

Beyond Palestinian Entrepreneurship



By Aref Hussein

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ased on my experience in the field of entrepreneurship in Palestine during the last twelve years, not only as a social entrepreneur but also as a support to local entrepreneurs of various ages and backgrounds, trying daily to help their ideas see the light, I would like to draft a heartfelt and hopeful critique of this experience. Most of those who have been fascinated by the concept and become involved in entrepreneurship over the past five years have entered into this field quite oblivious to how it can truly benefit the local community. They were enticed by donor money and captured by the beauty of the term, which resonates like music to the ears. It then became a slogan since everyone began to speak of scientific entrepreneurship, social entrepreneurship, and business entrepreneurship. Who amongst us would not love to become an entrepreneur without doing anything other than talking?

The terms “entrepreneurship” and “innovation” have spread as fast as fire can devour a forest. All of a sudden,

entrepreneurship has resurged as a main ingredient of political and civil discourse. Labels related to entrepreneurship have started to glitter on banners of institutions, associations, and companies; it is taught at schools and universities where teaching still depends on notes that were collected by teachers tens of years ago. Even kindergartens have had their share of use of the term and have added it to their names in order to give the impression that they foster creativity and innovation from an early age in order to attract parents, even though in practice these educational institutes are not really different from traditional institutions. State, civil-society, and private-sector plans have started – verbally – to support entrepreneurship and innovation among youth. However, all have ignored the fact that “it is not possible to harvest fruits from a tree that does not exist.”

We need to educate our children for entrepreneurship, innovation, and the readiness to take calculated risks. Schools and parents need to focus on practicing critical thinking, creativity, and innovation rather than memorization and rote learning.

We have forgotten that most of the experiences in the economies of other countries – where enthusiastic individuals delve into scientific, industrial, technological, or even social entrepreneurship – have depended on two factors: the entrepreneur him/herself and the local and/or national ecosystem. Entrepreneurs



Aref Hussein with Ibrahim Da'abes of Naqab Agricultural Equipment Development and Manufacturing.

must possess certain characteristics before being classified as such (and granted certificates of honor). Most importantly, they must believe in their ideas, wholeheartedly, and devote their time and effort to implementing them. Their pioneer idea must be nothing less than the project of their life – until proven otherwise. They must think globally, from day one, and be ready for a genuine and objective scientific discussion with anyone working in an area close to their specialization. They must open their minds in order to re-engineer and possibly improve the products made by their predecessors, rather than duplicate them. However, they should not seek to re-invent the wheel.

Up to three-quarters of successful entrepreneurs worldwide were employees before they embarked on their own projects. They acquired the necessary experience and expertise while working in a productive system. Most importantly, these entrepreneurs

are usually between 31 and 40 years old, which has allowed them to acquire the necessary maturity and wisdom, on the one hand, and the perseverance and energy to pursue their path on the other. They are capable of launching a pioneer idea and transforming it into a sustainable project. Once they succeed we can call them entrepreneurs. But before that, they are innovative initiators.

Why have we taken the wrong path?

In Palestine, most individuals classified (by themselves or by institutions) as entrepreneurs have not yet completed a university degree, and only very few have generated a new idea somewhat on their own. Their projects are often merely graduation projects in engineering or applied sciences, and most of the time, they are not patent owners because the ideas come from their professors or were generated by surfing the Internet. The passion, continuous research, and development of the idea is, in most cases, connected

to the pursuit of earning an academic degree. Moreover, most entrepreneurs lack practical experience in the market. The lucky ones, however, have the foundation skills necessary to fill in applications for awards, and some master the foreign terminology and are able to radiate alluring charisma during pitching presentations. They usually have a fantasy about fame and future wealth. Their inner eyes only see Steve Jobs, founder of Apple, and Mark Zuckerberg, developer of Facebook.

Generally, there is nothing wrong with that. However, in the absence of genuine creativity and encouragement to strive for excellence in everything, the probability that they are able to go on to finish the path to success diminishes. When they fail to harvest accomplishment, an obscure frustration befalls our striving entrepreneur and certain phrases start to emerge: “Innovation finds no appreciation in Palestine,” and “There is no investment here,” or “Had I been in the West, I would be among the elite by now.” A CV filled with entrepreneurship initiatives and awards ends up leading to a commonplace job in a contracting company in Dubai or Sharja. In some cases, it may lead to a scholarship in a Western country, but upon completion of an academic degree, the young entrepreneur most likely returns to a well-paid job here or there.

Funders and countries that wish to support the steadfastness of the Palestinian people under occupation have begun to support youth entrepreneurship projects, at times with conflicting and strange agendas that include the promotion of peace between the two peoples, and thus they attempt to foster exchange of knowledge and the formation of friendships with the other; they may even wish to lay the foundation for economic peace between the occupation power and the oppressed people subjected

Palestine must focus on its rich heritage in more traditional, low-tech industries and create innovation in these fields. The passion of our ancestors lay in agriculture; let us apply technology and ingenuity in entrepreneurship to develop this sector. IT is a promising sector but it's not the only one that requests local entrepreneurship.

thereto, assuming that this might be accomplished through co-opting, containment, and joint action.

Not only donor countries but also the Palestinian government and political regime believe in entrepreneurship and its positive impact on the economy. In fact, the government has formed a higher council affiliated directly with the president's office for this purpose. The membership of the council comprises officials from most ministries and from governmental and nongovernmental institutions. A year ago, yet another parallel government-affiliated council was set up to serve the same purpose and foster an increase in employment. Some ministries have established their own entrepreneurship and creativity funds separate from the president's office. Nonetheless, any entrepreneur who requests services from a governmental agency, including the registration of a company or tax-deduction certificates, faces stubborn bureaucracy and an exorbitant cost, just as any other wealthy experienced businessman who applies for the same.

The public sector and civil society organizations engage in start-up ceremonies or call upon business incubators that depend on external donations and capital that often is vested with specific agendas and conditions. They search for achievers,





Aref Hussein with Hygeia Medical Industries team.

focusing mainly on IT, which could generate income and growth on the global market, but locally the results are disappointing. We have yet to sell a pioneering start-up to giant global companies! No large local firm has bought a local start-up! Why have we not penetrated local or global markets with hardware or software products? Internationally, the very few entrepreneurial initiatives that succeeded with such endeavors did so because their initiators took the maximum risk. Their success was not due to a supportive entrepreneurial ecosystem. The very few models that succeeded did so because of the natural entrepreneurship skills of individuals with determination and perseverance; their success was not caused by the governmental, civil, or

popular support that exists in Palestine and is considered most highly (with undeserved pride) by many.

What to do?

In my opinion, it is not possible to engage in entrepreneurship before we reach an adequate level of *knowledge*, which is comparable to the level of those who succeeded before us, and *security*. Such security not only includes termination of the occupation but also protection of intellectual property and ideas. We need to establish a social safety network and make it an integral part of the general societal culture if we wish to encourage entrepreneurship and creativity. Most importantly, we must remain humble and acknowledge reality. We should abstain from a race to publish success stories and create media bubbles that

for word. We should concern ourselves with how our children can be enriched by any knowledge they encounter and how they may become able to add to our accumulated universal knowledge. We need to discuss how they can use knowledge to improve their lives. We must assess the prevailing societal, economic, and political culture and devise a holistic plan for Palestine in 2050 in order to make it different from Palestine in 2016. Actually, the drivers for development will be entrepreneurship, creativity, and innovation, which must be developed to grant young people authentic opportunities, rather than selecting some of them for media consumption. Genuine entrepreneurship results from the quality of life of the entrepreneur and his/her surroundings; i.e., it is possible in an ecosystem with socioeconomic security to ensure sustainability rather than ephemeral entrepreneurship that leads to podiums that carry honor but hold only low-value opportunities. Remember that an entrepreneur can be arrested for the failure to repay a loan that was mediated as a donation from a support fund that benefits shark businesses but crushes the small fish.

will fade away overnight. Let us not lightly adopt resonating terms that denote what others have achieved only after years of investment, education, and legislation, and pretend that we have achieved them locally as well. We have to return to the simplest principles of entrepreneurship, grow together to reach modern technologies, and be the first to re-invent them and adapt them to our specific situation.

We need to abandon the illusion that we are preparing the younger generation for the qualities required in order to succeed as entrepreneurs. We must invest more in education for excellence, inquiry, critical thinking, creativity, and innovation, rather than the prevalent concept of what is considered “perfection” – which we equate with our students memorizing content word

To succeed, we need – in my opinion – to reconsider the actual value of the radiance that is surrounding the idea of entrepreneurship today and shift to appreciating achievement that proceeds at a more gradual pace. It would be wonderful to speak of advanced technological entrepreneurship and establish incubators that help start projects in developed sectors such

as information technology and assist them to develop to a level at which they are able to compete globally. It is true that the cheapest setup cost would be to purchase a computer with a speedy Internet connection, but the development of a competitive innovative idea that will be applicable globally, as we currently aspire, is not easy in this sector. Generating innovative ideas that are usable regionally and globally requires that we plant the seeds of entrepreneurship and creativity in our educational systems and societal culture from the very beginning. Only with such an effort will we be able to harvest the fruit that will raise the knowledge-based economy.

But even though we have so far failed to educate our children for creativity and critical thinking, we Palestinians possess pillars upon which we can build in order to catch up with the world of international innovation. We are originally a rural community; yet entrepreneurship in agriculture is the pride of other peoples. It would be easier to start benefiting from scientific and technological advancement in this field, given our legacy and passion in this sector, in order to develop quality products and possibly become local and regional entrepreneurs. Industrial entrepreneurship, ranging from the simplest to the most sophisticated industries, with innovative ideas may provide new products that solve real problems. We must invest in entrepreneurship and establish small and medium enterprises to provide new services to consumers and open new horizons of expansion. We need to invest and partner, share profits and losses, for we have to believe in the abilities of the entrepreneurs rather than applaud them and leave them with nothing but the leftovers.

In 2015, Al-Nayzak established five pioneering agricultural and industrial companies as part of its "Made in

Palestine" Program. The organization cannot claim that it changed the world, but it contributed to providing the entrepreneurs with a dignified life with sustainable development. At present, these companies compete successfully in the local market, providing innovative services of high quality that solve problems in the agricultural, industrial, and entertainment sectors, not to mention cutting-edge medical equipment. It may be the right time to move towards support of entrepreneurship-based production of a different type. After years of investing in high-tech products and IT, and not reaching any breakthrough yet, we should consider supporting entrepreneurship and promotion of low-tech and industrial products as well, given their potential to support the local economy and create a decent life for the entrepreneurs. We are harvesting some success stories that represent models of a low-profile approach that is nevertheless successful in securing stable levels of achievement and income.

Enough focus on media and ceremonies. Let us build on what we have and strive to bring to reality the hopes we harbor for a brighter future for our children. We still teach them and educate them for today's reality, even though we know that we must prepare them for the battles of a life of which we know very little. They will be working in new sectors and performing jobs that innovate ideas that have not yet been invented ...

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