

Why Israel Desperately Needs Palestine: Economic-Political-Psychological Analysis

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Global Research, December 23, 2015

[Intifada-Palestine](#) 22 December 2015

Region: [Middle East & North Africa](#)

In-depth Report: [PALESTINE](#)

Israel's military occupation and confiscation of privately owned lands in the West Bank is extremely oppressive, with Palestinians having minimal basic rights of movement and speech to begin with. Thousands of Palestinian men, women, and children are held in Israeli prisons with physical abuse and torture as a accustomed routine. Palestinian borders are controlled by Israeli forces. Periodically men, women, and children are strip searched. women in labour are prevented from reaching hospitals (at times resulting in death), food and medicine are blocked from entering Gaza, producing an inevitable humanitarian crisis. Israeli forces invade , injure, detain minors, kidnap, and shoot if resistance is witnessed. Now, one would believe that the sole aim of the Israeli regime is to annihilate Palestinians (via the channels of ethnic cleansing) and build the country for Jews on the Palestinian land. This belief is crumbled into pieces once the economic-psychological duet analysis of the Israel -Palestine conflict is examined.

Contrary to the popular belief that Israel wants to execute the Palestinians shatters down once the psychological understanding of the Israel-Palestine conflict is analysed. By the end of the article, you would understand the political psyche with which Israel operates. Throughout the article, I shall engage in the economic profitable strands of the conflict. How Palestinians sustains the economy of Israel? Why Israel needs the Israel-Palestine conflict to be sustained rather than be terminated at a mutual agreement? How is Israel-Palestine conflict too profitable to be resolved?



Hamza Almadani, whose home, while he and his family slept, was hit with an illegal white phosphorus missile fired by Israeli military (Image credit: Dr. Vacy Vlazna)

Israel is drowning in poverty

Israel has the second-highest poverty rate within the Organization for Economic Cooperation and Development (OECD), while Mexico leading the list. More than 1.7 million people living in Israel (22 percent of the population) lives in poverty, the National Insurance Institute said in its annual report(2014). The report, based on data gathered by the Central Bureau of Statistics, found that in 2014 1,709,300 people, including 444,900 families and 776,500 children, lived below the poverty line, representing an increase over the year before. The percentage of families living in poverty rose from 18.6% in 2013 to 18.8% in 2014, while

poverty among children increased from 30.8% in 2013 to 31% in 2014.

Israel ranks fourth in child poverty in the developed world, a UNICEF report claims (2014). Child poverty in Israel has increased from 35.1 to 35.6 percent, placing it behind Greece (40.5 percent), Latvia (38.2 percent), and Spain (36.3 percent), which warned that “the longer these children remain trapped in the cycle of poverty, the harder it will be for them to escape.” [Haaretz reported](#), while fourth in child poverty, Israel had the highest rate of young adults who are not in education, employment or training, with 30.7 percent.

“Even when unemployment or inactivity decreases, that does not mean that young people are finding stable, reasonably paid jobs. The number of 15-to-24-year-olds in part-time work or who are underemployed has tripled on average in countries more exposed to the recession,” the report said.

The economic crisis in Israel does not end here, rather begins with these figures. Boycott Divestment and Sanction (BDS), a non-violent movement is gaining its strength around the world. This nonviolent movement for the justice in Israel/Palestine has grown more momentum than Israel could have imagined. Considering the figures, Israel's concern over BDS is genuine. Israeli financial newspaper reported, estimating that BDS could cost Israel's economy \$1.4 billion a year. The estimate included exports from the West Bank settlements (occupied territories) and with the EU's decision to label the occupied territory products by the Israel (not part of the BDS movement), The Rand Corporation estimates that the loss could be more than three times higher: *\$47bn over 10 years*.

The head of the Israel four leading weapon manufacturing company showed major concern stating that the defence industry in Israel is in the midst of a major crisis: military exports have dropped from \$7.5 billion in 2012, to \$6.5 billion in 2013, and further to \$5.5 billion in 2014. This year it is expected to exports to total \$4-4.5 billion. A complete boycott of Israel by the European Union would cause the country to lose some 88 billion shekels (\$23.3 billion) of exports, a cut of 40.4 billion shekels from gross domestic product and shall cost some 36,500 jobs, the Finance Ministry said in a report obtained by the Marker. (source: [electronicintifada.com](#))

The danger of this economic crisis lays in future where a sharp devaluation of the shekel and would be observed. Increased debt levels in the private and public sectors with a reduction in investments and a substantial increase in unemployment is expected. According to a [report](#) in Arutz Sheva, Israel's Finance Ministry is now warning that the country will go bankrupt over the next few decades:

...By 2059 the Haredi population is projected to jump from 11.1% today to a full 26.6% [i.e., more than double in size], while the Arab population is expected to grow from 20.9% to 23.1%. Partially as a result of the shifting populations, the annual gap between government spending and government revenues will reach 0.8 percentage points, equalling roughly 9 billion shekels (\$2.3 billion), and as a result Israel's debt will start to hike. While Israel's national debt has been shrinking and is now at 67% of the GDP, that trend will reverse around 2030 according to the projection, and by 2059 it will reach 88% – still a far cry from economically floundering states such as Greece, which is at 175%. However, Finance Ministry economist Assaf Geva found that if Israel doesn't succeed in raising the retirement age of men and women to 69, the 0.8-point gap could actually be as high as 2.4 points equalling 25 billion (almost \$6.5 billion) by 2059, raising Israel's debt-to-GDP up to 135%...

How Israel misuses Palestinians in escaping its crippling economy

As the crisis revolving around Israel's economy increases, Palestine becomes a source for escaping or rather a catalyst in stabilising Israel's deteriorating economy. The aim is to profit from the illegal occupation, and the psychological warfare becomes an passively active ingredient to reach the end. As stated before, one should realise that Contrary to the popular belief, Israel does not want to annihilate the population of Palestine, rather it wants to use the psychological warfare techniques like collective punishment, detention of the minor, confiscate the land, raid etc to terminate the resistance (thereby creating a psychological fear of resisting) and at the same time use the *politics of instigation* to ignite the Palestinians via physical and psychological torture and humiliation to continue the resistance , as it becomes the means to the profitable end for the Israel government. (source: *Politics of Instigation* by Parul Verma)



Israeli aerial and ground forces used white phosphorus bombs to pound several residential areas across the besieged Gaza Strip.

Palestinians have become the test and trial population(combat proven)

Since 2000, Israel has had military operation lasting a few weeks every few years: Defensive Shield (in the West Bank) in 2002; the Second Lebanon War in 2006; Cast Lead in 2008-09; and Pillar of Defence in 2012, Protective Edge (2014). In almost every case, new military technology or weapons were used - which had a profitable effect on Israel weaponry manufacturing department. In 2002, weaponry exports were worth \$2 billion which grew to \$3.4 billion in 2006, and were \$6 billion in 2012. In 2013, the three largest defence contractors all showed increases in sales: Elbit had annual revenues of \$3 billion; IAI \$2.65 billion; and Rafael \$2 billion.

Elbit is Israel's largest publicly traded arms and security company. Based in Haifa, it has international reach, infact 75% of its market is outside Israel. It's main manufacturing products are Drones, display and weapons systems for Apache helicopters, rockets and guidance systems, fuel tanks for F-16s, unpiloted boats, systems for civil aviation etc. The company has military contracts with governments in the US, UK and Europe, Africa, Asia and South America. According to the *Corporatwatch.org*, 85% of drones used by the Israeli military are manufactured by Elbit. Elbit's armed drones are used by the Israeli army in daily surveillance and attacks in Gaza. In effect, Elbit markets its equipment on the fact that it has been battle tested on the bodies of people in Gaza. For example, the Elbit website advertises that the Hermes 450 drone is the "backbone of Israel's UAS fleet and is combat proven". Iron Dome has been a star sale after the recent offensive Protective Edge operation in 2014 as well in 2012 . It is considered to have a 90 percent success rate in intercepting rockets being fired from Hamas. Infact Bahrain and other members of the Gulf Cooperation Council (GCC) which includes Saudi Arabia and the United Arab Emirates, Oman, Qatar and Kuwait are in negotiations to buy the Israeli-developed Iron Dome anti-missile system to defend against "a growing arsenal of Iranian missiles". The deal would profit Israel worth billions of dollars. Khalid bin Mohammed al Khalifa, Bahrain's foreign minister said on the visit to London: "The Israelis have their small Iron Dome. We'll have a much bigger one in the GCC."



Let me tell you the ground reality. **The Palestinians have become a test and trial population who are being subjected to the testing of heinous weapons being produced by Israel. The psychological camouflage that is sustaining this laboratory testing on Palestinians is the “ existential threat card” being played by Israel. To protect their existence from a home made cheap rockets from Hamas, Israel is deploying its Iron Dome testing on Palestinians.**

The local defense industries provide jobs (directly and indirectly) for some 150,000 people in Israel. *Haaretz* reported that the ministry refuses to reveal the overall figures on Israeli arms exports, but some of the data was revealed last year, after a human-rights activist filed a suit (in 2013) . It transpired that \$3.83 billion-worth of deals were signed in 2012 with Asian countries; \$1.73 billion with European nations; \$1.1 billion with Canada and the United States; \$604 million with Latin America; and \$107 million in Africa. Israel admitted to sales with only five countries – the United States, Spain, Britain, South Korea and Kenya – but *Haaretz* has found there were deals with at least 33 more countries, including many in the Third World.

Israel is stealing natural gas worth billions from the Gaza Strip and West Bank

The Gaza Strip, West Bank and East Jerusalem are rich in oil, gas a shale oil resources, al-Haq claims in its 2015 report, *Annexing Energy*. If these resources were to be developed, Palestine would be economically self-sufficient and would be free from dependence on international community aids. A large concentration of natural gas was found off the Gaza shoreline. According to the estimation of the British Gas group, the natural reservoir of the Gaza shore is estimated at 1.5 trillion cubic meters, at a net worth of around \$4 billion US dollars. British Gas group ,according to the agreement with the Palestinian authorities in 1999 were given the right to dig there and sell the gas .The British company had already set up two gas wells called Gaza Marine 1 and Gaza Marine 2.

However, Israeli regime would intercept anything and everything that becomes the catalyst for economic growth for the Palestinians. Some believe that the various offensive operations that has lead to the massacred of Palestinians have nothing to do with self defence, but is actually all about the natural gas buried beneath the Palestinian land.

Operation Cast Lead began in June 2008, at the exact same time that Israel contacted BG to discuss critical negotiations around Gaza’s natural gas. Israeli Defense minister Moshe Yaalon mentioned, “Israel needs additional natural gas sources”. But purchasing gas from the Palestinians, he claimed, would be “tantamount to Israel’s bankrolling” .His statement below clearly connects the links between Israel’s military operations and Palestine’s oil and gas reserves:

“British Gas is supposed to be the crown jewel of the Palestinian economy, and provide part of the solution to Israel’s pressing energy needs. The British energy giant, now called the “BG Group,” and its local partners – the Palestinian Authority under Mahmoud Abbas and the private, Palestinian-owned Consolidated Contractors Company (CCC) – are currently involved in advanced negotiations to sell to Israel massive amounts of natural gas – reserves of nearly 1.4 trillion cubic feet – that BG first discovered in 2000 off the Gaza coast. The market value of the gas has been estimated at \$4 billion. Therefore, sale of the gas to Israel would mean a billion-dollar windfall for the

PA and, potentially, for the Palestinian people. Unfortunately, British assessments, including those of former Prime Minister Tony Blair, that Gaza gas can be a key driver of an economically more viable Palestinian state, are misguided. Proceeds of a Palestinian gas sale to Israel would likely not trickle down to help an impoverished Palestinian public. For Israel, the need for BG's gas may have already taken a toll. It is possible that the prospect of an Israeli gas purchase may have played a role in influencing the Olmert cabinet to avoid ordering a major IDF ground operation in Gaza ...Clearly, Israel needs additional natural gas sources, while the Palestinian people sorely need new sources of revenue. However, with Gaza currently a radical Islamic stronghold, and the West Bank in danger of becoming the next one, Israel's funneling a billion dollars into local or international bank accounts on behalf of the Palestinian Authority would be tantamount to Israel's bankrolling terror against itself. Therefore, an urgent review is required of the far-reaching security implications of an Israeli decision to purchase Gaza gas." (Moshe Yaalon, Does the Prospective Purchase of British Gas from Gaza Threaten Israel's National Security?, Jerusalem Center for Public Affairs, October 19, 2007)

The *Middle East Monitor* reported September 4, 2014 that a Memorandum of Understanding "is due to be signed between Israel and Jordan in the reservoir of Leviathan to export Israeli natural gas to Jordan during the next 15 years with a total value of \$15 billion". ([Jordan to buy \\$15bn of Israeli gas](#), Middle East Monitor, September 4, 2014.)



Michel Chossudovsky, a Canadian economist, estimated that the amount of gas in Palestine is much more, adding that it could make the future Palestinian state as rich as Kuwait. He further stated, "... from a legal standpoint, the gas reserves belong to Palestine." adding that "the death of Yasser Arafat, the election of the Hamas government and the ruin of the Palestinian National Authority have enabled Israel to establish de facto control over Gaza's offshore gas reserves".

What is of utmost important here is the reflection of the most obvious agenda of crippling any catalyst that would initiate the economic growth of Palestinian. The existence of the Israel-Palestine conflict is a necessity for Israel to raise the profitable monetary bars, making the Palestinian population the test and trial experimental group, on whom the catastrophic weapons died are tested periodically(physically) and the implementation of apartheid system shatters the collective identity(psychologically).

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