Security Industry: links between Israel and the Netherlands?

an inventory

July 2011

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Introduction

The Israeli security industry is comprised of a state-owned Military-Industrial Complex and hundreds of privately owned companies, the so-called ‘homeland security industries’. The security industry is estimated to generate revenues totalling billions of dollars annually. European countries sustain through economic relations with the Israeli security industry an export economy directly profiting from military occupation. The economy of the occupation constitutes one of the major obstacles for a peaceful and just solution to the Israeli-Palestinian conflict.

To start the mapping of Israeli security industry exports to the Netherlands, Buro Jansen & Janssen has made a first inventory with the intention:

- To establish the extent to which the Netherlands is a client of the Israeli security industry by assessing the economic relations in this area and the level of Israeli security know-how implementation in the Netherlands. The inventory will attempt to establish the specific contribution of Dutch civilian, police and military authorities to the economy of the occupation.

- To explain the ethical issues arising from sustaining economic relations with the Israeli security industry, and to the extent that it is possible, highlight the impact of Israeli security know-how on the security culture in the Netherlands.

- To inform Dutch public opinion, to generate awareness to the ethical issues, and to stimulate civil society campaigns.

The research involved three major tracks, which will be explained here shortly.

Track 1 entailed the cross-referencing of various lists of companies known to be involved in trade between Israel and the Netherlands. Out of the more than 600 companies in the Excel database we composed, we compiled a long list of 21 companies that stood out in our initial investigation. Chapter V details the various aspects of our research, and discusses several security companies that trade with the Netherlands.

As we did not have a fixed prioritised list of companies to focus on, track 2 of this research started with a series of FOIA requests in order to get more information about possible contacts between the Dutch authorities and Israel. We issued FOIA requests to a broad spectrum of authorities and institutions, namely the 26 Regional police forces and the Ministries of Justice, Defence, Foreign Affairs, Home Affairs, Economics and Finance. We asked for contracts with private companies worth between 10,000 and 125,000 Euros (Everything beyond €125,000 is supposed to be covered by the public European tender register).
Track 3 involved an investigation of the European Security Research Programmes to locate those that have involvement of both Israeli and Dutch companies and institutions. We have created a separate database that identifies those programmes that involve both Dutch and Israeli partners. The programme of EU grants for security research provides a major opportunity for Israel to get access to the European markets. Chapter IV introduces the so-called Framework Programme FP7 aimed at Security Research and discusses some of the arguments against Israel benefiting from this programme.

To get an impression of the contacts between Israel and the Netherlands provided by EU projects, and the opportunities for selling the 'Israeli experience', we had a closer look at one of the European Security Research programmes. The programme that raised our interest was Safire, aimed at understanding radicalisation and developing interventions to prevent extremism.

Chapter III uses the example of the market for Unmanned Armed Vehicles (UAVs or drones) to describe the road from military to civilian use of homeland security products – zooming in on the situation in the Netherlands. Selling drones illustrates the selling of the so-called 'Israeli experience.' This idea, recently introduced by Neve Gordon, helps explain the success story of Israel's homeland security industry in the global market.

Chapter II explores the relation between the military-industrial complex and the homeland security industry, and the differences between the two. Elbit Systems serves as an as example. It is one of the largest Israeli companies, it is active in all fields of the security industry, and it is accused of involvement in the occupation and the apartheid wall. The chapter ends with the campaigns leading to the recent divestments from the company.

The report begins with an overview of current civil society campaigns focusing on links with the Netherlands. While far from complete, the intention is to get an idea of what is going on, and which campaigns are successful. With this start, we want to make clear that we intend to build on research already done by others before and around us. For the situation in the Netherlands, we specifically refer to earlier investigations by Profundo, and to the work of De Campagne tegen Wapenhandel.

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I.

Civil society campaigns

In the past few years, the anti-Israel movement has grown from marginal into a serious and visible issue for the country. The anti-Israel tide rose right after Operation Cast Lead, according to Haaretz, as the world watched Israel pound Gaza with bombs on live television. The paper continued: “No public-relations machine in the world could explain the deaths of hundreds of children, the destruction of neighbourhoods and the grinding poverty afflicting a people under curfew for years.” In 2010, both the cultural and the economic boycott gained momentum. In this first section, there is an overview of current civil society campaigns with a focus on links to the Netherlands. While far from complete, the intention is to get an idea of what is going on, and to determine if and where research into companies with links to the Netherlands had already been established by others elsewhere. This overview is based on – limited – internet research only.

Everywhere in Europe and the United States, human rights organisations are running campaigns to boycott Israeli products, referring to the success of the economic activism against the apartheid regime in South Africa. They are demonstrating at supermarkets and other stores, and are increasingly getting the support of large unions and worker organisations who call on their members to forgo Israeli products. In August 2010, for instance, the Chilean parliament decided to adopt a boycott of Israeli products made in the settlements. The Palestinian Authority imposed a boycott on such products earlier that year.¹

The cultural and academic boycott gained new energy in the summer of 2010, when a few dozen people involved in theatre in Israel started boycotting the new culture centre in Ariel, and soon after a group of authors and artists published a statement of support on behalf of those theatre people. Then a group of 150 lecturers from various universities announced they would not teach at Ariel College or take part in any cultural events in the territories. It spurred a flurry of responses in Israel and beyond. The campaign soon resonated in South Africa, the United States and the UK.²

Ahava Dead Sea

In France, the campaign to boycott Ahava Dead Sea cosmetics entered a new phase in June 2010, with legal action against the Sephora cosmetics retail chain's contract with the company. Ahava manufactures its cosmetics in a factory in the illegal Mitzpe Shalem settlement in the occupied West Bank. However, Ahava labels its skin care products as originating from "The Dead Sea, Israel." The new phase comes after activists from Coordination des Appels pour une Paix Juste au Proche Orient (CAPJPO) had

protested against the store’s retailing of Ahava products for almost a year. In the US, Ahava drew the attention of activists from the American peace group CodePink. Bad publicity as a result of their campaign caused ‘Sex & the City’ star Kristin Davis to be dropped as a spokesperson for Ahava and as a goodwill ambassador for the international organisation Oxfam. At the end of 2009, in response to a call from the Dutch Bathrobes Brigades, several Dutch pharmacists expressed their support of the campaign and stated their refusal to put Ahava products on their shelves. After Parliamentary questions by SP member Harry van Bommel, the Minister of Economic Affairs investigated the import of cosmetics from Israel. On 25 February 2010, the European Court ruled that products incorrectly labelled as “Made in Israel” should no longer benefit from favourable import taxes under the EU-Israel Association Agreement of 2000. As Phon van den Biesen, Attorney at Law in the Netherlands, commented in the Electronic Intifada, European laws and protections are in fact sufficient to hold companies accountable for importing products from the illegal Israeli settlements in the occupied Palestinian Territories and the occupied Golan Heights under a false label. Van den Biesen commented: “The EU court’s ruling is a welcome contribution […] However, EU member states must enforce this ruling and similar stipulations in their national laws - such as the Netherlands’ provisions for the labelling of food products (article 5 g and article 20 of the Warenwet Commodities Act) and provisions in Dutch Civil Code.”

**Cement Roadstone Holdings**

The Russell Tribunal held in London in November 2010 announced an investigation into Irish cement giant Cement Roadstone Holdings Plc for breaching international law based on the company’s activities in Israel. Human Rights barrister Michael Mansfield is to lead an investigation. CRH plc own a 25% stake in the Israeli Company Mashav whose subsidiary Nesher Israel Cement Enterprises are Israel’s sole cement producer, supplying 75-90% of all cement sold in Israel and occupied Palestinian Territories. Nesher cement is being used in the construction of the illegal separation wall and settlements which CRH acknowledged when they admitted to Amnesty International that ‘in all probability’ their cement was being used in the construction of the wall. The Irish Palestine Solidarity Campaign has been of key importance to the boycott of CRH since the building of the apartheid wall started in 2002. CRH operates 133 Karwei

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3 The Israeli settlements of Mitzpe Shalem and Kaliya co-founded Ahava’s factory Dead Sea Laboratories and own 44 percent of the shares of the company. Ahava’s firm connection with Israeli settlements is at the heart of the legal action against Sephora at the end of May 2010. Sephora, a division of the Louis Vuitton Moet Hennessy Group (LVMH), sells Ahava cosmetics in its stores.

4 In the US, Ahava is sold by Ricky’s NYC, a family-owned chain store in New York City, Lord & Taylor in Washington, and Nordstrom department stores amongst other retailers.


9 See http://www.ipsc.ie/crhdigest/
and GAMMA DIY stores in the Netherlands, and 19 GAMMA stores in Belgium.\textsuperscript{10} The Dutch ASN bank removed the company from their investment universe in the first quarter of 2008.\textsuperscript{11}

**Veolia**

The French transportation giant Veolia has been pressured to end its involvement in the Jerusalem Light Rail Transit tramway project (JLRT) by several financial institutions concerned with socially responsible investing, because the tramway will normalise the illegal annexation of Palestinian East Jerusalem, considered part of the West Bank under international law. Some European politicians have also criticised the company because the project infringes on Palestinian human rights. After four years of silence, Veolia attempted to pacify concerns and protests by expressing the company's commitment to operate the Jerusalem light rail on "a clear, non-discriminatory policy based on free access for all parts of the population," the Electronic Intifada wrote in November 2009. The company promised to reconsider its involvement in the light rail project if application of the non-discrimination policy turns out to be impossible.\textsuperscript{12}

Veolia is a large partner in the privatised public transport in the Netherlands in Limburg, Brabant, Haaglanden and the Veluwe.\textsuperscript{13} In 2006, the Dutch ASN bank withdrew its investments from Veolia and Alstom after pressure from NGOs and people who held an account with the bank. Other banks followed, the Alternative Bank Schweiz in August 2008\textsuperscript{14}, and Triodos in October of the same year.\textsuperscript{15} In a letter to the company, the bank explained the reasons for the disinvestment: "We believe that Veolia's involvement in the light rail project is not in line with the UN's demand to stop all support for Israel's settlement activities, and is therefore not in line with ASN Bank's social criteria. Due to the direct nature of Veolia's involvement (through a 5% stake in the consortium and as future operator), we are of the opinion that Veolia's activities in Jerusalem are in conflict with UN Resolutions. Therefore, on this current information Veolia will be removed from our investment universe."\textsuperscript{16} The international protests contributed to the decision of Swedish national pension fund AP7, one of the most important investors in Sweden and well-known for its highly ethical profile, to blacklist Alstom (Veolia's partner) in 2009. Further pressure by Swedish peace and justice groups, mainly connected to the Church of Sweden (Diakonia), cost Veolia the $4.5 billion contract to run the Stockholm metro. The growing French BDS movement was instrumental in

\textsuperscript{10} Bloomsberg Businessweek (2010) CRH PLC Company Description, http://investing.businessweek.com/
\textsuperscript{13} See: http://www.veolia-transport.nl
\textsuperscript{14} Nieuwhof, A. (2008, August) Swiss bank excludes company involved with illegal tramway The Electronic Intifada, 19 August, http://electronicintifada.net/v2/article9775.shtml
making Veolia lose a huge contract in Bordeaux, and British solidarity groups and activists put pressure to exclude Veolia from a lucrative contract in the West Midlands.\(^\text{17}\) Palestinian officials have since called on Arab countries to cut business ties with Veolia and Alstom repetitively. As recent as September 2010, the organisation responsible for 30% of the investments of Dutch pension funds, de Algemene Pensioen Groep (APG), reported its efforts to convince Veolia into ethical behaviour through dialogue.\(^\text{18}\)

In early June 2009, the Divestment Task Force New England Conference of the United Methodist Church said Veolia announced it would withdraw from the light rail project, after losing $7 billion in contracts due to its involvement with the occupation.\(^\text{19}\) In October 2009, Corporate Watch reported that Veolia was attempting to pull out of the thirty-year scheme to run the tramway and sell its 5% stake in the consortium. Veolia’s contract stipulated that the company could pull out of the work if it was replaced by an equally experienced company – but no company seems to be eager to step in. Due to contractual obligations, the company is forced to remain a participant in the scheme for another five years after selling and to provide support to the transport company that would take over.\(^\text{20}\)

The company put out feelers to the two large Israeli transport companies, Dan and Egged. On 13 October 2009, Haaretz reported that the Dan Bus Company was buying Veolia’s shares in the scheme.\(^\text{21}\) However, exactly one year later, Veolia announced an agreement in principle to sell to Egged: “This agreement is one of the stages towards the signature of a sale agreement which is subject to the authorisation of various regulatory authorities and parties involved in the JLRT project.”\(^\text{22}\)

As the Profundo 2009 update reported, the information on Veolia Environment website does not show any sign that the company will leave the project any time soon, although some of the most sensitive parts of the page about the Jerusalem Light Rail Transit have been altered recently.

In August 2009, Veolia’s sustainability website included a specific section on withdrawal:

We believe that the guarantees we can provide to the international community regarding the impact of the JLRT’s operation on human rights are greater than any other alternative solution.

This is the reason why we do not intend to withdraw.\(^\text{23}\)

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Today, this section is no longer there. It is replaced by even stronger wording:

In contrast to the separation wall, the JLRT system is a means of gathering and mixing the communities and easing "the public life" of the population of the occupied territories as required by international law.24

The Veolia website also mentions ‘the current legal proceedings.’ In 2007 the Association France Palestine Solidarity (AFPS) started legal proceedings in the Nanterre Tribunal de Grande Instance (TGI), seeking the cancellation of the Light Rail project. In 2009, the TGI held that it had jurisdiction to rule on the substantive issues in the case. "The date for a hearing on the merits, initially set for 2 July 2010, has been postponed until 11 February 2011 at the request of AFPS, despite Veolia Transport's opposition."25

Veolia has always said that if a recognised international or French court held that the JLRT project or the agreement concluded by Veolia Transport was contrary to law, it would comply with any final judgements not subject to further appeal.26

It seems that Omar Barghouti, expert at the Global Boycott, Divestment and Sanctions for Palestine (BDS) Movement, was right when he described the company’s disinvestment movements as “a deceptive attempt by Veolia to continue with the JLR indirectly, to undermine our boycott campaign against it.”27

Moreover, Veolia is also engaged in providing waste collection in the occupied West Bank. The company operates the Tovlan landfill site near Jericho in the Jordan Valley where it helps Israel dump its toxic waste on to Palestinian land next to the Palestinian village of Abu Ajaj, and has done so since 2008 at least.28 The Landfill is owned by TMM Integrated Recycling Services, a subsidiary of Veolia. According to British electronic magazine Corporate Watch, Veolia has leased the Palestinian-owned land from the Israeli Civil Military Administration. The magazine interviewed a worker who monitored the cars entering the landfill from 2002 until 2009, and who stated that until 2008, Tovlan received some waste collections from Nablus. According to the worker, the waste dumped at Tovlan landfill comes primarily from the numerous illegal settlements in the Jordan Valley.29

The campaigning group Dump Veolia led a demonstration outside the Natural History Museum in London on 23 October 2010 to protest against Veolia’s sponsorship of the Environment Wildlife Photographer of the Year Exhibition inside the museum. In several places in the UK, pressure is put on local councils to exclude Veolia from the bidding process for larger contracts. In Edinburgh for instance, Veolia is in the

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24 See http://www.sustainabledevelopment.veolia.com/en/Articles/20090629,JLRT.aspx
25 ibid.
26 ibid.
running to take over a raft of public services in the city, including rubbish collection, street cleaning and ground maintenance. In Croydon and Dublin similar campaigns are building up pressure. The Regiopolitie Midden West Brabant has used the services of Dalkia, a subsidiary of Veolia Environnement and Electricité de France (EDF). Listed simply as ‘werktuigbouwkundig’ which translates as mechanical engineering, the details of the contract would require further research. Dalkia is the leading European provider of energy services to local authorities and businesses. With nearly 52,800 employees in 41 countries, Dalkia reported managed revenue of EUR 7.1 billion in 2009. Dalkia could be included in the current Veolia divestment campaign in the Netherlands and internationally.

Riwal

In October 2010, the public prosecutor ordered a search of the offices of the Riwal Holding Group in Dordrecht. The Dutch police’s National Crime Squad confiscated computers and documents relating to the leasing of cranes owned by the company’s Israeli branch for the construction of the Separation Wall and of settlements in the Occupied Territories.

The case has a long history, which is summarised briefly here. As a result of a 2004 ruling of the International Court in The Hague that the Separation Wall constituted a violation of international law, UN members were called on to prevent their citizens’ cooperation in its construction. After a Dutch Netwerk television crew filmed cranes which bore the Riwal Company logo in 2006, Dutch Labour Party MPs addressed parliamentary questions to the Minister of Foreign Affairs. The Dutch Government warned the Riwal Company not to engage in activities in the Occupied Territories in 2008. The company, however, continued their activities. In October 2009, a member of ‘The Coalition of Women for Peace’ spotted cranes of Riwal Israel (i.e. Lima) at yet another location: in construction works on a new industrial park in the settlement Ariel in the West Bank. The numerous pictures in a report in the Groene Amsterdammer provide proof, while Tal Pery, director of Riwal Israel, again denied responsibility.

Last year the Palestinian human rights organisation Al Haq of Ramallah engaged the Dutch law firm Böhler, and in February 2010 lawyer Liesbeth Zegveld lodged a complaint to the legal authorities which resulted in the raid on the Riwal Dordrecht offices.

Police findings have been passed on to the Dutch State Prosecution, which should decide whether or not to prosecute the corporate executives - including the Israeli businessman Doron Livnat - on charges of violating international law. Doron Livnat is an active proponent of the Israeli cause. He is not only

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participating on the boards of the pro-Israel lobby organisation CIDI in Amsterdam, he is also active in a similar group called Collectieve Israël Action (Collective Action Israel, CIA). This group collects about eight million Euros per year, according to its website. Among the projects it assists are training for Israeli soldiers, particularly on the applications of advanced technology. Livnat is on CIA's board of advisers. He is also featured in the International Board of Governors of the Peres Center for Peace, as an honorary member. He is one of the two members for the Netherlands; Ruud Lubbers (the former Prime Minister of the Netherlands & Former UN High Commissioner for Refugees) being the other one.

A month after the raid, the company claimed that Riwal Israel no longer existed. According to spokesman Ris Maaskant the name is no longer used, and the ties with Israel are cut off. However, Simone Korkus for Trouw found out that in fact nothing had changed. The former director of Riwal Israel, Tal Perri, is now the director of ROM (which means 'high' in Hebrew), while the same people work for the company at the same address. Only the shares changed hands; they are now owned by Adi Livnat, the brother of the owner of the Riwal Group. The Israeli director is not available for interviews; in fact he is hardly ever seen at the office, according to ROM’s secretary mid-November 2010.

In a first interview after the raid, also published mid-November, Maaskant said the company is confident of being cleared from charges even if the case were to reach court. Riwal regrets the negative publicity, and denies the accusation that the company is using front companies to continue its operations in Israel.

The raid on Riwal coincided with the formation of the new right-wing cabinet, lead by Mark Rutte. The new governmental agreement emphasised the intention to ‘invest in relations with Israel.’ A court case for war crimes was not what the new government had in mind, de Volkskrant suggested. However, the public prosecution is independent; the government is not supposed to interfere. Of course, there are indications that such interference happens nevertheless. A case like this almost certainly causes a diplomatic storm behind the scenes. Wim Huisman, professor of criminology at the Vrije Universteit in Amsterdam (quoted in the Volkskrant) mentioned the example of the Canadian energy company Talisman, which was accused of war crimes in Sudan and held to account by an American civil court. The Canadian government made no secret of the pressure put upon the United States to stop the case. Eventually the court ruled the case non-admissible. A secret memorandum from the Dutch Ministry of Foreign Affairs suggests the Dutch government is seeking to ensure Israeli and other foreign officials who fell...
may be pursued for war crimes can visit the Netherlands without fear of arrest or legal accountability. When deputy Israeli foreign minister Danny Ayalon visited the Netherlands at the invitation of the Dutch pro-Israel lobby group Centre for Documentation and Information on Israel (CIDI) in May 2008, Liesbeth Zegveld, an attorney and professor in international humanitarian law, lodged a complaint to the public prosecutor. This legal action was prompted by a Palestinian who alleged he was tortured by Ayalon, a former head of the Israeli secret service. The memo, which was leaked to the Dutch television station KRO and published in January 2011, reveals that Foreign Minister Uri Rosenthal sought advice on possibilities for the state to prevent prosecution of foreign government officials who visit the Netherlands.41

As no Dutch companies have been brought to court in the Netherlands for complicity in Israeli war crimes before, there are no precedents. This makes it hard to predict whether the case against Riwal will get to court. According to Marcel Brus, professor of international law at the Rijksuniversiteit Groningen,42 the decision on whether the Dutch Court is qualified to rule in this case depends on two conditions. The first requirement is a ruling by the International Criminal Court that the construction of the wall and the settlements are regarded as war crimes. In 2004, the Court decided the building was against international law, but that is not the same thing. The second step is the proving that renting out cranes to Israel is indeed an act of complicity. “That would be a far-reaching judgement. Theoretically, that would make every labourer working on the wall internationally indictable,” according to Brus. However, the fact that the public prosecutor is taking this case seriously should be a warning to all companies working on the wall. They had better think twice, Brus says, as they could become complicit in international war crimes. The Russell Tribunal, in its November 2010 London session, ruled that businesses complicit in the construction and maintenance of the illegal separation Wall are in clear violation of international human rights and humanitarian law.43

It is attractive for Israelis and companies to be involved in the construction of the wall and the settlements: the state finances most of the building work, colonists pay less tax, and the authorities are less strict in supervising compliance with the law. Merav Amir, research coordinator at the Israeli project “Who Profits?”, understands it as a legal no man’s land involving situations of expropriation of Palestinian land, illegal building activity and Palestinian workers employed at low wages. The companies involved are difficult to monitor, because they operate through complicated legal constructions and holdings with Israeli companies. When under fire, like Riwal, they might set up front companies to continue their business. “Who Profits?” also noticed that the same company might be involved in several different

42 quoted in Burghoorn (2010).
activities on the West Bank, as the Veolia example showed. Amir: “If companies are forced to stop their activities in one sector, they come back to do something else. Some companies announce disinvestment, but get entangled in complicated selling operations, and meanwhile nothing changes. Most companies do not effectively withdraw from the West Bank.”  

II.
Elbit, the security industry and the pension funds

In the case of Israel, it is almost impossible to draw a line between the military-industrial complex and the homeland security industry, in the sense that equipment developed by the military industry and tested in the real-war circumstances of the occupation are later marketed for civilian use. The history and present marketing of drones, as related in the next chapter of this report, is a good example of such a development. There are, however, big differences between the arms industry and the homeland security industry as well. Taking Neve Gordon’s recent paper “The Political Economy of Israel's Homeland Security”45 as a point of departure, this chapter explores the field. The large military electronics corporation Elbit Systems serves as an example, including the recent divestments from the company.

“Almost all of the arms produced in Israel (over 95 percent) are manufactured by six companies. Four of these companies are state owned (Elta Systems, Israel Military Industries, Israel Aerospace Industries and Rafael Advanced Defense Systems) and are responsible for about 75 percent of the arms sales, while the two private companies (Elbit Systems and Elisra) make up the rest of the sales. […] The structure of the military industry is very different from the homeland security and surveillance industry: whereas companies in the military industry employ thousands of workers, most of the companies in the surveillance industry have less than a hundred employees, and many employ between five and thirty people.” 46 Gordon also points out the fact that Israeli regulation requires that the ownership of companies in the military industry must remain Israeli during the processes of privatisation. The surveillance industry, on the other hand, does not seem to be affected by such regulations. “Some surveillance companies were bought over the years by foreign companies, while others were transformed by their owners into US companies (primarily for tax and sales purposes).”47 The fact that Israeli companies have been bought or have changed their ownership may be a complicating factor in providing an overview of links between the Israeli homeland security industry and the Netherlands.

Gordon mentions two other issues of importance to understand the Israeli economy. First, the military industry’s success in developing cutting edge technology was a result of investment in national research & development funding, but it is also due to the relationship the industry established with industries in countries like the US, Germany and France with which it shared technological knowledge. (And in Chapter IV of this report, we will detail the importance of Israel’s access to research projects of the European Union for research & development). Secondly, the industry shifted its focus from purely military markets to include the civilian ones too. This also contributed to the economic growth of the military industry in Israel. “By 1999, for example, Israel Aerospace Industries (IAI) reported that 39 percent of its

47 Ibid.
revenues came from the civilian sector. Along similar lines, Elbit, which originally specialised in UAVs as well as in aircraft retrofit and modernisation of aircraft and helicopters (comprising 38 percent of its sales), currently designs, develops, manufactures, markets and provides services for advanced electronic and imaging systems and products for medical (45 percent), industrial and commercial applications (17 percent). Another part of this development is the flow of intellectual capital, of people originally employed in the state-owned military industries who eventually move into the private sector where they apply the knowledge and training they had acquired to new projects. And sometimes, start-ups get bought up by the larger private companies. “Haifa-based Fibronics was founded by engineers who had worked together in military intelligence. The company got off to a good start in the 1980s with a data-networking technology called Fiber Distributed Data Interface, but since it lacked a U.S. distribution arm it was eventually taken over by Elbit Computers.” Elbit itself is one of those firms managed or initiated by personnel previously employed in the military or military industry.

Elbit Systems is Israel’s main private company. It is dedicated to improving existing military equipment in Israel and produces unmanned aerial vehicles (UAVs) through its subsidiary Silver Arrow. In 2000, Elbit merged with Elop and in 2005 acquired 26% of Tadiran Communications (TadCom), a leading company in Israeli military communications equipment (and increased its percentage ownership thereafter), and 70% of Elisra, specialised in electronic warfare, intelligence, radar and communications. Elbit has a 14% equity interest and 12.5% voting power in ImageSat International N.V., a Netherlands Antilles company involved in the operation of satellites for commercial and other applications and providing satellite imagery. ImageSat’s EROS A and EROS B satellites contain advanced high resolution cameras developed by Elop.

Elbit is also a large player in another surveillance sector in which Israeli companies are among the world leaders: in electro-optical and laser applications to overcome darkness or distance. A range of optronics technologies developed in Israel, such as thermal imaging, lasers, and infra-red optics, are used by fighter aircraft to carry out reconnaissance missions and strikes as well as in unmanned aerial vehicles (UAVs). Ortek and Elop, both subsidiaries of Elbit, are leaders in this field. Elop “manufactures an array of electro-optics products including thermal imaging devices which aim to ‘deliver a 24/7 observation and

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surveillance advantage’ and a threat detection and countermeasure device for airborne platforms.” A major in the Israeli army has recently been quoted as saying that the optics systems on the UAVs allow the operator to clearly distinguish between combatants and civilians. The wide-scale killing of civilians in both Lebanon and Palestine by drone-fired missiles indicates that the drones are used to target civilians. As a detailed briefing by Stop the Wall points out, “the drones have been used to both enable and commit war crimes in Lebanon, the West Bank and Gaza” and these crimes “bring tangible financial benefit to Elbit Systems.” The briefing continues by quoting Johnson’s analysis:

Like all Israeli military technology, Elbit UAVs are ‘battle-tested,’ giving [them] an operational history by which the reliability and effectiveness of the machines can be judged. Every military operation, not by intent per se, acts as an advertisement for the weapons and techniques used.

(Chapter V on companies contains more information on Elbit’s involvement in the occupation and the homeland security economy of Israel).

All in all, it seems fair to conclude that the strategic decision to concentrate on military research & development with an emphasis on technologically advanced systems which serve civil markets too, provided a solid technology-orientated economic base for Israel. This should not, however, be understood as an example of so-called dual use, as that is a provision in export regulation dealing with products and technologies normally used for civilian purposes which may have military applications too. Rather, the case of the drones supports Gordon’s concept of selling the ‘Israeli experience’.

Elbit and the Netherlands
Elbit is still a strong trading partner in military trade, and it is proudly advertising the experience in the field as a specific advantage of the Israeli industry. Ran Galli, Corporate Vice President of Major Campaigns for Elbit Systems maintains that, “No other country has Israel’s extensive hands-on experience in fighting terror, including the development of new systems, testing them in real-time and adapting and fine-tuning following feedback from performance in the field.” Zuri from the Israel Export Institute adds that the

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55 See Elop at http://www.el-op.com/default.asp. Cited in N. Gordon (2009) p. 35. The other leaders in this field are International Technologies Lasers Ltd. (ITL), Rafael Armament Development Authority and its subsidiary Opgal, and ISORAD, the commercial arm of the Soreq Nuclear Research Center.
58 Stop the Wall (2009) p.4.
“military can say it has used the technologies on the ground, it has not just put them in storage. Israel is a laboratory and we have people who have experience.”

In contrast to contacts with other European countries, the trade between Elbit and the Netherlands is limited to military equipment. As the European Tender Register (ted.europa.eu) shows, Elbit is active in the homeland security market and is trading in medical equipment too. The company sold a CCTV system to the city of Vilnius in Latvia, computer systems for civil crisis management in Belgium and medical equipment such as laboratory instruments in Poland.

In May 2010, Elbit was one of the participants at an arms fair held at the Industrieele Groote Club, situated at the Dam Square in Amsterdam. At this conference arms traders discussed the so-called compensation orders (orders foreign weapon producers are required to place with Dutch companies in return for Dutch Defence placing orders with companies abroad). As a result of pressure by peace groups and anti-militarists in 2005, then-mayor Job Cohen made a statement that Amsterdam does not want to host arms fairs. Answering questions in the local council about the arms fair at Dam Square in 2010, temporary mayor Lodewijk Asscher insisted that weapon fairs do not contribute to the idea of Amsterdam as a safe city and contradict the city’s policy on reducing the use of weapons.

The Ministry of Defence has awarded several contracts to Elbit over the last ten years, which are listed here in chronological order. In 2003, Elbit won a contract for the delivery of Enhanced Tactical Computers and Battlefield Management System (BMS) Equipment, to the Royal Dutch Army. In 2004, the Dutch army tested Elbit’s Skylark mini-UAV (see Chapter III on drones). In 2006, Elop sold thermal imagining systems for the Leopard 2/A5 to the army of the Netherlands according to its 2006 Annual Report. In 2008, Elbit was awarded a contract from the Dutch Ministry of Defence for the supply of Advanced Battlefield Management Systems. The contract is scheduled to be completed and delivered over five years and is valued at approximately $40 million. The Enhanced Tactical Computers will be installed in more than 1, 800 Dutch vehicles, including tanks and armoured trucks. Bezhalel Machlis, General Manager at Elbit stated that the company views this contract “awarded by a leading country in NATO, as a springboard to potential future business in this market.” In 2010, the Dutch army bought a computer system for virtual exercises, the NL-CST, to be used for Computer-Assisted eXercises (CAX). This is how the contract describes the system: “The primary objective of a CAX exercise is to enable participating

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64 Elbit Systems press release (2003) Elbit Systems receives contract from Royal Netherlands Army (RNLA) for Battlefield Management System (BMS) Equipment, Haifa, 24 December. We have not been able to track down the contract details yet. The Tender Register only goes back to 2005, so we need to apply for the contract separately.
staffs to train their command-and-control procedures and combat actions without the need of actually having all the subordinate levels in the field.”

**Elbit and the Pension Funds divestments**

In other Western countries, Elbit has been the focus of a civil society campaign because of its involvement in the occupation and the apartheid wall. In the past year, there was a chain of divestments from Elbit that also reached the Netherlands. It started when Stop the Wall, the grassroots Palestinian anti-apartheid wall campaign, the International Physicians for the Prevention of Nuclear War (IPPNW) and Pax Christi moved together with its Norwegian partners to persuade the Norwegian State Pension Fund to sell its shares in Elbit, worth $5.4 million. Pressure mounted by Norwegian People’s Aid, the Council of Churches in Norway and the Norwegian Associations of NGOs for Palestine certainly helped to put the issue on the agenda. Subsequently, the Ethical Council investigated the issue, and made a recommendation to the Norwegian Minister of Finance to divest in September 2009. In Norway, there is a strong support for the boycott of Israel within two of the three coalition partners (Labour, AP and Socialist Left, SV), at least in the rank and file, including the trade unions. Mark Taylor, Deputy Managing Director of the Norwegian research institute Fafso, explains that the Ethical Council has a strong reputation in research and international law. As a result, the investment policies of the Norwegian Pension Funds are a leading guide which other funds in other European countries tend to follow. With a little help from campaigners in other countries pressuring financial institutions on the issue, and a cohort of responsible investment advisers with a growing influence, Danske Bank and PKA Ltd, two of the largest Danish pension funds, and Folksam, Sweden’s largest asset manager, divested early this year. In May 2010, the Deutsche Bank sold its 2% stake in Elbit Systems.

In the Netherlands, ABP, one of the largest pension funds, followed suit, and disinvested from Elbit Systems. Much of the pressure leading to decisions to disinvest is taking place behind the scenes, and the funds do not seem willing to comment in the media. The only public confirmation available is the report of investment consultant and human right activist Adri Nieuwhof who wrote on 19 February 2010: “ABP informed the Electronic Intifada today that it has sold its US $2.7 million shares in Elbit Systems".

All news items found in the media data-bank LexisNexis reporting on the disinvestment have the Electronic Intifada as their only source. The step was taken without any public campaigns in the Netherlands. The only Dutch reference we found was to a Church group called Keerpunt who coordinated a letter-writing campaign to put pressure on Dutch Pension Funds. Keerpunt compiled a dossier with an overview of Israeli companies involved in the construction of the Wall, based on the “Who Profits?” database. Their aim is to have the Pension Funds disinvest from all the companies mentioned. Keerpunt also complains about ABP’s lack of communication about its disinvestment strategy. In a letter to the

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66 See: http://www.eda.europe.eu
68 Palestinian BDS National Committee (BNC) (2010).
church group dated 14 January 2010, ABP announced talks with Veolia and Alstom and other companies
involved in the construction of the wall, but it refused to give any further information on the progress.70
ABP does not invest in companies involved in the production of cluster bombs and landmines, and lists
about 20 companies that are banned for that reason (no Israeli company is amongst them). The fund’s
policy also excludes companies connected to weapons forbidden by the Nuclear Non-Proliferation Treaty,
while failing to comply with the guidelines of the Global Compact “could be a reason for exclusion too”.71
However, ABP has indeed sold its shares in Elbit. The Israeli company had disappeared from the fund’s
public stock market listings dated December 200972; while the register for 2008 included an investment of
2 million Euros in Elbit73.

The other large Dutch Pension Fund, Pensioenfonds Zorg en Welzijn (PFZW, formerly PGGM), currently
(as at 1 July 2010) bans only one Israeli company from its investment universe: Aryt Industries, for its
production of cluster bombs.74 Until recently, the pension fund invested in 13 of the companies listed by
“We Who Profits?” for 323 million Euros altogether, including 1.6 million Euros (0.12%) in Elbit in 2009.75 In
November 2009, the Fund disinvested from Africa-Israel, a company listed by “We Who Profits?”76 As of
November 2010, the only Israeli investments left are in Teva pharmaceuticals, Checkpoint Software
Technologies and a supermarket chain.77 A spokesperson for the Fund claims the decision had nothing to
do with political pressure, but is just a “benchmark decision”: Israel is no longer considered to be an
“upcoming economy” and thus did not fit the PFZW profile investment universe any more.78
However, also in November 2010, PFZW’s chair Hans Alders, wrote a letter to the Russell Tribunal to
express the Board’s “deep concern about the ongoing conflict between Israel and Palestine and the
occupation of Palestinian Territories.”79 In his letter, Alders also explains the Fund’s policy on
“engagement with regard to companies active in occupied Palestinian Territories.” The situation has been
a topic at various board discussions with its external ethical advisers over the past few years. In response
to the concerns of Werkgroep Keerpunt and Nederlands Palestina Komitee, the Fund developed an
engagement approach. This focused on those companies

70 See: http://www.keerpunt.nl; Dossiers on the Pension funds: http://www.werkgroepkeerpunt.nl/dossier.php
111708.pdf More specifically ABP expects companies to act according to the United Nations Global Compact, the OECD Guidelines
for Multinational Enterprises, the OECD Principles of Corporate Governance and the International Corporate Governance Network
Statement on Global Corporate Governance Principles. See: http://www.abp.nl/abp/abp/images/antwoord%20Freeport-
McMoran4_tcm108-113368.pdf
72 ABP (2010) Beursgenoteerde beleggingen ABP. Aandelen per 31 december 2009,
73 ABP (2009) Beursgenoteerde beleggingen ABP. Aandelen per 31 december 2008, December,
http://www.abp.nl/abp/abp/images/01%202000%2010%201_A_L_aandelen_web_tcm108-66825.pdf
74 PGGM (2010) Uitsluitingenlijst van vennootschappen per 1 juli 2010,
http://www.pgpgm.nl/Over_PGGM/Investments/Publicaties/Uitsluitingenlijst_Uitsluitingenlijst_Vennootschappen.asp#0
75 Financiëlle Telegraaf (2009) PFZW blijft wel in Elbit, 8 September, via LexisNexis.
http://electronicintifada.net/v2/article10935.shtml
http://www.russelltribunalonpalestine.com/en/sessions/london-session/corporates-responses
- “that contribute to sustaining the occupation (for example banks providing loans to finance Israeli settlements in occupied territory);
- whose products or services are directly associated with the occupation or suppression (for example a company allegedly providing custom-made bulldozers involved in the destruction of Palestinian homes);
- that contribute to activities that can be seen as in direct violation of international law (for example companies involved in a controversial tramway)."

Held against the Fund’s investments, these descriptions fit the profiles of the Israeli Bank Hapoalim and Bank Leumi, bulldozer producer Caterpillar and maybe Volvo too, and Veolia and Alstom, the companies involved in the light rail project. The engagement starts with a fact finding mission asking the companies to provide information on the policies and systems they have in place to avoid or mitigate these risks, and – when applicable – whether there is equal access to their products or services. Further input is gathered from different sources and experts, a process that may take up to 2-3 years. The final outcome may (or may not) be a decision to exclude the company from investments.\textsuperscript{80} PFZW/PGGM has also been actively engaged in the Global Compact recently, in developing guidelines for doing business in war zones.\textsuperscript{81} This letter to the Russell Tribunal by the chair of the Fund is indeed a sign towards more transparency on investment policies. Moreover, the content of the letter clearly indicates that putting pressure on investors by providing them with well-sourced cases is a strategy with a considerable chance of success.

\textsuperscript{80} Alders, H. (2010).
\textsuperscript{81} Nieuwhof, A. Personal communication.
III.

Selling drones, selling the Israeli experience.

Israel’s homeland security industry is not just a conglomerate of industries - both state companies as well as privatised business – it entails, as Neve Gordon argues, the “Israeli experience.” This idea helps explain the success story of Israel’s homeland security industry in the global market. Neve Gordon concludes that there is an economic motivation to produce and reproduce the so-called security related experiences and to diversify them. He claims that “the Israeli experience is perceived as extremely valuable and attractive because it manages to connect between a hyper-militaristic existence, a neoliberal economic agenda, and democracy.” With the Unmanned Armed Vehicles (UAVs or drones) as an example, this section sketches out the road from military to civilian use of homeland security products – including in the Netherlands.

The industry sees the ‘Israeli experience’ as a prime selling point, their PR material shows. Take for example the glossy government brochure entitled ‘Israel Homeland Security: Opportunities for Industrial Cooperation’, which claims: “No other advanced technology country has such a large proportion of citizens with real time experience in the army, security and police forces.” In the section called “Learning from Israel’s Experience” one reads that, “Many of these professionals continue to work as international consultants and experts after leaving the Israel Defence Forces, police or other defence and security organisations. Typically, these former officers, who also include scientists and engineers, not only have hands-on experience and know-how of traditional security activities, they are also familiar with the broad range of high-tech technologies and equipment, which are available to enhance safety and make security systems more efficient and effective.”

The Israeli homeland security industry is built on the history of the conflict between Israel and the Palestinians, and thrives from the occupation of Palestinian Territories. As a consequence, all trade with the Israeli homeland security supports the occupation and its continuation. To put it simply, this effectively turns their trade partners into brothers in crime. And, following the concept of the “Israeli experience”, it is not just pure business relations; it is also the exchange of know-how and the feeling of being under threat that is of importance. As the president of a leading homeland security company puts it: “Israel has been meeting the challenge of terror for decades before 9/11, and in those years of hands-on, real-time experience in overcoming terror lays our country’s first competitive advantage.”

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UAVs

A good example to illustrate the international influence of the Israeli homeland security industry and the “Israeli experience” is the advance of the unmanned aerial vehicles (UAVs), in both military and civil use. Israel was the first country to widely adopt and integrate UAVs into its armed forces. The Israeli Air Force pioneered using them in the late 1970s and 1980s, and used them successfully during operations in Lebanon in 1982. Military esteem of Israeli UAVs further grew after the first Gulf War during Desert Storm. The speed of technological advance since then has led to constant reassessments of UAVs’ battlefield potential and the dedication of increasing resources to development and procurement by armed forces worldwide, as Jimmy Johnson concluded in his analysis in February 2009. Even though Israel has only a fraction of America’s resources, Israel is an important competitor. The country’s early entry into the field, plus the fact that the technology is “battle-tested” and thus proven to be reliable and effective, gives Israel a huge advantage. As Jimmy Johnson summarised: “Every military operation, not by intent per se, acts as an advertisement for the weapons and techniques used.” The Israeli military also advertises the use and success of its UAVs in its most recent assault on Gaza, Operation Cast Lead: “Thanks to the use of UAVs…the [army] has been attaining footage captured from the air, above the Gaza Strip, and collecting data for the ground forces in Gaza.” (The Fellowship of Reconciliation in the UK recently addressed the growing “accountability vacuum” about armed drone attacks and the worrying “Play Station mentality” that comes with it. Their report “Convenient Killing” highlighted the number of casualties including civilians’ deaths in Gaza).

There are numerous kinds of unmanned aerial surveillance, reconnaissance and target acquisition products as well as border and coastal surveillance equipment, and Israel is one of the leading producers. Of all UAV systems transferred internationally between 2001 and 2005, 68 percent were Israeli-supplied. With the US’s Predator and Pioneer models both based on Israeli designs, and IAI and Elbit cornering most of the remainder of the export market, UAV transfers overwhelmingly involve Israeli-designed systems. A recent report of Statewatch points out that the USA will take over 70% of the future market because of an increasing interest by the US military, which in turn is linked to a “general trend towards information warfare”. However, Rand Corporation pointed at increased civilian use in 2006 stating that the UAVs could be deployed to monitor resources such as forest and farm lands, wetlands, dams,
reservoirs, wildlife (e.g., in nature reserves) or traffic in the near future.\(^{92}\) Meanwhile, the trend of non-military use of drones is developing in a less-peaceful direction toward their use on the homeland security front.

In the UK, the Guardian revealed in January 2010, the police are planning to use unmanned spy drones for the "routine" monitoring of antisocial motorists, protesters, agricultural thieves and fly-tippers, in a significant expansion of covert state surveillance. The arms manufacturer BAE Systems is adapting the military-style planes for a consortium of government agencies led by Kent police and backed by the Home Office. The Kent police stressed that civilian UAVs would "greatly extend" the government's surveillance capacity and "revolutionise policing." Military drones would be useful "in the policing of major events, whether they be protests or the Olympics". Interest in their use in the UK had "developed after the terrorist attack in Mumbai". Previously, Kent police had said the drone scheme was intended for use over the English Channel to monitor shipping and detect immigrants crossing from France. However, the documents suggest that the maritime focus was, at least in part, a public relations strategy designed to minimise civil liberty concerns. "There is potential for these [maritime] uses to be projected as a 'good news' story to the public rather than more 'big brother'," a minute from one of the earliest meetings, in July 2007, states. (The Guardian obtained the documents under the Freedom of Information Act).\(^{93}\)

The Dutch introduction to drones reflects the international developments in this field. The first use was military and started with the testing of - amongst others - Israeli vehicles. Meanwhile, the market offers a wider choice and the Ministry of Defence has opted for material of European and American origin. In 2006, the Army tested the Aladin produced by the German EMT and the Skylark from Israeli manufacturer Elbit Systems Ltd. in Afghanistan. They also looked into Elbit's Hermes 1500 and the Heron produced by Israel Aerospace Industries.\(^{94}\) At the end of 2007 two American systems were to be tested, the Desert Hawk and the Raven.\(^{95}\) At present, in 2010, the Dutch Army uses the Sperwer UAV produced in France by Sagem Défense Sécurité, and the Raven mini-UAV, produced by the American company AeroVironment.\(^{96}\) However, the Sperwer is up for replacement in 2011, which offers a new window of opportunity for the Israeli industry.\(^{97}\)


In 2007 and 2008, the Dutch mission in Afghanistan depended on intelligence delivered by the Army’s own reconnaissance platoon utilising the Sperwer UAV. The images of enemy movements are crucial inputs for decisions on life and death. The interpretation “civilian” or “Taliban” might lead to a decision to bomb or not to bomb. Until the end of February 2009, the gathering of this highly confidential intelligence was in the hands of the Dutch military platoon 101 RPV (Remote Piloted Vehicle).

However, the “Israeli experience” is not far away, as is illustrated by Project Lintel. When all available specialised platoons had extended their maximum period of deployment in Uruzgan, the Dutch mission turned to the Israeli company Aeronautics to hire replacement forces. The company provided four of their Aerostar UAVs, and - because the Israeli government does not approve of its citizens serving in Afghanistan - Aeronautics contracted the personnel to operate the machines through the British firm Qinetiq.

When questions were raised in the Dutch Parliament, the issue was the hiring of private forces for confidential intelligence operations; it was not the hiring of - and cooperation with - Israeli forces.98

In a previous discussion about using contractors in Afghanistan, the Minister of Defence had maintained that private forces were not allowed to carry out “military core tasks” such as using weapons, strategic planning or intelligence collection. Asked to elaborate he said: “I wouldn’t dream about privatising our intelligence capacity; that would be a contradiction in terms.”99 However, three months later, the Ministry of Defence took the position that hiring Aeronautics for drone operations should not be regarded as an example of privatising the intelligence capacity. Fred van Staden, professor international relations at the University of Leiden and vice-chair of the Advice Council for International Affairs commission which advised the government on privatising warfare in 2009, is of a different opinion: “We are talking reconnaissance, intelligence gathering and goal exploration. This belongs to the core tasks of the military, no doubt about it.”100 And core tasks, according to the Minister, are not to be outsourced to contractors.

Answering Parliamentary questions, the State Secretary of Defence explained that Aeronautics was the only candidate on the market able to supply tactical surveillance for practical use on the battleground as well as intelligence for strategic assessments of the future at the operational level on a short term basis.101 However, the industry magazine Flight International has an additional and relatively simple explanation for Aeronautics as the most likely candidate. The company set up shop in Afghanistan to provide services to the military missions. As Qinetiq’s manager for unmanned systems managed services David Tilly put it after the Dutch contract came to an end: “the Aeronautics/Qinetiq team is seeking

another operator in Afghanistan to use the Project Lintel equipment, either as a capability enhancement or gap-filling system.\textsuperscript{102}

The Dutch Ministry budgeted the project at 25-50 million Euros, most of which would go towards renting the capacity, i.e. to Aeronautics. An appendix to the Ministerial letter contains the more specific financial details of the deal but is said to be “commercially confidential.” According to an Aeronautics press release the contract is “valued at approximately NIS 200 million”\textsuperscript{103} – this is around 37 million Euros against the March 2009 exchange rates. Industry literature has more details on what you get for this money. “Four Aerostar vehicles were available across three variants: baseline and extended endurance for use in hot and high environmental conditions, both carrying a Controp electro-optical/infrared camera, and another equipped with an array of communication intelligence equipment.”\textsuperscript{104}

The case of the Dutch army hiring Aeronautics marks a shift in the privatization of military tasks. Project Lintel may have been portrayed as an exception for the Netherlands; for other armed forces private contracting is ‘business as usual’. The recurring need for military equipment or personnel, and even for vital information gathering operations, may invoke the hiring of private contractors. Aeronautics shows it understands the market by setting up an office in Afghanistan and waiting for clients to hire its equipment.

\textbf{From military to civilian use.}

Just as in the UK and the US, in the Netherlands the so-called civil use of UAVs is on the rise. As early as 2004, the chief-commissioner of the Amsterdam Police showed his interest in the opportunities to use mini UAVs in police work by attending a demonstration of the Bird Eye, the then most recent UAV model developed by Malat, part of the Israel Aerospace Industries. “The mission included the monitoring of rail tracks in the vicinity of the Amsterdam central train station, mobile vehicle tracking, crowd control, waterway monitoring, and other missions performed to the complete satisfaction of the Amsterdam police.”\textsuperscript{105} Condor UAV in Haarlem signed a contract to become IAI’s distributor for the Netherlands and several other European countries, but the company seems to have ceased to exist after 2005, although it is not filed as such in the Dutch bankruptcy register.

In 2006, the government approved the purchase of a Short Range Tactical UAV and a mini-UAV specifically for civil-military use.\textsuperscript{106} Such military surveillance always takes place at the request of civil authorities and is regulated in the “samenwerkingsverband Intensivering Civiel-Militaire Samenwerking” (ICMS, in English: Alliance for Intensification of Civil-Military Cooperation).

\textsuperscript{102} Flight International (2010) Dutch to end Project Lintel, 13 July.

\textsuperscript{103} Aeronautics (2009) Aeronautics signs an agreement to supply Aerostar UAVs to the Royal Netherlands Army, 24 March http://www.aeronautics-sys.com/?CategoryID=264


The following examples illustrate the rise in non-military use of drones, which could be traced back to concepts and experience originating from Israel. Local authorities in Noord Brabant asked Defence for UAV surveillance of a village called Veen (2,445 inhabitants) to monitor potential vandalism on New Year's Eve 2009. And drones applied with heat-detecting cameras assisted with localising the multiple flare-ups in widespread dune fires in the spring of 2010.\textsuperscript{107}

In February 2010, the Amsterdam police used an AirRobot in a coordinated eviction operation. The drone, a flying camera, monitored the roof and the back side of the houses to warn the police against unexpected resistance from the occupants. The UAV is the main product of AirRobotUK, a company advertising itself as "The UK Centre for Homeland Security" - in fact part of a German-American consortium.\textsuperscript{108}

And, last but not least, the Dutch Police Force has deployed a lightweight unmanned helicopter, the SUAVE 7, in their battle against the illegal growth of cannabis since 2009. One of the most intriguing items of this aerial observation tool, the producer's website claims, is the "cannabis sniffer", a sensor used for the intake of air samples, to instantly recognise particles indicating the presence of cannabis. This specific drone is developed by the Dutch police; the spin-off company is called Cannachopper.\textsuperscript{109}

The development in the Netherlands should of course be understood in a more universal context. Most companies with a new technological product for sale start with offering off-the-shelf solutions, while some also have development options. Within a few years the components have become much cheaper and the technology is more widely available. Local solutions are sought, as was the case in the Netherlands, and it is difficult to establish how much these local alternatives are based on technology in fact originating from Israel. An important platform for exchanging knowledge and technology is provided by European research platforms. It is here that Gordon Neve's concept of the "Israeli experience", discussed earlier in this report, comes to life. In various EU Framework Programmes UAVs are promoted to play a role in (automated) border control and in regaining control over security in emergency scenarios.\textsuperscript{110} Statewatch listed the European research networks that involve work on drones; each of them was awarded between 4 and 20 million Euros for specific research projects. Statewatch concluded that it is evident that this research is exclusively appliance-oriented and directed by (major) private military contractors. Police organisations play no role. The number of leading companies is small and the participating research and development departments are located in Israel, France and Italy, while 45 per cent of all projects are coordinated by French companies. The Statewatch research shows that five out of nine programmes include companies and institutes from Israel (see Table at the end of this chapter). It also shows that in

\textsuperscript{107} Ariese, P. (2010) Omstreden drone steeds vaker ingezet, Reformatorisch Dagblad, 1 September, http://www.refdag.nl/achtergrond/techniek/omstreden_drone_steed_vaker_ingezet_1_499503

\textsuperscript{108} Company information gathered from http://www.airrobot-uk.com/

\textsuperscript{109} Information gathered from http://www.cannachopper.com and additional press documentation linked on this website.

\textsuperscript{110} The larger programmes include: Border Security Unmanned Aerial Vehicles (BSUAV), Civil Applications and Economic Effectiveness of Potential UAV Configurations (CAPECON), Innovative Future Air Transport Systems (IFATS), Innovative Operational UAS Integration (INOUI), Transportable Autonomous Patrol for Land Border Surveillance (TALOS), Unmanned Aerial Vehicles Network (UAVNET), UAV Safety Issues for Civil Operations (USICO), Wide Maritime Area Airborne Surveillance (WIMAA) and Micro Drone Autonomous Navigation for Environment Sensing (μDRONES).
projects until 2005/2006 the Dutch Nationaal Lucht- en Ruimtevaart Laboratorium was the main player in this field from the Netherlands. (NLR has recently signed an official cooperation agreement with TNO, in November 2009). This rather general information does not allow any further conclusions on the amount of cooperation between the Israeli companies and the Dutch partners in the various programmes. This would require more specific investigations into the set-up of each programme, the exact budget per country or per partner and the organisation of responsibilities amongst the partners. (A more detailed discussion of the EU research programmes can be found in Chapter IV of this report). It could also be of interest to find out if the Dutch authorities have initiated research programmes into the civil use of drones in the Netherlands\textsuperscript{111}, and subsequently, to investigate the Israeli input in such programmes. A strong indication for a leading role of the Israeli industry in promoting the civil use of UAVs is the urgent plea for a breakthrough held by the representative of Israel Aerospace Industry, the coordinator of the international thematic network UAVNET. In 2006, after the five-year EU network programme came to an end, Mark Okrent said: “In the past Europe invested ~€15 million, under the FP5 program, in UAVNET, USICO, CAPECON and HELIPLAT … and about €5 million for IFATS in FP6. But, Europe does not have any strategic initiative for further developments for civil AAVs. [Automated or Autonomous Air Vehicles]\textsuperscript{112} Israel Aerospace Industries also took the lead in the FP5EU research project called “Civil UAV application and economic effectiveness of potential configuration solutions” (CAPECON) which ran from 2002-2005.\textsuperscript{113} In a paper presented in 2007, Polish professor Zdobyslaw explained how European research money is used to develop new systems. The K70 Mini UAV was initiated by the Israeli company IAI and then developed within CAPECON project with the participation of Warsaw University of Technology. This drone inspired the Polish to develop the PW-141 as a national project financially supported by Ministry of Science and Higher Education. It was to be an affordable and reliably UAV system for long endurance border surveillance and monitoring.\textsuperscript{114} Most recently the IAI is involved in the OPARUS program, Open Architecture for UAV-based Surveillance System, an 18-month FP7 research programme that started in September 2010. The Netherlands does not take part in this project.\textsuperscript{115} The process to push civil use of UAVs has certainly gained speed since Okrent’s plea. Europe’s agency for combating undocumented migration, Frontex, has researched the possibility of introducing drones in

\textsuperscript{111} The German federal ministries funded five different UAV research projects between 2006-2009. Source Volker Eick, Statewatch.


\textsuperscript{113} UAVNET receives R&D funds, granted by the European Union: USICO project receives 4.6M Euro ($4.1 million approximately) and CAPECON project receives 5.2M Euro ($4.7 million approximately). The funds are given for a period of 2.5 years. Source: IAI – website, Media room, News archive (2001) An Inaugural Meeting of the UAVNET Thematic Network for UAV (Unmanned Aerial Vehicle)'s Civilian Applications, the First of its Kind in Europe, was held on October at Sweden19 November, \url{http://www.iai.co.il/16724-22331-en/MediaRoom_NewsArchives_2001.aspx}

\textsuperscript{114} Goraj, Z. (2007) UAV platforms designed in WUT for border surveillance, paper presented at a conference of the American Institute of Aeronautics and Astronautics in Rohnert Park, California, 7 - 10 May. \url{http://pdf.aiaa.org/preview/CDReadyMIA07_1486/PV2007_2965.pdf}

\textsuperscript{115} Oparus project website (2010). \url{http://cordis.europa.eu/fetch?CALLER=FP7_SECURITY_PROJ_EN&ACTION=D&DOC=14&CAT=PROJ&QUERY=012c07a0eb4b;db4e;5b364575&RCN=95504}
enhancing border surveillance extensively in 2010. The agency coordinates sea patrol, reconnaissance flights, naval and land operations, and ropes in experts to identify the country of origin of detained irregular migrants. Founded in 2004, Frontex has a leading influence in the development of an integrated European Surveillance System (EUROSUR) and has been a key voice in the European Security Research and Innovation Forum (ESRIF) that ran between 2007 and 2009. The Forum brought together individuals and groups from the research community, the private business security sector, and European institutions. It represented all stakeholders affected by security technology; the participants in the FP7 research programme are amongst them. As of 1 November 2010, a new EU provision (No: 2010/0039) will now allow Frontex the option of acquiring equipment directly, and this could be understood as an important step in the militarisation of border surveillance and migration control. The new regulation, according to the news agency IPS that has access to the document, "gives Frontex the capacity to collect and process personal data of suspects for involvement in illicit border activities, acquire equipment for border surveillance, integrate common core curricula in the training of national border guards and to develop and operate a system for exchanging classified information. The regulation envisages an 'increasing role in research and development for the control and surveillance of external borders," which would make Frontex a key player between the European institutional apparatus and the emerging European homeland security industry."116

One could say that the promotion of the “Israeli experience” in the European context has succeeded, while it is most probable that Frontex will start acquiring UAVs for border controls.

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<tr>
<th>Project (Programme) Grant sum, EUR [duration]</th>
<th>Participants/Project coordination</th>
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<tr>
<td>BSUAV (PASR) 5.0 million [2004-2006]</td>
<td>Eurosense (BE), Sener (ES), Dassault Aviation, Flying Robots, Thales (F), Alenia (IT), NLR (NL), Saab (SE), SETCCE (SI), Rolls-Royce (UK)</td>
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<tr>
<td>CAPECON (FP 5) 5.1 million [2002-2005]</td>
<td>Deutsches Zentrum für Luft-und Raumfahrt, Eurocopter (D), Instituto Nacional de Tecnica Aeroespacial (ES), EADS Systems Services &amp; Telecom, Eurocopter, ONERA (F), Tadiran Electronic Systems, Tadiran Spectralink Ltd., Technion - Israel Institute of Technology (IL), Agusta, Carlo Gavazzi Space, Centro Italiano Ricerche Aerospaziali, Politecnico di Torino, Universita degli Studi di Bologna, Universita degli Studi di Lecce, Universita degli Studi di Napoli Federico II (IT), Stichting Nationaal Lucht en Ruimtevaart Laboratorium (NL), Politechnika Warszawska (PL), Swedish Space Corp. (SE)</td>
</tr>
<tr>
<td>IFATS (FP 6) 5.5 million [2004-2007]</td>
<td>Deutsches Zentrum für Luft und Raumfahrt (D), Direction des Services de la Navigation Aérienne, EADS Defence and Security, Erdyn consultants, ONERA, Thales Communications (F), University of Patras (GR), Israel Aircraft Industries, Technion - Israel Institute of Technology (IL), Alenia Aeronautica, Centro Ricerche Aerospaziali (IT)</td>
</tr>
<tr>
<td>INOUI (FP 6) 4.3 Million [2007-2009]</td>
<td>DFS, Rheinmetall Defence Electronics (D), Boeing Europe (ES), INNAXIS, Isdefe (ES), ONERA (F)</td>
</tr>
<tr>
<td>TALOS (FP 7) 19.9 million [2008-2012]</td>
<td>Sonaca (BE), Smartdust Solutions (EE), TTI Norte (ES), ONERA (F), Valtion Teknillinen Tutkimuskeskus (FI), Hellenic Aerospace Industry (GR), Israel Aircraft Industries (IL), Instytut Technik Telekomunikacyjnych i Informatycznych, Politechnika Warszawska, Telemk, Przemysłowy Instytut Automatyki i Pomiarów (PL), European Business Innovation &amp; Research Center (RO), Aselsan Elektronik Sanayi Ve Ticaret, STM Savunma Teknolojileri Muhendislik (TK)</td>
</tr>
<tr>
<td>UAVNET (FP 5) No information [2001-2005]</td>
<td>Sonaca (BE), Airobotics, DLR (D), EADS, ONERA, Sncema (F), Aeronautical Systems (GB), Israel Aircraft Industries (IL), Alenia, CIRA, Politecnico Torino (IT), NLR (NL), Politechnika Warsaw (PL), Space Corp. (SE)</td>
</tr>
<tr>
<td>USICO (FP 5) 4.6 million [2002-2004]</td>
<td>Airobotics GmbH, Deutsches Zentrum für Luft-und Raumfahrt (D), EADS Systems Services &amp; Telecom, ONERA (F), Israel Aircraft Industries (IL), Marconi Mobile, Università Degli Studi di Napoli Federico II (IT), Stichting Nationaal Lucht en Ruimtevaart Laboratorium (NL), Foersvarshoejskolan, Swedish Space Corp. (SE)</td>
</tr>
<tr>
<td>WIMAA (FP 7) 4.0 million [2008-2011]</td>
<td>Commission of the European Communities, DG Joint Research Centre, Eurosense Belfotop (BE), Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung (D), Satcom1 (DK), Aerovinoc Vehiculos Aereos, Sener Ingenieria y Sistemas (ES), Dassault Aviation, Thales Systèmes Aéroports, Thales Communications (F), Galileo Avionica (IT), Universita Malta (MT), Instytut Techniczny Wojsk Lotniczych (PL), Totalforsvarets Forskningsinstitut (SE), Zavod za Varnostne Tehnologije Informacijske Druzbe (SL)</td>
</tr>
<tr>
<td>MDRONES (FP 6) 3.4 million [2007-2009]</td>
<td>CEA-List, Thales Security Systems(F), AirRobot, University of Tübingen (D), Lysippos (GR)</td>
</tr>
</tbody>
</table>

IV.

Israel and the FP7 European Security Research Programme.

To get access to the European markets and to sell the “Israeli experience” as described in Chapters I, II and III, the programme of EU grants provides a great opportunity. The Framework Programmes for Research and Technological Development, also called Framework Programmes or abbreviated FP, are funding programmes created by the European Union in order to support and encourage research in the European Research Area (ERA). The specific objectives and actions vary between funding periods.\(^{117}\)

This chapter introduces the so-called Framework Programme FP7, aimed at Security Research, and discusses some of the arguments against Israel benefiting from this programme. It also gives an overview of the contacts the Programme provides between the Israeli homeland security industry and Dutch partners in some of the projects, and details of the content of one of those projects.

The European Security Research Programme (ESRP) was set up after consultation of a high-level group of 27 top European industry executives and policy-makers. This resulted in a report "Research for a Secure Europe", which advocated an annual EU budget of € 1 billion for security research. The setting is very much post-9/11 and echoes the shock of the terrorist attacks in Madrid and London. The idea is that new technologies are key in the fight against terrorism. Announcing the programme, European Research Commissioner Philippe Busquin emphasised the need to enhance Europe’s competitive edge in strong underlying security-related research.\(^{118}\)

The FP7 has an overall budget of over 50.5 billion Euros, which is allocated differently for each of its components. The budget allocated for the Security Research component is 1.4 billion Euros for the years 2007 - 2013. The objectives of the ESRP are outlined as:

- “building capabilities needed to ensure the security of citizens from threats such as terrorist acts and (organised) crime, natural disasters and industrial accidents while respecting fundamental human rights including privacy;
- ensuring optimal and concerted use of available and evolving technologies to the benefit of civil European security; stimulating the cooperation of providers and users for civil security solutions;
- Improving the competitiveness of the European security industry and to deliver mission-oriented results to reduce security gaps”.\(^{119}\)

In 2006, more than 75 percent of Israeli defence industry sales were to foreign armed forces. In 2007, Israel was the world’s fourth largest defence exporter, after the US, Russia, and France, and ahead of the UK. Israeli defence exports totalled $3.4 billion; in 2008 sales dropped by 10% but Israel was still in the...
However, Yossi Ben-Hanan, head of the Israeli Foreign Defence Assistance and Defence Export Department (SIBAT) expressed his hope that the European market would increase in the years to come. He said: "We need to create partnerships with European countries, which the Israeli defence industries could use to market their products". This hope was put into practice after Israel became a partner of Europe under the new European Neighbourhood Policy (ENP). The principal objective of EU-Israel cooperation, as described in the Country Strategy Paper 2007 – 2013, is "to develop an increasingly close relationship between the EU and Israel, […] including a significant level of economic integration, and a deepening of political cooperation […] and in the resolution of the Middle East conflict and on human rights issues."

Subsequently, Israel signed the Science and Technology Agreement for FP7 in 2007, which made it one of only two non-EU countries fully associated to the EU’s framework programmes for research and technological development, (Switzerland is the other country, signed in the same year). Until then, the EC/EU cooperation with Israel had been limited to "Programmes in support of civil society, mainly in the context of the EU Partnership for Peace programme and the European Initiative for Democracy and Human Rights." Now Israeli participants were able to obtain EU funding. At the time of writing, Israel participates in 653 FP7 projects, 19 of which fall under the Europe Security Research Programme.

An influential critic of the European Security Research programme is the UK-based NGO Statewatch, and more in particular its associate Ben Hayes who released an extensive report on the matter in September 2009 called ‘NeoConOpticon. The EU Security-Industrial Complex.’ Hayes' criticism focuses on two points: the lack of transparency and the role of Israel in the funding program. His work has been used as an important source of reference for other publications on similar topics since: for “Who Profits?”, for David Cronin in the fact sheet for Ireland Palestine Solidarity Campaign, and for Alejandro Pozo Marín who wrote an extensive report on the relations between Spain and Israel on the military and homeland security front. In October 2010, the British Quakers released a briefing paper entitled ‘Security Co-operation between the EU and Israel’, based on Hayes’ findings and opinions as well as on their own research.

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research. The most recent document on this topic is Hayes’ submission to the London Session of the Russell Tribunal on Palestine in November 2010.

It is arguable, at the least, whether the competitiveness of the EU security industry should be a goal of the European Union. The Quakers put it this way: “While on the one hand security is a fundamental right of every human being, on the other military technology can transform the way in which democratic states are governed. Addressing security for profit could seriously affect the daily life of EU citizens by creating an advertising industry that fosters human fears; putting in danger people’s privacy; and favouring elites that use technology to control society in an undemocratic manner.”

For the EU, “developing an increasingly close relationship” with Israel is part of the Union’s wider efforts to contribute to a resolution of the Middle East conflict. Lasting peace, according to the Country Strategy Paper, should be achieved through a two-State solution leading to a final and comprehensive settlement of the Israeli-Palestinian conflict based on implementation of the Road Map, with Israel and a democratic, viable, peaceful and sovereign Palestinian State living side-by-side in peace within secure and recognised borders and enjoying normal relations with their neighbours.”

Another question to be addressed is whether the Israeli defence and homeland security should benefit from EU research money. Some European countries, like the Netherlands, claim to restrict their trade with Israel, and licenses for imports and exports are declined on the grounds of national policies and agreed sanctions to address Israel’s violation of human rights. The EU research grants seem to provide a back door to support the research and development (R&D) departments of the Israeli security industries.

Before we can answer this question, we need to have a close look at the actual facts and figures. What can be said about the amounts of European research money going to Israeli companies and organisations?

At the time of writing (December 2010), 90 projects have been funded under the FP7 European Security Research programme - and 23 Israeli companies or institutions take part in 19 projects. Eight of the research projects are lead by Israelis. The participation of twenty companies constitutes a relatively small proportion of the 600 companies listed as active in the field of homeland security by the Israel Export and International Cooperation Institute (a public-private institution to promote international trade).

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132 Based on analysis of EU data published by EU CORDIS at: http://cordis.europa.eu/fetch?CALLER=FP7_SECURITY_PROJ_EN
133 See: http://www.export.gov.il/Eng/_Contacts/Index.asp?CategoryId=10
Critics of the EU funding for Israel point out that the European Commission signed off contracts to Israeli military industries that supply the Israeli army and make profits out of the occupation and aggression against the Palestinian territory. The examples mentioned (for instance in the Cronin’s Fact Sheet, the Quakers Briefing Paper \textsuperscript{134} and in Hayes’ submission to the Russell Tribunal) are Israel Aerospace Industries, the state-owned manufacturer of drones; Motorola Israel, the producer of virtual fences around the settlements; and Elbit Systems, one of Israel’s largest private military technology firms involved in the construction of the separation wall between Jewish and Palestinian communities.

But exactly how substantial is the involvement of Israel? We have studied the data provided by the EU CORDIS and we will now describe what we found about the contracts and the amounts of money directed towards the Israeli industry. The table at the end of this chapter gives an overview of the FP7 Security Research Programmes which include both Israeli and Dutch partners, the budgets, and the average amounts awarded per company or institution. Israel Aerospace Industries (IAI) for instance is involved in two FP7 Security Research programmes aimed at the civil use of drones. The first is Talos, set up to develop mobile equipment as an addition to the human factor in border control. The consortium applied for 20 million Euros, and was awarded 12.9 million Euros. A total of 13 companies have to divide the money between them over a period of four years, between 2008-2012. This comes down to roughly 250,000 Euros per company per year, although of course the actual payment may vary according to the contribution to the project. The second programme is called Oparus, it just started – in November 2010 – and aims to design an “open architecture” for the use of UAVs in European border control. A total of 12 companies get to divide 1.2 million Euros between them over 18 months, which is about 45,000 Euros for each company on a yearly basis.

It is interesting to compare the EU funding of these projects to the sums IAI as a company spends on R&D in three months. “Research and development costs in the third quarter of 2010 reached $28 million.” The company considers investment in research to be crucial to securing its future. “The year to date investment reached $93 million (4% of sales).”\textsuperscript{135}

And to put things into perspective even further, it is worth taking a look at the financial figures for the third quarter of 2010 that IAI have just released:

- Net profit of $25 million, an increase of 55% compared to the third quarter of 2009
- Sales of $690 million, an increase of 2% compared to the third quarter of 2009
- Backlog of $9 billion, an increase of $1.1 billion since the beginning of the year (14%)
- Positive cash flow from current activities of $366 million\textsuperscript{136}

It seems reasonable to conclude that the actual amounts awarded as European research funding are next to nothing compared to the annual budget of the Israeli companies involved. The calculations for Elbit

\textsuperscript{134} Quaker Council for European Affairs (2010).
\textsuperscript{136} IAI (2010).
produce results similar in magnitude to those of IAI. Their research and development expenses net were $56.1 million (8.6% of revenues) in the third quarter of 2010. Revenues for this quarter were $649.9 million, and gross profit amounted to $197.9 million (30.5% of revenues).137

The figures for several ESRP projects in the box below give an impression of the average amount of funding for each company per year.

<table>
<thead>
<tr>
<th>company</th>
<th>EU program</th>
<th>total costs (millions)</th>
<th>EU money (millions)</th>
<th>duration (years)</th>
<th>participants</th>
<th>average annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verint Systems Ltd.</td>
<td>ESS</td>
<td>14</td>
<td>9</td>
<td>4</td>
<td>18</td>
<td>125.000.00</td>
</tr>
<tr>
<td></td>
<td>TASS</td>
<td>15.54</td>
<td>8.99</td>
<td>4</td>
<td>20</td>
<td>110.000.00</td>
</tr>
<tr>
<td>Motorola Israel Ltd.</td>
<td>iDetecT 4ALL</td>
<td>3.24</td>
<td>2.30</td>
<td>3</td>
<td>10</td>
<td>80.000.00</td>
</tr>
<tr>
<td>Israel Aerospace Industries Ltd.</td>
<td>OPARUS</td>
<td>1.19</td>
<td>1.19</td>
<td>1.50</td>
<td>12</td>
<td>66.000.00</td>
</tr>
<tr>
<td></td>
<td>TALOS</td>
<td>19.91</td>
<td>12.90</td>
<td>4</td>
<td>13</td>
<td>250.000.00</td>
</tr>
<tr>
<td>Elbit Systems Ltd.</td>
<td>PROTECTRAIL</td>
<td>21.78</td>
<td>13.12</td>
<td>4</td>
<td>28</td>
<td>120.000.00</td>
</tr>
<tr>
<td></td>
<td>SICMA</td>
<td>3.90</td>
<td>2.57</td>
<td>3</td>
<td>8</td>
<td>110.000.00</td>
</tr>
<tr>
<td></td>
<td>TASS</td>
<td>15.54</td>
<td>8.99</td>
<td>4</td>
<td>20</td>
<td>110.000.00</td>
</tr>
</tbody>
</table>

In several of the recent briefings and papers on the relation between the EU and Israel it has been implied that the Israeli weapon and homeland security industry are subsidised and sponsored by European grants. Take for instance the Quakers Briefing Paper, published October 2010. On page 8 it says:

Recently awarded contracts include: a nine million Euro project to deliver “field-derived data” to “crisis managers” in “command-and-control centres” and an 8.99 million Euro project to develop airport security systems. Both projects are led by Verint Systems, an Israeli company producing intelligence products.

The text suggests that the many millions of each of these programmes go to this one specific Israeli intelligence company. However, as the overview shows, the first programme called Emergency Support Systems (ESS) is a four-year project with 18 companies involved. This translates into an average of 125,000 Euros per company on a yearly basis, although of course the definite distribution of the money is not known. The second program, Total Airport Security Systems (TASS), has similar statistics. There are

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19 companies and organisations that must divide up nine million Euros of funding in four years (2010-2014), which comes down to an average of 118,500 Euros per company per annum. Therefore, based on facts and figures, it is not justified to imply that the European Security Research programme is financing the Israeli homeland security industry on an extensive basis.

Of course, the absolute amounts of money are not the only way to judge the value and importance of the European Union to Israel. Hayes compares the funding to that of other non-member states, stating: "In per capita terms, no non-EU country has received more from the FP7 Security Research programme than Israel." But then again, no other European country or non-member country is so specialised in security issues.

It is our conclusion that money, as in the awarded funding, does not seem to be the best indicator for the importance of the European Security Research Programme. Rather, based on statements of the officials involved it seems fair to say that being part of the European research and development network is of prime significance to Israel.

The Israeli government clearly sees the advantages of participating in the programme. It set up an Israeli inter-ministerial directorate specifically to support Israeli projects funded by the EU. This Israel-Europe Research and Development Directorate (ISERD) acts as Israel’s official representative in the EU Framework Programme. In its advertising campaign ISERD also outlines other benefits: "Israeli researchers not only benefit from an introduction into European business and research culture, they also gain access to projects and knowledge through consortia which are much bigger than Israel's actual investment or its pay off in grants. The networking with European universities and companies is another advantage not to be ignored." As stated by Marcel Shaton (General Director of ISERD): “from the perspective of the Framework Programme, Israel is part of the European continent”. And Javier Solana, the then EU foreign policy chief, seemed to agree. Israelis are unaware of the deep relationship their country has with the European Union, he said speaking at the Presidential Conference in Jerusalem in October 2009. "There is no country outside the European continent that has this type of relationship that Israel has with the European Union," Solana said, "Israel, allow me to say, is a member of the European Union without being a member of the institution." By participating in the programmes, Israel is helping us deal "with all the problems of research and technology, which are very important."
In Chapter III about UAVs, we have seen how cooperating with an Israeli firm within a Security Research programme helped Poland to subsequently develop their own drone. The next section investigates the cooperation between Israel and the Netherlands within the FP7 programme.

**Israel and the Netherlands in the FP7 European Security Research programme**

We investigated the current European Security Research programme to track those projects that have involvement of both Israeli and Dutch companies and institutions. The table on p. 40-41 gives an overview of the projects running under FP7. From this overview it is impossible to say what the input of Israel is, as there is no publicly accessible information on the allocation of the budgets or the distribution of tasks. In the Netherlands, the Netherlands Organisation for applied research TNO is the institution to coordinate most of the programmes in which the Dutch take the lead. The TNO coordinator, Heather Griffioen-Young, informed us that although not secret, the details of the exact distribution of the budget are not made available to the public. Apart from that, she pointed out, there are large differences in the rates the various organisations charge; the TNO coordinator warned us not to jump to conclusions.\(^{143}\)

**Safire: TNO, RAND and Israeli Counter-terrorism academy**

To get an impression of the contacts between Israel and the Netherlands provided by EU projects, and the opportunities for selling the ‘Israeli experience’, we had a closer look at one of the European Security Research programmes. The programme that raised our interest was Safire, aimed at understanding radicalisation and developing interventions to prevent extremism.

Although money does not say everything, we had a look at the budget first. Ten institutions and companies are taking part in the Safire programme that runs for 42 months from mid 2010-2013. The ESRP awarded 2.9 million Euros (out of the total cost of 3.6 million) which translates into an average of 83,000 Euros per partner per year and 290,000 per institution for the entire period. However, the Psychology Department of the University of Amsterdam got 600,000 Euros, which could be seen as something of an indicator of their share in the work and consequently the weight of their approach; additionally, the press release announcing the funding is entitled: “UvA is an important participant in radicalisation research.”\(^{144}\)

Then we had a look at the outline of the research (as the project took off in the summer of 2010, no interim reports are available yet). The description of the Safire project bears the marks of the Dutch approach towards radicalisation. The outline of the research fits the tradition of Dutch social scientists like

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SAFIRE addresses the conceptual process of radicalisation from moderation to (violent) extremism and intervention principles in order to halt, reverse or prevent radicalisation. The goal of the proposed project is twofold. The first goal is to increase scientific insight into the process of radicalisation from moderation to (violent) extremism. The second goal is to provide theoretical argumentation and empirical evidence for the implementation of practical interventions and related means.

Key in the SAFIRE approach is that we do not consider the process of radicalisation to be linear – as has often been the case in radicalisation research up until now – but rather to be non-linear and dynamic, consistent with theories of social dynamics (see e.g. Weidlich, 1971).

SAFIRE aims to gain a thorough understanding of the processes that underlie radicalisation in its most extreme forms and to develop principles to design and improve interventions to prevent, halt and reverse processes of radicalisation where it moves towards violence. The behaviour of individuals involved, the social, cultural, psychological and economic context in which radicalisation processes take place and intervention abilities of communities at the local level are key themes in SAFIRE.

The other participants in SAFIRE consist of universities and similar institutions on the one hand, and on the other hand institutions involved in risk assessment and monitoring. Apart from the University of Amsterdam, there is Dutch involvement from the Hogeschool Utrecht, FORUM (a large NGO in the field of integration policy and minority issues in the Netherlands) and TNO, (a governmental scientific centre focusing on Defence, Security and Safety), and Portuguese participation involving the University of Coimbra. On the other hand, there are private institutions active in risk management, such as RAND, Strategic Intelligence European Company (CEIS) and the Foundation for Strategic Research (FRS) both from France, Bridge 129, an Italian company specialised in Internet monitoring, and the Israeli International Security and Counter-terrorism Academy (ISCA). The universities and TNO work on the model for radicalisation and the most useful approach for interventions, while the risk managers seem to be tasked with delivering input, such as source material. RAND Europe, and specifically its researcher Lindsay Clutterbuck will provide data relating to terrorism in Europe, on how individuals became involved and on why they became disenchanted. Clutterbuck’s personal profile at the SAFIRE website promises a wide contact network which could indeed be very useful for this project. Prior to joining RAND Europe he served for over 27 years with the Metropolitan

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Police Service (MPS) in London as a specialist in terrorism and counter terrorism in the Specialist Operations Department, based at New Scotland Yard. He retired as a Detective Chief Inspector in 2006. During his last eight years, he served as Head of the MPS Counter Terrorism Policy and Strategy Unit and in a variety of policy, strategy and research roles for the police National Coordinator of Special Branch. He is a member of the European Experts Network on Terrorism.147

The descriptions of the specific tasks were confirmed in an interview with Bertjan Doosje, the leading researcher for the project at the University of Amsterdam. He said RAND and ISCA are particularly useful for their contact network. Doosje also confirmed our impression of the Israeli partner in SAFIRE, the “International Security & Counter-Terrorism Academy” (ISCA). This is basically a one-man operation of the founder and President Ran Cohen – again a man with many contacts. When we started our investigation, the ISCA website was off line and last updated in 2006 (according to archive.org).148

We found no reference to ISCA of any importance on the Internet. The only thing we unearthed was ISCA as the co-organiser of a Zionist training scheme, offered to (Jewish) students from around the world:

Maccabi World Union and the International Security and Counter-Terrorism Academy [I.S.C.A.] present this unique program. The programme consists of seminars on security and personal development conducted by the world’s top-class professional instructors from the world’s most security-experienced country, combined with theoretical and practical study of personal security. Other courses are taught in guarding, Institutional Security and industrial espionage; reacting and leading in extreme security situations in addition to many other subjects.149

The main goals and objectives of the programme were listed as strengthening participants’ ties with Israelis and the State of Israel, as well as their Jewish identity, encounters with young Israelis and training in security. However, it is not entirely clear when this programme was offered last – the last time was a few years ago, so the links might not exist anymore.

The Academy’s main (and only) product, however, is a course called Select, Detect, React (SDR), and the website for this (www.sdr.org.il) has a client list that shows nothing but Dutch services, such as police Amsterdam-Amstelland, Utrecht, Rotterdam-Rijnmond, the National Railway Police, the KLPD and the Royal Dutch Marechaussee Schiphol Airport. The website announces pilots and projects for the year 2009 as well with even more Dutch partners (and none in other countries).150

According to Doosje, the Safire programme offers the possibility to finally get a good oversight on the different research projects running in various countries, and to evaluate which approaches work and

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148 See http://www.isca.org.il/ Doosje said he would tell Cohen about the defunct website, and it has been repaired since.
149 See MASA website: http://www.masaisrael.org/Masa/English/Programs/Maccabi+World+Union+-+Security+Experience.htm
150 SDR client list at http://sdr.org.il/sdorgil/new/?file=clients
which do not. In the Netherlands alone, it is often difficult to assess current projects and the effects in the longer term.

The programme promises to be an alternative to approaches that are based on surveillance and repression only. The interim reports would be of interest to assess the dispersal of the “Israeli experience” – if there is any. Apart from that, it would be good to find out how this programme relates to other projects focusing on radicalisation. The European Union already adopted a “radicalisation and recruitment programme” in 2007, including a detailed Implementation Plan.\(^{151}\) The UK has a plan called the “Prevent” programme, endorsed by the Joint UK Parliamentary Committee on Communities and Local Government. The plan was criticised by Institute of Race Relations, in a report called “Spooked: How not to prevent violent extremism”\(^{152}\) for fostering division, mistrust and alienation instead of combating them.


Protectrail
The Protectrail project will address the following security sub-missions: protection of signal and power distribution systems against any terrorism act, track clearance, clearance of trains before and after daily use, staff clearance, luggage clearance control, passenger clearance control, freight clearance control, tracking and monitoring of rolling stock carrying dangerous goods, protection of communication and information systems, stations, buildings and infrastructure protection.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch companies</th>
<th>Project budget (euro)</th>
<th>Funding EU (euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protectrail</td>
<td>29</td>
<td>Elbit Systems Ltd</td>
<td>TNO</td>
<td>21.78 million</td>
<td>13.12 million</td>
<td>3.5 years 2010-2014</td>
</tr>
</tbody>
</table>

Infra
The fundamental objective of the Infra project is to research and develop novel technologies for personal digital support systems, as part of an integral and secure emergency management system to support First Responders in crises occurring in Critical Infrastructures under all circumstances.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch companies</th>
<th>Project budget (euro)</th>
<th>Funding EU (euro)</th>
<th>Duration</th>
</tr>
</thead>
</table>

Prevail
The Prevail concept and objectives are to prevent the use of hydrogen peroxide (HP) and acetone as precursors to home-made explosives by the development of a series of novel inhibitors, and to ensure that the detection of ammonium nitrate (AN) based devices is facilitated by adding markers tailored to a very sensitive detection system.

Use science to solve this problem by making it harder for potential terrorists to make HMEs (home-made explosives) or by facilitating the detection of these. Prevail will address these scientific challenges by a novel approach.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli Companies</th>
<th>Dutch companies</th>
<th>Project budget (euro)</th>
<th>Funding EU (euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevail</td>
<td>10</td>
<td>Technion</td>
<td>TNO</td>
<td>4.3 million</td>
<td>3.34</td>
<td>3 years 2010-2013</td>
</tr>
</tbody>
</table>

Seren
Seren, the Security research NCPs network, intends to coordinate and bring to a higher level the FP7 programme. As an efficient interface between the European Commission and the Security Research community, Seren will improve the overall promotion of the FP7 Security theme, and of its specificities and its procedures. As a result, the average quality of proposals submitted to call for proposals should increase.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch companies</th>
<th>Project budget (euro)</th>
<th>Funding EU (euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seren</td>
<td>28</td>
<td>Matimop Israeli Industry Center For Research &amp; Development</td>
<td>Senter/Novem</td>
<td>743597.00</td>
<td>557692.00</td>
<td>1.5 years 2008-2009</td>
</tr>
</tbody>
</table>
NMFRDisaster

Identifying the Needs of Medical First Responder in Disasters (NMFRDisaster) is a project coordinating medical first responders with research institutes in order to identify need for further research.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch Companies</th>
<th>Project budget (Euro)</th>
<th>Funding EU (Euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMFR Disaster</td>
<td>9</td>
<td>Magen David Adom in Israel</td>
<td>Ambulance Zorg Nederland</td>
<td>815079.00</td>
<td>815079.00</td>
<td>1.2 years 2008-2009</td>
</tr>
</tbody>
</table>

Seabilla

Seabilla is based on requirements for sea border surveillance defined by experienced operational users. These requirements have been transformed into scenarios, representative of gaps and opportunities for fruitful co-operative information exchange between Member States: for fighting drug trafficking in the English Channel; for addressing illegal immigration in the South Mediterranean; and for fighting illicit activities in open sea in the Atlantic waters from Canary Islands to the Azores in coherence with the EU Integrated Maritime Policy, with the EU Integrated Border Management Policy (ref. EUROSUR), and in compliance with Member States sovereign prerogatives.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch Companies</th>
<th>Project budget (Euro)</th>
<th>Funding EU (Euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seabilla</td>
<td>26</td>
<td>Correlation Systems Ltd</td>
<td>TNO HITT Holland Institute of Traffic Technology</td>
<td>15.55 million</td>
<td>9.84 million</td>
<td>3.9 years 2010-2014</td>
</tr>
</tbody>
</table>

According to the brochure there are no Israeli companies, according to the website there is one.

Safire

The goal of SAFIRE is to improve fundamental understanding of radicalisation processes and use this knowledge to develop principles to improve interventions designed to prevent, halt and reverse radicalisation, and improve the implementation of these interventions.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch Companies</th>
<th>Project budget (Euro)</th>
<th>Funding EU (Euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safire</td>
<td>10</td>
<td>International security and counter-terrorism academy</td>
<td>TNO Stichting Forum, Instituut voor multiculturele ontwikkeling Stichting Hogeschool Utrecht Universiteit van Amsterdam</td>
<td>3.68 million</td>
<td>2.91 million</td>
<td>3.5 years 2010-2013</td>
</tr>
</tbody>
</table>

EUSEcon

EUSEcon builds an integrated and collaborative approach, which will lay the foundations for the development of a new European multidisciplinary research agenda in security economics and security policy. The unifying theme of the proposed research are the human drivers of the new insecurity that is terrorism and organised crime. Specifically, EUSEcon analyses the causes, dynamics and long-term effects of both human-induced insecurity threats and European security policies.

<table>
<thead>
<tr>
<th>Name</th>
<th>Companies involved</th>
<th>Israeli companies</th>
<th>Dutch Companies</th>
<th>Project budget (Euro)</th>
<th>Funding EU (Euro)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSEcon</td>
<td>15</td>
<td>The Hebrew University Jerusalem</td>
<td>Institute of Social Studies</td>
<td>3 million</td>
<td>2.36 million</td>
<td>4 years 2008-2012</td>
</tr>
</tbody>
</table>
v.
Israel’s security industry and the Netherlands: linked, or not?

The original assignment for this research was to make an overview of the links between the Israeli homeland security industry and the Netherlands. This last chapter of the report describes the part of the investigation focussed on finding Israeli companies, institutions or state services with links to the Netherlands – or the other way round. Because we had no indications or leads, the search was one of the metaphorical needles in the haystack. The chapter starts with a short resume of the research trajectory; for a detailed description we refer to our Intermediate Reports, added as an appendix.

The first part of the research was organised around several lists of companies listed below. The idea was that cross-referencing the companies on these lists would result in a much smaller collection of companies with clear links to the economy of the occupation – which would be our priority list for further research. Here are the sources we used to compose the list:

1. The industrial export authority website, listing 428 Israeli companies involved in homeland security.153
2. The recent report on links between Israel and Spain by Alejandro Pozo Marín.154
3. "NeoConOpticum", the report on the EU Security-Industrial Complex, by Ben Hayes of Statewatch.155
4. The “Who Profits?” website.156
5. The foundation promoting Dutch Industry for Defence and Security (NIDV) providing a list of 186 companies active in export in this field.157

We took the “Who Profits?” website as the touchstone for proof of involvement, but only in terms of positive confirmation of involvement: companies mentioned on the “Who Profits?” website may be considered to be liable or accountable, but on the other hand companies that are not mentioned are not necessarily free of guilt; they may just not have been researched yet.

The cross-reference, however, was disappointing. Out of 420 entries only three companies featured on the first four lists. Three other companies were on both the Israeli list and the Spanish report and 15 featured on the Israeli list and on “Who Profits?”. We decided to focus on these 21 companies, our so-called long-list. The companies mentioned in the Report of De Campagne tegen Wapenhandel on Israel158 were added, and the companies Jack de Vries visited as State Secretary of Defence in December 2009 as well. We then cross-referenced with the NIDV list of Dutch and international

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153 export.gov.il, see http://www.export.gov.il/Eng_Articles/Article.asp?CategoryID=1009&ArticleID=10141
156 See http://www.whoprofits.org/
companies active in the Netherlands in the field of defence and security (which includes companies like Mercedes Benz Netherlands and Alcatel in the Netherlands). Only one (!) company on this list is an Israeli company active in the Netherlands which also features on the export list of the Israeli Foreign Office. The company is called E.C.I. Network Solutions bv (and ECI Telecom Ltd.), but we have not found any war economy involvement.

We now have a database with more than 600 companies involved in trade between Israel and the Netherlands, which is a useful resource for further reference.

We focused on the 21 companies on our long-list and searched for the Dutch connections. This investigation was conducted through deep Google searches, media searches in Lexis and a first survey of the Kamer van Koophandel (Chamber of Commerce). As a search like this tends to consume a lot of time, a continuous assessment of usefulness of further time investment was part of the process. We studied the European tender register to see if any large orders of the Dutch authorities had gone to Israeli companies. All tenders in Europe starting at 125,000 Euros excluding VAT are supposed to be published online, including the planned tenders. The separate register for defence contracts showed several contracts between Elbit and the Dutch authorities (listed elsewhere in this report). The general register contains no contracts between Dutch authorities and Israeli firms. What does this mean? Either the larger contracts that do exist are too secret to be published, or the homeland security link between the Netherlands and Israel is not as strong as assumed. The contracts between 10,000 and 125,000 Euros are covered by our FOIA requests. To be on the safe side, we also checked the registers for our 21 selected companies.159

A parallel track involved the targeting of sources that are supposed to know which companies are engaged in homeland security trade.

However, some of our findings concern the Dutch authorities, police or Ministries contracting companies with disputable human rights records.

**Aeronautics Defence Systems and Controp Precision Technologies**

Aeronautics Systems160 leased UAVs to the Dutch army serving in Afghanistan, as was detailed earlier in this report. The company underlined that it would be working closely with the Royal Netherlands Army, and emphasised the fact that its UAVs had been used by other NATO countries and coalition forces deployed throughout the world. “Our systems save lives and we are particularly proud to be an integral part of such an important undertaking as this latest deployment.”161

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160 See http://www.aeronautics-sys.com

According to "Who Profits?" the company also developed a perimeter control system used in West Bank Israeli settlements jointly with Motorola Israel. In April 2009, Aeronautics purchased the Government Electronics Department of Motorola Israel, responsible for the production of electronic systems with military applications such as bomb fuses and perimeter control radar systems.\textsuperscript{162}

The Aeronautic drones carried electro-optic camera systems developed by Controp,\textsuperscript{163} which are also used by the Israeli army.\textsuperscript{164} Controp Precision Technologies has developed a real-time, advanced panoramic intruder protection system that automatically detects motion within a wide panoramic view.\textsuperscript{165} According to a detailed article in Hebrew\textsuperscript{166}, Controp also provides motion detectors used on the Wall of Separation. Their SPIDER system is used by the Israeli army in surveillance centres along the West Bank wall and around the Gaza Strip, and for surveillance throughout East Jerusalem's Old City. Additionally - also according to “Who Profits?” - Controp is involved in a joint project with Tomcar and Elbit systems, developing unmanned vehicles for military purposes.\textsuperscript{167}

**Elbit Systems**

The trade between Elbit\textsuperscript{168} and the Netherlands is limited to military equipment. The chapter about Elbit and the Pension Funds lists contracts the Dutch Ministry of Defence awarded to Elbit over the last ten years (see p. 17 of this report). Elbit is one of the largest Israeli companies in military and homeland security products.\textsuperscript{169}

According to “Who Profits?” the company is one of two main providers of the electronic detection fence to the Seam Line and Wall project in the occupied West Bank. It received the contract to the Jerusalem Envelope section of the Wall (Masu’a system) with the US Detekion. Subsidiaries Elbit Electro-Optics (El-Op) and Elbit Security Systems (Ortek) supplied and incorporated LORROS surveillance cameras in the Ariel section and for the A-ram wall. Stop the Wall found out that Elbit’s TORC2H system, which is designed to enhance border patrol activities by collecting data and disseminating it to troops, has been installed in Israel's central command centre, facilitating remote surveillance of specific areas along the Wall. Elbit also developed unmanned ground vehicles (UGVs), which are used to help patrol routes along the buffer no-go zone.\textsuperscript{170}

\textsuperscript{162} Who Profits? Company information Aeronautics, see http://www.whoprofits.org/Company%20Info.php?id=450
\textsuperscript{163} See http://www.controp.com
\textsuperscript{165} See http://www.controp.com
\textsuperscript{167} Who Profits? Company information Controp Systems, see http://www.whoprofits.org/Company%20Info.php?id=552
\textsuperscript{168} See http://www.elbitsystems.com
\textsuperscript{169} Detailed company information can be found via the US authorities and their Edgar database, which holds extended analyses and risks assessments about all companies trading with the country. For Elbit, see http://www.advfn.com/news_Report-of-Foreign-Issuer-6-K_42807164.html
The company supplied UAVs (Unmanned Aerial Vehicles) to the Israeli army, which were in operational use during combat in the West Bank and Gaza, as detailed in Chapter III about drones. The cameras in these UAVs are manufactured by Controp Precision Technologies. Elbit has signed a strategic joint venture with the French company Sagem to start designing new drones in 2011. Elbit has a similar joint venture with Thales UK, called UAV Tactical Systems Limited (U-TacS). The company hopes this will help increase its international sales.

The chapter on Elbit and the Pension Funds described the broad campaign against the company in European countries and in the United States. As a result of the international campaign, ethical banks and pension funds in the Netherlands have already disinvested from Elbit – despite hardly any public pressure from the media. This means that there is political room to manoeuvre; the investment community seems to be open to change.

Motorola Inc. and Motorola Israel
Motorola was one of the first international companies to open a research & development (R&D) branch in Israel, in 1964 (IBM, Intel, Digital Equipment and others followed suit in the 1970s and 1980s). According to Neve Gordon, these multinational corporations “understood the advantage of Israeli R&D and introduced a model that was very different from the bottom-up development process, whereby a foreign corporation first opens assembly and manufacturing plants and only later develops more technologically advanced operations, culminating with R&D centres.”

Motorola Israel features high on the “Who Profits?” list for their radar system sold to settlements and installed in the Wall. In 2005, the company won a tender of the Israeli Ministry of Defence, to provide virtual fences to Israeli settlements which refused to fence themselves. According to “Who Profits?”, a Motorola radar detector system has been installed in up to 47 Israeli settlements in the occupied West Bank, including in Hebron, Karmei Tzur and Bracha. The system became obsolete and was removed from some settlements according to one source of “Who Profits?”. In about 20 settlements, they were told recently, it is still installed. In some cases, the radar stations were erected on private Palestinian land, preventing Palestinian movement near the Israeli settlements. The company continues to service these systems and still offers them for use in Israeli installations in the occupied territories. Motorola Israel, again according to “Who Profits?”, has also developed the "Mountain Rose" communication system for

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173 See http://www.motorola.com
176 Who Profits? E-mail communication, 19 December 2010.
the Israeli army, which is a specifically designed mobile system for field conditions, and is being used by soldiers in the occupied West Bank.


In the Netherlands, Motorola Inc. sells communication hardware to the police and other first responder services, and it has been doing so for decades. In 2000, the Ministry of Home Affairs announced a joint venture with Getronics, KPN Telecom and Motorola to introduce an advanced and universal nation-wide system for communication between the various first responders and other authorities. The Motorola Dimatra system is the heart of the network.\footnote{Borgonjen, H., J. Koekoek and N. Hortensius (2009) C2000 met verjongingskuur weer jaren toekomstvast, Verbinding, 24 August, http://www.verbinding.nl/index.php?D=2&view=1&category=0&id=298} The total costs of the project were 600 million Euros\footnote{Politie Rotterdam-Rijnmond (2004) C2000 netwerk overgedragen, 9 September, http://www.regio17.info/politie-radio-c2000-informatie.phtml} - the exact share of Motorola is not known to date, but this sum is an indication of the value of the contract.

This digital communication system has been under fire for a broad variety of reasons. Ever since the first pilot projects there have been serious problems; because the software does not work properly, the network was not available in some stretches of countryside or inside certain buildings, which posed serious problems for firemen in dangerous positions. A few years ago, there were complaints about the key pad of the Motorola hardware which was said to be too fine for the gloved, large-sized hand of the average fire or police officer. TNO investigated the complaints, and decided that nonetheless the C2000 Tetra system was the best standard available. The introduction was finished by the end of 2010. Currently, TetraNed, Motorola, Cuperus Consultants and UMS are working on an upgrade to deal with the complaints and to guarantee the continuity of the system until at least 2014 (in Project Renatus). Motorola intends to support Tetra until at least 2025.\footnote{Grutterink, B. (2010) Stap vooruit in portofoonverkeer, Algemeen Nederlands Persbureau ANP, 5 November. Via LexisNexis.} The company also reviewed the technical errors in the hardware currently used and assures that the new material (type MTP850) is free of such errors.\footnote{KLPD (2009) Jaarverslag 2008.} We hope to investigate the trail of contracts for this purchase through the FOIA procedure.

Separately from this, the Korps Landelijke Politie Dienst (the KLPD, the National Police Service) awarded Motorola the contract for the new Automatic Fingerprint Identification System (AFIS) in 2008. This was the result of a European tender procedure. The KLPD expected to implement this system in August 2009, according to its 2008 annual report.\footnote{KLPD (2009) Jaarverslag 2008.}
In short, the Dutch authorities are a big client of Motorola Inc. – so large indeed, that it is difficult to get a complete overview of how many departments of police, fire service, ambulances and other services have bought Motorola equipment, and which have not. Motorola Israel is deeply involved in supporting the occupation of the Palestinian Territories. The Dutch Pension Fund PFWZ has included Motorola Inc. in its engagement programme, and is thus reviewing its investments in the company.\textsuperscript{183}

However, the exact link is difficult to establish, specifically at this very moment. Motorola is an international company, its registered office is in the US (NYSE:MOT). Motorola Israel is a full subsidiary of the mother company Motorola Inc., while Motorola in the Netherlands seems to be handled from the UK, or from the Benelux office. Furthermore, Motorola Inc. will split into two separate, publicly traded companies on 4 January 2011: Motorola Mobility, which will sell consumer products, and Motorola Solutions, whose technology will cater to businesses.\textsuperscript{184} The new structure of the company requires further study.

**Merkavim Transportation Technologies Ltd**

Merkavim\textsuperscript{185} is a manufacturer of buses, jointly owned by Volvo Bus Corporation and Mayer Cars & Trucks Ltd. The company is the major body builder of buses in the Middle East for Volvo.

According to “Who Profits?” Merkavim provides all buses for transporting prisoners for the Israeli Prison Authority. These buses are then used for transporting Palestinian political prisoners from the occupied territory to prisons inside Israel.

The company advertises the prisoners' bus on its website:

"Specially designed for high-security transportation, the Mars Prisoner Bus (MPB) is the perfect solution for conveying prisoners under guard. With a total of six separate compartments for prisoners and guards, it allows full surveillance during the sensitive, high-risk drive from one secured facility to another. Compartments are separated by strong security partitions, and the wide view windows are fitted with armoured glass - to prevent breakouts and protect personnel. An advanced intercom system and closed-circuit TV further enhance surveillance possibilities and communication between guards. Comfort for personnel. The guards and driver enjoy an ergonomic work environment, complete with comfortable upholstered seats, air conditioning, a refrigerator for cool refreshments and electric mirrors."\textsuperscript{186}

\textsuperscript{185} See http://www.merkavim.co.il
The company also manufactures and supplies armoured buses for the transport company Egged for their bus lines to West Bank settlements. The website sounds similarly enthusiastic:

“Built with the most advanced armoured vehicle technologies, while based on Merkavim’s luxurious tourist specification, the MARS DEFENDER is the first bus to offer the optimal combination: maximum protection and ultimate comfort when travelling through war zones or routes susceptible to terrorist attacks.

State-of-the-art protection
The entire bus – sides, front, roof and floor - is shielded with MIL-STD 461000 High Hardness Steel (HHS), and fitted with bullet- and explosion-proof armoured glass windows, protecting passengers from 7.62 calibre armour-piercing bullets, grenades, car bombs and improvised explosive devices (IED), and capable of withstanding 15kg TNT blasts as close as 5 meters away. Run-flat tires on all 8 wheels allow the bus to speed away from an attack, while two emergency hatches - in the roof and rear wall - enable speedy exit in dangerous situations.”

On their website, Merkavim proudly states that the company is recognised as an authorised European manufacturer by the Rijksdienst voor Wegverkeer (RDW) in the Netherlands. On the “International Standards” page of the website, it says: "Our products are tested and approved by leading, authorised European laboratories, including: RDW Center for Vehicle Technology and Information in the Netherlands, which performs an annual audit of the entire Merkavim plant.”

We have asked the RDW about their relations with and services to Merkavim. Their communication advisor, Hans van Geenhuizen, replied that the RDW “knows Merkavim as the producer of parts and chassis for buses. In the past few years, RDW has tested several parts and awarded certificates for European quality approval.”

This could be considered as a link between the Netherlands and the Israeli homeland security industry. However, the contacts are few and it is not clear why Merkavim uses the services of RDW rather than

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190 This is the text of the email from the RDW in Dutch: ‘Dit bedrijf is bij de RDW bekend als fabrikant van voertuigonderdelen (onderstellen voor bussen). De RDW heeft de afgelopen jaren een aantal onderdelen beproefd en zijn er certificaten voor een Europese typegoedkeuringen afgegeven.' Hans van Geenhuizen, RDW personal communication, 23 November 2010.
those of another institution, nor whether the Dutch approval is essential for the Israeli bus company. TUV Rheinland Group in Germany also provides comprehensive vehicle inspections for Merkavim. 191

**Rafael Advanced Defense Systems Ltd.**

The connections between Rafael192 and the Dutch go back a long way. Apart from trade in sophisticated weaponry, the company was involved in a space project with the Netherlands. The fact that this Israeli company sells sophisticated military reconnaissance gear explains the interest of the Dutch army. We have found no connections on the homeland security front.

In the first part of the last decade, the Netherlands was connected to Rafael in a joint Dutch-Israeli aerospace project. The two countries built a miniature satellite called Sloshsat Flevo, designed to test how sloshing liquids affect the stability of satellites in space. The name Sloshsat Flevo is derived from 'Slosh' for the movement of liquid, 'sat' for satellite, and FLEVO, the acronym for Facility for Liquid Experimentation and Verification in Orbit. Flevo also stands for one of the newest regions in the Netherlands, Flevoland, east of Amsterdam. The Sloshsat was a joint programme between ESA and the Netherlands Agency for Aerospace Programmes (NIVR). The National Aerospace Laboratory (NLR) of the Netherlands was a prime contractor with Dutch Space, providing the spacecraft structure and power systems, and Rafael developed, manufactured and delivered the cold-gas Reaction Control System (RCS) designed to meet NASA’s strict safety requirements for Shuttle launch. Other partners were Verhaert (Belgium) for the ejection system and ground support equipment, NEWTEC (Belgium) for the radio frequency sub-system and the ground receiver, and Kvant (Russia) delivered the solar panels. The Sloshsat satellite was designed for ejection from the cargo bay of NASA’s Space Shuttle and it was successfully launched on 12 February 2005, by Ariane-5 ECA.193

In November 2005, after a long selection and procurement process, the Netherlands Defence Ministry placed a $40 million contract for a RecceLite package comprising six airborne reconnaissance pods, two ground exploitation stations with four image analysis workstations and one data link segment each, and two portable, laptop-based image analysis stations. In 2007 the contract was valued at roughly $57 million.194 RecceLite is a state-of-the-art digital reconnaissance system according to defence sources and the manufacturer. It includes a very strong TV camera with options varying from super-narrow to wide field-of-view. The system also offers a so-called Forward Looking Infra Red (FLIR) camera for good vision.

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192 See http://www.rafael.co.il/
at the cockpit screens. The data link sends the images to the ground station, almost in real-time, covering large distances. Additional new software, also developed by Rafael, automates the selection of the photo material, and is expected to generate warnings in case of emergencies, day and night.\textsuperscript{195}

In order to try out the equipment before going to Afghanistan and to have realistic live-flying exercises for the fighter squadrons, Royal Netherlands Air Force went to North America for an extended period of training twice in 2008. The Dutch deployed 11 Lockheed Martin F-16AM/BM fighters to Hill AFB, Utah, where there are fewer restrictions on flying, such as cloudy weather and environmental rules. Training partly focused on scenarios encountered in Afghanistan, where the Dutch had six F-16AMs with 10 (rotating) pilots on permanent assignment at Kandahar Air Base.\textsuperscript{196}

The Dutch army planned to fly the F16s in pairs in Afghanistan, one for reconnaissance and another one for bombing, with a bombing system developed by Rafael as well.\textsuperscript{197}

In 2006, the Royal Netherlands Air Force decided to buy Northrop Grumman’s third-generation Litening Advanced Targeting (AT) system for their F-16 fighter jets. The Litening is a precision targeting pod system mounted externally to the aircraft.\textsuperscript{198} Northrop Grumman is an American company, but the Litening was developed in close cooperation with the Israeli Rafael company. The history of this high-tech piece of weaponry serves as an illustration of the difficulties in tracking Israeli involvement per se.

The research and development programme began at Rafael Corporation’s Missiles Division in Haifa, Israel, with subsequent completion of Litening I for use in the Israeli Air Force. In 1995 Northrop Grumman Corporation teamed up with Rafael for further development and sales of the Litening pod. Northrop Grumman Corporation completed product improvements on the "Basic Pod" resulting in the Litening II, which was fielded with the Air Reserve components beginning in 1999. From American experiences in the Gulf War and in Bosnia, it was learned that bombing required various different specific measures for optimisation, including “laser spot tracking, laser marking, ranging, and dual sensor input from both a forward-looking infrared camera and a state-of-the-art daytime video camera for greater flexibility under varying environmental conditions.”\textsuperscript{199} The latest version, Litening AT, began fielding in 2003, and in October 2010 Rafael celebrated the sale of the 1000\textsuperscript{th} pod.\textsuperscript{200} Under the terms of the

\textsuperscript{196}Janssen Lok, J. (2008) Home on The Range; Dutch air force goes west to maximise training, Defence Technology International, June, Vol. 2 No. 5, p. 27.
\textsuperscript{197}Dutch Defence Press (2009)
\textsuperscript{198}For a layman explication see http://en.wikipedia.org/wiki/LITENING_targeting_pod
\textsuperscript{199}For more of an explanation of these requirements, see Global Security, Military, Advanced Airborne Targeting and Navigation Pod, http://www.globalsecurity.org/military/systems/munitions/litening.htm
\textsuperscript{200}Rafael (2010) Press release, Rafael marks sale of the 1000th Litening Pod, 14 October, http://www.rafael.co.il/Marketing/192-1696-en/Marketing.aspx Rafael proudly announced that the pod has been integrated on many different aircraft, from the B-52 bomber, MiG-21, F-5E and F-4E to the latest versions of F-16, F-15E, Su-30 and Typhoon. Among the countries operating Litening – apart from the Netherlands - are Australia, Brazil, Chile, Finland, Germany, Greece, Hungary, India, Israel, Italy, Portugal, Romania, Singapore, Spain, Turkey, the U.K., U.S. and Venezuela.
contract with the Dutch, Northrop Grumman would deliver 20 targeting pods and spares to the Royal Netherlands Air Force beginning in 2007, with final deliveries in 2008.201

A recent article in Jane’s World Defence Industry emphasises the company’s high international profile and states that it is expected to continue to exert a significant influence on the development of systems that meet broad-based international requirements. The fact that it is sometimes hard to determine which company is responsible for which part of the production is easier to understand against the background of Rafael’s variety of participations in co-operative ventures with defence companies around the world.

Jane’s mentions only a few:

“The Spike family of anti-tank guided weapons - co-operation with Rheinmetall, MBDA, Diehl, General Dynamics Santa Bárbera, Elbit and Eurocopter; Communications products developed with Elbit Systems, Tadiran and Rockwell Collins; Litening airborne laser target designator and navigation pod, developed with Northrop Grumman; Simon door-breaching rifle grenade, developed with General Dynamics Ordnance and Tactical Systems; Follow On To the SMAW (FOTS); Rafael is part of a General Dynamics team also including Dynamit Nobel Defence; AGM-142 air-launched medium-range standoff missile and Python-4/5 short-range infra-red guided air-to-air missile, developed with Lockheed Martin; Arrow theatre defence missile, developed with Israel Aerospace Industries (IAI); Barak theatre defence missile, developed with IAI and Thales; Black Sparrow medium-fidelity ballistic target missile, developed with Raytheon; David’s Sling missile defence system, developed with Raytheon; Spyder air-defence.”202

Rafael works with Thales Netherlands (formerly Holland Signaal). De Campagne tegen Wapenhandel noticed that they delivered the air defence system Defender to the Venezuela Air Force as a joint project.203 The order was placed in 1998 and consisted of Thales’ Flycatcher MK2, a hybrid weapon control centre, and Rafael’s Barak air missiles. The two companies continued to pitch the Defender together.204 In August 2001, the Netherlands Ministry of Defence ordered the Gill missile system to replace the Dragon missile of the RNI Army and Marine Corps. Rafael was the prime contractor, with Thales Netherlands, STN Atlas and Diehl the major subcontractors.205 Talking about their latest Spike missile in an interview at the Defence Systems and Equipment International (DSEi) arms fair in London in

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September 2009, a spokesperson for Rafael claimed to have more than 20 customers worldwide for Spike NLOS 2009, including ten in Europe, and production lines in Finland, the Netherlands, Germany and Italy.\footnote{206}

The connections between Rafael and the Dutch Army, and between the company and Thales Netherlands are strong, and take place exclusively in the field of military trade. The contacts will continue in the future, in all probability, as recent defence literature reports new contracts and updates of systems bought before.

In 2009, Rafael supplied its Armoured Shield Protection-Hybrid (Aspro-H) system and reactive armour systems to the Netherlands and several other NATO armies, among them the U.S. and Poland. At least nine types of armoured vehicles are protected by Aspro add-on armour kits in Afghanistan, according to Rafael.\footnote{207}

In March 2010, Germany and the Netherlands reportedly evaluated whether to equip their Israeli-made unmanned aerial vehicles in Afghanistan with Rafael's Recce-U payload: a downsized version of its Recceelite tactical reconnaissance pod. Interest in the Recce-U sensor - which collects high-resolution visual, infrared and near-IR imagery over a wide field of view by day or night - stems from the European nations' operational experience in using the Recceelite to detect improvised explosive devices in Afghanistan.\footnote{208}

Rafael is the second largest government-owned defence company in Israel. In 2009 sales amounted to $1.6 billion with a backlog of orders worth $1.86 billion. At the end of 2009, the company made a profit of $112 million.\footnote{209} Rafael's major client is the Israeli Defence Force (IDF), and for that reason the company can be seen as providing the tools and arms for the occupation. The company describes its relation with the army as very tight:

"Rafael know-how is embedded in almost all Israel Defence Forces (IDF) systems in operation today. The company has a special relationship with the IDF, developing products according to the soldiers' specific requirements in the field. Rafael has also formed partnerships with civilian counterparts to develop commercial applications based on its proprietary technology."\footnote{210}

Because Rafael is owned by the state, "Who Profits?" decided not to investigate the company.\footnote{211}

Determining the company's involvement in the occupation would require specified sales details of armoury produced by Rafael and bought by the IDF. The close ties between the company and the Israeli army also have consequences for any pressure from the Netherlands on the Dutch Ministry of Defence

\footnote{206}{Defence Technology International (2009) Hit to Kill, 1 October, via LexisNexis.}
\footnote{209}{From Israel's listings of the 100 largest companies at http://duns100.dundc.co.il/ts.cgi?tsscript=comp_eng&duns=600024863}
\footnote{210}{Rafael website (n.d.) Welcome to Rafael, http://www.rafahel.co.il/Marketing/197-en/Marketing.aspx}
\footnote{211}{Merav Amir for "Who Profits?, personal communication, December 2010.}
for their involvement with Rafael. More than in any of the other cases discussed here, the involvement touches upon the relationship between the governments of the state of Israel and the Netherlands.

**Group 4 Securicor**

Group 4 Securicor (G4S) is the world's largest security company in terms of revenues and has operations in more than 120 countries across six continents, according to the company website. With over 625,000 employees globally, it is the second largest private sector employer in the world, second to Wal-Mart.\(^{212}\)

Several mergers helped G4S to obtain this position. In 2002, the Danish security firm Group 4 Falck A/S, as it was called back then, bought the American company Wackenhut, owner of several prisons in the US.\(^{213}\) In February 2004, Group 4 merged with the British company Securicor.\(^{214}\)

G4S offers a wide range of secure solutions and business processes, including secure facilities management, security consultancy, event security, secure transport services, security systems and security services to governments. The Group provides services to public, private and corporate customers.

In Israel, the Group’s subsidiary is called G4S Israel (Hashmira Group). "G4S Israel is the country’s leading provider of security solutions and comprehensive security. The Group provides advanced security services, security systems and technology-rich protection, identification and control systems and patrol call center services. […] In 2010] G4S holds a 90.5% stake, while Igal Shermister, the Group’s Chairman and grandson of the founder, holds 9.5% of shares."\(^{215}\)

G4S has been under fire for its presence in the Occupied Palestinian Territories (OPT) for about ten years now. In 2002, the security firm pulled guards out of the West Bank after investigations revealed how armed patrols work with Israeli settlers to intimidate, harass and control Palestinians.\(^ {216}\)

Not much seems to have changed since. In November 2010, the journalistic watchdog DanWatch in Denmark published a report on G4S involvement in the OPT. According to their documentation, Hashmira has provided security services to three supermarkets in the settlements of Ramat Shlomo and Modi’in Illit. Additionally, another G4S subsidiary, called Moked 99, provides security services in several settlements.

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\(^{215}\) Dun (2011) 100 Israel's Largest Enterprises, G4S Israel (Hashmira Group), http://duns100.dundb.co.il/ts/cgi/tsscript=comp_eng&duns=600012918
On its web page this company states it has so-called ‘action zones’ in the settlements of Har Adar, Maale Adumim and the settlement areas in East Jerusalem.\(^{217}\)

Bloomberg Businessweek lists Moked 99 as a Hashmira subsidiary. It is described as a patrol and monitoring operation, which provides design and installation services for intrusion/burglar alarms, fire detection systems, and closed-circuit television systems, also offering security services for hotels with building control, energy savings control, and low-voltage systems.\(^{218}\)

Also in November 2010, the Danish Berlingske Tidende revealed that G4S sold Israel torture instruments. This is from PressTV, a Danish publication reporting in English:

“The firm, named G4S, sells the devices to the detention facilities in the occupied West Bank, which provide the necessary means for torture of the Palestinian prisoners, Berlingske Tidende reported on Nov. 23. [...] According to the Palestinian Ministry of Detainees, nearly 200 Palestinian inmates have so far died in Israeli confinement, either due to medical negligence or under torture.”\(^{219}\)

In a letter dated 21 December 2010, G4S responded to the allegations concerning its activities in the occupied territories and its involvement with illegal settlements. The company confirmed it had never pulled out of the occupied territories entirely. The letter does not clarify the extent of G4S involvement in the occupation at present.

“In 2002 we announced that we were withdrawing from several contracts providing security officers to residential settlements in the West Bank. Since then we have not performed such work, nor bid for any such contracts. However, we continue to serve major commercial customers, for instance supermarket chains, whose operations include the West Bank. Under these contracts we will provide security officers to protect the premises of these commercial clients who serve the general public. The number of such officers deployed in the West Bank is generally less than 20 and currently stands at eight. Other G4S staff may also periodically travel through the West Bank in the course of their work.”\(^{220}\)


G4S does not address the alleged involvement in providing devices used for torture; the letter only refers to providing "security equipment, including X-ray machines and body scanners, with associated maintenance services, to the Israeli police, prison service and Ministry of Defence. We do not control, nor are we necessarily aware, where this equipment is deployed as it may be moved around the country."\(^{221}\)

As a result of the allegations about involvement in the occupied territories the City Council of Copenhagen decided to examine the possibility of cancelling its cooperation with Group 4 Securicor.\(^{222}\)

In the Netherlands, G4S is one of the two largest private security companies - turnover was 337.5 million Euros in 2008, (its rival Trigion made just a little less: 323 million Euros\(^{223}\)). G4S offers a variety of services closely related to the activities of police and justice ('justitie' in Dutch), and other authorities. The company is most known to the public for surveillance and airport security. It also offers ATM management and transport of money and valuable articles. Less known services of G4S are, amongst others, organizing the detention of suspects in police custody, and providing guards for prison and refugee detention centres.\(^{224}\)

Accordingly, a quick-scan of the lists of contracts provided by the Dutch police regions and Ministries showed a lot of links with G4S. For the Regional Police Haaglanden, the company provides reception and security services. For Gelderland Midden, it provides training and safety solutions; for Hollands Midden, alarm and burglar installation and maintenance; while Limburg Zuid contracted G4S for key server services and alarm handling. Furthermore, the company provides surveillance and security services for the regions Utrecht, Friesland and Gooi en Vechtstreek. According to the list obtained from the VtsPN (a police body set up to coordinate cooperation within the Dutch police and as such responsible for supra-regional contracting) G4S obtained a national contract for the care of detainees in police cells and another one for providing security services. The Ministry of Foreign Affairs hired the company to provide the security for Dutch official residences in Turkey, Denmark, Morocco and Poland.

One option to put pressure on G4S would be to join forces with trades unions, as the reputation of the company is reportedly bad on labour rights as well. Human Rights Watch recently conducted an investigation in the United States into the rights of employees to associate or to protest. HRW concluded

\(^{221}\) ibid.
\(^{222}\) Jyllands-Posten, Denmark: Municipality wants to cancel contract with G4S, 28 January 2011. Also see a - not very accurate – news item in Dutch: Beveiligingsnieuws (2011) Kopenhagen verbreekt contracten met G4S, 31 January
http://www.beveiligingsnieuws.nl/nieuws/12449/Kopenhagen_verbreekt_contracten_met_G4S.html
\(^{224}\) G4S (2011) http://www.g4s.nl/nl-nl/oplossingen
that: “G4S’s attempt to deny rights of association and bargaining to ‘sergeants’ at the Florida Power and Light facility not only violated US law but also ran afoul of clear ILO norms.”

Indeed, in March 2009, The American Prospect (set up to pursue new policies and new possibilities for social justice) flagged up the problems unions have in organizing American workers. As an example to illustrate how unions increasingly find themselves having to organize the world, it used the example of the Service Employees International Union (SEIU) putting in global leverage to win the right to organize Wackenhut security guards.

“It began the campaign in 2002, but three years later, Wackenhut, a historically anti-union company of 35,000 U.S.-based security guards, became part of the immense British conglomerate G4S [...]. The only way to organize Wackenhut in the U.S., SEIU determined, was to organize G4S globally. SEIU launched an ambitious campaign with its international affiliates, which included efforts to keep Wackenhut from receiving the security contract for the 2012 London Olympics; lawsuits in British, Indian, Indonesian, and Panamanian courts; and strikes by G4S employees across Africa. Awash in a global sea of troubles, on Dec. 16, 2008, G4S signed a groundbreaking agreement with the global network of unions, agreeing to obey national labour laws in each of the 115 countries where the company has a presence and honor a neutrality pledge during most unionization campaigns.”

G4S has a business ethics policy which was updated in December 2010, just after the Danish publications. It starts with a section on human rights, which seems to offer opportunities for holding the company to account:

“G4S supports the principles of the United Nations Universal Declaration of Human Rights and we are committed to upholding these principles in our policies, procedures and practices. Respect for human rights is and will remain integral to our operations.

We will endeavour to work with business partners who conduct their business in a way that is compatible with our policies of respect for human rights and ethical conduct. We will work with customers to ensure that contractual requirements do not infringe human rights.

We will take measures to ensure that the work of our employees does not compromise internationally accepted human rights conventions, whilst recognising and respecting the diversity in local cultures across the different countries in which we operate.”

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226 Meyerson, H. (2009) Where are the Workers? Employees are losing their central place in union organizing, but card-check legislation could turn that around, The American Prospect, 4 March, http://www.prospect.org/cs/articles?article=where_are_the_workers
Several other companies

Initially, the main focus of our research was uncovering links between the homeland security industry in the Netherlands and in Israel in relation to the occupied territories. As we have explained, we encountered several difficulties in defining such links. As they often overlap, it is not always easy to distinguish between the fields of the homeland security industry and the military in Israel. In this chapter, we discussed several companies with links to Israeli companies profiting from the occupation that cannot be regarded as a part of the homeland security industry of the Netherlands per se. Merkavim, for example, has a link to a Dutch governing body under the Ministry of Transport. Motorola provides the Dutch police with equipment for the C2000 system, a communication system which is also used by the fire brigades, ambulances and other emergency first responders in the Netherlands.

Through a request under the Freedom of Information Act we obtained long lists of companies contracted by the Dutch police and several Dutch Ministries. A quick scan of the over a thousand companies on the lists brought up several other Dutch companies with links to Israel and the occupation, but not necessarily active within the homeland security industry in the Netherlands. The companies discussed here in some further detail are Hewlett-Packard Development Company (HP) and Siemens.

Hewlett-Packard

HP is a brand known to and used by many people around the world. Indeed, it is one of the largest information technology companies. Apart from supplying the consumer market with hardware such as printers, monitors, computers and laptops, HP serves businesses, with a software branch offering IT solutions such as data storage. The US Security and Exchange Commission stated the company’s earnings as 126 billion dollars on the 31st of October 2010. The Fortune 500 lists HP at 10th place. HP has earned recognition for its work in the area of data privacy and security. In 2010 the company ranked No. 4 in the Ponemon Institute’s annual study of the most trusted companies for privacy. HP took part in the round-table on consumer privacy set up by the Federal Trade Commission (FTC) and has worked with the U.S. Congress and the Department of Commerce since 2006 to establish a new strategy for federal legislation. The company endorsed the December 2010 FTC report “Protecting Consumer Privacy in an Era of Rapid Change.” An overview of the company’s CSR policy shows that the company is heralded for its green policies.

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228 The quick scan of more than a thousand companies included a short search on a considerable amount of companies, in some cases a “Who Profits?” website check or a personal contact with “Who Profits?” representatives.
In August 2008 HP acquired Electronics Data Systems (EDS), an American company listed 115th on the Fortune 500 in 2008. The company is active in the field of IT infrastructure, such as applications in biometrics and in networking.

Israel's Ministry of Defence contracted the Israeli office of EDS to install a system that would ensure that Palestinians who pose a security risk would not cross through the checkpoint. “The American EDS company in turn subcontracted with the Israeli-based On Track Innovations (OTI, Nasdaq:OTIV), which specializes in smart card and contactless technology, that it has tested out in Israeli communities,” according to Ohad Bashan, director of global marketing at OTI. The Basel System uses two biometric sensors to read the facial dimensions and hand geometry of Palestinian workers crossing through the Erez checkpoint, "It would be the first of its kind in the world to be installed", Bashan told The Israel High Tech & Investment Report, a monthly subscriber newsletter on Israel's activities in applied research and development, in January 2004.232 PRNewswire reported on the 20th of August 2003 that “the contract was awarded to a consortium headed by Electronic Data Systems, EDS.” The consortium includes On Track Innovations and Visionics Corp.

Apart from its involvement in the border control of the occupied territories, HP also provides computer systems to the Israel Defense Forces. In 2009 Hewlett Packard obtained an order of about 15 million US dollars to provide equipment to the Israel Defense Forces.

“Hewlett Packard Co. (NYSE: HPQ) has beaten IBM Corporation (NYSE: IBM) for the installation of VMware Inc. (NYSE: VMW) products in the three-year IDF virtualization tender, worth an estimated $15 million. The tender has a two-year option to extend. This is the IDF’s first virtualization tender, will now be added to the IDF regular tenders for PCs and servers, which are held every three years.”233

Although it is highly likely that most Dutch authorities regularly use products manufactured by HP, only two of the Ministry of Finance and four of the police regions acknowledge its relationship with Hewlett Packard according to the data provided in the Freedom of Information Act request. The descriptions in the list are rather technical (“uitbesteding virtualisatie ota”, “server switches”, “compartimentering” and also “laptops”). This means that the Ministry obtains hardware from the company and also uses HP software services and solutions, like most of the others mentioned here. The Ministry of Safety and Justice uses HP for maintenance services of ICT equipment. The Regional Police Limburg Zuid lists a support contract with HP for “hardware V.M.S. system” (“veiligheidsmanagementsysteem”). The Regional Police Limburg Noord contracted HP for servers in the control room and existing HP ICT equipment, the

Regional Police Gooi en Vechtstreek for hardware and software support and the Regional Police Groningen mentioned a contract with HP for Alpha servers.

HP is one of the companies targeted by students from all over the United States in the Socially Responsible Investing campaign, pursuing divestment from companies that benefit from illegal Israeli occupation. One of the universities targeted is Princeton. “Princeton's investment in U.S. companies which have holdings in Israel totals $104 million, asserts the group; the list of offending companies includes IBM, Intel, Hewlett-Packard, General Electric, Texas Instruments and Motorola.”

Siemens

Another giant which has relations to the occupied territories is Siemens AG. The company is active in a variety of fields, from water management, power technology and communication systems to traffic control. According to “Who Profits?” the Israeli firm Orad Group installed traffic control systems from Siemens "on apartheid roads (roads on which only Israelis are allowed to travel) in the occupied territory, including road no. 5 and 443." Traffic control is installed on various highways in Israel.

In a recent press release Siemens proudly announced the opening of the ‘Reserved Lane to Tel Aviv’ using similar technical solutions:

“The `Fast Lane´ was built by the Israeli construction company Shapir Civil & Marine Engineering Ltd. that will operate the reserved lane for the next 27 years. The company signed a corresponding franchise agreement with the Israeli government. The Israeli company R.S. Industries/Orad Group was responsible for the traffic control and toll calculation system. Siemens Mobility supplied the complete traffic management system, which includes the hardware and software for vehicle license plate recognition, traffic data acquisition and the control of the dynamic message signs. The heart of the `Fast Lane´ is the Siemens-developed complex algorithm that analyzes the traffic situation and calculates the toll fee.”

The cooperation between Siemens and the Israeli Orad Group of Tel Aviv resulted in a joint venture known as Siemens Traffic Control Systems (STS). Matimop, the government agency promoting and supporting international co-operative industrial R&D programmes between Israeli and foreign enterprises,

wrote that the new company, in which Siemens has a 51% holding and Orad 49%, aims to be the leader of the traffic control systems market in Israel.237

Various police regions maintain different kind of contracts with Siemens. The Regional Police Haaglanden uses video surveillance and observation systems from Siemens. Regional Police Flevoland has a contract for the openbare meldkamer system (translated: public control room system) and something called the "S.C.S.". Brabant Noord has a Siemens Nederland alarm system. Regional Police Limburg Zuid has an ICT service contract with Siemens Nederland for voice and data communication, and an Opticlient telephone system to be used in the control room. Regional Police Zeeland has provided for a contract to connect its personnel to the public fire department alarm system. Regional Police Limburg Noord contracted Siemens for a connecting system and a reporting system. Regional Police Midden West Brabant put Siemens down for accommodation, which we think might be an administrative error, and for a fire alarm control panel. The Ministry of Finance bought Siemens laptops, software and the services of a consultant.

As detailed in the proposal for the FOIA part of this research, this quick scan is in fact the first part of the investigation. The next step would be to file a request for the actual underlying contracts in order to make a more in-depth assessment of the value and the meaning of each contract.

237 To be precise, it was the Traffic Control Systems Division of Siemens Industrial Projects and Technical Services Group (ATD) that entered the joint venture, see http://www.matimop.org.il/company.aspx?code=4696
Conclusions

The conclusions are designed to follow the separate fields of this report. One section wraps up the research in specific companies and their Israeli-Dutch connections in relation to the OPT (Chapters I, II and IV). From a different perspective, the next section evaluates the 'Israeli experience' and the Netherlands in more general terms, with the drones as an example (Chapter III). The last section of this chapter summarises some ideas on the European perspective, focusing on the role of Dutch companies and institutions in this area (Chapter IV).

Companies

Although in Israel it is not always clearly possible to distinguish the military from the field of homeland security, it is fair to say that when it comes to links between Israel and the Netherlands, the most direct links are between the Ministry of Defence and the Israeli military industry. The Dutch Royal Army is a client of Elbit for complicated electronic devices, and the army contracted Aeronautics to provide replacement material and personnel for the mission in Afghanistan. Thales Netherlands (formerly the Defence company Holland Signaal) cooperates with Rafael, with the Dutch army as its client. Thales seems to function as a production line for Rafael in the Netherlands, which brings up the question of how this joint venture relates to the Dutch policy of following the European guidelines for restricted trade in arms with Israel. As far as links on the homeland security front are concerned, Group4Security and Motorola are the only companies active in this field in both Israel and the Netherlands.

Several developments over the past few years indicate increasing scope for building pressure through bringing up issues like ethical sourcing and divestment. Banks and Pension funds have divested from Elbit, while other investments in companies with links to Israel are being scrutinised.

The tender register for military contracts and the annual export policy review of the Ministry of Economic Affairs show that many of the requests for a license for export to Israel have been refused in the past few years. Nevertheless the actual dimension of military trade between the countries is difficult to assess without in-depth research into transit trade, trade in dual use products and detailed statistics from the Ministry of Defence. It seems, however, that the Dutch authorities in export control are willing to act in accordance to the European guidelines; this can be considered an indication of the available political scope to pressure the MoD to redefine its relation with Elbit.

An instrument to increase such pressure is the programme of sustainable sourcing the government has adopted recently. Since January 2010, government procurement at all levels is designated by environmental and social criteria. Producers and suppliers have a social responsibility to uphold the criteria in the entire chain of production. The government brochure explaining the new policy includes rules and regulation concerning the natural environment, but also social standards, including workers'
rights and conditions in the entire chain of production. Governmental bodies are explicitly asked to include these standards in their procurement policy, within a framework of reference provided by the Universal Convention for Human Rights and related treaties such as the International Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights (Dutch acronyms BuPo and Esocul respectively).²³⁸

The new guidelines make the supplier responsible for the sustainability of his merchandise. A (potential) trade partner to public authorities and services is required to prove that he tried the best he could to deliver according to the environmental and social standards. The first recommendation in the Ministry’s guidance brochure is to question the chain of production by collecting information from NGOs and other researchers.²³⁹ This new policy on sustainable sourcing (‘duurzaam inkopen’ in Dutch) offers opportunities to hold to account the Dutch police or Ministries in regards to their procurement practices.

The implementation of the new policy within the Ministry of Defence and the army has been focused on environmental and energy issues so far, which were to be finished in 2010. According to the Defence Sustainability Report 2009 – 2012 this was difficult enough because the environmental criteria often clash with operational and security requirements.²⁴⁰ As from 2011, the new policy expects the social standards to be implemented too.²⁴¹ This could be understood as an opportunity to develop policies in that area as well; for example, to suggest that the Ministry of Defence redefine its relationship to Elbit.

For putting pressure on companies directly, the United Nations UN Global Compact offers a useful framework, as does the policy developed by Secretary-General’s Special Representative for Business and Human Rights, John Ruggie.

Under the UN Global Compact programme, multinational companies voluntarily assign themselves to ten principles. The first two are devoted to keeping up human rights standards:

  - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
  - Principle 2: make sure that they are not complicit in human rights abuses.²⁴²

The Global Compact programme emphasises the joint responsibility which includes headquarters and subsidiaries:

²³⁸ Ministerie van Infrastructuur en Milieu (2010) Sociale Normen, December,
²³⁹ Ministerie van Infrastructuur en Milieu (2010) Sociale Voorwaarden, December, p. 2,
²⁴² United Nations ( ) Global Compact, Ten Principles,
http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html
"A company’s commitment to join the Global Compact applies to all its subsidiaries and local branches, and it is important that this commitment is spread throughout the company’s operations around the world."^243

Although the programme is voluntary, it opens avenues for building pressure. Several branches of Siemens and the headquarters of Hewlett-Packard have signed the Global Compact. Their accountability reports could be challenged in the context of their involvement in the OPT. Motorola did not sign up, but enhanced its company profile with a wide range of CSR activities.^244 Back in 1998, the company developed a case-study to raise awareness of ethical dilemmas and to consider possible ways of addressing them. The fictional case discussed the abuse of telecommunication technology to facilitate the arrest and ill-treatment of people opposing an oppressive regime. According to the Global Compact website where this case features as one of the dilemmas of ‘product misuse’, it was developed on the basis of a real-world dilemma situation that a telecommunications company, like Motorola, had experienced.^245 Since Motorola equipped the IDF with a nationwide military encrypted cellular network^246 and is rumoured to block access to mobile networks in the OPT during IDF military strikes,^247 the company’s 1998 case study could be evaluated against more recent real events.

After the Global Compact was launched in 2000, its initiator John Ruggie was appointed UN Special Representative in 2005 and continued to develop the concept. His framework on business & human rights was unanimously approved by the Human Rights Council in 2008. The ‘Protect, Respect and Remedy’ Framework rests on three pillars, each of which offer opportunities to build pressure:

1. the state duty to protect against human rights abuses by third parties, including business;
2. the corporate responsibility to respect human rights; and
3. greater access by victims to effective remedy, both judicial and non-judicial.^248

When Ruggie first launched his ideas, Ruud Lubbers suggested the introduction of the right to a clean environment and to introduce legal opportunities for victims of human rights violations caused by transnational companies. In an opinion editorial in NRC Handelsblad in June 2009, he stated that the

^243 ibid.
^244 See for instance a collection of Motorola press releases at CSR Profile of Motorola Solutions, http://www csrwire.com/members/12862-Motorola-Solutions
^247 Source: Hilla Dayan, personal conversation, April 2010.
case of the relatives of Ken Saro-Wiwa against Shell regarding the company’s collusion with the Nigerian military should have been settled in the Netherlands. Amongst those joining the discussion was a former Advocate General of the Dutch Supreme Court, who was in support of Lubbers’ views.249

The government appeared open to the idea, as they had already commissioned advice on related issues from the University of Leiden.250 In December 2009 the court in The Hague formerly accepted the case of Nigerian farmers and Milieudefensie against Shell, claiming compensation for the environmental damages caused by the oil company in the Niger Delta. The case can be considered one of the first in which the mother company is held to account for activities of its subsidiaries in the Netherlands. The prosecution of Riwal for the involvement of its Israeli subsidiary in supporting the occupation of the Palestinian Territories is another example of creating opportunities for effective remedy for victims, as proposed by the UN.

On 22 November 2010, Special Representative Ruggie proposed draft "Guiding Principles for the Implementation of the 'Protect, Respect and Remedy' Framework". The consulting of stakeholders finished recently, on 31 January 2011. The Business and Human Rights website contains several examples of early applications of the framework.251

**Israeli mercenaries contracted by the Dutch army on a mission in Afghanistan**

In Chapter III of this report, the focus was on the 'Israeli experience'; the expansion of drones from military to civilian use served as an example. The chapter also highlighted Project Lintel, explaining how the Dutch army contracted Aeronautics to fulfil an essential part of the mission in Afghanistan.

Project Lintel marks the exploration of a new market for Israeli military companies: leasing UAVs in war situations as well as the personnel to deploy them. When Project Lintel was discussed in the Dutch Parliament, the Minister of Defence was challenged about the outsourcing of intelligence and combat operations to contractors and mercenaries. The issue of involving Israelis remained untouched.

Contracting out of military tasks is a relatively new development for which there are as yet no regulations in Dutch law. The advice the Dutch government acquired from the Advice Council for International Affairs can be regarded as a first step towards formulating a policy on this matter. The advice dealt with the issue of the tasks that could be outsourced, and addressed the so-called accountability gap. The Dutch forces

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in Afghanistan have no extraterritorial jurisdiction over contractors with a third nationality, say, South Africans or Israelis. The Council warned of the inherent impunity for violations of human rights and other war crimes, and problems arising concerning the legal responsibility of the hiring state. The Council called for a broad and thorough debate on the political, legal and ethical issues surrounding contracting private military companies.

As the issue of policy-making on contracting out is relatively unexplored, the field offers opportunities for civil society groups to contribute to the debate. There is a case to make to exclude Israeli companies from contracts with the Royal Dutch Army or Dutch authorities in general. This would be in line with the official EU policy to restrict military trade with Israel, effectuated since the end of 2002. Answering questions submitted by De Campagne tegen Wapenhandel, the (then) state secretary of Economische Zaken (Trade) Joop Wijn wrote: “In respect to the negative developments in the Mid East, specifically in Israel, the Netherlands like various other EU partners have restricted their export policy for Israel in the past two years. Export licenses will be declined in principle based on criteria two (human rights), three (internal tensions) and four (tensions in the region) [of the European Code of Conduct on Arms Export], as a result of the daily reality in particular on the West Bank and the Gaza Strip, in particular when it concerns deliveries to the Army’s Ground Forces or Air Force.”

As contracting out is neither export nor import, policy in this field needs to be made in the spirit of the current regulations. How does the hiring of an Israeli military company by the Ministry of Defence relate to restrictions on military trade with Israel since the end of 2002?

Project Lintel shows how close Israeli companies are to the Dutch army, and offers an opportunity to hold the Dutch government to account.

Is the EU strategy successful in bringing peace any closer?

Chapter IV focussed on links between Israeli and Dutch companies and institutions within the European Union FP7 Security Research programme. The available documentation showed that participation of Israeli companies is not motivated by financial incentives per se, but rather by the urge to get access to the research community and to business opportunities on the long term.

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254 Ministerie van Economische Zaken (2002) Wapenexportbeleid – brief aan de Tweede Kamer, 22054 nr. 71, 4 december. Translation by the authors. Original quote in Dutch “In verband met de negatieve ontwikkelingen in het Midden-Oosten, en Israël in het bijzonder, heeft Nederland, evenals diverse EU-partners, het exportbeleid jegens Israël in de afgelopen twee jaar aangescherpt. Vergunningaanvragen worden in beginsel afgewezen op grond van de criteria twee (mensenrechten), drie (interne spanningen) en vier (spanningen in de regio) [van de Europese gedragscode wapenexport], als gevolg van de dagelijkse realiteit in vooral de Westbank en de Gazastrook, vooral indien het leveranties aan de landmacht of luchtmacht betrof.” Also see Campagne tegen Wapenhandel (2009).
The relation between the European Union and Israel has become stronger in recent years. Several treaties have been signed to make Israel almost a full partner of the EU. As detailed in the various agreements, the policy of embracing Israel aims to eventually get to a two-state solution. Although the international community is using economic boycotts as a policy (at present against Iran for instance), the fears of alienating the country seem to carry more weight in the case of Israel.

A campaign to address the strong ties between the EU and Israel would centre on this question: is the EU strategy successful in bringing peace any closer?

As our research shows, the Israeli authorities are keen to obtain major positions in EU research programmes. The European Security Research programme is only one of them. More than 600 Israeli companies are collaborating with their European counterparts under the FP7 umbrella. In order to address the relationship between the EU and Israel, we would need to map out the programmes that involve Israeli participation, and to outline their role and contribution.

The aspiration to join the EU research programmes is not fuelled by financial incentives only. The access to research facilities, networks and knowledge is just as important - access that is otherwise limited by Israel’s relatively isolated position in the international community. Just as the Israeli military and homeland security industry are selling arms and surveillance products with the ‘Israeli experience’ as added value, the country’s contribution to European research is built on battle experience and continuous occupation of the Palestinian Territories.

The question to address would be: How much of the ‘Israeli experience’ penetrates into European research, into Dutch research and into subsequent policy-making?

To illustrate this concern, two issues that came up as a result of our research could serve as an illustration with a specific focus on the Netherlands. Both would, however, require some further research first.

For this report we had a closer look at FP7 European Security Research Programme, and more specifically those projects with both Dutch and Israeli participation. We focussed on the Safire project, aimed at radicalisation and the options for intervention. Several Dutch institutions with a strong reputation for an interdisciplinary approach are involved in this project. To assess the influence of the ‘Israeli experience’ in the fight against radicalisation in Europe, ongoing monitoring is required, as the project started only recently. One of the Dutch institutions involved in Safire (and in quite a lot of other FP7 Security Research programmes) is TNO, as the coordinating partner. This institute is a governmental body, and therefore it is possible to obtain information and documents from them under the FOIA. Both the budgets and interim or evaluation reports of Safire and other programmes in which TNO participates...
may shed light on the relation between TNO, other Dutch governmental bodies and institutions, and Israeli partners. Additional interviews with key people in the participating companies and institutions could give more information on the contribution of each of the countries.

The second issue that could serve as an example is the growing use of drones in non-war situations. The development of the drone, or Unmanned Aerial Vehicle (UAV), is largely an Israeli product. Today, the knowledge to build these vehicles is more widely available and several Dutch companies produce them. How much of the design of drones developed in the Netherlands is based on Israeli expertise is a topic that requires further investigation, just as the relations between the drones industry in Holland and its Israeli counterparts. The various FP7 programmes to support the expansion of civilian – or rather non-military – use of drones may provide or have provided a platform for such contacts. Europe's agency set to fight undocumented migration, Frontex, recently gained permission to acquire UAVs for border controls. This can be understood as a successful promotion of the ‘Israeli experience’ in the European context and the European homeland security industry.

Therefore, it would be important to assess the Israeli lobbying for the so-called civil use of drones in European border control, by, for instance, making a thorough inventory of the content of the various FP7 programmes dealing with drones. English campaigns emphasise the use of drones to kill civilians in the Occupied Palestinian Territories. Germany has initiated national programmes to accelerate the introduction of UAVs for civilian use, the Netherlands might follow suit. In order to address the influence of the Israel experience, it might be a good idea to ask the government about the Dutch position on using drones for border control, in the European as well as the national context.

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