made?	3.66	1.02	23.400**	3
Can the organization determine the appropriate investment for it?	3.62	0.95	33.200**	4

Statement	Mean	Std. Dev.	Chi Square	Rank
The organization is looking for high-value investments?	3.76	1.04	20.600**	1
Does the organization have the idea and full understanding to start high-value investments?	3.74	1.41	22.600**	2
Does the organization have the ability to convince investors of the idea of social investment that you intend to start?	3.5	1.54	16.400**	5
The organization has information on how investors can recover their money?	3.16	1.27	19.400**	6
All Scale	3.57	1.04	Medium Degree (M>3)	

The previous table showed that the level of the organization's relationship with investment is medium, with a mean equal to (3.57).

The indices of this, according to the rank of means, are as follows:

- In the first rank is “The organization is looking for high-value investments?” with a mean of (3.76).
- In the second ranking is “Does the organization have the idea and full understanding to start high-value investments?” with a mean of (3.74).
- In the third ranking is “Is there an integrated vision in the organization for the way in which investment will be made?” with a mean of (3.66).
- In the fourth ranking is “Can the organization determine the appropriate investment for it?” with a mean of (3.62).
- In the fifth ranking is “Does the organization have the ability to convince investors of the idea of social investment that you intend to start?” with a mean of (3.50).
- In the final ranking is “The organization has information on how investors can recover their money?” with a mean of (3.16).

(2) Employees of the organization:

Table No. (2): Employees of the organization

Statement	Mean	Std. Dev.	Chi Square	Rank
Does the work team have the capabilities and readiness in terms of experience to start investing?	3.44	1.31	11.000**	3

Statement	Mean	Std. Dev.	Chi Square	Rank
Do the organization's board of directors and its administrative structure have the capacity for social investment?	3.54	1.33	9.400**	2
Do board members have skills in important areas such as finance, marketing, business, development, legal aspects, and human resources?	3.4	1.39	22.480**	4
Is there a balance in the Board of Directors between skills and members' representation of community members who benefit from the organization's services?	3.84	1.11	43.600**	1
All Scale	3.56	1.1	Medium Degree (M>3)	

The previous table showed that the level of employees of the organization is medium, with a mean equal to (3.56). The indices of this, according to the rank of means, are as follows:

- In the first rank is “Is there a balance in the Board of Directors between skills and members' representation of community members who benefit from the organization's services?” with a mean of (3.84).
- In the second ranking is “Do the organization's board of directors and its administrative structure have the capacity for social investment?” with a mean of (3.54).
- In the third ranking is “Does the work team have the capabilities and readiness in terms of experience to start investing?” with a mean of (3.44).

In the fourth and final ranking is “Do board members have skills in important areas such as finance, marketing, business, development, legal aspects, and human resources?” with a mean of (3.40)

The organization's products and clients:

Table No. (3): The organization's products and clients

Statement	Mean	Std. Dev.	Chi Square	Rank
How well do you know the products and services you provide?	3.68	0.91	22.120**	2
How different and distinct is the organization from its competitors?	3.88	0.82	37.360**	1
Is the market in which the organization's project products are active growing and stable?	3.54	0.71	39.760**	3

Statement	Mean	Std. Dev.	Chi Square	Rank
How profitable are the organization's products and services?	2.96	0.75	92.600**	4
To what extent is the organization connected to and participating with local and regional networks?	2.56	0.81	44.400**	5
All Scale	3.32	0.54	Medium Degree (M>3)	

The previous table showed that the level of the organization's products and clients is medium, with a mean equal to (3.32). The indices of this, according to the rank of means, are as follows:

- In the first rank is “How different and distinct is the organization from its competitors?” with a mean of (3.88).
- In the second ranking is “How well do you know the products and services you provide?” with a mean of (3.68).
- In the third ranking is “Is the market in which the organization's project products are actively growing and stable?” with a mean of (3.54).
- In the fourth ranking is “How profitable are the organization's products and services?” with a mean of (2.96).
- In the fifth and final ranking is “To what extent is the organization connected to and participating with local and regional networks?” with a mean of (2.56).

How does the organization work? How to know its quality?

Table No. (4): How does the organization work?

Statement	Mean	Std. Dev.	Chi Square	Rank
Does the organization have a clear vision of the social, economic, and environmental impact it seeks to achieve through implementing an investment project?	3.78	1.15	41.400**	3
Does the organization have the capacity, resources, and skills to do this?	3.88	0.92	69.200**	2
The extent of the organization's integration with society and the beneficiaries of its services?	3.72	0.81	49.400**	4
Does the organization use a methodology to measure the social	3.28	1.28	16.000**	5

Statement	Mean	Std. Dev.	Chi Square	Rank
and economic impact of the project?				
Are there periodic reports on the organization's achievements and its impact on the project?	4.08	0.85	39.280**	1
All Scale	3.75	0.86	Medium Degree (M>3)	

The previous table showed that the level of “How does the organization work? How to know its quality?” is medium, with a mean equal to (3.75). The indices of this, according to the rank of means, are as follow:

- In the first rank is “Are there periodic reports on the organization's achievements and its impact on the project?” with a mean of (4.08).
- In the second ranking is “Does the organization have the capacity, resources, and skills to do this?” with a mean of (3.88).
- In the third ranking is “Does the organization have a clear vision of the social, economic, and environmental impact it seeks to achieve through implementing an investment project?” with a mean of (3.78).
- In the fourth ranking is “The extent of the organization's integration with society and the beneficiaries of its services?” with a meaning of (3.72).
- In the fifth and final ranking is “Does the organization use a methodology to measure the social and economic impact of the project?” with a mean of (3.28).

(3) Financial management in the organization:

Table No. (5): Financial management in the organization

Statement	Mean	Std. Dev.	Chi Square	Rank
Clarity of the systems adopted by the organization's financial management?	4.06	0.84	45.200**	1
Does the organization have records for financial follow-up of investment projects?	4.06	0.77	34.800**	2
Do all employees know the organization's financial procedures?	3.74	1.12	35.800**	5

Statement	Mean	Std. Dev.	Chi Square	Rank
Is the size and quality of the organization's internal financial reports large?	3.84	0.96	26.400**	4
Is there a system for financial control and auditing in the organization?	3.96	0.88	34.800**	3
All Scale	3.93	0.83	Medium Degree (M>3)	

The previous table showed that the level of financial management in the organization is medium, with the mean equal to (3.93) The indices of this, according to the rank of means, are as follows:

- In the first rank is “Clarity of the systems adopted by the organization's financial management?” with a mean of (4.06).
- In the second ranking is “Does the organization have records for financial follow-up of investment projects?” with a mean of (4.06).
- In the third ranking is “Is there a system for financial control and auditing in the organization?” with a mean of (3.96).
- In the fourth ranking is “Is the size and quality of the organization's internal financial reports large?” with a mean of (3.84).
- In the fifth and final ranking is “Do all employees know the organization's financial procedures?” with a mean of (3.74).

**(4) The organization's ability to comply with legal requirements:
Table No. (6): Legal requirements**

Statement	Mean	Std. Dev.	Chi Square	Rank
To what extent is the organization able to comply with the regulations and legislation in force in the organization's work areas?	4.6	0.61	27.640**	1
To what extent is the organization able to adhere to all rules and regulations that measure good citizenship?	4.54	0.65	22.120**	3
To what extent is the organization able to provide goods and services in accordance with applicable rules and regulations?	4.6	0.7	33.760**	2
All Scale	4.58	0.61	High Degree (M>4)	

The previous table showed that the level of the organization's ability to comply with legal requirements is high, with a mean equal to (4.58). The indices of this, according to the rank of means, are as follows:

- In the first rank is “To what extent is the organization able to comply with the regulations and legislation in force in the organization’s work areas?” with a mean of (4.6).

In the second ranking is “To what extent is the organization able to provide goods and services in accordance with applicable rules and regulations?” with a mean of (4.6).

- In the third and final ranking is “To what extent is the organization able to adhere to all rules and regulations that measure good citizenship?” with a mean of (4.54).

The organization's ethical obligations:

Table No. (7): The organization's ethical obligations

Statement	Mean	Std. Dev.	Chi Square	Rank
To what extent is the organization able to adhere to community ethics and values?	4.56	0.7	27.520**	1
Possibility of the organization’s humanitarian obligations (achieving the principle of good citizenship)?	4.52	0.76	27.040**	2
To what extent is the organization able to work in accordance with the charitable and humanitarian expectations of the community?	4.5	0.74	21.640**	3
To what extent can the organization encourage employees to engage in “volunteer” programs for the benefit of society?	4.12	1.02	17.680**	4
To what extent is the organization able to support social development projects that contribute to achieving community well-being?	3.8	0.86	16.880**	5
All Scale	4.14	0.74	High Degree (M>4)	

The previous table showed that the level of the organization's ethical obligations is high, with a meaning equal to (4.14). The indices of this, according to the rank of means, are as follows:

- In the first rank is “To what extent is the organization able to adhere to community ethics and values?” with a mean of (4.56).

- In the second ranking is “Possibility of the organization's humanitarian obligations (achieving the principle of good citizenship)?” with a mean of (4.52).
- In the third ranking is “To what extent is the organization able to work in accordance with the charitable and humanitarian expectations of the community?” with a mean of (4.50).
- In the fourth ranking is “To what extent can the organization encourage employees to engage in “volunteer” programs for the benefit of society?” with a mean of (4.12).
- In the fifth and final ranking is “To what extent is the organization able to support social development projects that contribute to achieving community well-being?” with a mean of (3.80).

Hypotheses results:

- The First hypothesis result: It is expected that the level of developmental NGOs' capabilities in social investment as a new approach for financing will be medium.

Table No. (8): Organization capabilities toward social investment

Dimensions	Mean	Std. Dev.	Level	Rank
The organization’s relationship with investment	3.57	1.04	Medium (M>3)	5
Employees of the organization	3.56	1.1	Medium (M>3)	6
The organization's products and clients	3.32	0.54	Medium (M>3)	7
How does the organization work? How to know its quality?	3.75	0.86	Medium (M>3)	4
Financial management in the organization	3.93	0.83	Medium (M>3)	3
The organization’s ability to comply with legal requirements	4.58	0.61	High (M>4)	1
The organization’s ethical obligations	4.14	0.74	High (M>4)	2
All dimensions of social investment	3.84	0.64	Medium Degree (M>3)	

The previous table showed that the level of organization capabilities toward the social investment is medium, with a mean equal to (3.84). The indices of this, according to the rank of means, are as follows:

- In the first rank is “The organization's ability to comply with legal requirements” with a meaning of (4.58).

- In the second ranking is “The organization’s ethical obligations (commitment to do no harm)” with a meaning of (4.14).
- In the third ranking is “Financial management in the organization” with a meaning of (3.93).
- In the fourth ranking is “How does the organization work? How to know its quality?” with a mean of (3.75).
- In the fifth ranking is “The organization’s relationship with investment” with a meaning of (3.57).
- In the sixth ranking is “Employees of the organization” with a meaning of (3.56).
- In the seventh and final ranking is “The organization’s products and clients” with a meaning of (3.32).

According to these results, the researcher can **accept** the first hypothesis in this form: **It is expected that the level of developmental NGOs' capabilities in social investment as a new approach for financing will be medium.**

- The second hypothesis result: It expected that the level of influencing factors on the NGOs toward social investment is low.

Table No. (9): Level of Influencing Factors towards adoption of social investment strategy

Factors	Mean	Std. Dev.	Level	Rank
Sustainability	2.54	1.4	Low (M<3)	5
Supply and demand willingness	1.9	1.2	Low (M<3)	12
Leadership and governance support	2.64	1.83	Low (M<3)	4
Availability of financing	3.04	1.44	Medium(M>3)	2
Technical Capacity	3.28	1.18	Medium(M>3)	1
Networking and partnership internationally and locally	2.28	1.58	Low (M<3)	8
Government regulations and incentives to promote SI	2.28	1.64	Low (M<3)	9
Globalization and internationalization	2.26	1.19	Low (M<3)	10
Increases in size, specialization and strategic awareness	2.5	1.09	Low (M<3)	6
Social innovation	2.1	1.05	Low (M<3)	11
Flexibility of organizational structure	2.46	1.64	Low (M<3)	7
Employee involvement and team work	2.72	1.26	Low (M<3)	3
Factors adoption of social investment strategy	2.5	0.97	Low Degree (M<3)	

The previous table showed that the level of influencing factors towards the adoption of social investment strategy is low, with a mean equal to (2.50). The indices of this, according to the rank of means, are as follows:

- In the first rank is “Technical Capacity” with a mean of (3.28).
- In the second ranking is “Availability of financing” with a mean of (3.04).
- In the third ranking is “Employee involvement and teamwork” with a meaning of (2.72).
- In the fourth ranking is “Leadership and governance support” with a mean of (2.64).
- In the fifth ranking is “Sustainability” with a mean of (2.54).
- In the sixth ranking is “Increases in size, specialization and strategic awareness” with a mean of (2.50).
- In the seventh ranking is “Flexibility of organizational structure” with a meaning of (2.46).
- In the eighth ranking is “Networking and partnership internationally and locally” with a mean of (2.28).
- In the ninth ranking is “Government regulations and incentives to promote SI” with a mean of (2.28).
- In the tenth ranking is “Globalization and internationalization” with a meaning of (2.26).
- In the eleventh ranking is “Social innovation” with a meaning of (2.10)
- In the twelfth and final ranking is “Supply and demand willingness” with a mean of (1.90).

According to these results, the researcher can accept the second hypothesis in this form: **It is expected that the level of influencing factors on the organization toward social investment is low.** The results assured the decreasing level of influencing factors on the organization toward social investment.

- The third hypothesis result: It is expected that the level of social investment barriers and challenges is medium.

Table No. (10): Level of social investment barriers and challenges

social investment barriers and challenges	Mean	Std. Dev.	Level	Rank
Lack of an enabling policy environment	3.98	1.1	Medium (M>3)	2
Lack of links with local and regional authorities (subsidiarity reduces risk)	3.51	0.94	Medium (M>3)	7
Lack of pooling of risk or co-financing strategies	3.74	1.16	Medium (M>3)	3

social investment barriers and challenges	Mean	Std. Dev.	Level	Rank
Lack of credit enhancement	2.54	1.31	Low (M<3)	10
Lack of creation of intermediaries of SI	2.72	1.58	Low (M<3)	9
Lack of co-construction of supply and demand. (New institutional spaces for social finance and social enterprise)	3.74	1.19	Medium (M>3)	4
Lack of partnership (multi-stakeholder)	3.56	0.88	Medium (M>3)	6
Lack of knowledge creation and sharing	4.2	0.99	High (M>4)	1
Supporting networking (credibility, cross-investing)	3.68	1.06	Medium (M>3)	5
Measurement of Social Return on Investment (SROI) as Enhanced Value of SI	3.34	0.96	Medium (M>3)	8
social investment barriers	3.5	0.87	Medium Degree (M>3)	

The previous table showed that the level of social investment barriers and challenges is medium, with a mean equal to (3.50). The indices of this, according to the rank of means, are as follows:

- In the first rank is “Lack of knowledge creation and sharing” with a meaning of (4.20).
- In the second ranking is “Lack of an enabling policy environment” with a mean of (3.98).
- In the third ranking is “Lack of pooling of risk or co-financing strategies” with a mean of (3.74).
- In the fourth ranking is “Lack of co-construction of supply and demand (New institutional spaces for social finance and social enterprise)” with a mean of (3.74).
- In the fifth ranking is “Supporting networking (credibility, cross-investing)” with a mean of (3.68).
- In the sixth ranking is “Lack of partnership (multi-stakeholder)” with a mean of (3.56).
- In the seventh ranking is “Lack of links with local and regional authorities (subsidiarity reduces risk)” with a mean of (3.51).
- In the eighth ranking is “Measurement of Social Return on Investment (SROI) as Enhanced Value of SI” with a mean of (3.34).

- In the ninth ranking is “Lack of creation of intermediaries of SI” with a mean of (2.72).

In the final ranking is “Lack of credit enhancement” with a mean of (2.54)

According to these results, the researcher can **accept** the third hypothesis in this form: **It is expected that the level of social investment barriers and challenges is medium.**

Discussion: The determined study social investments as an alternative financing for sustainable development (Vasylchuk, Moskalenko, Sadovenko, & Slyusarenko, 2019) . The study confirmed the validity of the first hypothesis on the level of organization capabilities to social investment is medium, where the mean equal 3.84. This is consistent with the study by AlZahrani and Alasmari (2017) which was moderate with an average of 3.77.

To discuss this, according to study results we can say that NGOs are carrying out good practices to comply with legal requirements and ethical obligations. However, professional practices and human competencies related to investment management using scientific methods, including products and clients, employees, organization's relationship with investment, how the organizations work, and financial management, are considered less important. This confirms a multi-stakeholder approach, based on common goals and synergies between entities, as fundamental to sustainability and social investments (Izzo, Sánchez, & Fonseca, 2022).

The results confirmed the validity of the second hypothesis that the level of factors influencing the adoption of a social investment strategy is low with a mean of 2.50. It was determined that the respondents moderately agree that there is technical capacity and availability of financing, while the presence of employee involvement and teamwork, leadership and governance support, sustainability, increases in size, specialization and strategic awareness, flexibility of organizational structure, networking and Partnership, government regulations and incentives, globalization, internationalization, and social innovation, are low.

This can be explained that NOGs adoption of social investment was low, which reflects the reality of NOGs in Egyptian society, especially with the modernity of the laws that allowed these organizations to invest their resources. This contradicts the study by Nganga (2013), as the majority of respondents indicated that sustainability, networking, and partnerships are crucial. Additionally, the availability of financing, employee involvement, teamwork, leadership, and

governance support were considered moderately high. The presence of technical capacity, social innovation, and organizational structure flexibility was rated as moderate.

Philip (2013) explained reasons for limiting funding access, according to 36.9% indicated on lack of strategic planning, lack of governance structures such as boards and committees for resources mobilization, poor internal controls and systems (Philip, 2013, p. 37). Hence, challenges facing financial sustainability of NGOs were lack of stable and sustainable financial resources Relying on the usual sources of funding (donations – alms – members' subscriptions), (Alanazi, 2020). Therefore, the availability of funding is one of the most important obstacles facing NGOs. This necessitates the exploration of various methods for raising funds (Qarni, 2022), (Rashwan, 2011).

The results confirmed the validity of the third hypothesis, which posits that the level of social investment barriers and challenges (nationally and/or organizationally) being medium, with a mean of 3.50. These findings align with results of a previous study (Nganga, 2013). The identified barriers include a lack of (knowledge, an enabling policy environment, pooling of risk or co-financing strategies, partnership, links with authorities, creation of intermediaries of SI, and credit enhancement.

This study clearly reveals that social investment is still a new concept in Egypt. This requires increasing investment opportunities that enhance the sector's contribution to increasing domestic product. For example, establishing industrial complexes for productive families, increasing financing for small and medium enterprises, mapping third sector investments (NGOs) in Egypt. Therefore, there is a need to improve the legal framework (Vasyl Kuybida, et al., 2023).

The National Alliance for Civil Development Work (NACDW) aims to establish or contribute to companies and charitable investment funds related to its objectives. This is provided that the profits and returns resulting from their investments are distributed to spend on its activities (Egyptian Gazette & Law No. 171 of 2023). NGOs in Egypt still have a lot to do to engage in social investments. There is a need for more research and practice, similar to what the UK, Europe, and USA.

In conclusion, third sector institutions in Egypt must proactively evaluate and manage the impact of inflation on their operations to ensure their financial sustainability. This involves

seeking sustainable financing sources through expanding investment prospects and bolstering small and medium enterprises that promote production and industry in line with indicators aimed at enhancing performance efficiency and effectiveness. It also involves assessing the social returns on investment.

Limitations of the study: The researcher encountered difficulty with sample responding due to their anxiety about providing data about the organization, their preoccupation with many public and private tasks and responsibilities, as well as their reluctance to cooperate and disclose information they consider confidential.

Recommendations for the study: The study can be treated as a pilot study and could be retested with a wide-scale survey of the Non-Profit Organization (NPO) sector in Egypt. There is a need for in-depth research on SI barriers and challenges in Egypt, as it is an emerging sector in the world. The study also suggests future research in the following areas: Social innovation and Expertise, Social Impact Investment Research, Mechanisms for Sustainable Financial Empowerment in Non-Profit Organizations, and Return on Investment Research.

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