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# **Gaza War Economy Brief**

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## **Israel's War: Making Palestine Unlivable for Palestinians**

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## Israel's War: Making Palestine Unlivable for Palestinians

For six weeks now, Israel has unleashed its full military power in a prolonged retaliation for the October 7 surprise attack by Hamas-led Palestinian armed brigades targeting Israeli towns and settlements surrounding the Gaza Strip, which killed some [1200](#) Israeli civilians and military personnel. Palestinians view this a natural outcome of years of economic and social deprivation in Gaza and denial of Palestinian rights everywhere, and as legitimate resistance against occupation. While generally not condoning the deliberate killing of non-combatants, many Palestinians look at October 7 in terms of proportionality with what has happened since. For Israel and its allies around the globe, this brazen and bloody assault entailed an intelligence and policy failure that has been termed [Israel's Pearl Harbour](#), its [9/11](#). Meanwhile, Israel and the US have [cast Hamas as a Nazi-ISIS entity](#) that must be eliminated for the benefit of Western civilization itself.

Israeli war rhetoric and actions underway portend outcomes that could well mean even greater suffering for Palestinians in Gaza and elsewhere in Palestine, with or without an Israeli declaration of victory.

### Israel Unleashed

An explosive combination of grief, anger, humiliation, and long-standing extremism of the right-wing factions sharing power in Israel has taken hold of Israel. This is fueling an escalating campaign of [dehumanizing](#) not only Hamas, which has been the effective governing authority in the Strip for 15 years but also the 2.2 million Palestinians under fire there, as well as the other 5 million Palestinians living in the area controlled by Israel between the Jordan River and the Mediterranean Sea. This has been accompanied by calls from supposedly "fringe" elements of the Israeli religious nationalist right to alternatively [expel the Gazans](#) to the Egyptian Sinai desert, visit [Nakba2023](#) upon Gaza, or if need be, to [nuke the Strip](#). As a former [US Director of National Intelligence](#) put it bluntly, if Israel is going to destroy Hamas, it will have to destroy Gaza.

For anybody trying to make sense of why Israel is bombing Gaza to smithereens, neither blind fury and overreaching, nor any lawful doctrine of warfare are reasonable explanations. An assault on this scale, of this intensity and which Israel says could go on for months, may have only immediate military and political goals, and these may or may not be achieved. But Israel's escalating pursuit of the war, the overwhelming force it is employing, and its disregard for growing unease among its Western allies, also reflects its other strategic interests, perhaps not yet fully elaborated in explicit goals, but whose effective outcome is, simply put, to make Gaza unlivable.

The north of the Strip is already [uninhabitable](#) and conditions are hardly better in the south, whose [cramped](#) population has increased by almost 150% overnight from 4531/person per sq.km to 6145/person per sq.km (taking into account more than 700,000 persons displaced into UNRWA and other facilities in the middle and south governorates of the

Gaza Strip). This area has effectively been turned into a sprawling refugee camp, many of whose inhabitants will spend the coming winter in tents at best. Think: [Al-Zaatari camp for Syria refugees in Jordan](#).

With destruction focused so far on the north [23%](#) of the Strip's buildings have been pulverized and another [27%](#) partially destroyed. In addition to a reported death toll of 12000 identified victims, the bodies of an estimated [2700](#) remain under the rubble, with communicable diseases spreading and no functioning basic health care systems. Electricity, water, sewage, communications and transport are in ruins, public service facilities and some [580](#) industrial facilities destroyed, vast areas of agricultural land bulldozed, and food stocks totally depleted. Palestinian food insecurity was always highest in Gaza, and the Gaza economy had [shrunk to only 17%](#) of the whole Palestinian economy by 2022, but today we have been reduced to malnutrition and looming starvation levels of a subsistence economy. A whole economy has been de-commissioned for the foreseeable future. And the toll continues to mount, while the shock waves of this war have yet to hit the shores of the West Bank economy in full force.

## **Weaponizing the Humanitarian Crisis**

In the face of what it considers an "[existential threat](#)", Israel appears intent on making Palestine unlivable for all Palestinians, not only those in Gaza. However, no less existential threats face 3.2 million Palestinians trying to survive in the occupied West Bank and east Jerusalem amidst 750000 settlers, never having accepted the yoke of half a century of Israeli rule and today facing [severe war-time repression](#). Another 1.8 million Palestinians are "sheltering in place" in isolated, segregated Arab-only ghetto cities around Israel, second-class citizens who today are viewed by the State as [potential fifth columnists](#).

This (not-so-) silent genocide is playing out on two levels: through the weaponization of a humanitarian crisis in achieving Israeli military/political goals; and, through the confluence between the forces unleashed in this moment in Israel's history and the explicit goals of the Israeli nationalist religious right.

As for the first of these unconventional weapons of war, a leading Israeli analyst has explained frankly that military action against civilians by what Israel still markets as "[the most moral army in the world](#)", is a rational and legitimate part of a broader purpose:

**Its role is to sear into Palestinian consciousness the apocalyptic punishment facing anyone who from now on dared challenge Israel. This is a continuation of the deeply rooted strategic concept according to which humanitarian suffering might yield security-related gains, a concept which instated the siege of Gaza as an irreplaceable reality.**

However distorted a vision of humanity this reflects, such a framing makes eminent sense to understand why Israel has created such an unprecedented humanitarian catastrophe and what purpose beyond revenge it could possibly serve. After all, we have spent the past 15 years at the end of the alternate Israeli stick and carrot, the doctrine of “economic peace” perfected in the West Bank, but also recently deployed (less successfully it would appear!) in Gaza as part of the Israeli strategic “concept” of managing, but not ending, the struggle. While Israel’s behavior during the war has been horrific and extreme, and certainly it is not comparable with what it suffered on 7 October, few in Palestine are surprised at the ease with which the Israeli army and political system, and a broad segment of public opinion, has embraced the humanitarian weapon so blithely, while the world issues anemic calls for Israeli restraint.

Palestinians are well placed to see how the Israeli war fever doesn’t come from a vacuum, nor is it a knee-jerk reaction to the defeat suffered on 7 October. The context for the shocking normalization of collective punishment that we are witnessing, and global impotence or indifference in confronting it, is supremely important here.

### **Looming Threats of the Day After – Silent Genocide?**

Let us not forget that the Netanyahu government has been challenged by masses of Israeli liberals for the past year, for its efforts to dismantle democracy in favor of an agenda dominated by the interests and phobias of West Bank settlers and messianic rabble-rousers. The latter continue to unabashedly promote Finance Minister Smotrich’s three-stage “Decisive Plan”: submit, relocate, or be crushed by the IDF.

What is of greatest concern in this fraught context, now that the massacre of innocents has become routinized and second page news, is the real risk that we still might witness come true some of the most extreme Israeli designs or desires for the Gaza Strip, in particular mass expulsion of Palestinians. Even without direct Israeli action and despite solid Egyptian refusal to entertain any population transfer, southern Gaza is becoming a pressure cooker that might yet burst out on its own at its soft underbelly on the border with Egypt. Be it in southern Gaza or in Sinai, with Hamas crushed in the north or not, Somalia-like conditions (displacement, malnutrition, disease, breakdown of law and order, etc.) are already emerging, awaiting a significant humanitarian relief effort that has yet to be organized.

Were the guns to fall silent tomorrow, the very concept of the “Day After” in Gaza is already unimaginable, and surely humanitarian agencies will have a hard time even knowing where to start aiding the displaced and distressed. Whatever Israel and its allies might declare about not re-occupying Gaza and not allowing Hamas to remain in power, it is hard to see who other than the Palestinian people and their legitimate representatives can assure the security and civil governance of the Strip. And that can only mean a continued role for Hamas, however much its military power might yet be reduced during or as an outcome of this war.

Providing shelter, food, water, medicine, electricity, and sanitation, not to mention addressing mass traumatic stress, will entail a hitherto unknown level of resources, organizational capacity, and public governance systems that need to be mobilized from scratch and will run into the billions. The first two-month UN emergency response requirement estimates envisage \$600 million monthly. That's over \$7 billion through the end of 2024, assuming that by then other economic and reconstruction can commence. The challenge of restarting a broken economy and resuming subsistence for millions of traumatized Palestinians begs the case for considering a Gaza Universal Basic Income response if there were to be justice for the Palestinians.

How can such an outcome be in anybody's interest, even Israel's? At what point might the implicit risks in what is yet to come in Israel's retaliation produce not only a new Palestinian Nakba, but even a broader regional conflagration? Is it fantastic to still ask whether Israel's allies' concern about being implicated in its crimes might yet transform from gently advising it to accept a humanitarian pause into an ultimatum to cease and desist, or risk becoming a pariah?

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