

The Israeli Arms Industry: Profits from Occupation or Managing an Elite Crisis?

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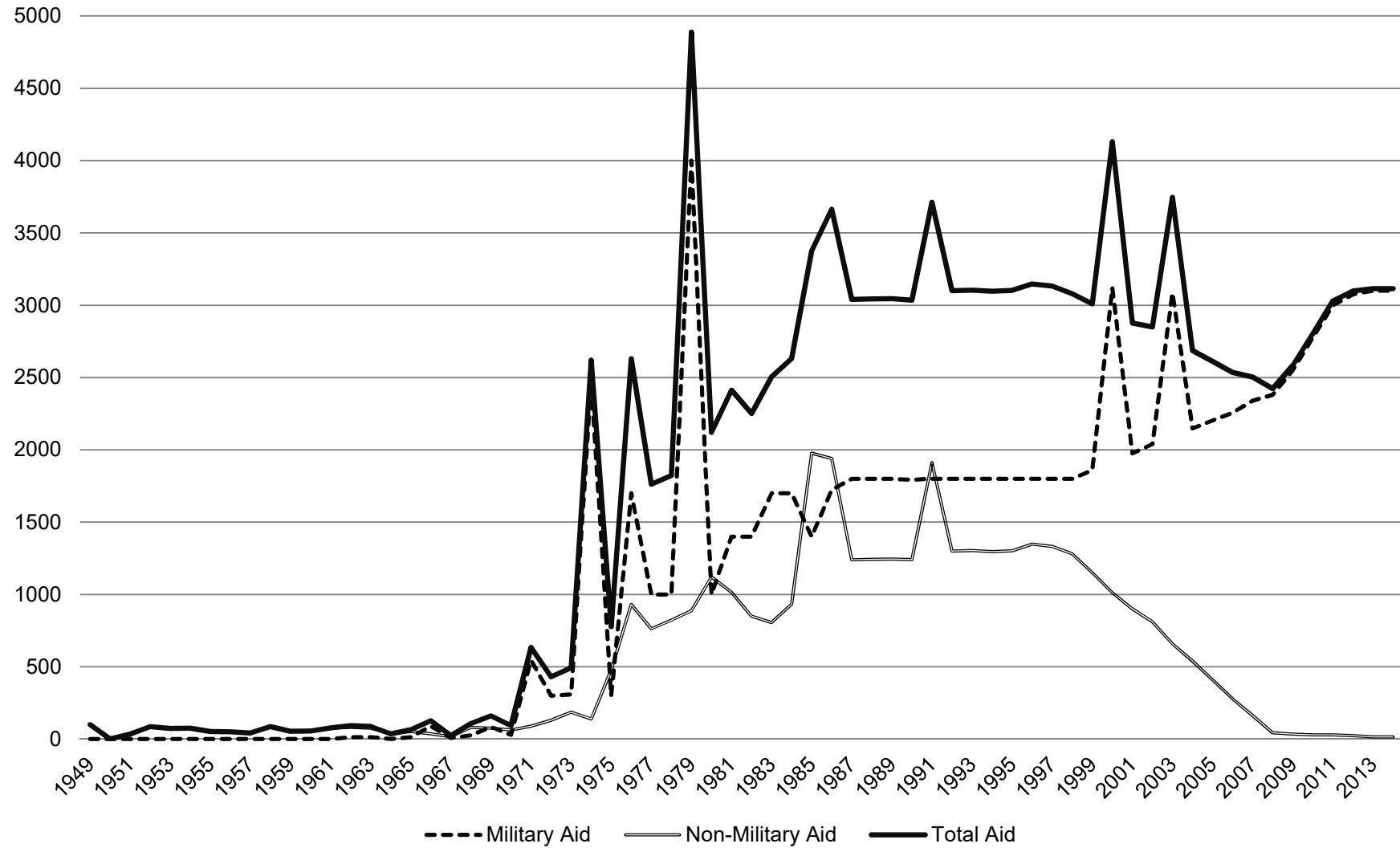
The Arms Industry

- ✦ 1933 – IMI is founded: public project.
- ✦ 1937 – El-Op is founded: private project.
- ✦ 1948 – Israel is founded.
- ✦ Two schools of thought: specialization vs. self-sufficiency.
- ✦ 1967 – French arms embargo.
- ✦ 1973 – U.S Military Aid.
- ✦ 1980s-1990s – slowdown.

U.S Aid to Israel

- ✦ 3 US\$ billion per year (3,000,000,000\$).
- ✦ A subsidy to U.S companies.
- ✦ Restrictions lead to specialization.
- ✦ Promoting sales.
- ✦ Israeli lobby?

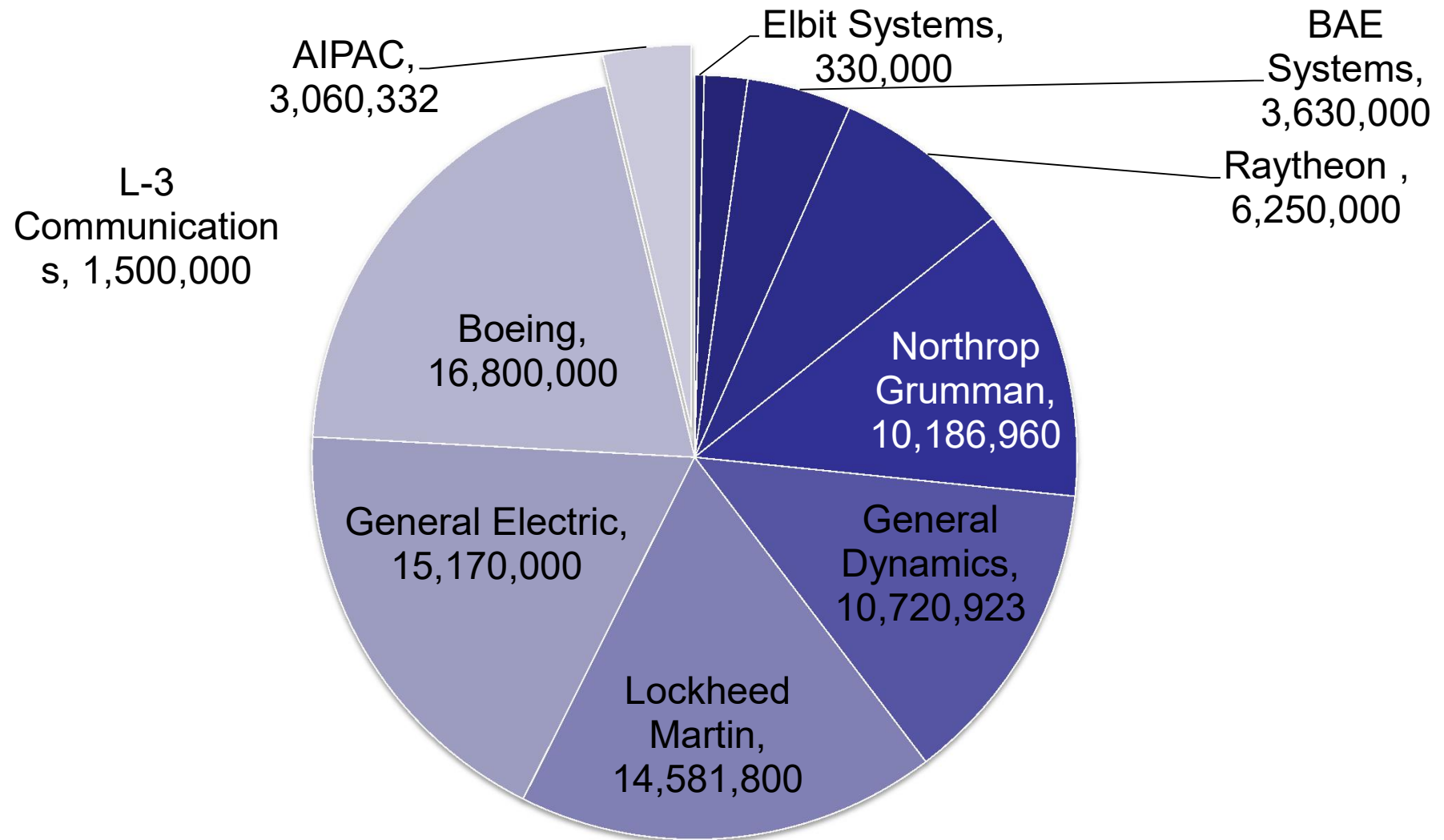
Graph 4: U.S Aid to Israel
US\$ millions, current prices



The U.S aid comes with strings attached

- ♦ Anti-tank missiles produced by Rafael
- ♦ The Lavie fighter plane in the 1980s
- ♦ The Falcon spy plane deal with China
- ♦ During the recent Gaza invasion: Hellfire missiles stopped.
- ♦ Nigeria never got its attack helicopters.

Arms Lobby in the U.S: 2014 (U.S\$)



\$Total: 82,230,000 US

Weapons Export

- ✦ Initially: income intended to finance weapon development.
- ✦ Ministry of Defense gains independence.
- ✦ Trade with countries which do not have diplomatic relations (from Germany to Pakistan).

The Four Companies



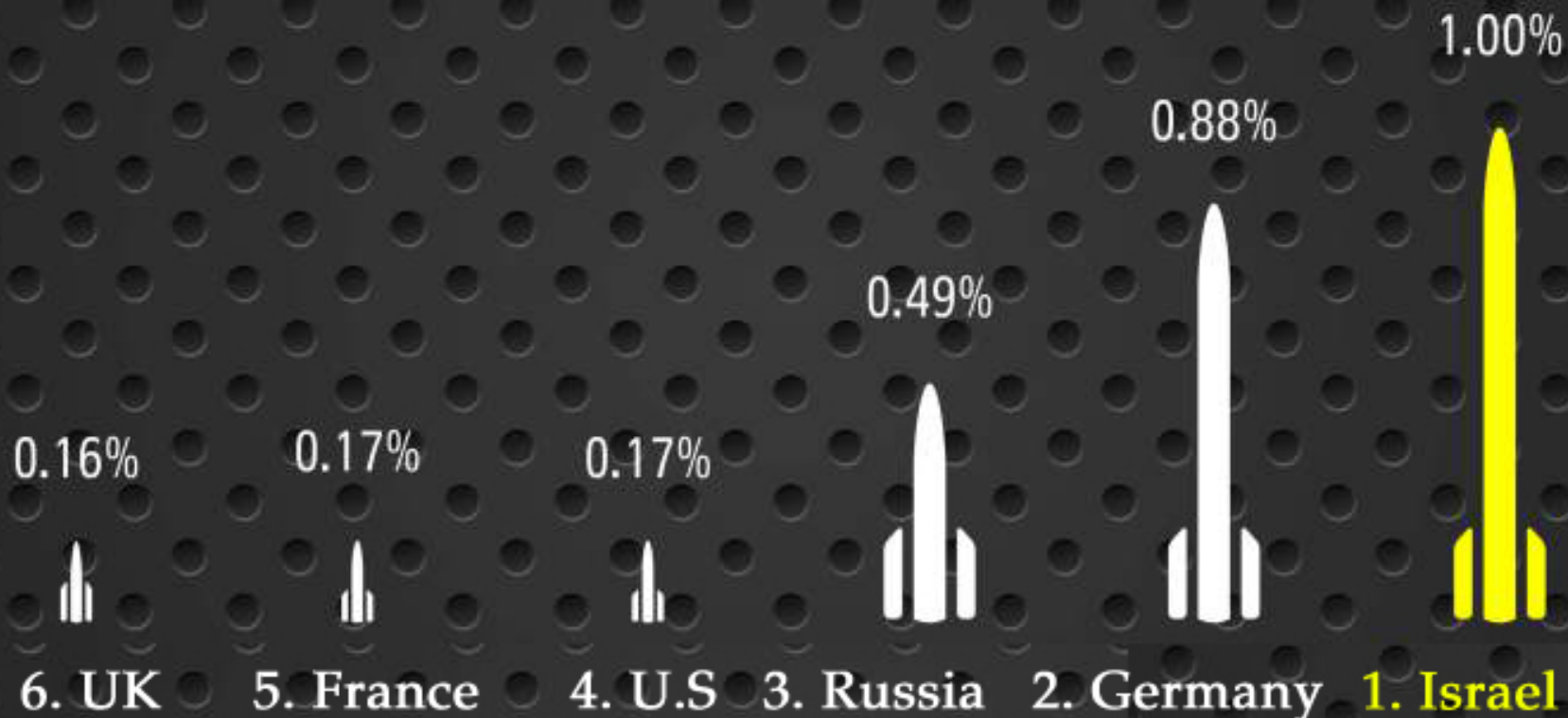
Top Arms Exporters

Rank	Country	Total Arms Export 2008-2011 (in US\$, millions)	Population (2011, thousands)	Per-capita weapons export 2008-2011 (US\$)
1	U.S	145,702	311,592	467.61
2	Russia	33,500	142,961	234.33
3	France	19,600	63,294	309.66
4	Germany	9,300	81,798	113.70
5	Italy	8,800	60,739	144.88
6	China	8,300	1,344,100	6.18
7	Israel	6,900	7,759	889.26
8	Ukraine	4,100	45,779	89.56
9	UK	3,600	62,436	57.66
10	Spain	2,900	46,125	62.87
11	Sweden	2,700	9,449	285.74

Israel Arms Sector

- ♦ About 150,000 households enjoy the income from the arms trade.
- ♦ Arms exports are about 11% of Israel's total exports.
- ♦ Over 600 homeland security companies.
- ♦ In 2000, the arms industry was 3% of GDP and accounted for 1% of the workforce.

Israel is the biggest arms exporter as proportion of GDP



Israel Specialty

- ♦ Experience from testing the technology on actual people.
- ♦ Tel-Aviv becomes the world capital of homeland security.
- ♦ Israeli officers' second career.
- ♦ Inequality, warehousing.

Homeland Security

- ✦ Gal Hirsch and the War in Georgia.
- ✦ What does the Wall of Separation, the drones and the privatized checkpoints have in common?
- ✦ Homeland security sector: biometric surveillance, cameras, data-mining, incarceration, control.
- ✦ Police training for the U.S, Brazil, India, etc.

Top Customers of Israeli Arms

Country	Accumulated Deals Value (US\$ millions, 2010 prices, 1950-2010)	Rank
USA	8,985.43	1
India	8,774.88	2
China	8,052.73	3
Turkey	3,194.28	4
Singapore	3,182.13	5
South Africa	3,120.48	6
Chile	2,739.31	7
Guatemala	2,026.06	8
Brazil	1,938.02	9
France	1,719.80	10

The Cost of Security

- ✦ The expenditure on security in Israel is 6.5%-12% of GDP.
- ✦ Deep inequality in Israel itself.
- ✦ The weakening of the military and police.
- ✦ Drop in conscription.
- ✦ Disintegrating society.

The Crisis

- ✦ Too many officers, not enough jobs.
- ✦ Failed arms exporters turning to politics.
- ✦ Decline in arms exports since 2012.
- ✦ The growing BDS movement.

Relevance for Action

“From Rhodesia to apartheid South Africa to the Gulf monarchies, Israel ties its interests not with the masses fighting for freedom, but with their jailers.”

Israel Shahak (Shahak, 1982)

- ✦ The interest in Israel/Palestine compared to other atrocities committed around the world.
- ✦ The left-right division in northern America and Europe.