# Innovation projects in fragmented contexts:
## the paradox of political sensitivity in the Trans-Palestinian collaborative milieu

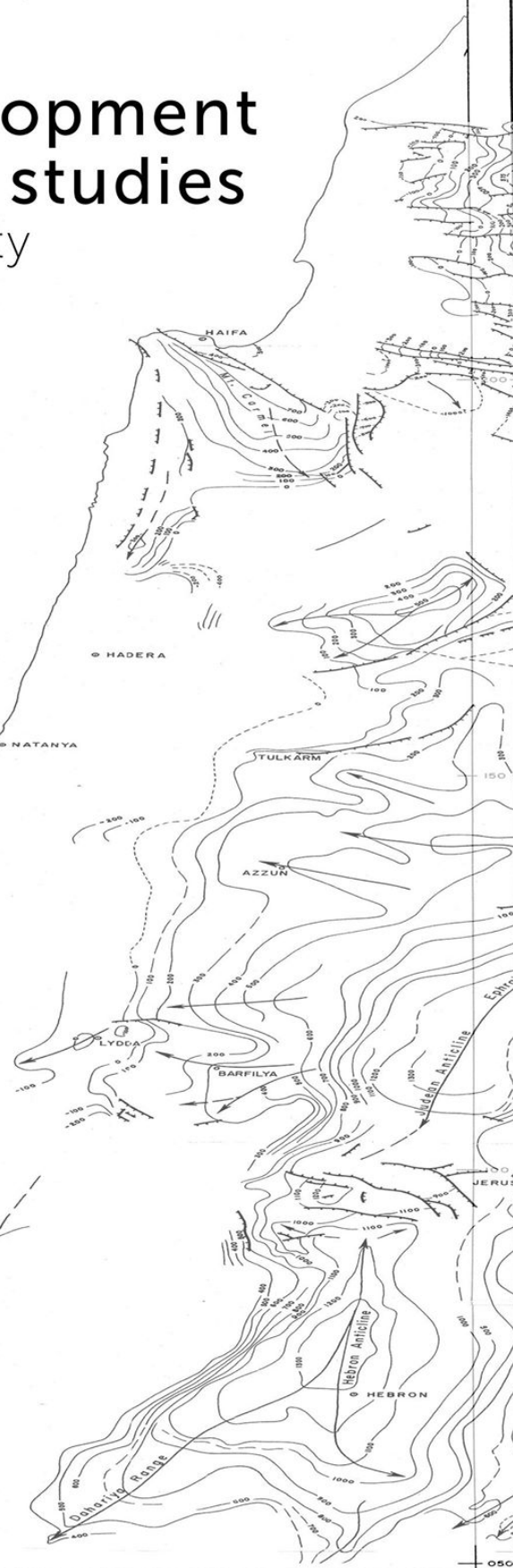# International development studies & Business studies
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## Abbreviations

**GM:** general manager

**PM:** Program Manager

**RIS:** Regional Innovation System

**NIS:** National Innovation System

**EJ:** East Jerusalem

**EJs:** East Jerusalemites

**48'ers:** Palestinians born and living in Israel

**ICT:** Information Communication Technology

**I&E:** Innovation and entrepreneurship

**SME:** Small and Medium Sized enterprises

**GDP:** Gross Domestic Product

**HQ:** Head quarter

**R&D:** Research and Development

**JHF:** Jerusalem High-Tech Forum

**PA:** Palestinian Authority

**HU:** Hebrew University

## Abstract

The purpose of this thesis is to investigate the implications of how the Trans-Palestinian regional innovation system can embed under the status quo of Israeli occupation. Rooted in increased access to resources and technology-led cost reductions on a global level, innovation and entrepreneurship (I&E) has gained prominence among development agencies as a tool for economic development in emerging economies. Departing from Regional Innovation Systems (RIS) theory and its cultural turn within economic geography, this thesis distinctively investigates *how* culture matters. Putnam's (2000) and Burt's (1992) theory of *social capital* are combined with Bourdieu's (1977) theory of *practice* are utilized to analyse the sociocultural structures underlying I&E practices of physically segregated Palestinian innovation networks that operating under distinct settings in Israel, East Jerusalem and the West Bank. By means of a qualitative approach to inquiry, data was collected during field work in East Jerusalem – noticeably, through the premises of the newly launched I&E hub, Station J – through which access to multiple different stakeholders in all localities in question was obtained. The data was collected through observations, conversations and semi-structured interviews in order to obtain in-depth comprehension of how local actors ascribes meaning to systemic I&E practices. The systemic learning propensies among central West Bank RIS institutions were found to be deprived, based on in-group behavioural dynamics fuelled by latent mistrust on the organizational level. The instable conditions of Palestinian society inflict negative impact on entrepreneurial mentality and traits on the institutional level. Hence, the reciprocal relationship between the organizational and the institutional levels of embeddedness is found to endure in a negative spiral. Despite emerging horizontal collaborative ties, the notion of *normalization* acts as a fundamental element by which mistrust prevails in the West Bank milieu. The impact of political sensitivity increases in Trans-Palestinian network, since perceptive variances of the perceived legitimacy of binational collaboration persists cross-geographically. This relates to the paradox of political sensitivity, which, on the one hand, inspires a collective social order but, on the other, cognitively segregates innovation actors. The opaque of freewheeling individual behaviour, which deviates from official organizational positions on normalization lies at the core of the mistrust in the disembedded Trans-Palestinian I&E milieu. In addition to this complexity lies the intergenerational paradox, which cognitively separates older from

newer generations, who pursue opportunities more individualistically. It is concluded that the potential of embedding the Trans-Palestinian lies in the delicate act of balancing economic opportunity and sociocultural and political resistance, and that the beneficial effects of trans-national *dual habitus* may represent new path towards revolutionizing Palestinian socioeconomic political resistance.

# 1      Introduction

## 1.1   Introduction

There has long been a consensus that innovation is a major source of economic growth in advanced economies, since the growth of productivity "*itself accounts for over 80% of total gross domestic product (GDP)* (Solow, 1957 in Cooke et. al., 1998: 1564). This consensus regards, at least, advanced economies, but, arguably, it increasingly regards also emerging economies that strive to transition into knowledge economies by reaping the benefits of contemporary digitalization. Due to technology-led cost reductions and increased access to resources in the global market (World Bank, 2016), attention to promoting the agenda of innovation and entrepreneurship (I&E) as an instrument for creating sustainable growth in developing countries has risen among international development agencies (Dormund, M., 2013). Particularly, tech entrepreneurs in the Global South are disputed as an effective mechanism to both absorb foreign technology and innovate local solutions (Mulas et. al., 2018). Accordingly, it is called for that I&E policy pay greater attention to the nature of *processes* of interactive learning, taking into account how science, technology, and innovation exists, are performed, and create meaning in emerging economies (Marcelle, 2016). Departing from National Innovation Systems (NIS), the Regional Innovation Systems (RIS) framework has gained prominence in explaining the systemic propensities of innovation processes within confined spatial contexts. RIS emphasize regions as foci for global economic competitiveness since regional sub-systems differ in performance under national boundaries (Cooke et. al., 1998: 1563). Essentially, RIS provides a fundamentally thicker relational lens, which captivates the importance of the *cultural and socioeconomic* context when explaining processes of interactive learning and localized knowledge spill overs deemed essential for regional innovation performance (Asheim et. al., 2011: 879). In the Global South, studies of RIS have been understood in terms of their functional integration in Global Value Chains (Gereffi, 2014) or Global Production Networks (Dickens, 2015) through which economic prospects for local I&E are likely connected (Chaminade & Vang, 2008). However, while it is agreed in the literature that cultural propensities matter to regional performance, there is less consensus about *how* culture matters (Doloreux, 2002; Spigel, 2016). By investigating the real-world fragmented context of Palestine, this thesis therefore focuses distinctively on studying the

supralocal factors that conditions localized processes of interactive learning in an attempt to bridge this gap.

The Palestinian ICT (Information Communication Technology) sector grew its contribution to GDP from 0,8% in 2003 up to more than 6% in 2010 through SME (Small and Medium-sized Enterprises) IT-related activities as well as a steadily growing Palestinian outsourcing sector dependent on Israeli and multinational companies in the region (Paltrade, 2014). Such trade with Israel is linked to the 1994 Paris protocol, which strictly integrates Palestine's economy with Israel's (EU policy 2017-2020, n.d.). Recently, a new I&E hub, Station J, was launched in East Jerusalem (EJ) to advance Palestinian East Jerusalemites' (EJs) I&E capacity and enable economic resilience and youth employment. Considering the segregation between the Palestinian population by which the Israeli imposes distinctly different impediments on each community, inherently, Palestinian communities of innovation actors also have access to different structural opportunities in their respective environments. The potential benefits associated with interactive learning across these locations urge further exploration of a 'Trans-Palestinian" I&E network narrative. The highly politized economic integration, however, presents implications on whether Trans-Palestinian I&E embeddedness can be achieved. Hence, in the pursuit of understanding how socioeconomic and cultural factors conditions innovative performance, this thesis studies the 'soft' propensities of collaborative relationships in the Trans-Palestinian I&E network

## 1.2    Problem statement

How can a Trans-Palestinian regional innovation system embed under the status quo of Israeli occupation?

- **RQ1:** *What characterizes the Palestinian network of innovation and entrepreneurship actors?*

- **RQ2:** *What cultural challenges and opportunities do the Palestinian collaborative system face?*

- **RQ3:** *How does the political sensitivity associated with the notion of normalization affect the embeddedness of Palestinian innovation and entrepreneurship networks across separated localities?*

- **RQ4:** *What implications do they have on building the Trans-Palestinian RIS?*

In order to answer these research questions, a theoretical toolbox has been carefully architectured by reviewing the RIS literature and discussing related theories of relevance, which will be presented next.

## 2   Theoretical chapter

The academic paradigm under which the following theoretical discussion lies, is within 'new economic sociology' (NES), first introduced by Mark Granovetter (1985) in his article titled 'Economic action and social structure'. The basic element of NES includes the recognition that 'economic acts' must be incorporated into their *social context*, i.e. they need to be understood through processes of 'embeddedment' (Swedberg, 1998: 18). By including a fundamentally sociological approach to understanding economics, NES changes previous financial measures and claims that it is the comprehension of processes of embeddedment that the specific structure of economic activity can be explained.

### 2.1   Literature review

#### 2.1.1   The multiple origins of RIS

A large body of literature has been occupied with studying how innovation processes systemically occur within confined spatial contexts. The works of learning regions (Asheim, 1996), innovative milieux (Maillat, 1995**;** Camagni, 1995; Crevioisier, 2004), the Triple Helix model (Etzkowitz & Leydesdorff, 1997), National Innovation Systems (NIS) (Nelson & Rosenberg, 1993; Lundvall 1992) and clusters (Porter, 1990; 1998a; 1998b) are all streams of research that seek to explain the innovative activities within spatial boundaries. This 'innovation system' literature conceptualizes innovation as hailing from social interaction and collective learning processes between and among different knowledge-generating and knowledge diffusing organisations (Cooke et. al. 1998).

It is emphasized that the above streams of research emphasize that geographically confined contexts are fundamental to the emergence of innovation processes (Asheim & Gertler in Powell et. al., 2005). The first attempt to develop a unifying territorial innovation model was NIS approach developed in the late 1980s and early 1990s. One of the initial puzzles that the founders of the NIS paradigm Freeman (1987), Lundvall 1992), and Nelson & Rosenberg (1993) set out to solve was why R&D expenditure was such a poor predictor of innovation performance. Their answer took issue with the

former linear model of innovation and focused attention on the systemic factors that mediate the relationship between R&D, innovation, and economic performance on a national scale, thereby determining the effectiveness of the system (Asheim et. al., 2011: 881).

The ideas of NIS, notably Freeman's (1987) on *networks* and Lundvall's (1988) on *interactive learning*, were acknowledged concepts by Cooke (1992; 1998) and assisted him in coining the RIS framework. Cooke (1992) is widely attributed for developing the framework, claiming that regions, i.e. sub-systems within national boundaries, were better fit as an object of analysis due to the localized nature of knowledge spill overs between co-located firms and e.g. knowledge-creating entities such as universities (Henry and Pinch, 2000). Cooke (et. al. 1998: 1565) identified NIS's weaknesses of providing generalisable findings in its main international study provided by Nelson (1993) as well as the lack of empirical content in the main theoretical study provided by Lundvall (1992). In the pursuit of understanding why some sub-regions perform differently, these notions were fundamental drivers for the RIS framework to break ties with its national counterpart.

However, as emphasized by Doloreux (2002: 248), the institutional elements of RIS are still shaped to a large extend by the national innovation system, since RIS's interaction with national funding- and organizational structures and activities are usually dependent on public resources and policy decisions at that level. On the one side, as argued by Doloreux & Parto (2004: 3), RIS is not commonly agreed upon in terms of a clear definition of the concept itself. On the other side, Asheim et. Al. (2011: 877) argues that its fundamental building blocks of well-established regional innovation models as well as the NIS framework, suggest that the RIS framework functions as a unifying framework for territorial innovation models.

## 2.1.2   The RIS framework

Three essentials aspects of RIS should be noted and understood. Firstly, RIS is essentially a social system. Secondly, it involves interactions between different sets of actors in a systematic way. And thirdly, a systemic pattern of interactions is emphasised in order to increase and enhance the localized learning capabilities of a region (Doloreux, 2002: 247). See figure 1 for a schematic overview of the RIS framework. Cf. the framework, the interactive learning is divided into flows of knowledge, resources, and human capital among actors within
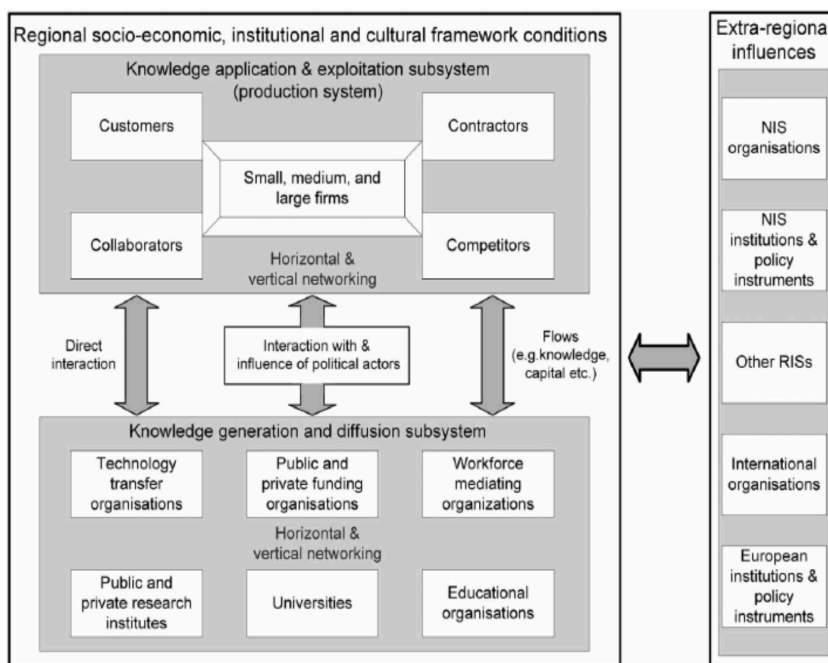


*Figure 1: The RIS Framework*

knowledge-generating and diffusing and -application and exploitation sub-systems of a region, which compass networks of organizations that are vertically and horizontally connected, respectively.   The entire scope of learning interactions is placed onto a regional socio-economic and cultural setting, constituting the "soft" layer of a region that conditions interactive nature among RIS actors in terms of the region's capacity of transferring *tacit knowledge.* This will receive further attention at a later point.

As seen on the right-hand side of the framework manifests a scope that extends beyond the regional boundary. It does so by acknowledging the significance of regional *local* interactions that sets the region on a wider canvas of *global* innovation interactions (Cooke, 2001: 949). Consequently, other RISs, international organisations, national-level mechanisms, and overarching policy influences are factors that influence localized learning trajectories in RIS.

By means of the RIS framework's soft dimension, (Ibid: 1580) make a conceptual distinction between a *productive regional infrastructure* and the *productive regional*

*culture.* Cooke et. al. (1998) argues that, at the regional level, innovation capacity may or may not be closely associated with high levels of R&D, patenting, and as well as the presence of large multinationals. However, by putting a distinct emphasis on "lesser formal", elements such as learning capacity networking competence, and methods of reducing transaction costs through non-monetary exchange or "*untraded inter-dependencies*" (norms, rules, and social commandments that influence processes of innovating), RIS manifests a cultural turn in economic geography (Ibid: 1568). This depicts the distinction between a necessary hard infrastructure of e.g. networks of communication and transportation systems as well as formal institutional set-ups and the importance of informal institutions (Ibid: 1576-80). Cooke (et. al. 1998: 1581) argues that, in a mature RIS, firms and other organisations (within the two sub-systems) are systemically engaged in interactive learning through an *institutional* milieu characterized by embeddedness.

In the respect that a region is defined in terms of both its administrative and cultural evolution, the combination of such two distinct processes is what gives a region a particular specificity along an evolutionary trajectory (Ibid: 1573). Processes of change are at the matter of interest in RIS, which render the approach inherently evolutionary. Cooke (et. al. 1998: 1581) argues that most regions do not yet have the necessary institutional and organisational characteristics fully to justify the status of RIS but that by means of evolutionary processes, many may already possess key elements to achieve the status. In this sense, there are a range of different fundamentally social components – e.g. cultural, political, and economic – that together constitute the matrix based on which mature RISs can eventually form. Hence, the evolutionary point of departure of RIS sets a constructive path towards understanding the factors that *can* shape regional performance in a real-world fragmented context.

### 2.1.3   Proximity and embeddedness

Fundamental to regional learning trajectories is the 'ease' of transmitting *tacit knowledge.* Accordingly, Asheim and Gertler (in Powell et. al., 2005) call this "sticky" knowledge and underline that the transferring of such knowledge builds upon face-to-face interaction and by people that share culture, norms, and institutions. Tacit knowledge is thus embedded in the context, which is contrary to codified knowledge

that is embodied in routines and procedures within individual firms, or a group of firms, and can be easily codified by people with distinct cultural outlooks and the right technical capital (Doloreux, 2002: 250).

Derived from this, is the two dominant cultural frameworks included within RIS, which explain that culture's impact on regional efficiency, namely: *embeddedness* and *proximity* (Spigel, 2016). There is a confusion of how clearly the concepts of proximity and embeddedness are distinguished within the RIS literature (Doloreux, 2002: 259). Granovetter (1985), initially associated embeddedness with: "*personal relations and networks ingrained in a local, social and cultural context*". And such embeddedness among people simply occur more frequently, when people are within close proximity of each other. However, it is useful to see the matter in light of the innovative milieu approach. The notion of milieu as understood here does not refer only to a geographical unit but is rather considered as a "*complex which is capable of initiating a synergetic process*" (Doloreux, 2002: 253). Furthermore, as Ter Wal and Boschma (2011) point out, the network concept is by definition an 'a-spatial concept', which suggests that it is possible to obtain collective knowledge within a network that spurs the boundaries of what is necessarily considered 'close proximity'. Processes of embeddedness are conceptually associated with smoothly facilitating tacit knowledge, as they are embedded in a specific context that cannot be "reproduced" or "sold" elsewhere (Storper, 1997 in Doloreux, 2002: 251). However, since networks conceptually function a-spatially, processes of embeddedness, and thus the facilitation of tacit knowledge is possible to achieve among innovation actors across segregated Palestinian geographies.

### 2.1.4   Superstructural issues – the soft enablers of regional innovation

In figure 2, the superstructural elements, representing weak and strong propensies of regional *culture,* is showcased. These are here divided into the institutional level and the organisational level of firms.

Where both sets of strong characteristics coincide, evolutionists would see this as a strong selection mechanism, attracting ambitious enterprises. If we look, first, at the institutional level, the 'atmosphere' of a co-operative culture, associative disposition, learning orientation and quest for consensus would be expected to be stronger in a

region displaying characteristics of systemic innovation, whereas a competitive culture, individualism would be typical of non-systemic, weakly interactive innovation at regional level (Cooke, 2001: 960). About the organizational level of firms, those with stronger systemic innovation potential will display trustful labour relations, co-operative behaviour and a worker welfare orientation with emphasis upon helping workers

| Strong RSI potential | Weak RSI potential |
|---|---|
| *Institutional level* | |
| Cooperative culture | competitive culture |
| Associative | individualistic |
| Learning disposition | 'not invented here' |
| Change orientation | conservative |
| Public – private consensus | public – private dissension |
| *Organisational level: firms* | |
| Trustful labour relations | antagonistic labour relations |
| Workplace cooperation | workplace division |
| Worker-welfare orientation | 'sweating' |
| Mentoring | 'sink or swim' |
| Externalisation | internalisation |
| Innovation | adaptation |

Figure 2: Regional superstructural issues

improve through a mentoring system, and openness to externalizing transactions and knowledge exchange with other firms and hybrid organizations concerning innovation (Cooke, 2001: 960-1). NGOs are included in this level as they are, typically involved with activating innovation processes, as it is the case with Palestine. The interplay and interdependency of the organisational and the institutional level are enlightened in the following quote:

*"(…) institutions and organisations play different roles; the first are more like rules of the game, and the second more like the teams that play the game according to distinctive styles and with different competencies and capabilities. Organisations are embedded in institutions. (…) Of course, this is a systemic relationship in which organisations impact back upon institutions"*

(Cooke et. al., 1998: 1565)

These characteristics should be seen as poles of a continuum along which regions may evolve over time, moving towards the left-hand side of the schema as systemic-innovation potential strengthens (Ibid: 1579). This "soft" cultural domain relates to the evolution of what Scott (1997) refers to as a 'collective social order' (Ibid 1574). Such an order may initially either be closed towards interactive innovation or open to it, depending on whether the 'micro-constitutional regulation' (Ostrom, 1992 in Cooke et. al., 1998: 1574) *within* the order is more or less disposed to cooperation, trustful relationships, and interactive learning. In other words, in terms of its degrees of embeddedness and disembeddedness. The micro-constitutional regulation aligns well

with how the RIS approach has integrated the term *milieu* in its theorem. The milieu is discussed to be: *"considered as an efficient management structure that is an alternative to the market and hierarchy, and that allows transaction costs to be cut and specific information to be verified".* (Maillat, 1995: 160 in Cooke et. al., 1998: 1566). Thus, the milieu is considered an entity itself, characterised as a collective operator, which *"reduces the static and dynamic degree of uncertainty facing firms by tacitly and explicitly organising the functional interdependency of local players"* (ibid).

### 2.1.5   Trans-national entrepreneurship

Since the RIS literature fails to embrace fundamental entrepreneurial qualities within sphere of entrepreneurship, the theory of trans-national entrepreneurship is drawn upon. This makes it possible to pinpoint the importance of entrepreneurial propensities regarding the embeddedment of a Trans-Palestinian network.

The framework emerged from a need to explain the international trade by smaller firms and stems primarily from observations on firms' demographics in Silicon Valley throughout the 1990's (Baklanov et. al., 2013). It attempts to establish the relationship between an agent and the context of his surroundings. The leading emerging theoretical framework is built around Bourdieu's (1977) theory of practice, through which the combination of resources from an entrepreneur's *bifocality* (focus on more than one place) is argued to provide comparative advantage over locally based workers (Baklanov et. al., 2013: 71). Individuals are capable of combining their experiences and knowledge of both cultures together with their accumulated capital to form a *dual habitus*, i.e., an ability to navigate in the business world of two countries (Ibid: 72). Without further notice, this adds to the foundation of how Bourdieu's notions of 'fields' and 'habitus' will be utilized in this thesis, which will be further discussed at a later point.

How the local institutional milieu affects the entrepreneurial intentions and competencies of the 'players' are equally important to consider. From a trans-national entrepreneurship approach, Rezaei (2013) shows that local context does in fact affect both entrepreneurial intentions and competencies. He underlines the fundamental importance of four entrepreneurial competencies: 1) self-efficacy: *"people's judgments*

*of their capabilities to organize and execute courses of action required to attain designated types of performance*", 2) opportunity-alertness: "*the ability to notice without search opportunities that have hitherto been overlooked*", 3) risk-propensity: "*the perceived probability of receiving rewards while an individual tolerates uncertainties*" and, finally, 4) role-modeling: "*individuals' social capital in the form of networking with potential role models or mentors in their field.*" (Rezeai, 2013: 210-13). The place of residency has a dual effect on competencies and intentions and, in turn, if competencies are developed it has a strengthening effect on entrepreneurial intentions (Ibid: 211). With such traits deeply rooted in the social context, it explains the dynamic way that the milieu in theory influences the innovation actors in a Trans-Palestinian innovation network.

Furthermore, as argued by Spigel (2016: 88), while there is a general agreement that cultures – be it the culture of a place, an organization, an industry or a people – matters to the innovative performance of regions, there is no consensus about *how* culture matters (Spigel, 2016). While RIS succeeds in providing a fundamentally thicker relational lens than previous NIS and other territorial models, it lacks a way of explaining the causal links between culture and regional innovation performance. Here, the two-fold process of embeddedment, outlined above, provides a useful framework for unfolding the underlying sociological structure of innovation practices. However, the utility of concepts that are capable of digging deeper into the sociological structure behind economic acts, is needed to deconstruct and explain the two-fold process of embeddedness. Followingly, the next section discusses how the chosen theories can explain the soft enablers of innovation.

## 2.2   Conceptual discussion

Departing from theories of social capital and Bourdieu's 'practice' through the interaction of fields and habitus, the following sections will discuss the issue of *how* to understand culture's impact on regional innovation efficiency.

### 2.2.1   Innovative milieu and social capital

As depicted above, the innovative milieu literature is closely related to RIS. Theory of social capital (when applied to studies of regional innovation) stands in close relation, yet, the two theories possess central distinctions, which is delicately summarized by in table 1:

|  | innovative/ creative milieu | social capital |
| --- | --- | --- |
| *general purpose of interaction* | to induce and manage change and implement new plans and programmes | to sustain elements of stability and reliability in an environment of change |
| *type of actors and composition of group* | heterogeneous network of decision makers from various private and public organisations (firms, universities, administration) | homogeneous community mainly including the senior staff of firms (of the same or related industrial sectors) |
| *main task in the realm of innovation* | to get from invention to innovation, from idea to commercialisation | to master the management of the firm and to remain in the (innovative) business |
| *time-related character of interaction* | selective one-time efforts and project-related joint activities | constant maintenance of relationships in the course of regular meetings |

*Table 1 (Source: Fromhold-Eisebith, 2002: 8)*

### 2.2.2    Social capital

Social capital is deemed relevant to the study of Trans-Palestinian innovation network due to its fundamental focus on intersubjective reliability through which stability is achieved in an environment of change. Moreover, its underlying aim of managing and maintaining relational structures are deemed important.

Firstly, there is a need to break up the concept in order to further narrow down the relevance of its applicability here. Social capital refers to both "structural social capital" and "cognitive social capital". Structural social capital involves: "*relatively objective and externally observable social structures, such as networks, associations, and institutions, and the rules and procedures they embody*". Cognitive social capital comprises "*more subjective and intangible elements such as generally accepted attitudes and norms of*

*behaviour, shared values, reciprocity, and trust"* (Vang & Chaminade, 2008: 7)[1]. The latter form of social capital thus refers to implications on the societal organizations inhered from many social processes outside of the domain of business. These may be cultural, religious, political reasons, which, as mentioned, are components that may ensue varying impact on the milieu. Thus, the cognition inhered in social capital relations present a fruitful basis for discussing how the constant organizational management towards remaining innovative, entrepreneurial and learning interactively within a Trans-Palestinian milieu.

Unless there is a high degree of generalized social capital (i.e. non-discriminating) and a high degree of absorptive capacity cooperation in the network, communication and thus interactive learning is usually limited (Nooteboom, 2000). In the absence of trust and in the case of disputes about norms, routines and the legitimacy of actions, the fear of opportunistic behaviour will prevent the exchange of valuable knowledge and mutual learning (Lundvall 2002; Putnam, 1993). With a low degree of generalized cognitive social capital, interactive learning is likely to be limited or at least confined to the 'in-groups' (Putnam, 1993), greatly reducing to the potential of localized knowledge spill overs within the system (Asheim & Vang, 2006: 31).

### 2.2.3   Bonding and bridging networks

Within the contours of the in- and outgroups dynamics of a society, lies two types of social networks. Putnam (2000) coins these *bonding* and *bridging* networks. They differ in the social capital they produce. The *bonding* social capital is produced within networks characterized by people who are similar to each other in terms of interests, socio-economic position etc. Social capital within these types of networks is typically strong within the network, but do not produce social capital outside of the network. *Bridging* social capital, on the other hand, characterizes networks of people with different backgrounds, ethnicities, socio-economic positions etc. (Ibid: 22). This type of social capital builds on what Putnam defines as *thin* trust, which is to be understood as the trust one has to people in general. *Thick* trust adheres to social capital produced

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[1] Although these two forms of social capital are mutually reinforcing, one can exist without the other. E.g. government-mandated organizations represent structural social capital in which the cognitive element is not necessarily present.

within bonding networks and is to be understood as the trust one has to close relations, friends and family (Putnam, 2000: 136). Putnam (Ibid: 363) describes bonding networks as necessary for individuals' daily lives, why he describes this type of social capital as *getting by.* On the other hand, bridging social capital is described as *getting ahead*, as it moves individuals in a positive direction towards civic engagement in society. Grounded in an understanding of this terminology, it is possible to highlight how certain embedded networks among actors in the RIS does not necessarily enable the embeddedment of a social collective order – or milieu – that goes beyond the confines of the network.

### *Structural holes and brokerage roles*

To further inaugurate this discussion, the so-called 'sociocentric approach' of social capital will be elaborated briefly as it presents added value to the discussion Putnam's network structure (Fromhold-Eisebith, 2002: 5).

The term 'structural holes' was introduced by Burt (1992) and was coined to understand how previously unconnected information flows through structurally different sources through the role of brokers. A broker is one who connects people and groups that are otherwise disconnected in the informal network structure, one who spans structural holes in the social fabric of any social organization (Ibid). Burt's structural hole theory depicts how bridging ties are a potential source of novel ideas. Thus, structural holes theory can function as an addition to Putnam's theory, as it further invites to a theoretical reflection of the relational organization of Trans-Palestinian milieu in terms of where *structural holes* may persist, and where *brokering* opportunities may lie. Note here, that the notion of cognitive social capital can equally be 'structurally' separated and brokered.

On a final note, it is important to understand that the theory dates back to Pierre Bourdieu's (1986) conceptualization of social capital. Bourdieu (1986 in Spigel, 2016: 93) is considered defined broadly as any type of labour appropriated on an individual basis. This includes traditional economic capital (income or profits), social capital (resources in a social network), cultural capital (knowledge of social rules) and symbolic capital (regard for certain professions or social positions). The values of these

capitals are not fixed: their values depend on the structure of the field they are acquired and used within (1986 in Spigel, 2016: 93). This relates to other central concepts within the works of Bourdieu (Ibid): particularly, his conceptualization of practice as emerging from the intersection of fields – historically produced norms and power relations – and habitus, actors' internalized dispositions and understandings of those fields. While this thesis' usage of social capital remains concerned with what has been described above, the concepts of practice and habitus offers further relevance in terms of connecting sociocultural structures to practice in an innovative milieu. These concepts' particular functionality will be outlined in the following section, which form the final conceptual discussion.

### 2.2.4   Fields and habitus

Spigel's approach stems from Bourdieu's sociology of 'practice', which essentially examines the origins of everyday actions that people employ in pursuit of their goals (Bourdieu, 1977, 1990 in Spigel, 2016). Practices emerge in the intersection of the rules of fields, that encompass the each social through which actors inhabit with actors create *internalized understanding* (Habitus-rule) how to maneuverer to achieve status (Bourdieu and Wacquant, 1992). Therefore, actions arise from the individuals' distinct navigation between array of fields that will always overlap and be conflicting (Spigel, 2016: 94). Bourdieu's (1977) work focuses specifically on individual rather than organizational practices. Organizational practices, such as innovation strategies, are thus the outcome of individual practices and decisions that are made within the context of an organizational field (Spigel, 2016). In relations to the RIS framework, actors involved in the innovation process – i.e. technologists, managers, researchers and customers, entrepreneurs etc. – need to be seen as embedded in multiple overlapping fields through which they are more or less prone to develop the habitus needed to remain innovative (Fligstein, 2001 in Spigel, 2016: 94) and, I add here, entrepreneurial.

By deploying these concepts, it is possible to obtain a comprehension of the sociological fabric that, underlyingly, encompass the sociological structure of economic (innovation) practices. The utilization furthermore extents into the issue of dual habitus, identified in the trans-national entrepreneurship literature, which is relevant in this thesis due to the Trans-Palestinian approach to inquiry, which encompasses Palestinians who live and

operate under Israeli institutional and infrastructural systems. The following represent overarching fields in which innovation actors are likely to navigate (derived from Spigel, 2016: 94):

- <u>The organizational field:</u> the norms and goals of the firm or organization they work for, including reward structures, corporate missions and organizational culture.
- <u>Sectorial field:</u> the norms and power relations in the market or technology sector (telecommunications, consumer software, web development), including career expectations, job mobility and paths to market and firm exit.
- <u>Ethnic/national/personal:</u> beliefs about risk, reward and career goals developed within the structure of an actor's personal heritage and background, such as their ethnic culture, religious upbringing or educational experience,
- <u>Political field:</u> The norms and diversity of political positions, in this case with a particular emphasis Palestinians' association with the notion of normalization.
- <u>The local field:</u> norms and outlooks associated with the community in which the actor lives and works, such as attitudes to work and family, risk taking and entrepreneurship.

Of all the fields in which an individual navigates, the local field is the most predominant force (i.e. having the highest impact on how one carries out innovation practices). An individual is socially deeper embedded in the local field since it makes up most of an individual's daily life and does not usually leave one's cognition (Spigel, 2016: 95). An individual's "moral compass" is considered to highly affected by the local field. Hereby, it becomes possible to assess individuals' propensities of navigation or '*dual navigation*' in terms of the degree of
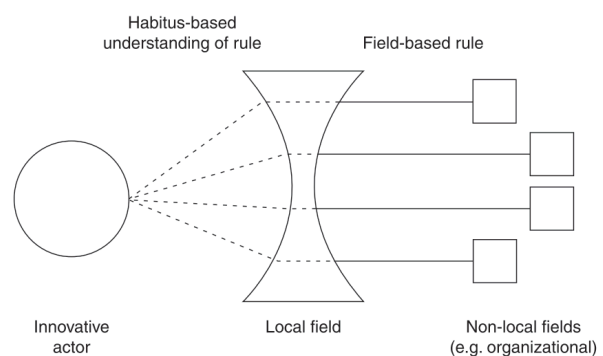


*Figure 3: Local fields in innovation practice*

confliction between the overlapping local fields of Palestinians in different localities.

Hence, it becomes possible to 'unpack' the sociology behind Trans-Palestinian innovation network cohesiveness and embeddedment. See figure 3 to visually manifest the role of local field vs. non-local fields.

### 2.2.5   Summation

Cooke's (et. al. 1998) conception of a region's superstructural issues made a distinction between the organisational and the institutional level. Hence, embeddedness can be divided into the level of organisations and the level of institutions. The in- outgroup dynamics identified by Putnam's (2000) conceptualization of social capital enables the analysis two separate the two levels of embeddedness by means of assessing the level of trust that is integrated in the relations of the Palestinian I&E system. This determines whether network structures are organized within confined network structures, or whether the societal organization are characterized by generalized trust, which diffuses thin trust and gathers the collective. Thereby, it is utilizable in terms of illuminating how the institutionalized milieu is embedded or disembedded. The choice of Burt's (1992) structural holes and the role of brokerage then adds a mechanical dimension, explaining the *consequences* of persisting (cognitive) structural holes as well as the opportunity for diffusing thin trust relations through brokerage mechanisms. Simultaneously, the two social capital theories depicts how certain social components in the Palestinian culture may already constitute social elements on which basis generalized trust can emerge in the I&E milieu. Finally, Bourdieu's (1977) concepts of fields and practice provides a sociological viewpoint that add a mechanical dimension of the underlying sociology behind the economic practice of innovation actors. This tool is relevant in terms of depicting 1) the conflicting culture of multiple-stakeholder milieus, and 2) the extent to which local fields are conflicting in terms of embedding innovation practices across a Trans-Palestinian milieu.

# 3   Methodological chapter

This chapter presents the overall methodology of the thesis. The chapter is divided into different sections, covering 1) the qualitative research design, 2) the data collection procedure and 3) limitations of the investigation.

## 3.1   Qualitative research design

With qualitative research a wide array of dimensions of the social world can be explored. This include the ways that social processes, institutions, discourses or relationships function, and the significance of the meanings they generate. The understandings, experiences and imaginings of research participants can offer comprehensions of the texture and weave of everyday life (Mason, 2002: 1). Qualitative research starts with assumptions and use of interpretive/theoretical frameworks that inform the study of research problems, (Creswell, 2013: 44) and followingly comes material practices, or sets of scientific techniques, that enables researchers to view the world through a series of representations, e.g. notes, interviews, conversations recordings, and memos to the self. Hence, qualitative research involves an interpretative approach to study things in their natural settings, attempting to *make sense of* social phenomena in terms of the meanings that people ascribe to them (ibid).

### 3.1.1   Research philosophy

In this section, the philosophical position of this thesis will be outlined. This thesis relies on the assumptions developed through the *philosophical hermeneutical* paradigm, which claims that it is in the interaction between an observed phenomenon and the interpreter that meaning arises, which centralizes the interpreter's pre-conception, or *horizon,* in the process of creating meaning. Thus, this paradigm manifests ontological position of the thesis, which have certain implications on epistemology, which will be outlined in the following.

I emphasise that I, as the researcher, cannot be extracted from the process of drawing meaningful conclusions. This does not mean that the results of this thesis cannot provide valuable contributions to Palestinian processes of interactive learning, rather it seeks to manifest a
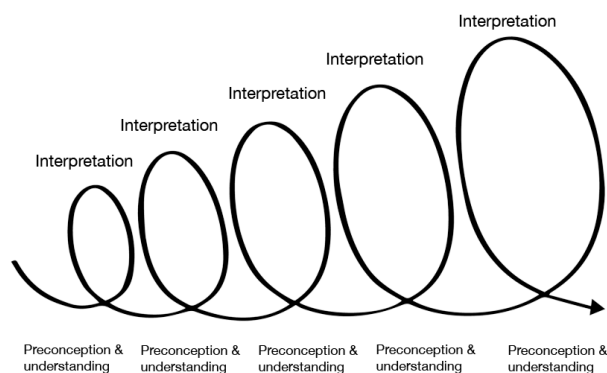


*Figure 4: The hermeneutical spiral*

respectful way of managing that all epistemological assumptions essentially cannot occur without dialogue (Hastrup, 1999: 7). Hastrup's emphasis on the constant need for dialogue delicately fabricates how one theory or scientific methodology is only relevant until a new one with compelling arguments emerges, why the 'general acceptance' of theoretical paradigms ultimately will always be subjective. Whether it regards the interaction between individual researchers, between social science theories, between natural sciences and cultural science or, practically, between innovation actors on the multiple level as presented in the RIS framework, nobody will ever find one 'truth' that supersede the necessity of dialogue (Ibid). Translated into the philosophical hermeneutics, this means that I recognize that the world *is* out there, but that it is only through 'maps' – i.e. different theories, methodology, fieldwork and real-world experiences – that the world can be perceived in a meaningful way. My own preconception is therefore central to constructing sophisticated argumentation, and as it goes through the hermeneutical spiral, the level of sophistication naturally evolves. Essentially, it is through processes of comparison and neatly matching contradictions that meanings as close to the truth as possible, can be argued to exist. It is by such means that I can gain access to the world, which reasserts the somewhat fluent epistemological position that it is within the researcher's interaction with 'maps' where the continuum of meanings is created. Followingly, figure 5 highlights key stages in my personal hermeneutical cycle; each representing a cycle of my renewed preconception, which displays the dynamic process towards *getting to know.* While this underlines my capability of carefully choosing legitimate epistemological way of ascribing meaning to the issue at hand, I must, as the researcher, recognize that even these choices are

subjectively driven, why they simultaneously showcase what I do *not* know (Højbjerg, 2013: 94).

**Observation**
Observing foreign cultures in multiple national contexts in the Global South (Africa, Latin America, Asia); developed an understanding of myself in the process.

**Internship**
Practical experience with the conceptual development of Station J as a bilateral multi-stakeholder development intervention. First internship report on the reciprocity between human and economic development with Station J's work streams.

**Literature review**
Previous to doing fieldwork in Palestine, I made a literature review concerning RIS theory and its origins through which I developed a view of how a regional innovation networks functions in theory.

**Methodology**
Developed a stronger acquaintance with qualitative research methodology, within ethnographic techniques, especially, as to how to interpret culture, nevertheless recognizing my role in the observation space.

**Fieldwork**
Obtained a radically renewed preconception during conversations, observations and interviews , especially, of the complexity of the local dynamics of Jerusalem and more  broadly about the Israeli-Palestinian conflict was developed. People on both sides were interacted with on a deep conversational level. Before and during my stay, I furthermore conducted extensive desk research on the history of the region.

**Post fieldwork theory building**
Obtained further conceptual comprehension as I engaged in the iterative process of expanding and narrowing of my conceptual width.

**Post analysis**
Obtainment of in-depth comprehension of the social relational and societal structure behind acts of interactive learning, building and supporting start-ups in Palestinian and implications of normalization in the Trans-Palestinian context.
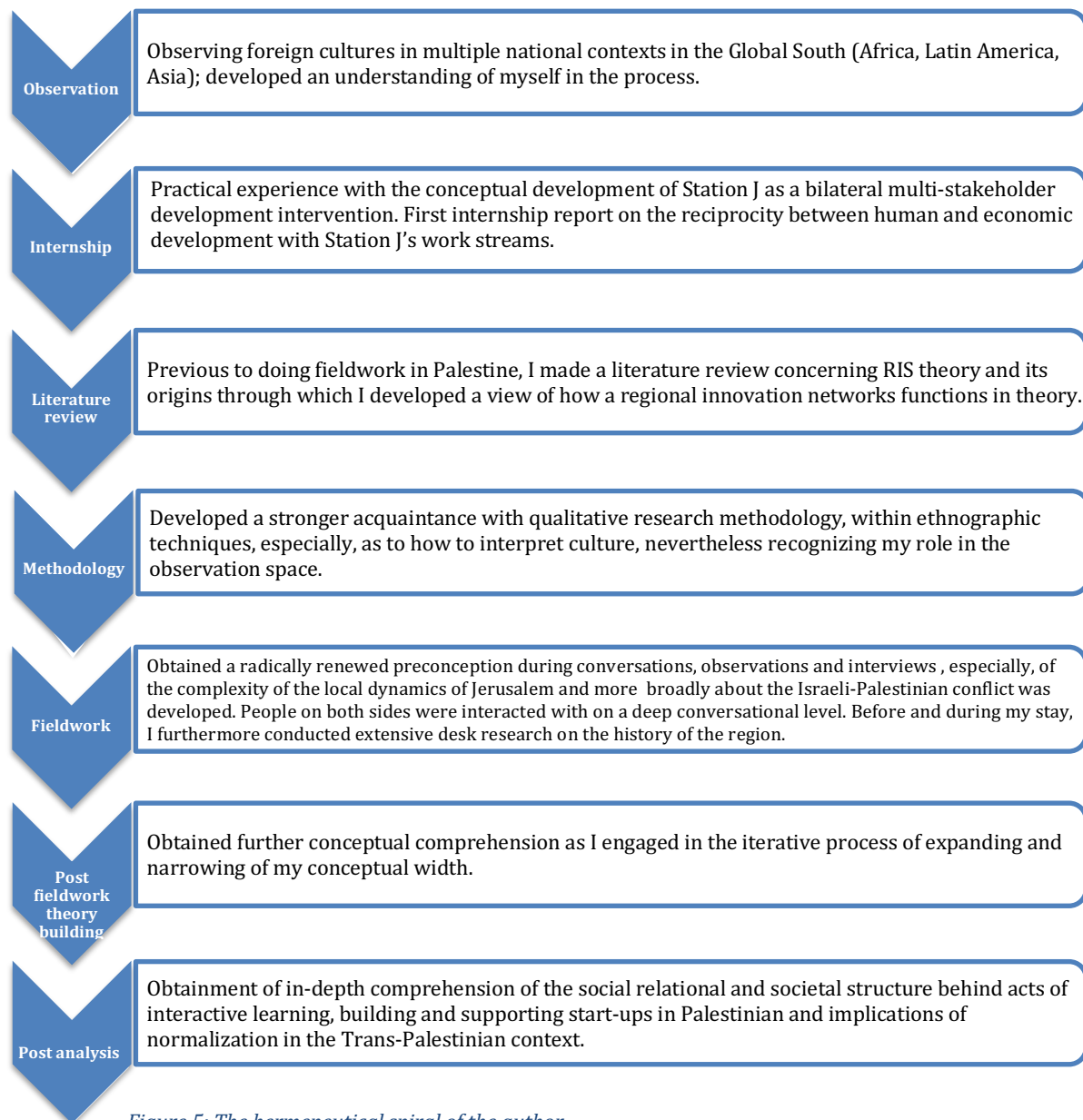
*Figure 5: The hermeneutical spiral of the author*

### 3.1.2   Instrumental single case study

Since this case study aims at constructing a new way of explaining the phenomenon of the soft enablers of innovation, this study can be considered what Stake (1995 in Lapan et. al., 2012: 46) refers to as *an instrumental* case study. According to Lapan and Armfield (Ibid) the strength of a case study is that allows one to 'peel the onion' and carefully view each layer of the matter of interest (ibid: 244). Figure 6 provides an outline of the case boundary, clarifying the distinct portions of interest.
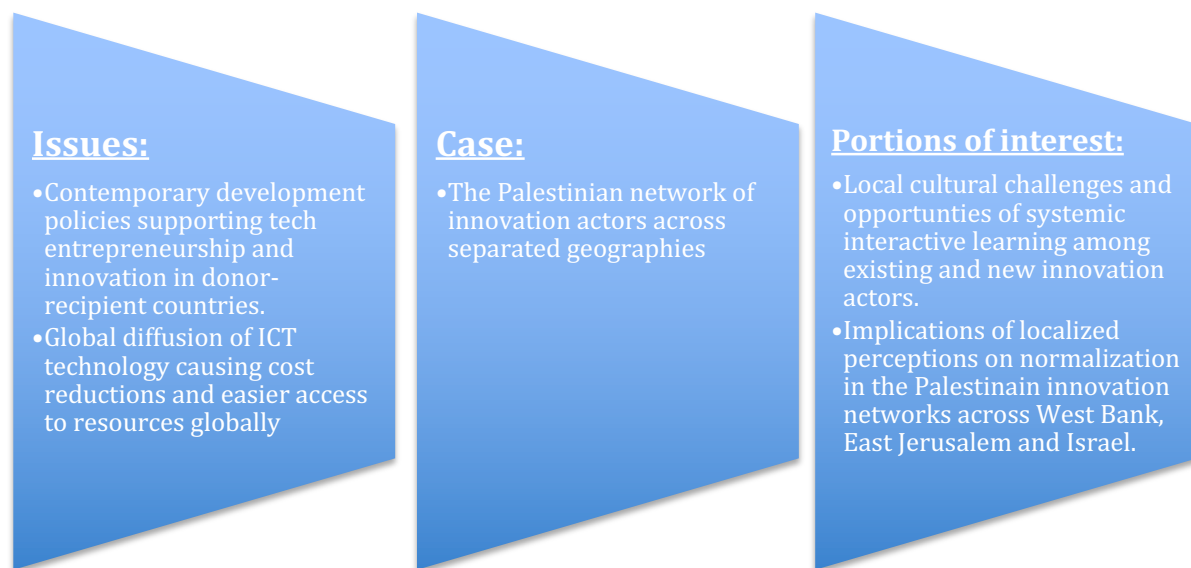


**Issues:**
- Contemporary development policies supporting tech entrepreneurship and innovation in donor-recipient countries.
- Global diffusion of ICT technology causing cost reductions and easier access to resources globally

**Case:**
- The Palestinian network of innovation actors across separated geographies

**Portions of interest:**
- Local cultural challenges and opportunties of systemic interactive learning among existing and new innovation actors.
- Implications of localized perceptions on normalization in the Palestinain innovation networks across West Bank, East Jerusalem and Israel.

*Figure 5: Case boundary*

The choice of studying the case of the Palestinian innovation network presents certain implications on the generalizability of the findings. Social scientists have long claimed that single case studies are not fit to conclude anything, rather they become valuable: *"If carried out in some numbers, so that judgements of their typicality can justifiably be made"* (Giddens, 1984 in Flybjerg, 2006: 8). Contrarily, Flyvbjerg (Ibid: 9) claims that in social science, the strategic choice of a single case may greatly add to the generalizability of a case study. Flyvbjerg (2006: 11) uses Karl Popper's famous example of: "*All swans are white",* emphasizing that if one black swan is identified the proposition would be falsified, which stimulates further investigations and theory-building. Thus, case studies are considered well suited for identifying "black swans" because of its in-depth approach to understanding: "*what appears to be 'white' often turns out on closer examination to be 'black'"* (Ibid: 11).

This case of the Palestinian innovation network possesses distinct characteristics due the uniqueness of the 60 year-long conflict between with Israel. While armed and political conflict is part of many peoples' daily lives today, globally, I argue that Palestine-Israel conflict involves a special symbolism due to the recent upswing of Israeli occupational efforts after the millennium, which clearly manifests strategies of apartheid, severely restricting Palestinian activity in an array of fashions. By investigating the Palestinian network, I therefore investigate a 'least likely case', which potentially present strategic value as to generalizing its findings following Flyvbjerg's argument.

## 3.2    Data collection procedures

In the following sections, the procedures for data collection will be outlined step by step.

### 3.2.1    Seven stages of interview inquiry

Preparing for conducting field interviews, I jumped-off from Brinkmann and Kvale's (2009: 128) *seven stages of interview inquiry*. This provides a linear progression through seven stages from original idea to project report, and covers the processes of thematising, designing, interviewing, transcribing, analysing, verifying and reporting. While these stages are originally presented as a linear progressive model that help me to divide the process into tangible steps, the process should be understood in a more dynamic way. This is due to the fact that the researcher must keep in mind that the stages are inherently interdependent (Ibid: 137). As the researcher becomes wiser during the process, he/she should therefore revisit earlier stages when needed.

### 3.2.2    Conversations, observations and fieldnotes

While the predominant part of this thesis' database is collected through interviews, a significant amount of nuance was furthermore collected through conversations, which will be outlined in the following paragraph before diving into the interview process.

As oppose to interviews, interactions through conversations are naturally occurring. This offers a unique window of obtaining data through which multiple voices and perspectives can be extracted due to the fluid and emerging nature of conversations

(Kyprianou et. al, 2015), which may have been difficult to capture in the more pre-established interactive setting of an interview. As I engaged strategically in conversing my way through the fieldwork journey, I strived to approach every conversation informally, taking into consideration to establish an understanding of the person's background and profession before bringing up more sensitive topics. This, I felt, gave me an advantage with regards to entering their lifeworld. I eventually ended up interviewing many of the people that I initially conversed with too. However, throughout the process, I made sure to write down notes on themes that emerged through conversations. Other than here, themes were largely connected themes found in the theoretical literature.

The importance of this exercise is equal to the process of observations, where field notes should be loosely taken during observation after which more final scripts should be evolved in order to minimize memory distortion (Goffman: 1989 131). Due to COVID-19, my observations were limited to concerning mostly interactions in the premises of Station J. Thus, the thesis has not been capable of saturating participant observations, which otherwise could have proved useful to triangulate the data collected from interviews (Ibid: 132). I did put an effort into triangulating my interpretations deriving from my observations at Station J by bringing up questions during conversations with my closest contact that was capable of verifying my interpretations, and in this way, I strived to make the necessary adjustments.

### 3.2.2.1 Design considerations

In the process of designing the inquiry, the researcher is concerned with designing *how* the data for the study will be collected taking all of the seven stages into consideration (Brinkmann & Kvale, 2009: 130). At this early stage, the moral and ethical complications with doing interviews in Palestine was taken into consideration.

### Managing the moral dimension

As argued by Sheyvens and Storeyeds (2007: 21), doing field work away from home is distinct to doing research on one's own society and culture. This has practical implications, since the cultural traits of the research 'site' is relatively unknown and "unfelt" by the researcher (Ibid: 20). The cultural foreignness between the researcher

and interviewees needs be taking into account in terms of the bias it may give to a study of a sociocultural nature as it is the case with this investigation.

Conducting qualitative research which involves human participants, it is important to develop interpersonal trust and protect them, not the least, in order to promote the integrity of the research (Creswell, 2016: 327). The interviews inherently touched upon sensitive dimensions that pursued to stir up the meaning that respondents ascribe to matters of normalization as well as industry dynamics. Therefore, the interviewees were forced to reflect on a deep personal level, which necessitated revealing opinions about fellow countrymen. The interviews were designed to reach such depth, but simultaneously it was part of putting the interviewee in a tough position. To manage this, a social contract that sought to create full transparency and emphasise the agency of the respondent as well as informal conversations described above was used (Ibid: 340). With regard to such measures to create transparency, it must be noted that according to Goffman (1989) transparency does not necessarily generate trust at least not in the long term.

Furthermore, the thematic issue of a *development* study integrally puts me, as a researcher of a Western 'privileged' background, in a peculiar position, sometimes associated with power. Countries in the Global South have through a long historic period been recipients of development AID, which must be perceived to have sought to progress the poor states of livelihoods within nations, but which has also been subject to vast critique from development paradigms such as post-colonialism (Said, 1978) and dependency theory (Frank, 1966) that shed light on the Western world's mechanisms of exerting power onto countries in the Global south. Attacking the problem from different angles, semantically and economically, these paradigms manifests how development is sustaining the underdevelopment of the so-called 'Third World'. This produces an economic and a mental gap between North, South, East and West, which penetrates my very existence, as a human being.

Having had such world dynamics and the implications thereof in mind during various longer stays in the "Third World", I have developed an approach to mutual understanding between humans, which rests on an essential principle of humility. This

means, among other aspects, that I understand the fact that I cannot understand certain meanings by applying my own logic. This underlying approach aligns in many ways with what a scholar, whose name, ironically, is Daryl *Humble* (2012), describes in his account of 'valuing emotions' in development research. During the interviews, I was therefore aware of using pre-learned techniques such as body language and open questioning guided by my sincere interest in foreign culture, which I argue was part of establishing a mutual ground before diving into any sensitive topics. During interviews, I incorporated a speech regarding the nature and utility of the investigation, and in that way, I could achieve a mutual ground on both a professional and, arguably, on a personal level. By taking into consideration the human aspect of this investigation, i.e. what ethical issues could potentially harm the respondents both emotionally and practically as well as undertaking such a humble approach, I strived to manage the moral complications of this inquiry. However, even in the pursuit of equalizing power asymmetry, I must recognize that there can still exist intersubjectively, which may have had the unfortunate consequence that some interviewees may have emphasized what they thought I wanted to hear.

### 3.2.2.2   Selection of interviewees

The selection of interviewee participants was guided by following prepositions: the RIS theorem and the Trans-Palestinian interest.

Firstly, the RIS framework imposed the importance of choosing actors within the two regional sub-systems, i.e. the one for *knowledge application and exploitation* and the one for *the knowledge generation and diffusion.* The initial premise therefore comprised a need to disperse the range of interview participants so that relevant actors associated with either exploiting or diffusing innovation, from all layers, was represented. This included firms, start-ups, local and international NGOs, relevant ministerial authorities, industry associations, universities, vocal training centres, incubators and accelerators, shared office spaces and other organizations with a stake in Palestinian innovation activity.

Secondly, the Trans-Palestinian point of interest emphasized that the representation of interviewees should origin from each of the localities under investigation, i.e. the West

Bank, EJ, and Israel. This premise was established in order to seize the full scope of meanings uttered from Palestinians that were raised in different locations. In order to interpret and analytically compare variances, this was a highly important denominator. Note that Gaza has been excluded in this investigation, due to the unique position this territory has been put under the Israeli occupation. Gaza's distinct disconnectedness with the world as well as with the rest of the Palestinian areas in which people are (allegedly) focused on carrying somewhat normal lives incl. business practices etc., reveals the reasoning behind the thesis' focus on the three above mentioned areas that, despite being disconnected, display a much easier infrastructural accessibility.

I reached all interviewees through the hub manager at Station J, my closest contact and primary 'gatekeeper' to the field (Saunders, 2006). He put tremendous effort into connecting me to an ambitious list of pre-determined interviewees and vouch for my research. He furthermore added organizations to the list that he deemed relevant in close collaboration with me. Long before travelling to the field work site, I had two skype conversations and email correspondences that clarified the purpose of my thesis. By such means he could rest upon a clear understanding of my objectives as he suggested new actors to reach out to. Some of these references were based on his existing network, which did not necessarily represent the most relevant actors in the systemic interactive network. However, as I was stationed in Station J, he introduced me to various players who referred me further to their contacts too. This started process of snowballing my interviewees, yet, in a well-ordered fashion based on the above criteria.

See below for a full list of interviewee participants that describes the organization, rank, geographic location and sub-system to which each one belonged:

| Knowledge application and exploitation subsystem | Interviewee rank | Geographic location |
|---|---|---|
| **Transcend**, *telecommunication outsourcing company* | Founder & CEO | Bethlehem (West Bank) |
| **SunBird consulting,** *Tech-business consultancy* | Founder and consultant | East Jerusalem |
| **Receet,** *tech-startup* | Founder & CEO | Nablus (West Bank) |
| **RedCrow intelligence,** *tech-startup* | Founder & CEO | East Jerusalemite established start-up in Ramallah |
| **WeDeliver,** *tech-startup* | Founder & CEO | Ramallah (West Bank) |
| **Inggez,** *tech-startup* | Founder & CEO | East Jerusalemite established start-up in Ramallah |
| Knowledge generation and diffusion subsystem | Interviewee rank | Geographic location |
| **Jerusalem Hi-tech Forum (JHF)**, *Palestinian community-based grassroots organization* | 1 Founder, 1 Board member | East Jerusalem |
| **JEST,** *community-based incubator* | General manager | East Jerusalem |
| **Hebrew University** | 1 Student youth entrepreneur, 1 administrative officer | East Jerusalem |
| **Org**, *employment of Arab students in Israeli Hi-tech industry* | Facilitator | East Jerusalem |
| **Hasoub,** *grassroots movement for Arab youth tech-entrepreneurs* | Program manager | Haifa |
| **MENA Catalysts,** *NGO focused on youth entrepreneurship and job creation* | Program manager | Birzeit (West Bank) |
| **Canyon institute,** *research institute* | Academic scholar and researcher | Jerusalem |
| **MEET,** *binational Israeli and Palestinian organization student entrepreneurship network* | Project manager, presenter, mentor | Jerusalem, Tel Aviv, Haifa |
| **FLOW,** *entrepreneurship incubator* | Relations manager | Ramallah (West Bank) |
| **Global Shapers,** *global grassroot-led movement for sustainable change initiated by World Economic Forum* | Member and youth entrepreneur | East Jerusalem |
| **DCA/NCA Palestinian joint-program**, *International NGO with Danish and Norwegian origin* | Program manager | East Jerusalem |

*Table 2 – Interviewee*

### 3.2.2.3   Semi-structured interviews

The interview questions were scripted in order to understand the variance and implications of positions on normalization and the cultural challenges and opportunities as experiences by the representatives of organizations within the different RIS sub-systems. Thus, they were guided by the assumptions the thesis (Brinkmann & Kvale, 2009: 129).

Due to the social complexity ingrained in the assumptions, I chose to script the interviews semi-structed. A semi-structured interview does not strictly follow a formalized list of questions, rather it follows a structure of open-ended questions that does not necessarily contain a fixed order and, which allow space for the reflection of the interviewer (Ibid: 149). Furthermore, semi-structured interviews present a way of obtaining knowledge into interviewee's "life-world", which capture virtues of personal emotions and the meaning ascribed to phenomena (Ibid: 150). In order to capture such depth of what essentially constitutes sensitive topics, it was deemed important to keep an open-ended nature of the interview, allowing the interviewees to reflect on the topics that mattered the most to them. A reflection of how this process was managed in practice will follow next. See annex 8.1 for an overview of the interview guide.

#### Interviewee process

The questions were scripted mindfully in term of framing them in a non-academical way, which sought to level the interview discussions between the researcher and interviewee (Brinkmann & Kvale: 2009, 158). As the researcher, all of the terminology of RIS and related concepts was ingrained in my vocabulary. This enforced a deliberate effort of explaining the overarching systemic point of interest, since it revealed itself to be in need of further explanation. I assisted this levelling out by showing a map of the Palestinian RIS, created by hand, in the beginning of the interview. This was only implemented after a few pilot interviews after which it proved to be a helpful tool in terms of perceiving the matter of interest from a similar angle.

Having conducted the first pilot interviews – noticeably with the CEO of Transcend and the Sunbird group consultant – I gathered the notes and went back to restructure the guide and reformulate the questions. This was done to frame both the questions and the

structure in a more optimal way in terms of obtaining the indented data to answer the research questions thoroughly. I realized how I naturally pursued a more structured interview process, striving to secure data that was relevant, which was essentially counterproductive to the initial plan. This was discovered based on the natural interdependence of the segments of questions, revealed by the fact that every interviewee tended to jump back and forward between interview segments. Only during this process, the practical nature of a semi-structured interview was truly realized and from that point on the interviews were conducted with a more fluent approach. Instead, I focused on asking clarifying and probing questions based on my 'pre-established' intuition, which enabled a more in-depth exploration of these that came up. I went through a final stage of revising the questions, before settling on a style and format, which guided the final stage of interviewing. The process proved to be a valuable learning, as it streamlined the conversations and made them more dynamic, which secured fruitful results as I moved towards the end the interview process.

### Interview practicalities and complications

Crucial to designing qualitative approaches to inquiry is the issue of practice, which includes careful choices regarding issues such as timeline, context, language and medium (Sheyvens and Storeyeds, 2007: 19). The practice and related complications will be outlined in the following.

The initial plan was to spend four to six weeks on collecting data in March 2020, which allowed time for both previous planning/writing and post processing. The designated timeframe was organized so that the period was devoted fully to interviewing, and thus included a natural end point. Being aware that a certain extend of follow-up interviews would likely be relevant to conduct after the fieldwork trip, the COVID-19 pandemic crisis made sure that a much greater part of the interviews needed to be done post to the fieldwork. My initial ambition of physically crawling throughout the clustered range of actors primarily located in Ramallah as well as visiting sites on the Israeli side thus changed to Skype/Zoom meetings from Copenhagen. The momentum that presented multiple opportunities of networking, and reiping the benefits of the snowballing effect was therefore drastically hindered as the physical presence got replaced with email correspondences. This also affected the general context in which the interviews took

place: from physical to virtual. Important trust-generating communicative elements such as body-language and eye-contact was taken out of the picture at an early stage in the process and was replaced by more or less stable Skype/Zoom calls, where picture and sound quality was fluctuating in quality. This magnified the issue of language, which already was an issue necessitating consideration. All interviews were conducted in English, comprising both the interviewer's and interviewees' preferred foreign language. Everyone was highly communicative; some had a professional level of English, while others were lesser sophisticated. Therefore, I generally attempted to keep the discussions in an informal tone and style of English. The relation between subjective experience and language is a two-way process; language is used to express meaning, but the other way around, language also influences how meaning is constructed (Nes et. al., 2010: 2). It was therefore a critical turning point that the interviews could not be conducted physically. Some points meaning were lost in translation due to the either foreign Arabic references that weren't captured by me in the first place, and sometimes it was because of poor sound quality, which my recording device could not pick up over the speaker.

### 3.2.2.4  Coding

The fourth step in Brinkmann & Kvales (2009: 128) interview inquiry is concerned with the process of transcribing. Generally, this concerns a transcription from oral speech to written text, and specifically it encompasses how the data for this thesis was organized systemically in process of *coding*. The following paragraphs will outline considerations regarding the process of coding the collected data.

The traditional approach to coding within social sciences is to develop codes on the basis of the emerging information from participants (Creswell, 2013: 631). In this thesis, however, codes have been combined in a mixture of predetermined and emerging codes. Predominantly, the codes have been predetermined, as they build directly on the modular theoretical toolbox, built for the purpose of investigating RIS's theoretical gaps. The concepts have been considered suitable to constitute the "code labels" in this process, based on the assumption of cultural determinism in RIS's framework. The particular relevance of the concepts has been thoroughly discussed in the literature review in terms of their capability of capturing the distinct dynamics of

the phenomena in question with richness. Due to the conceptual width of each concept and their explanatory power, they were a suitable way to organize the data. On the other hand, without having further deconstructed the code label of "normalization" based on what emerged through the process of interviewing for this thesis, it did indeed emerge as a topic through previous experiences.

As a technical measure, a codebook was formed to gather and organize the data. A codebook generally provides a list of codes, a definition of it, information about when to use the code and when not to use it, and an "example of a quote illustrating the code" (Creswell, 2013: 768). It resulted in a structured data set, suited to test RIS's theoretical hypotheses, much like they do in health sciences (Ibid: 633), and I furthermore made sure that the codes did not drift in definition in order to ensure reliability throughout the process (Ibid. 644). The codebook was designed to enable the information to be conceptually cross-checked, i.e. foster conceptual and thematic associative cohesion, to build additional layers of complex analysis (Ibid: 634). The assumptions of normalization and RIS's cultural challenges were placed as overarching code-labels and added to a colour, which then was applied to all of transcribed notions below, which were identified to have relevance to the chosen concept. See annex 8.2 for an overview and demonstration of the codebook.

Since the interviews were transcribed selectively into a codebook of predetermined codes, the emergence of empirical trends may have been neglected. The process of open coding itself is argued to ensure the validity of the work (Gibbs, 2007). However, since I had already established a sound horizon of the conceptual issues before conducting research for this thesis, I argue that the choice of developing predetermined codes based on agreed-upon theoretical concepts presents a reliable way of taking issue with this thesis' problems statement.

### 3.2.2.5   Analytical procedures

Since it is only through the examination of the data that data themselves take on meaning Wolcott (2009: 31), there is an inherent descriptive dimension to analyzing qualitative data. Asking the question: "What were the lessons learned?" captures the idea of this process (Lincoln & Guba, 1985 in Wolcott, 2009), which already occurred

through the process of coding. This question urges, however, to make a distinction between interpretation and analysis. In contrast to the more freewheeling activity of interpretation, analysis is argued to refer to: "*the examination of data using systemic and standardized measures and procedures*" (Wolcott, 2009: 29). The rigorous, agreed-upon and carefully specified procedures of analysis, sets it apart from interpretation, which derives from efforts of sense-making; "*a human activity that includes intuition, past experience and emotion* (Ibid: 30). This thesis rests on the *comparison* of described interpretations as underlying analytical procedure (Ibid: 30).

Furthermore, in addition to having clarified the bias entailed my role as a researcher as a means for validating my findings (Creswell, 2013: 638), the following two measures have ensured the validity. Reporting the data, I convey the findings through *thick* descriptions, which according Geertz (1973) is a vital technique of understanding the phenomena in terms of an understanding of its, i.e. a *deep* level of understanding, which separates the merely descriptively *thin* level of understanding. Moreover, an array of primary and secondary sources of data, incl. news articles, peer reviewed articles, policy papers, sector analyses, strategic documents from DCA (DanChurchAid) and from Station J etc. have been used to triangulate the date (Creswell, 2013: 638).

# 4  Empirical foundation

In this section, the empirical foundation will be established in order to 1) materialize how the perceptions of each group of respondents are used, 2) contextualize the Arabic culture and the Trans-Palestinian innovation network(s). As a result, the reader will obtain comprehension of how the data was utilized and RQ1 will be answered.

## 4.1  Interpretation and use of collected material

The informants that were either interviewed, observed and conversed with have been divided into following categories. Departing from personal reflections revealing how each of the informants ascribed meaning to the phenomena in question as well as their position on normalization, how each category was interpreted and used is displayed in the right column.

| Category: | Informants/organizations: | Interpretive use: |
|---|---|---|
| *Binational organizations* | - MEET<br>- ORG | Binational perspectives on systemic propensities as well as the mentality towards innovation in both West Bank and Israel. |
| *Palestinian 48'ers[2]:* | - Hasoub<br>- Student entrepreneur from Hebrew University (HU)<br>- Two students from HU | Perspectives of 'hard' and 'soft' institutions that influence the perceptions of innovative activities of Palestinians in Israel. Perspectives of Palestinians' integration into Israeli high-tech industries and positions on Palestinians in the West Bank. |
| *NGOs EJ:* | - Numerous individuals from Palvision<br>- Station J<br>- JHF<br>- JEST<br>- DCA | Perspectives on the 'hard' and 'soft' institutions that influence the lives of Palestinian EJs, the innovative capacities of entrepreneurs, NGO programs and the |

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[2] Refers to the Palestinian population that origin from the occupied Palestinian territories pre-1948 when the state of Israel was established. Palestinian societies within the current state of Israel are referred to by Palestinians as 48'ers (insight obtained from interviews and conversations).

| | | universities. |
|---|---|---|
| *NGOs West Bank* | - MENA Catalysts<br>- FLOW | Perspectives on the programmatic structure and manoeuvring of the NGO sector, how it interacts with the private sector in the West Bank and Jerusalem. |
| *Tech start-ups:* | - All four tech start-ups,<br>- Sunbird consultant,<br>- 'Global Shapers' participant<br>- Conversations with spurring entrepren-eurial talents from EJ. | Perceptions of interactive learning with the private sector, universities and grants-based NGOs in the West Bank. Further perspectives of how entrepreneurs manoeuvre in East Jerusalem. |
| *Outsourcing company:* | - Transcend | Detailed cultural perspectives internally in Transcend as well as implicit perspectives on the remaining outsourcing sector in the West Bank. |
| *Academia:* | - Researcher from Canyon institute,<br>- Administrative worker at HU | Reflected perspectives on the conflict, economic conditions, donor-level problematics and being a Palestinian worker at the HU. |

*Table 3: Interpretative materialization*

In great risk of reducing the complexity of the structural contours of each location, the following summation provide a brief overview of the reality of each juridical context under which Palestinian innovation communities navigate.

## 4.2   Contextualization

*Trans-Palestinian ecosystem characteristics*

As the CEO of WeDeliver states: "*In terms of the eco-system, they are totally two different",* which naturally results in a: "*big gap from the knowledge base that the people are coming with from the different places and the support systems around*" (PM, Hasoub).

Palestine's emerging IT eco-system is agglomerated in the West Bank, especially in the progressive city of Ramallah (Portland Trust, 2013). Due to a limited amount of private funds, incl. one venture capitalist firm, few angel investors and generally limited private sector involvement, grassroots I&E activities are dependent on grant-based donations from international agencies, granted directly or through a range of 'incubator & acceletor' NGOs. According to informants, the PA (Palestinian Authorities) present multiple barriers for developing I&E capacity, including high registration fees, no intellectual property protection and no juridical mechanisms multitier stock system distinguishing common and


*Source: DANIDA, 2016-2020 Denmark-Palestine policy paper*

preferred stocks[3]. As expressed by the JHF board member: "*I don't want to the government to do anything* (…)*, it is just to remove barriers".*

Palestinian 48'ers operate under the Israeli government. Palestinian EJs are put in an abnormal situation with propensities to pursue opportunities within both context and thus rely on the market-hierarchy of two distinct institutional contexts. Here, they are concerned with integrating into either Israeli or global learning structures. As the board member of JHF states: *"There is always discrimination. But market factors play the hierarchical role. If the Israelis lack 5,000 tech-jobs, they put their racism and discrimination aside to fulfil those jobs.* (…) *Money talks"*, which arguably nuances the underlying basis for such integration from the Israeli side. Due to lack of designated

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[3] The main difference between preferred and common stock is that preferred stockgives no voting rights to shareholders while common stock does. Preferred shareholders have priority over a company's income, meaning they are paid dividends before common shareholders.

opportunity structures for Palestinians in EJ, here, aspiring entrepreneurs frequently seek opportunities in the West Bank because of cheaper costs. See annex 8.3 for a more detailed overview of each context.

Referring to what is considered a general tendency among Palestinian entrepreneurial talents, as picked up by Palestinian NGOs' programmatic I&E support, the PM of MENA Catalysts states: "*They don't think of a global solution* (…) *Or think of how to scale their start-up. And this is why they don't have real exposure to the external world or to the global solutions or to the market outside*".

## 4.3   The sociological contours characterizing civil life in the region

Figure 7 was developed in collaboration with a senior Palestinian AID worker and an Israeli senior manager in Israeli high-tech. Both are from Jerusalem, why it rests on perspectives from both sides of the city. Jerusalem is at the heart of the conflict, and as such it was considered to generally represent the major ideological standpoints in the rest of the region too.
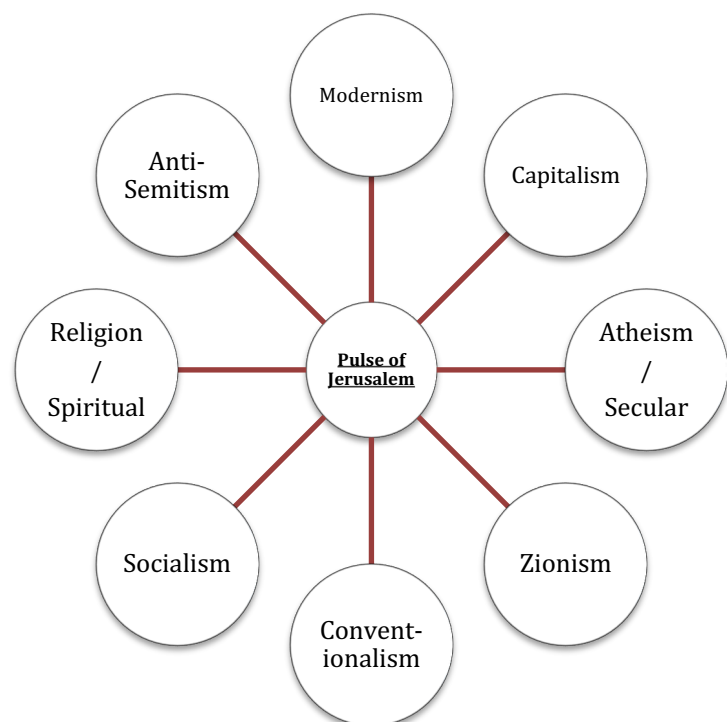


*Figure 6: The pulse of Jerusalem*

Essentially, figure 7 displays the way in which the regional population constructs meaning. Rather than following the lines of the discursively predominant 'two-pole' logic, i.e. as a solely ethnic conflict between Jewish Israelis and Palestinian Muslims, figure 7 represents the distinct multi-pole sociological structure that characterizes civil life in the region. The model does not claim that ideological extremities does not exist, quite contrarily, it assumes that the existence of exactly such people who adhere to extremities play central roles in sustaining the conflict on a social

level, and not just on a level of politics. Rather, it rests on the fact that individual agents can belong to one, but usually more of the distinct ideological positions.

I might add my interpretation to the implications of the above. A significant amount of both the Palestinian and Israeli population are integrated closer to the 'pulse', i.e. with lesser propensity to extreme ideological standpoints, and larger propensity to adhere to a mix of multiple ideologies. In this way, there are some ideological dispositions that glues together people across ethnicity easier than it is the case within ethnicities. For example, the new generation of Palestinians that have been growing up alongside the fourth industrial revolution may be prone to disagree with older generations, why modern capitalistic ideologies may clash with conventionalist and spiritual ways of carrying lives within Palestinian communities. Similarly, secular Jews in Jerusalem surely clash with Jews following the more extreme Hassidic or orthodox Judaism[4].

Through conversations with business consultants, NGO workers, people from accelerators in the West Bank as well as Station J's administrative personnel, I further learned that the '93 Oslo peace-treaty was perceived as an important breaking point for how Palestinian approach to collaboration has evolved. The millennials have been contested for having converted into a more individualistic attitude than was the case previous to the collectivism that persevered after the First Intifadah[5]. As one noted: *"Before the Oslo peace treaty, there was a socially oriented voluntary culture among Palestinians, which changed after the national push of neo-liberal policies (…) During the first intifada, there was much stronger sense of community".* Followingly, it was expressed by two senior Palestinian informants that: *"It went from being an eco-system to an ego-system"* and that: *"the cultural issue is most of our kids* (…), *they didn't struggle".* Thus, much like the neo-liberal attitudes that have gained prominence in Western cultures, it is argued to have captured the mindsets of the newer generations in Palestine. This adds an extra dimension to figure 7, i.e. individualism vs. collectivism. As it is identified to be an underlying condition, arguably, inherent in many of the different

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[4] Present-day Hasidism is a sub-group within ultra-orthodox Judaism, particularly noted for its religious conservatism and social seclusion. Retrieved from: https://en.wikipedia.org/wiki/Hasidic_Judaism
[5] The First Intifadah refers to a Palestinian series of violent and non-violent Palestinian protests to the previous 20 years of occupation between 1987 to 1993 until the signing of the peace treaty. Retrieved from: https://www.britannica.com/topic/intifadah

ideologies, it has not been included in the model. Rather, it serves as an extra layer onto the model.

Derived empirically, the above sections characterize the current state of the Palestinian network of I&E actors. Furthermore, it characterizes the contemporary sociological contours of society as well as the change in mental propensities in the intergenerational domain, which constitutes the soft layer within which Palestinian I&E actors are embedded.

# 5 Analytical chapter

Firstly, the analytical chapter will analyse the cultural challenges and opportunities in the Palestinian I&E eco-system. This section covers the systemic propensities of particularly the West Bank, since the Palestinian I&E stakeholders are agglomerate within urban spheres in this context. Secondly, the cultural implications of political sensitivity will be further analysed as they affect embeddedness of the Trans-Palestinian I&E milieu. Finally, the implications of the above will be summarized, displaying the implications of building a Trans-Palestinian RIS.

## 5.1 The culture of collaboration within existing Palestinian RIS actors

The section will analyse the cultural challenges and opportunities within the private sector, the NGO sector and universities, respectively, and analyse systemic propensities' reciprocal effect on Palestinian I&E mentality.

### 5.1.1 Challenges within the NGO sector

Interestingly, the collaboration among NGOs that supports I&E in Palestine displays a conflicted nature. In the following paragraphs, I will point to areas in the data that underlines how norms and conventions within this field affect Palestinian systemic learning.

#### Competitive behaviour

Referring to NGO collaboration, the general manager (GM) of JEST states that: *"organisations are more so working as different entities than in a collaborative manner (...) and that is an obstacle for the success for the start-ups in general.",* reasoning that:

*"you have a very small pool of funding for all the organisations working in this country (...) the money available for NGOs are much less than before, and that means that you need to secure yourself, and first then you think of doing something with others".* Seemingly, the GM walks the talk since, previous to the interview, I was told that JEST did not show up to the launch of Station J, upon formal invitation. Whether JEST's lack of engagement with Station J rests on deliberate decisions made from the board of directors or management, however, is subject to speculation here. However, if it is the case, the GM reinforces the very obstacle of the organisation's purpose; namely, to create a community driven entrepreneurial eco-system in EJ (JEST, n. d.).

A program manager (PM) from MEET reflects on previous experiences, as he discusses how organisations manoeuvre to get funds: *"Once things were about Human Rights, (...) and then it was about media, so everyone wanted to become a media involved organisation. And now, it's about innovation! So, let's all get on that gravy train!".* Sitting on the board of three organisations, two of them NGOs, the PM at MEET continues to describe, in third person, how he was approached by other board members: *"Hey* NAME*? How about you write us up something, you know a proposal for some project, and we will circulate it, and we will give you a good chunk of money if some of us gets the project approved by the funders?".* According to him, this type of behaviour is occurring on a routinely basis, since organisations are first of all oriented towards survival. Furthermore, a PM at MENA Catalysts elaborates on the collaborative sense and flow of resources among NGOs by acknowledging: *"To be frank, it is not an easy thing to do. Because you know, someone will try to keep his people, you know to get more funds. So, just to start, this is common".* "*the people*" refers to participants in NGOs' programs, which NGOs allegedly compete fiercely to keep inside their programmatic structure in order to comply with fund criteria and secure future funds, why NGOs' adherence to I&E policies tilts towards being a strategy for survival.

Based on such 'silo' thinking in NGOs' operative conventions, the collaboration between NGOs within the field of I&E support is derived to be characterized by arms-length competitive behaviour, which implies inherent distrust among NGOs. Such in-group mentality does not ensure social capital to be diffused among and outside the network

of NGOs that works within Palestinian I&E (Putnam, 2000), and that has devastating building eco-systemic collaborative relations.

### Programmatic structures, tech-business incompetence and donor dependence

Through many interviews it was noted that the programmatic structure among NGO implementers lack an overall coordinating body. The CEO of one of the fastest evolving tech start-ups in the West Bank, WeDeliver, underlines that good initiatives do exist, however in his opinion: *"The problem (…) is that (…) there is no leading entity to organize all of these initiatives under one umbrella".* Here, he refers to the public sector, the different NGOs, universities and private sector initiatives that does not align their approaches to working with I&E. Continuing on his above narrative on NGO survival, the PM at MEET explains: *"There's not really a drive to actually develop something, they don't have a bigger plan, an end-game series, nooo no no, they're like, we'll play the game to get the bucks",* which manifests that this propensity prevent horizontal collaborations across the grants-based NGO sector (Cooke et. al., 1998).

As CEO of RedCrow acknowledges: *"The accelerators are not very productive, since they find solutions on a very micro-level regarding their problem* (finance)*, which is not solving the problem* (innovation)*, which I believe makes it a problem of donors".* As a Palestinian scholar, attached to the Canyon Institute in Jerusalem, emphasises regarding initiatives that supports I&E in Palestine: *"they are top-down projects. They're not emerging from existing economic activity and experimentation",* which illuminates how the policy push of systemic learning is lesser prone to make the NGOs engage in untraded-interdependencies (Cooke, 2001), and hence their short-focus in maintained.

As a consequence, as the tech-business consultant and JHF board member (w. 10 years' experience from Silicon Valley) elaborates: *"There is a lack of understanding of what it means to be a start-up. A micro business or a small business, somebody that wants to open a shop or something at the maximum market of Palestine is not a tech start-up.* (…) *don't bundle them with start-ups! And don't do; "Ahh… We have X amount of money (…) let's divide it by 10 and give it to 10 start-ups! If someone hasn't hit the right level, don't give that money. Like, when they do these competitions, they fund incompetence".* The above in-group behaviour of NGOs are not only part of fragmenting the grants-based support

structure, also it feeds into the persisting incompetence of NGOs' programmatic approaches.

RedCrow's entrepreneurial journey serves as an exemplification of what it means to grow a start-up in the context of the West Bank: *"There are a lot of struggles and fights with leading international organisations, who wanted the idea of RedCrow, security (…) but they hit us with their bureaucracy (…) when it came to bureaucracy, they were not acting with us in a start-up way".* Hence, the people behind the two different organizational fields are operating distinctively different (Bourdieu, 1977), which displays cognitive structural holes. He continues: *"(…) at the end of the day they judge you as if you were EY or Deloitte when it comes to compliance (…) without building your capacity to be able to do that (…) and that chokes innovation! (…) you have to keep putting in effort in learning fast, which actually delays the growth process of a start-up, which is the first goal of a start-up (…).*

Thus, since the ecosystem is largely pushed by top-down development projects, the market-driven pull factor is, at this point in time, taken out of the equation. The compliance that spurs out of such hierarchical structure fosters an organizational logic among NGOs that is incompatible with the flexibility needed to build a tech start-up. Referring to the puzzle of securing funds from both Venture Capital (VC) funds and NGOs, the CEO of RedCrow expressed that the amount of efforts that goes into navigating this: "*start affecting how you believe in yourself*". Thus, the top-down nature I&E support boosts the competitive and, essentially, incohesive and incompetent implementation of I&E programs. As consequence of the above, the sector can be considered disembedded on an organizational level and thus display weak propensities to contribute to establishing an institutionalized milieu (Cooke et. al., 1998).

### 5.1.2 Challenges within Palestine's ICT industry

Palestine's outsourcing sector is: *"(…) the most dominant force in the Palestinian ICT sector"* (PM, MEET). These Palestinian companies are based on outsourcing activities of Israeli and multinational enterprises. The sector entails different types of activities such as telecommunication, web- and software development and R&D services. As such, Palestinian outsourcing companies are integrated through vertical relationships in the

value chains of bigger companies, and thus they enforce a different culture of interactive learning. As the Founder and CEO of Transcend explains regarding how learning is stimulated in his organization: "*Some of my clients they are better than me (…) in some idea or some performance, so we learn from them*". According to him, the way that his organisation is capable of handling this learning processes, is by placing trust and responsibility at the desk of each of his employees since: "*innovation starts with the rules and the requirements of each employee*", and thus: "*the first decision to start efficiency and innovation is reducing the layer of management*" by: "*changing the hierarchy into flat hierarchy*". This clearly sets the stage for which values on which he builds his organisation and the services they provide.

He stresses that, in order to *transcend* business activities, he and his employees always keep a transparent and open attitude towards clients, which constitute the relational glue on which innovations depend: "*we exchange (…) how we do our business and how they do their business. And this became a good partnership between them and us*". As he explicitly expressed his efforts of organizing his company in a flat innovation structure, it seemed that, between the lines, noted by some suspicious reflective pauses, such efforts and such mentality stood in contrast to the remaining outsourcing sector. Note that Transcend is a small telecommunication outsourcing enterprise compared to the dominant players EXALT and ASAL, whom I could not get in touch with despite consistent attempts. The analysis thus depends on the descriptions made by other interviewees and, especially, entrepreneurs were consistently referring to the EXALT and ASAL as non-interactive. Based alone on Transcend's CEO's affiliation with PITA and Station J, it is assumed that Transcend is the exception rather than the rule within Palestinian outsourcing sector.

Furthermore, the example of the newly developed Palestinian high-tech city, Rawabi, is relevant to bring forward. While Rawabi is founded to attract more outsourcing activities to Palestine, the Rawabi foundation rests on visions and values that facilitates the enhancement of Palestinian innovation capacity (Rawabi foundation, n. d.). Reflecting on a personal relation that the PM from MEET has, who was part of building Rawabi's new I&E hub 'Connect', he explained that: "*he left because at the end of the day, they don't have much to do actually help these innovating individuals*". According to him,

he left due to the Rawabi foundation's inefficient focus on how and with what to stimulate local innovation.

Hence, it can be derived that the managers and decision makers behind the Rawabi are confined to in-group network structures (Putnam, 2000). These are arguably confined due to the sensitive domain in which they operate, which necessitates that their interactions are internalised among those whom they trust thickly on a bonding level to have a similar agenda and economic strategic path forward (Ibid). Hence, an inherent risk may be associated to open up economic projects of such magnitude to broader agile network that have their own sociological dispositions, ideological positions and propensities. In defence of Rawabi's fundamental focus on neo-liberal strategies of facilitating profitable outsourcing activities to the neighbouring companies in the Israeli RIS, it could be argued to be a rational first step in the evolution of creating a more cohesive Palestinian RIS since, at the end of the day, the ecosystem needs: *(…) and need tons of investment to grow and overcome the current stage".* Implications of the Israeli-Palestinian economic integration inheres a strong political dispute, which will receive further notice at a later point.

### 5.1.3   Cultural propensities of Palestinian universities

International agencies' reports and sectoral analyses on ICT, all refer bluntly to the potential of the high rate of tertiary education among Palestinian youth[6]. However, according to the board member of JHF*: "Literacy is not the same as human capital in a global economy!".* The culture and general approach to learning within Palestinian universities is by many characterized as backward and, at the very least, overly theoretical. As CEO of Inggez explains: "*we have some a strong software engineering faculty in Birzeit and in An-Najah[7]. But (…) universities won't give us the pipeline that we need to have, like, entrepreneurs or (…) engineers that are ready to work at start-ups."*

The CEO of WeDeliver explicitly expressed the importance of bridging the gap between universities and the private sector, acknowledging start-ups' position in this

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[6] See Portland Trust, 2012
[7] Birzeit and An-Najah is the universities of Ramallah and Nablus, respectively, and are considered the strongest educational institutions of Palestine.

development: *"we are planning to start now working with universities with an internship program to acquire talents, student talents (…) who will have the option to become a full-time employee after this. This will support us to work directly with the universities - with the IT departments - and at the same time fuel our tech team".* While noble, according to the CEO of RedCrow: *"Start-ups do not actually have time to generate human capital, they can train staff on a micro-level in the company",* i.e. they depend on the broader system to facilitate it. Followingly, the CEO of WeDeliver explains: "*I believe that the universities is a very important part of building an eco-system and to create the mentality and culture for their students".* Many of the universities have begun integrating I&E hubs that seeks to bridge ideas to market potentialities in their IT faculties, but: "*every university (…) have their own recipe, and I see that some universities have more success than others. It depends merely on the team, on the culture and on the priority that the university is giving this"* (ibid). Noticeably, a culture of transformation is identified by the entrepreneur, yet, at this stage a significant structural hole (Burt, 1992) between the emerging outsourcing sector and the universities' emerging I&E hubs are there, why universities are capable of not cultivating a pipeline of human capital on which Palestinian I&E performance can increase. The respective in-group mentalities of these two central formal institutions can thus be considered to indirectly engage in a negative spiral in terms of fostering a I&E absorptive capacity (Putnam, 2000; Cooke et. al, 1998).

Through conversations, among others with the consultant that strive to bridge Palestinian students with Israeli companies, it was emphasised that the relationship between universities and the private sector is subject for very little nurturing. As the PM from MEET explains, this is related with the political sensitivity, since: "*ASAL technologies* (…) *were kicked out of the fair because they were deemed normalizers, traitors for working with Israelis".* Hence, the inherent absence of ties here is illuminated to be infiltrated by the political situation. As a consequence, the CEO of Inggez contested: *"I am against calling it a Palestinian start-up eco-system, because we are not there yet. (…) When I say we, I am talking about entrepreneurs, I am not talking about government, (…) universities, (…) accelerators or any support organisations (…) I am talking about the entrepreneurs, the people who have actually pursued problems and build solutions (…) and ended up building a business, like raising money, generating profit*

*and all that stuff. (…) All of us, the Palestinians, the entrepreneurs, what we have achieved so far from simply, as an initiative, we did that on an individual level".*

As noted, the culture and incompetence is considered an issue in terms of their capacity to foster I&E among universities and NGOs. Arguably, behind the outsourcing sector lies a fundamental opportunistic behaviour that led their leaders to their current position, which is a 'useful' cognitive propensity to institutionalize. But persistently, the mistrust between and among each sector in question infuse weak network relations, characterized by in-group mentalities. This leaves a divided innovation network structure, which based on lack of thin bridging network among the institutions are incapable of activating and applying the knowledge that exists. Such mistrust may be considered fuelled by political sensitivity and a lack of successful market entries, and, arguably, since is sustain the sectors into separate 'cognitive agglomerations', such propensities are which hinders the respective agendas from being fused in processes of embeddedment. Hence, hitherto the institutionalized milieu is disembedded, which has left entrepreneur such as the CEO of Inggez to their own achievement of success (Cooke et. al., 1998). The reciprocal effect that such disembeddedment has on Palestinian I&E capacity on a deeper level, i.e. in terms of the Palestinian I&E mentality, will be discussed in the following.

### 5.1.4   Weak systemic learning patterns and its reciprocal impact on mentality

The following paragraphs will analyse the consequences of the absence of systemic interactive learning in the RIS as well as how the underlying Palestinian mentality towards I&E activities sustains the absence. Thus, this section will section will conclude how the soft RIS mechanisms affects the two-fold process of embeddedment.

Even among networks of entrepreneurs, entrepreneurial traits are lesser prone to be shared and absorbed by larger collectives due to the fragmented systemic propensities in Palestine (Cooke et. al. 1998). As entrepreneurs are left in fragmented networks, essentially, in need of a cohesive systemic learning trajectory, entrepreneurs are hardly equipped with the right mentality. Informally, there was a degree of recognition between the entrepreneurs, but no one mentioned this informal support as a denominator for their success hitherto. This relates to the lack of designated

mentorship arrangements, which was pointed to as a main problem in terms of brokering horizontally among the existing networks of entrepreneurs (Cooke et. al. 1998).

As contested by the PM at MEET, the current human capital in the West Bank are: *"in need of mentors (…) they need guidance"* (PM, MEET). As argued by the CEO of Inggez: "*the ecosystem itself is not entirely collaborative, it's weak, it's still emerging*" and, without proper human capital, including the: *'been there done that' kind of people (…) and people with different mindsets, mentors, team players etc, that understand different stages of business and start-ups to lead the eco-system*", competent human capital are hindered to become a generalized propensity among entrepreneurs. As argued by the PM at MEET: "*it is always the usual suspect line-up (…) There is no new blood, no new ideas being injected*".

As the CEO of Wedeliver disputed: *"we have a problem that few professional people or senior people, they go and start a start-up. Because (…) we are living in a very instable circumstances (…) they prefer to be employees and get a salary at the end of the month".* This the lack of 'been-there-done-that' types can be traced to the way that people perceive the probability of receiving rewards in an uncertain environment. Similarly, the PM at Hasoub expressed: "*When I see how the big talents are ending up all working in non-profit organisations based on what the donor wants and how the donor wants the problem to look like, they don't innovate, and they don't learn the good things. They just work* (…) *secure their very basic requirements for living".* Palestinians' cognitive propensities to take risks, inherent to working with innovation, is an underlying factor that moves talent into industries and necessarily away from I&E related activities, which undermines stimulation of competent human capital to act as brokers between networks (Burt, 1992). Maybe not surprisingly, the fundamental need to secure income is identified as a driver for why the Palestinian talent display lesser propensities towards I&E activities. This need to be seen in the light of the fundamentally mistrustful behaviour that disconnects the relevant industries, as displayed above, since their in-group behaviour does not allow thin trust to be establish across industries e.g. through trustful labour relations (Putnam, 2000; Cooke et. al., 1998). This means that they are

not prone to activate the human capital that may have accumulated valuable experience through social capital based on thin trust that would move the I&E milieu forward.

Generally, the lack of such basic mechanisms sustains that Palestinians' orientation towards seeking opportunities do *not* intertwine with the way that the seek change. This narrows the propensity of forming bridging network structures from within and across the industries, and in turn, it does not support the potential of Palestinians' entrepreneurial traits (Rezeai, 2013). As such, it diminishes the activation of the opportunity alertness, which is believed to be ingrained in the mentality of many Palestinian youngsters, and, crucially, it undermines the development of self-efficacy. As already stated by the CEO of RedCrow, such complications inherent to affecting, "*how you believe in yourself*", i.e. it distorts aspiring entrepreneurs in Palestine's perception on whether they can organize and execute tasks to lead them to an intended outcome. Hence, the weak propensities of the current Palestinian RIS does not only disenable systemic learning; in turn, without inherent trust to the capacity of formal institutions to bring you further, it also potentially affects the underlying propensities for wanting to learn.

As a result, CEO of Receet explains how many tech start-ups are dependent on learning: "*Mostly (...) online to be honest. Reading books. And sometimes just videos on Youtube (...) Like, if it is an open source[8] thing, we go directly to the community*". While this is a natural component of any RIS - a potentially productive one at that – start-ups furthermore lack: "*experienced salespeople in the software industry*" of the local milieu. The CEO of Receet depends working distantly with: "*someone from Dubai to do business development, we have someone from the UK working with us on the marketing*". The inherent tacit knowledge is uttered to relate to the fact that: "*we are a third world country, with a lot of challenges politically, we have a lot of potential of creating new innovations, that would not only help Palestinians but would help other third world countries as well* (CEO, Inggez). Within incohesive network structures, such foundation for tacit knowledge is not prone to become stimulated, and the I&E milieu will thus be

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[8]Open-source software is any computer software that is distributed with its source code, and thus available for medication. Retrieved from: https://www.thebalancecareers.com/what-is-open-source-software-2071941

left with the weak propensity of a 'not invented here' mentality (cf. Cooke's superstructural issues).

Essentially, all the interviewed tech entrepreneurs have been capable of accessing technologies from the global market, absorbed them, building solutions locally. However, the generally fragmented systemic learning patterns, fuelled by mistrustful sectoral in-group mentalities (Putnam, 2000) that disembeds the milieu, cannot become 'owned' by the collective (Cooke et. al., 1998). Consequently, as described by the PM from MENA Catalysts, the Palestinians that join the programs of the NGO-led support structure display an underlying cultural propensity of approach I&E as: *"leisure (…) they are doing their start-up as a luxury because they know that they will be part of this cool community. (…) It is a luxury that they are enjoying after their work or in their free time"*. This quote is believed to sum-up how the mistrust manifests among potentially aspiring entrepreneurs, who, despite spending their free time on it, intrinsically do not believe that they will necessarily succeed by engaging in I&E, which affects the reciprocal spiral between the organizational and institutional level of embeddedness negatively.

The next section will continue to outline the positive tendencies that were found to potentially move the learning trajectory away from the status quo of the above.

### 5.1.5   Cultural opportunities of collaboration

During conversations at Station J, I frequently steered the conversation towards factors that defined the private sector in Palestine. Commonly, a culture conventionalism and nepotism were referred to as being the core reasons behind the backwardness that in their perception generally perseveres in the Palestinian private sector. While this was also discussed to apply to PALTEL; the largest corporate body of Palestine that sits on the monopoly of telecommunication and internet in the Palestinian territories. However, a recent transformation in corporate mentality seems to be under way, seen through PALTEL's newly established tech I&E hub, FIKRA, through which PALTEL institutes a strategy of investing in its own start-up portfolio.

With both the launch of FIKRA and with its horizontal collaborative efforts with the incubator NGO, FLOW, PALTEL have displayed a recent transformation in corporate

culture. The PM at FLOW highlights the benefits of its collaborative ties with: *"PALTEL (...) they actually provided their resources, their halls in different cities, their network of fresh graduates, their network of the private sector itself. (...) we were match making with them, because it was applicable... It was valuable for both sides".*

Furthermore, FLOW's co-founder expressed that: "*One of the biggest visions that we had to create a value chain, where we introduce curriculums and best practices to incubators, and it would be similar for pre-acceleration and accelerators so the start-up wouldn't go to the incubator, and then don't know what to do and then end up going to the other incubator hoping it would succeed in helping them and then they fail, and then jump to another incubator".* He sheds light on the general lack of competence among organisations that are: *"putting more effort into something that you don't know much about",* why FLOW proposes is to bridge the market gap from incubation to acceleration, or series B and C funding, i.e. to create a value chain that "*understand the whole sequence of the process of turning a start-up into a success".* In an evolutionary perspective, the program manager at FLOW seemed reassuringly realistic about the process of creating innovative projects in a fragmented context: *"I believe that even if we didn't make it, I believe that people would start making it* (...) *People will see the gap clearer".*

One of the start-ups that recently obtained seed funding[9] through FIKRA, was Nablus-based Receet. The CEO described their relationship with PALTEL: "*There has been no other interaction other than to raise the fund.",* aspiring towards the potential of: *"working with the biggest company in Palestine",* which *"makes our lives a little easier because they (...) have tried and failed, so we can learn a lot from them. (...) they bring in a lot of people from the outside, so they get people from google for example to speak at events".*

Furthermore, Palestine's only operating VC fund (Ibtikar fund) resembles an important private equity entity for stimulating learning, as Receet's CEO expresses: *"I learned a lot*

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[9] Seed funding is the first official equity funding stage for start-ups. It typically represents the first official money that a business venture or enterprise raises. Retrieved from:
https://www.investopedia.com/articles/personal-finance/102015/series-b-c-funding-what-it-all-means-and-how-it-works.asp

*for example from Fikra and Ibtikar about raising funds (...). How to think strategically in raising funds. How to calculate valuations; a lot of things that I never thought I'd be working with. And they learn a lot from us, I guess, on different technologies. VCs typically, they don't work with technology. (...) maybe another of their start-up is dealing with technology, and we can help them".* Albeit on a small scale, such a reciprocal relationship between multiple organizations, each with their own, are starting to manifest. These are cultural traits that are essentially market driven, which inheres its success in terms of embedding an I&E milieu.

Within a fragmented milieu, such transition in the culture of interaction, nevertheless, displays an interest and emerging consensus that I&E can become a feasible strategic path forward. The informants almost unanimously agreed the glue of the Palestinians I&E ecosystem is their: *"mutual goal of actually learning and coming up with something, putting the Palestine name on the map of innovation"* (CEO, Receet) through processes of embeddedment (Cooke et. al., 1998). Thus, the previously discussed structural holes may tilt towards being on a path of becoming brokered (Burt, 1992) and evolving bridging networks structures based on thin trust, which allows for broader engagement through which the milieu can become institutionalised (Putnam, 2000). As the multiple different stakeholders may steadily detect the benefits of establishing a cohesive collaborative approach, horizontal collaboration could be become the norm that binds people together rather than seemingly constituting a smaller outgroup in the broader societal organization (Ibid). In Bourdieu's terminology, the norms and conventions that conflicts between these non-local organizational and sectoral would be eased, and thus necessarily overlap less conflictingly.

## 5.2    Normalization and the Trans-Palestinian collaborative milieu

In this section, one of the most prominent issues that penetrate various dimensions of Palestinian existence is the political sensitivity associated with the notion: *normalization.* In continuation of the above systemic challenges and opportunities, this section will discuss how the normalization paradox infiltrates the propensities of embedding the Trans-Palestinian milieu.

Today, normalization is a highly controversial and politicized term, which divides the Palestinian political sphere in Palestine between its proponents and opponents (Albzour et al., 2019). While the proponents, in particular the ruling PA, emphasize the importance of building normal relations with Israelis as a crucial step for international recognition of Palestinian statehood and the achievement of the two-state solution, the opponents represent normalization as an ideology aimed at destroying desire for social change and revolutionary resistance to settler colonial policies (Ibid: 979).

According to BDS and PACBI[10], normalization applies to all relationships to *Israel* that: "*convey a misleading or deceptive image of normalcy, of symmetry, of parity, for a patently abnormal and asymmetric relationship of colonial oppression and apartheid*" (BDS, 2012). This particularly applies to the cognitive level, since it is considered a "*colonization of the mind*" as BDS put it or simply: *"hiding the elephant in the room"* as the consultant from Sunbird group refers to it.

### 5.2.1    The underlying confusion of Trans-Palestinian identity

Before getting to implications of the Trans-Palestinian interactive sphere of I&E, it is useful to describe and explain the variances between the local fields of EJ, the West Bank and Israel in terms of how normalization is perceived. This can be explained by examining the degree of confliction or the nature of how the ethnic/personal field and the political fields overlap in each context (Bourdieu, 1977).

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[10] BDS is a Palestinian-led movement for freedom, justice and equality. BDS upholds the simple principle that Palestinians are entitled to the same rights as the rest of humanity by advocating to "Boycott, Divest, and Sanction" all relations to Israel. PACBI is BDS' Campaign for academic and cultural boycott of Israel led by academics and intellectuals in the West Bank.

*Jerusalem*

Jerusalem is the epicentre of the Israeli-Palestinian conflict. The combination of apparent annexation strategies, Israeli settlements on the Eastern (Palestinian) side of the city and its close proximity with the West Bank, arguably sparks a strong sense of resistance among its citizens. In a conversation with an young Israeli woman who had attended the <u>only</u> mixed ethnic public school in Jerusalem, it was described how: "*in this school there wasn't any bad blood".* There was, however, a general acceptance that each ethnic group would socialize mono-ethnically in all aspects away from the classroom. This implies that while peace is a necessary premise for 'living your daily life' among civilians, the two ethnic groups still socially deviate from each other; in the Old city, in the East and West as well as in the ethnically mixed classroom. In this sense, the 'local' field of Jerusalemites may represent Palestinians' struggle in a 'latent' fashion.

It is generally considered easy to detect cultural issues between Israelis and Palestinians, because of the rough divide of the city, which formally manifests ancient ethnic strongholds in the city. Through both conversations and interviews with EJs, it was learned that great concerns about the Israeli municipality's removal of opportunities for nurturing Palestinian cultural heritage and identity was emphasised. Many recognized that Israeli curricula are of higher quality, but as the municipality pushes out Palestinian curricula through apartheid-oriented funding strategies, the need for Palestinian cultural learnings become a key concern.

The Palestinian student from HU in Jerusalem was born in the city but brought up from a young age in the Northern part of Israel. She has engaged with processes of building a tech start-up within Israeli universities and now works from the I&E hub in HU. Furthermore, she has made efforts to tap into Palestinian initiatives, mainly through entrepreneurship programs initiated by NGOs. She is as determined to work on both the Israeli side, as she is determined to 'not lose her principles' as a Palestinian. Interestingly, she explicitly stated that: "*Jerusalem doesn't let anyone lose their principles, because everything is in front of you. You cannot avoid seeing it".* Having been brought up in Israel, she indirectly implies that for Palestinian communities living in Israel, it is more difficult to uphold your principles.

However, as CEO of RedCrow, conveys it: "*If you look at the different generations in EJ* (…) *you get more influenced by the Israeli opportunities, with the Israeli structure of agencies and associations",* which illuminates a, generally agreed upon, perception of how opportunities are prone to be seized within Israeli structures by Palestinian EJs. The reasons behind is explained by the PM of MENA Catalysts: "*The problem with Jerusalem is that we don't really have Palestinian oriented people* (…) *who are taking effective spots within the eco-system.* (…) *receiving money from the municipality. Honestly, Palestinians are trying to avoid such organisations".* He continues: *"But (…) I believe it* (Israeli funding opportunities) *is still doing something",* which underlines the peculiar position that was broadly expressed to be the case for Palestinian EJs.

This highlights an underlying confusion in the local field of Palestinian EJs, in the way that individuals differ in how their personal field conflicts with the political field (Bourdieu, 1977). Such locally conflicting habitus is reflected by the JHF board member that states: "*My position is, yeah, you shouldn't. But this is me, I am not necessarily a reflection of East Jerusalemites"* (Ibid), speaking of binational innovation joint ventures that he argues fall under the category of normalization. On a reflective note, this reinforces that, despite the sociological contours having been described to be essentially more complex in Jerusalem (Cf. figure 7), ethnicity still perseveres as a stronghold by which Palestinian EJs navigate (Ibid). Yet, individuals' dispositions seem to disperse into a mix of other ideologies, closer to e.g. capitalistic and modern though patterns, when pursuing opportunities within I&E.

### Palestinian 48'ers

Regarding Palestinian *48'ers* the PM at MEET who works with binational alumni networks, states that the propensities of 48'ers tilt heavily towards: "*trying very hard to score very high on their psycho-metric tests and then go to a distinguished university in Israeli* (…) *and then integrate themselves into the Israeli market"* as a: "*go-to formula for a good life".* The two Palestinian 48'ers that also studied at HU (note that all three Palestinians studying at HU are 48'ers). Surprisingly, they explicitly explained their ignorance towards the Israeli occupational strategies in Gaza and the West bank. Their life-worlds were simply not affected by it, and it seemed that they were aware of it. As they admitted it, the two girls were rather peculiar as if they recognized the paradox

ingrained in their own statement. This serves as a tiny representation of how some newer generation Palestinian 48'ers may approach their lives. As expressed by the CEO of RedCrow: "*'48 Palestinians are a bit different in mentality because they have actually been isolated for a while*".

As noted above by the HU student interviewee, the interaction between such fields are higher in Jerusalem due to the 'visibility' of the conflict, which does not overlap into the local fields of Palestinian communities in Israel in the same way (Bourdieu, 1977). She is concerned by the social interaction between the many Israelis that have not met Arabs in their lives, and simultaneously about the Arabs that are getting involved with Israelis through universities and industries. About her own student experience, she states: *"I was the only Arab there for like 3 years. And it was hard for me to integrate there (…) I was the only one who doesn't really get what was said in the daily basis…. I didn't understand life and language".* While her navigation between her personal/ethnic field and the political seem more well-reflected than it is the case with the two other students (Ibid), regarding her own learning route she underlines the inherent contradiction that infiltrates the existence of Palestinians living in Israel: *"I am part of the Hebrew University, and I am part of this country. I need to learn more. And I need to work. And I need to give back to my people, so eventually I will work in a high-tech company. Anyone who can give me the knowledge, I will get it. Of course, without losing any of my principles".* Hence, she is accepting the necessity of evolving a dual habitus (Baklanov et. al., 2013) and integrate into Israeli High-tech, with a view to push the Palestinian knowledge economy. In continuation, she disputed Arabs' integrating in Israel as problematic: "*Some are* (integrating) *without losing their principles, and some unfortunately I think do".* Implicit in this, lies the concern about whether Palestinian 48'ers pursue income and better lives for personal reasons in Israel, without infusing this back into the Palestinian communities in the West Bank. As it concerns the Palestinians who reasserts the importance of not losing their identity, or having their mindset 'colonized', show propensity to be on an evolutionary path towards obtaining a dual habitus that *can* be a strength in the case that the trans-national institutionalized milieu become embedded (Ibid). However, at the same time such embeddedness in Israel inheres the risk of losing one's Palestinian principal heritage.

Interestingly, the following two statements latently reveals the perceptions of two Palestinian 48'ers regarding the Palestinians in the West Bank. Explaining his version of how the Trans-Palestinian currently functions, the MEET manager said: *"So, if you go to the Palestinians… Forget about that for a second. Let's talk about the West Bank"*. Before correcting his way of referencing to the West Bank, he referred to them as *the* Palestinians. Similarly, the project manager at Hasoub almost consistently referred to the West Bank with 'they' rather than 'we', informing that some type of cognitive 'gap' (Burt, 1992) exists between these two particular groups: *"The thing that they don't control their economy, they're under occupation"*. Without claiming that Palestinian 48'ers are moving away from their Palestinian heritage, these notions at least imply that an underlining drift in mentality has occurred between the communities in question (ibid).

### Palestinians in the West Bank

In BDS' terms, and, arguably, in the mind of Palestinian *West Bankers* (and to some extent EJs), the sociological disposition emerging among Palestinians that are increasingly embedded in Israeli structures (Cf. figure 7) entails great risks of normalizing the Israeli occupation. This is furthermore linked to the distinct way that I&E capacity is perceived to be obtained by Palestinians in the West Bank, which will be discussed in the following.

As stated by the PM at FLOW: "*we* (…) *talk to accelerators in the region like endeavour, oasis500 in Jordan*", which is followed up by the CEO of WeDeliver: "*we are much more open today for the Arab world and MENA region"*. These notions are reflections of their own developmental journeys and are consistent with the ascribed orientation uttered by the entrepreneurs that operate on the West Bank. However, there is also slight acknowledgements of, arguably, 'weak ties' (Burt, 1992) west of the border: "*it was very rare, almost impossible, to meet with a Palestinian living in Haifa, you know, in the occupied lands. Now we are more open."*, as stated by the CEO of WeDeliver, referring to the few initiatives supporting such interactions that had slipped under his radar. In another sentence regarding Israeli-Palestinian collaborative ties, he uttered: "*I am not sure whether there is real cooperation is this field… Because I don't feel that there is high*

*openness here. (…) If the organisation is in Jerusalem, I think they have more the freedom to do that"* (Putnam, 2000)*.*

Followingly, as expressed by the CEO of Receet: "*I think Palestinians everywhere would love to help Palestinians inside. Maybe it is because what we have been through, what we are going through, that they would like to offer their help in any way possible. So that's what glues the system together".* 'Inside' refers to the West Bank; the stronghold of the Palestinian self-rule, and the 'external' thereby refers to anyone else, including diaspora. Thus, the overarching norms and conventions in the local field of Palestinians in the West Bank differs as it contains a more distinct patriotic orientation, which impacts the way of manoeuvring in more 'Pal-centric', rather than a 'Trans-Palestinian' manner (Bourdieu, 1977). Cf. figure 7, the sociological dispositions of Palestinians, here, rests upon an underlying ambition to build a distinct and autonomous Palestinian I&E ecosystem.

However, as the CEO of RedCrow was implicitly contesting the Trans-Palestinian terminology used for this approach to inquiry, he stated that: "*You don't have many barriers (…) Not in mentality, so, actually dividing them into these categories is a bit weird for me".* This illuminates his perception of Trans-Palestinian cohesion, as he does not abide to cognitively dividing Palestinians (Burt, 1992) just because people grew up in different contexts. Similarly, as disputed by CEO of Inggez: "*with politics, all of us or 99% of us should have the same view about the situation".* Hence, the social component of political and ethnic sameness can be derived to inspire social consensus and thick trust social capital (Putnam, 2000) across the different areas.

Long into the interview with the CEO of Inggez, he did, however, hesitantly conclude: "*Would Ali from the West Bank who has not had interaction with Israelis before, make an impact on Ali's decision* (…) *vs. Ali's decision since he is from Jerusalem? … Yeah, it might".* He continues: "(…) *in other cities in the West Bank one might work with an Israeli start-up and one might mind doing that, so it is on a personal level".* As he manoeuvres around the issue, it can be definitively derived that such localized conflicts in the West Bank varies among individuals, which infuse mistrust among Palestinians based on fear of patriotic accusations in the same locality. While this certainly applies as an extension to

why Palestine's outsourcing sector contemporarily is confined to in-group networks (Putnam, 2009), surely, it applies to Palestinian individuals and organizations in Israel and, arguably, with heavier preconceptions. Such mistrust spurs into the Trans-Palestinian milieu, where individuals and organizations fear from being expelled from local communities if certain strategies, considered illegitimate, are pursued, which, consequently, segregates the societies cognitively (Burt, 1992).

### 5.2.2   Individuals' paradoxical behaviour and complexity on the organizational level

In order to further illuminate the complexity of Trans-Palestinian collaborative measures, a divergence between individual behaviour and organizational behaviour, unofficial vs. official, urges clarification.

On the organizational level, the complications associated with normalization increases; necessarily in complexity, but also in difficulty. The CEO of Inggez expresses that: "*BDS is already bombarding companies. Israeli companies who are running R&D centres in Ramallah. And that might be a good thing to do, but other people might not see it that way*". The PM from Hasoub in Israel aligns by stating: "*Like if you go and do something as an individual without so much buzz, I think it is ok. But if you are going out as an organisation that have a lot of eyes on you in terms of doing direct collaboration within Israeli organisation, (…) you will get a lot of fire*". Furthermore, during a conversation in Station J in EJ, someone would criticise JEST, EJ's only other I&E hub: "*I think JEST is a disaster, I still think it is a running disaster. They collaborate!*". He further illuminates where the line of legitimacy goes: "*The question you should ask yourself, the barometer of this thing, is in any interaction with an Israeli, do I give up political rights in some shape or form? Working with Maoof, you do. Being employed in an Israeli tech-company, you don't*". JEST is receiving funding from Maoof, an Israeli municipal organization, which is contested for attempting to normalize the Israeli annexation strategies by targeting Palestinian entrepreneurship.

Thus, there is a necessary amount of individual consideration involved, when Palestinians launch any type of start-up venture that potentially involves the support from Israeli structures. As the student from HU explains: "*there are always questions that you need to ask yourself (…) if this move to get fund from the Israeli innovation side, is*

*it gonna affect a future fund or future customers or effect from media?"*. Such considerations arguably persists to the extent that it matters for the organization's – and to a more freewheeling degree for individual's – overall objectives and principles.

The creation of trustful relationships in the Trans-Palestinian milieu, is thus a matter of whether or not the individual Palestinian loses his or her principles in the collaboration. The following notion, interestingly, illuminates how individual behaviour underneath the brand of organizations essentially differs: "*Even though I don't really prefer to work with them or to be part of their initiative, if it's an opportunity I have no problem referring people to it. Frankly, I don't want to say as MENA Catalysts, but as 'name'. It's like the area that you live in, and the opportunities that can improve your conditions or improve your start-up, I will refer people to it. But (...) it's not, like, a position that we cooperate or something that we are happy with"*. Hence, the conflict between individuals' unofficial navigation and the official positions of organizations veils the operation of organizations in the field of I&E (Bourdieu, 1977). When not officially recognized, this 'below the surface' type of behaviour is prone to shatter the trust between any Palestinian stakeholder engaged in I&E, which otherwise pursue the same pipeline for creating jobs and prosperity among Palestinians (Burt, 1992). Without official guidelines and a transparent way for actors to follow and thrive by collectively, the inhered complexity of reaping the potential benefits of a Trans-Palestinian cooperative innovation network, will likely not evolve positively.

The individual level embodies a more freewheeling behaviour, where collaboration, interactive learning and knowledge sharing between Palestinians and Israelis are left for the individual agent to manage, and hence the notorious 'principles' are prone to be lost. Arguably, this applies more to individuals in the areas under Israeli jurisdiction than in the West Bank. The underlying divergence of behaviour between the individual and the organizational level are at the centre of why mistrust prevails in the collaboration between organizations that operate within the realm I&E across the areas in question (Burt, 1992). The benefits of dual habitus in a trans-national environment are thus opposed from being reaped for political reasons, since it is not a generally accepted propensity in the Trans-Palestinian milieu (Baklanov et. al., 2013). Finally, the way in which this diverging behaviour distorts the potential of building trustful

relational structures in the Trans-Palestinian milieu, is captured by the paradox of political victimhood, which will be dealt with next.

### 5.2.3   The paradox of political sensitivity

As the CEO of RedCrow expresses: *"No matter where you grew up on this land, as a Palestinian you grew a kind of political victimhood. (…) It reflects deeply into our generation (…) because it is affecting our daily lives. It is changing routes on a daily basis. It is changing opportunities".* However, as he continues to explain, the pursuit of the strategy of building business and I&E capacity, you can become: *"some kind of resisting human being"* (ibid). He continues by underling that I&E can actually be a: "(…) *very healthy, very useful very effective and productive way to go, where you even politically feel that you are giving back to the country"* (ibid). This extends to the way that many would refer to the economic and human development centred prospects related to developing I&E[11], and thus to develop I&E capacity is perceived to be a way by which sociocultural political resistance can be strengthened among Palestinians.

Referring to the forces that push the propensities of interactive learning in present Palestine, the CEO of RedCrow states that it is being: *"build by the younger generation, it is motivated by them".* In her young age, the student entrepreneur from HU expressed that she is on a path of collaborating with anyone who can help her to eventually give back to her people; the Palestinians. Yet, with regard to her pursuit of networking among I&E actors in the West Bank, she highlighted: "*Well, I wasn't met badly by the people that work in the West Bank* (…) *But it is there. I might not get it".* Here, she refers to the patriotic accusations that she believes exist against her on that side. From a West Bank point of view, the CEO of Inggez stated: *"I would look at it 90% business, and 10% politics. Some people, you know, they would look at it opposite. 90% politics, 10% business",* which feeds into dilemma that some people do indeed hold ingrained assumptions against, arguably, Palestinian 48'ers in particular, yet, within the I&E business comes first.

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[11] See Jiménez & Zheng (2018)

This enlightens the paradox of political sensitivity in the Trans-Palestinian I&E milieu. While Palestinian's political victimhood is a component that indeed inspires a collective social order, the notion of normalization, which constitute the most sophisticated platform for Palestinian resistance, constructs cognitive structural holes between them. The actors included in RISs inherently originate from multiple different business models and have multiple different incentives for operating. Thus, the complexities associated with managing such network structures are already a complex matter as it applies to the presently deprived systemic learning capacity of the West Bank. As noted, in the Trans-Palestinian milieu, the complexity increases significantly as a result of the heterogeneous sociological nature that necessarily persist between Palestinian 48'ers, who have lived long in 'isolation' under Israeli jurisdiction, EJs, who finds themselves sandwiched in a peculiar situation in the middle, and the West Bank (Putnam, 2000).

With reference to the figure 7, such cross-geographical collaboration inheres the different sociological dispositions among the segregated communities since they have evolved over time to deviate from each other. Especially, normalization is a component that divides the waters. In addition to such cross-geographical issue lies the intergenerational issue, as disputed in 4.3, in which the individualistic turn of, especially, the millennials is argued to penetrate the Palestinian cultural environment.

Hence, in addition to the Palestinian collaboration across geographies, arguably, the concurrent issue of intergenerational trust is relevant to consider. Individualistic thought patterns and increasing exposure to global ideas arguably represent the evolution of Palestinian millennials' opportunity seeking patters seeking away from older, more conventional ways of thinking. Figure 8 represents the intersection between cross-geographical and intergenerational propensities.

As such, the millennials are both referred to as ignorant to the political situation, but at the same time they are referred to as the *drivers* of the positive culture of interactive learning emerging in the Palestinian RIS (Cooke et. al., 1998). Within the domain of I&E, it seems that the individualistic ways of pursuing opportunities are the very propensities that urges a more collective approach, from which a better performing regional
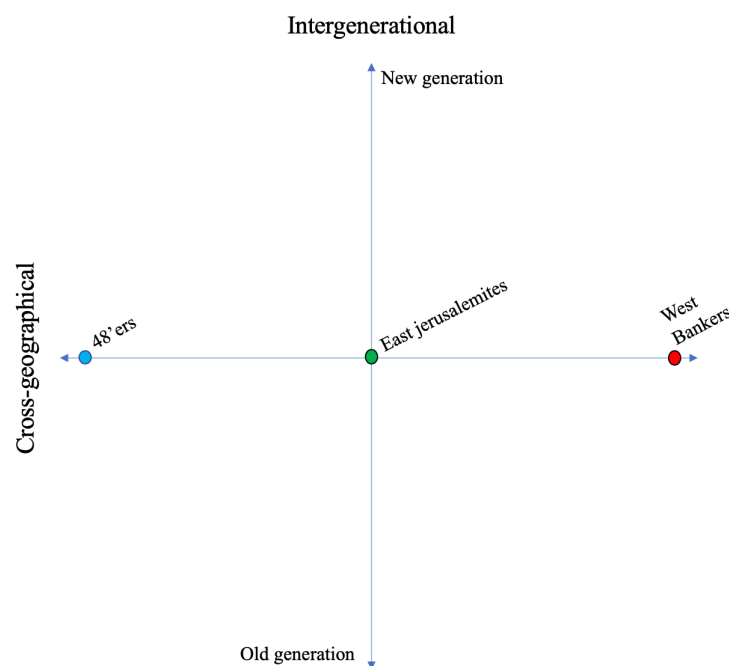
<figure>
Intergenerational

New generation

Cross-geographical

48'ers

East jerusalemites

West Bankers

Old generation
</figure>

*Figure 7: The intersection of behavioural patterns across geographies and generations*

innovation culture can emerge (Ibid). However, such fundamental neo-liberal orientation is prone to face fear from worrisome older generations, who have been used to resisting the Israeli occupation and the 'colonization of the mind' by traditional means, i.e. isolating themselves towards Israeli as much as possible towards the Israelis. In the pursuit of seeking political resistance through embedding a stronger and more productive Trans-Palestinian I&E milieu, such traditional means may face revolution. As captured during conversations in Station J, simple employment is not considered normalization, but any collaboration with Israeli funding structures is. Furthermore, Palestinians students can go to Israeli universities, but Palestinian lectures are argued to normalize relations when they teach at them. Arguably, considering the approximately 2.3 million (see annex 8.3) Palestinians that have lived under Israeli jurisdiction for many decades is, in combination with the individualistic turn of newer generations, prone to break free of these fuzzy 'implicit' norms in their pursuit of the opportunities inhered to I&E. Such individuals would be placed in the upper-left corner of figure 8, while conventional thinking Palestinians would be placed in the lower-right corner. Essentially, this intersection illuminates the most conflictual denominators, revolving around pushing the contours of normalization, which poses challenges to embedding the Trans-Palestinian network.

It has been derived that the dual habitus in the context of a Trans-Palestinian network is a beneficial trait to tap into due to the different knowledge bases that can be accessed (Baklanov et. al., 2013). To innovate good commercializable solutions, reaping such fruits, thus rest upon innovating the underlying mentality associated with the way in which political resistance is achieved. Essential to achieving the benefits of an embedded Trans-Palestinian I&E milieu, is the delicate act of balancing economic opportunity and sociocultural and political resistance. Only through transparency and consensus, which can guide actors to thrive collectively, can such fruits be reaped.

## 5.3   Summation

In this section, the implications derived from the above analysis will be summarized as to how they affect building a Trans-Palestinian RIS.

### Key findings from 5.1

The **NGO** sector operate in 'silos' with in-group mentalities in absence of a coordinated cohesive approach to support start-ups. This behaviour rests on arms-length competitive behaviour, originating in donor-dependency. Furthermore, their compliance models enforces cognitive structural hole between start-ups, why the two organizational fields are in dispute. This breeds the sector's incompetence in the field of I&E.

The **private sector** is generally derived to display conventional and nepotistic cultural traits. The dominant outsourcing sector internalises collaborative efforts through vertical integration with Israeli and multinational clients, based on a dependency on thick trust relationships, which is linked to political the political sensitivity associated with their activities.

Despite of emerging integral I&E hubs, **universities** does not foster a pipeline of relevant human capital at this stage. Following the above, they display mutual mistrust towards the private sector, why a lack of internship arrangements persevere, which essentially sustains universities' in-group mentality.

The **fundamental effect of mistrust** between central institutions fuel sectoral in-group mentalities that are embedded within confined network structures. Hence, cross-sectoral holes persists, which distorts the emergence of bridging network structures through which generalized trust can be obtained, why underlying institutionalised milieu is considered disembedded.

The disembedded institutionalized milieu further reinforces the **negative reciprocal effect** on the underlying Palestinian entrepreneurial mentality. Due to the fragmented systemic learning propensities, mentors – considered crucial brokers – emerging entrepreneurial networks remain unconnected and dependent on learning from abroad. The instability associated with civil life further sustains that Palestinians' orientation towards seeking economic opportunities do *not* intertwine with the way that they seek change. Hence, the two-fold reciprocal effect between the organizational level and the institutional level is considered to be in a **negative spiral**, which hinders the creation and stimulation of human capital and entrepreneurial mentality among Palestinian innovative individuals.

However, the **systemic learning trajectory** displays opportunistic propensities based on PALTEL's active horizontally collaborative engagement in the start-up eco-system directly through FIKRA and indirectly through a mutual beneficial collaboration with FLOW. Similarly, FLOW's approach enacts promising bridging ties horizontally throughout NGO-led support structure, based on its start-up value chain approach.

### Key findings from 5.2

By examining the 'degree of confliction' between the personal field and the political field in each context, it was possible to derive that within the local fields of Palestinian 48'ers, EJs and West Bankers, **variations in perceptions** persisted in terms of what can should be considered *normalization* and what should not.

However, a general **confusion** as to legitimate collaborations with Israelis persisted on the **individual level** within each context, respectively. This was derived to be linked to the freewheeling behaviour that easier finds it way under the radar of the public eye. Such behaviour is the central driver of mistrust between the segregated populations.

This was illuminated by the **paradox of individual behaviour**, which was found to deviate from the official positions of organizations, meaning that Palestinians abide to Israeli opportunity structures without being transparent about it.

Hiding such behaviour is linked to the fear of facing patriotic accusations, which lies at the core of **the paradox of political sensitivity**. While political victimization is a social component that inspires a strong collective standpoint, simultaneously, it fuels mistrust among Palestinians, which is an issue of particular significance within Trans-Palestinian collaboration.

On top of this paradox lies the **intergenerational evolution,** which illuminates the way that Palestinian millennials move away from conventional ways of socio-political resistance, by behaving individualistically in their search for opportunities within I&E. While this entails risks of 'losing principles of Palestinian heritage', simultaneously, it entails the interactive learning propensities inherent to regional innovation performance.

The benefits of **dual habitus** can be reaped through an embedded Trans-Palestinian innovation milieu by means of accessing different knowledge bases. However, essential to achieving embedded collaborative process, is **the delicate act of balancing economic opportunity and sociocultural and political resistance.**

## 5.4    Discussion

Putnam's theoretical foundation assisted the analysis by means of explaining how social capital determines the societal mobilization between in-groups and out-groups. Burt's theory on structural holes allowed a more mechanical comprehension of how social capital and the cognition inhered to them, presented challenges or brokerage opportunities between hitherto unconnected innovation actors. Central to this utilization was the capability of illuminating the mistrustful nature that was found to stick in the local environments of both the West Bank and across the segregated communities. By such means, the reciprocal effect between the organizational level and the institutionalized level of embeddedness was illuminated.

Furthermore, Bourdieu's sociological approach provided a deep comprehension of the underlying reasons behind individuals' practice. In retrospect, Bourdieu's conceptualization of fields and habitus exceeded mostly in its utility of understanding how practice emerged from local and personal fields. Despite its potentially illuminating utility in section 5.1, it was mostly applied in the following section 5.2. Here, it served as a productive approach to deconstructing the sociological structure behind Trans-Palestinian economic collaboration. Particularly, it was useful to derive how the notion of normalization inflicts sociological impact on the way that innovation actors navigate in each field, and thus how embeddedness would be possible. Arguably, political positions align well with the outlooks associated with in local communities, which speaks against dividing the two fields in the theoretical chapter. However, by separating the two, it was possible to analyse how the political field overlapped into the local and the personal fields, respectively, which revealed itself to be essential in illuminating the drift between individual and organizational behaviour, which was derived to be at the core of diffusing mistrust among innovation actors in a potential Trans-Palestinian milieu.

Overall, the conceptual richness of the theoretical toolbox allowed a comprehension of the underlying sociological structure behind I&E activities, which revealed the degree to which political sensitivity infiltrated such relations. In this case, entrepreneurship was dealt with as a core mechanism to absorb, utilize and innovate local solutions due to the weak propensities of the Palestinian private sector. Despite the uniqueness of the case,

the theoretical toolbox presented a generally applicable utility in terms reaching the depths of the components through which cultural traits evolve and thereby, essentially, *how* regional culture affects regional innovative performance.

As it has been found in this study, the institutionalized Trans-Palestinian I&E milieu entails inherent risks of colonializing the minds of Palestinians to the extent that it affects Palestinians to 'lose their principles'. On the other hand, such embeddedment may hold a potential for strengthening a new Palestinian cultural heritage as well as enhancing performance across the cognitively diverging population in the region. As added by the intergenerational paradox, Palestinians millennials are pursuing opportunities more individualistically, which does not sit well with the worrisome older generation, but at the same time these are the drivers of contemporary Palestinian interactive learning. Hence, young Palestinians' engagement with I&E, even though driven by neo-liberal capitalism, implies a strong community-oriented component. In the scenario of commercial success, the Trans-Palestinian I&E community could therefore provide a platform for economic- and political change and, at the same time, manifest a potentially sustainable evolutionary path for maintaining Palestinian cultural heritage. Perhaps, it is possible to imagine that economic prosperity can collide well with the community-oriented propensities of the *embedded* Trans-Palestinian I&E milieu and invite an opportunity to 'control' presently deviating behaviour. As economic potential holds promise for assembling strong efforts of untraded interdependencies in RIS milieus, the benefits of the Trans-Palestinian I&E community may hold potential for embedding Palestinians through economic processes, but also captivate the presently deviating cultural behaviour of, especially, newer generations. Instead of asking whether 'peace' can be obtained through 'profits', as the CEO of CISCO died in 2013 (see photo), one must ask a more

*Source: https://www.mideastdig.com/forbes-peace-through-profits/*

elaborate question: *'Can Palestinian culture and heritage be preserved in progressive I&E environments naturally affected by, not only Israeli, but global trends, and hence become a novel platform through which Palestinians can strengthen both economic and cultural resilience against occupational forces?*

## Limitations of the study

As mentioned, the philosophical hermeneutical approach of this thesis intrinsically emphasises the necessity for further investigations. The limited research sample has not reached a level of empirical saturation (Saunders et al., 2018), which adds the potential for attitudinal fallacy, which has been defined by Jerolmack and Khan as the "*the error of inferring situated behavior from verbal accounts of sentiments and schemas*" (2014: 200). Thus, this thesis has relied on a slight aspect of speculation in the way that findings have been derived, i.e. by means of a careful process of selecting quotes to construct the arguments.

Followingly, the bullet points below show the main limitations, which leads to suggestions for future research:

1. Lack of informants with higher tenure in Palestinian central institutions as well as from the '48 areas and the West Bank.

   *Future research suggestion A:* Further investigate the deep-level implications of the intersection between the intergenerational and cross-geographical (Figure 8) behaviour in Trans-Palestinian I&E milieu.

2. Lack of participant observation in the 'machine rooms' of relevant RIS stakeholders.

   *Future research suggestion B:* Introduce an action research approach to inquiry, taking part in the ongoing evolution of I&E in Palestine, and by such means gain further access to the microscopic propensities of interactive learning between multiple stakeholders in Palestine.

3. Furthermore, the benefits of trans-national entrepreneurship persist in the case of a Trans-Palestinian innovation network. However, the Trans-Palestinian I&E *system* ultimately relies on the Israeli National Innovation System's acceptance of Palestinians as a minority business system within it.

> *Future research suggestion C:* Investigate political economic the implications of the Palestinian minority business system within the Israeli national system in aspect of Israeli de-development strategies[12]

4. The localised focus of the thesis disregards important implications of Palestinian I&E in its embedded relation to the global economy.

> *Future research suggestion D:* Investigate Palestinian I&E capacity in relation to its functional integration into Global Value Chains (Gereffi, 2014) or Global production networks (Dickens, 2015).

## Strengths and significance of the study

The qualitative approach to inquiry enabled to pinpoint essential sociocultural factors, which condition the contemporary evolution of I&E practices in Palestine. Furthermore, it uniquely introduced the narrative of Trans-Palestinian innovation capacity and the economic and, arguably, cultural relevance that inheres to such socioeconomic cohesion. Interestingly, the data sample consisted of a predominantly young pool of informants, why the thesis has set the stage for comprehending an evolutionary trajectory of Palestinian and Trans-Palestinian I&E embeddedness.

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[12] See the work of Sara Roy (1995) on the political economy of Israeli de-development strategies.

# 6  Conclusion

The complexity inhered to how the status quo of the Israeli occupation affects the prospects of embedding a Trans-Palestinian regional innovation system between Palestinian 48'ers, EJs and West bankers is dense. Palestinian innovation actors in these contexts operate under two strictly separated systemic, juridical and sociological dispositions. At its current stage, the West Bank 'ecosystem' is deprived of economic capital, an enabling law system and systemic cohesion. 48'ers strategically targets the highly developed Israeli tech industry, while EJs find themselves in a peculiar situation finding opportunities in both environments.

Challenges of systemic learning in the West Bank's I&E network relates to underlying in-group mentalities and persistent mistrust between institutions that are central to fostering innovative trajectory. This roots in cultures of conventionalism and nepotism in the private sector, non-progressive backwardness of universities and incohesive grants-based support structures, which display arms-length competitive behaviour and remain incompetent. Followingly, cognitive structural holes persist between the support structure and start-up business models as a result an underlying conflicting mentality between the two organisational fields. Essentially, this is a donor-level problem. With a generally disenabling Palestinian public sector, the spurring confined networks structures between RIS actors, display a societal organization which cannot stimulate a pipeline of human capital called for by entrepreneurial ventures cohesively. Social capital is not activated through mechanisms of brokering unconnected networks, why entrepreneurial traits of self-efficacy, opportunity-alertness, and risk-propensity remain the propensity individual players. Reinforced by unstable socioeconomic conditions in Palestine, serious pursuits of economic opportunity does not intertwine with the way that Palestinians seek change. Hence, a negative reciprocal spiral endures in the two-fold process of RIS embeddedment, which hinders the institutionalized milieu from becoming a social collective order. By actively engaging with entrepreneurs directly through its own I&E hub, FIKRA, and indirectly by engaging actively in horizontal collaborations, Palestine's largest corporate body, PALTEL, displays an opportunistic systemic learning trajectory in the West Bank. Followingly, the incubator NGO, FLOW, pursues a promising value chain model that rests on brokering between actors in the fragmented grants-based support structure.

While the political sensitivity penetrates the West Bank's propensity for interactive learning – especially as it relates to the predominant outsourcing sector due to its vertical integration with Israeli industries – the inherent mistrust associated with the notion of normalization increases in complexity when examining the Trans-Palestinian milieu. The potential of the embedded Trans-Palestinian I&E milieu lies in the obtainment of dual habitus through which Trans-Palestinian network structures can tap into two different knowledge bases. However, despite that the perception of normalization was derived to essentially rely on the individual level, variances were found to be significantly linked to the local field that individuals lives in. A cognitive structural hole was determined to exist – furthest apart – between Palestinian 48'ers and West Bankers, between whom collaborative relations inhered significant mistrust. This condition is amplified by the opacity of freewheeling individual behaviour, which is associated with a larger propensity to seek opportunities 'under the radar' in Israeli structures. This drifts from Palestinian organizations' positions that must oppose such collaborations officially in fear of facing patriotic accusations. While the notion of normalization is already associated with fuzzy interpretations, such blur amplifies confusion. This feeds into the paradox of political sensitivity; while political victimhood perseveres as a social component that inspires a collective consensus, simultaneously, as it segregates Palestinians physically, it also tend to segregate them cognitively. Thus, in the collaborative I&E milieu, the opacity of diverging behaviour between the individual and the organizational levels restraint real collaborative efforts. Within the cross-geographical divergence in practice, lies the paradox of the intergenerational evolution, which is argued to drive Palestinian millennials to pursue opportunities individualistically, thus, ignoring previous conventions of resisting occupation. Thus, deep-rooted in the pursuit of embedding the Trans-Palestinian regional innovation network, lies the essence of delicately balancing economic opportunity and sociocultural and political resistance. If dual habitus would be stimulated among 48'ers and accepted as a premise for building strong innovative capacity among West Bankers, embedding a Trans-Palestinian I&E community may represent a new path towards revolutionizing Palestinian political resistance.

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# 8 Annexes

## 8.1 Semi-structured interview guide

| Question | Rationale |
|---|---|
| **CONSCENT:**<br>You have the **right** to:<br>- Request basic information about project.<br>- Decide where this interview data will be used.<br>- Break in and ask me to elaborate my questions if you need to, as well as I also will have the right to break in and ask questions to you.<br>- May I record the interview? | - Ethical considerations<br>- Transparency and trust<br>- Social contract |
| **INTRO:**<br>- Can you state your title and the organisation you represent?<br>- What role do you play in the organisation? | - Easy topic to warm up<br>- Positions interviewee<br>- Establishes comprehension of organisation and its objectives |
| **PERSONAL:**<br>- Where did you grow up?<br>- How were you influenced to work with entrepreneurship and innovation? School, environment, family? | - Establishes the characteristics/ virtues of local field that the interviewee was raised in<br>- Establishes scenarios that influenced interviewee to work with innovation |
| **BODY:**<br>○ **For companies and start-ups:** How was your journey towards where you are today?<br>- How do you and your organisation understand innovation?<br>○ **For universities, NGOs, associations and hybrids:** How is your programmatic structure in terms of working with the matter?<br>- What are you and your | - Establishes underlying incentives behind working with innovation<br>- Establishes comprehension of what innovation means to the interviewee<br>- Establishes interviewee's personal/organisational values of interactive learning and transferring of knowledge in respective sectors and localities<br>- Establishes what drives values of collaboration generally in Palestine, through experiences and |

| | |
|---|---|
| organization good at?<br>- What makes up good learning for you?<br>- Where and who do you learn from?<br>- How are you met by other organizations that work with innovation?<br>- What values drives the culture of collaboration in the Palestinian eco-system? *Informal networks vs. formal networks?*<br>- What outcomes have these interactions had for your organization? | perception<br>- Establishes outcome of interactions |
| ***SENSITIVE AND FUTURE ASPECTS***<br>- What motivates you and your organisation to interact with other organisations in the regional innovation system of Palestine and why?<br>    o **For NGOs:** Considering the fact that a lot of the entrepreneurial eco-system in OPT's is supported by CSOs, how would you describe the interactive nature of the eco-system?<br>- How would characterise the current connectedness of innovation actors in the system across the boundary Palestinians who live in different geographies: Israel, EJ, Westbank<br>    o Any differences in terms of cultural, norms, routines, differences between the three contexts? – *overlapping or distinct?*<br>    o What 'glues' together the system and what shatters the 'glue'?<br>    o What should actors do to improve interactivity within the system? | - Establishes perceptions of the current state of Palestine's RIS, whether it spans different Palestinian areas or not.<br>- Addresses political sensitivity and *normalization,* establishing how it influences the domain of business and innovation collaboration, incl. perspectives on how it influences Trans-Palestinian collaboration<br>- Directly addresses interviewees from civil society's perception of their collective support to the 'Palestinian innovation system' since it has been identified to be highly competitive |

| | |
|---|---|
| - How do you perceive the advantages and challenges in terms of working with Palestinian organisations that either receive funding or collaborate with Israeli organisations, and why?<br>- What are the advantages and challenges in terms of working with Israeli organisations, and why? | |
| **ROUNDING OFF**<br>- What are the 5 biggest factors in terms of the mentalities and cooperation of Palestinian organisations that you regard as **opportunities** to create a successful Palestinian RIS?<br>- What are the 5 biggest factors in terms of the mentalities and cooperation of Palestinian organisations that **challenge** the creation of a successful Palestinian RIS?<br>   o *In terms of what shatters the glue and what keeps together the mentality?*<br><br>- Do you have any questions for me? Any aspects that you think I haven't touched upon sufficiently or should pay more attention to?<br>- Who do you think I should talk to? | - Establishes interviewee's perception of cultural and value-based challenges and opportunities for establishing a cohesive Trans-Palestinian RIS.<br>- Puts interviewee in expert position, giving him/her agency to bring forward relevant perspectives relevant to investigation as well as creating trust between me and interviewee, encouraging snow-ball effect. |

## 8.2  Codebook framework

| Name: | Title: | Organization: |
|---|---|---|

| Code label | Application: |
|---|---|
| Normalization | This label depicts perceptive the respondent's position with regard to how the notion of normalization infiltrates the way of working with systemic learning and innovation practices across and within Palestinian areas <br> Excludes systemic dynamics between central RIS institutions. |
| Cultural challenges and opportunities | This label depicts the cultural challenges associated with how culture is perceived to affect inter- and intra-firm/organisational dynamics within or across areas, and the way that they are characterized. Inherent to this label is the understanding obtained from the RIS framework, with particular emphasis on the superstructural issues of regional productive culture. The conceptual implications of these issues provide the guideline from which implications should be captured. <br> Excludes: Notions about normalization. |

| Code label: | Full definition of code (including criteria for in- and exclusion): | Example: |
|---|---|---|
| Putnam's in-group outgroup dynamics | Includes: Notions that regards specifically perceptions about the trust, motivation, encouragement, recognition or the lack hereof inhered in the relations. Furthermore, broader notions about in-group out dynamics should be captured here. <br><br> Excludes notions about structural social capital as well as political weakness of activating social capital (unless it regards the underlying mentality of legislators that may inflict the policy dimension). | "I think that the collective culture for the last few years have been negative, actually." |
| Burt's structural whole theory | Includes: notions about structural holes in social capital both formally and cognitively. Notions on brokerage opportunities are also included. Also, it relates to the diffusion or confinement of | "Universities! The universities are lacking far behind with connecting students to the private |

| | | |
|---|---|---|
| | entrepreneurial traits; self-efficacy, opportunity alertness, risk-propensity and role-modelling between organisations and on a grassroots level between entrepreneurs should be captured here.<br><br>Excludes: notions of trust etc. captured by Putnam. | *sector industry."*<br><br>*"we are planning to start now working with universities with an internship program to acquire talents, student talents, to be part of our internship program, who will have the option to become a full-time employee after this. This will support us to work directly with the universities, with the IT departments and at the same time fuel our tech team"* |
| *Navigating conflicting fields* | Includes: Notions about actor's feelings and views about operating in conflicting fields in the Palestinian society. These notions include respondent's experience of navigating as an innovation within and across Palestinian areas and can also include the respondent's view on how other people Palestinians are navigating conflicting views. Notions here includes the reasoning behind that certain practices within the field of innovation occurs rather than others.<br>Excludes: The underlying rational for pursuing certain practices rather than others (to be referred to under the following label: Habitus-ruled understanding) | *"There might be a slight difference. In perception. So, you find more exceptions that accept it in EJ than in the West Bank. But that it is because of necessity and sometimes ignorance. ... My position is, yeah, you shouldn't. But this is me, I am not necessarily a reflection of EJs.* |
| *Habitus-ruled understanding* | Characterizes an actor's implicit understanding of the rules of one or more fields, which allows him or her to decide what types of practices are likely to be successful given their goals and position.<br>Includes notions, mindsets and attitudes towards collaboration, interactive learning, knowledge sharing and networking etc. in the Palestinian innovation system. | *"Based on my understanding it (i.e. cross-border collaboration) totally depends on the political situation. Based on how the politics goes, this type of cooperation at a certain level can be considered. But, based on my* |

| | Excludes: | *understanding, for us we don't do that – any level of cooperation. But some IT companies, they work in the outsourcing field, ASAL, Exalt, Freydus, I don't know very well the background of this, or at what level this happens, but there is in the IT outsourcing field, it is happening. Uhm.. But for start-ups that are providing services inside Palestine, this is not happening. This is not happening with us.* |
|---|---|---|
| *Contextual setting* | Here, notions of hard and soft infrastructure, administrative and occupational forces and structural capital is included to secure data on the formalities, which becomes important elements in the discussion on how some cultural traits have been developed. Also, notions here should be captured to be part of expanding the overall contextual understanding of how Palestinians from the different areas each encounter and/or clash with Israeli structures. | *"There is a lack of classrooms in East Jerusalem, there is a high density of pupils within a class, because of the refusal of the Israelis for new schools to be builds and because… overall they don't give permits to building housing, regular housing. It's a huge bloody problem."* |

## 8.3    Further contextual details

### The West Bank

The approximately 2.8 million population of the West Bank, holding Palestinian passports issued by the Palestinian Authority, live under severe restrictions of the Israeli occupation. After the Oslo II Accords, the Israeli occupation divided the West Bank into three distinct territories, which were given different statuses; Areas A (approx. 18% of the West Bank territory), exclusively administered by the PA; Area B (22%), co-administered by the Israeli government and the PA, and; Area C (60%) which contains Israeli settlements is administered completely by Israel (State of Palestine, 2014). Area A is clustered around Palestine's main urban hubs, which constitute their spheres of self-rule. Here, and especially in the progressive city of Ramallah, the emerging



*Source: DANIDA, 2016-2020 Denmark-Palestine policy paper*

ICT eco-system is agglomerated (Portland Trust, 2013). Despite a limited amount of private funds, incl. one venture capitalist firm, few angel investors and generally limited private sector involvement, grassroots I&E activities are dependent on grant-based donations from international agencies, granted directly or through incubator NGOs. According to informants, the Palestinian Authorities present multiple barriers for developing an IT industry, including high registration fees, no IP (intellectual property) protection and no juridical mechanisms multitier stock system distinguishing common

and preferred stocks[13]. As expressed by the JHF board member: *"I don't want to the government to do anything (...), it is just to remove barriers"*. The Israeli control of both *visible* and *invisible*[14] infrastructural inaccessibilities restricts economic development on regular market conditions severely. Consequently, as disputed by the CEO of Inggez: *"I am against calling it a Palestinian start-up eco-system, because we are not there yet"*. Approximately 100,000 Palestinians from the West Bank works in Israel, making it a vital part of the West Bank economy (BBC, 2020).

### East Jerusalem

The 1949 armistice "Green line" seperates West and East Jerusalem, the latter enholding approximately 400,000 (Worldometer, 2020) Palestinian residents. Here, Palestinians predominantly hold Jordanian issued passports and a travel license issued by Israel. They live on the border of a physical barrier,
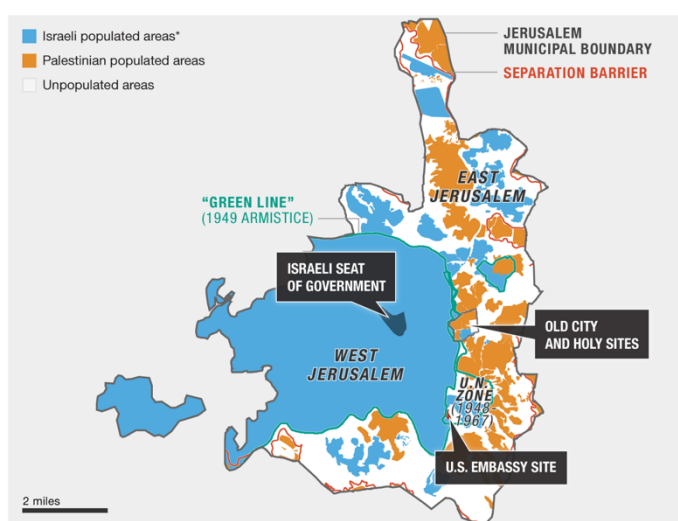


*Source: npr.org*

which cuts it off from the remainder of the West Bank, its natural hinterland, on the eastern side. They depend therefore on the Israeli municipality for public services. The last decades the municipal segregation strategies have gained increasing momentum, which has altered the physical and demographic realities of the predominantly Palestinian and Arab landscape **(UNCTAD, 2013).** East Jerusalem is target for a harsh case of land expropriation by Israeli authorities that, on the one hand, restricts Palestinian building activities, and, on the other, constructs Israeli settlements in the Eastern part of the city (Ibid). Palestinian institutions in Jerusalem depends on two streams of institutional funding: the Israeli municipality and international development

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[13] The main difference between preferred and common stock is that preferred stockgives no voting rights to shareholders while common stock does. Preferred shareholders have priority over a company's income, meaning they are paid dividends before common shareholders.

[14] Refers to the invisibility and immobility of digital and physical border mechanisms imposed on the West Bank by the Israeli government (see Bjørn & Boulus-Rødje, 2018)

AID. Only one of these institutions can exert real authority, and by deploying funding criteria that favors Israeli curricula, they strategically excrete the opportunity for cultivating Palestinian cultural heritage and identity through the school systems (UNCTAD & Interviews). Palestinians (who achieve high enough scores on psycho-metric tests) have access to Israeli universities and job market. Having once been a shopping and business hub for the West Bank population, it is thus highly dependent on Israeli structures and international AID, which puts Palestinians EJs in peculiar position with regard to building a designated Palestinian eco-system. However, they can move in into Israel, the West Bank (under given restrictions) and the world, incl.  the MENA region.

## Arab citizens of Israel

Here referred to as the '48'ers', the Arab citizens of Israel amounts to approximately 1.9 million, representing 20% of Israel's population (CBS, 2020). Holding Israeli passports stating their Palestinian nationality but citizens of Israel, they can travel freely except in the MENA region. 48'ers have adopted Hebrew as a second language and, even though they dispute Israel's identification as a Jewish state, many see their future tied to Israel (Bard, 2020). Arguably, Jewish culture has an extra layer to the lives of the 48'ers (interviews). The 48'ers have voting rights in Israel under democratic law, and recently 'The Joint List Alliance' - a merger of Palestinian politicians – won 15 out of 120 seats in the Knesset (the guardian, 2020). Historically, the two ethnicities have chosen to live separately in different communities, and in the cities that entail both ethnicities. The elementary school systems are also significantly segregated, why interactions and the mixing between the ethnicities usually occur at the college level. However, Palestinian 48'ers are increasingly pursuing academic and professional excellence in Israeli universities and industries and are increasingly integrating into. Due to the rapid growth rate of Israeli high-tech industry, it currently lacks 20,000 software engineers, which has made the industry engage in building bridges to the Palestinian communities. For instance, in 2018, the Knesset committee for Arab affairs approved a $5.6 billion plan for creating technology parks within Arab towns in Israel to boost local employment opportunities. To nuance such integration, the following quote from the board member of JHF finalizes this: *"There is always discrimination. But market factors*

*play the hierarchical role. If the Israelis lack 5,000 tech-jobs, they put their racism and discrimination aside to fulfil those jobs. (…) Money talks".*