

Motivators and Barriers to High-Tech Entrepreneurship in the Israeli-Arab Community

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Abstract : The current research investigates motivators and barriers to high-tech entrepreneurship in the Israeli-Arab Community. With the aim to exploit the capacity of Israel as a 'start-up nation', we identify the most important aspects to promote integration of Israeli-Arab entrepreneurs in high-tech startups and business companies, thus impact the socio-economic status of the Arab community in Israel. We reviewed the literature on the role of high-tech and entrepreneurship in the Israeli economy, the profile of the Israeli-Arab community with regard to education and employability, and the characteristics of minority entrepreneurship to understand entrepreneurs' intentions, their incentives to choose the entrepreneurial route on one hand and the obstacles that they face on the other hand. Based on the literature review, we conducted an integrated study that included a survey among 73 Israeli-Arabs involved in high-tech entrepreneurship and 16 semi-structured interviews with Israeli-Arab and Jewish entrepreneurs and leaders in the high-tech industry. We analyzed the data to explore personal and social motivating factors to entrepreneurship as well as educational and socio-economical barriers for entrepreneurship. Three major elements were found to be the most influential on Arab high-tech entrepreneurship in Israel: education, financial resources, and strategic-institutional support. The relationship between education and employability that is well-known with regard to general education, requires two additional aspects in the field of high-tech entrepreneurship: education of technology and engineering, and education of business and entrepreneurship. The study findings reveal that the main motivation factors for entrepreneurship are development of creative ideas and improvement of the socio-economic status, while financial-related factors and lack of institutional and governmental support are perceived as impediments to entrepreneurial activities. Financing difficulties are mainly derived from discriminating financial environment and lack of professional networking. The relationship between entrepreneurship and economic growth seems to be clear and simple; thus it is a national interest to encourage entrepreneurship among the Arab community, and especially high-tech entrepreneurship which has a significant role in the economic growth of Israel.

Keywords : high-tech industry, innovation management, Israeli-Arab community, minority entrepreneurship, motivating factors and barriers

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