

Talal Abu-Ghazaleh

by Talal Abu-Ghazaleh on Sunday, 11 January 2009



This is not a war between two countries, nor is it a dispute. This is an occupation and in Gaza we are fighting a war of liberation against occupation, as defined by the United Nations' various resolutions.

The loss of life on the Palestinian side is naturally much higher, thanks to the military might supplied to Israel by the US. What was already a siege, has been supplemented by assault from land, sea and air.

The war of attrition undertaken by the Israeli forces is against the entire people of Gaza: there is no distinction between Hamas and the people of Gaza, despite the occupier's best efforts to present it as so, because Hamas are part of the people, and so are all the revolutionary factions.

However, from an economic angle, we must highlight the financial losses to Israel as a result of this conflict. While our heroes in Gaza continue their brave revolt against the occupation, we should also look at the economic losses on the Israeli side.

We must look at the Israeli occupation as a business entity, as a company. That company has been very profitable thanks to the unlimited support of the West.

However, that dependence will also be the root of its demise because, with the world economic crisis we are facing, the greatest victim will be this occupying power.

It has no chance of survival without the unlimited support provided by the West. Israel has built a wall around itself, and in doing so, it has imprisoned itself and is left with no alternative now the West is going into economic depression.

The occupation and seizure of Gaza has completely eliminated a market that has been a major source of income for Israel. Gaza depended on Israeli products for everything, and

Israel charged very high prices - now that market is gone.

The only thing trickling into Gaza now is aid and that is coming from all over the world, including the United Nations.

Gaza used to be a source of income through taxation. Everything that went into Gaza was taxed by the Israeli authorities, including electricity, water and communications. It is estimated that revenue came to \$2bn a year, and that is lost too.

Before the assault on Gaza, Israel was going into a very serious financial crisis. Now it must support another one million people who are unproductive because they lived on the border of Gaza and have had to move - they have been displaced.

Israel cannot afford the cost of war either, as it is paying \$100m a day in direct war expenses. On top of that you must add the cost of amassing army reserve units, which must be payrolled and provided with logistic support.

This costs another \$200m a day, and if the war lasts a month, then the cost will escalate to \$1bn a day. The cost per day is unsustainable and therefore Israel cannot afford a lengthy war.

The Israeli economy was already ailing, as much of the aid that comes from the US comes from private business. The main source of support to Israel - in addition to the governments of the US and Europe - is from companies in the US taking advantage of a tax exemption loophole.

They take what would have become taxpayers' money in the US, and use it to support Israel. Now that has to decline because these companies who used to give billions of dollars a year, will be lucky if they break even this year. They were donating out of their profits, and when profits stop then so will donations.

This year was going to be gloomy for the Israeli economy even without a war. Add to that the \$300m it is paying every day to keep the war going, and that is a substantial burden.

On the Gaza side, of course there are losses, but they are not comparable because he who has more, loses more - and the Palestinians in Gaza have very little to lose.

The Israelis are the losers by many, many times. All occupying forces eventually leave because of the financial burden of war, and although this is happening at a very sad and alarming loss of life in Gaza, this is a cost that has to be paid in order to end the occupation.

MORE FROM ARABIANBUSINESS.COM