

The Impacts of the BDS Campaign on Israel's Economy

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The most effective way to fight Israeli occupation harshness is economic – hitting it in the pocket book where it hurts.

BDS efforts continue gaining important victories. Cumulatively they gain momentum for more. BDS co-founder Omar Barghouti knows boycotts work. Last year [he explained why Israel fears them](#), saying:

“[Netanyahu] ... declared BDS a strategic threat. Calling it the ‘delegitimization’ movement, he assigned the overall responsibility for fighting it to his Strategic Affairs Ministry.”

BDS challenges Israeli persecution of Palestinians for not being Jewish. It’s “the root cause of its growing worldwide isolation,” Barghouti explained.

Viewing BDS as a strategic threat reveals Israel’s “heightened anxiety” fearing loss of its mainstream acceptance. It reflects its Foreign Ministry Brand Israel campaign failure.

BDS calls for ending Israel’s illegal occupation, treating its Arab citizens no differently from Jews, and granting diaspora Palestinians their legitimate right of return as mandated under international law.

Israel worries about growing numbers of American Jews “vocally oppos(ing) its policies,” Barghouti explained – especially prominent Jewish figures unwilling to accept occupation harshness and discriminatory policies against Israel’s Muslim population.

“Israel is also threatened by the effectiveness of the nonviolent strategies used by the BDS movement, including its Israeli component, and by the negative impact they have had on Israel’s standing in world public opinion,” said Barghouti.

“As one Israeli military commander said in the context of suppressing Palestinian popular resistance to the occupation, ‘We don’t do Gandhi very well.’ ”

Growing BDS support among US academic institutions and campus divestment campaigns show “BDS is not longer a taboo in the United States,” Barghouti explained.

It’s a force to be reckoned with – an existential threat Israel ineffectively tries countering by invoking the anti-Semitism canard. It’s attempt to silence critics increasingly falls flat.

BDS championing Palestinian rights under international law and full equality for Israel's Arab citizens rankle it by "rais(ing questions about its self-definition as an exclusionary Jewish state," said Bargouthi.

It "remains the only country on earth that does not recognize its own nationality, as that would theoretically avail equal rights to all its citizens, undermining its 'ethnocratic' identity."

" The claim that BDS, a nonviolent movement anchored in universal principles of human rights, aims to 'destroy' Israel must be understood in this context."

Will equal rights for all its citizens anchored in state law destroy Israel? Did it destroy America post-slavery and Jim Crow or apartheid South Africa?

Israel's "unjust order (alone) is threatened by boycotts, divestments and sanctions," Barghouti stressed.

An internal Israeli Finance Ministry report titled "Economy of Israel in the Shadow of the Delegitimization Campaign" examines the effects of BDS and suggests possible future scenarios.

It claims no serious economic harm so far saying "pragmatic and realistic considerations dictate business policy...(M)any businessmen and investors around the world...maintain normal relations with Israel."

"As of today, we can safely say Israel is not isolated and the boycott campaign has become a nuisance."

"(T)he state of Israel and its foreign policy must take into consideration extreme scenarios which may occur if western countries join the voluntary boycott and should there be an official boycott of the European Union."

The first scenario is partly true - including voluntary boycotts of Israeli enterprises and selective labeling of settlement products.

The second one involves an EU-wide boycott of West Bank settlement exports - costing Israel's economy about \$300 million, a tiny fraction of its exports.

A devastating scenario would involve EU countries boycotting Israeli trade entirely - about a \$1.2 billion hit to its economy.

Additional consequences could include a "sharp devaluation of the shekel and consequently capital market activities will be substantially damaged," the report said.

(T)here will be increased debt levels in the private and public sectors with a significant deterioration in Israel's ability to raise capital, which will lead to an increase in costs of raising capital, a reduction in investments and a substantial increase in unemployment.

Additionally, there will be an increase in the price of products and the economy may encounter a surge in inflation, and it is likely that a significant increase in short-term interest rates will be required.

(O)ne of the primary objectives of the delegitimization campaign conducted by the BDS coalition is to create for Israel the image of a country with ongoing conflict, which violates human rights, similar to that of South Africa in the apartheid era.

Countries affected by negative public opinion have lower GDPs than ones viewed more favorably. Israel is the sole exception – so far. How much longer remains to be seen.

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His new book as editor and contributor is titled “Flashpoint in Ukraine: US Drive for Hegemony Risks WW III.”

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