

The Start-Up City of the Start-Up Nation

An Interview with
The Honorable Ron Huldai, Mayor, Tel Aviv-Yafo

EDITORS' NOTE Ron Huldai is an Israeli politician and a former high school headmaster and fighter pilot. In the course of his 26 years of military service in the Israeli Air Force, he served as a combat pilot and held several key senior command positions, including Brigadier General. Following his retirement from active duty, he became Headmaster of the prestigious Herzliya Hebrew Gymnasium (High School) and remained in office for six years. A member of the Labor Party, Huldai was first elected Mayor of Tel Aviv in 1998, and was reelected in 2003, 2008, and again in 2013.



The Hon. Ron Huldai

Would you discuss your economic vision to position Tel Aviv-Yafo as a global center of innovation and creativity?

From my first term, I worked hard on creating the best “ecosystem” – one that would attract young and creative people. We created a public sphere that is fun to be in, and safe at any time of the day. We set policies and practices that allowed for the flourishing nightlife and culinary scene that Tel Aviv enjoys. We put a major emphasis on art and culture. These are things that make a city friendly and attractive to young workaholics – these are the ingredients of our ecosystem.

The city of Tel Aviv-Yafo has emerged over the past decade as one of the most important cities for the technological start-up industry. Tel Aviv was recently ranked by the Compass report as the number one ecosystem outside of the United States. Many cities in Europe or Asia want to develop start-up ecosystems that can compete with Silicon Valley or New York, but in terms of volume, we have more start-ups in our small city per capita or per square kilometer than any city in the world – more than 1,000 start-ups at any given moment. One of our weaknesses, or challenges, is the fact that our industry is made up almost completely of Israelis. Our national immigration policy is such that it is very hard for international start-up entrepreneurs to legally work in our country. When we recognized this, we embarked on a triple mission: to empower the local industry; to market and publicize it abroad; and to work with our national government on regulatory issues to enable a more diverse workforce.

How are you capitalizing on the city's status as the center of the Israeli start-up sector, making Tel Aviv “The Start-Up City of the Start-Up Nation” – a sort of Silicon Valley for entrepreneurs outside the U.S.?

As a result of our efforts to make this city attractive to the creative and innovative, the number of young people in the city has doubled since I took office 17 years ago. Tel Aviv-Yafo has one of the youngest populations in the Western world; one third of our population is

between the ages of 18 and 35. The return of young people and young families to the city is one of the greatest achievements of our municipality. We invest heavily in education – both in the quality of education, and on upgrading existing and building new educational facilities. Since I took office, the number of municipal kindergartens doubled from 250 to 500. Every year, we open new kindergartens, schools, and high schools. This is a blessing to the city and its economy.

You have eliminated the municipal deficit, and for the past 12 years managed to maintain a balanced budget while completely transforming the city's infrastructure, public sphere, and municipal institutions. What have been the keys to having this success with your economic initiatives for Tel Aviv-Yafo?

In the first few years, we treated the need for a turnaround in the city like a businessman treats a turnaround in his business: by cutting budgets, changing organizational structures, and putting the right people in the right places, while dealing with the organizational culture of the Municipality.

Second, I set a goal for this city that never really had a balanced budget to have a balanced budget soon. We knew we had to maximize income from existing assets and invest in new assets that would produce new income. For example, by renovating the center of the city – our “Wall Street” area – we encouraged the banks and the financial institutions who wanted to leave the city to not only stay, but to expand their presence. In Israel, municipalities do not have a city sales tax so our main source of income is from property taxes – residential and mainly business. This is how we increased the municipal budget while maintaining a lean and efficient operation. Through hard work,

we managed to eliminate the municipal debt, and for the past 12 years we have been ranked Triple A Stable by Standard and Poor's.

Your administration has deepened the city's positioning as the cultural center of Israel and upgraded dozens of cultural and historic assets. How important is culture to the history and heritage of Tel Aviv-Yafo?

Tel Aviv was founded in 1909 and, since its inception, it saw itself in relation to the great cities of the West like London, New York, Vienna, and Paris. When it was still a small town, it already had a world-class Philharmonic, theatres, an opera, an art museum, and many other cultural institutions. Our first Mayor, Meir Dizengoff, recognized the importance of art for a city, and designated his home to be the city's first art museum. He also invited our national poet, Bialik, to move from Russia to Tel Aviv. He gave him a plot of land in the best location in town, right next to city hall, and named the street after him.

Culture is an extremely important part of one's quality of life. It creates movement and action in the public sphere, and thus makes for a safer city. Cultural activity drives business for restaurants and bars; it is very important for the economic development of the city. In recent years, we performed a complete makeover of our cultural institutions and upgraded them to meet the highest standards of 21st century institutions.

Would you discuss the priority that your administration has placed on maintaining Tel Aviv-Yafo as a city of tolerance, pluralism, equality, and democracy?

We have an affirmative action program for Arab employees in the Municipality. We've also established a municipal center for the LGBT community. Additionally, we've arranged for construction and financing of facilities for special education that serve children from dozens of municipalities in Israel, upgraded services to Holocaust survivors, and provided extensive welfare programs?

The values of solidarity and humanity were extremely important in my upbringing, and continue to lead me today. Hence, we have invested immense resources in making every resident feel welcomed and taken care of. Tel Aviv-Yafo is proud to be home to every minority and group in Israeli society. Among other things, it is known as a world-renowned center of LGBT activity because it invested resources and undertook efforts to make this community feel at home. ●