The Role of the Innovation Ecosystem in Smart Cities: The Israeli Case Study

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Israel ID

Population: 8.6 Million

Unemployment: 5.2%

Area: 21,600 square kilometers

GDP: $327.6 Billion

GDP Per Capita: $37,778

HDI: 0.894 (18th highest in the world)
Israel – Then

450%

Inflation Rate

(1984)
Israel – Now

- Haifa
- Northern Israel
- Jerusalem
- Tel Aviv
- Be’er Sheva

Logos of companies such as IBM, Intel, GE, Qualcomm, and others are displayed on the map.
The Israeli Ecosystem in Context

1. Global Rank
   Venture Capital Investment Per Capita

2. Global Rank, Innovation
   2017 World Economic Forum Report

3. Global Rank
   NASDAQ-Listed Companies (94)
Total 2016 Exits

$10.02B
Smart City 1.0: Technology-Driven

Outside-In

- Driven by multinational tech companies looking to sell solutions.

Early Adoption

- Cities looking for edge in attracting talent, differentiation – even if benefits of technology are unclear.

Common Challenges

- Cities often not equipped for or do not understand implications of technology implemented.
Smart City 2.0: City-Driven

Top-Down
- Strategic priorities set by cities.

Incremental
- Focus on incremental improvements in governance and quality of life.

Common Challenges
- Law of unintended consequences:
  - Example: NYC Public Internet Stations
Smart City 3.0: Ecosystem-Driven

**Bottom-Up, Collaborative**
- Driven by the entire ecosystem: startups, multinational tech companies, residents.

**Inclusive**
- Driven by local needs and inventions – can even take on social challenges.

**Common Challenges**
- Requires visionary leadership and full development of local innovation ecosystem.
Bottom-Up Israeli Smart Cities: Transportation

- Self-Driving Cars
- Road Charging for Electric Buses
- Smart Parking
- Real-Time Directions for Public Transportation
Lessons from the Israeli Case Study

Residents as partners, not customers.

The future: Combination of Smart City 2.0 and Smart City 3.0.

An innovative & developed innovation ecosystem increases the probability of success.
Mulțumesc!

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