Role of Innovation Incubators and Accelerators in Alleviating the Refugee Crisis

Emergent Research Forum Paper

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Abstract
A number of shy yet innovative ventures were identified in refugee camps in Lebanon to bring in education, health or work to refugees. Many social enterprises are active in the Mena region and Lebanon attempting to address a protracted refugee crisis. In the context of limited research on social enterprise in the MENA region in general and on incubators and accelerators we aim to explore their capacity to develop these ventures and increase social inclusion and development, and help resolve the refugee crisis.

Our exploratory research contributes to the ICT in social development literature. First, we point out how refugee-oriented startups need to be specifically targeted as a locus of support activity much like other “markets” in order for this ecosystem to grow and develop. Second, the form of this support may have to include specialized incubators, accelerators and other capacity building initiatives for the ecosystem to thrive.

Keywords
Social inclusion, humanitarian innovation, private sector, refugees.

Motivation and Background
To date there have been approximately 65.3 million forcibly displaced persons worldwide (UNHCR 2015) and the number is growing. Of these, 21.3 million are refugees: 16.1 million are under the United Nations High Commission for Refugees’ (UNHCR) mandate and 5.2 million are Palestinian refugees registered by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (UNHCR 2015). Refugees live in precarious and changing environments (Maitland and Xu 2015), that from past observation are not temporary but rather are complex and protracted. Indeed, some of refugee settlements have endured for decades; others, which are relatively newer, have no immediate conclusion in sight (Rojas and Ross 2016). Towards the end of 2015, the Lebanese government estimated around 1.5 million Syrian displaced (Government of Lebanon and United Nations 2015) and around 300,000 Palestinian refugees.

A number of initiatives by international agencies, non-governmental organizations (NGOs), individuals and in some cases private sector are in place. They aim to provide the basic needs, to influence policies or to help refugees resettle, receive basic needs and healthcare (Betts and Bloom 2014; Rojas and Ross 2016; UNHCR 2015). However, this support in itself is designed to be temporary. What will happen when the humanitarian attention to the current refugee crises fades? Addressing the crisis requires often finding innovative yet sustainable solutions, facilitating refugees to gain autonomy and control over their lives, while simultaneously challenging the current paradigm which views refugees as helpless victims without agency (Twigt 2015). This situation is called to drive social entrepreneurship (Hmayed et al. 2016) and the intervention of the private sector.

What we mean by private sector is specific. Consistent with, Young and Brewer (2016), we think that relying purely upon the voluntary sectors to address the needs of less fortunate and specifically refugees may be sub-optimal because of the structural limitations associated with the non-profit sector. Indeed, Young and Brewer (2016) identify four essential limitations to the non-profit and voluntary sectors that may need to be addressed so as to enhance the long-term sustainability of solutions they provide: 1-a
limited capacity to raise sufficient resources; 2-not being able to charge for their services, 3-inability to
mobilize the entrepreneurial drive associated with wealth accumulation and income maximization, 4-the
limited kinds of services they can offer. More specifically, we agree that a social enterprise can serve as a
potential response to these limitations. Specifically, a social enterprise is a private enterprise that aims to
be socially responsible in its products and service offerings while producing profit. In this sense, a social
enterprise can be an attractive organizational vehicle at least in theory. We believe that the private sector
has a mobilizing and organizing capacity that can create unique perspectives and garner unique
momentum toward more efficient and effective solution-oriented initiatives (Betts and Bloom 2014;
Chuang 2015; Rojas and Ross 2016), yet discussing and sharing with ecosystem members can only enrich
this understanding and enable leveraging on each other’s experiences.

Information and communication technologies (ICT) can have a major impact on societal development. We
have observed — in our field visits and numerous forums and events organized to launch initiatives to
alleviate the refugee crisis — a number of shy yet innovative ventures set-up to bring in education, health
and work to refugees. These are initiated by private enterprises, social enterprises, individuals and others.
Social enterprise innovation is defined as a profit producing private sector entity, which is socially
responsible in its product/services and can potentially contribute to create opportunities that can be
leveraged to address the refugee crisis. Innovation and technology in the context of social enterprise have
specific but broad connotations. Humanitarian innovation and technology is broadly defined as deploying
new or existing “technology, products and processes”, “forms of partnership”, and “ideas” as well as
operational business models that can help improve “coping capacities of [refugee] crisis affected people”
(as cited in Betts and Bloom 2014, p.5).

It is worth pointing that there is little or no assistance for those ventures. Yet in the absence of access to an
established ecosystem, incubators and accelerators provide entrepreneurs with a support mechanism to
access partners and resources (Isabelle 2013). Ventures associated with business incubators have a higher
chance to succeed than non-incubated ventures (Isabelle 2013; Sfeir 2016). The national business
incubation association (NBIA) defines a business incubator as “a business support process that accelerates
the successful development of start-up and fledgling companies by providing entrepreneurs with an array
of targeted resources and services” (in Isabelle 2013). Social incubators assist new social ventures in their
early set-up phase, provide various services to support the entrepreneur by addressing weaknesses and
acquiring skills (Sfeir 2016). Accelerators are more focused on accelerating the growth of firms. One
important distinction between these two is that incubators are typically not-for-profit whereas accelerators
are (Isabelle 2013).

The importance of context in entrepreneurial innovation can be asserted by the special issue of Research
Policy that focused on the theoretical, managerial and policy implications of such innovation (Autio et al.
2014). Indeed stand-alone approaches and initiatives do not work. The company’s success depends on
multiple players in the ecosystem (Iansiti and Levien 2004), one needs to explore what services, tools,
technologies or other cooperation are developed/ put in place to foster such cooperation. Ecosystem health
can be assessed by its productivity, robustness and capability for niche creation (Iansiti and Levien 2004).

We build on the ecosystem concept as defined by Autio and Thomas (2014, p.210)

“ecosystems as an evolving community that specializes in the development, discovery,
delivery, and deployment of evolving applications that exploit a shared set of
complementary technologies and skills”,

The ‘ecosystem development’ framework whereby the ecosystem refers to refugees and to the network of
interconnected entities operating around them and serving them. This ecosystem involves the production
and use of technology-based services and products catered to refugee needs, and involves donors,
governmental and non-governmental organizations, international agencies, volunteers, private
enterprises, social enterprises, incubators, accelerators, educational and research institutions and
innovators (Teece 2007). Important characteristics of such ecosystems are their ability to continuously
develop and evolve towards new states (Autio and Thomas 2014), their capacity to co-evolve capabilities,
to cooperate and compete to satisfy needs and ideally embrace the next cycle of innovation (Moore 1993)
while remaining flexible. Ecosystem members can only thrive through the development of the ecosystem
and all of its members.
It might be expected that refugees would not have the resources to pay for products and services; yet products and services specifically designed for their needs would be at a price that may effectively allow them to save as these would replace current products and services they acquire on credit. Furthermore, current legislation in the MENA region with regards to social entrepreneurship among refugees remains unclear. In many countries (including Lebanon) refugees are not allowed to be employed but are allowed to obtain micro-credit and launch small businesses. Therefore, all depends on the legal structure adopted for such organizations. However, social entrepreneurship still needs to be explored as other authorized social enterprises may contribute to alleviate the refugee crisis.

We highlight a number of gaps in this literature. There is limited research on social innovation and technology in the MENA region, and specifically in Lebanon, little research on social enterprise incubators (Hmayed et al. 2016), accelerators, processes relating to both incubation and acceleration, or their role in overcoming challenges. Furthermore there are contradictory results with regards to the benefits of incubation and a lack of understanding of the various incubation models (Isabelle 2013). Similarly there is no understanding of how to leverage on current experiences.

In this research, we wish to situate the conversation where we see refugees as participants in managing the current crises and, in particular, as partners with private sector actors to innovate and develop technologies that arise from the unique troubled socio-political-economic context within which they currently find themselves. The innovation ecosystem (Autio and Thomas 2014) concept serves to be valuable in this context. The innovation ecosystem, “A network of interconnected organizations, organized around a focal firm or a platform, and incorporating both production and use side participants, and focusing on the development of new value through innovation” (p.3) would involve in the current context researchers and practitioners working on the refugee crisis and including NGOs, social enterprises, donors, innovators, incubators and accelerators and refugees themselves as end-users of the to-be-developed solutions. This concept is compatible with idea of involving the private sectors, with refugees as actors and not only as beneficiaries, they become customers. Looking at the refugee’s ecosystem serves to fully understand what is at stake and to have a better visibility and understanding of the relevance of incubators and accelerators in the context of humanitarian innovation to help refugees.

Building on this framework, we aim to answer the following research question: How does the private sector, specifically incubators and accelerators in the humanitarian innovation ecosystem, help in resolving the refugee crisis? We will explore 1- the role of the private sector, specifically incubators and accelerators in the humanitarian innovation contribute to social inclusion and development by helping refugees regain control on and be actors in their lives. 2- the learnings from the current experience to formulate recommendations to the ecosystem participants; 3-how they promote cooperation in the ecosystem, promoting ecosystem health and therefore contributing to its development.

**Aims and Contribution**

In the paragraphs below, we list the aims of the study as well as the expected contribution.

We aim to answer the following list of questions:

- What are the specificities of the current landscape of incubators and accelerators working in the social arena and specifically addressing the refugee crisis?
- What are the challenges faced by social enterprises and incubators and accelerators (including those specific to the Lebanese environment and to the refugee crisis). How are they overcome? What are specific actionable recommendations to address them?
- Are there dimensions, and parameters that are specific to the context of refugees as an organizational field with its own distinctive challenges and opportunities that deserve focus by humanitarian innovation and technology?
- Is there a distinctive role of social enterprise and private sector focusing on specifically innovation and technology in contributing to refugee crises alleviation addressing various needs?
- What are the distinctive business models of social enterprise that cater to the specific needs of refugees? What can we learn from prior experiences that apply or do not (e.g., philanthropic contributions from foundations or individuals; corporate social responsibility initiatives, initiatives that connect humanitarianism to brand or to existing research and development; private-public sector projects; etc).
Innovation incubators and the refugee crisis

- What are some specific case examples of successful social enterprise ventures? That is, can we present depictions of the various models of operations of successful ventures that can provide us with key lessons and can help us leverage local expertise from different countries (both refugee-hosting and home to private sector initiatives).
- How are the ventures leveraging on technology?

Additional questions to be addressed in future research:

- Can key actors at the state, and civil society levels work with social enterprises collectively for the development and implementation of sustainable solutions for refugees and host countries?
- Are there potential mechanisms through which we can facilitate social enterprise's ability to foster innovation and find sustainable solutions to refugee problems?
- What are the factors and the process that social entrepreneurs consider important/ adopt when choosing a potential organization to support their development to extend the work of Isabelle (2013).
- What is the contribution of the incubation/ acceleration processes to the ecosystem?
- What are the practices of incubation and acceleration? Document the processes to complement the high level description of incubation process of Nabad, an incubator, by Hmayed et al (2016).
- What services should be offered to complement services already identified (Hmayed et al. 2016; Sfeir 2016) and to contribute to the ecosystem?

All questions will be refined and focused based on the questions and discussion following the presentation at the conference.

Our research contributes to the ICT in social development literature in two ways. First, we point out how refugee-oriented startups need to be specifically targeted as a locus of support activity like other “markets” in order for this ecosystem grow and develop. Second, the form of this support may have to include specialized incubators, accelerators and other capacity building initiatives for the ecosystem to thrive.

Method of Inquiry and Analysis

Research Approach

The present research attempts to explore and understand the ‘what’ and the ‘how’ of incubators and accelerators contributing to the resolution of the refugee crisis. This requires studying the context, the practices and activities, of these organizations as well as the threats and opportunities, their perception of the environment and ecosystem they operate in, detailed descriptions of the processes they adopt as well as the contribution of technology. The aim is to investigate and document practices of incubation and acceleration while answering the research question:

*How does the private sector, specifically incubators and accelerators in the humanitarian innovation ecosystem, help in resolving the refugee crisis?*

Given the limited research on social enterprise (Shaw and Carter 2007), and on incubators and accelerators, we will adopt an exploratory approach. A qualitative research approach will be conducted. In-depth interviews will be performed with a number of social entrepreneurs, incubators and accelerators. This allows to understand in detail the realities of these organizations. A process research approach (Strauss and Corbin 1998) will also be adopted to document and analyze processes.

Collecting Data and Protocols of Data Analysis

Data will be collected about the organizations to brush a detailed landscape of social entrepreneurship in Lebanon with a focus on incubators and accelerators and their relationship to social enterprises. It aims to understand their strategy, history, processes, operations, challenges, threats, opportunities and relations with other organizations in the ecosystem. This with the aim of assessing value creation and contribution to the refugee crisis. These aspects can only be understood in context, and detailed semi-structured interviews provide the qualitative data necessary to understanding them. We will also resort to documents and archives to achieve a detailed understanding of context, operations and outcomes.

The interview guide will be developed, and tested through pilot interviews; it will then be adjusted and fine-tuned before interviewing resumes. The interviews will be conducted with founders of these
organizations, when this is not possible, they will be conducted with the manager of the venture. The interviews will be recorded, transcribed, then transcriptions will be validated and coded using NVivo a qualitative analysis software. It is expected that interviews will last around 90 minutes, but they can take longer if respondents answer all questions and provide historical and/or procedural details. The number of interviews is not pre-defined, we will keep interviewing respondents until we reach saturation. Documents gathered from the organizations will also be integrated in NVivo for coding and analysis.

The identification of coding themes will be driven by the identification of properties and dimensions of the phenomena taking place, for the purposes of classification of what is going. This will allow for theoretical comparisons (Strauss and Corbin 1998, p.78). Coding will lead to the identification of a number of key themes that will drive findings and answering the research question. The analysis will be guided by Strauss and Corbin (1998) and Eisenhardt (1989).

REFERENCES


