

## TWO ISRAELS

At the close of the 20<sup>th</sup> century, the BBC referred to Israel as a “country of contrasts,” alluding to its mixed record of economic progress. Today Israel remains contrasted, plagued by well-known security concerns, while enjoying a less widely publicized “economic miracle.”

I experienced first-hand the contrasts earlier this month when I attended the Seminar in Israel for University Presidents, organized by the American Jewish Committee's Project Interchange. Palestinians fire mortar shells into Israel from the Gaza Strip on a regular basis, and we went to the border before our visit to Ben-Gurion University in Beer-Sheva. That same day, when meeting with the president of one of the world's leaders in biotechnology, the Weizmann Institute, I encountered an economically thriving Israel that has passed under the radar of much of the world.

In contrast to the Israel I visited in 1992, when the country was still trying to recover from a major economic downturn in the 1980s, the country I returned to this summer has a strong, modern economy, rivaling those of the most advanced nations in the world. Optimism Israelis feel about economic success co-exists with discouragement over security issues and the region's political climate.

Israel continues its remarkable comeback from the worst recession in its history, closing out 2006 with a third consecutive year of strong growth, a 10-year low in unemployment and record stock market highs.

Simultaneously, 2006 proved to be a tumultuous year, even for a characteristically strife-ridden country: Ariel Sharon collapsed into a coma, the

radical Islamic group Hamas won Palestinian elections, and Israel fought a month-long war in Lebanon.

During my recent travels, Israel's struggle to deal with the immediately devastating effects – as well as ready itself for the possible longer-term implications – of the Gaza conflict permeated the air. As Roger Cohen put it in a recent article on Israeli Foreign Minister Tzipi Livni in the *New York Times Magazine*, “security, security, security,” has become Israel's mantra. Yet, I also observed a country poised to leverage its successful high-tech industry and skilled workforce as a global leader in the life sciences.

Cohen brilliantly captured the Israeli dichotomy, as only someone with first-hand observations of the country could: “The *shekel* rises; so does the billowing smoke just over the border in Gaza ... [Israel's] ‘fantastic economic bubble’ [is] hovering over unease.”

For all its unease over “the mother of all conflicts” (Cohen's description of the 59-year-old land disputes between Israelis and Palestinians), Israel's wealth and economic strength continue to grow. Israel's total expenditures for research and development, as a percentage of gross domestic product, tops all industrialized countries at 4.8 percent (the U.S. is in eighth place at 2.2 percent). Israel is now a worldwide leader in patents granted per capita, ranking first in the medical device and fourth in the biopharma fields. Israel's total number of life science patents as a percent of all written by Israeli inventors places the country in first place worldwide.

Life sciences represent about 35 percent of civilian research activities, mainly at its universities. While visiting the Weizmann Institute and another premier institution, the Technion-Israel Institute of Technology, I learned that Israeli biotechnology and its other life sciences industries are increasingly interesting venture capitalists and foreign partners.

Nowhere is that interest more apparent than in our own backyard. Cooperation between Israel and the Commonwealth of Virginia spans several decades and recently has gained momentum. In March of this year, the Virginia BioTechnology Research Park announced the formation of the Virginia Israel Biosciences Commercialization Center. To be headquartered in the Richmond-based BioTech Park, the Center will serve as the preferred destination for Israeli bioscience companies seeking to enter U.S. markets.

The Virginia Israel Biosciences Commercialization Center already has an agreement with an Israeli bioscience company, R&D Supports Ltd., to locate in the Park and assist them with their U.S. commercialization and business strategies. R&D Supports Ltd. develops flexible orthopedic braces and will be working with the Center and Richmond-based Owens & Minor to establish their innovative products in the emergency medicine, military, sports medicine and home care markets. Binational Industrial Research and Development (BIRD) Foundation granted R&D Supports Ltd. and the BioTech Park a two-year, \$800,000 award in June. At least three other Israeli companies are in serious discussions with the BioTech Park and the management of the Park's Israeli initiative will visit Israel in October to interview another 25 companies to

determine where synergies may exist. There are no political considerations in our approach, but rather good science and good business.

This is just one of many promising opportunities that Virginia is seizing to partner with Israel in leading the way to today's global knowledge-based economy. As The American-Israeli Cooperative Enterprises recently stated, "The potential for greater cooperation with Israel for the benefit of Virginia is limited only by the imagination."

Virginia is not alone in reaching out to Israel. At least 23 states have done likewise, and Israel is doing its share. The American Jewish Committee's Project Interchange, in which I participated, aims to explain Israel's policies to the leaders of U.S. academic institutions and strengthen scientific collaboration between the two countries.

Clearly, both sides of Israeli economic collaboration stand to gain, which is why I am opposed to the decision of the United Kingdom's University and College Union to support the principle of a boycott against Israeli academics and academic institutions. I am encouraged by the statements of opposition to the boycott from leaders of some of America's most prestigious universities, including Columbia, Brandeis, UC Berkeley and Northwestern. Political agreement as a prerequisite for engaging with scholars and banning freedom of intellectual exchange fly in the face of the critical role universities play in bridging cultural, diplomatic and economic divides.

I've seen the contrasting sides of Israel over the past 15 years, as well as the seemingly irreconcilable circumstances that exist there today, and I am thoroughly convinced that now is not the time to isolate Israel, but to embrace it.

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