



# Should Israel Be Concerned About the Potential Impact of the Gaza War on US Security Aid?

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**EXECUTIVE SUMMARY:** The significance of US security aid to Israel extends well beyond the economic realm. It plays a crucial role in the nation's success and resilience. As Israel's war in Gaza continues, a war that was sparked by the invasion of Israel and large-scale massacre of Israeli citizens by Hamas on October 7, 2023, there is a growing call for a reassessment of this aid within the US Senate and among the American public. However, it is essential to remember that the bond between the US and Israel is reciprocal and yields benefits for both nations. Any decision to deviate significantly from the current arrangement would likely require much more substantial pressure on the US administration.

The US government is grappling with increasing internal pressure to limit or even halt the current Israeli military operation in Gaza. According to a recent opinion poll by *The New York Times*, only 33% of American voters support President Biden's approach to the conflict, while 44% believe Israel should conclude its military campaign. The results of this survey suggest that President Biden could lose support from segments of his voter base – a serious concern, as 2024 is an election year. Forty-six percent of voters under the age of 30 declared a stronger identification with the Palestinian side while only 27% identified with Israel. Some Democratic Party members, such as Senators Elizabeth Warren (MA) and Chris Van Hollen (MD) under the leadership of Independent Senator Bernie Sanders

(VT), support activating Section 502B of the Foreign Assistance Act, which prohibits security assistance to countries believed by the US to be consistently violating human rights.

The implication of such a decision, if passed, would be the submission to Congress of a human rights report addressing Israeli use of American weapons. The activation of Section 502B would signify a sharp deviation from the usual practice of providing almost unconditional support for Israel and could theoretically lead to restrictions on, or even suspension of, security aid. While the likelihood of this occurring is not high, the mere raising of the issue poses a challenge to President Biden and his administration and should serve as a warning for Israeli decision-makers.

Between 2009 and 2018, Israel's security aid from the US averaged around \$3 billion annually. This does not include additional funding from the US Department of Defense for joint projects, which amounted to a similar figure. Overall, American aid constitutes about 20% of Israel's total defense expenditure.

More important than the amounts themselves is the fact that Israel can spend more than a quarter of its assistance money on local procurement. No other country receiving aid from the US is entitled to such a benefit, and it has caused a significant shift in Israel's defense industry. Israel uses these funds to maintain its qualitative military advantage and promote its military by purchasing innovative equipment from the US. At the same time, it funds the development and acquisition of advanced military equipment from Israeli weapons manufacturers. In September 2016, after more than three years of negotiation, a new security aid agreement between the US and Israel was signed for a total amount of \$38 billion to be distributed over a 10-year period (2019-2028).

While the special relationship between the US and Israel offers the latter clear benefits, particularly in terms of security aid, the US also has a significant interest in maintaining the relationship and continuing the flow of American aid dollars. Israel's ability to upgrade and improve American weapon systems makes it an important partner for the US, as many of those improvements are integrated into American weapons systems at the end of the development process. Additionally, the US funds Israel's development of new innovative systems that are later

adopted by the US military. An example is Iron Dome, a defense system against short-range rockets launched from Gaza and Lebanon that was designed to fill the gap where existing American systems did not offer satisfactory solutions. That system was in development for a decade and is now in active use.

Such partnerships strengthen the bond between Israel and the US and contribute to the continued support Israel receives. The ongoing conflict with Arab countries and the numerous wars Israel has fought (perhaps more than any other country in the modern era) have meant that the combat systems supplied by the US have been regularly and systematically tested on the battlefield, leading to the drawing of rapid operational conclusions. This has essentially turned Israel into a testing ground for the US. In addition, Israel is committed, according to the aid agreement, to reinvest a significant portion of the aid money back into the US economy through direct purchases of American weapons systems.

American security aid is not unique to Israel and is a clear expression of US foreign policy. As a global power, the US dedicates part of its efforts to building global coalitions under its leadership. One form of expression of these efforts is the aid money the US has transferred and continues to transfer to foreign countries such as Israel, Vietnam, Afghanistan, Egypt, and South Korea.

A significant portion of foreign aid deals with security and military matters. According to data from the US Agency for International Development and the US Department of State, in 2020, the US spent a total of \$51.1 billion in foreign aid, or one percent of the federal budget for that year. Of that figure, security aid amounted to \$11.6 billion (the least the US has spent since 2004; for comparison, the 2011 expenditure was \$21.6 billion). Since 1947, the US government has provided almost a trillion dollars in security aid to other countries. In 2020, Israel surpassed Afghanistan, and it now leads the list of countries that benefit from American security aid.

This aid money is not an act of charity at the expense of American taxpayers but is intended to keep American citizens safer and more secure. In addition to promoting normative foreign policy goals around the world, such as democracy and human rights, this assistance directly serves American interests. US investments in global security allow many countries to fight terrorism, deal with

international crime, and prevent the spread of weapons of mass destruction. It is a clear American interest to prevent potential crises before they escalate to a point where direct US intervention is required. Furthermore, foreign assistance opens markets for American goods and promotes American exports. For example, 43 of the top 50 leading destinations for American agricultural exports are countries that receive or have received American aid.

In light of these considerations, it can be estimated that the generous American assistance Israel has enjoyed in past decades will continue despite differences of opinion between the two countries. The special relationship that has been built between the US and Israel is not easily undermined. Beyond the genuine solidarity with Israel of the current US administration, led by President Biden, and the actions it took to support Israel in its most difficult hour, the US has a clear interest in maintaining global order, stabilizing the region, and strengthening its Israeli ally against the actions and maneuvers of anti-American players in the region, namely Iran and Russia.

With that said, it would be irresponsible for Israel to completely disregard growing sentiment in the American public and among US lawmakers who increasingly challenge the nature of the special relationship with Israel and explicitly its use of American aid money.

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