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## Article

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## Article

# Navigating Adversity: Revisiting Entrepreneurial Theories in the Context of the Occupied Palestinian Territories

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**Abstract:** This paper examines how political conflict shapes entrepreneurial activities, with a particular focus on Occupied Palestinian Territories. It focuses on the resilience and adaptability of entrepreneurs in conflict zones and the dual role of entrepreneurship in potentially exacerbating or alleviating conflicts. This paper adopts an integrative literature review with a structured approach. It combines elements of both systematic and integrative reviews to survey and synthesize the management and entrepreneurship literature to assess the impact of political conflict on entrepreneurial activity and vice versa, necessity versus opportunity entrepreneurship, and the role of entrepreneurship in peacebuilding. The findings reveal that while entrepreneurship can be a powerful engine for growth and innovation, its role in conflict settings is complex and requires careful consideration of the sociopolitical context. The paper concludes with policy recommendations for supporting entrepreneurship in conflict-affected regions and suggests directions for future research to inform practices and contribute to sustainable peace and economic development.

**Keywords:** conflict economics; political conflict and business; business under occupation; entrepreneurship in crisis zones; war and entrepreneurship; peacebuilding and business development; entrepreneurial resilience



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## 1. Introduction

On a regular basis, the Center for Preventive Action's (CPA) Global Conflict Tracker, part of the American think tank "Council on Foreign Relations", asks government officials, foreign policy experts, and academics to assess ongoing and potential conflicts based on their likelihood to occur in a given year and their potential impact on U.S. interests (Council on Foreign Relations 2024). As of the writing of this paper, the tracker map displayed close to thirty conflicts with background information and resources on each of the conflicts. On a broader scope, the Uppsala Conflict Data Program at the Department of Peace and Conflict (Uppsala University, Sweden) registered 154,626 conflict-related deaths in 2023, related to 60 state-based violence, 75 non-state violence, and 42 one-sided violence (Uppsala Conflict Data Program 2024).<sup>1</sup> While many people in advanced economies have grown accustomed to taken-for-granted freedoms and are warmed by the thoughts of the United Nations system that espouses world peace and human development, the reality is that conflicts have been increasing throughout the past decades, as both research centers have demonstrated in their data collections and analyses. In areas of conflict, where disorder and instability are commonplace, human perseverance prevails. Daily life persists, highlighting the importance of routine and sustenance amidst turmoil.

Commerce remains a fundamental source of stability and continuity that is essential even during periods of adversity. Specifically, entrepreneurship functions as a manifestation of optimism and creativity, propelling communities forward by fostering innovation and providing essential goods and services. Entrepreneurship in conflict zones is not merely

a commercial endeavor; it serves as a critical lifeline. It operates through a unique dynamic, characterized by resilience and adaptation. Entrepreneurs in these conflict-affected areas must operate in an environment characterized by instability and restricted access to resources. Yet, they still manage to invent new ways of maintaining and growing their businesses (Aldairany et al. 2018). Those entrepreneurs will often become the fortitude of local economies, generating job opportunities and providing essential product offerings that may otherwise be disrupted. Their role extends far beyond economic activity since they contribute to social cohesion and provide a sense of normalcy and hope (Joseph et al. 2023). This is impressively demonstrated by the ability of entrepreneurs to adapt and survive in a political conflict environment, by trusting their ability to transform environmental challenges into mechanisms for entrepreneurial innovation and community development. In such contexts, entrepreneurship goes beyond mere survival; it becomes an affirmation of life and development in an extremely hostile environment (Brück et al. 2013).

Although the literature on entrepreneurship in conflict-affected regions has grown over time, in many ways, significant gaps remain that warrant examination, especially when gauging high-conflict contexts such as that of the Occupied Palestinian Territories (OPT). Much of the extant scholarship has focused on the general dynamics of entrepreneurship under conditions of political violence at the expense of unique socio-political and economic particularities that characterize the complex and multilayered context where Palestinian entrepreneurs operate. While efforts have been exerted to construct theoretical frameworks that would help explain business activities under adversity, their applicability to the Occupied Palestinian Territories, where occupation and apartheid present unique challenges, has not been satisfactorily explored. Moreover, there is a significant lacking in empirical studies focusing on the Occupied Palestinian Territories, which creates a gap in understanding the unique entrepreneurial landscape shaped by prolonged occupation. While general theories of entrepreneurship have been established, their relevance and effectiveness in explaining the experiences of Palestinian entrepreneurs remain largely untested. This calls for a critical reassessment of existing frameworks to determine their robustness and applicability in this specific context, as well as to identify any necessary adaptations to better capture the realities of entrepreneurship under occupation. Moreover, by examining the theoretical concepts and framework within the unique challenges and opportunities faced by Palestinian entrepreneurs, this paper aims to provide a more profound understanding of entrepreneurship's role in economic empowerment and social transformation amid adversity, ultimately, enriching the discourse on entrepreneurship in conflict-affected regions. To accomplish this task, the authors have set the following questions:

- Q1. What conceptualizations of political violence and entrepreneurship would be most effective in explaining the relationship between these phenomena?
- Q2. What is the current state of research regarding the relationship between political conflict and entrepreneurship in extant literature?
- Q3. How do existing entrepreneurial theories apply to the context of the Occupied Palestinian Territories? In what aspects do these theories prove inadequate?
- Q4. What are the emerging trends in literature, and what research gaps require attention?

By attempting to answer these questions, this study contributes to a deeper understanding of entrepreneurship's potential as a vehicle for economic empowerment and social transformation under the most trying circumstances, occupation, and apartheid. The paper is organized in the following manner: Section 2 provides the conceptual foundations for understanding the relationship between political violence and entrepreneurship (Q1). Section 3 describes the methodology used in this review of the literature. Section 4 sets out the results obtained from the review to determine the state of the extant literature investigating the relationship between political violence and entrepreneurship (Q2). Section 5 presents a discussion of the literature in leu of political conflict lived in the occupied Palestinian territories (Q3). Finally, Section 6 sets out the main conclusions and implications of this review (Q4).

## 2. Literature Review

### 2.1. Re-Visiting Essential Constructs

#### 2.1.1. Political Conflict

Early in his career, Johan Galtung, a prominent figure in peace studies, defined conflict as a situation in which two or more values, goals, or actions are pursued and perceived as incompatible or mutually exclusive. This means that achieving one may prevent the achievement of the other (Galtung 1958). Moreover, conflict can manifest at various levels (individual, group, and society) and domains (psychological, social, cultural, economic, political, etc.), ranging from individual internal struggles to large-scale political disputes. Academic literature repeatedly emphasizes that conflict is a complex phenomenon characterized by contradictions, incompatibilities, and the interplay of actors' goals within social systems. Understanding the nature of conflict involves recognizing the dynamics and changes in the social system (interaction between actors involved) over time. This is crucial for its effective resolution and management.

This study addresses a specific conflict domain: political conflict. This can be seen as the imposition of views against resistance, divergence, and competition within political structures, group-based disputes involving state institutions, and various metaphorical representations (Burelli 2019). These definitions highlight the complexity and multifaceted nature of political conflict, emphasizing its inherent resistance, potential for violence, and necessity for political solutions (Patrice 2008). Political conflict can be defined through various lenses, each of which offers a unique perspective on its nature and implications. Table 1 combines some of the most discussed dimensions that help identify the nature of a political conflict, thus determining how to deal with it.

**Table 1.** Prominent dimensions of political conflict.

Dimension	Description
Source of Conflict	<p>Political conflict can arise from a variety of sources, not just social issues or problems. Here are some common sources:</p> <ul style="list-style-type: none"> <li>• Power Struggle (competition over political power and control).</li> <li>• Economic Factors (disputes over resources, economic inequality, and access to wealth).</li> <li>• Social Identity (differences in ethnicity, religion, culture, and social class).</li> <li>• Ideological Differences (conflicting beliefs and values about governance, justice, and societal organization).</li> <li>• Resource Scarcity (competition for natural resources).</li> <li>• Historical Grievances (e.g., territorial disputes).</li> </ul>
Actors	<p>Political conflicts often involve a variety of actors, each with distinct roles, motivations, and impacts on the conflict dynamics (sustaining conflict vs. achieving peace).</p> <ul style="list-style-type: none"> <li>• <i>State Actors</i> are entities that represent a government or a sovereign state. They have formal authority and are recognized as legitimate by international law. Examples of state actors include national governments, military forces, and state institutions.</li> <li>• <i>Non-State Actors</i> are organized groups or individuals that are not affiliated with, directed by, or funded through the government. They can influence or participate in conflicts and have significant impacts on state interests. They may include insurgent groups, de facto or proto-state, terrorist organizations, militias, and even humanitarian organizations.</li> </ul>
Type of Asymmetry	<p>Actors in a conflict can be classified based on their relative power and standing.</p> <ul style="list-style-type: none"> <li>• <i>Symmetric conflicts</i> involve actors with relatively equal power, such as two countries with similar military capabilities.</li> <li>• <i>Asymmetric conflicts</i>, on the other hand, involve actors with unequal power. Asymmetric conflicts can involve various types of asymmetries, including political, economic, or military disparities.</li> </ul>
Dynamism	<p>Political conflicts shift through a series of stages. There is little consensus about the labels for these stages, but they can be identified by terms like emergence, escalation, de-escalation, termination, and recovery.</p>
Boundaries	<p>Conflicts can happen within the boundaries of a nation-state (internal conflicts), between nation-states, and may spill over across borders (external conflicts).</p>

Table 1. Cont.

Dimension	Description																												
Intensity of Conflict	<p>The intensity of a conflict refers to the degree of severity or strength with which the conflict is expressed and experienced. It encompasses the level of emotional arousal, the extent of opposition between the parties involved, and the potential for escalation or de-escalation of the conflict. Conflict intensity can vary from <i>low</i>, where disagreements are mild and manageable, to <i>high</i>, where disputes are severe and potentially destructive. The length of the duration or time span of the conflict is proposed to have a positive effect on the intensity of a conflict.</p>																												
Degree of Violence	<p>Political conflicts can manifest in both violent and non-violent forms, each with distinct characteristics and implications.</p> <ul style="list-style-type: none"> <li>• <i>Violent</i> political conflicts are characterized by the systematic use of violence. Political violence is a multifaceted phenomenon that encompasses a range of actions aimed at inflicting physical, psychological, and symbolic harm to influence political, social, or cultural change.</li> <li>• <i>Non-violent</i> political conflicts typically involve social movements and protests that do not resort to physical violence. These movements often arise in liberal democracies and focus on institutional and cultural contexts, emphasizing political opportunity structures and resources rather than direct confrontation.</li> </ul> <p>Conflicts are rarely at the polar end of the spectrum; they may often employ a mixed strategy (violent and non-violent behaviors). Johan Galtung's conflict triangle provides a comprehensive framework for understanding the manifestations of political violence through its three interconnected components: direct, structural, and cultural violence.</p> <ul style="list-style-type: none"> <li>• <i>Direct violence</i> refers to physical acts of aggression, which are immediate and visible, such as those seen in political violence. [e.g., physical harm to persons, property and nature, eviction, imprisonment, torture, death]</li> <li>• <i>Structural violence</i> is embedded in societal structures and institutions, leading to unequal access to resources and opportunities, thereby perpetuating inequality and repression. [e.g., apartheid policies and regulations that sustain segregation and disparities in economic resources, education, and healthcare; policies and regulations that limit or prevent basic human rights: freedom of movement, freedom of speech, freedom to practice religion, etc.; a policy of inaction towards essential and immediate human needs like deliberate starvation]</li> <li>• <i>Cultural violence</i> legitimizes both direct and structural violence through societal norms, ideologies, and symbols, which justify and perpetuate these forms of violence [e.g., dehumanizing adversary, stereotyping and negative framing in media, spreading false information about the adversary, restricting access to cultural and religious sites and practices, culture theft—appropriating cultural symbols of adversary as one's own].</li> </ul> <p>Galtung's model highlights how these types of violence are interrelated, with cultural violence providing the ideological justification for structural violence, which in turn can lead to direct violence.</p>																												
Manifestation of Conflict	<table> <tr> <th><i>Violent Conflicts</i></th><th><i>Nonviolent Conflicts</i></th></tr> <tr> <td>Political assassination</td><td>Protests and demonstrations</td></tr> <tr> <td>Civil war</td><td>Strikes</td></tr> <tr> <td>War</td><td>Boycotts</td></tr> <tr> <td>Military coupe</td><td>Civil disobedience</td></tr> <tr> <td>Rebellion/resistance</td><td>Sit-ins and occupying a space</td></tr> <tr> <td>Intercommunal conflict</td><td>Noncooperation</td></tr> <tr> <td>State repression</td><td>Alternative institutions</td></tr> <tr> <td>Apartheid</td><td></td></tr> <tr> <td>Ethnic cleansing</td><td></td></tr> <tr> <td>Genocide</td><td></td></tr> <tr> <td>Terrorism</td><td></td></tr> <tr> <td>Hostage taking</td><td></td></tr> <tr> <td>Inaction causing deprivation</td><td></td></tr> </table>	<i>Violent Conflicts</i>	<i>Nonviolent Conflicts</i>	Political assassination	Protests and demonstrations	Civil war	Strikes	War	Boycotts	Military coupe	Civil disobedience	Rebellion/resistance	Sit-ins and occupying a space	Intercommunal conflict	Noncooperation	State repression	Alternative institutions	Apartheid		Ethnic cleansing		Genocide		Terrorism		Hostage taking		Inaction causing deprivation	
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Dimension	Description
Pathways to Peace	<ul style="list-style-type: none"><li>• <i>Peacekeeping</i> corresponds to the ending of direct violence by implementing actions that aim to preserve peace and security by preventing the resurgence of conflict. It aims to maintain stability in volatile situations by preventing the recurrence of violence. Initiatives could include deploying international peacekeeping personnel.</li><li>• <i>Peacemaking</i> is an attempt to alter attitudes through facilitated dialogues and negotiation processes. It aims to resolve critical disputes between parties in opposition, transforming hostile relationships into collaborative ones. In this approach, the underlying causes that trigger the conflict are addressed through negotiations, treaties, and cease-fire agreements.</li><li>• <i>Peacebuilding</i> involves working towards lasting (positive) peace by tackling the underlying contradictions between conflicting parties. The goal is to change those structural and cultural parameters that have led to the conflict so that peace can be sustained. It involves extensive efforts towards broad societal and institutional reconstruction after a conflict, emphasizing normalization and reconciliation. This process includes a range of initiatives, such as economic development, normalizing relations between the parties, and fostering reconciliation efforts to build a stable and peaceful society.</li></ul>
	The initial approach, focusing on peacekeeping, leads to a state of negative peace—that is, the absence of any direct conflict, yet underlying societal issues are not addressed. This kind of peace effort is typically achieved through deterrence or political action. However, the establishment of positive peace—a signal for genuine harmony—requires the simultaneous employment of peacemaking and peacebuilding initiatives.

Note: This table was compiled by researchers from a variety of sources. (Bosi and Malthaner 2015; Coyne et al. 2023; Kalyvas 2003; Keith 2016; Kriesberg and Neu 2018; Rucht 2003; Steinhoff and Zwerman 2008; Granzow et al. 2015).

At its core, political conflict involves actors pursuing incompatible goals, where the acceptability region of one party’s goals lies within the incompatibility region of another, leading to a contradiction that necessitates resolution (Galtung 2009). This definition underscores the inherent clash of interests, whether explicit, such as territorial disputes, or implicit, such as conflicting interests between different social classes or groups. In many political representations, one objective often stated is the preference to replace violent confrontations with more civil forms of strife, aiming for integration and resolution. Nevertheless, political violence, a subset of political conflict, is often present and involves actions intended to inflict physical, psychological, or symbolic damage to influence political, social, or cultural change.

Understanding political violence is complex, as its interpretation differs among cultures and can vary depending on the context and parties involved. This complexity often blurs the lines between concepts like resistance and terrorism, making it difficult to categorize specific events or actions definitively (Rucht 2003). In both academic and popular literature, certain scholars have inappropriately utilized terms such as “terrorism,” which, due to its significant moral and political implications, is more contentious, possesses questionable analytical value, and has frequently been employed to vilify rather than elucidate the social phenomenon under investigation (Goodwin 2009; Tilly 2005).

The ways in which political violence is understood and interpreted contextually differs from a cultural standpoint, and that contributes to framing conflicts wrongly and not understanding the true nature of the conflict. A transparent approach that is context-sensitive to the local and supralocal orders and their movements, to varied methodologies, and to the impact of culture is very central in the framing and understanding of political violence. It is apparent studying political violence in any form of language and considering the cultural concepts helps to mitigate some of these errors leading to more effective and better plans in tackling these conflicts. (Keith 2016; Granzow et al. 2015).

In summary, political conflict constitutes a dynamic and complex phenomenon shaped by incompatible goals, non-violent and violent strategies, economic conditions, and resource dynamics, each contributing to its conceptualization and comprehension. This complexity necessitates a comprehensive understanding of various factors, including ide-



ological disparities, power dynamics, and the roles of both state and non-state actors. Through the examination of diverse classifications and underlying causes of political conflict, researchers and policymakers can better understand its impact on entrepreneurship and develop more effective strategies for conflict prevention and resolution.

### 2.1.2. Entrepreneurship

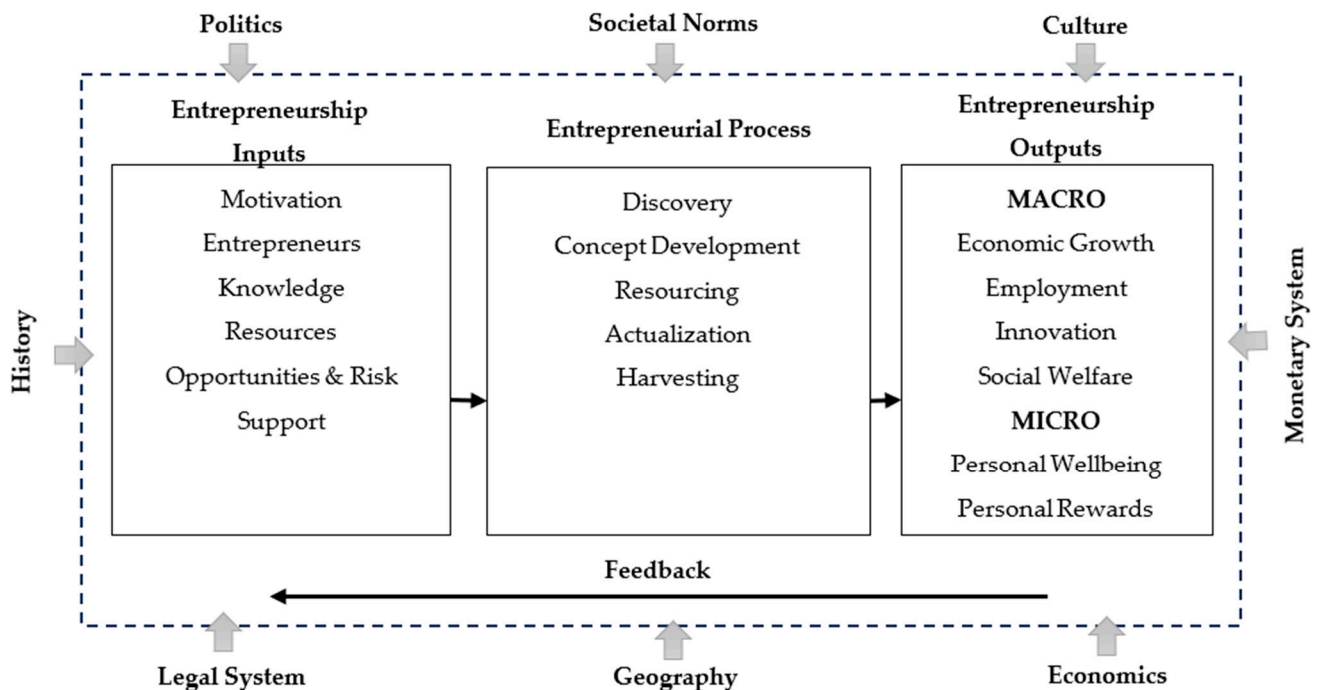
Shane and Venkataraman (2000) have provided one well-known and cited definition of entrepreneurship: “the scholarly examination of how, by whom and with what effects opportunities to create future goods and services are discovered, evaluated and exploited (p. 218)”. While emphasizing the focus on opportunity recognition being at the core of any entrepreneurship endeavor, this definition places less emphasis on the process of entrepreneurship. Ratten (2023), recognizing the importance of both aspects of entrepreneurship, suggested a new definition that combines both. *Entrepreneurship is the identification of business-related opportunities through the process of using existing, new, or recombining resources in an innovative and creative way.* Nevertheless, this definition does not fully capture the essence of the entrepreneurial process. It fails to recognize the impact and influence of the environment in which entrepreneurship occurs. Understanding various environmental complexities, including socioeconomic conditions, political systems, and cultural influences, significantly affects the sustainability of entrepreneurial practices (Ogbari et al. 2022). Hence, the authors of this study offer an updated definition that fills this gap: *Entrepreneurship is the process of discovering, evaluating, and exploiting opportunities to create valuable product offerings using new, existing, or recombined resources in an innovative and creative way. This process is undertaken by individuals or collective effort (group of people) impacted by environmental and institutional factors that affect the market and entrepreneurs’ human capital. Moreover, the process impacts economic growth, institutional frameworks, and societal welfare.*

The study of entrepreneurship draws from diverse theoretical frameworks, which can be broadly classified into economic, behavioral, and integrative approaches. All these different perspectives give useful contributions to understanding the entrepreneurial process, with economic frameworks examining financial motivations, behavioral approaches examining psychological characteristics, and integrative approaches combining multiple disciplines to provide a more holistic view. First, entrepreneurship has been studied through several economic frameworks, which can generally be classified into microeconomic and macroeconomic classes. At the microeconomic level, theories generally focus on the role of the individual entrepreneur, their decision-making processes, and the complexities inherent in opportunity recognition and exploitation. For instance, Kirzner’s entrepreneurial discovery theory stresses the role of the entrepreneur the identification or market inefficiencies and acting on them to drive the market to equilibrium, hence pointing out the microeconomic aspect of price discovery and individual actions (Mishra and Zachary 2015). Similarly, Shane’s theory of entrepreneurship delves into the microeconomic processes of opportunity discovery, evaluation, and exploitation, explaining how individual entrepreneurs create new goods and services that are often driven by cognitive factors and environmental conditions (Shane and Venkataraman 2000). This theoretical approach strongly points out the role of personal motivation and cognitive ability in entrepreneurship and therefore goes well with the microeconomic perspectives that focus on individual behavior and decision-making dynamics. On the other side of the spectrum, macroeconomic theories related to entrepreneurship incorporate broader economic dynamics and the role of entrepreneurship in propelling economic development and innovation. For example, Schumpeter’s theory of innovation postulates that entrepreneurs are central drivers of economic dynamism and innovation; thus, their activities lead to macroeconomic growth by means of offering new combinations of resources and breaking the existing market structures (Schumpeter 2021). This view is consistent with the assertion that entrepreneurship through innovation, creativity, and job creation, is a key contributor to economic growth as noted in different studies (Alexander 2005; Amirmahmood et al. 2021; Birgit and Andreas 2004; Domingo and Francisco 2015; Francisco et al. 2015; Mark and Nigel 2007; Stel et al. 2005;

Zoltan et al. 2016). Nonetheless, it should be noted that the economic theories of entrepreneurship are criticized for failing to adequately explain the phenomenon of entrepreneurship due to several limitations and gaps identified in the available literature. In the traditional models of economics, entrepreneurship is often seen as a choice between self-employment and wage employment, with motivations to take up entrepreneurial activities being maximum profit and non-monetary benefits. This view has been criticized as being too rigid because of the lack of consideration regarding the complex psychological and sociological factors driving an individual to start a venture. Second, entrepreneurship has also been examined under various behavioral theoretical frameworks. Initially, researchers focused on trait theory wherein attempts have been made to pinpoint individualistic traits or characteristics of entrepreneurs, such as the propensity for risk-taking and innovative behaviors. The criticism for this approach came due to inconclusive and vague results, hence giving rise to other approaches, including behavioral models that studied the actions of entrepreneurs. This shift included the incorporation of motivational theories, especially McClelland's achievement motivation theory that emphasized the importance of drive and motivation in entrepreneurial ventures (Østergaard et al. 2018). With the development of this field of study, cognitive psychology became a central component, asking the question "What is the thought process of the entrepreneur?" This perspective puts emphasis on examining cognitive structures, including heuristic reasoning, perceptual processes, entrepreneurial expertise, and effectuation to explain how entrepreneurs make decisions and evaluate opportunities. The notion of entrepreneurial cognition emerged as that which refers to the cognitive processes and knowledge structures used by entrepreneurs in their decision-making and opportunity evaluation (José et al. 2011). Moreover, the role of context has been realized and research emerged highlighting the influence of spatial, temporal, institutional, social, and societal contexts' influence on entrepreneurial behavior. This contextual approach emphasizes the variability of entrepreneurial environments and their impact on cognitive processes (Welter and Gartner 2016). Furthermore, positive psychology has been applied to entrepreneurship, focusing on personal development and well-being, which are crucial for understanding entrepreneurs' subjective experiences and their impact on entrepreneurial success (Yang 2024). Third, based on the value of adding the exploratory powers of behavioral theories to explain the complexity of entrepreneurship as a field that transcends economic activities to encompass individual behavior, cognition, and well-being, a third stream of literature started to appear: integrative theoretical lenses. A prominent example in this literature stream is The Theory of Entrepreneurship by Mishra and Zachary, which provides a comprehensive view by integrating ideas from multiple disciplines, including economics, psychology, sociology, and strategy, to explain the entrepreneurial process through a value creation and appropriation framework. This theory emphasizes the importance of entrepreneurial intention, opportunity discovery, and matching resources to create sustained value and appropriate rewards. Collectively, integrative theoretical lenses provide a multidimensional understanding of entrepreneurship, highlighting the complex interplay of psychological, sociological, economic, and cultural factors that shape entrepreneurial activities and outcomes (Mishra et al. 2014).

The researchers favor the latter approach in examining entrepreneurship. The integration of economic, behavioral, and ecological perspectives reflects the multifaceted nature of entrepreneurial activities, which cannot be fully captured by a single theoretical lens. Based on this conviction and surveying the theoretical frameworks used in the literature, the researchers devised the conceptualization presented in Figure 1 as a model for examining the interrelated and complex elements of entrepreneurship.





**Figure 1.** Suggested holistic entrepreneurship model.

### 2.1.3. Entrepreneurship and Political Conflict

Research into entrepreneurship within politically conflicted regions examines how political unrest impacts business ventures. In areas experiencing or recovering from conflict, entrepreneurial endeavors can have dual effects, potentially fostering peace and economic recovery or intensifying tensions. To be successful in these challenging environments, entrepreneurs must adopt inclusive, value-generating practices, implement evidence-based policies, and employ effective conflict resolution techniques. Grasping the distinct obstacles and intricacies of entrepreneurship in conflict-affected areas is crucial for harnessing its capacity to contribute to peace-building efforts and stimulate economic growth.

The literature on entrepreneurship and political conflict traces its origins to Paul Collier's 1999 work, which highlights the complex relationship between economic activities and violent conflict (Collier 1999). Paul Collier's Greed and Grievance model, developed with Anke Hoeffler, explores the motivations behind civil wars. Collier and Hoeffler's research found that economic factors, such as opportunity for economic gain (greed), often have a stronger correlation with the occurrence of civil wars than social and political factors, such as ethnic tensions, inequality, and political repression (grievances) (Collier and Hoeffler 2004). Despite criticism of this finding, Collier's work sets the stage for further research by showing the need to understand the nuanced impacts of conflict on different types of entrepreneurial activities. This has motivated more detailed studies examining how conflict affects entrepreneurship at both the macro and micro levels and how entrepreneurs can contribute to post-conflict recovery.

Several systematic literature reviews have been conducted in the past 10 years pertaining to entrepreneurship and political conflict. Table 2 summarizes the main findings in each.

**Table 2.** Prominent entrepreneurship and political conflict literature reviews.

Title (Authors)	Main Findings
<b>Entrepreneurship and violent conflict in developing countries</b> (Brück et al. 2013)	<ul style="list-style-type: none"> <li>• The review emphasizes that the effects of violent conflict on entrepreneurship are varied and dependent on the specific characteristics of entrepreneurs and the nature of the conflict they face. This diversity suggests the need for both quantitative and qualitative studies to fully understand these impacts and help design effective policy frameworks for conflict-affected regions.</li> <li>• Despite challenges, conflict can also create opportunities for creativity and innovation. Firms may find ways to continue production and ensure the welfare of employees and clients even in difficult situations.</li> <li>• The review suggests that entrepreneurial activity is resilient and can quickly rebound after hostilities cease, contributing to economic growth and stability, which is essential for absorbing demobilized combatants and preventing the resumption of hostilities. Hence, the review emphasizes the importance of supporting entrepreneurship during post-conflict reconstruction. However, it notes the complexities involved in policy making, such as the vested interests created by war, which can hinder peace and reconstruction efforts.</li> <li>• A long-term effect of conflict is the loss of human capital (injury, disability, death, migration, etc.), which creates a significant challenge for post-conflict reconstruction efforts. This loss leads to a shortage of skilled workers, which is crucial for rebuilding economies.</li> <li>• The impact of conflict on entrepreneurs varies geographically. Rural entrepreneurs often face more significant challenges, such as securing reliable supplies and skilled labor, while urban areas might offer more opportunities due to the influx of internally displaced people.</li> </ul>
<b>Systematic review: Entrepreneurship in conflict and post conflict</b> (Aldairany et al. 2018)	<ul style="list-style-type: none"> <li>• The paper identifies three main themes related to entrepreneurship in conflict and post-conflict areas: (1) Obstacles, challenges, and determinants of entrepreneurship in conflict contexts, (2) productive, unproductive, and destructive entrepreneurship, and (3) reciprocal relationship between conflict and entrepreneurship.</li> <li>• The role of entrepreneurship in conflict zones can vary significantly. It may have positive, negative, or even absent impacts, depending on the specific context and the nature of the conflict.</li> <li>• The paper emphasizes the importance of both formal and informal institutional support to enhance the positive impact of entrepreneurship in fragile societies. This support is crucial for overcoming the challenges posed by conflict and for promoting economic and social roles.</li> <li>• Despite the growing interest in this field, there are still significant gaps in literature. The paper highlights the need for more direct data collection from conflict areas, as current research heavily relies on secondary data.</li> <li>• The paper suggests that future research should focus on the development of entrepreneurship orientation, taxonomies, and impacts in conflict and post-conflict contexts. This would help in building a more comprehensive understanding of the field.</li> </ul>
<b>Entrepreneurship in post-conflict countries: a literature review</b> (Moritz et al. 2023)	<ul style="list-style-type: none"> <li>• The study explores how entrepreneurship can be a crucial driver for economic recovery in post-conflict countries. It emphasizes the need for targeted programs and initiatives to support entrepreneurship in these regions.</li> <li>• The literature is categorized into four streams: when and where entrepreneurial activities occur, who participates and why, how the entrepreneurial process unfolds, and the impact of entrepreneurship on post-conflict contexts.</li> <li>• The paper defines key concepts such as post-conflict countries, entrepreneurship, and the context in which entrepreneurship occurs. It highlights the importance of understanding these concepts to formulate effective research questions and policies.</li> <li>• Context is identified as a critical determinant in shaping entrepreneurial processes. The study categorizes context into temporal, local, business, social, spatial, and institutional dimensions, each influencing entrepreneurship differently.</li> <li>• The research underscores the potential of diaspora communities in fostering entrepreneurship and inward investments in post-conflict countries. It calls for more effective and coordinated policy initiatives to harness this potential.</li> <li>• The study finds that formal and informal institutions need to be reshaped to support diaspora entrepreneurship effectively. This includes creating a conducive environment for entrepreneurial activities.</li> <li>• There has been a significant increase in research on entrepreneurship in post-conflict countries since 2011, peaking in 2018. This trend reflects the growing recognition of the importance of entrepreneurship in certain regions and the increase in global conflicts.</li> </ul>

Table 2. Cont.

Title (Authors)	Main Findings
Entrepreneurship and Peacebuilding: A Review and Synthesis (Joseph et al. 2023)	<ul style="list-style-type: none"><li>• The paper addresses the situation in post-conflict countries, which are characterized by the recent cessation of armed conflicts either between countries or within a country. These nations often face challenges such as poverty, political instability, economic difficulties, and social unrest.</li><li>• Entrepreneurship is crucial for economic recovery and peacebuilding in post-conflict countries, but its exact role and impact are not well understood, necessitating an integrative perspective.</li><li>• The literature on entrepreneurship in post-conflict settings is fragmented, and the study organizes it into four categories: “when and where”, “who and why”, “how”, and “impact”.</li><li>• An integrative conceptual model is developed to provide a comprehensive understanding of entrepreneurship in these contexts, revealing research gaps and suggesting directions for future research.</li></ul>

The initial examination of these literature reviews on entrepreneurship and political conflict reveals several critical conclusions that underscore the complexities inherent in these interrelated constructs. First and foremost, it is essential to understand key concepts such as entrepreneurship, state of the conflict (ad hoc, post), and the specific contexts in which entrepreneurship unfolds. The literature delineates three predominant themes that emerge within conflict contexts: the obstacles, challenges, and determinants facing entrepreneurs; the categorization of entrepreneurship into productive, unproductive, and destructive forms; and the reciprocal relationship that exists between conflict and entrepreneurial endeavors.

Methodological approaches in this field also warrant attention, as a combination of quantitative and qualitative methods is crucial for capturing the diverse impacts that conflict presents to entrepreneurs. Such an integrative approach provides richer, context-specific insights and enhances the comparability of findings across various case studies. However, a significant limitation in current research is the focus on established entrepreneurs, which often overlooks latent and nascent entrepreneurship due to data constraints. Addressing the unique needs and barriers of these latent and nascent entrepreneurs is important for fostering a more inclusive and sustainable entrepreneurial ecosystem in conflict-affected areas. It is about catching that entrepreneurial spark before it gets turned off by adversity.

While aggregate impacts on investment, production, and income have been extensively studied, there remains a notable gap in understanding the nuanced micro-level effects on individuals and households. Additionally, the urban informal sector, which plays a critical role in conflict contexts, is frequently underexplored due to challenges in data collection and the tracking of individuals over time. Interestingly, contrary to prevailing expectations, self-employment and new firm start-ups often see an uptick during periods of conflict. This phenomenon can be attributed to the reduction of wage employment opportunities, compelling individuals to turn to self-employment as a necessity or survival strategy. Some entrepreneurs may even leverage the chaos of conflict to exploit opportunities arising from increased local demand, driven by factors such as migration or international aid.

Furthermore, the relationship between entrepreneurship and economic stagnation or collapse in conflict-affected settings remains poorly understood, with the bulk of research concentrating on innovative entrepreneurship in high-growth environments. Lastly, the role of institutional support—both formal and informal—emerges as a pivotal factor in enhancing the positive impact of entrepreneurship within fragile societies. Such support is crucial for overcoming the myriad challenges posed by conflict and for promoting the economic and social contributions of entrepreneurial activities.

Collectively, these conclusions illuminate the multifaceted nature of entrepreneurship in conflict and post-conflict settings, underscoring the necessity for comprehensive and context-specific approaches to bolster entrepreneurial initiatives in these challenging environments.

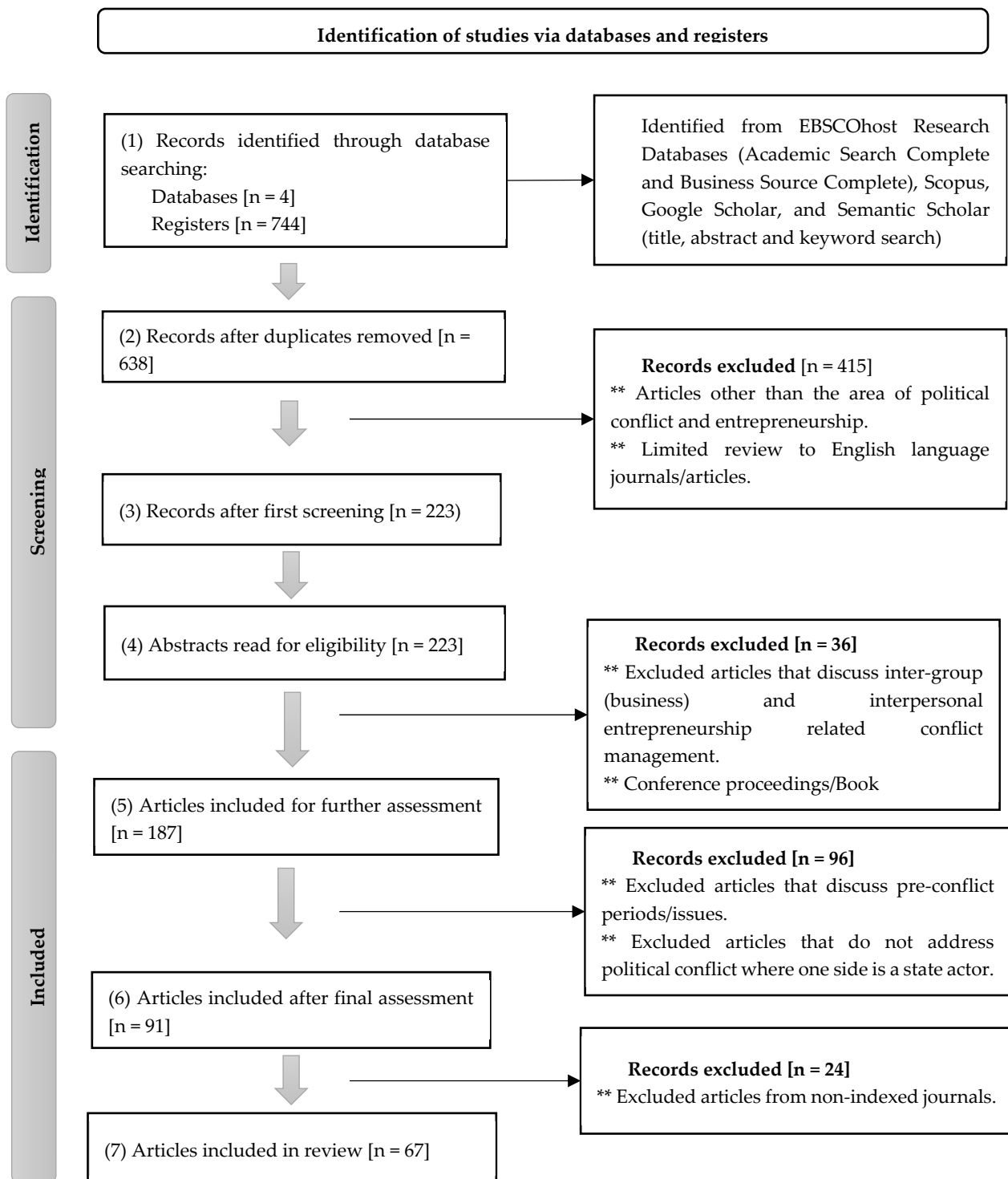
### 3. Methodology

This paper adopts an integrative literature review with a structured approach. It combines elements of both systematic and integrative reviews. It follows a structured methodology to minimize bias (might not be as rigid as a full systematic review). Moreover, it works to synthesize the literature to provide a comprehensive understanding of the relationship between political conflict and entrepreneurship (Snyder 2019).

To identify the relevant extant literature addressing political conflict and entrepreneurship, we used a structured approach following three stages (Tranfield et al. 2003). In the first stage, the appropriate search keywords for the topic at hand were determined. In the second stage, we identified all relevant papers through navigating research databases. In the third stage, the researchers analyzed and synthesized the studies focusing on the inter-relationships between political conflict and entrepreneurship in addition to the application of theoretical frameworks to the context of the occupied Palestinian territories. These stages and associated steps are depicted in Figure 2.

Four academic research databases, including EBSCOhost Research Databases (Academic Search Complete and Business Source Complete), Scopus, Google Scholar, and Semantic Scholar, were used to identify studies exploring the relationship between political conflict and entrepreneurship. These databases were recommended by previous reviews surveying the entrepreneurship literature (Aljuwaiber 2021; Quintero et al. 2019). The search on these databases involved three search strings: (“entrepreneurship” OR “entrepreneurial venture” OR “entrepreneurs”), (“political conflict” OR “state-based conflict” OR “state-sponsored conflict” OR “violent conflict”), and (“Palestine” OR “Palestinians” OR “occupied Palestinian territories” OR “Israeli Palestinian conflict” OR “Palestinian Israeli conflict”). These search strings were used to search in abstracts, titles, and keywords. The first two strings were essential at the beginning of the process; thereafter, the third string was used to focus more on the literature that studies political conflict and entrepreneurship in the context of the occupied Palestinian territories.

In the beginning, our title, keyword, and abstract search across the above-mentioned databases identified 744 studies (step 1). To identify the studies relevant to our topical review, we first removed duplicates (step 2) and focused only on studies in the subject areas of political conflict and entrepreneurship with a focus on the Palestinian context. Moreover, the review was limited to journals and articles in the English language. At this point in the research process, 223 articles were kept (step 3). The researchers read all abstracts (step 4) and decided to exclude another 36 articles that discuss inter-group (business) and interpersonal entrepreneurship related conflict management. Also, book chapters, working papers, reports, and conference papers were excluded due to their nontransparent peer review process. The researchers made two exceptions for working papers that were deemed essential for understanding the topic at hand. This left 187 articles for the full text survey (step 5). While reading the articles, the researchers excluded an additional 96 articles focusing on the pre-conflict period/issues, and during-conflict articles that did not address political conflict where one side is a state actor. This resulted in a sample of 91 articles. However, to assure a higher quality review, we finally excluded all articles published in non-indexed journals. Finally, 67 articles remained in the sample (step 7). These studies were published between 2009 and 2015. This period was chosen to cover significant political events in the Palestinian territories such as the wars in Gaza in 2009, 2012, 2014, 2021, and 2023. These events had a profound impact on the entrepreneurial landscape and may have influenced literature production. Moreover, the chosen period ensures a comprehensive and up-to-date review of the literature, exposing recent trends, developments, and scholarly debates.

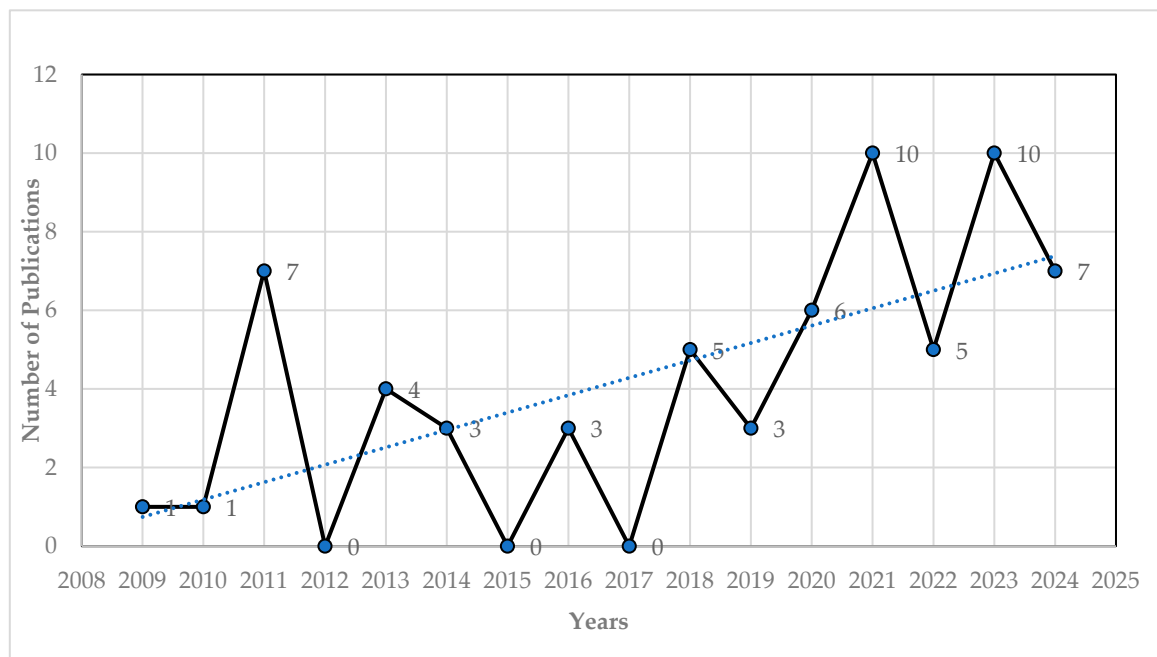


**Figure 2.** PRISMA chat. Stages/steps in literature review.

#### 4. Results

Investigating the volume of publications on the topic of political conflict and entrepreneurship in the last 15 years (2009–2024), there seems to be an increasing trend in the number of articles published on the topic of political conflict and entrepreneurship correlating positively with the rise in political conflicts globally. This trend, displayed in Figure 3, suggests a growing academic interest in understanding how entrepreneurial activities are influenced by political instability and conflict (Brück et al. 2011). Researchers are likely motivated by the need to explore the resilience, innovation, and strategies that

entrepreneurs employ in such challenging environments, and how entrepreneurship can play a role in conflict resolution and economic recovery.



**Figure 3.** Publications between 2009 and 2024 (Source: own compilation).

The journals listed in Table 3 represent a varied range of academic fields that have interest in the subject matter of this review, including entrepreneurship, economics, development studies, and conflict research. This varied spectrum of fields underscores the multidisciplinary approach to studying political conflict and entrepreneurship. However, it is somewhat disappointing to note that among the journals listed in Table 3, only two (Journal of Business Venturing and Entrepreneurship and Regional Development) are also found in Kraus et al.'s (2020) compilation of the top 41 entrepreneurship journals, which was based on multiple ranking criteria. While still valuable, the journals mentioned in Table 3, other than the two mentioned above, have more specialized audiences or lower citation rates compared to the top-tier publications. Overall, this list demonstrates that research on political conflict and entrepreneurship is considered significant across multiple academic disciplines, from core business fields to development studies and conflict research. The wide range of journals showcases the complicated and multidimensional character of this area of study.

**Table 3.** Most active journals 2009–2024 in exploring political conflict and entrepreneurship.

Journal Name	Articles Publishes	Quartile Rankings	SCImago Journal Rank (SJR)	H-Index	Publisher	Country
Business and Society	4	Q1	2.74	96	SAGE Publications Ltd.	United Kingdom
Entrepreneurship and Regional Development	5	Q1	1.37	112	Routledge	United Kingdom
International Journal of Entrepreneurial Behavior and Research	3	Q1	1.35	91	Emerald Group Publishing Ltd.	United Kingdom
Journal of Business Venturing	3	Q1	4.81	224	Elsevier Inc.	United States
Journal of Conflict Resolution	3	Q1	1.86	124	SAGE Publications Ltd.	United States
Journal of Entrepreneurship and Public Policy	3	Q2	0.47	10	Emerald Group Publishing Ltd.	United Kingdom
Journal of Small Business and Entrepreneurship	7	Q1	1.03	40	Taylor and Francis Ltd.	United Kingdom
Journal of Business Ethics	2	Q1	2.62	253	Springer	The Netherlands
Journal of Entrepreneurship in Emerging Economies	2	Q2	0.81	32	Emerald Group Publishing Ltd.	United Kingdom
Sustainability	2	Q2	0.67	169	Multidisciplinary Digital Publishing Institute (MDPI)	Switzerland



Out of the 67 articles in the sample, 26 were context-nonspecific, mostly literature reviews and conceptual contributions. The other 41 articles were context-specific. The conflict in the occupied Palestinian territories and its byproducts garnered considerable attention, 10 articles within the same, close to the conflict in Ukraine, which was explored in 7 articles. Many more contexts were mentioned in the sample articles. In Europe, in addition to Ukraine, Bosnia and Herzegovina, Kosovo, Albania, Poland, Armenia, and Artsakh (Nagorno Karabakh) were mentioned in the sample articles. In Africa, Libya, Rwanda, Nigeria, Togo, and South Africa were mentioned. In Asia, Palestine, Lebanon, Iraq, Syria, Yemen, Afghanistan, Pakistan, Kashmir, Philippines, and Vietnam were mentioned. In the Americas, the focus was on Columbia.

Regarding research methods employed in the 41 context-based studies, 22 utilized qualitative techniques, emphasizing approaches such as comparative and individual case studies, in-depth interviews, focus groups, content analysis, observation, and ethnography. Conversely, 10 studies employed quantitative methods, primarily focusing on survey research and secondary data analysis. Additionally, the field has witnessed an increasing trend towards mixed methods research, as evidenced by nine articles included in this review.

Several key themes were revealed in the review that underscore the transformative potential of entrepreneurial activities in challenging environments. A key theme explored is *Entrepreneurship in Conflict Zones*, which shows how violent conflicts shape the motivations and strategies of entrepreneurs. For example, Khachatryan (2024) illustrates that conflict can alter the entrepreneurial ecosystem and thus forces entrepreneurs to change their strategies and tactics to navigate the uncertain environment created by political conflict. This corroborates the finding of Rettberg et al. (2011) in their study of entrepreneurship in the Republic of Colombia during organized violence where it was established that often conflicts elicit creative reactions among entrepreneurs in their effort to survive under hostile conditions. The associated theme of *Post-Conflict Economic Recovery* puts great emphasis on the role that entrepreneurship plays in the rebuilding of economies after conflict. Djip (2014) discussed the development of small and medium-sized enterprises in post-conflict Bosnia and Herzegovina as a good example of how such enterprises can contribute to processes of economic revitalization. Moreover, Williams et al. (2023) discussed the returning entrepreneurs' experiences in Bosnia and Herzegovina and Kosovo, referring to their importance for promoting stability. Both papers can be presented as evidence of how entrepreneurship can drive growth and recovery in post-conflict contexts. The involvement of *Diasporas and Transnational Channels* in entrepreneurship is another significant theme uncovered by surveying the literature. Brinkerhoff (2011) investigated the dual role of diasporas in conflict-affected societies, showing how they can be either conflict entrepreneurs causing instability or agents of stability promoting contributions to development. While the analysis by Koinova (2014) was more related to the specific differences within respective Armenian, Albanian, and Palestinian diasporas in the UK, it did present several ways in which these groups involved themselves with the political affairs of their homelands through entrepreneurial activities. *Social innovation and inclusivity* also stood out as a significant theme. For example, Friedman and Desivilya (2010) examined how social entrepreneurship might inspire regional development even within fragmented communities. Morrar and Baba (2022) explored the innovative and inclusive strategies entrepreneurs implemented in Palestine to address urgent social and economic challenges. They illustrated the potential of social innovation within difficult contexts. Another prominent theme in the literature was that of *Resilience and Adaptability*. In Kwong et al. (2019), the study investigated how displaced entrepreneurs use bricolage tactics to navigate the environments disrupted by conflict with an emphasis on vital adaptive strategies for survival. Haloub et al. (2022) critically explored resilience by studying the entrepreneurial narrative in the Palestinian territory and, as such, highlighted the fact that resilience is an important factor in entrepreneurship when the prevailing conditions are hostile. Another key theme is *Empowerment through Entrepreneurship*, which illustrates how entrepreneurial efforts can act as a source of em-

powerment, especially for women in regions affected by conflict. [Althalathini et al. \(2020\)](#) demonstrated how Islamic feminism promotes women's entrepreneurship in areas such as Afghanistan, Iraq, and Palestine, therefore enhancing their social standing in the face of difficulty. Adopting a similar line of argument, [Ciruela-Lorenzo et al. \(2020\)](#) argue that social entrepreneurship indeed played a significant role in the promotion of women's empowerment and the peace processes in Colombia for persons affected by the armed conflict. Such findings signal the transformative link entrepreneurial activities and female empowerment is in conflict-affected areas. Finally, the theme of *Political and Institutional Contexts* explored how the institutional environment shapes and relates to entrepreneurial endeavors. [Khoury and Prasad \(2016\)](#) discuss those challenges faced by entrepreneurs in developing countries because of institutional barriers, while [Sabella et al. \(2014\)](#) focus on the West Bank in discussing economic developments emerging from entrepreneurial activities despite the continued political challenges. [Joseph and Van Buren \(2022\)](#) go further by highlighting how inclusiveness and value creation stand in dire need at the juncture of entrepreneurship, conflict, and peace.

These themes identified above work towards a richer understanding of the interplay between entrepreneurship, conflict dynamics, post-conflict recovery, and sociopolitical contexts and, by this very nature, offer insight that is useful for potential future research and policy development. The following section will elaborate on these themes in the context of the Palestinian–Israeli conflict.

## 5. Discussion

### 5.1. The Context: Palestinian–Israeli Conflict, Palestinian Occupied Territories

#### 5.1.1. Conflict Synopsis

The origin of the Palestinian–Israeli conflict takes root in the late 19th century with the emergence of the Zionism movement that sought the formation of a Jewish homeland in Palestine, in response to anti-Semitism and persecution Jews faced in Europe. Matters became contentious following World War I, when Britain assumed control of Palestinian territories and made conflicting promises to both Jewish and Arab populations, leading to increased friction. Jewish immigrants and settlements faced resistance and violence from the indigenous Arab population. The Balfour Declaration, issued in 1917, represented the bias of the British government and its support for the establishment of a “national home for the Jewish people” in Palestine. It was seen as a great betrayal by Palestinians and Arab states and sparked great anger. Following World War II and the Holocaust, the United Nations proposed a partition plan to create separate Jewish and Arab states in 1947. The plan was accepted by the Jewish community but rejected by Arab states and Palestinian leaders. On May 14, 1948, Israel declared independence, prompting neighboring Arab countries to invade. The war resulted in significant territorial changes and the displacement of hundreds of thousands of Palestinians, an event referred to as the Nakba (catastrophe). The conflict further intensified in 1967 during the Six-Day War, when Israel captured the West Bank, Gaza Strip, East Jerusalem, Golan Heights, and Sinai Peninsula. This placed Palestinians under Israeli military occupation ([Slater 2020](#)).

The Palestine Liberation Organization (PLO) was founded in 1964 and initially engaged in armed struggle against Israel. Under Yasser Arafat's leadership, the PLO gradually shifted towards seeking a two-state solution. The Oslo Accords (1993–1995) marked a significant milestone, with Israel and the PLO recognizing each other and agreeing to a framework for future negotiations and Palestinian self-governance in parts of the West Bank and the Gaza Strip. Core issues remain unresolved, including the status of Jerusalem, its borders, Palestinian refugees, Israeli settlements, and mutual security and recognition ([Adem 2019](#)). Various peace initiatives have been attempted over the years, including the Camp David Accords, Madrid Conference, Roadmap for Peace, and Arab Peace Initiative. These efforts involved bilateral negotiations, international mediation, and grassroots peacebuilding activities. Despite these initiatives, a lasting resolution has remained elusive due to deep-seated mistrust, ongoing violence, and political complexities (geopolitical

agendas of significant players) ([UN Committee on the Exercise of the Inalienable Rights of the Palestinian People 2024](#)).

The Israeli occupation imposed severe restrictions on Palestinians' freedom of movement, access to resources, and civil rights. Palestinians face systematic discrimination, land confiscation, home demolitions, and restricted access to basic services. Many observers and human rights organizations have criticized Israeli policies as apartheid and accused Israel of ethnic cleansing and genocide, particularly in Gaza (since 7 October 2023), where military assaults caused significant civilian casualties and humanitarian crises. These milestones highlight the enduring and multifaceted nature of the Palestinian–Israeli conflict, emphasizing the need for a comprehensive and just resolution.

#### 5.1.2. Identifying the Nature of the Conflict

This section helps identify the nature and characteristics of the Palestinian–Israeli conflict and its impact on the occupied Palestinian territories. It utilizes the same dimensions explained in Table 1 and applies them to the context in the occupied Palestinian territories. The aim of this analysis in Table 4 is to highlight the complex nature of the Palestinian–Israeli conflict and the challenges it poses for entrepreneurship and economic development in the region.

**Table 4.** Prominent dimensions (characteristics) of the Palestinian–Israeli conflict.

Dimension	Description		
Source of Conflict	The Palestinian–Israeli conflict arose from multiple sources, perhaps the most notable:		
	<ul style="list-style-type: none"><li>• <b>Power Struggle:</b> The conflict is characterized by fierce competition for political dominance and control. This struggle is deeply rooted in the historical and ongoing efforts by both Israelis and Palestinians to assert their sovereignty and governance over the contested territories.</li><li>• <b>Economic Factors:</b> Disputes over resources, economic inequality, and access to wealth are significant, particularly regarding land and water rights.</li><li>• <b>Social Identity:</b> Differences in ethnicity, religion, and culture between Jews and Arabs fuel the conflict.</li><li>• <b>Ideological Differences:</b> Conflicting ideologies regarding governance, justice, and societal organization play a crucial role in the Palestinian–Israeli conflict. These ideological differences manifest in divergent views on national rights, historical narratives, and visions for the future of the region.</li><li>• <b>Resource Scarcity:</b> Competition for natural resources, especially water, is a critical issue.</li><li>• <b>Historical Grievances:</b> Long-standing territorial disputes and historical grievances, such as the displacement of Palestinians in 1948, are central to the conflict.</li></ul>		
Actors	The Palestinian–Israeli conflict currently involves a variety of actors:		
		<b>Israeli Side</b>	<b>Palestinian Side</b>
	<b>State Actors</b>	Israeli Government, Israeli Army and Security Agencies Private Security Forces	Palestinian National Authority, Hamas Government in Gaza, Palestinian Security Agencies
	<b>Non-State Actors</b>	Israeli Political Factions, Israeli Settlers, Local and International NGOs (e.g., AIPAC), Grassroot Pressure Groups (e.g., Parents of Hostages in Gaza).	Palestinian Political Factions, Resistance Groups (Insurgent Groups), Local and International NGOs (e.g., UNRWA), Grassroot Pressure Groups and Transnational Palestinian Movements (BDS)
Type of Asymmetry	In 1920s, the Palestinian–Jewish conflict then would have been characterized as happening between non-state actors. After the establishment of the State of Israel, it became a state-based conflict against non-state actors. Moreover, after the State of Palestine has been admitted as an observer member at the UN, it could be stated that this is state-based conflict on both ends.		
	The Palestinian–Israeli conflict is an asymmetric conflict: Israel, with its advanced military, economic power, political support of powerful countries such as the United States contrasts sharply with the significantly weaker Palestinian entities.		

Table 4. Cont.

Dimension	Description																								
Dynamism	<p>The conflict has moved through various stages:</p> <ul style="list-style-type: none"> <li>• Emergence: The conflict emerged in the late 19th century with the rise of Zionism.</li> <li>• Escalation: It escalated significantly after the declaration of the State of Israel in 1948 and subsequent wars.</li> <li>• De-escalation and Termination: Various peace processes, such as the Oslo Accords, have attempted to de-escalate the conflict, though a lasting resolution has not been achieved.</li> <li>• Recovery: Efforts at recovery and rebuilding have been ongoing but are often disrupted by renewed violence.</li> </ul>																								
Boundaries	<p>The conflict involves both internal and external boundaries. <i>Internally</i>, within historical Palestine (modern-day Israel and Occupied Palestinian Territories), disputes over land, resources, and political control persist. This is evident in continuous Israeli military incursions into Palestinian territories and attacks of Israeli settlers on Palestinian residents. Internally, the conflict in its current form manifests as a jumbled patchwork of security designated Palestinian territories (Areas A, B, and C) with blurred boundaries and chaotic spatial arrangements. <i>Externally</i>, the conflict has extended beyond national borders, involving neighboring countries like Jordan, Lebanon, Syria, and Egypt. This is evident by Israeli airstrikes on Lebanon, Syria, and Iraq. And the occupation of the Philadelphi Corridor separating the Gaza Strip from Egypt.</p>																								
Intensity of Conflict	<p>The intensity of the conflict has varied:</p> <ul style="list-style-type: none"> <li>• High Intensity: Periods of severe and destructive violence, such as during the Intifadas and various wars and currently after 7 October 2023.</li> <li>• Low Intensity: Periods of relative calm and negotiations</li> </ul>																								
Degree of Violence	<p>The conflict manifests in both violent and non-violent forms:</p> <ul style="list-style-type: none"> <li>• Violent Political Conflicts: Characterized by wars, military operations, and resistance/terrorist attacks.</li> <li>• Non-Violent Political Conflicts: Includes protests, boycott campaigns, diplomatic negotiations, and peace initiatives.</li> </ul> <p>The Palestinian–Israeli conflict is a complex and multifaceted issue that can also be analyzed through the lens of Johan Galtung’s conflict triangle, which includes direct, structural, and cultural violence. This framework helps to understand the various dimensions of violence and their interconnections in this protracted conflict.</p> <ul style="list-style-type: none"> <li>• Direct violence in the Palestinian–Israeli conflict includes physical acts of aggression such as military operations, rocket attacks, and retaliatory killings, often in response to perceived provocations. Previous studies show Israeli military actions typically increase tensions, while Palestinian violence often retaliates against Israeli action, perpetuating the conflict and obscuring peace.</li> <li>• Structural violence involves policies creating unequal access to resources and opportunities. In the context of the Palestinian–Israeli conflict, this includes economic oppression and resource control over Palestinians, particularly in the Gaza Strip. The blockade and occupation have led to politically engineered poverty and unemployment, negatively affecting Palestinian civilians’ well-being. The construction of the “Separation” or “Apartheid” Wall in the West Bank further restricts movement and exacerbates economic and social disparities.</li> <li>• Cultural violence legitimizes direct and structural violence through societal norms, ideologies, and symbols. In this conflict, cultural violence is manifested in the instilled narratives where both sides view themselves as victims and the other as aggressors, reinforcing violence. Moreover, the Israeli state discourse has also detached the Separation Wall’s construction from the conflict narrative, thereby legitimizing its existence and the structural violence it represents. Cultural violence has a deep impact on how Palestinians and Israelis think, feel, and act towards each other.</li> </ul>																								
Manifestation of Conflict	<table> <tr> <th><i>Violent Manifestations</i></th><th><i>Nonviolent Manifestations</i></th></tr> <tr> <td>Political assassination</td><td>Protests and demonstrations</td></tr> <tr> <td>War</td><td>Strikes</td></tr> <tr> <td>Rebellion/resistance</td><td>Boycotts</td></tr> <tr> <td>Intercommunal conflict</td><td>Civil disobedience</td></tr> <tr> <td>State repression</td><td>Sit-ins and occupying a space</td></tr> <tr> <td>Apartheid</td><td>Noncooperation</td></tr> <tr> <td>Ethnic cleansing</td><td>Alternative Institutions</td></tr> <tr> <td>Genocide</td><td></td></tr> <tr> <td>Terrorism</td><td></td></tr> <tr> <td>Hostage taking</td><td></td></tr> <tr> <td>Inaction causing deprivation</td><td></td></tr> </table>	<i>Violent Manifestations</i>	<i>Nonviolent Manifestations</i>	Political assassination	Protests and demonstrations	War	Strikes	Rebellion/resistance	Boycotts	Intercommunal conflict	Civil disobedience	State repression	Sit-ins and occupying a space	Apartheid	Noncooperation	Ethnic cleansing	Alternative Institutions	Genocide		Terrorism		Hostage taking		Inaction causing deprivation	
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Terrorism																									
Hostage taking																									
Inaction causing deprivation																									

Table 4. Cont.

Dimension	Description
Pathways to Peace	The viability of peacekeeping, peacemaking, and peacebuilding in the Palestinian–Israeli conflict is complex and multifaceted. <i>Peacekeeping</i> efforts have often been temporary and have not addressed the root causes of the conflict, leading to repeated cycles of violence. <i>Peacemaking</i> efforts, while essential, have lacked comprehensive engagement with all societal elements and failed to learn from other intergroup conflicts. <i>Peacebuilding</i> efforts, particularly those driven by Western governments and donors, have sometimes reinforced existing power asymmetries and colonial dynamics, undermining their effectiveness.

Note: This table was compiled by researchers from various peer-reviewed sources, as well as written and viewed popular press and interviews with Palestinian business and political science academics.

5.2. The Impact of an Active Conflict on Entrepreneurship: The Case of Occupied Palestinian Territories

Political conflict significantly affects entrepreneurship by creating a challenging environment that affects business formation, sustainability, and growth. In the context of the Occupied Palestinian Territories, entrepreneurs face a distinctive set of challenges that are intensified by the persistent regional conflict and prevailing political uncertainty. The Palestine economy functions much below its potential due to these challenges, which encompass the fiscal shortcomings of the crippled Palestinian Authority and the restrictions on mobility and resource access imposed by the Israeli occupation (Abdalhalim and Halkias 2021; Morrar et al. 2022). The lack of working formalized institutions and an enabling legal structure complicates the entrepreneurial scene for small and medium enterprises (SMEs) in Palestine, making it difficult for entrepreneurs to flourish in comparison to their counterparts in less conflict-affected regions and other conflict-affected region with a less intense conflict (Aldairany et al. 2018). The political conflict elevated poverty rates, and reduced involvement in nascent business ventures contribute to a daunting entrepreneurial climate, with disproportionately high unemployment rates, particularly among the youth demographic (Sultan 2016). The situation has been exacerbated by the most recent war on Gaza (October 2023–present), which has led to increased economic losses and further strained the already weak fiscal policy of the Palestinian Authority. Despite efforts to promote entrepreneurship as a catalyst for economic development, the absence of a coherent institutional framework continues to hinder the growth of a sustainable entrepreneurial ecosystem in Palestine. The fragmented market structure and inadequate infrastructure, combined with a pronounced reliance on foreign aid, restrict control over economic policies and access to both regional and international markets, along with the internal political fragmentation, create an environment where entrepreneurship is predominantly driven by necessity rather than opportunity, in contrast to more stable regions where entrepreneurs can capitalize on a supportive ecosystem (Morrar et al. 2022). The challenges faced by Palestinian entrepreneurs are made worse by a deficiency in entrepreneurial education initiatives and the constrained public budget assigned to economic development initiatives, which impedes the potential for innovation and growth. Overall, the combination of political, economic, and social challenges creates a highly intricate and restrictive environment for entrepreneurship in the Occupied Palestinian Territories, making it substantially more challenging for entrepreneurs to achieve success relative to those situated in less conflict-affected regions and other conflict-affected regions with a less intense conflict. These challenges are discussed through the lens of entrepreneurship theoretical frameworks in the next sections.

5.2.1. Economic Downturns, Reduced Productivity, and Business Closures

Political conflict has significantly affected Palestinian entrepreneurs, leading to economic downturns, reduced productivity, and business closures. The prolonged and ongoing Palestinian–Israeli conflict entails political instability, mobility restrictions, and market fragmentation, thus creating an unfavorable environment for entrepreneurship in Palestine. First and foremost, it ensures an economic contraction. The consequences of the Israeli



occupation and associated security measures have been represented by high transaction costs and market fragmentation. This has resulted in a low-growth trap, where lower levels of capacity utilization and capital accumulation remain, worsening economic stagnation (Vaggi and Botta 2010). The conflict has also led to misallocation of resources especially in industries based on imported materials, which thereafter lowered the total and per worker value of firms' output, disproportionately affecting the most productive sectors of the economy (Amodio and Di Maio 2014). Second, the Palestinian–Israeli conflict has led to reduced productivity. The mobility constraints brought about by the Israeli occupation have significantly limited the mobility of both labor and capital, consequently reducing the ability of enterprises to operate effectively. Firms facing higher levels of security stringency are more likely to shut down operations or rely on ancillary activities, rather than actively producing goods, ultimately leading to lower levels of employment and productivity as well (Hlasny et al. 2018). The absence of access to essential resources and markets has compelled companies to replace locally sourced materials with those imported, frequently leading to less efficient manufacturing practices and reduced output value. Additionally, the fragmented entrepreneurial ecosystem, which is significantly reliant on external donor funding, has struggled to create a dynamic and sustainable framework for entrepreneurship. This deficiency constrains productivity and economic outcomes. (Morrar et al. 2022). Third, this conflict has led to the closure of numerous businesses. The oppressive security measures and restricting regulatory regime have compelled businesses to temporarily or even permanently close since they cannot operate in such an aggressive environment. This is particularly noticeable in areas facing severe mobility restrictions. The political situation, coupled with limited savings and heightened risk aversion, poses significant challenges for entrepreneurs, leading to business closures and impeding new business formations. (Burbar and Shkukani 2021).

The economic environment, characterized by higher transaction costs and fragmented markets, has reduced entrepreneurs' motivation and enthusiasm, leading to reduced investment and business closures. Initiatives that aim at creating an inclusive and sustainable entrepreneurial ecosystem, independent of foreign aid, and with better access to resources and markets, can go a long way in reducing some of the devastating impacts of the conflict. However, the nature of the conflict and related economic demands continue to combine in ways that present formidable barriers to entrepreneurs.

#### 5.2.2. The Entrepreneurial Ecosystems and Entrepreneurial Support

Political instabilities do affect entrepreneurial ecosystems. Under conditions characterizing the Occupied Palestinian Territories, the ongoing political conflict and government financial crises indeed have severely impacted the viability of small and medium-sized enterprises (SMEs). Due to such conditions, the Palestinian economy operates below its potential, and as such, business failures are higher compared to the Middle East and North Africa (MENA) region (Abdhalim and Halkias 2021). Inadequate institutional and organizational infrastructure only adds to the anguishes of an entrepreneur and aggravates challenges, making it difficult for entrepreneurs to continue their entrepreneurial ventures.

Enhancing framework conditions for entrepreneurship, such as access to finance and supportive policies, would likely increase entrepreneurial outcomes. While political conflict significantly burdens the development of entrepreneurial ecosystems, it also affords unique opportunities for innovative resilience, as seen within the Palestinian context and elsewhere in conflict-affected areas. By understanding and leveraging these dynamic relationships, policymakers and stakeholders are better positioned to support entrepreneurs operating within hostile environments.

Furthermore, the lack of a cohesive and operational national strategy coupled with the fragmented nature of the entrepreneurial ecosystem results in numerous entrepreneurs being uninformed about possible governmental support options, which are already constrained by financial limitations and political instability (Morrar et al. 2024). While some may see entrepreneurship as a potential driver of economic growth and a means to lessen



unemployment, the lack of a supportive policy framework and the high-risk investment climate discourage both local and foreign investments. Additionally, the influence of foreign aid, often inconsistent and not aligned with local market needs, contributes to a vulnerable entrepreneurial ecosystem. If at all possible, this Palestinian situation underscores the need for a strengthened legal and regulatory framework to support entrepreneurial activities and mitigate the adverse effects of political conflicts on business ventures (Sabella et al. 2014).

### 5.2.3. Productive, Unproductive, and Destructive Entrepreneurship

There is no doubt that the Palestinian–Israeli conflict has significantly influenced the nature of entrepreneurship in terms of productive, unproductive, and destructive activities. The ongoing conflict has created a challenging environment detrimental to effectiveness of the entrepreneurial ecosystem and resource distribution. Moreover, it limits the array of entrepreneurial activities that could emerge or thrive.

**Productive Entrepreneurship.** Although the Palestinian–Israeli conflict has placed so many restrictions crippling business ventures, there are still Palestinian entrepreneurs who demonstrate remarkable resourcefulness in creating value through bringing in new products, services, or innovations to realize significant benefits to the economy and society. For example, some Palestinian women entrepreneurs have created value by introducing innovative products and processes, utilizing new technologies, and accessing international markets, even in resource-constrained environments (Althalathini et al. 2022). Productive entrepreneurship is often driven by necessity and the need to overcome institutional challenges. Palestinian entrepreneurs are characterized by self-confidence, persistence, and adaptability. They are motivated by the desire to be their own bosses and improve their financial futures. This drive contributes to productive entrepreneurship as individuals seek to create sustainable businesses under adverse conditions.

**Unproductive Entrepreneurship.** The Palestinian entrepreneurial ecosystem is fragmented and heavily reliant on foreign donors whose agendas may not align with local market needs, resulting in an unresponsive and unsustainable ecosystem. This limits the potential for productive entrepreneurship (Morrar et al. 2022). Additionally, political conflicts distort input markets, causing misallocation of resources, particularly in sectors reliant on imported materials. Entrepreneurs must substitute domestic materials for imported ones, reducing their productivity and output value (Amodio and Di Maio 2014). This creates an environment where entrepreneurial activities are working to redistribute existing wealth or resources (rent-seeking behaviors) rather than new value creation. These activities do not contribute to economic growth.

**Destructive Entrepreneurship.** The repressive security and regulatory regime imposed by the occupation severely restricts the mobility of labor and capital. These restrictions lead to the temporary suspension or permanent closure of businesses, reducing employment opportunities and forcing firms into hibernation or peripheral activities. Such conditions foster destructive entrepreneurship, in which the focus shifts from growth to mere survival (Hlasny et al. 2018). Entrepreneurial activities in this gloomy environment may harm the economy and society by destroying value rather than creating it (illegal activities such as smuggling, corruption, fraud, etc.). This environment can lead to destructive entrepreneurship, in which businesses are unable to thrive and contribute positively to the economy. In fact, it could detract from economic and social well-being, undermine institutional frameworks, and lead to instability.

### 5.2.4. Entrepreneurial Resilience and Adaptation

Entrepreneurial resilience and adaptation are critical to understanding how entrepreneurs navigate challenges, particularly in conflict-affected areas. Entrepreneurial resilience refers to entrepreneurs' capacity to endure and bounce back from challenges and maintain their business operations despite adverse conditions. It involves psychological strength, resourcefulness, and the ability to leverage networks and support systems to overcome obstacles (Singh et al. 2021), while adaptation refers to the strategic adjustments entrepreneurs make

in response to environmental change. This includes modifying business models, exploring new markets, and innovating products or services to remain viable (Loi et al. 2022). In the context of Palestine, the political conflict has significantly influenced entrepreneurial traits, shaping how businesses operate and survive under persistent instability.

**The Impact of Political Conflict on Palestinian Entrepreneurial Resilience.** The ongoing Palestinian–Israeli conflict has led to high transaction costs and market fragmentation, which depresses the entrepreneurial spirit and limits efforts at capital accumulation. Security and regulatory regimes severely restrict the movement of labor and capital, leading to business closures or restructuring. This environment forces entrepreneurs to develop resilience by finding innovative ways to sustain their businesses, despite limited resources and market access. Entrepreneurs must adapt by engaging in peripheral activities or reducing their workforce, particularly by affecting female employment. Nevertheless, entrepreneurs in conflict-affected areas develop resilience through strong social networks and community support. Resilience is often reinforced by a strong sense of national identity and optimism, which helps entrepreneurs cope with the psychological stress of operating in such environments (Aitcheson et al. 2017).

**Adaptation strategies in response to political conflicts.** Three adaptation strategies beneficial to the context of the Palestinian–Israeli conflict have been noted. First, Palestinian entrepreneurs can use storytelling to attract investors and innovate, thus helping them adapt to political crises. This approach not only supports business continuity but also aligns with navigating the unpredictable political landscape (Haloub et al. 2022). Second, entrepreneurs in conflict-affected areas often face path exhaustion, but can find new ways to adapt through path renewal and creation. This involves leveraging local knowledge and networks to identify new opportunities and sustain ventures (Cheung and Kwong 2017). The third is inclusive entrepreneurship, which aims at providing equal opportunities for all individuals to start their entrepreneurial ventures regardless of their background. It focuses on opening entrepreneurial potential across populations, including marginalized and vulnerable groups, such as youth, women, seniors, immigrants, and people with disabilities. This requires navigating additional barriers but also presents opportunities for adaptation and resilience within the entrepreneurial ecosystem.

While political conflict poses significant challenges to Palestinian entrepreneurs, it also fosters their resilience and adaptation. Entrepreneurs have developed unique strategies to cope with resource scarcity, mobility restrictions, and market fragmentation. However, persistent instability and economic constraints highlight the need for supportive policies and infrastructure to enhance entrepreneurial resilience and adaptation further. Addressing these challenges could unlock the potential for economic development in Palestine despite ongoing conflict (Morrar et al. 2024).

#### 5.2.5. Motivation for Entrepreneurship

Entrepreneurial motivation comprises various forces that inspire individuals to start and grow businesses. These motivations can be intrinsic, such as personal satisfaction and self-fulfillment, or extrinsic, such as financial gains and social recognition.

Entrepreneurs in conflict-affected areas, such as the Occupied Palestinian Territories, are often intrinsically motivated to start a business. This motivation is driven by personal characteristics and the desire to leverage available opportunities and resources despite a challenging environment. Palestinian entrepreneurs exhibit traits such as self-confidence, persistence, and adaptability, which are crucial for overcoming the obstacles posed by political conflicts (Burbar and Shkukani 2021). This has been echoed through the lens of self-determination theory when applied to the Palestinian context, highlighting the notion that Palestinian entrepreneurs are motivated by coherent goals, cultural values, and self-worth, which help them navigate business constraints and socioeconomic crises (Hajjawi 2012). Moreover, in conflict zones such as Gaza, women's entrepreneurship has emerged as a significant force in challenging traditional gender norms. The conflict context

motivates women to engage in entrepreneurial activities, allowing them to renegotiate their gender roles and contribute to their families' well-being (Althalathini et al. 2020).

#### 5.2.6. Necessity vs. Opportunity Entrepreneurship

Political conflict significantly influences the dynamics of necessity and opportunity entrepreneurship, with distinct patterns emerging in conflict-affected regions. Necessity-driven entrepreneurship often rises in these areas, as individuals turn to self-employment as a survival mechanism due to reduced wage employment opportunities (Naudé et al. 2023). This form of entrepreneurship is typically non-productive and is more prevalent in countries experiencing conflict or in post-conflict settings, where economic instability forces individuals to create their own jobs out of necessity rather than opportunity. Conversely, opportunity-driven entrepreneurship, motivated by the perception of new business opportunities, tends to decline during periods of conflict. This decline is attributed to the adverse conditions created by conflict, such as instability and insecurity, which deter investment and innovation. However, some entrepreneurs may still perceive opportunities during conflicts, leading to a modest rise in opportunity-motivated entrepreneurship, although this is less common.

The Palestinian–Israeli conflict significantly influences the dynamics between necessity and opportunity entrepreneurship, shaping the entrepreneurial landscape in complex ways. The ongoing regional conflict and Palestinian Authority's revenue issues have severely constrained the Palestinian economy, operating well below its potential and impacting the sustainability of business ventures. This environment has led to a predominance of necessity entrepreneurship, where individuals are driven to start businesses out of economic need rather than opportunity, as evidenced by high unemployment rates and limited access to funds and skills (Aldairany et al. 2018). The infrastructure supporting entrepreneurship in Palestine is fragmented and immature, lacking a cohesive legal and regulatory framework, further complicating the establishment and growth of entrepreneurial ventures. Moreover, the entrepreneurial ecosystem is heavily reliant on non-governmental organizations, which are not sustainable due to resource constraints and a fragile institutional environment (Morrar et al. 2022). The lack of formal institutions and supportive policies, coupled with a high-risk investment climate, deters foreign venture capital and limits the potential for opportunity-driven entrepreneurship.

In summary, while necessity entrepreneurship is prevalent because of economic pressures and political instability, there is a concerted effort to cultivate opportunity entrepreneurship through educational and policy reforms, although significant structural and political barriers remain.

#### 5.2.7. Migrants, Refugees, and the Diaspora

The effects of political conflict on entrepreneurship among migrants, refugees, and diaspora communities vary significantly because of differences in their socio-political contexts and the nature of their displacement. Although migrants and refugees often face immediate challenges related to integration and survival, diaspora communities can leverage their transnational networks and resources to influence both their host and home countries. This distinction is crucial in understanding how each group engages in entrepreneurial activities during and after a political conflict.

**Migrants and political conflicts.** Migrants, particularly those forced to move because of conflict, often rely on their human and social capital to engage in entrepreneurship. Studies show that host country networking, aided by foreign language fluency and connections with local communities, positively impacts entrepreneurial activities. However, co-ethnic networking is less significant in this regard (Williams and Krasniqi 2018). Migrants' entrepreneurial intentions are influenced by their experiences in the host country, with longer exposure and specific business training increasing their likelihood of starting a business.

**Refugees and entrepreneurship.** Contrary to voluntary migrants, refugees often engage in entrepreneurship out of necessity rather than opportunity. This is evident in the

case of Palestinian refugees in Lebanon, who are categorized as necessity entrepreneurs because of their marginalized status within the host country's political and economic systems (Stel et al. 2005). The political economy of the host country plays a significant role in shaping refugee entrepreneurship. In Lebanon, for instance, the sectarian political order led to the economic relegation of Palestinian refugees in contrast to the success of the Lebanese diaspora abroad. The difference can also be noted by surveying the conditions of Palestinian refugees in Jordan, where a more tolerant political economy produced more success for Palestinian refugees entrepreneurial ventures.

**Diaspora and political conflict.** Diaspora communities are often more established and resourceful. They are more able to influence political conflicts in their home countries. They can act as peace-builders or escalate conflicts by providing financial resources or mobilizing sovereignty-based claims (Mariani et al. 2018). Diaspora entrepreneurs engage in both moderate and contentious mobilizations. The social and spatial context of these diaspora entrepreneurs influences their experiences, opportunities, and interactions. They actively survey the political context of their host and home countries to establish their positions. For example, diaspora entrepreneurs from Kosovo, Palestine, and Nagorno-Karabakh have been shown to mobilize through various channels, depending on their perceived power and the host state's foreign policy stance (Koinova 2014). The role of the diaspora in post-conflict economies is also significant, as they often return to their homelands with the intention of investing in and engaging in entrepreneurial activities, contributing to economic recovery and development (Williams and Krasniqi 2018).

It is essential to recognize the impact of political conflict on all entrepreneurs, both locally and abroad. Perhaps migrants, refugees, and diasporas seem less of a strategic tool amidst conflict; they could be a strategic tool in managing conflict and peacebuilding. The influence of political conflict on these groups is not uniform, and can vary significantly based on individual circumstances, the nature of the conflict, and the socio-political context of both the host and home countries. This complexity underscores the need for policies that address the specific needs and potential of each group.

#### 5.2.8. Social Entrepreneurship

Social entrepreneurship refers to the practice of identifying and implementing innovative solutions to social problems, often through the creation of sustainable business models that prioritize social impact over profit. This form of entrepreneurship is particularly significant in regions affected by political conflict, where traditional economic activities are disrupted and there is a pressing need for social innovation to address the resulting challenges.

In the context of Occupied Palestine Territories, the ongoing conflict is a major driver of social entrepreneurship. In response to adversity, entrepreneurs are driven by innovation and resilience, compelled to develop creative solutions to overcome existing barriers. For instance, the bricolage-driven approach, which involves making do with available resources, is a common strategy among Palestinian entrepreneurs to navigate the constraints imposed by ongoing conflict and lack of government support. Often their ventures take the form of social enterprises than for-profit entrepreneurial ventures and attempt at addressing pertinent societal needs and problems. Like for-profit entrepreneurs, they face numerous challenges, including economic instability, restricted movement, and limited access to resources, which can hinder the growth and sustainability of their social enterprises.

The impact of political conflict on social entrepreneurship is not uniform. It can vary based on factors such as the intensity of the conflict, regulatory environment, and availability of external support (Rettberg et al. 2011). In Palestine, the ongoing conflict has led to a decline in GDP growth and an increase in unemployment, which in turn affects the sustainability of business ventures. Nevertheless, Palestinian entrepreneurs have demonstrated remarkable adaptability by leveraging their soft skills and temperament to navigate the complex socio-political landscape and create ventures that address pressing social issues (Sabella et al. 2014). The Palestinian context exemplifies how social entrepreneur-

ship can serve as a driver for positive change in conflict-affected regions, highlighting the importance of fostering an enabling environment that supports entrepreneurial initiatives aimed at social impacts. This includes addressing structural barriers, enhancing access to resources, and promoting policies that facilitate social enterprises' growth. By doing so, social entrepreneurship can play a crucial role in mitigating the adverse effects of political conflict and contributing to long-term peace and development.

#### 5.2.9. Women's Entrepreneurship

The literature highlighted how women in Gaza have used entrepreneurship constructively to negotiate and challenge traditional gender norms, which have been deepened by the protracted political conflict. The conflict acts as a driver, motivating women to engage in entrepreneurship as a means of sustaining their families and declaring their independence from the limitations dictated by traditional gender roles. Such efforts notwithstanding, the legitimacy and sustainability of women-led enterprises continue to be far too influenced by deeply entrenched gender social norms (Althalathini et al. 2020). Women entrepreneurs in Palestine more often face cultural barriers, a lack of support services, and limited access to finance. Despite the fact that these challenges are exacerbated by the Palestinian–Israeli conflict, a significant number of women are unexpectedly motivated by opportunity—an endeavor aimed at affirming their agency—rather than mere necessity, directing their attention toward consumer-focused entrepreneurial ventures characterized by small-scale operations (Sultan 2016).

#### 5.3. *The Impact of Entrepreneurship on Conflict Nature and Conflict Management*

Entrepreneurship takes an intricate position in both active wars and post-conflict settings as its presence influences conflict dynamics and its management in a variety of ways. During active conflicts, entrepreneurship can be both productive and destructive. Entrepreneurs often must adjust their activities to survive, and sometimes engage in practices that are not conducive to long-term economic development, such as resource raiding in the absence of effective institutions (Desai et al. 2013). This destructive view of entrepreneurship highlights how conflict can be exacerbated by fostering economic activities that thrive on instability and insecurity. However, entrepreneurship also exhibits resilience, adapting to adverse conditions to sustain operations. This sense of resolve could provide a stabilizing power in surrounding local settings, a source of essentially needed product offerings, thereby creating jobs and, up to a point, dampening some of the conflict dynamics. In a post-conflict situation, entrepreneurship is key to economic recovery and peacebuilding. The end of conflict usually brings about a power vacuum and economic instability that can either ignite new cycles of violence or present opportunities for reconstruction and development. As noted by Bernal et al. (2024), for instance, entrepreneurship may lead to new business and job creation that offers pathways toward economic renewal and stability, as in the case of the post-peace treaty Colombia. However, the availability of human capital is often diminished due to conflict (death, immigration, lack of access to proper education and training), leading to smaller firms and slower recovery, as seen in post-conflict Sierra Leone (Brück et al. 2017). Public policies promoting entrepreneurship are essential for overcoming the legacies of conflict, as they can facilitate the reconstruction of markets and economies and contribute to a peace dividend. Entrepreneurship can perhaps have effects on social cohesion through allowing for more inclusivity, as a driver for personal development and social participation, all key ingredients for sustainable peace-building processes (Joseph et al. 2023).

In situations of active conflict, such as the Palestinian–Israeli conflict, entrepreneurship might assume both productive and destructive characteristics. On one hand, entrepreneurship could play a productive role in such conditions, providing essential product offerings, which, because of the conflict, cannot be delivered through formal channels. Such an ability for adaptation might help the communities to survive, to maintain a sort of economic life despite the ongoing conflict. For example, before the escalation on 7 October 2023,



various entrepreneurs in Gaza initiated technology-related startups that provide digital solutions and remote services, thus enabling them to overcome the physical obstacles and disruptions in the market caused by occupation and the war that continues to plague them. Some agricultural entrepreneurs have also adopted innovative farming methods using vertical farming and hydroponics to maximize food production in limited and controlled areas. Moreover, there are social enterprises established to complement the role played by the government in meeting the needs of the community through job creation and provision of educational and health services amongst others. International organizations and NGOs support such social enterprises, hoping to instill resilience and encourage a sense of hope among the people affected by the conflict. On the other hand, entrepreneurship fuels conflict as it facilitates economic activities that thrive on instability and insecurity. Where survival at times requires that entrepreneurs adjust activities, this sometimes results in activities that are detrimental to conflict tension reduction, such as resource raiding and grey or black-market activities in the absence of effective institutions. Businesses can leech off chaos to conduct contraband trafficking or smuggling in ways that prolong the conflict. For example, smugglers have used underground tunnels between Gaza and Egypt to funnel goods like food, medicine, fuel, weapons, and construction material. In the West Bank, unauthorized retailers have sold genuine products through gray market channels to bypass high margins imposed by official dealers and agents, which includes items like electronics, clothing, and cosmetics. The latter phenomena also took advantage of the Israeli permit system that facilitated cross-border smuggling of goods between the West Bank and Israel. Smugglers have exploited the porous border to transport SIM cards and other goods to meet consumer demand, further complicating the region's economic and security landscape.

Despite not being there yet, a post-conflict setting promises great opportunities for Palestinian entrepreneurs. The end of conflict often leaves a vacuum of power and economic instability, which can either trigger new cycles of violence or provide opportunities for reconstruction and development. Palestinian official representatives, communities, and entrepreneurs should prepare for the latter approach, working on the establishment of new businesses and job creation in a supportive institutional environment (formal and informal) that can contribute to economic revitalization and stability.

#### *5.4. The Adequacy of Entrepreneurial Frameworks in Explaining Conditions of Political Conflict*

The extant literature on entrepreneurship supports the notion that it can be a powerful engine for growth and innovation. Moreover, there is a growing realization that its role in conflict settings is complex and requires careful consideration of the sociopolitical context and the types of entrepreneurial activities being promoted. Nevertheless, despite the growing discussion of political conflict and entrepreneurship in the literature, mainstream entrepreneurial theories often prove an inability to fully account for the unique set of challenges and dynamics present in high-conflict settings like the Occupied Palestinian Territories (Stevenson et al. 2010). The continuous conflict and political turmoil in Palestine make access to markets, resources, or mobility very hard to a large extent. For instance, the Israeli closure policy in the Occupied Palestinian Territories is extraordinarily causing economic deterioration, increasing unemployment, and increasing poverty. Mainstream theories fail to aptly explain such a situation because they are based on assumptions of economic stability and resource availability. Also, mainstream theoretical lenses presuppose the availability of conducive ecosystems necessary for business advancement and expansion, elements that are notably lacking in conflict zones like the Occupied Palestinian Territories. This highlights an additional deficiency within mainstream entrepreneurship theoretical frameworks (Abdhalim and Halkias 2021). Moreover, mainstream entrepreneurial frameworks that emphasize economic growth and innovation as primary drivers of entrepreneurship inadequately account for the socio-political influences and the necessity-driven characteristics of entrepreneurship within conflict environments. This illustrates a context in which individuals may undertake entrepreneurial pursuits due



to necessity rather than opportunity (Aldairany et al. 2018). Furthermore, the prevalence of informal employment, along with the absence of a robust legal framework, makes the explanations provided by mainstream theories, which generally assume the existence of formal economic systems and corresponding legal protections, rather limited. This literature review and synthesis revealed the necessity for a more profound understanding of entrepreneurship within conflict-affected areas, emphasizing the importance of considering the socio-political context and the capacity of entrepreneurship to promote peace and stability or, conversely, exacerbate conflict (Joseph et al. 2023). Consequently, although mainstream entrepreneurial theories establish a basis for understanding entrepreneurship, they must be modified to ensure their relevance and efficacy in explaining entrepreneurship amidst political conflict, especially in high-conflict environments such as the Occupied Palestinian Territories.

## 6. Summary and Implications

This review of the existing literature on political conflict and entrepreneurship provides considerable insight into the interaction between these two fields. On one hand, the literature has paid considerable attention to the negative impact of conflict on economic activities, usually resulting in increased poverty and loss of opportunities for traditional employment; this conditioned people to get engaged with entrepreneurship out of necessity or for survival (Lee et al. 2024). Entrepreneurship in war zones is necessity-driven and undertaken through bricolage techniques, using resources at hand in as constructive a way as possible, and often showing considerable resilience despite adversity (Brück et al. 2013). On the other hand, the literature also exposes how amid a conflict's complex environment, entrepreneurial activities can either mitigate or exacerbate the impact of conflict. While some entrepreneurial activities deliver much-needed product offerings to the market and help stabilize the economy, others entrepreneurial activities may exploit the instability for personal gain, thus prolonging the conflict (Rettberg et al. 2011). These realizations and the synthesis of the literature examined in this paper were instrumental in developing the policy implications, research implications, and future research recommendations discussed in the next three sections.

### 6.1. Policy Implications

The literature on political conflict and entrepreneurship derives several policy implications for various stakeholders, such as entrepreneurs, government bodies, international donors, NGOs, private sector, and institutions of higher education. *Entrepreneurs* must be aware that their actions can impact conflict dynamics and peacebuilding efforts. Beyond a heightened sense of due diligence to manage complex financial, operational, and reputational risks and the safety of their staff and assets, entrepreneurs in conflict-affected areas need to leverage the use of local knowledge, building networks that would help in adjusting to challenging conditions and fostering resilience and innovation despite the scarcity of resources (Lee et al. 2024). *Governments* are encouraged to enact policies that facilitate business formalization and address market failures within conflict or post-conflict contexts. Such measures may encompass the creation of an entrepreneurship-conducive environment, with reduced regulatory burdens and enhanced infrastructure and security, to enable productive business operations (Naudé 2013). Nonetheless, it is important to note that policy implications are not uniform across state actors; they must be tailored to the specific institutional, economic, and resource contexts of each state involved in a conflict. Understanding this complexity is essential for developing effective policies that confront the unique challenges and opportunities faced by each state during an interstate political conflict. Furthermore, policy implications concerning interstate political conflict versus a conflict with a non-state actor (or actors) can differ significantly because of the inherent distinct nature and dynamics of these conflicts. While interstate conflicts might demand more conventional diplomatic and military interventions, non-state conflicts necessitate a different approach that puts emphasis on local economic development,

governance, and community engagement to address root causes and avert future hostilities. *International donors and nongovernmental organizations* should prioritize initiatives aimed at capacity-building and providing financial and technical assistance to entrepreneurs in conflict zones. This can involve offering training programs, access to microfinance, and market entry to help entrepreneurs initiate (or rebuild) and sustain their businesses post-conflict (Brück et al. 2013). The *private sector* is encouraged to forge partnerships with local entrepreneurs and invest in conflict-affected regions. These efforts can stimulate economic recovery and create job opportunities. Moreover, by doing so, the private sector can contribute to peacebuilding initiatives and assist in stabilizing the local economy. Additionally, the private sector can assume a pivotal role in developing innovative solutions to tackle the distinct challenges faced by entrepreneurs in conflict areas such as supply chain disruptions and technological stagnation (Desai et al. 2013). Finally, *higher learning institutions* are expected to encourage positive entrepreneurship through providing appropriate skills and an enabling environment for innovations to flourish. In this respect, some of the initiatives pursued by universities on campus may include incubators and entrepreneurship centers that plant the entrepreneurial spirit and create conditions that facilitate the flow of resources towards new ventures. A heightened partnership with the private sector, along with the integration of entrepreneurial competencies into comprehensive university curricula, is vital for addressing the skills gap necessary for ongoing economic advancement in both conflict-affected and post-conflict environments (Aljuwaiber 2021; Morrar et al. 2022). In conclusion, a policy that engages all stakeholders is essential for leveraging entrepreneurship as a mechanism for fostering economic development and facilitating political conflict resolution (Naudé et al. 2023).

## 6.2. Research Implications

Political conflict significantly influences entrepreneurial activities in their motivations, processes, and outcomes. An understanding of this dynamic is key to scholars seeking to explain the relationship between political conflict and entrepreneurship. This section encourages scholars to expand research on this topic based on the following research recommendations.

**Interdisciplinary Approaches.** A more profound understanding of the complex nature of entrepreneurship in conflict-affected areas requires integrating and synthesizing insights from a diverse range of academic disciplines, including economics, sociology, political science, legal studies, and conflict studies. Employing this interdisciplinary approach to the research can help uncover the complex impact of conflict on entrepreneurial activities. Aldairany et al. (2018) states that more interdisciplinary research endeavors not only broaden the scope of research but also potentially lead to recommendations that are more relevant and realistic for policymakers and practitioners supporting entrepreneurship in areas affected by conflict.

**Encouraging a mixed-methods approach.** A mixed-methods approach to research, incorporating both qualitative and quantitative research methodologies, provides a much-needed holistic framework through which the rather complex relationship between political conflict and entrepreneurial activities, where both constructive and destructive entrepreneurial initiatives exist simultaneously, may be examined. This two-fold perspective is very important for understanding how entrepreneurship can either fuel or help resolve political tensions. Moreover, by adopting mixed methods, scholars can extend their investigation into the structural (institutional) and individual factors influencing entrepreneurial pursuits, hence depicting more comprehensively the interplay of political conflict and entrepreneurship (Mühlenhoff 2016).

**Longitudinal studies.** Long-term research efforts that track the development of entrepreneurial activities before, during, and after political conflict can provide powerful insights into the dynamic nature of entrepreneurship in these settings. Such studies would be able to help identify patterns and long-term effects that political conflict could have on entrepreneurial activities including primary determinants of success or failure. By looking

at these temporal aspects, longitudinal studies can show patterns and causal links that are not visible in cross-sectional studies. Longitudinal research is therefore invaluable in understanding the complex nature of entrepreneurship under conflict and its linkages to economic and social systems (Pellegrini et al. 2020).

**Context-specific research and objectivity.** One must expect that a unique context is found within every political conflict setting. Research should be considerate to the particularities of the conflict-affected area and take cognizance of the local socio-political, economic, and cultural factors that impinge on entrepreneurial activities. In the case of research into political conflict and entrepreneurship, this concern is highly pertinent, as studies often involve navigating complex and sensitive biases, such as those articulated in Orientalism. Management of such biases is important in the production of research results that exhibit accuracy, clarity, objectivity, and relevance.

The term Orientalism, as conceptualized by Edward Said, denotes the study and depiction of Eastern societies by the West, generally deprecating the East while insinuating an aspect of Western superiority. If these biases in research are actualized in scholarly work, then very significant implications for the objectivity of such scholarship arise, especially in fields as complex and multifaceted as political conflict and entrepreneurship. Orientalism can undermine the impartiality of scholarly research by integrating cultural prejudices and stereotypes into the examination of Eastern societies. This phenomenon is particularly manifest in the way Western scholars have traditionally approached the study of Islamic civilization, frequently characterized by an attitude of superiority and disparagement. The presence of an orientalist discourse within academia could maintain power imbalances, influencing the production of knowledge in favor or rationalizing Western interventions into Eastern areas (Khalil 2022).

Orientalism, within the context of political conflicts such as the Palestinian–Israeli conflict, can shape narratives through framing those from a Western perspective, potentially focusing on reductionist representations of complex sociopolitical dynamics (Türkoğlu and Türkoğlu 2021). For instance, Orientalist perspectives often represent Palestinians as being backward and primitive, implying them as incapable of self-government and in need of guidance or supervision (Gerber 2003). This Orientalist discourse has constructed the narrative that rationalizes/legitimizes Israeli policies and actions toward occupation and represents them as necessary to maintain order and stability, reduce violence, and advance development. Moreover, an Orientalist approach can influence the portrayal of entrepreneurship in Eastern societies as traditional and unchanging, often undermining indigenous local practices and innovations in favor of Western paradigms and structure. In the Palestinian context, for example, a whole range of domestic entrepreneurial activities focus on traditional crafts, including olive wood carving, embroidery, and pottery. These activities tend to be framed as simplistic attempts at cultural preservation, without recognizing the innovative business models and modern marketing strategies employed by Palestinian entrepreneurs. Rarely do Westerners know that Palestinian artisans have incorporated modern-day dentistry equipment in the carving of olive wood and mother of pearl artistic pieces. This issue presents an obstacle to the effective development of promising Palestinian information technology entrepreneurial ventures with international exposure and funding aspirations. This depiction could serve to marginalize the image of Palestinians as agile and resilient innovators, adept at combining modern techniques with traditional practices amid turmoil and conflict. As a result, international narrative tends to undervalue the sophistication and resilience of Palestinian entrepreneurship, instead favoring those entrepreneurs who have adopted Western business practices as the ideal. This framing tends to favor Israeli entrepreneurial ventures whose reputation aligns with this ideal.

In addition to cultural sensitivity and a genuine effort towards objectivity, one recommendation to help mitigate this issue is to collect research data directly from conflict areas. Researchers should prioritize collecting primary data directly from conflict zones, rather

than relying heavily on secondary data. This approach helps capture the realities of the local context and reduces the risk of perpetuating biases inherent in secondary sources.

### 6.3. Future Research

The literature review and synthesis for this paper on entrepreneurship and conflict have uncovered several under-explored research themes that invite scholars to further investigations. First, the micro dynamics of entrepreneurship in conflict and post-conflict settings have not been sufficiently examined and explained. While macro-level aspects of entrepreneurship have been studied, the intricate behaviors and strategies of entrepreneurs at the local level, particularly in adapting to conflict environments, are less understood (Brück et al. 2017). Analysis at this level will provide a more nuanced understanding of entrepreneurial motivations, the role of family and community ties, social networks, mentorship, and role models, the impact of cultural contexts, and psychological resilience. Second, the multifaceted role of different forms of entrepreneurship (productive, unproductive, and destructive) in conflict settings has not been examined sufficiently. Some research has explored the potential for entrepreneurship to exacerbate conflict through activities such as resource exploitation, money laundering, cultural insensitivity, corruption, and political manipulation. A detailed exploration of how these various forms of entrepreneurship interact with conflict dynamics is needed (Rettberg et al. 2011). Third, latent versus nascent entrepreneurs in conflict-affected areas have so far received little research attention. Latent entrepreneurs have desires to start a business but have not yet undertaken any concrete efforts toward the founding of a new business, in opposition to nascent entrepreneurs, who are currently involved in efforts to start a new business. Both are important to the entrepreneurial ecosystem, contributing to labor markets and economic development. By understanding the range of determinants driving both types of individuals, policymakers and educators can do more to foster entrepreneurial activities and lower the barriers to entry (Laspita et al. 2020). Fourth, very little is known about how the functions of formal and informal institutions interact in encouraging entrepreneurship in a conflict-affected region. Conflicts often destroy political order, causing instability that is responsible for disrupting economic activities, hence making entrepreneurship core to recovery and economic development. However, the success of such entrepreneurship is deeply affected by the institutional environment within which it operates. Institutions can either facilitate or hinder entrepreneurial ventures, particularly in conditions of conflict and post-conflict situations. Support from institutions for entrepreneurial activities in areas impacted by conflict must encompass both formal entrepreneurship, which depends on recognized institutions for legitimacy, access to resources, and expansion prospects, and informal entrepreneurship, which functions beyond the constraints of the formal institutional framework (Joseph et al. 2023). This differentiation is significant because, unlike in stable political environments, informal entrepreneurship often serves as a crucial economic catalyst in conflict-affected areas, generating employment and promoting resilience amid difficult conditions. A balanced approach that considers both formal and informal entrepreneurship can strengthen economic resilience and aid peacebuilding efforts in conflict-affected areas. Fifth, the role of humiliation in understanding political conflict and the dynamics of entrepreneurship is underexamined. Humiliation, both as an action and an emotion, can profoundly influence individuals and groups, leading to cycles of violence and conflict (Lindner 2007). This powerful emotion can influence entrepreneurial motivations and shape community attitudes to entrepreneurial ventures and activities, potentially resulting in cases of economic isolation. However, it also gives rise to the concept of humiliation entrepreneurship. This phenomenon happens when individuals or groups leverage their experiences of humiliation to drive entrepreneurial activities, often as a form of resistance and empowerment. Those who have faced significant social or economic devaluation may seek to recover their dignity and agency through entrepreneurial ventures. Research in this area is not only important but also relevant and beneficial, particularly when exploring the impact of long-standing, multifaceted, and painful political conflicts,

such as the one explored in this paper. Understanding how humiliation influences both conflict and entrepreneurship would provide valuable insights into the motivations behind entrepreneurial activities and the potential for social change. Finally, the intricate relationship between entrepreneurial endeavors and their potential to simultaneously engender both peace and conflict remains insufficiently explored. The existing literature suggests that entrepreneurship possesses the capacity to foster both peaceful outcomes and conflictual dynamics, thereby challenging the notion that entrepreneurship is inherently aligned with peace-promoting objectives. This dual role, especially in the context of local and international peacebuilding initiatives, requires a more comprehensive analysis to understand its implications for attaining sustainable peace (Brück et al. 2011).

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## Notes

- <sup>1</sup> The Uppsala Conflict Data Program categorizes conflicts into three distinct types. The first category, *state-based conflicts*, involves at least one government as a conflicting party. These disputes often stem from disagreements over land, power, or natural resources, and can include both domestic and international participants. The second category, *non-state conflicts*, occurs between groups without government involvement. Such conflicts may be fueled by ethnic, religious, or ideological tensions and frequently involve rebel groups, armed militias, or other non-governmental entities. The third category, *one-sided conflicts*, is defined by the use of force against civilians by a single group, with no organized armed resistance from the victims. These situations often encompass acts of genocide, ethnic cleansing, or other forms of large-scale violence carried out by either state or non-state actors against a vulnerable population.

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