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**The Economy of the Occupation**  
*A Socioeconomic Bulletin*



**CAST LEAD:  
ISRAEL ATTACKS GAZA**

Shir Hever

# *Economy of the Occupation*

Socioeconomic Bulletin Nº 21-22

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## **CAST LEAD: ISRAEL ATTACKS GAZA**

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© All photographs in this bulletin are licensed under a Creative Commons license (for a legend of the following symbols see: <http://creativecommons.org/licenses/>). ⓘ The cover shows an untitled installation by artist Mariona Obrador (January 2009), photographed by Mar Estragés (<http://www.flickr.com/photos/marestra/3198421543/>). ⓘ ⓘ Five photographs were taken by an anonymous resident of Rafah (<http://www.flickr.com/photos/rafahkid/>): Two in page 4 show (above) an Israeli unexploded missile in Rafah (January 7<sup>th</sup> 2009) and (below) a destroyed mosque (January 12<sup>th</sup>); The photographs in pages 7, 14 were taken in Jabalia on January 19<sup>th</sup> and the one in page 38 was taken there on January 25<sup>th</sup>. ⓘ ⓘ Four photographs were taken by Marius Arnesen (<http://www.flickr.com/photos/anarkistix/>): The one in page 19 was taken on April 12<sup>th</sup>; The one in page 41 showing a destroyed mosque was taken on April 13<sup>th</sup>; The one in page 55 showing a bombed house was taken on April 15<sup>th</sup>; and the one in page 61 was taken on the same date. ⓘ ⓘ The photograph in page 56 was taken by The International Solidarity Movement (<http://palsolidarity.org/>) on January 20<sup>th</sup> in a house in Jabalia.

The map in page 8 was graphically adapted from a map by the Office of the Coordination of Humanitarian Affairs (OCHA) of the Gaza Strip (January 2009). The original map can be accessed under the following address: [http://www.ochaopt.org/documents/ocha\\_opt\\_gaza\\_crisis\\_overview.pdf](http://www.ochaopt.org/documents/ocha_opt_gaza_crisis_overview.pdf).



## 1. Introduction



The Israeli military attack on the Gaza Strip, lasting from December 27<sup>th</sup> 2008 to January 18<sup>th</sup>, 2009, caused massive devastation in the Gaza Strip and threw the region into a state of confusion. The levels of violence shocked and amazed people all over the world.

Although the Israeli army has been conducting ongoing operations against Palestinians in the Occupied Palestinian Territories (OPT) and also against neighboring countries, this attack is of special importance and deserves separate analysis. The attack was enabled by and embodies a change in world reaction to Israel's policy towards the Palestinians. The attack further signified a break with several Israeli military and economic policies towards the Palestinians, and at the same time was a culmination of other Israeli policies.

The aim of this paper is to provide a general overview of the events of the attack, with an emphasis on the attack's context and the events that preceded it. The paper will explore some of the economic aspects of the attack and will conclude with several possible effects this attack may have on the Israeli occupation of the Palestinian territories.

Some clarifications are in order before a discussion of the attack can begin. First, this report was written with a certain level of urgency, as the global protest movement that emerged during the attack demonstrated the need to distribute facts about the attack at the soonest opportunity, to counter the efforts by the Israeli government to obfuscate the topic, conceal facts regarding the attack and discourage debate. As this report was written in the first months following the attack,

most of its sources are newspaper articles. Such articles are not always completely accurate, and this is compounded by the fact that Israel severely limited journalists' access to the Gaza Strip during the attack. Israeli army officials did not disclose most of their own information about the

*Israelis cannot claim ignorance regarding the attack on Gaza.*

course of the attack, the reasons for it, and its outcome. Because of this, some of the arguments presented here could be disproved in light of new information that will be made available in the future.

A special preference has been given to Israeli sources. Indeed, most of the information for this publication is derived from Israeli sources, and the reason for this is double. First, as this publication comes out in English, it is an opportunity to give the international reader access to information usually less accessible. Second, the fact that all this information was available in Hebrew to Israeli readers is presented here in order to clarify that Israelis cannot claim ignorance regard-

ing the attack on Gaza. The argument "we didn't know" cannot be used as an excuse by Israelis when confronted with these facts, as the facts were published in the Israeli media.

Second, the terminology used in this report has been carefully selected. The name of the Israeli operation: "Cast Lead" will not be used often, because it has been coined by one of the warring sides only (the attacker). The Israeli government did not declare war, and officially the attack was an Israeli "operation," though in the Israeli media it was called a "war." Since this was not a conflict between two standing armies, and as the fighting was mostly one-sided, the term "war" is inappropriate here, and the term "attack" will be used instead. This is despite the fact that both the Israeli authorities and the Hamas spokespeople endeavored to use the word "war" and thus convey that intensive two-sided fighting took place. For Israel, descriptions of intensive fighting help to justify its widespread use of force that ended up mostly harming unarmed and uninvolved civilians. For Hamas, the im-

age of intensive fighting bolsters their public image as active and brave resisters of the occupation (Hass, 2009m).

Although the comparison of force between the Israeli army and the Hamas party in the Gaza Strip is grossly mismatched, and the Hamas fighters were able to inflict only mini-

mal damage on the invading Israeli troops, the aim of this paper is not to ignore the role of Palestinians who resist the Israeli occupation. The conflict is not one-sided, and the decision of Hamas not to surrender and to keep fighting against overwhelming odds had powerful repercussions.





	Crossing point
	Governorate border
	Green line
	Israeli built-up area
	Built-up area
	Refugee camp

Both Sufa and Kerem Shalom are used as alternative crossing points for commercial and humanitarian goods.

## 2. Creation of the Gaza Strip



1948:

### CREATION OF THE GAZA STRIP

**T**he United Nations (UN) endorsed the two-state solution in 1947 based on the Partition Plan, simultaneously creating the state of Israel and a Palestinian state by its side. Although the Palestinians were the majority of the population (about two-thirds) living in the area to be partitioned, the Palestinian state was planned with a smaller territory (12 million dunams as opposed to 15 million for the Jewish state), and without territorial continuity. The western part of the planned Palestinian state was to include the entire Western Naqab (Negev), including areas which today contain the Israeli cities of Ashdod and Sderot (Khalidi, 1997).

In the war of 1948, Israeli forces entered these areas and occupied them. The 360 square kilometer area which remained was the Gaza Strip, and it was taken over by Egypt. As Israel conducted mass ethnic cleansing during the 1948 war, many Palestinian refugees fled to the area that had become the Gaza Strip, and the United Nations Relief and Works Agency (UNRWA) set up large refugee camps for the fleeing Palestinians (Shlaim, 2009).

One can say, therefore, that Israel effectively created the Gaza Strip in the 1948 war. The ethnic cleansing conducted by Israeli troops populated Gaza with refugees, thus determining the demographic and economic realities of the area.

**1967:**

**ISRAELI OCCUPATION  
OF THE GAZA STRIP**

In the war of 1967, Israeli forces fought the Egyptian army and occupied the Gaza Strip, as well as the Sinai Peninsula. Israeli forces found that 65.1% of the Gazan population were refugees, about half of them living in refugee camps, and this discovery has affected Israel's subsequent treatment of the Gaza Strip. The war of 1967 may be viewed as a continuation of the 1948 war; It was a further expansion of Israel's borders, and Israel now had to once again face many of the

*Israeli authorities realized that the misery of the refugees could pose a threat to its interests.*

same people it expelled from its borders in 1948 (Talhami, 2003).

Israeli authorities realized that the misery of the refugees could pose a threat to its interests. As the occupying power, Israel has tried to make the Palestinian refugees in the Gaza Strip leave the refugee camps and settle

permanently in the Gaza Strip and the West Bank—or to leave for other countries. This attempt was accompanied by projects to introduce innovations in agriculture and provide employment for Palestinians in the Gaza Strip (Gordon, 2008).

These policies, however, suffered from internal contradictions and were short-lived. Israel began to establish colonies for Jewish settlers inside the Gaza Strip in 1970 (Tal, 2005). Authoritative measures of control were used against the Gaza population (Gordon, 2008) and economic policies kept the Gaza economy dependent on Israel. Such policies included blocking the imports of machinery and raw materials, thereby forcing Gazans to rely on Israeli-manufactured finished goods. Israeli employers exploited the cheap labor of the Palestinians in Gaza, and Israeli settlements exploited the area's fertile land and water sources. Most importantly, Israeli officials discouraged, delayed, and undermined any economic development that could create competition with Israeli industries, thus

constraining Gaza's economy (Arnon, 2007). For example, Israel placed restrictions banning the formation of cooperatives and circumscribed operations of the Gazan Chamber of Commerce (Roy, 2009).

By 2005, Israeli settlers controlled 25% of the land of Gaza and 40% of the arable land, although they numbered less than 0.6% of the population of the Gaza Strip (Shlaim, 2009).

Despite the restrictions imposed by the occupation, Gazans were able to create an agricultural sector that provided some income to the local population, with produce such as flowers, strawberries and cherry tomatoes. These industries did not reverse the drop in the Palestinian standard of living, but merely slowed it down (Shaban, 2009).

surprise that the first Intifada began in the Gaza Strip and then spread to the West Bank. The Palestinians of Gaza, most of them refugees living in oppressive density, have always had a lower average standard of living than the Palestinians in the West Bank. Furthermore, the high concentration of refugees was a reason for Israeli officials to be more cautious of Gazans and to exert control more directly. In November 1987 the Israeli secret police had a particularly large arrest operation in the Jabalia refugee camp (IDF Spokesman, 2009). Later, the first Intifada was sparked by a controversial car accident in Gaza in December 1987 in which a settler killed four Palestinians, and which Palestinians said was an intentional attack. The protest spread quickly to the West Bank (Gordon, 2008).

### **1987:**

#### **THE FIRST INTIFADA**

Although repressive policies, exploitation, and economic deterioration caused by the Israeli occupation existed in the West Bank as well as in the Gaza Strip, it should come as no

### **1993:**

#### **OSLO NEGOTIATIONS**

When negotiations began in 1993 between Israel and the Palestine Liberation Organization (PLO) for peace and the creation of a Palestinian state (the Oslo Process), Israel decreed that

Palestinian autonomy will begin in the Gaza Strip and in Jericho, thus showing its unwillingness to retain control of the former.

Israeli Prime Minister at the time, Yitzhak Rabin, said that he wished the Strip would “sink into the sea,” meaning he believed it to be a burden, not

*Rabin said that he wished the Strip would “sink into the sea.”*

an asset for Israel, and that by offering it to the Palestinian Authority’s management he would be relieving himself of the responsibility for its occupied population (Hass, 1996).

The Palestinian Authority (PA) took some control over the Gaza Strip in the 1990s, but set up its seat in the West Bank city of Ramallah. Despite the PA’s autonomy, Israel continued to control the population registry, the movement of people, the economic situation and Gaza’s contact with the rest of the world, leaving the PA with only administrative responsibilities for public services. Since many services provided to refugees in the Gaza Strip were administered

by UNRWA, the PA did not even have a role in providing basic public services (Bennis, 1997).

International donors funded development projects in the Gaza Strip during the 1990s. These projects were intended to help create the foundations of a future independent Palestinian state with a viable economy. These projects, however, were foiled by Israeli authorities, who delayed raw materials and workers from reaching construction sites, and even bombed some of these areas (Hever, 2008).

The Oslo negotiations sputtered and eventually collapsed with the outbreak of the Second Intifada. The Second Intifada started in the West Bank, but resistance quickly spread to the Gaza Strip. Fighting has continued even after the Second Intifada, and the total number of Palestinians killed in the Gaza Strip since the beginning of the Second Intifada (September 2000) and until right before the Israeli attack on Gaza (December 26<sup>th</sup>, 2008) by Israeli soldiers and civilians was 3,004, as compared to 1,833 in the West Bank. This is despite

the fact that the population in the West Bank is larger than in the Gaza Strip (B'tselem, 2009b).

**2005:**

### **ISRAELI DISENGAGEMENT**

Unwilling to end the occupation and unable to make advancement in negotiations with the PA, the Israeli government under Prime Minister Ariel Sharon decided to adopt a unilateral approach towards the Palestinians, and to redeploy its forces without consulting or negotiating with Palestinian representatives.

In September 2005 Israel withdrew its nearly 8,000 settlers from the Gaza Strip and relocated its military bases outside of the area. Israeli officials declared that following this withdrawal, which Israel termed “disengagement,” the Gaza Strip is no longer occupied, and Israeli Prime Minister Ariel Sharon announced to the UN “the end of Israeli control over and responsibility for the Gaza Strip” (Gisha, 2007).

After the Israeli withdrawal, the Israeli army officially attacked the Gaza Strip three times during 2006—in

June, October and November. These attacks were of a smaller scale than the December 2008 attack (IDF Spokesman, 2009).

### **ISRAEL'S RESPONSIBILITY**

Despite the claim of Israel that the occupation of the Gaza Strip ended in 2005, Israel continued to exercise direct and indirect control over the Gaza Strip, and continued to deny the Gaza Strip the trappings or the essentials of sovereignty.

The Gaza Strip's borders, including its border with Egypt, are controlled by Israel. Israeli troops monitor the Gaza-Egypt border with live cameras and decide when the border will be closed, opened, and who may pass through. Palestinians are still not allowed to establish a seaport in the Strip. Israel also controls the Gaza airspace (B'tselem, 2009a) and monitors the Gaza Strip's population registry. The PA has no authority to issue official papers to residents without Israel's approval (*ibid.*).

The economy of the Gaza Strip is completely subjugated to Israel's deci-

sions. Israeli officials monitor and approve or disapprove each item before

### *Israel remains the occupying power of the Gaza Strip.*

it can be imported or exported from the area. Even the allocation of radio and cellular frequencies is under Israeli control (ibid.).

Because of these reasons and more, Israel is still considered, according to international law, as the occupying

force in the Gaza Strip (Molavi, 2009).

The Fourth Geneva Convention (to which Israel is a signatory) defines the population in an occupied territory as a “protected population,” and places responsibility for the safety of the occupied territory on the occupier, until the occupation ends (ICRC, 2009).

This point is important to remember regarding the Israeli attack on Gaza: Israeli forces have attacked the people whom they are charged with protecting.



### 3. Israeli Separation Policies



Israeli governments have held conflicting and contradictory policies towards the Occupied Palestinian Territories. The desire to expand Israel's territory comes into conflict with the desire to maintain a Jewish majority within that territory. Since the 1990s, the most prominent approach held by Israeli governments is that of separation. The idea of separation is to preserve the Jewish nature of the state of Israel by minimizing contact between Israeli citizens and the occupied Palestinians. It's also an attempt to keep the occupied Palestinians at a distance and thus avoid responsibility for their well-being (Hanieh & Cook).

Separation was adopted as Israel's official policy during the Oslo negotiations. Prime Minister Yitzhak Rabin replaced the Israeli negotiating team that tried to negotiate close economic relations between Israel and the Pales-

tinians, instead using negotiators with military backgrounds. The new negotiators shifted the focus from striving for economic relations to striving for a clear separation between the populations (Selby, 2003).

With the Second Intifada, and Prime Minister Barak's claim that "there is no partner for peace" (Bengal & Horev, 2006), the separation argument came to the fore of the Israeli political discourse. The Separation Wall built in the West Bank became the symbol of this policy, until the Israeli withdrawal from the Gaza Strip became an even clearer attempt at separation (BBC, 2003). Both the Separation Wall in the West Bank and the withdrawal of settlers from the Gaza Strip were attempts to minimize contact between Palestinians and Israelis, but without relinquishing Israeli control over the area. However, with the

rapid rate of settlement construction, separation cannot truly be achieved. The withdrawal from Gaza was also used by Israel to appease the international community without actually making significant compromises. Sharon's close advisor Dov Weissglass said that "The significance of the disengagement plan is the freezing of the peace process. When you freeze that process, you prevent the establishment of a Palestinian state and you prevent

*Israel defined not only the Hamas party, but the general population of Gaza as enemies.*

a discussion on the refugees, the borders and Jerusalem [...] Disengagement supplies the amount of formaldehyde that is necessary so there will not be a political process with the Palestinians" (Shavit, 2004).

The result of the separation policies was a rapid reduction in the number of Palestinian workers allowed to enter Israel and work for a living. From a peak of over 120,000 Palestinian workers coming to work in Israel every day in 1991, the number

dropped to about 13,000 by 2008. After the Israeli redeployment from Gaza, almost no Palestinians from the Gaza Strip were allowed to work in Israel. Also, the fences around Gaza made smuggling across the border a near impossibility (Barnard, 2006).

Since the redeployment of Israel from the Gaza Strip, fighting between Israel and the Palestinians in the Gaza Strip has not ended. In fact, with the settlers out of the way, Israeli forces

were able to bomb the area without the risk of harming Israeli settlers. Palestinians also fired rockets and mortar shells into Israeli territory. In 2005-2007,

11 Israelis were killed by rockets fired from the Gaza Strip, while 1,290 Palestinians in Gaza were killed by the Israeli army (Shlaim, 2009).

Following the Hamas takeover in Gaza in 2007, Israel tightened its siege on the Strip. Exports were brought to a complete halt, destroying the chances of Gaza to develop economic sustainability (Shaban, 2009).

In September 2007, the Israeli government declared the Gaza Strip to be a "hostile entity." Thus, Israel

defined not only the Hamas party, but the general population of Gaza as enemies of Israel, justified collective punishment against the civilian population, and denied its responsibility as an occupying power for the standard of living of Palestinians under occupation (Sofer, 2007).

### **CRACKS IN THE SEAL**

Despite Israel's efforts to close off the Gaza Strip, some contact between the Gaza Strip and the outside world remained. Three of the few remaining channels were international (humanitarian) aid, the tunnels, and the Free Gaza Movement.

### **AID**

With exports and imports having ground to a halt, almost no workers allowed entry to Israel, and massive devastation inflicted on local agriculture and industry, the Gaza Strip has become one of the most aid-dependent areas in the world. Ninety percent of its population relies on hu-

manitarian assistance for basic needs (Roy, 2009). Israel allows a limited number of lorries to enter the Gaza Strip every day, but permits them to carry only what it defines as "essential" and "humanitarian" goods (Ravid & Issacharoff, 2009). Aid is controlled by several humanitarian agencies, the most prominent of which is UNRWA, which delivered food assistance to 900,000 Palestinians in Gaza in 2008, out of a population of under 1.5 million (RTE, 2009).

Following the Israeli attack on Gaza, Hamas militants have begun trying to take over aid convoys and to distribute the humanitarian supplies in a way that will reinforce Hamas' popularity and legitimacy in the Gaza Strip (*ibid.*). The UN stopped aid shipments in response to Hamas' action, and as a result Hamas returned the goods (OCHA, 2009a).

### **TUNNELS**

The underground tunnels between the Gaza Strip and Egypt are one of Hamas' hallmark mechanisms for providing services to the besieged Gaza

Strip and for obtaining goods and weapons needed for its operations.

The techniques for digging the tunnels were developed by Hamas fighters in their resistance to the Israeli army. Enclosed by a sophisticated system of fences, electric fences, sentry towers, and under ongoing aerial surveillance, Hamas fighters found themselves near-

*The Gaza Strip is probably the most aid-dependent region in the world today.*

ly powerless to attack Israeli troops after the 2005 Israeli withdrawal. They dug tunnels to cross under the Israeli fences and attack Israeli troops on patrol outside of the Gaza Strip. In one of these attacks Hamas fighters captured Israeli soldier Gilad Shalit and took him prisoner, with the purpose of freeing him in exchange for Palestinian prisoners held in Israeli jails (Ravid, 2009b).

The same technique of tunnel digging was used to dig deep and long tunnels under the “Philadelphi Axis”—the border between the Gaza Strip and the Egyptian Sinai peninsula. Hundreds of tunnels were dug and used to

transport a variety of items that Israel banned from the official passages—including foodstuffs, petrol, motorcycles, livestock, electrical appliances, and weaponry (Issacharoff, 2009c).

After the attack on Gaza, with the continuation of the siege, the tunnels became even more essential for the daily survival of Palestinians.

Around 1,000 tunnels were estimated to supply two-thirds of goods in the Gaza markets, in addition to employing

12,000 people in the Strip (Cunningham, 2009b; Roy, 2009).

The tunnels thus quickly became the most important aspect of the Gaza economy. Many Gazans invested their money in digging tunnels, in their operations, and in commodities that were smuggled through them or ordered to be smuggled in the future. The rising prices of consumer goods in Gaza because of the siege made such investments appear lucrative, but the destruction of hundreds of tunnels by Israeli bombardments caused many of the investors to lose their investments. This further compounded the siege’s impact on the Gaza economy (Isacharoff, 2009c).

## FREE GAZA CAMPAIGN

The Free Gaza Campaign was developed as a grassroots initiative to break the Israeli siege by chartering boats, filling them with peace activists and humanitarian supplies, and sailing from Cyprus to the Gaza Strip. Five of these boats were able to enter the

Gaza Strip, carrying food, medicine, medical doctors, and peace activists from various countries (including Israel). As the attack on Gaza began, however, the Israeli navy took aggressive action, ramming a boat carrying medical equipment and escorting it back to Cyprus (FGM, 2009; Agencies, 2008b).



## 4. Hamas Takeover of the Gaza Strip

●

The Palestinian Authority was controlled for the first 11 years of its existence by the Fatah party, the strongest party within the Palestine Liberation Organization (PLO). Its first chairman was Yasser Arafat (1996-2004), followed by Mahmoud Abbas (Abu-Mazen).

The PA's government in those years failed to achieve advancement in the negotiations with Israel, to improve the standard of living of Palestinians under occupation and was accused of corruption and misuse of public funds (Abu Issa, 2004).

### THE 2006 PALESTINIAN ELECTIONS

In January 2006, the PA held general elections for the Palestinian Legislative Council (PLC). The elec-

tions were held following international pressure on the PA to hold a democratic process, as well as pressure by Israel that Palestinians be "democratic." U.S. President George Bush's policy of "bringing democracy to the Middle East" has been presented as having clear implications for the Palestinians. Public opinion in the OPT also called for democratic elections. The Hamas party won the majority of seats in the PLC, and was able to establish a government (Reuters, 2007).

The international community, led by the U.S. and European Union, chose to boycott the democratically-elected Hamas government, to stop sending funds to the PA, and to even threaten sanctions against any who would trade with or support it. The pressure against the Hamas government included not only a financial

boycott, but also a freeze on the salaries of PA workers. The decision to enact sanctions against the occupied Palestinians instead of against the occupying Israelis has further undermined the hopes of Palestinians that the world will come to their aid and help them achieve justice (Shlaim, 2009). The U.S. has further jeopardized

*The international community rejected the results of the Palestinian elections, and boycotted Hamas.*

the unity talks between Hamas and Fatah by insisting on conditions which the Hamas party would find difficult to meet, thus sowing discord in the Palestinian public and rendering it more difficult for Palestinians to form a legitimate government (Roy, 2009).

The Israeli and international pressure on the PA culminated in the appointment of an interim government, headed by Salam Fayyad, in June 2007. This government was not democratically elected, but Fayyad's views were deemed acceptable to Israel, the U.S., and the EU, and so donors resumed their financial support

of the PA (Broederlijk Delen, 2008) when he took office. The U.S. has also provided military assistance to Abu Mazen's office to help overthrow the democratically-elected Hamas government (Klein, 2007).

In June 2007, Hamas used force to take over the Gaza Strip, taking control of PA institutions (The Guardian, 2007). The conflict between Hamas and Fatah was short and bloody, with at least 116 deaths (ICRC, 2007). Although Hamas took over by force, continued Israeli and international pressure on Gaza has only fortified its popularity and the public support it enjoys. International journalists reported that Hamas was able to restore order to the streets and create a sense of stability in Gaza that was broken only by Israeli attacks.

#### **CEASEFIRE VIOLATED BY ISRAEL**

Egypt helped to broker a six month ceasefire between Israel and Hamas in June 2008, during which Israel tightened its grip over the Gaza

Strip. Israel prevented almost all exports from leaving the Strip, and limited imports to basic goods only. Its goal was to strangle Gaza's economy in the hopes of hurting Hamas' popularity (Shlaim, 2009).

The ceasefire was effective in achieving Israel's stated goal of protecting its citizens from rocket fire from the Gaza Strip, even as it was ineffective in achieving the stated goal of Hamas to open the passages and relieve suffering of the population of Gaza. Compared with an average of 197.6 rockets fired every month from Gaza in January-May (before the ceasefire), the ceasefire months of July-October had an average of only 2.75 rockets fired each month into Israel. The ceasefire was signed only with Hamas (and not other organizations with the willingness and ability to fire rockets into Israel). Though Hamas was not recognized by Israel as the legitimate authority in Gaza, Israel has effectively relied on Hamas to enforce the ceasefire on other organizations in Gaza. Hamas was indeed able to reduce rocket fire by 98.6% during

the ceasefire, proving that it was, in effect, able to coordinate and control the Palestinian resistance in the Gaza Strip (UN Human Rights Council, 2009).

On the Israeli side, there was no question about who is the sovereign body: the Israeli army is the only force that can break the ceasefire from the Israeli side. In November 2008, Israel violated the ceasefire by killing six Palestinians and injuring four others in two separate attacks on Gaza. The Az ad-Din Al-Qassam Brigades (the armed wing of Hamas) fired 35 rockets at Israel in response (Yahni, 2008).

After Israel violated the ceasefire in November, rocket fire was resumed, but at a lower level of 112 rockets per month until the Israeli attack on Gaza in December 27<sup>th</sup> (UN Human Rights Council, 2009). It should be mentioned that Israel has fired more than eight times as many artillery shells into Gaza (carrying heavier payloads than the Palestinian Qassams) than the Palestinian rocket fire to Israel from 2006-2009 (Roy, 2009).

## 5. Israeli Military Attack on the Gaza Strip



### THE CAUSE

**H**amas has developed makeshift, homemade rockets (called qassams) which were fired in tall ballistic arches into Israeli territory. These rockets are extremely inaccurate and cannot be aimed specifically at military targets. They cause panic and anxiety in Israeli communities near the Gaza Strip and have disrupted daily life in these areas. Since 2004 and until Israel launched its attack on Gaza in December 2008, nine Israelis were killed by rockets from Gaza (Global Security, 2009).

For Israelis living near the Gaza Strip, these rockets were very significant, disruptive and dangerous, but the rockets were no match for the Israeli munitions used against the Gaza Strip. The ratio of deaths in 2008, for

example (not including December, in which Israel began the attack on Gaza), was 18.2 Palestinians killed for every Israeli killed (B'tselem, 2009b).

Israeli officials, denying the right of Palestinians to fight against an illegal occupation, have portrayed the rocket fire as Palestinian one-sided aggression that justifies retaliation (Harel, Ravid & Yagna, 2008; Jpost.com Staff & Katz, 2008).

One of the causes for the attack was to restore the image and prestige of the Israeli army, following the embarrassing entanglement in Lebanon in 2006. Israeli general Gadi Eisenkot explained that following the war with Lebanon, the official new policy of the Israeli army is the "disproportionate use of firepower." He added that "from our standpoint, these are not civilian villages, they are military bases" (Fish-

man & Ringel-Hoffman, 2008).\*

Israel's Deputy Chief of Staff General Dan Harel told mayors of Israeli towns near the Gaza Strip that "there won't be a Hamas building left standing in Gaza." The attack wasn't aimed merely at toppling Hamas, but was also an attempt to neutralize Hamas's capacity for firing rockets into Israel (*The Economist*,

*Israeli general Gadi Eisenkot said that "from our standpoint, they are not civilian villages, they are military bases."*

2008). A week into the attack, Israeli officers revealed that its aim was to weaken Hamas by "breaking its spirit" (Harel & Issacharoff, 2009a).

Israeli Defense Minister Ehud Barak said that the operation had been in planning for months, and was not launched in response to the end of the cease fire on December 19<sup>th</sup> (*The Economist*, 2008).

The failure of the attack to bring security to Israeli citizens must trigger

a re-examination of the causes for the attack. According to Harvard political scientist Sara Roy, one of the reasons for the attack was the continued Hamas defiance of Israel's occupation, which threatened the Israeli authorities in comparison to the relatively subdued resistance in the West Bank. Hamas' statements regarding its willingness to end the conflict based on the 1967 borders threaten Israeli diplomacy because they expose Israel's policy to maintain control over the West Bank at all costs. This

also explains why Israel, reluctant to create the impression that Hamas was making any achievements, undermined the ceasefire negotiations. In fact, one can say that the change in Hamas' stance toward Israel, plus its willingness to negotiate and compromise, were among the reasons for Israel's attack. In light of this change, Israel found it increasingly difficult to label and dismiss Hamas as a "terrorist organization" and watched in alarm

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\* I would like to thank Ram Rahat from Yesh Gvul for describing the Dahiyah Doctrine to me. A report by Rahat and Yesh Gvul on the attack on Gaza is forthcoming.

as various world leaders made moves toward recognizing and engaging Hamas (Roy, 2009).

## THE ELECTIONS

One can only speculate on the manner in which the Israeli government, fully aware of the upcoming Israeli elections in February 2009, imagined the attack on Gaza would affect their chances for re-election. Prime Minister Olmert knew prior to the attack that he would not run for office in the next elections because he stood trial for allegations of corruption. Minister of Foreign Affairs Livni knew that she would run for office of Prime Minister and that she could use the attack as proof of her devotion to security matters, despite being a woman—something that was seen by some as a disadvantage for a candidate in militarized Israel (Israel's Women's Network, 2009).

Israeli Defense Minister Ehud Barak hoped to stop the Hamas rocket fire in order to increase his power in the elections and prove his

toughness, despite being labeled as the “leftist” candidate (*The Economist*, 2008). Barak must have remembered his own drop in popularity in the Second Intifada, how the eruption of violence propped up the opposition and brought him down in the 2002 elections. Perhaps he was hoping for another reversal that could place him at the top again. Polls conducted during the attack seemed to indicate that the fighting bolstered Barak's public image and could have brought him more votes (Bengal, 2009).

Olmert, Livni and Barak must have known that the elections, occurring so soon after the attack on Gaza, would be held under the shadow of this attack, and that security issues would thus take precedence over social issues. Whatever their plans were regarding how the attack would affect their chances at the polls, the elections had a different result. Binyamin Netanyahu (former head of the opposition) took a stance considered more right-wing than Olmert, Livni, and Barak, and subsequently won the elections and formed an extreme right-wing government (Shabi, 2009).

## **ISRAELI MILITARY ATTACK ON THE GAZA STRIP**

In the first day of the attack, Israeli airplanes attacked police stations across the Gaza Strip. In less than five minutes, over 100 missiles and bombs were dropped on Gaza. Israel reported over 257 Palestinians killed in Gaza in the first 24 hours of the attack. At least 89 of these were non-combatants, and most of the other casualties were members of the civilian police. At least 597 were injured in the first day of the attack (Al Mezan, 2008).

Israel's attack destroyed basic infrastructure in Gaza from the first day, and from the second day aid agencies were forced to stop or limit their re-

*Israel dropped over 100 missiles and bombs in the first day of the attack, killing over 257 in 24 hours.*

lief efforts because of the Israeli onslaught. Hospitals ran out of basic supplies during the second day of the attack (IRIN, 2008). On January 14<sup>th</sup>, nine human rights organizations in Israel held a press conference to warn

that essential infrastructures in Gaza were collapsing (Hason, 2009).

On the second day of the attack Israeli forces bombed over a hundred different targets in the Gaza Strip, 40 of which were tunnels on the border with Egypt. Dozens of Palestinians tried to flee from the attacks and escape to Egypt, but Egyptian border guards opened fire and hit about ten people to prevent Palestinians from escaping to safety (Hason, et. al., 2008).

Israeli forces took about 200 Palestinian prisoners in the Gaza Strip, holding them for days on end in trenches, in the ground, and in pits without basic sanitary conditions. Food and shelter were provided in limited supply. Prisoners were also held inside trucks for an entire night, handcuffed, sharing blankets between them and suffering abuse from Israeli soldiers and interroga-

tors. Even after prisoners were transferred to permanent incarceration facilities, they were denied showers and toilets (Zarchin, 2009). And in fact, the Israeli army was prepared to take thousands of prisoners, but the troops

employed such intensive fire against Palestinians that they had the opportunity to take only a fraction of the live prisoners they were expecting to capture (Harel, 2009c).

Israeli artillery shelling was targeted at residential houses. Israeli military spokesmen claimed that the army was firing at houses used by Hamas. However, entire apartment buildings were targeted because an apartment within the building was said to be used by Hamas; or buildings were hit by the shelling of adjacent buildings that allegedly contained Hamas fighters. Furthermore, houses were attacked even if their former residents were suspected as Hamas members. In the first week of the attack, Israeli soldiers called houses about to be bombed and warned the residents. In the second week, phone calls were replaced by micro missiles that warned the residents to leave the house quickly before the house was destroyed. Israeli troops ordered the residents of the houses targeted for destruction to flee, although they often didn't have a place to which they could escape (Hass, 2009f; Mandel, 2009).

After a week of bombing from the air, Israeli ground troops invaded the Gaza Strip. Military officers explained that airplanes nearly ran out of targets to bomb, and that the mud from the rains of the first week of the attack had dried, creating good conditions for the invasion. Diplomats added that Israel had diplomatic backing for the invasion (Harel & Issacharoff, 2009a).

By the second week of the attack, 40%-50% of the people of Gaza were left without drinking water, most of the residents of Gaza had no electricity, and in several areas sewage began to overflow into the streets. All this occurred because of Israeli attacks on vital infrastructure in Gaza. Israeli forces also prevented Palestinian technicians from attempting to repair these infrastructures during the fighting (Hass, 2009a). Later investigations uncovered evidence that the Israeli army may have intentionally bombed the sewage infrastructure through the use of precise bombings of sensitive locations—even though the Gaza Coastal Municipalities Water Utility (CMWU) supplied the coordinates of all Gaza water facilities to the International Red Cross, which

in turn provided these coordinates to the Israeli army. A 3,000 liter diesel storage tank was dragged into a basin, polluting the groundwater. It is of particular interest that Israel bombed and destroyed the emergency pumping station at Beit Lahiya, which was only

*On January 15th, Israel bombed the El Wafa hospital, a large media center and an UNRWA enclave.*

recently completed at the cost of US \$350,000, but that project parts funded by the United States Agency for International Development (USAID) remained unharmed (Houk, 2009).

By the second week of the attack, aid organizations began to run out of supplies and funding to keep the Palestinians in the Gaza Strip from starving. The bombing of tunnels to Egypt also limited food supply into the Strip. As tens of thousands of Palestinians in Gaza were displaced, they immediately became internal refugees in need of assistance, and were left without access to their own food stores they were forced to leave behind (IRIN, 2009a).

On January 15<sup>th</sup>, 20 days into the attack and just before the end, eight Israeli shells hit the El Wafa Hospital, destroying the men's ward. Additional structures hit include three additional hospitals, an UNRWA enclave (destroying large amounts of supplies intended to relieve the hunger in Gaza), and a building serving as a media center for several press agencies. Aid workers and journalists were also injured by the shelling. Following the shelling, Israeli troops began storming deep into Gaza City with tanks and helicopters in tow (Isacharoff & Agencies, 2009; Roy, 2009).

By this time, reports were circulating that Israeli forces were using phosphorous weapons against civilian targets in the Gaza Strip. These weapons are illegal according to the Geneva Conventions, and Israel did not admit to using them during the attack. However, some of the patients in Gaza hospitals had injuries consistent with phosphorous weapons (Hass, 2009e).

As the attack raged on, thousands of Palestinians throughout the whole of Gaza sustained injuries. They were

hurt primarily by collapsing buildings and from Israeli munitions. Many of the injured people languished in pain, and some even died, because the Israeli army prevented evacuation of the wounded to medical facilities. By January 1<sup>st</sup>, six medical crew members were killed by Israeli forces while trying to evacuate wounded people to hospitals. The Red Cross issued a stern announcement condemning the Israeli army for preventing medical teams from reaching the wounded. The Red Cross cited a case in which injured people waited four days until medical teams were able to reach them, while an Israeli military encampment was merely 80 meters away from the place where the wounded were laying. The Red Cross also mentioned cases of children who had to wait for days with the dead bodies of their parents, and of dirt roadblocks that prevented ambulances from reaching people in need of medical attention. The Red Cross listed several cases in which Israeli troops opened fire on their medical teams even after they coordinated their movements with the Israeli army in advance (Hass, 2009b). Throughout the attack, 23

emergency personnel were killed and 50 were injured by Israeli troops in Gaza (Al Mezan, 2009). From January 3<sup>rd</sup> to January 7<sup>th</sup>, 145 calls for ambulances from the al-Zeitoun neighborhood alone were left unanswered, because the Israeli troops prevented ambulances from entering the neighborhood (Sainath, 2009).

Reports from Gaza also claimed that Israeli troops fired upon Palestinians carrying white flags, killing at least three such people on January 13<sup>th</sup> (Hass, 2009d). Further reports accumulated during the war of soldiers leaving hateful graffiti on homes, throwing bags of excrement on locals, destroying household equipment, shooting at people carrying white flags, and additional cases of soldiers preventing ambulances from reaching the wounded (Hass, 2009f).

On January 18<sup>th</sup>, Israel declared a unilateral ceasefire and the end of the attack, although Hamas did not agree to stop its fire into Israel. As the Israeli government learned that the Egyptian mediators were unable to get Hamas to agree to a mutual ceasefire, they decided to pull out of Gaza and declare victory. However,

Israeli troops remained stationed in certain parts of the Strip. Hamas continued to fire rockets into Israel

*The attack left Gaza with destroyed infrastructure, severe drinking water shortage and dangerous rubble.*

as the Israeli troops were withdrawing, and used this to claim victory as well (Ravid et. al., 2009).

The ceasefire, however, did not signify the end of the violence. Israeli forces continued to bomb the tunnels and attack Palestinian targets in Gaza, albeit in a more sporadic manner. In the first 40 days after the declaration of a ceasefire, Hamas fired over 60 rockets and mortars into Israel (Issacharoff & Ravid, 2009; Harel & Issacharoff, 2009b).

As the fighting became less intensive, the extent of the devastation of the Gaza Strip gradually became apparent: streets blocked by rubble, electricity grids destroyed, bodies buried under the debris. Bodies found amid the ruins included people who bled to death because medical help couldn't reach them during the at-

tack, and people who were shot while trying to flee from the fighting. Several bodies showed signs of heavy vehicles running them over. The destruction wasn't only caused by heavy shelling, but also by soldiers entering Palestinian homes, shooting at electrical appliances (such as television sets), and stealing valuables (Hass, 2009c).

As some of the bombs hit water and sewer pipes, sewage contamination of drinking water became a serious risk. Nearly half a million people (a third of Gaza's population) were without drinking water as of January 18<sup>th</sup> (IRIN, 2009b).

A delegation of 12 medical doctors from the Israeli Physicians for Human Rights organization reported on the destruction they witnessed in the Gaza Strip when they entered to render assistance. They reported destroyed infrastructure, dead bodies of animals that posed a sanitation risk, and hospitals filled with wounded receiving only the most basic treatment due to a shortage in medical equipment (Stern, 2009). Schools in the

Gaza Strip were destroyed as well, including the American International School in Gaza and schools funded by UNRWA (Sainath, 2009).

The total number of casualties in the attack was 1,434 dead and over 5,000 injured. Among the injured are about 1,900 people who became disabled and require rehabilitation (Hass, 2009h; UN Human Rights Council, 2009). An estimated 1,346 children became orphans after losing one or two of their parents during the attack (IRIN, 2009c). At least ninety-three of the fatalities were shot and killed at short range (Hass, 2009l).

It is important to stress that the damage to lives and property in Gaza continued well after the 23 days of Israeli attack. The UN reported that two months after the attack, 150,000 Gazans were still affected by inadequate and unsafe water supply; 50,000 of them remained without any water at all, and the rest received water only once every five or six days. Untreated sewage, at a daily average rate of 80,000 cubic meters, was pumped to sea from where it could seep into and further contaminate underground water. Israeli authorities

delayed the delivery of spare parts for the repair of Gaza's largest wastewater treatment plant for over two months after the attack (Frykberg, 2009a; Bartlett, 2009b).

The long-term environmental impacts of the attack further include the risk of disease; the deterioration of fishing capacity at the coast; and health hazards from the debris left by shelling, unexploded ordinance, and buildings in advanced state of disrepair (Cunningham, 2009c, IRIN, 2009d). Furthermore, solid-waste disposal in Gaza is woefully inefficient. Due to fuel shortages, garbage collectors must use animal-drawn carts, and have no means to deal with the estimated 600,000 tons of debris left-over from the attack—or the 22,000 tons of rubbish that piled up in residential areas during the attack and now attracts flies, mosquitoes, and rats (Cunningham, 2009e).

The attack also left long-term and widespread psychological damage in Gaza. A survey conducted by the Gaza Community Mental Health Programme found that 73% of children in Gaza thought at one point or more that they were going to die, 68%

fear that a similar attack will happen again, and 41% expressed the desire for revenge. The survey found that 59% of fathers and 75% of mothers were diagnosed with post-traumatic stress disorder (PTSD) and over 59% of adults had anxieties about death, fearing heart attacks or cancer as a result of exposure to weapons used by Israel during the attack. Parents also observed that their children became more aggressive and had emotional problems after the attack (Cronin, 20089c).

The UN also reported that Israel allows only 127 trucks of aid to enter the Gaza Strip every day, compared to 475 trucks admitted prior to the blockade (Frykberg, 2009a). The siege imposed on Gaza, particularly limitations placed on the amount of emergency aid that Israel allows into the Strip, has continued relentlessly since the end of the attack. UNRWA claimed that even food is not imported to Gaza in sufficient quantities (Agencies, 2009). In light of this, forty international aid agencies issued a joint statement criticizing Israel for not allowing sufficient humanitarian as-

sistance to reach the population of Gaza (Frykberg, 2009b).

### COVERAGE RESTRICTIONS

Despite two court petitions by the Foreign Press Association, Israel restricted access of reporters to the Gaza Strip and didn't allow Israeli or international reporters to enter the area for much of the attack's duration (Weiss & Azarov, 2009). Local reporters often had to remain indoors due to the risk of being shot by Israeli soldiers. As a result, real-time coverage of the attack was limited at best and relied on reports by Israeli soldiers, who had a clear bias in their reporting. Even the number of dead and injured was impossible to confirm until after the attack subsided (Issacharoff, 2009a).

Two reporters for Iranian television were arrested and received two months' jail sentence for reporting in real-time when Israeli forces began the Gaza invasion (*Ha'aretz*, 2009d).

Two Israeli journalists, Amira Hass and Shlomi Eldar, entered the Gaza Strip in order to report on the attack, and were arrested immediate-

ly upon their return to Israel (Weill & Azarov, 2009). Hass' information from the Strip, from the time she spent there and from her contacts in

*Israeli soldiers testified that they were instructed to kill indiscriminately.*

Gaza, has been an invaluable source for this publication. Without her defiant entry into Gaza, information about what happened during the attack would be even more lacking and incomplete than it is now.

### **SOLDIERS' TESTIMONIES**

While the Israeli authorities took pains to prevent information about what really happened during the attack on Gaza from being distributed, some of the most valuable sources of information are reports from Israeli soldiers themselves.

Although Israeli soldiers are taught to express absolute loyalty to the Israeli army and are forbidden from revealing military information to the press, some soldiers felt the need to

speak out about what they witnessed during the attack.

Officers reported that different divisions expressed varying levels of brutality during the attack: "The aggressiveness with which we entered the area left a lot of room for lower-level commanders to maneuver. Paratroopers were more under control and supervision, and this is maybe the reason that they listed fewer exceptions from other divisions" (Harel, 2009c). Some soldiers said that the "orders were actually to commit murder" (Mandel, 2009).

Although the mainstream media in Israel published only a selection of the testimonies presented by soldiers, personal testimonies continued to flow in unofficial channels. In personal conversations, soldiers continued to reveal facts—for example, about houses destroyed for no apparent reason. One soldier said, "Our officer told us to fire at any suspicious movement, even half-suspicious, quarter-suspicious, from the houses. You shoot, I don't care who is there, it's only Arabs anyway. Fire automatic bursts, fire LAW

rockets, shoot whatever you want...” (Rabbis for Human Rights, 2009). Amnesty International also accused Israel of repeatedly breaching the rules of warfare during the attack (Amnesty International, 2009).

The Israeli army launched five investigations headed by Israeli colonels. These investigations were initiated in response to public pressure stemming from soldiers’ testimonies and allegations by international organizations. All of these investigations exonerated the Israeli army from intentional application of deadly force against civilians, and called all the killings of civilians during the attack “mistakes.” Israeli Minister of Defense Ehud Barak said that the investigations “prove once more that the IDF is one of the most moral armies in the world.” The Israeli army claims that only 1,166 Palestinians were killed in the attack, and that 709 of them were “terrorists” (Pfeffer, 2009b).

The investigators completed their report in only 11 days, and not a

single disciplinary action was initiated following the report (Kessel & Klochender, 2009).

## LEGAL ASPECTS

Even before the attack on Gaza, a team of Israeli international law experts in the Israeli Military Attorney’s Office discussed the various Israeli plans for the attack. Reluctant to approve attacks that were war crimes or could be construed as war crimes, yet facing massive pressure from senior officers in the Israeli army, the team, headed by Colonel Pnina Sharvit-Baruch,\* eventually approved the slaughter of the graduates of a police training course in Gaza (carried out on the first day of the attack) and the use of phosphorous weapons (legal only when used for lighting, and illegal when used as weapons) (Feldman & Blau, 2009). Because Israeli officers were not investigated or prosecuted for ignoring the recommendations of the commit-

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\* Pnina Sharvit-Baruch was appointed as a lecturer in the Faculty of Law in Tel-Aviv University following the attack on Gaza. Lecturers and activists protested this appointment, pointing to Sharvit-Baruch’s involvement in the attack and her alleged justification of war crimes committed by Israeli forces (Ilani, 2009a).

tee, and because the team's recommendations were not consistent with international law, the argument that Israel doesn't employ a mechanism to enforce international law on its own army is valid. This effectively justifies, both morally and legally, taking international legal action against Israeli soldiers who participated in the attack on Gaza.

Following the attack and the global protests against it, Israel decided to conceal the names of the Israeli officers who fought in the Gaza Strip. This decision stemmed from the fear that these officers could be tried for war crimes in international court. The Israeli government instructed the Israeli media to censure the names and faces of Israeli officers, and a military censor was selected to enforce this decision. Division commanders were exempt from this decision because their identities were already public knowledge (Avnery, 2009; Harel, 2009b).

Israel's Minister of Justice Daniel Friedman (who presided as Minister until April 2009) was appointed to head a special inter-departmental taskforce to deal with international

courts pressing charges against Israeli officers (*ibid.*).

Indeed, Israel's worries were warranted. The British Secretary of State for International Development, Douglas Alexander, called for the investigation of senior Israeli officers on suspicion of war crimes (Primor, 2009). Norwegian lawyers have initiated a legal process against the three most senior members of Israel's government during the attack: Prime Minister Ehud Olmert, Foreign Minister Tzipora Livni, and Defense Minister Ehud Barak (*Ha'aretz*, 2009c).

Richard Falk, a special UN rapporteur on human rights, declared that Israel committed war crimes in Gaza (UN Human Rights Council, 2009), but Israel refused to cooperate with the UN fact-finding mission to Gaza that was convened to investigate the war crimes allegations. Israeli authorities prevented mission members from entering both Israel and Gaza (Harel & Stern, 2009).

The grounds for charging Israeli soldiers and politicians with war crimes are many, including widespread reports on the use of illegal weaponry in densely-populated areas (Bartlett,

2009a); deliberate targeting of civilians, including civilians waving white flags; attacking and killing medical rescue teams; and using civilians as human shields (Raymond, 2009). These accusations were corroborated by an independent fact-finding mission (PHR & PMRS, 2009). A report by Human Rights Watch also

*Several international reports found evidence of war crimes committed by Israel during the attack.*

found evidence that the Israeli army used illegal munitions during the attack (HRW, 2009b).

Israel has a strong line of defense against accusations by the International Criminal Court (ICC) because it has refused to sign its treaty and because the Palestinians do not have a state. Therefore, the ICC does not have jurisdiction over the Gaza Strip. By holding a trial anyway, the ICC would be recognizing the Palestinians as a sovereign entity, thus denying the occupation—

unless the UN Security Council asks the ICC to investigate Israel despite its refusal to sign the ICC treaty (Molavi, 2009).

### INTERNATIONAL REACTIONS

Israel has become much more sensitive to world public opinion towards its actions since the 1990s, when its economy started to become more deeply integrated with the global economy (Klein, 2001). This was apparent in the attack on Gaza, as Israel strived to convince the world of its justification in attacking the Strip.

Israeli Foreign Minister Livni said, in a message echoed by the Israeli media, that Israel is fighting a dual war—one against Hamas and one for world public opinion (Livni, 2009). The Israeli Foreign Office dedicated massive efforts to market the attack as an act of defense, and even uploaded videos to YouTube in an effort to win over public opinion.\*

The success of these efforts has

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\* See for example: <http://www.youtube.com/watch?v=-7ZRPyqHB6A>; <http://www.youtube.com/watch?v=WXPBTiT8Cw>; [http://www.youtube.com/watch?v=\\_5G8VKZFmsw](http://www.youtube.com/watch?v=_5G8VKZFmsw).

been mixed. The European Union didn't have a clear stand on Israel's attack, and ended up sending two delegations to the region during the attack—one headed by French President Nicolas Sarkozy and one headed by Czech Foreign Minister Karel Schwarzenberg (Pfeffer, 2009a). As will be shown below, governments did not intervene to prevent or stop Israeli aggression, but popular opinion around the world did see through the propaganda efforts and massive protests were launched.

While France condemned both the Israeli attack and the Hamas rocket fire, the Czech Republic expressed support for Israel's attack, arguing that "Israel has the right to defend itself" (Agencies, 2008a). David Cronin of the IPS news agency in Brussels argued that overall, the European Union has adopted a pro-Israeli approach, and is not applying to Israel the same standards of respects for human rights that it demands from other countries (Cronin, 2009a).

A report by the Euro-Mediterranean Human Rights Network found that Europe's efforts to achieve a ceasefire failed because European pol-

iticians refused to exert pressure on Israel and refused to talk to Hamas. The report found that the EU focused on the minute details of the border crossings, not on the actual siege, and did not demand compensation or even investigation by Israel for the destroyed facilities in Gaza that were originally funded by the EU. The report found that the EU has imposed an ambiguous, self-contradicting policy, and has failed to consistently advance its stated goals in the region (EMHRN, 2009).

The United States expressed an even clearer position of support for Israel, arguing that Hamas is responsible for the violence and that Israel is merely defending itself. This position was bolstered by the majority of the Jewish organizations in the U.S., yet within the U.S. during the attacks there was also popular protest, including mass demonstrations and calls to boycott Israel (Mozgovaya, 2008). The U.S. worked to delay UN Security Council discussion about a ceasefire to allow Israel more time for its attack (Ben, 2009). The only signs of change in U.S. policy with the new administration came in June 2009,

when the U.S. began to pressure Israel to increase the flow of food and construction materials to Gaza. However, the U.S. has yet to challenge the very legitimacy of the continuing siege on Gaza (Ravid, 2009c).

Egypt also supported Israel in its attack. In addition to providing

being smuggled into the Gaza Strip (ibid.). Despite Egypt's support for Israel, it also positioned itself as the mediator between Israel and Hamas, thus enhancing its political prestige (Harel & Issacharoff, 2009a).

After the first week of the attack, Israel enjoyed diplomatic back-

ing to continue its assault on Gaza. The European Union issued a statement justify-

*The international community's tolerance to Israel's attack created a feeling that "all bets are off," and Israel won't be punished for its actions.*

diplomatic support, Egypt used its forces to seal its border with Gaza and tried to prevent weapons from

ing Israel's "defensive action" and the U.S. maintained its full support of Israel (ibid.).



## 6. Israeli Society and the Attack



### MEDIA SUPPORT

The Israeli media was supportive of the attack even before it started. Journalist Gideon Levy from the newspaper *Ha'aretz* said: "No investigative committee could determine that the Israeli media didn't prepare for the war in Gaza properly: it prepared the ground, pushed for action and when the attack commenced, it stood like a choir and cheered. Different opinions? Public debate? Not for us, thank you" (Levy, 2009a).

Levy continued to argue that the Israeli media did not attempt to hide the devastation of Gaza from Israeli eyes, because images of dead Palestinian bodies simply do not shock Israeli public opinion. The Israeli media did,

however, hide the magnitude of the siege imposed by Israel on the Gaza Strip for years before the attack. The media also hid the Israeli violations of the ceasefire and refused to report on any opinion but that of the Israeli military spokesmen (*ibid.*).

The attack took place on a Saturday, in which at least 257 Palestinians were killed. And yet the headline of Israel's popular newspaper *Yedioth Ahronot* the next day cried, "Half a Million Israelis Under Fire." No Israelis were hurt during that Saturday attack (*ibid.*).

Only a week after the attack began, *Ha'aretz* published an editorial calling on Israel to end the fighting. Yet even this editorial completely supported the attack up until that point (*Ha'aretz*, 2009a).

## PUBLIC SUPPORT

A week after the attack began, the Israeli government approved the call-up of tens of thousands of Israeli reserve troops with an emergency draft (Ilan & Ravid, 2009), yet the number of soldiers actually recruited was never published. This could indicate either

*Israeli police arrested 801 protestors against the attack.*

that the Israeli army didn't need as many troops as it could muster, or that, as in the war of 2006 in Lebanon, the officers were wary of the loyalty and motivation of drafted troops and wanted to recruit only the most eager soldiers.

Israelis cultivate a narrative of victimhood by Hamas, as if Hamas is the aggressor and Israel is merely defending itself. To that end the story of Gilad Shalit, the Israeli soldier held captive by Hamas, is oft repeated. In June, hundreds of Israelis attempted to prevent food trucks from entering the Gaza Strip, using Shalit's captivity as an excuse to try and starve the entire population of Gaza (Khoury, 2009).

## DISQUALIFYING THE ARAB POLITICAL PARTIES

In January 12<sup>th</sup>, as the attack was still raging in Gaza, Israel's Central Elections Committee convened and decided to disqualify the candidacy to Israel's parliament of two political parties representing Israeli Palestinian citizens. The two parties—Ra'am-Ta'al and the National Democratic Assembly, which received about 160,000 votes in the 2006 elections and were the only two parties in Israel's parliament without Jewish parliament members—were disqualified by a large majority (21 out of 30) of the committee members, including representatives from the Kadima and Labor parties. On January 21<sup>st</sup>, Israel's High Court unanimously overruled the decision of the Central Elections Committee and reinstated the two parties (Weiss & Azarov, 2009).

This turn of events demonstrates the levels of belligerence among Israelis during the attack, plus the unwillingness of Israeli parliament members to tolerate criticism voiced by Palestinian citizens of Israel over the attack (Bender, 2009).

## 'ILLEGAL' DEMONSTRATIONS, MASS ARRESTS

Protest within Israel against the attack, although not fully revealed by the Israeli media, was significant. Most of the protest came from Palestinian citizens of Israel, but many Jews also protested.

Israeli authorities responded by outlawing the protests and refusing to grant permits to most of the demonstrations. Israeli police arrested 801 protestors, 277 of them children and juveniles. Of these people, 255 were kept under arrest for a month or more (Weill & Azarov, 2009).

Demonstrations that took place in the West Bank were forcefully dispersed by Israeli soldiers who used live ammunition against the demonstra-

tors, killing four Palestinian protestors and injuring many others (*ibid.*).

## POLITICAL PARALYSIS

Months after the attack, the Israeli government failed to take any follow-up diplomatic action. After sending the army to attack Gaza, the government sent representatives to negotiate with Hamas representatives in Egypt, but was unwilling to make compromises in order to reach an agreement.

Thus, the government was unable to secure the release of the Israeli soldier prisoner Gilad Shalit, and unable to stop the rocket fire into Israel. In effect, the situation after the attack was politically similar that prior to the attack (Harel & Issacharoff, 2009c).



## 7. Economic Aspects of the Attack

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### DAMAGE TO GAZA

The extent of the damage to the Gaza Strip is difficult to estimate in monetary terms, because conducting a proper survey of the damage requires free movement of appraisers in the Gaza Strip.

The damage to the Islamic University in Gaza, which was directly shelled by Israeli artillery, is estimated at US \$20 million, though this estimate doesn't take into account the loss of school days for the university students (Ormestad, 2009).

Some of the first targets attacked in Gaza were the tunnels to Egypt (*The Economist*, 2008). Palestinian businessmen in Gaza argued that Israeli forces focused their attacks on

economic targets. Four of Gaza's most prominent cement and construction materials factories were destroyed in the attack, and there is evidence that they were destroyed with explosives planted inside by soldiers on foot. A group of 17 Gazan businessmen conducted a survey and found that 600-700 factories were damaged or destroyed during the attack, with the total damage to Gaza industrial and commercial structures estimated at US \$185 million. The Israeli army contended that it destroyed buildings from which weapons were fired at Israeli troops, and took care to minimize damage to uninvolved civilians (Hass, 2009g).

The Israeli Committee against House Demolitions (ICAHN) esti-

mated that 4,247 Palestinian homes were demolished by the Israeli army during the attack (ICAHD, 2009).

The Palestinian Central Bureau of Statistic published preliminary esti-

### *Hamas was not allowed to send delegates to the Sharm El-Sheikh donors summit.*

mates of the damage and found that damaged infrastructure and buildings created a loss of US \$1,225.6 million. It calculated lost economic activity (which includes losses of economic activity after the attack, due to damaged production capacity) at US \$804 million, and placed rehabilitation costs for injuries and support needed for families of casualties at US \$31.6 million. The total damage estimated is therefore US \$2,061.2 million.

The PA's recovery plan, proposed at the Sharm El-Sheikh Summit (which will be described below) included a broader scope of the damage, and broke down damage caused to the Gaza Strip item by item (PNA, 2009b). The PA prepared an estimate of the damages caused to the Gaza Strip in order to serve

as a basis for its request for funding at the Sharm El-Sheikh summit (PNA, 2009a). According to this estimate, the attack caused damages of a total of US \$2.2 billion to the Gaza Strip (PCBS, 2009).

The PA recovery plan has some obvious shortcomings when considered as an estimate to the damage caused by the Israeli attack. It is an inaccurate estimate, with rounded numbers and based on rough generalizations—a result of the limitations on the free movement of officials to conduct a comprehensive survey.

Furthermore, the PA recovery plan estimates damage caused to the Gaza Strip at US \$2.2 billion (slightly higher than the estimate by the Palestinian Central Bureau of Statistics), but asks for support worth US \$2.7 billion for its recovery plan. The thinly-disguised attempt by the PA to use the Israeli attack on Gaza in order to re-establish its control over the Strip and overthrow Hamas undermines the legitimacy of its recovery plan in the eyes of the Palestinian people, and makes the plan less likely to succeed.

## **COST TO ISRAEL**

Unlike the war Israel fought in Lebanon in the summer of 2006, the direct impact of the attack on Gaza on Israel's economy has been limited.

The military cost of the war was much lower for the attack on Gaza. According to military reports, the war with Lebanon cost the Israeli army NIS 8.2 billion in direct costs (ammunition, replacing equipment, etc.) while the attack on Gaza cost NIS 4.5 billion (Bassok, 2009). After the war with Lebanon, the Israeli army was able to convince the government to spend NIS 9.6 billion in preparations for the next war, and to increase the base defense budget by NIS 3 billion (Ravid, 2009a).

The cost of the attack on Gaza was estimated at NIS 2.4 billion, but the main cost of the attack came with the Israeli ground invasion of Gaza on January 3<sup>rd</sup>. The direct spending for the attack was estimated to be slightly lower than the losses to the Israeli economy due to the decrease in productivity of Israeli workers recruited to fight in the attack as reserve soldiers. This estimate, however,

must take into account the international economic crisis. At a time when thousands of workers are losing their jobs, sending thousands of workers to battle might not cause as much loss of productivity as it normally would (Bassok & Zrahiya, 2009).

The primary reason why the attack on Gaza was less expensive for Israel than the 2006 war with Lebanon wasn't due to lower expenditures on armaments or the cost of calling reservists, though, but the issue of civilian safety inside Israel. The war with Lebanon placed the north of Israel under rocket fire that paralyzed economic activities in the area for a month, causing damage to the Israeli economy of about NIS 21 billion (Hever, 2006).

The attack on Gaza, however, placed a smaller and much poorer area of Israel under rocket fire, and these rockets were less dangerous than the ones used in 2006 by Hezbollah from Lebanon. In the years 2006-2008, individuals and businesses that suffered losses due to rocket fire from Gaza were compensated a total of NIS 243 million (Bassok & Zrahiya, 2009).

Nevertheless, the fighting did af-

fect Israeli businesses in the area surrounding the Gaza Strip, including Israel's tourism industry. The Israeli Tax Authority handled a total of 1,728 claims for compensation for the 23 days of the attack (Levy, 2009b), and the government pledged to provide compensation to public institutions for the damages brought by the fighting (Polack, 2009). Furthermore, the government promised compensation of NIS 200-600 million for municipalities that were put under emergency situation (Arlozeroff, 2009).

*The cost of the attack for Israel was cheaper than the 2006 war with Lebanon.*

The government also compensated workers who were absent from work during the fighting, and parents who stayed at home with their children during the attack (TheMarker, 2009).

Compared to NIS 3.5 billion that the Israeli government paid as compensations for workers and businesses in the north of Israel following the war against Lebanon (Arlozeroff, 2008), the rockets fired from Gaza were not as damaging to Israeli busi-

nesses. Thus, the main cost to Israel for the attack on Gaza was mostly indirect, through the economic pressure applied to Israel as a result of the attack, which will be described below.

Furthermore, it is impossible to separate the attack on Gaza from the international economic crisis as the cause for the reduction in tourism, and thus impossible to produce a useful estimate of the damage to Israel's tourism industry (Rosenblum, 2009).

The Israeli economy has actually benefited in some ways from the attack on Gaza. Following the 2006 war with Lebanon, the Israeli army received a special emergency fund from

the Israeli government, to be used for special operations and which accumulated NIS 800 million annually. By 2009 this fund had accumulated NIS 2.4 billion. Thus the Israeli army had a source of funding for the attack that could not be used for other expenses. By tapping into the emergency fund, the state effectively found a way to increase public spending without increasing the deficit, a policy move that could be expected to help the Israeli

economy cope with the international economic crisis (*TheMarker*, 2008).

Israeli treasury officials said that the Israeli army will have to use its own budget for any operation that lasts up to a week, but longer operations might be financially supported by the government beyond the regular budget. This statement created an incentive for the top brass of Israel's army to extend the operation in Gaza as long as possible (Bassok & Zrahinya, 2009).

The opinion of Israeli economists and businessmen regarding the economic impact of the fighting with Gaza was very similar to their opinions regarding the war with Lebanon in 2006, namely, that the fighting will have little or no effect on the Israeli economy. Some economists expressed worry that the attack could cause the government to exceed its annual budget and increase the deficit, that the Israeli currency could weaken and even that Israel's international credit rating could suffer. But most economists remained calm and pointed out that the Israeli stock market did not seem affected by the fighting (*TheMarker*, 2008).

Some economists even hinted that by stimulating demand, a war could help the Israeli economy rise from the crisis (Maor, 2009).

### **WAR PROFITEERS**

Though the attack was devastating for the Gaza economy and costly for the Israeli economy, no discussion of the attack can be complete without talking about those who profited from it.

In Israel, certain industries were working full-time to keep up with demands created by the fighting. Chief among these were companies that reinforce buildings or build shelters as protection from rockets. Many of these companies were working at over full-capacity to meet the stream of demands by municipalities and individuals who wanted quick protection from the rockets (Ynet, 2009). Businesses that provide delivery services in the region surrounding Gaza experienced a boom in sales during the attack because Israelis were afraid to leave their homes (Charuti-Sober & Koren, 2009), and repair crews also had more work than usual repairing the damage

caused to structures by the rockets fired from Gaza (ibid.).

Israeli military industries, whose biggest customer is the Israeli Ministry of Defense, also profited from the attack through the production of munitions and replenishment of military supplies (ibid.).

Additionally, food companies providing rations for troops reported demand many times higher than in regular days; restaurants that sell food to soldiers on their way to Gaza or back raised prices; and telecom companies benefited from a surge in calls, over double that of normal volume. Even drug companies that manufacture relaxants reported a surge in sales (ibid.).

Six months after the attack, a special report by *Ha'aretz* uncovered that the siege on Gaza was fine-tuned to meet the interests of Israeli producers. The agriculture lobby directed the Ministry of Defense and the Coordinator of Government Activities in the Territories (COGAT) to pick which fruit, vegetables, and meat products would be allowed entry into Gaza based on Israeli market considerations. The tight siege created am-

ple opportunities for well-connected businessmen on the Israeli and Palestinian sides to generate high profits by arranging the shipment of goods. Ten trucks are allowed to move the goods from the Israeli to Palestinian side of the Karni checkpoint—a distance of 200 meters. Each truck making this trip charges NIS 500, and the company which operates them earns an income of NIS 50-60,000 every day, or about US \$5 million annually. Palestinian merchants in Gaza reported that they had to pay shipping costs 13 to 33 times higher than they paid before the siege. This in turn has made consumption much more expensive for Palestinians in Gaza, who were already burdened with high costs resulting from the imposed shortage (Blau and Feldman, 2009).

The Israeli military leadership attempts to restrict as many goods as possible, calling them “luxuries,” and also prevents construction materials from entering Gaza to help in the reconstruction. Spokesmen said that they wish to prevent luxuries from reaching the captors of Israeli soldier Shalit while he is still held captive, and that “luxuries are anyway not consumed by

the general public, but by the rich and corrupt leadership of Hamas.” The Israeli authorities operate under the policy of “no prosperity, no development, no humanitarian crisis,” meaning they try to freeze time in the Gaza Strip and force discomfort and suffering in the hope that it will undermine the Hamas leadership (ibid.). COGAT’s will-

*The Israeli siege motto: “no prosperity, no development, no humanitarian crisis.”*

ingness to use collective punishment against the entire population of Gaza is embodied in its statement that “Shalit doesn’t eat apricots, so his captors won’t be able to eat them either”—as if all 1.5 million people in Gaza are the jailers of Shalit, rather than the prisoners of Israel (Cohen, 2009).

Israel’s siege on Gaza is run in an unpredictable fashion, and no list of products allowed or forbidden to Gaza has been published by the Israeli authorities, forcing merchants and humanitarian agencies to guess and therefore waste money on shipments that are denied entry. On the other hand, Israeli merchants continue to use the captive

market in Gaza, as they did before the siege, to dump excess produce and jack up prices (Blau and Feldman, 2009).

Based on testimonies, *Ha’aretz* journalists compiled a partial list of products that are allowed into Gaza. These products include oil, flour, sugar, pumpkin, carrots, frozen meat, pasta, margarine, apples, persimmons, bananas, garlic, diapers and medicine. The list of forbidden products includes sesame, books, chocolate, clothing, pomegranates, preserved meat, semolina, kiwi, cherries, green almonds, shoes, mattresses and wheelchairs (ibid.). Even chlorine to help stave off disease from the contaminated water in Gaza is not allowed in sufficient quantities (Bartlett, 2009b).

The UN reported that cooking gas and grain were allowed into Gaza in controlled quantities, but UNICEF childhood development kits and toys were denied at the checkpoint, as they were not deemed a “humanitarian priority” (OCHA, 2009b).

Although the interests of certain Israeli producers are apparent in the Israeli siege policies, it is unlikely that

these interests are the main force setting the tone of Israel's policies towards Gaza. As will be discussed below, the Israeli economy does not profit from the siege on Gaza.

In the months after the attack, Israel kept the siege on Gaza as tight as ever. Stored foodstuffs were destroyed during the attack, and many tunnels used to smuggle food were destroyed during and after the attack. Food prices in Gaza rose by 28% in 2008 (according to the International Monetary Fund), and kept rising in 2009 even as the available income of Palestinians in Gaza declined. With most Gazans living below the poverty line, many people had to lower their caloric intake, and the World Food Program announced that "Gazans face an acute shortage of nutritious, locally-produced and affordable food" (Cunningham, 2009d).

### **CURRENCY STRANGULATION**

An important aspect of the Israeli economic siege on the Gaza Strip is

the attack against Palestinian banks and the financial sector in the Strip. In 2006, the U.S. declared that any institution that makes a financial transaction with the PA could be accused of abetting terrorism (US Department of Treasury, 2006). After Hamas took power in the Gaza Strip and it was placed under siege and rules different than those applying to the West Bank, several Israeli banks declared they would cut ties with the Palestinian banks in the Gaza Strip. Later the chairman of the Central Bank of Israel forced the banks to resume financial contact, in order to reduce the likelihood of Hamas issuing a local currency (Veiler-Polack, 2009).

Israel also prevented the PA institutions in the West Bank from sending money to their employees in the Gaza Strip, so that even if PA workers still received salaries electronically,\* the available cash in the Strip became very limited and banks there found it difficult to let their customers withdraw money. About 5,000 Palestinians with disabilities incurred while

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\* It should be noted that PA workers received salaries only if they agreed to strike and abstain from working for the Hamas government in Gaza (Shaban, 2008).

working for Israeli companies have been prevented from receiving their disability stipend since the beginning of 2009 (ibid.).

The currency crunch in Gaza brought a further slowdown of economic activities. But as Israeli authorities were worried that Hamas might issue its own currency for the Gaza Strip (thus undermining Israel's financial control over the Palestinian economy), they have allowed measured rationing of cash transfers to the Strip. The money was only PA funds, and never enough to meet the needs of Gaza's population. In the three months following the attack on Gaza, Israel allowed the PA to send only NIS 225 million out of the NIS 680 million still missing to pay for the salaries of PA workers since the beginning of 2009 (Buck, 2009).

## **OIL PRICE RISE**

Israeli economists estimated that the operation in Gaza could increase the international price of oil, like conflicts in the Middle East often do (The Marker, 2008).

The importance of oil prices is especially pertinent regarding the global financial crisis. As the U.S. felt the brunt of the crisis, the question of U.S. debt has become far more urgent. During a crisis, it is more difficult for the federal government to keep a balanced budget, but also more difficult to finance the immense debt of the U.S. In times of crisis investors flock to U.S. treasury bills as the traditional "secure" investment, and as a result of this tendency, the revenue on such bills became negative for the first time in history (Kruger, 2009).

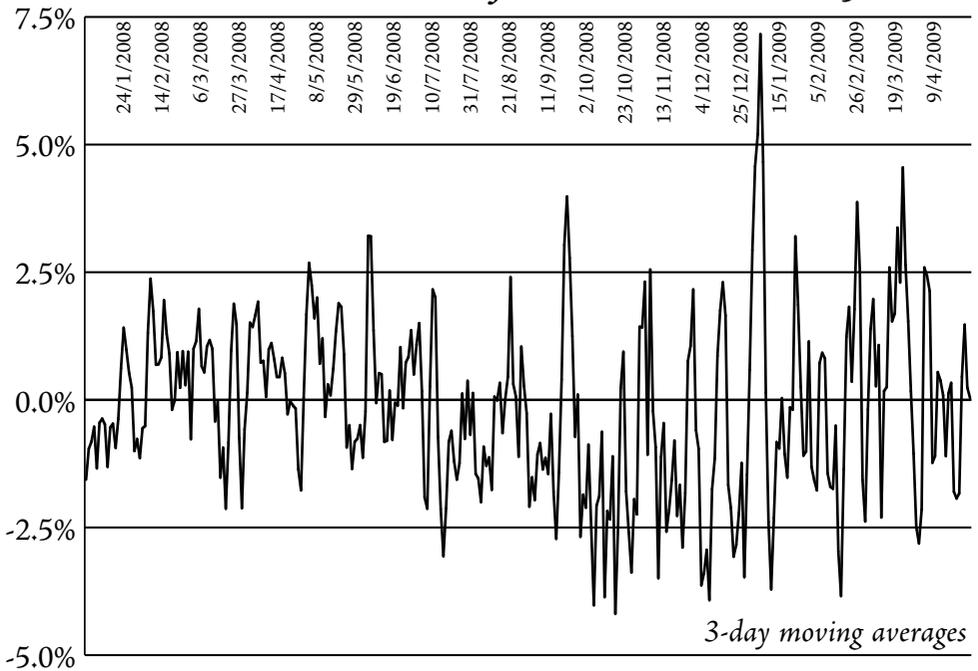
Nevertheless, there is a limit on how much available money investors have to buy these bonds. The challenge for U.S. policymakers is that with the crisis unfolding and liquidity scarce in the global markets, the U.S. needs to work harder to find buyers for its treasury bills—the bonds which fund the U.S. deficit.

Among the main purchasers of U.S. treasury bills are the Organization of Petroleum Exporting Countries (OPEC) countries (Fouskas & Gökay, 2008), which saw a steep decline in profits as a result of the drop in oil prices because of the cri-

sis. During 2008 and until December 24<sup>th</sup> (just before the attack on Gaza), oil prices fell by an average of -0.28% every day of trade.\* During the attack, oil prices increased by an average of 1.13% every day, signifying the belief of traders and speculators that

if the violence escalates it could eventually impact oil production in the Middle East. Even after the attack, between January 20<sup>th</sup> and April 28<sup>th</sup>, 2009, oil prices continued to increase at a rate of 0.13% for every day of trade (EIA, 2009).

**OIL PRICE CHANGES: JANUARY 2008—APRIL 2009**



\* In order to analyze the impact of the attack on Gaza on oil prices, an index was formulated to measure oil prices, including spot and future contract prices at every day of trading from January 2008 to April 2009. Oil prices were averaged for Europe Brent, New York Harbor and the U.S. Gulf Coast. In order to avoid distortions due to different prices for each type of oil, the prices of each type of oil were calculated based on the price change from the previous trading day, and these changes in percentage points were averaged out between the different types of oil prices, giving equal share to each type of oil or oil contract.

It's important to note that the reason for the change in the direction of oil prices is not only the attack on Gaza, but also (and perhaps mainly) the signs of recovery in the global

### *The Israeli economy benefits from every truckload of aid to Gaza.*

economy from the international economic crisis. Nevertheless, the days in which the Israeli attack on Gaza took place created the strongest impact on oil prices than any other period of time over the course of the 16 months covered by this check.

As the graph above demonstrates, the effect of the attack on oil prices was concentrated in the first days of the attack, when uncertainty was high. Only after the first week of the attack, when it became clear that the fighting was mostly one-sided and that the international community was reluctant to intervene, did oil prices begin to drop quickly, although they haven't quite reached their pre-attack levels (ibid.).

Though the impact of the attack on global oil prices is clear, this does

not necessarily indicate that the attack was fueled by oil interests. Oil prices have often increased as a result of conflicts in the Middle East, many of them including Israel. The economists

Shimshon Bichler and Jonathan Nitzan have shown that fighting in the Middle East has historically

contributed to the profits of oil and weapon companies, and that such companies used their lobbies to influence U.S. policies in the region, which could explain the reluctance of the U.S. to put pressure on Israel to stop the attack (Nitzan & Bichler, 2002; Bichler & Nitzan, 2006).

### **AID TO GAZA**

Aid sent to the Gaza Strip is profitable for the Israeli economy (Roy, 2009). All aid passes through Israel, with fees paid for storage and transport to Israeli companies. Often the aid goods themselves are bought from Israeli companies (Hever, 2008). Israel also collects a special "handling fee" of US \$1,000 from every truck that

enters the Gaza Strip (HRW, 2009a). The most important way through which aid is helping Israel, however, is by relieving Israel's responsibility for the well-being of the occupied Palestinian population (Le More, 2008).

In an unusual step, Israel placed severe limits on the transfer of humanitarian goods into the Gaza Strip during the attack. The Israeli government realizes that humanitarian aid to the Palestinians is an Israeli interest, which bolsters Israeli prestige and the legitimacy of its attacks, as well as serves as a source of income for Israeli businessmen. The decision to limit aid to the Palestinians under attack in Gaza signifies that bloodlust and anger, as well as the desire to pander to popular will, overtook practical considerations by Israel's leadership during this attack. Indeed, Israel allowed only a few dozen trucks to enter the Strip every day, and did not allow goods such as pasta, jam or paper to be delivered, arguing that these were not "humanitarian" goods. U.S. pressure convinced Israel to allow such goods into Gaza, but only weeks after the attack (Ravid & Issacharoff, 2009). Many tons of food had to be thrown away after they

sat and spoiled in warehouses, waiting to be cleared for entry into Gaza (Cunningham, 2009a).

Israel also denied that there is a shortage of basic necessities in Gaza (*Ha'aretz*, 2009b). A European Union Commission internal paper discussed EURO 34 million in aid blocked by Israeli authorities from entering Gaza since the end of the attack on Gaza and until April (Buck, 2009).

Aid has continued to contribute to the Israeli economy, despite the obstacles placed by Israeli authorities. EU countries (especially Belgium and Germany) used the PEGASE mechanism of transferring funds, enabling them to bypass Hamas and directly pay the Israeli Dor Alon company to supply petrol and diesel to the Gaza Strip. These products are needed to generate electricity in the Gaza Strip and to ensure the operation of hospitals and schools. Yet when the Israeli government instructed Dor Alon to cut down supplies to Gaza and ration the deliveries of petrol and diesel in order to deprive the Gaza Strip of electricity, European countries continued to work with Dor Alon and to pay it for the fuels that it did transfer.

Dor Alon enjoys a complete monopoly over the Gaza market because of Israel's control over the passages (Cronin, 2009b).

A special donors committee was convened on March 2<sup>nd</sup> in Sharm el-Sheikh, Egypt, in order to raise funds for restructuring the Gaza Strip. Hamas was not invited to send representatives to the committee, and Egypt denied visas to businessmen from Gaza who were supposed to present to donors the damage caused to the Strip (Hass, 2009j).

### *Reconstruction funding remains unused, as Israel denies entry of construction materials.*

The U.S. pledged US \$900 million in aid to Gaza under the condition that the funding will not reach Hamas. The U.S. said that the money is intended to strengthen Abu Mazen's position. This aid, however, cannot be used for rebuilding until Israel allows construction materials (cement, steel, etc.) through the passages into Gaza (Ha'aretz, 2009b).

Other donors pledged a total of US \$4.48 billion. The biggest donors

were the Gulf States with US \$1.65 billion, followed by the U.S. with US \$900 million (only a third of which is for the Gaza Strip, with two-thirds designated for the PA in the West Bank), and the European Union with US \$440 million (Reuters, 2009; JCPA, 2009).

### **DENIED RECONSTRUCTION**

Donors conditioned their assistance on aid being funneled through the PA, the UN, and the World Bank, so that Hamas would not have any hand in aid distribution.

Moreover, no Gaza-based organization has a say in the distribution of the funds (Morrow & Al-Omrani, 2009).

Since Israel is still responsible for the population of the Gaza Strip, the donations are actually a boon for Israel, relieving it from its accountability for the damage it inflicted during the attack (Hass, 2009i). The complicity of donor organizations with the Israeli occupation has been severely

criticized by human rights groups and other organizations (Human Rights Organizations, 2009).

Furthermore, by excluding Hamas from the discussion, the donors have precluded the possibility for the funds to be used for reconstruction and helping Gazans out of the grip of poverty and unemployment. Without Hamas's cooperation, as the group with legitimacy and popularity among the general population, funds can only be used for delivering foodstuffs and

other necessities into the Strip for immediate consumption (Barel, 2009). The refusal of Hamas to give the West Bank PA monopoly over the management of the reconstruction efforts has created further delay in the recovery (Issacharoff, 2009b).

Finally, as Israel has kept the passages closed to all construction materials, the commitment of the international community to help in reconstruction remains purely theoretical (Blau & Feldman, 2009).





## 8. Effects of the Attack



**A**lthough Israel's army had a clear military advantage against Hamas in numbers, training, and equipment, one can hardly say that Israel won the conflict against Hamas.

Colonel Ilan Malca said that his soldiers were frustrated that the attack was stopped without defeating

*The global movement to boycott Israel grew as reports came out describing the violence and destruction.*

Hamas and without bringing Gilad Shalit back (Harel, 2009a).

By March 1<sup>st</sup>, 41 days after the Israeli unilateral ceasefire, 65 rockets and mortar shells were fired from Gaza into Israel, proving that the attack was unable to stop rocket fire into Israel (Dvir-Shar, 2009). The

attack also failed to harm Hamas's popularity in Gaza, as was evident in the election for UNRWA's labor union, the biggest employer in Gaza, which Hamas representatives won (Hass, 2009k).

One of the most significant effects of the attack was a global increase of economic action against the

Israeli occupation.

The movement to protest the Israeli occupation by economic pressure, known as the "BDS

movement" (BDS stands for boycott, divestment and sanctions) has been growing steadily in recent years, especially since the 2005 call by Palestinian civil society for BDS as an effective, non-violent means of pressuring Israel to end the occupation (Badil, 2005).

During and after the attack on Gaza, global protests against Israel reflected a change in world opinion toward Israel. Yet the greatest impact came from the BDS movement, which has expanded in size and impact, and is currently the strongest it has been to date (Juma, 2009).

The BDS pressure on Israel takes four primary forms:

- (1) Labor unions which fight against cooperation with Israeli companies.
- (2) Campaigns against international companies that have factories in the settlement industrial zones, or which supply equipment or services to the Israeli military or to the settlements.
- (3) Consumer boycott of Israeli goods (some of the campaigns boycott only those goods produced in the settlements).
- (4) Academic boycott—refusal to recognize Israeli academic institutions, to fund them, and to cooperate with them.

Each one of these types of pressure on Israel has been strengthened following Israel's attack on Gaza. There are hundreds of campaigns with varied levels of success, but in the interest of brevity, only one example will be given here for each type of campaign.

(1) Union Action—Horrified by Israel's excessive use of violence, the Congress of South African Trade Unions (COSATU) called on the South African government to cease relations with Israel and close the Israeli embassy in Pretoria (M&G, 2009). The South African Transport and Allied Workers Union (SATAWU) also refused to handle Israeli ships (Juma, 2009).

(2) The French Veolia company, which is involved in a light-rail project in Jerusalem that creates transportation infrastructure for illegal settlements in the city, has been the target of widespread criticism and pressure. After years of such pressure, which multiplied in the wake of Israel's attack on Gaza, Veolia announced that it would

abandon the illegal project in Jerusalem (Bar-Eli, 2009).

(3) Consumers in France raided supermarkets and confiscated Israeli products to protest Israel's crimes against the Palestinians, particularly land confiscation and the attack on Gaza (Nir, 2009).

(4) A briefing paper by the Palestine Society of the School of Oriental African Studies (SOAS) in London, published following the attack on Gaza, traced various links between Tel-Aviv University and its military research on behalf of the Israeli military, including research used in the attack on Gaza. The SOAS document was distributed amongst academics around the world, who might conclude from it that they should minimize or cut their ties with the Israeli Tel-Aviv University (SOAS Palestine Society, 2009).

It is also important to note that during the attack, the Women's Coalition for Peace launched a new website: [www.whoprofits.org](http://www.whoprofits.org). The website, set up by the WhoProfits project of the Women Coalition for Peace, is a database of companies (Israeli and international) that profit economically from the Israeli occupation. Various BDS campaigns have begun using this website as a source of information and a way to generate a stronger message and call for BDS.

What is especially striking about the growing protest against Israel is that it has been received by the Israeli public and has reached the mainstream Israeli media.

The protests against Israel's attack on Gaza were often classified as "anti-Semitic" acts, but the Israeli media could not ignore that there does exist a strong connection between protest and the attack on Gaza (Ilani, 2009b).

## 9. Conclusion



**B**ecause of the limitations imposed by the Israeli authorities on coverage and the ability of Gazans to meet outsiders and get their message across, there is a real danger that the story of the attack on Gaza will be stifled, and its magnitude will not be properly understood by the international community.

The Israeli attack on the Gaza Strip was one of the most important events of the Israeli occupation. The use of lethal force against a defenseless, helpless civilian population was unprecedented in its intensity since 1967, when Israel occupied the Gaza Strip.

Palestinians in Gaza had no recourse to defend themselves. Besieged from all sides, they had nowhere to flee. Unable to surrender and unable to fight back, they could only watch the horror unfolding around them,

and hope that they and their loved ones would survive.

This report, however, is a compilation of other reports, an attempt to piece together the picture of the Israeli attack on Gaza. Its main angle is the Israeli angle, as it attempts to demonstrate that the vast majority of Jewish Israeli society has been aware of the war crimes and atrocities committed by the Israeli troops, and nonetheless chose to support the attack. The Israeli public's support for the attack is a large warning sign. It tells Israeli politicians that brutality is popular. In this attack the Israeli public demonstrated levels of tolerance to violence that have not been seen before since the 1948 Nakba. One has to wonder whether there is sufficient popular resistance within Israel to prevent the Israeli authorities from perpetrating

genocide. If the Israeli army killed 1,434 Palestinians in Gaza, how do we know that in the next attack they will not kill 14,000 or more?

*Without international pressure to make Israel accountable for its crimes, how can the next attack be prevented?*

The leaderships of the U.S., Europe, and many Arab countries were willing to allow Israel to carry out its attack, and they failed to take timely

action to hold Israel accountable for its crimes. The Israeli public did not mobilize against the attack, and the Palestinians were not strong enough to defend themselves.

The only hope which remains to prevent a real genocide from taking place in the Palestinian territories is that the international community will effectively set the limits, and ensure that Israel will be accountable to the world for its actions.



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# AIC Mission Statement

The Alternative Information Center (AIC) is an internationally oriented, progressive, joint Palestinian-Israeli activist organization. It is engaged in dissemination of information, political advocacy, grassroots activism and critical analysis of the Palestinian and Israeli societies as well as the Palestinian-Israeli conflict.

The AIC strives to promote full individual and collective social, economic, political and gender equality, freedom and democracy and a rejection of the philosophy (ideology and praxis) of separation.

The most urgent regional task is to find a just solution to the century-old colonial conflict in Palestine and confront the ongoing Israeli occupation-regime within its international framework. The AIC method of action develops from the awareness that local struggle must be practically and analytically situated within the framework of the global justice struggle.

The internal AIC structure and working relationship aims to reflect the above mentioned values.

Shir Hever

# *Economy of the Occupation*

*The Economy of the Occupation*, published monthly by the Alternative Information Center (AIC), offers a new approach to the economic situation in the Occupied Palestinian Territories (OPT) and Israel. This bulletin will provide accessible and singular analyses of the socioeconomic interests behind the Israeli occupation of Palestine.

At the present time, the majorities amongst the otherwise politicized Palestinian and Israeli populations possess a limited understanding of their own socioeconomic situation. Available publications are sporadic, insufficient, often biased and fail to consistently link society, politics and the economy in the OPT and Israel. This disempowering state of affairs makes it all the more critical to offer alternative readings of the economic reality of the occupation.

The publication touches on various issues such as inflation, debt, trade, employment, poverty and capital, and demonstrates the influence of these issues on the daily lives of Palestinians and Israelis. The aim is to enhance awareness and to contribute to a more informed struggle for social justice and a just peace for Palestinians and Israelis.

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