

COMBAT PROVEN BUSINESS

Exporting the 'Israel Brand'
to Maintain the Occupation and Normalise Injustice

Authors: Alejandro Pozo Marín, Ainhoa Ruiz Benedicto



EXECUTIVE SUMMARY

Exporting arms to Israel contravenes the spirit and letter of the law designed to reduce suffering and instability in many countries. This is clearly the case in EU member states. Moreover, it only seems possible to justify such transfers is by prioritizing commerce over morals, or by ignorance of the situation in Palestine. However, exports to Israel are normalised, even encouraged, in the vast majority of weapons producing countries. Yet Israel has one of the world's most important military industries, and in fact has a greater needs to sell than to buy arms. Exporting large volumes allows it to increase production, which decreases the costs of what it needs to maintain the military occupation and its military relevance as a Middle Eastern power. In order to achieve such volumes, it needs a brand that provides a global competitive advantage. And it needs to build that brand based on two sources of added values. The first involves being at the cutting edge of (especially military) technology, by investing heavily in and promoting national research and production. It also positions and promotes its exports in this sense, using national machinery to serve its military industry. The second involves advertising its products as "Combat Proven". For years, Palestine, and especially the Gaza Strip, have been a laboratory for testing Israeli military material. This situation is defended by the Israeli authorities, and vaunted by the companies selling such products all over the world.

This report seeks to explore the various ways in which the Israeli government and industry (in constant synergy and complicity) do business in order to maintain their increasingly costly *security* model in Israel, the Occupied Palestinian Territories and their respective borders. And to examine the ways in which Israel expands its global brand, allowing it to maintain this situation through revenue, power and complicit allies.

This report has three sections. The first two examine the arms trade and industrial cooperation by studying the case of Spain. This provides details on arms relations between Spain and Israel, and also shows how these businesses work. While this does not cover all the methods used by Israel (which is one of the world's biggest exporters of arms and military services), it does provide a fairly representative overview from which conclusions can be drawn. Section three provides a global approach to one of the most important aspects of Israel's *security* business: border control. Israel is the paradigm of a walled state: it has six walls and a total of six borders. No other country comes close in terms of the symbolism of its use of concrete and barbed wire. Israel has also tried to export this model of control for commercial gain, and its success has clearly been so great that it has achieved the obscene normalisation and exploitation of an experience that has caused so much suffering and injustice.

Some of the main messages and conclusions of this report are as follows:

- The seriousness of defence material exports by EU states (938,364,821 euros in authorisations in 2020) to Israel is not so much due to quantity - since Israel does not need European arms with its level of production-, it is more so because, on the one hand, it is a violation of Spanish and European legislation and, on the other, it basically serves to establish other types of commercial and industrial relations, and opens doors for Israeli industry to enter into European production and aid to this type of company.
- Spanish and European arms exports to Israel violate the eight Criteria of Common Position 2008/944/CFSP, which defines common rules governing the control of exports of military technology and equipment.
- Despite the violations of the Common Position's criteria by Israel and its behaviour and situation, there is no official record of any denial of authorisation for the export of Spanish Defence material prior to 2015. Since then, denials have been few, five licences: in 2015, 2017 and 2019.
- In Spain, as in other countries, cutting-edge products and technology are presented as combat-proven. Examples include Rafael's Spike missiles, drones from IAI and Elbit Systems, ground vehicle turrets from Rafael, mortar systems from Elbit Systems or tank ammunition from Israel Military Industries Ltd (IMI Systems). These manufacturers are among the firms most profiting from the military occupations and tensions in the region, and all of these products have been advertised as "combat proven" in Gaza.
- Israel has one of the world's most advanced and global defence industries, so it exports more than it imports, its main suppliers being France, Germany and, primarily, the US.
- Israel's exports, and thus the purchase of Israeli equipment by other countries, becomes even more serious than arms exports to Tel Aviv. The purchase of military equipment from Israel strengthens the country's military and security model and, more importantly, contributes to maintaining the occupation, which Israel makes economically viable by selling its "combat proven" military products.
- This viability is achieved by lowering domestic costs by manufacturing in excess and exporting the surplus (three quarters of its production). As a hypothetical example, if it costs ten million euros to produce one tank, it might cost 50 million euros to produce ten, halving the cost per unit if Israel manages to export the nine surplus.
- Spain uses espionage and communications interception services provided by Israeli companies. Clients include the Ministry of Defence, the CNI, the National Police Corps, the Guardia Civil and various regional police forces. Among the products offered, the NSO Group Technologies' Pegasus programme and Verint Systems' services and applications stand out.

- Israel is the paradigm of a walled state in the world, along with Morocco; all of its borders contain walls and fences in some section, and these walls are used to consolidate territorial occupation and expulsion. This has also led to the growth of a varied and lucrative market for Israeli industry, linked to the construction of walls and fences and other border control and surveillance systems.
- The system of control and surveillance of the daily life of the Palestinian community through walls, fences and movement control systems entails a securitisation of an entire population, which is considered and labelled as "at risk" as a whole. This discourse serves to justify the construction of walls and the deployment of all kinds of technological tools that disrupt the daily life of the Palestinian community in a system of apartheid.
- Out of 500 companies involved in the production of technologies for Israel's Homeland Security, 173 of them - 35% - are engaged in developing technologies, systems and services that serve to reinforce border fences and walls, as well as other border control and surveillance systems.
- The global border security market is on the rise, estimated to be worth more than \$65 billion by 2025. Among the world's top nine companies in border management is one Israeli company: Elbit Systems Ltd.
- Israeli industry has been involved in the construction of border walls and surveillance and control technologies in: United States, Kenya, Morocco, South Korea, Cyprus, Colombia, India Greece, South Korea, European Union (Frontex).
- The "combat proven" or "field-tested" brand that Israel promotes, of products tested in and on the Palestinian population and the occupied Palestinian territories, has become an added value in the international security and defence market. The very existence of this brand is the main reason for condemning the collaboration, production, purchase and use of this equipment.

CONCLUSIONS: PROVEN INJUSTICE REPRODUCED

Israel has produced, reproduced and suffered armed conflict for decades. It now argues that this experience provides added commercial value. It has also built a brand, especially around *Homeland Security*, the sector that straddles the traditional internal security associated with the police, and the traditional international security associated with the armed forces. In Israel, these bodies overlap with other security and defence organisations.

Selling arms components to Israel is bad, given that its armed forces' use of weapons is well known. Israel does not respect international law, or International Humanitarian Law, or the Universal Declaration of Human Rights. Statements by international institutions of all kinds are so numerous that it seems superfluous to specify the proven facts here. Buying military material from Israel is also bad, because it reduces the cost of its occupation of Palestinian territories, making such actions viable. Purchasing products that claim Israeli added value because they are "combat" or "field" proven, incentivises such practices and subordinates any objections. Doing business with Israeli military and security companies contributes to all the above, by facilitating their access to international markets, highlighting the added value of violence against the Palestinian population, importing and promoting the Israeli *security* model, and conditioning success on the highly questionable model practiced in the Occupied Palestinian Territories and elsewhere. Irrespective of the dictates of economic liberalism, the markets or international relations, all this is bad.

In Spain, like other EU countries, the details of the statistics and material exported to Israel are known. Such exports are significant in terms of their failure to comply with Spanish and European legislation. This paper does not describe these exports as illegal because this conclusion has not been reached by a Spanish court – such exports are protected by the Official Secrets Act, which denies access to the information that would allow such a conviction–. However, we can say that they are totally contrary to the spirit and logic of the existence of a law against the arms trade, which is in force in Spain and in Europe, yet lacks the guarantees provided by the courts. It is relevant and significant that these exports take place with complete impunity and a lack of accountability. Furthermore, very few export licences to Israel have been turned down by Spain or other European countries. In spite of all this, exports of Spanish arms to Israel are not the most worrying element of the military and arms relations between the countries. Israel does not need Spanish weapons. However, it does need its collaboration, complicity and synergies to help export its own products and *Made in Israel* services in order to globalise a model that demonstrably harms people. A model that, in Israel, is based on *apartheid*.

Official details of the statistics and material imported by Spain from Israel are not known because, unlike exports, these are not subject to specific legislation. This situation is similar in many other countries, where explanations of purchases from Israel are dependent on media reports or publications in military

reviews, rather than being the subject of an official report accounting for government actions. In the case of Israel and Spain, imports into Spain are known to be far higher than exports (as is generally the case across the board). These transfers are controversial too, because they lower the high cost of Israel's territorial occupations. And they also take place in a context that defends the added value of Israeli products having been used in "combat" situations, notably in the Gaza Strip.

There are at least four underlying reasons for the business relations between Spain and Israel: the creation of subsidiaries of Israeli companies in Spain (no examples of the reverse situation are known) to gain access to key national contracts; working together to win tenders to supply finished products to Spain's armed forces; long-term strategic cooperation for by-products or equipment components; and collusion in securing access to international markets. The central objective of these industrial relations is access to the Spanish or third markets, notably Latin America and the Arab world, where some Spanish business connections provide added value. Israel also benefits from participation in industrial programmes related to NATO and the EU, while Spanish companies can promote themselves through the Israel brand, consolidated through its experience of arms and security, especially in the Gaza Strip.

Lastly, the Israeli *security* model is quintessentially related to border and people control. All Israel's borders have walls, and many of the border walls built around the world are constructed by the same Israeli people and companies. Institutions all over the world have found that Israel doesn't know how to draw a security boundary. Nevertheless, its model is the one promoted and exported globally. Building walls has a serious impact on everyday life. In Palestine, walls separate families, communities and farmland; they limit access to hospitals and other services; and restrict the mobility of workers, companies and businesses. Israel's walls have shown how wall-building produces indiscriminate violence, and should not serve as a benchmark for any country. They should be resoundingly condemned.



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