

High Technology Centers LTD  
تسوفن • مراكز التكنولوجيا العالية م.ض  
צופן • מרכזי טכנולוגיה עילית בע"מ (חולצ)



# Erasmus Plus IN2IT Project

## *Arab Hi-Tech in Israel*

**November, 2015**

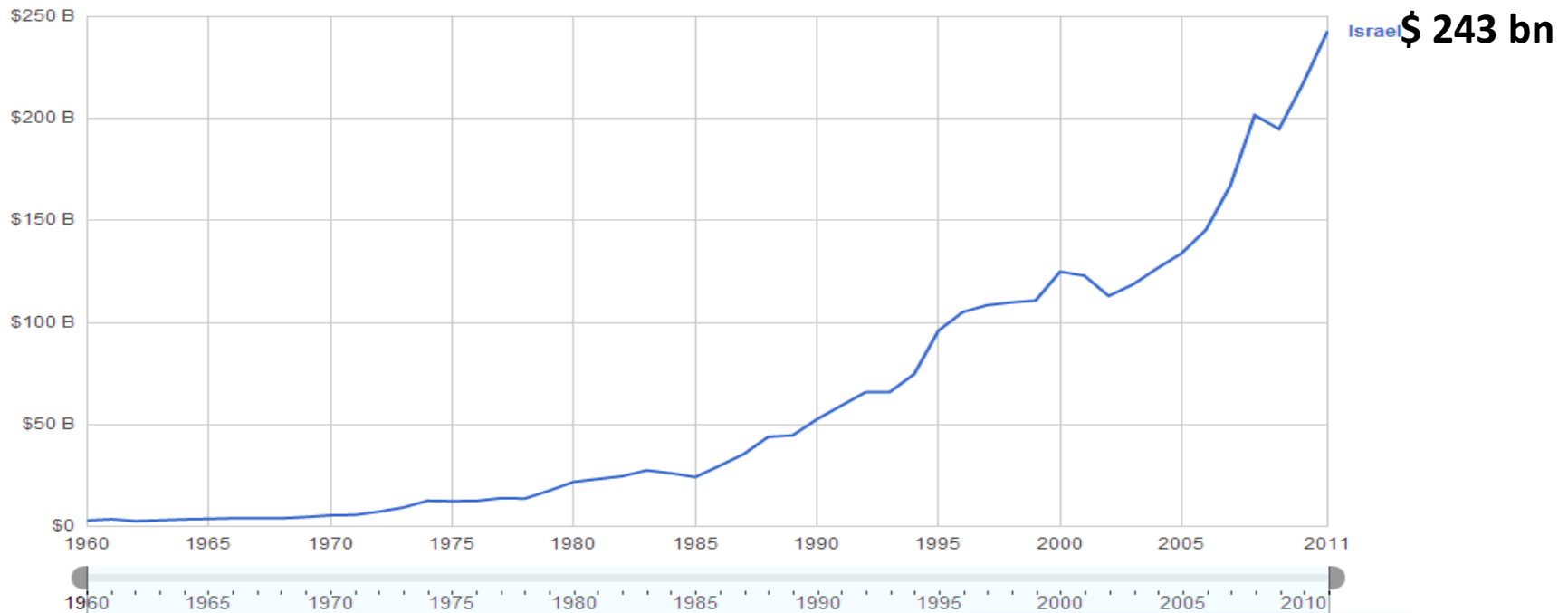
**Dr. Ramzi Halabi**

# History of Arab Employment

- 50's-60's** Agrarian economy: men and women work in family farms
- 70's-80's** Textile and food come to towns: women join workforce. Men become unskilled laborers in Jewish cities. Rise in higher education participation
- 1990's** Textile mills close. Women drop out of workforce. Huge rise in unemployment.  
Arab communities become “bedroom communities”
- 2000's** Economic divide between Jews and Arabs  
Crisis in local municipalities, shrinking public sector  
Academic education on the rise  
New fields: telemarketing, financial sector and service sector
- 2010's** **55% of Arab university students are women, however  
75% of Arab women are unemployed**

# Hi-tech drove Israel's economy

*... yet, Arab citizens do not participate*



Data from [World Bank](#) Last updated: Jan 17, 2013

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# Israel has two economies

<b>Arab economy</b>	<b>General economy</b>
54% poverty rate	19%
27% women work	57%
22% local tax from industrial zones	66%
20% Sciences' grads work in their field	90%

- Arabs comprise 20% of the population, but only 8% of GNP
- The lost potential: **31 Billion NIS a year** (Prime Minister's office)

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## *The story of Tsofen*

# About Tsofen – Hi Tech Centers

- An Arab-Jewish organization (Nazareth & Tira)
- NGO Established in 2008
- Founders- Smadar Nehab (CEO), Sami Saadi (Co Director), and Yossi Coten
- Chairman of the board- Dr. Ramzi Halabi
- Annual budget ~ \$1.6M

# Vision and mission

- Hi-tech is the growth engine of Israel's economy
- Similarly, hi-tech should and can be the growth engine for the Arab society in Israel.

**4 regional centers in Arab cities covering main tech regions in Israel**

10% of hi-tech workforce are Arabs in the short term

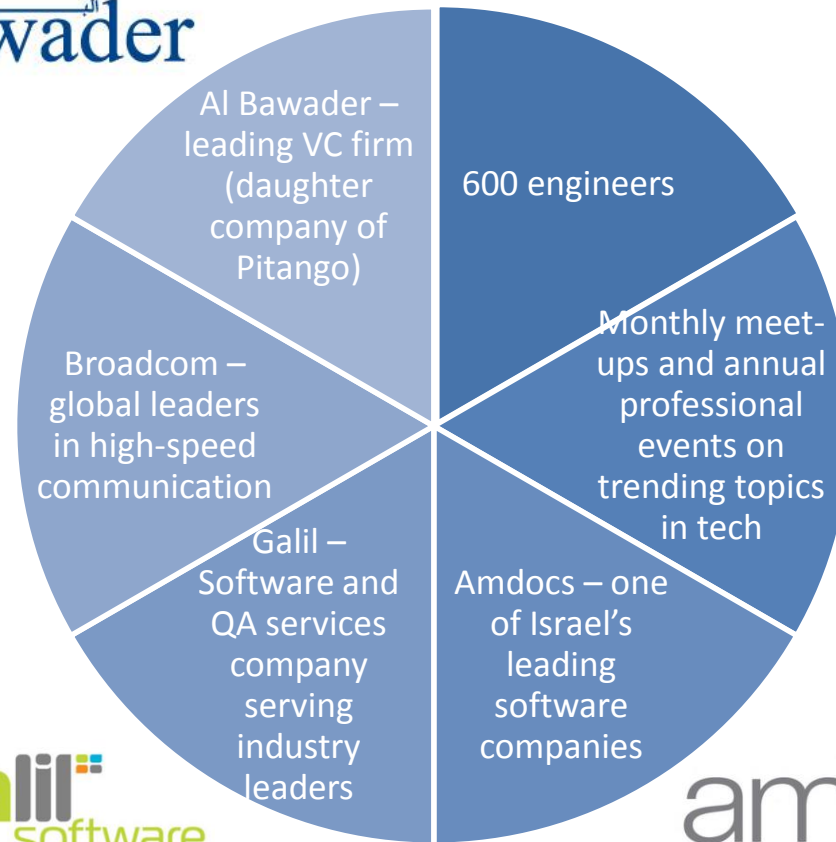
Number of Arab university STEM graduates doubles to address demand needs

# 2008 vs. 2014

		2008	2014
<b>Israel</b>	Arab employees in hi-tech	350	2,300
<b>Nazareth</b>	Hi-tech positions in Nazareth	30	600
	Hi-tech Companies in Nazareth	1	~ 15
	Global Companies	0	3
<b>Triangle</b>			Tira & Kafr Quassim



# Tsofen's success in Nazareth



# Three pillars needed to scale

## Real estate – office building(s)

- Municipalities will assist in identifying appropriate land and take an active role in the process
- Tsofen will make connections with real estate investors

## Proven human capital potential

- Tsofen will train human capital and assist in bringing industry into Arab cities
- Tsofen and municipalities will cooperate in mapping and accessing human capital

## Government incentives and subsidies

- Tsofen will work with government ministries to match incentives with industrial areas in Arab cities, in partnership with municipalities

# The impact of hi-tech in Arab cities

- “1,000 new jobs will create tens of thousands more” (Yair Lapid, 09/2013, re Intel K.Gat)
- % of women working in hi tech in Nazareth equals the proportion in the general population
- 100% of Tsofen’s women grads work in proximity to their hometown
- “My son can see, feel, touch hi tech near our home” (Orsan Awadeh, Tsofen’s grad employed in Amdocs Nazareth)

# How did the *Tefen* industrial area contribute to the broader area?



- Approx. 10,000 jobs
- Approx. \$230M gross salary
- Approx. \$1.2B in export