

Crisis and Opportunity: The United States' Arms Exports to Israel in the Current War Period

Crise e oportunidade: A exportação de armas dos Estados Unidos à Israel no atual período de guerra

Crisis y oportunidad: Las exportaciones de armas de Estados Unidos a Israel en el actual período de guerra

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Resumo:

A relação entre Israel e Estados Unidos é uma das mais consolidadas e complexas da geopolítica contemporânea, sendo marcada por alianças históricas e interesses compartilhados. Este estudo busca investigar como essa parceria gera oportunidades significativas para a indústria armamentista americana, com foco na exportação de armas para Israel, durante o conflito atual e suas implicações para a dinâmica geopolítica global. A análise observa a intersecção entre a crise envolvendo as tensões políticas e sociais, e a oportunidade que tais conflitos podem criar para o setor de armamentos dos Estados Unidos. Além disso, são examinadas as implicações dessa dinâmica para os direitos humanos e a governança global, destacando o desafio de equilibrar interesses econômicos com a integridade social no cenário internacional.

Palavras-chave: Israel-Estados Unidos; Indústria Armamentista; Exportação de Armas; Oportunidade; Crise; Geopolítica.

Abstract:

The relationship between Israel and the United States is one of the most consolidated and complex in contemporary geopolitics, marked by historical alliances and shared interests. This study investigates how this partnership generates significant opportunities for the American arms industry, focusing on arms exports to Israel during the current conflict and its implications for global geopolitical dynamics. The analysis notes the intersection between the political and social tensions crisis and the opportunity such conflicts can create for the United States arms sector. In addition, the implications of this dynamic for human rights and global governance are examined, highlighting the challenge of balancing economic interests with social integrity on the international stage.

Keywords: Israel-United States; Arms Industry; Arms Exports; Opportunities; Crisis; Geopolitics.

Resumen:

La relación entre Israel y Estados Unidos es una de las más consolidadas y complejas de la geopolítica contemporánea, estando marcada por alianzas históricas e intereses compartidos. Este estudio busca investigar cómo esta asociación genera oportunidades significativas para la industria armamentística estadounidense, con un enfoque en las exportaciones de armas a Israel, durante el conflicto actual y sus implicaciones para la dinámica geopolítica global. El análisis señala la intersección entre la crisis que involucra tensiones políticas y sociales, y la oportunidad que tales conflictos pueden crear para el sector armamentístico de Estados Unidos. Además, se examinan las implicaciones de esta dinámica para los derechos humanos y la gobernanza global, destacando el desafío de equilibrar los intereses económicos con la integridad social en el escenario internacional.

Palabras clave: Israel-Estados Unidos; Industria de armamentos; Exportación de Armas; Oportunidad; Crisis; Geopolítica.

1. INTRODUCTION

Arms exports are traditionally a delicate issue in international relations, given their close relationship with human rights violations and economic interests. This is evident in the conflict between Israel and Palestine, one of the longest-running geopolitical disputes of our time. In addition, from the political and humanitarian dimensions, this clash reveals the intersection between crisis and opportunity concerning arms exports.

It is worth noting that the trade relationship between Israel and the United States to be analyzed is a long-standing relationship involving political, economic and social issues. Arms trade is integral to this strategic partnership between these two countries. This strategy strengthens Israel's defense capabilities and promotes mutual interests while raising questions related to the commitment to human rights principles and regional stability. The relationship between these countries is an emblematic example of the arms trade, one of the most dynamic and controversial sectors.

From this perspective, the aim is to analyze how the significant arms industries in the United States act in the context of the conflict, focusing on the role of massive arms exports to Israel, an essential ally of the United States. Thus, this study aims to explore the duality between crisis and opportunity, analyzing how war can become a profitable opportunity for American industry. It also examines the economic and strategic interests involved in these activities.

Furthermore, a striking feature of the international arms market is that transfers of military equipment serve economic interests, such as growth and job creation, and play a strategic role in countries' international relations. Economically, these transactions boost industries and economies, while politically, weapons serve as instruments of influence on foreign policies. However, the profitability derived from arms sales to conflict regions raises essential questions about human rights and the viability of lasting peace.

Given this, this paper analyzes the relationship between arms companies and conflict, emphasizing the issue of how the commercial interests of corporations relate to the marketing of weapons intended for war. The analysis covers the economic impact of the industry and its political ramifications. In addition, the implications of these practices for global geopolitical dynamics are discussed to offer a reflection and understanding of the export of the arms sector.

2. THEORETICAL BASIS

2.1 Trade relationship between the United States and Israel

The commercial relationship between Israel and the United States is recognized as a "special relationship," developed over more than half a century, based not only on diplomatic and military ties but also on a wide range of economic, academic, religious and personal connections. In comparative terms, these two countries' bonds can be considered one of the most remarkable in contemporary international politics.

Professor Pulido (2007), an expert in the field, emphasizes that after the First World War, the United States emerged as the world's most significant power, holding 35% of ¹Global GDP. As a result, controlling oil resources became essential to maintaining its supremacy. In addition to being a prominent trade route between continents, the Middle East stood out as the primary source of oil, the engine of the world economy.

The bond between these two countries began even before the creation of the Jewish state. According to Oliveira (2018), during the vote on the partition of Palestine in 1947, President Truman supported the creation of Israel for both humanitarian and strategic reasons. This support aimed to resolve the Jewish refugee crisis in Europe after the Holocaust, in addition to considering U.S. interests. ²In the oil-rich region of the Middle East.

The writer Feldberg (2008) points out that this stance consolidated the United States as Israel's main ally, especially in the dispute against the Arab countries, which received support from the Soviet Union. However, military cooperation between the two countries was limited in the early years. From 1948 until the mid-1960s, the State Department and the Pentagon resisted the idea of supplying weapons to Israel, fearing that such action would stimulate an arms race in the Middle East, with Arab countries seeking military assistance from the Soviet Union and China.

From this perspective, the U.S. government's stance began to change in 1962, when the Kennedy administration, over the objections of the State Department, authorized the sale of the first HAWK anti-aircraft missiles to Israel. This was the beginning of a new phase: Israel became the largest recipient of American military aid and the first country outside NATO. ³To receive advanced defense technology.

The Six-Day War ⁴In 1967, there was a turning point in relations between the two countries. President Lyndon B. Johnson strengthened ties with Israel by increasing supplies of sophisticated weapons, such as Phantom F4 and Skyhawk A4 aircraft, as well as Sherman tanks, at unprecedented prices. American policy aimed to maintain a balance of power in the region, preventing any state from gaining military superiority. After the conflict, a new approach was established to ensure an army advantage for Israel over its neighbors.

Taylor (1991) argues that this alliance reached a new level by introducing the Doctrine of Qualitative Military Advantage, an American policy created in the 1970s. The Israeli experience in the War of Attrition reinforced this concept. ⁵(1969) and the Yom Kippur War ⁶(1973) demonstrated Israel's strategic value as

¹GDP- Gross Domestic Product

²United States of America

³NATO- North Atlantic Treaty Organization

⁴The Six-Day War was a conflict waged by Israel against Egypt, Syria and Jordan in June 1967. In six days, Israel advanced and conquered several territories.

⁵The War of Attrition occurred between Israel and Egypt, involving heavy artillery fighting across the Suez Canal.

⁶The Yom Kippur War was an armed conflict involving Israelis and Arabs; it was the dispute over lands near the Suez Canal, on the border between Israel and Egypt.

an ally of the United States in containing Soviet influence in the Middle East. QMV⁷ ensured that Israel maintained superiority in weapons, tactics, training and military leadership, allowing the country to defeat numerically superior adversaries.

In addition to military ties, economic cooperation between the United States and Israel has also grown significantly. The signing of the US-Israel Free Trade Agreement in 1985 further strengthened these ties, making Israel the first country with which the United States entered such an agreement. This treaty promoted the growth of bilateral trade. It encouraged the development of high-tech industries in Israel, which is now one of the most significant innovation centers in the world.

According to Mearsheimer and Walt (2007), the impact of the pro-Israel lobby⁸ The United States has also played a significant role in cementing this relationship. Groups such as AIPAC⁹ have directly influenced American foreign policy, ensuring that support for Israel remains a priority in political circles in Washington. This lobby has been influential in shaping public and political perceptions of the Israeli-Palestinian conflict, ensuring that Israel receives continued aid and diplomatic support in international forums.

During the George W. Bush administration, the United States consolidated its position as Israel's primary security sponsor. As Professor Freedman (2012) points out, in addition to the U.S. providing \$30 billion in military assistance and accounting for 60% of Israel's foreign aid budget, the Bush administration stepped up political support after the September 11, 2001 attacks, aligning itself further with Israel under the guise of combating global terrorism. More recently, the relationship between the two countries has significantly changed during the Donald Trump administration. The former president's decision to move the U.S. embassy from Tel Aviv to Jerusalem in 2018 marked a turning point in U.S. foreign policy toward the Israeli-Palestinian conflict.

The continued economic, political and military support of the United States has ensured that Israel has a prominent position in the Middle East while also strengthening American interests in the region. This relationship, shaped by regional conflicts, economic interests and internal pressures, such as the pro-Israel lobby, has become a central piece of U.S. foreign policy, especially in containing Soviet threats during the Cold War and, later, in combating terrorism. At the same time, American military support has also guaranteed Israel access to cutting-edge defense technologies. This factor has led the country to consolidate itself as one of the largest importers of arms on the international scene, a topic that will be discussed in more detail in the next section.

2.2 Israel at the center of the international arms trade

⁷VMQ- Qualitative Military Advantage

⁸Lobbying is the practice of representing private or collective interests in the public sector to influence political, administrative or legislative decisions.

⁹AIPAC- American Israel Public Affairs Committee

The Middle East is the region of the world that receives most of the weapons manufactured in industries in developed countries, which are the leading exporters of weapons to governments and even terrorist organizations.

According to the SIPRI report ¹⁰(2001), one-fifth of all arms sold worldwide end up in the Middle East. Third-world countries' participation in this global trade has been increasing significantly, mainly due to weapons of incredible firepower, with the power of mass destruction: tanks, fighter planes, stealth planes, missiles and new bombs that release significant quantities of enriched phosphorus, whose destructive power is equivalent to that of a small nuclear bomb.

2.2.1 US Government Weapons Targeting to Israel

According to Moraes (2011), the U.S. government continued to direct weapons only to its allies, even though they would lose excellent business. Concerning Israel alone, the United States is the country's largest arms supplier. Between 1950 and 2009, the United States supplied 84.8% of all weapons acquired by Israel, while between 1992 and 2009, this percentage was 90.3%. Israel enjoys several military benefits due to its alliance with the United States, including:

- I) Arms transfers to Israel through donations or sales at significant discounts have remained above what the *Arms Export Control Act* permits. ¹¹(1976), which provides for a ceiling of US\$ 250 million; II) External Military Financing treats Israel as an exception, given that all amounts that countries receive through this program must be spent in the United States, although, in the Israeli case, 25% of the amount is authorized to be spent internally as a way of stimulating its defense industry; III) the military products supplied always represent state of the art; IV) the United States financed, almost at no cost, the development of critical Israeli weapons, such as the Merkava combat vehicle and the Arrow missile; V) Israel is linked through formal and informal channels to the defense and intelligence institutions of the United States; and, finally, VI) the United States did not pressure Israel to sign the NPT ¹²and even tolerated the acquisition of nuclear military capacity by the country. (MEARSHEIMER; WALT, 2007, p. 27-35).

Congressional Research Service (2023) ¹³shows American bilateral aid to Israel, highlighting a clear direction of resources toward strengthening Israeli defense.

The table shows the significant military support provided by the United States to Israel over the past decades. Between 1946 and 2016, military aid totaled \$91,628.1 million, more than the amount allocated to economic assistance, totaling \$34,267.2 million. This pattern reveals the priority given by the U.S.

¹⁰SIPRI - Stockholm International Peace Research Institute

¹¹Arms Export Control Act

¹²NPT - Treaty on the Non-Proliferation of Nuclear Weapons

¹³A division of the United States Congress that provides nonpartisan analysis and information to assist members of Congress and their committees in their legislative activities. Founded in 1914, CRS researches various topics, including public policy, economics, national security, and social issues.

government to Israel's military security, consolidating the country as an essential strategic ally in the Middle East.

Figure 1 – U.S. Bilateral Aid to Israel

Ano fiscal	Econômico	Militares	Total
1946-2016	34.267,2	91.628,1	125.895,3
2017	50,1	3.178,0	3.228,1
2018	10,8	3.100,1	3.110,9
2019	8,5	3.300,0	3.308,5
2020	10,9	3.300,0	3.310,9
Total	34.347,5	104.506,2	138.853,7

Source: United States Agency for International Development (USAID) 2020

The years 2019 and 2020 maintained the pattern, with most resources directed to the military sector (3.3 billion dollars each year), while economic aid remained very low. This massive allocation of resources demonstrates the United States' commitment to Israel's defense and security, consolidating the country as one of the largest recipients of U.S. military assistance in the world. The data provided by the *Council on Foreign Relations* ¹⁴The following graph accurately demonstrates the United States' arms exports to Israel.

Figure 2 - The largest recipient of U.S. aid



Source: Prepared by the authors (2024), based on data provided by researchers JoJonathanMasters and Will Merrow at the *Council on Foreign Relations*

Furthermore, between 2012 and 2015, Israel's defense industry faced a decline in exports due to increased international competition and cuts in domestic defense spending. However, this "crisis" was overcome, and in 2016, Israeli

¹⁴CFR is an independent, nonpartisan organization in the United States dedicated to the study and advancement of understanding of foreign policy and international relations. Founded in 1921, the CFR brings together leaders from various disciplines, including government, business, academia, and the media, to discuss and analyze global issues.

defense exports grew to \$6.5 billion, an increase of \$800 million from the previous year, reaching the highest export figures since 2013.

It is also worth noting that, following the October 7 attacks on Israel, President Biden announced that his administration would increase military assistance to the country. Biden's order delivered more than 500 aircraft and 107 sea shipments to Israel, totaling more than 50,000 tons of munitions and weapons systems, by August 2024. Among the U.S. defense items delivered to Israel, they sent, by June 2024, 14,000 MK-84 2,000-pound bombs; 6,500 500-pound bombs; 3,000 *Hellfire* precision-guided air-to-ground missiles; 1,000 *bunker-buster bombs*; and 2,600 small diameter air-to-ground bombs.

The following table was produced based on data from the *Congressional Research Service* (2024) and presents recent information on U.S. military assistance to Israel.

The data shows U.S. military financial support to Israel in 2024, specifying the distribution of resources among different appropriations laws. A substantial amount is earmarked for strengthening Israeli defense capabilities and enabling the acquisition of U.S. equipment and technologies. According to the statutes authorizing the expenditure, this amount is divided into three main investment categories.

Figure 3 – Recent U.S. military assistance to Israel

	Financiamento Militar Estrangeiro (milhões de US\$)	Defesa de Mísseis (milhões de US\$)	Defesa de Mísseis - Iron Beam (milhões de US\$)	Outros (milhões de US\$)
P.L. 118-50, Divisão A – Lei de Apropriações Suplementares de Segurança para Israel, 2024	\$3.500,00	\$4.000,00	\$1.200,00	N/A
P.L. 118-47, Lei de Apropriações Consolidadas Adicionais, 2024	\$3.300,00	\$500,00	N/A	\$95,50
P.L. 118-42, Lei de Apropriações Consolidadas, 2024	N/A	N/A	N/A	\$13,00
Total	\$6.800,00	\$4.500,00	\$1.200,00	\$108,50

Notas:
 * Todos os valores estão em milhões de dólares dos EUA (US\$).
 * "N/A" indica que o valor não está disponível ou não se aplica.

Source: Prepared by the authors (2024), based on data provided by the *Congressional Research Service*

Additionally, the "Other" category received \$108.5 million for additional support not detailed in the main categories, which may include training, logistical support, and other operational needs. This diversified investment reflects the continued strengthening of strategic partnerships between the United States and Israel to ensure stability and security in the Middle East.

Thus, the U.S. military funding framework for Israel in 2024 demonstrates a solid alliance and a U.S. foreign policy that aims to maintain the security of its strategic allies in the region.

As demonstrated in the figure below, a series of foreign military sales from the United States to Israel notified to Congress in different years will be highlighted,

highlighting the items supplied, the main contractors and the approximate costs of these operations.

Figure 4 – Selected Notified U.S. Foreign Military Sales to Israel

Quantidade/Descrição	Aviso do Congresso	Contratante(s) principal(ais)	Custo estimado
13 canhões navais de 76 mm e suporte técnico	2017	DRS América do Norte	440 milhões de dólares
240 unidades de energia para veículos blindados de transporte pessoal Namer e equipamentos associados	2019	MTU América	US\$ 238 milhões
Aeronave de reabastecimento aéreo KC-46A	2020	Corporação Boeing	US\$ 2,4 bilhões
Combustível de aviação JP-8, óleo diesel e gasolina sem chumbo	2020	N / D	3 mil milhões de dólares
18 helicópteros de transporte pesado CH-53K (com equipamento de apoio)	2021	Lockheed Martin (empresa-mãe da Sikorsky) e General Electric Company	3,4 mil milhões de dólares

Source: Defense Security Cooperation Agency, Stockholm International Peace Research Institute (2024)

This armament orientation is consistent, with sales numbers continuing to increase year after year. In 2017, DRS North America supplied Israel with 13 76mm naval guns and technical support at an estimated cost of \$440 million. Two years later, in 2019, MTU America sold 240 power units for armored vehicles and other associated equipment, worth approximately \$238 million.

Thus, the analysis of the graphs reveals that Israel is one of the largest importers of weapons, with the majority of its arsenal coming from the United States. This dynamic not only strengthens the strategic alliance and the economic and geopolitical interests between the two countries but also highlights a political bias in the transactions. The U.S. role is highlighted not only as the leading supplier of weapons to the Israeli government but also as one of the most significant global arms powers. This American protagonism in the arms market will be explored below, revealing its strategic importance and influence on the international scene.

2.3 THE UNITED STATES AS A GREAT ARMS POWER

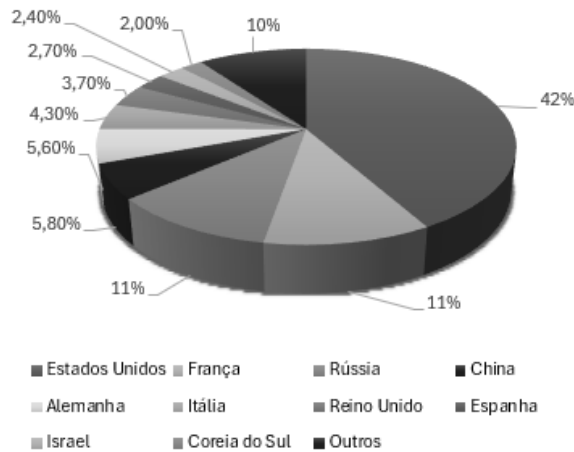
According to Melo (2007), developed countries are the main arms exporters, led by the United States, which has about 40% of the world's arms contracts. Some characteristics of the military-industrial complex vary depending on a country's market orientation. For example, arms production shifted from publicly owned to private firms in the United States during the first half of the 20th century.

The following representation addresses the leading arms exporters and their recipients. According to SIPRI, the United States was the first arms exporter.

The graph demonstrates the dynamics of the international arms trade, with the United States responsible for 42% of exports.

Figure 5 - Top 10 arms exporters

Participação na Exportação Global de Armas (%)



Source: Prepared by the authors based on data provided by the SIPRI report (2024).

2. 3.1 Exports to Israel

According to SIPRI (2024), the United States was primarily responsible for Israel's arms imports from 2019 to 2023, accounting for 69% of the total. The supply included various weapons, including aircraft, armored vehicles, missiles and ships. The Israel Defense Forces heavily depend on these arms imports from the United States. One example is that the United States supplied all combat aircraft currently active in the Israeli Air Force with special modifications for Israeli use.

In 2016, the United States pledged to provide \$3.8 billion per year in military financial aid to Israel between 2019 and 2028, maintaining the level of support from the previous decade. The Israeli and American arms industries cooperate sincerely in various fields, including missile defense. Israel and the United States jointly developed and produced the three-tiered air defense system to counter missile attacks: the *Iron Dome*, *David's Sling*, and *Arrow*.

As already mentioned, U.S. legislation since 2008 has enshrined a requirement to ensure Israel's qualitative military advantage, that is, its ability to combat and defeat any military threat. The law also requires that U.S. arms supplies to other countries in the Middle East do not compromise this benefit.

The U.S. quickly increased emergency military aid to Israel following the October 7, 2023 attack. SIPRI (2024) notes that by October 10 of that same year, the U.S. had transferred 1,000 GBU-39 guided aircraft bombs, an accelerated delivery under a previously signed contract. Since then, it has similarly accelerated the delivery of significant weapons under previous agreements and sent additional emergency military aid. These transfers have included small-diameter bombs, joint direct attack munition guidance kits, missiles for Israel's Iron Dome system, artillery shells, and armored vehicles.

According to American Friends Service Committee 10(2024), as of December 25, 2023, Israel has received over 10,000 tons of weapons on 244 cargo planes and 20 ships from the United States. These transfers included over 15,000 bombs and 50,000 artillery shells in the first month and a half alone. These transfers have

been shrouded in secrecy to avoid public scrutiny and prevent Congress from exercising meaningful oversight.

Between October 2023 and early March 2023, the U.S. approved more than 100 military sales to Israel but only publicly disclosed two of them. The Arms Trade Forum maintains a list of known U.S. arms transfers. Many of these weapons were purchased using U.S. taxpayer money through the Foreign Military Sales program, while some were direct commercial sales purchased through Israel's budget.

The AFSC ¹⁵(2024) further states that without this continued flow of U.S. weapons, the scale of destruction and war crimes in Gaza would not be possible. Even with the recurrence of massive public protests, the current Biden administration has worked to give Israel over \$14 billion to buy more weapons. This is in addition to the \$3.8 billion the U.S. already gives the Israeli military annually, and Israel is required to use this money to buy US-made weapons.

This is a form of corporate welfare not only for the most significant arms manufacturers, such as Lockheed Martin, RTX, Boeing and General Dynamics, whose stock prices have soared, but also for companies not generally seen as part of the arms industry, such as Caterpillar, Ford and Toyota.

In January 2024, the U.S. supplied additional F-35 and F-15 combat aircraft to Israel. In June, a letter of agreement was signed for the supply of F-35s, and in August, the U.S. government approved the possible supply of F-15s. U.S. military support for Israel has faced domestic opposition, both from members of Congress and civil society at large. Although this opposition has had little tangible impact on military aid flows, SIPRI (2024) states that on May 9, 2024, the U.S. government announced that it would suspend an arms shipment to Israel that included 500-pound heavy bombs and 2,000-pound Mk-84 bombs, citing concerns about the threat of an Israeli attack on Rafah. However, on July 11, the government said it would resume the supply of 500-pound bombs.

2.3.2 US Companies Profiting from Arms Sales to Israel According to AFSC (2024)

I. *AeroVironment*

AeroVironment is a military drone manufacturer based in Arlington, Virginia. On October 30, Israel requested to purchase 200 *AeroVironment Switchblade 600 Kamikaze drones*, an advanced direct-fire missile system that acts as a "suicide drone."

II. *AM General*

Plasan is a military vehicle manufacturer based in South Bend, Indiana. The company's High-Mobility Multipurpose Wheeled Vehicle (HMMWV or *Humvee*) has been used by the Israeli military in Gaza. Plasan makes the armor for these vehicles.

III. *The Boeing Company*

Boeing is the world's fifth-largest arms manufacturer. It manufactures F-15 fighter jets and AH-64 Apache attack helicopters, which the Israeli Air

¹⁵AFSC - American Friends Service Committee

Force has used extensively in all of its attacks on Gaza and Lebanon, including in 2023. Boeing also manufactures several types of small-diameter unguided bombs (SDBs) and Joint Direct Attack Munition (JDAM) kits, which convert these bombs into precision-guided munitions.

IV. Caterpillar

For decades, Caterpillar has supplied Israel with the D9 armored excavator, which the Israeli military routinely uses to demolish Palestinian homes and civilian infrastructure in the occupied West Bank and to enforce the blockade of the Gaza Strip.

V. Google/Alphabet

The Israeli military is reportedly using Google Photos' facial recognition feature as part of its mass surveillance of Palestinians in Gaza. According to *The New York Times*, "By uploading a database of known people to Google Photos, Israeli officers could use the service's photo search function to identify people."

In addition to these, there are companies such as *L3Harris Technologies, Leupold & Stevens, Lockheed Martin, Northrop Grumman, RTX (formerly Raytheon), Shield AI, Skydio, Textron, Valero Energy Corporation, Woodward, Airlines and Logistics Companies, Flyer Defense, General Dynamics, General Electric, General Motors, and Western Global Airlines of Estero and Florida.*

Combat aircraft deliveries account for a significant portion of U.S. arms exports. Between 2019 and 2023, 420 aircraft were delivered, of which 249 were advanced F-35s, to 10 countries, representing 24 percent of total U.S. arms exports. In addition, several pending deliveries total 1,071 combat aircraft, including 785 F-35s. This figure reflects the high global demand for the F-35 and highlights the importance of combat aircraft in the U.S. defense export industry.

2.4 The recurring crisis of the Israel-Palestine conflict

According to the Marechal Cordeiro de Farias Center for Strategic Studies (2023), the conflict between Israel and Palestine is one of the most complex and long-lasting in contemporary world history. Involving territorial, political, religious and cultural issues, it dates back to the 20th century, when Jewish migration to Palestine began. With the proclamation of the State of Israel in 1948 and immediate recognition by the United States, the 1947-1949 war occurred, motivated by the Arab refusal of the proposal to partition Palestine. Israel's victory consolidated its status as a Jewish state, coming to control 78% of the territory previously inhabited by Palestinians. This forced population displacement generated social exclusion and poverty for Palestinians, hampering the development of the region.

Currently, many countries do not recognize Palestine as a state. Nichols (2024) notes that the United States argues that the creation of a Palestinian state should occur through direct negotiations, not through UN action¹⁶, and vetoed a UN General Assembly resolution that proposed such recognition. This lack of

¹⁶UN - United Nations

recognition perpetuates the conflict and allows authoritarian actions in the region.

In this context, Leite (2022) adds that the construction of the Israeli Wall, also called the West Bank Wall, became a significant milestone. Begun in 2002, the Wall was designed by then Prime Minister Ariel Sharon to divide Israel from the West Bank territory and contain possible attacks from Palestinian groups. The wall construction raised questions about compliance with international rights, conventions and pacts.

According to *Human Rights Watch*¹⁷(2024), the blockade imposed on the region has resulted in severe restrictions on access to health care, clean water, and electricity for nearly 2 million Palestinians. In addition to limitations on employment, education, and health opportunities, access to basic necessities has become a daily challenge for the local population.

Furthermore, many Palestinians were expelled from their homes and lands without the right to defend themselves. Those whose livelihoods depended on agriculture were prevented from farming again due to restrictions and demands imposed by Israel. Essential resources such as water, medicine, work and electricity were severely limited (CHEREM, 2002). Thus, the construction of a barrier with armed security towers, the restrictions imposed on the population, the separation of families and the destruction of property, including sacred temples, have been interpreted as actions contrary to the principles of Human Rights.

As reported by BBC NEWS (2024), this conflict, which has lasted more than 80 years, had a new development on the morning of October 7, 2023, when the Hamas group invaded the Gaza border, resulting in the deaths of around 1,200 people, including children, young people and the elderly at a music festival. The Palestinian group justified its attack as a response to what it calls Israeli crimes against the people. A massive campaign of airstrikes and bombings against targets in Gaza immediately began.

According to Unifor (2023), the State of Israel can be held accountable at the International Court of Justice in The Hague for failure to comply with the Geneva Conventions and Additional Protocols¹⁸. Individuals can also go through the International Criminal Court on charges of genocide, crimes against humanity, war crimes and crimes of aggression. As for Hamas, as it is an armed group in Gaza, a territory disputed between Israel and Palestine, accountability for its actions would be determined by the Israeli justice system, unless there is proof of support from other nations for the group.

¹⁷An international non-governmental organization dedicated to the protection and promotion of human rights throughout the world.

¹⁸They constitute the core of international humanitarian law, which regulates the conduct of armed conflicts and seeks to limit their effects. They protect people who do not participate and those who have ceased to participate in hostilities.

2.5 Political-economic crisis

Economic integration between Israel and Palestine occurs asymmetrically, with the Palestinian economy depending on the Israeli one. In this context, Palestinian workers, generally with lower technical qualifications, began to seek employment in Israel. By 1987, more than a third of the residents of the Palestinian territories had gainful employment in Israel, with the bulk of their income contributing to almost a quarter of the GDP of the West Bank and about two-fifths of that of the Gaza Strip (DUPAS, 2001).

According to Gondim (2015), the expansion of the Israeli economy was associated with the replacement of Israeli workers by Palestinians, aiming to reduce labor costs.

Furthermore, it is important to consider the role of Hamas as a political actor, which has taken advantage of widespread dissatisfaction in Gaza to garner support and strengthen its network of influence among Palestinians. For Hamas, political violence has been a strategy to consolidate its image of resistance against the Israeli occupation, becoming a state figure for a large part of the Palestinian population.

According to Paul (2024), according to official data from the Israel Central Bureau of Statistics released on February 19, 2024, the country's economic output contracted significantly in the last months of 2023. GDP, a key indicator of national wealth, decreased by approximately 5% in the fourth quarter compared to the previous quarter, coinciding with the start of the conflict with Hamas. In addition, the credit rating agency Moody's ¹⁹downgraded Israel's credit rating in early February, citing political and fiscal risks, as well as an apparent weakening of institutions as a result of the war in Gaza.

According to information released by BBC News, Paul (2024), the drop in GDP was predominantly attributed to the collapse of domestic consumption, which fell by 26.9%. The Central Bureau of Statistics highlighted that this economic downturn occurred when around 250 thousand people were called up for military service, abandoning their jobs and businesses. The Israeli labor market has faced several changes since the beginning of the conflict, with sectors dealing with labor shortages, especially among young people mobilized for the army.

According to Ruddy (2023), one of the main concerns of the Israeli business sector is the technology sector, which represents 17% of GDP and is an essential driver of economic growth. In addition, the conflict between Israel and Hamas has created an environment of geopolitical tension in a region vital to the global oil and gas market. An escalation in this conflict could have significant repercussions on the energy market.

Although the severe humanitarian crisis resulting from the conflict has raised concerns, the thinker still states that oil prices and global oil and gas flows have, so far, shown limited impacts. This is because the countries directly involved are not significant producers. This situation differs from the oil crises of the last

¹⁹Moody's Ratings is one of the world's leading credit ratings, research and risk analysis providers.

century, which resulted in substantial reductions in global supply and marks the first time that Arab countries have used oil production as an economic and political bargaining tool.

3. DATA ANALYSIS

Duality is present in many contexts, including the international arms trade. Despite criticism regarding its human rights aspects, the sector has proven to be an attractive means of obtaining profit for investors, aligning itself with the engine of capitalism: technology.

While arms exports can improve the trade balance of the manufacturing country, the importing country benefits from the possibility of strengthening its military defense. However, regarding Human Rights, questions arise about the relationship between economic interests and the crises arising from the conflict.

Given the above, it is understandable that there is a long-standing commercial relationship between Israel and the United States and their interests involved, especially in the military assistance offered by the Americans to the Israelis and in the joint strategic influence they exert in the Middle East, highlighting the impact on oil exploration.

Following this logic, a conflict or war is intrinsically linked to a crisis. From the perspective of Human Rights, as addressed by the media, attention is focused on the humanitarian needs of the situation. However, the points observed in the data collected reveal this less explored facet: commercial expansion and economic opportunity for the arms sales segment. So, in classic supply and demand, arms become the most sought-after commodity in this period of armed conflict, and prominent American industries are experts in entering this market, accounting for 42% of exports worldwide.

The following table addresses SIPRI's (2024) forecasts of future trends in significant arms transfers.

The table shows that the United States will continue to be the largest weapons exporter. The forecast is based on data on orders and final transaction negotiations, which give a rough indication of which countries will be among the largest exporters in the coming years.

In the current conflict, 69% of Israel's total weapons come from exports from the United States. Major arms distributors such as Lockheed Martin, RTX, Boeing and General Dynamics, and even lesser-known companies in this market, such as Caterpillar, Ford and Toyota, have closed large sales, which has boosted their shares.

Figure 6 – Main weapons selected for future orders from the 10 largest arms exporters for delivery after 2023.

	Estados Unidos	França	Rússia	China	Alemanha	Itália	Reino Unido	Espanha	Israel	Coréia do Sul
Avião de Combate	1.071	223	78	94	-	52	8	-	18	142
Helicópteros de combate	390	1	-	-	-	31	-	-	-	-
Navios de Guerra	8	20	5	8	25	8	32	1	-	6
Sistemas SAM	35	2	16+	2	37+	-	-	-	30+	10+
Tanques	561	-	464	566	241	98	-	-	19	972
Veículos Blindados	2.848+	498	8	1	1.314	1.757	20	558	45+	609+
Artilharia	718	141	-	126+	31	-	-	12	95+	1.233+

Source: Created by the authors based on data provided by the SIPRI report (2024)

However, the crisis is also a reality, as the United States and Israel, which seem more comfortable economically with the situation, end up encountering many opponents along the way. There is a vehement demand for a ceasefire through political actions by other countries, both the United States being asked to reduce its arms exports to the conflict and Israel being pressured not to use these weapons. This arms export is a topic that raises intense debates on the international scene, especially in relation to the implications for human rights and U.S. foreign policy. Amid a context of persistent conflicts, the use of weapons supplied by the U.S. in military operations in Palestinian areas raises concerns about the impact of these actions on civilian life and international norms.

This critical point concerns the international legitimacy of the United States as a global mediator and defender of human rights. With arms exports to Israel continuing amid the conflict, the United States faces increasing pressure from the international community to demonstrate greater responsibility in its arms export policies.

The image of the United States as a promoter of international peace and security is affected when its defense industry fuels international conflicts. In addition, other nations and international organizations, such as the European Union and several UN member states, have reinforced the need for stricter regulations on arms exports to conflict zones, suggesting a more restrictive stance than that adopted by the United States. As a result, the crisis of American legitimacy puts its hegemonic position at risk. It compromises the effectiveness of its diplomatic alliances, especially under growing international pressure for norms that promote arms control.

International organizations, such as *Human Rights Watch*, have documented several cases in which US-supplied weapons were used in military operations that resulted in human rights violations in Palestinian areas. In urban conflict, the high population density and presence of civilians make the use of excessive force and collateral casualties more likely, which ultimately leads to a growing demand for accountability from arms-exporting countries.

United Nations General Assembly Resolution 37/43, for example, draws attention to the responsibility of States to ensure that arms exports do not contribute to armed conflicts and situations that affect human rights (UN, 2024). Therefore,

the human rights crisis in the case of exports to Israel becomes a central element that challenges U.S. foreign policy.

These arms exports to Israel also reflect an internal political crisis in the United States. In the U.S. Congress, there is a growing division over unrestricted support for Israel, especially amid new conflicts in the Gaza Strip and the increase in Palestinian civilian casualties. Democratic lawmakers have questioned the lack of restrictions on arms sales to Israel and called for a review of U.S. arms export guidelines (AGÊNCIA BRASIL, 2024). These voices reflect a significant shift in public opinion in the United States, which is increasingly polarized about the country's foreign policy about the Middle East. The growing pressure for transparency and restrictions on arms exports raises the possibility of a review of the policy of military support to Israel. It could generate changes in the U.S. political scenario.

Still, regarding the recurring crisis of conflicts, especially the current conflict, it is known that there is not only a humanitarian and political crisis but also an economic crisis. During the study, the issue of the drop in GDP of the countries involved, the drop in national production, the drop in tourism, the drop in credit and the influence on the price of barrels of oil, factors that directly influence the economy, is raised.

As for the humanitarian crisis, it is clear that the persistent issue in this conflict is primarily a consequence of the pre-existing hostilities in the region. The impact is evident in fundamental areas of social life, such as health infrastructure, security, housing, and access to water. These are essential pillars of human well-being, and their degradation contributes to the ongoing humanitarian crisis.

From this perspective, the duality of conflicts is understood, thus highlighting a commercial opportunity for one country and its arms exporting companies that will generate crises for others.

4. METHODOLOGY

The methodology adopted in this study is qualitative analysis, with an exploratory and descriptive approach, focusing on arms exports from the United States to Israel. The research aims to understand the economic and geopolitical interactions that permeate this trade, identifying the opportunities that the conflict offers to the American arms industry and its impacts in the global context.

Data collection is based on secondary sources, such as institutional reports and data from international organizations such as the *Stockholm International Peace Research Institute* (SIPRI), which monitors arms exports and their global impacts, academic studies and publications that address commercial relations, the arms trade and the political consequences of these transactions.

To develop the study, government sources were also analyzed, which show official reports from the United States government on bilateral arms sales agreements, military assistance and human rights organizations and media, such as *Human Rights Watch*, which document the humanitarian consequences and

possible abuses resulting from the use of weapons in conflicts.

The study is therefore conducted on three main fronts: The economic aspects, which seek to examine how large U.S. arms corporations (such as Lockheed Martin, Boeing and General Dynamics) have benefited economically from the arms trade with Israel. Data from these companies and their impact on the global market were analyzed.

The geopolitical implications aim to analyze the consequences of U.S. support for Israel in terms of foreign policy, especially in relation to Israel's qualitative military advantage and its influence on the stability of the Middle East. In addition, it highlights the impact on human rights, assessing the criticisms related to these rights, particularly regarding the use of American weapons in conflict zones and how this affects international discussions on ethics and the arms trade.

The study faces limitations related to its reliance on secondary data, which may restrict access to confidential or undisclosed information from governments and corporations. The reliability of the data lies in the triangulation of sources, using different types of information from academic, government and civil society organizations to validate the conclusions.

5. CONCLUSION

This article explains that the commercial relationship between Israel and the United States is built on geopolitical and economic interests, with arms trade being one of the main pillars of this cooperation. The data collected demonstrates that the military aid offered by these two countries, together with arms exports, plays a central role in strengthening this alliance, with direct impacts on both countries' trade balances.

However, the study also highlighted the coexistence of economic aspects and human rights issues in the context of the arms trade. Arms exports represent an essential component of the trade balance of exporting countries while importing countries benefit from strengthening their military capabilities. At the same time, using these weapons in armed and urban conflicts highlights the relationship between the demand for weapons and the occurrence of divergences.

The research revealed that the international arms trade involves strategic aspects that affect exporting and importing countries. On the one hand, the United States, as the leading arms exporter, benefits economically, contributing 42% of global arms exports. On the other hand, Israel strengthens its defense capabilities, with 69% of its weapons in the current conflict coming from U.S. exports.

The relationship between crisis and opportunity in these arms exports highlights the paradox inherent in trade during times of war. The current crisis is driving a growing demand for weapons, creating a significant economic opportunity for the U.S. arms industry, which has seen a significant increase in sales to Israel. However, this economic opportunity brings with it a set of ethical and political dilemmas, as the use of such weapons in urban conflict areas and in operations

that affect civilians creates pressure for the United States to review its export policies and consider implementing measures that limit the use of weapons in contexts that could result in human rights violations. In this way, the arms trade positions itself as a sector where economic prosperity goes hand in hand with the need for international responsibility, highlighting the interdependence between commercial interests and global ethical imperatives.

Finally, it is essential that measures be taken to mitigate the negative impacts of this trade, especially with regard to armed conflict and the protection of civilians. The implementation of stricter regulations on the use and export of arms, as well as greater transparency in negotiations, could minimize human rights violations. In addition, it is necessary to promote a more profound international debate on the accountability of exporting countries regarding the end use of arms, seeking a balance between economic interests and the commitment to global peace and security.

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