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## How The Trump Presidency Opens The Door To China's Global Business Ambitions

The news last week that a Chinese billionaire has given \$10 million to establish three joint artificial intelligence technology centers in Israel and China passed with hardly a headline.

The institutes funded by Zong Qinghou, the chairman of the Wahaha Group, a huge conglomerate, will be in Haifa, Israel, Hangzhou, China and Beijing. Announced as part of a larger trade mission to China by Israeli Prime Minister Benjamin Netanyahu, the new institutes will help develop technology from the University of Haifa and the Chinese Academy of Sciences' into companies. Expect a spate of startups in vision tracking through mobile devices, image processing and big data for medical application, 3D image learning, chip technologies and biometric identification for development.

The AI centers will likely strengthen Israel's position in the artificial intelligence business, and bring some of Israel's startup culture to China.

But what struck me most about the story was the questions it raises about the global business community in the age of Trump. While most of the U.S. press has been focused on domestic political crises, many companies and countries around the globe are moving to capitalize on the turmoil. The dynamics of the international business community are being reshaped.

That's on display in three arenas here: the increasing independence of universities, the rise of China as a business power, and third –limited to the narrow but important field of Israel/Palestine – the increasing pragmatism on the part of business people who care about the conflict.

**Universities can be free agents, too**

Startup energy is deeply rooted in universities and research. Connections between universities often serve as conduits for the most talented students to do graduate work and – in the tech world, some go on to found companies.

Many of those global conduits have poured into the United States, from Iran, or Egypt. Since the Trump travel ban, applications from foreign students to U.S. universities have dropped 40%.



*L to r: Professor Zhan Chou, Chinese Academy of Sciences; Zong Qinghou, chairman, WaHaHa Group; Ron Robin, president, University of Haifa  
Elka Nir, CEO of Carmel Ltd (Carmel is the University's Technology Transfer Fund)*

Those students aren't going to stay home, as Haifa's new alliance shows – the cross pollination is too important for their careers and their development. And, it's increasingly easy for a university to turn that hose of talent to another destination. Ron Robin, Haifa's new president, was senior vice provost for global faculty development at NYU, where he established NYU campuses in Abu Dhabi and Shanghai. It's not solely the travel ban that has shifted the perception of the United States, he said.

"I've spent a significant amount of time in the United States, was educated there," Robin said. "But I don't identify a master plan anymore. I don't identify a sense of mission."

### **China's master economic plan could supplant U.S. leadership**

China is spending an estimated \$1 trillion to build a new network of infrastructure and trade alliances across Eurasia. Of course, Israel's new connections to China don't necessarily mean fewer connections to the United States. But it is telling that one of America's strongest allies – which just received a commitment for nearly \$40 billion of military aid over 10 years from the United States– is looking East.

Smart business people in every country are sensitive to opportunities of all kinds.

“China has a master plan of integrating economies on crucial trade routes,” said Robin. “We fit into that easily.”

### **Arab Israelis in the new political environment**

The University of Haifa is interesting in itself in part because 40% of its students are Arab Israelis.

There are about [1.4 million Palestinians](#) living inside Israel, mostly descendants of people whose villages were inside Israeli borders in 1948 and 1967. If and when the Trump administration takes up renewed negotiations – it has signaled that it intends to do so – [their rights and the rights of other religious minorities](#) in Israel are likely to come under scrutiny.

In 2013, the median annual income of Israel’s Arab households was around \$27,000; for Jewish households, it was around \$47,000, nearly 75 percent higher. The infant mortality rate is more than twice as high among Arabs as it is among Jews, according to an article in Foreign Affairs.

Zong said he funded the programs in part because the University of Haifa serves a disadvantaged student population. Many of them the first people in their families to attend college.

“Like myself, many of them come from modest backgrounds but they are driven by a burning desire to improve themselves and improve their society,” he said by email.

The University of Haifa has won similar support from Palestinian American business people from Chicago. Five members of the community there set up a fund that has so far given more than \$150,000 worth of scholarships, according to Talat Othman, a well-known financier. Palestinians can be ostracized for working with Israelis, and vice versa, so I asked Othman whether he and the group had a pause about working with an Israeli university. (There is a nearby university in Palestine, the Arab American University in Jenin).

He answered me by email.

“Yes, of course we had thought about it long and hard. There are many reasons why not to do a Scholarship Fund at an Israeli University. Members of the Palestinian American community in Chicago ask questions, such as:

1- Israel is an affluent country, it is their responsibility to take care of ALL its citizens

2- We Americans give billions of tax dollars to Israel every year, why don't they use some of those funds for educating their Arab citizens.

3- Given the occupation of Palestinian land in the West Bank, why support an Israeli

University not a University in the West Bank

4- There are thousands of students in the West Bank and Gaza that need Scholarships, should they not have a priority? Etc.

Of course all that is true, however, Arabs in Israel do not get the same resources or equal share of the National budget as the Jewish citizens. It is what it is. There is poverty in the Arab communities, thus bright young people do not have a chance at a University education. They are marginalized. The need is real," he said.

In a world of Trump, it may become easier for business people to divorce themselves of politics. With the U.S. abandoning long-held ideologies, the best path forward could be pragmatism.

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