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This document is the Published Version [VoR]

### **Citation:**

AHMED, Nahed and MARSH-DAVIES, Kathleen (2020). Female Entrepreneurship in the Gaza Strip: Exploring the role of Social Capital. In: BAM 2020 conference in the cloud proceedings. British Academy of Management. [Book Section]

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# **Female Entrepreneurship in the Gaza Strip: Exploring the role of Social Capital**

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## **Abstract**

In the occupied territory of the Gaza strip, the notion of organisation is stretched and reshaped. Women often find that their challenges are multiplied in such contested contexts and entrepreneurship becomes more a necessity than an aspiration. Such circumstances problematise the idea of meritocracy and of entrepreneurial ability as an innate trait. We argue that agency is situation-dependent and constrained by social structures, whilst stopping short of regarding individuals as merely passive actors. We, therefore, require a framework to explore the complex forces which female entrepreneurs must negotiate in Gaza.

Influenced by Bourdieu, in this paper we propose social capital as a vital facilitator of female entrepreneurship in Gaza and have constructed a framework to be utilised for empirical research. The fieldwork is due to be conducted during the summer of 2020, so at the conference, we may be able to present some early findings and our initial reflections on the framework.

**Track:** Organisational Studies

**Keywords:** Female Entrepreneurship; Gaza; Social Capital

## Background

Palestinian society, like other male-dominated, patriarchal Middle Eastern societies, is known for injustice and inequality in relation to women, but the reality for Palestinian women is substantially different even to its physically and culturally closest neighbours, due to its historical context. They face caste-based social and economic disparities and the specific challenges of Israeli occupation, which has prompted many international aid organisations to focus on the needs of Palestinian females in order to alleviate their suffering through the provision of education and development programmes (Istanbuli, 2015).

The topic of female entrepreneurship, and exploration of its impact on job creation and innovation, is becoming popular across the globe. As economic growth and development of societies is driven by many forces, including entrepreneurship (Ghura, 2019), women's involvement in entrepreneurship and entrepreneurial activities is also seen as one of the main factors that could enable the growth and economic success of societies (Althalathini, 2015).

For female entrepreneurs in Palestine, challenges are particularly difficult to overcome, and many obstacles exist because of the special nature of the Palestinian situation. Financing challenges, gender discrimination and exclusion, and the attitude of society toward business owners are just a few examples. Surprisingly, these challenges are basically informal, and based on socio-cultural views, social values and customs (Sultan 2016). Moreover, the Palestinian Central Bureau of Statistics has claimed that even with the existence and accessibility of new technologies, and the strong will and desire of Palestinian females to learn and take initiatives to understand how they can improve their economic situation, the unemployment rates of females in Palestine is still very high and has reached 53.7% (Palestinian Central Bureau of Statistics, 2018).

In the period between 2006 and 2014, the general economic state has become even worse in the Gaza strip, especially for women. In 2006, Hamas took power in Palestine by winning the parliamentary elections and, for political reasons, Israel has implemented a very strict siege of the Gaza strip since that time. As a result of that, according to the International Monetary Fund's report about the period between 2006 and 2014, job creation in the Gaza strip has been considerably impeded. Consequences of the siege, such as restrictions on people's movements and severe restrictions on goods imports and exports, are the main causes of that impediment.

## Developing a Framework for Research

Many studies have examined the importance of social capital as a significant resource in supporting the entrepreneur (Ellison, Steinfeld, and Lampe 2007; Bird and Wennberg 2016), especially in developing countries (Ellison, Steinfeld, and Lampe 2007). For female entrepreneurs in the unique context of contemporary Gaza, 'wasta' (Arabic: واسطة) or 'who you know' has become crucial in their entrepreneurial success, economic and, sometimes, physical survival.

Our ontological perspectives, as well as our lived experience of female entrepreneurship in the region, have led us to undertake an empiric exploration of the role of social capital and its relationship to female entrepreneurship in Gaza. Such contexts problematise the idea of meritocracy and of entrepreneurial ability as an innate trait. We argue that agency is context-dependent and constrained by social structures, whilst stopping short of regarding individuals as merely passive actors.

Schumpeter (2017, p22) suggests that social capital has a positive impact on economic activity and that one of the economic development linchpins is the “carrying out of new combinations, the putting into practice of the new ideas by entrepreneurs”. Other authors have emphasized that entrepreneurship is a factor of job creation and economic growth (Castanio, Mendez and Galindo, 2015). Bhandari and Yasunobu (2009) have stated that social capital is connected deeply with society, such as social norms, informal networks, values, beliefs, trusts, obligations, relationships, friends, memberships, civic engagement, information flows, and institutions that promote mutual cooperation among the members to achieve individual benefits that contribute to wider economic development.

Despite social challenges, which may include lack of self-confidence, patriarchal mindsets, sexism and the responsibility for the household and childrearing, female entrepreneurs can contribute toward increasing the level of family income, which could be translated into better education and health for their children (Welsh, Memili, Kaciak, 2016). However, it has been suggested by Solano and Rooks (2018) that despite the significance of female entrepreneurship for developing countries, there is still a serious gender gap when it comes to entrepreneurship and businesses owned by women are generally more likely to underperform or fail, due to formal and informal obstacles.

Social capital refers to group membership and social networks, and the volume of social capital possessed by an individual depends on the size of their network, the quality of these relationships, and the capacity of the groups to run resources in their own interest (Bridge, Murtagh and O'Neill, 2014). Bourdieu (1986) said that social capital is available to those who provide efforts to gain it by achieving positions of power and status and by developing goodwill, and additionally that it is a cumulative value which takes time and effort. Salajegheh and Pirmoradi (2013) also confirm that social capital refers to the sum of the actual or virtual resources, that accrue to an individual or a group by virtue of possessing a strong network of formal and informal relationships and mutual acquaintances.

Westlund and Bolton (2003) state that the importance of social capital lies in significant features such as networks, norms, and trust, assist coordination and cooperation for mutual benefit. Field (2008) adds that the benefit of social capital over more formal approaches is that it can be much less stressful and sometimes seems to work faster and produce a better outcome in some situations.

Casson and Giusta (2007, p. 221) in their interpretation of social capital state that ‘social capital is the capitalised value of improvements in economic performance that can be attributed to high-trust social networks’. Social capital is not private property but forms an attribute of the social structure in which a person is belongs (Westlund, and Bolton, 2003). It refers to the

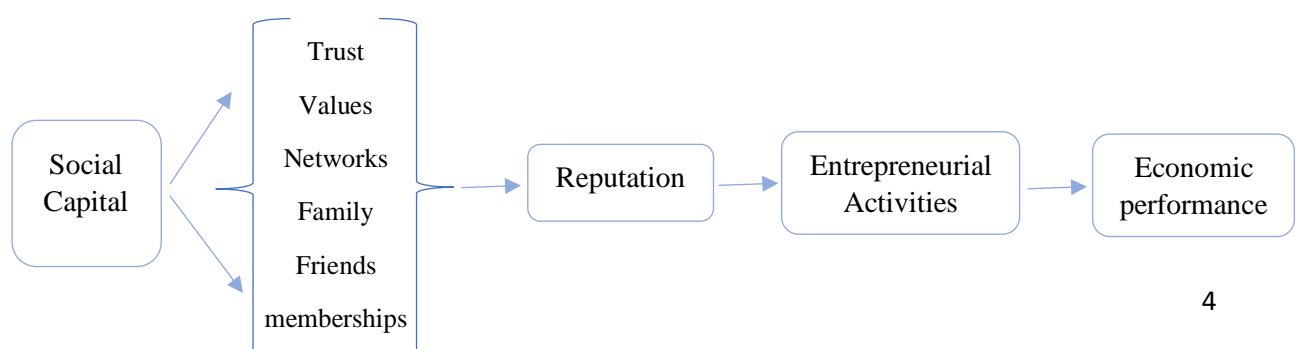
resources cumulated through formal or informal relationships between people (Ellison, Steinfield and Lampe, 2007). It also refers to these interpersonal links and knowledge of who can help to move an issue forward and the attendant of norms and trust (Bridge, Murtag and O'Neill, 2009). In another sense, it is the sum of actual and potential solid networks and relationships between individuals, institutions, and society (Bridge, Murtagh and O'Neill, 2014).

The benefits gained from social relationships may differ depending on the form and the purpose of those relationships (Ellison, Steinfield, and Lampe, 2007). Moreover, Zhao, Ritchie and Echtner (2011) have proposed that the use of social relationships is very important to support the practice of entrepreneurship, promote the phenomenon of entrepreneurship, and its continued growth and success. Salajegheh and Pirmoradi (2013) and Light and Dana (2013) have added that social capital refers to the relationships and communication among members of a network, which leads to fulfilment of goals and creates a mutual trust to ensure sustainability.

Zhao, Ritchie, and Echtner (2011, p1572) have considered the concept of social capital as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit”, this is echoed by Akhter and Sumi (2014) who suggest that social capital has three dimensions, namely structural, relational and cognitive. Connections within a network of social relationships refer to the structural dimension which has a strong impact on the availability of valuable resources, such as capital, facilities, equipment and labour. Most entrepreneurs in the Gaza strip depend mainly on their social network to finance ventures rather than banks loan because of their weak collateral and asset base. The strength and quality of relationships between network members as a reflection of the extent of trust and continuity of relations refers to the relational dimension of social capital. The cognitive dimension includes the resources shared, interpretations, and systems among a group of people, such as values, attitudes, beliefs and vision which leads to the understanding of each other’s thinking processes, which work to share activates information diffusion and knowledge and enhance certain social actions (Bhandari, and Yasunobu 2009; Akhter and Sumi 2014).

Having reviewed these definitions, we have constructed a framework which summarises the definitions of social capital, including official and non-official relationships, represents high-trust networks that build reputation and could lead to successful entrepreneurship and subsequent economic growth. We intend to use this framework as the foundation for empirical research exploring female entrepreneurship and social capital in Gaza.

**Figure 1. Framework for Exploring Social Capital and Entrepreneurship**



Social connections are an important component of social capital which enable individuals to access resources that are required to expand their human or financial capital (Kim and Aldrich, 2005; Audretsch and Aldridge, 2012; Kotha and George, 2012). Entrepreneurs believe that networking and social capital lead to success (Abu Zaher and Arab Centre for Research and Policy Studies, 2013; Kim and Aldrich, 2005), however, there are socio-cultural constraints which may limit and impede access to social capital.

Bird and Wennberg (2016) have concentrated on an important pillar of social capital represented by the family. Families can provide significant benefits, such as access to information, networks, knowledge, and support, as well as more tangible resources such as financial support and unpaid family labour. This shows that family could be one of the most important pillars of social capital in supporting entrepreneurial projects, especially in developing countries. This type of relationship is characterized by strength and durability and is an emotional connection, which means having the ability to protect valuable connections as one progress through life changes and difficulties (Ellison, Steinfield, and Lampe 2007).

People tend to communicate with those who share the same backgrounds and common interests, and factors such as age, race and sex, rather than communicating with those with different backgrounds, and this can lead to limited social relationships. In addition, individuals work within the limits of kinship relations and interrelationships that are semi-permeable over time (Kim and Aldrich, 2005; Adler and Kwon, 2002; Abu Zaher and Arab Centre for Research and Policy Studies, 2013). Building a strong relationship requires the creation and maintenance of social networks (Kim and Aldrich, 2005; Chegini and Zamani, 2014; Stuart and Sorenson, 2005). Where individuals lack foresight and experience, they may not realise the full potential of pursuing direct and indirect network ties. We therefore, seek to explore both how female entrepreneurs in Gaza have built and utilised their social capital and where they have struggled to develop and exploit such opportunities. We are intrigued about what the outcomes might be and are open to these not only being positive for individuals or society. For example, we will explore who benefits from social capital and how? And what are the consequences for women whose social capital is low and for a variety of reasons cannot be increased?

## **Method**

Through existing contacts and established support networks the researchers can access a wide population of female entrepreneurs in Gaza. We are led by our interpretivist standpoint to undertake qualitative research and intend conducting up to 15 semi-structured interviews with individual female entrepreneurs, using an interview guide structured around the framework proposed in this paper (see figure 1). Due to the constraints on travel imposed by the Covid-19 pandemic it is likely that these will be conducted remotely, by Zoom or a similar technology, and audio-recorded. The lead researcher is a native Arabic speaker and will conduct the interviews in her mother-tongue, with transcription and back translation a crucial part of the onward process. A thematic analysis of the data will target the areas specified in the framework whilst allowing for emergent themes to also be incorporated. NVIVO will be used to manage the data. Participants will give their informed consent to be part of this project.

## Conclusion

Female entrepreneurship has become an interesting subject for researchers and policymakers in the last decades, which has contributed to the development, equality, and social inclusion of women (Holienka, Jancovicova and Kovachicova, 2016). The context of Gaza is unique and gives us an opportunity to explore how social capital relates to female entrepreneurship in an occupied territory.

A framework, which pulls together various definitions of social capital, has been created and outlined here. This is proposed as the foundation of our empirical research, which is due to be undertaken during the summer of 2020. By the BAM conference we should have utilised the framework and be able to discuss its effectiveness. We will not have completed a full analysis of the data at this time but should be able to share some initial themes and outline the implications for the framework proposed.

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