Cisco’s Involvement in the Occupation

Cisco Systems is a US-based publicly traded company, that develops, manufactures and sells hi-tech services and products for various sectors.

Through its Israeli subsidiary, Cisco – Israel, Cisco Systems is currently involved in the establishment of technological hubs in the occupied Palestinian territory and in the Syrian Golan, as well as, in the Naqab (Negev) region. The company is complicit in Israel’s expanding visual surveillance apparatus in Jerusalem and has won an Israeli Ministry of Defense (IMOD) tender to provide servers and IT support to the Israeli military.

Further, through its Israeli subsidiary, Cisco Systems is involved in the emerging Palestinian hi-tech sector. This involvement takes the guise of technological development and job creation but in fact, contributes to the structural dependency of the Palestinian economy on that of Israel.

The company’s involvement in activities related to Israel’s occupation comes in violation of international law and contradict its stated commitment to human rights and the UN Global Compact for Corporate Social Responsibility.1

Prior to publication, Who Profits contacted Cisco Systems to share the information presented here and request a response. None was received.

Technological Hubs on Occupied Land

In 2016, Cisco announced a three-year partnership with the Israeli government to advance the, “Digital Israel National Initiative” (hereinafter: Digital Initiative).2

Israel’s Digital Initiative was outlined by the government in 2013 in Resolution No. 1046.3 The Initiative, falls under the remit of the Ministry for Social Equality, and aims to formulate and implement a national digital policy for economic development, while increasing both national and local government efficiency.4

As part of this partnership, the launch of a joint collaborative effort with the Israeli government to open 100 technological hubs, was announced in 2018. These hubs, equipped with Cisco’s technology, are to bring prosperity to “Israel’s geographical and economic periphery”, by providing local entrepreneurs with the space and support they need to develop new business ideas and connect them to Tel Aviv, Israel’s technological and economic center.5

In February 2019, the Ministry for the Development of the Negev and the Galilee, announced the allocation of 90 million NIS (~ 25 million USD) for the launch of 45 such hubs, all of which will be equipped with Cisco communication technology.6

Hubs on Occupied Land:

Two of the 10 hubs opened to date are located on occupied territory. One is located in the occupied Syrian Golan –at the Ha’Emir junction, between the settlement of Sha’al and

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1 Cisco, Corporate Social Responsibility.
6 The Ministry for the Development of the Periphery, the Negev and the Galilee, “Joint Work area “Klika Tefen Tower” is Underway!”, 20 February 2019.
Hubs in the Naqab:

In the Naqab, where ten Cisco technology equipped hubs are planned, two are located in Palestinian towns — one in Hura and the other in Ar’arat al-Naqab (two out of seven Palestinian Bedouin towns in the Naqab). Additionally, twenty-six hubs are planned for Jerusalem, including in occupied East Jerusalem.

The Syrian Golan, the West Bank and East Jerusalem are recognised as occupied lands under international law and by the majority of the international community. Cisco’s participation in a project which designates them as Israeli “periphery” areas contributes to efforts to legitimise Israel’s illegal annexation and occupation of these territories.

These technological hubs directly benefit Israel’s industrialisation on occupied land. In addition, they also encourage the population of settlements through job creation, whilst bolstering settlements’ economic power. This comes at the direct expense of Palestinian and Syrian communities and is illegal under international law.

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7 The Ministry for the Development of the Periphery, the Negev and the Galilee, “Klika – Joint Work Spaces of the Ministry for the Development of the Periphery, the Negev and the Galilee,” (Hebrew) 6 February 2019.
9 The Hague Regulations and the Fourth Geneva Convention prohibit settlements under occupation and considers them as a war crime. The international community has consistently reiterated international law provisions, deeming Israeli settlements illegal. Through various resolutions, the UN Security Council continues to call for complete Israeli withdrawal from the occupied territory, including East Jerusalem and the Syrian Golan. Furthermore, in 2014, the UN’s Office of the High Commissioner for Human Rights restated that the Israeli settlements “encompass all physical and non-physical structures and processes that constitute, enable and support the establishment, expansion and maintenance of Israeli residential communities beyond the Green Line of 1949 on the occupied Palestinian Territory”. UN Office of the High Commissioner for Human Rights, “Statement on the Implications of the Guiding Principles on Business and Human Rights in the Context of Israeli Settlements in the Occupied Palestinian Territory”, 6 June 2014, p.1 (footnote 2).
10 Hagar Bohbot, “Meet Cisco’s Digitisation Program in Israel”, (Hebrew) Ynet, 5 February 2018.
Entrenching Economic Dependency

In 2008, Cisco signed a collaborative deal with the Palestinian President, Mahmoud Abbas, for the investment of 10 million USD for the development of the Palestinian hi-tech sector. The investment was managed by Gai Hatzroni, then the manager of the software development department at Cisco-Israel. The deal involved outsourcing work to Palestinian engineers and technicians, led by Cisco Israel. This Cisco project was a milestone in setting a trend in the outsourcing of work to a skilled, yet comparatively cheap Palestinian workforce by Israeli and Israeli intermediaries of international companies. Palestinian workers are paid well below the wages of an Israeli hi-tech worker (2,500 and 4,000 USD respectively). Since Cisco’s deal in 2008, the Israeli subsidiaries of Intel, Microsoft and Mellanox, have also outsourced work to Palestinian technicians. This outsourcing process reduces production costs through exploitation, and entrenches the dependency of Palestinian economic development on the economic and political interests of the occupying power.

In recent years the Palestinian hi-tech sector has experienced a noticeable growth. According to the Palestinian Information and Technology Association of Companies, there are over 250 Palestinian hi-tech companies, while the sector constitutes around

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12 Liran Grinberg, “Cyber “Think Tank” Team 8 Raises $18 Million Series A Round To Develop And Launch Cyber-Security Startups”, Team8, 10 February 2015.
13 Team8, Leadership Team, Team8.vc
Surveillance in Jerusalem

Cisco is involved in expanding Israel’s visual surveillance apparatus in Jerusalem, which predominantly targets the Palestinian population under its control. In August 2017, Cisco made an offer to the Jerusalem Municipality to launch a pilot project for the development of ‘Smart City’ technology, free of charge. The 36-month joint venture is to be implemented in two sites in the center of West Jerusalem, with the prospect of expansion. This pilot project includes the implementation of technology, communication equipment and CCTVs, connected to a command and control center. The center is to be equipped with video analysis software and technology which include a voice detection capacity and the ability to detect and alert about the presence of lingering groups. The center will have the ability to analyse footage from up to 10,000 CCTV cameras.

In recent years, Israel’s security strategy in Jerusalem has relied heavily upon investment in visual surveillance networks. Private corporations are complicit in facilitating a wider monitoring range with adverse impacts on Palestinians living in the city. The activities generate huge profits for these corporations.

For a detailed analysis of how Jerusalem has become a testing ground for corporations developing urban surveillance technology see Who Profits’ report: “Big Brother” in Jerusalem.”

Financial Information:

Ownership: Major shareholders: Vanguard Group Inc (10.46%), Blackrock Inc. (9.85%), State Street Corp (5.73%), Bank of New York Mellon Corp (3.06%), Bank of Maerica Corp /DE/ (2.75%).

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22 On file with Who Profits.  
23 Ibid  
CEO: Charles H. Robbins
Traded: Publicly traded in NASDAQ under the ticker symbol CSCO.
Revenues: 49.3 Million USD in 2018.
Partners: The company holds strategic alliances with the following companies: Accenture Ltd; Apple Inc.; AT&T Inc.; Cap Gemini S.A.; Citrix Systems, Inc.; Dell Technologies Inc.; LM Ericsson Telephone Company; Fujitsu Limited; Inspur Group Ltd.; Intel Corporation; International Business Machines Corporation; Italtel SpA; Johnson Controls Inc.; Microsoft Corporation; NetApp, Inc.; Optum; Oracle Corporation; Red Hat, Inc.; SAP AG; Sprint Nextel Corporation; Tata Consultancy Services Ltd.; VMware, Inc.; Wipro Limited.
Other partners include the Jerusalem Municipality, the Israeli Ministry of Defense, Bezeq and the Israel Electric Company (IEC).
Subsidiaries: The company operates more than 150 subsidiaries worldwide.
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