

The Social, Economic, and International Relations Impact of the 2023 Israel-Hamas War

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ABSTRACT

Hamas's attack on Israel on October 7th, 2023, is not the first of its type. The Israeli-Palestine tension can be traced back to 1947 following the UN Partition Plan that divided the British Mandate of Palestine into Jewish and Arab Nations. Following Britain's withdrawal from the Peninsula, the Jewish leaders declared the State of Israel, sparking the first Arab-Israeli conflict and this tension has worsened over the years. We use Thomas Hobbes's Social Contract to explain the tension between both parties. According to Hobbes, man lives in a State of Nature which is characterized by war and the continuous fear of death. This fear of death is the reason why man enters into a contract (Social Contract). There have been diverse schools of thought as to the origin of the Israeli-Palestine tension. Some believe it is the 1947 UN Partition Plan, others believe it is the June 1967 war, while others believe it is religion. Regardless of the original cause, it is evident that both parties have retained severe casualties over the years. Hence, the purpose of this paper is to review the economic, social, and international relations consequences of the 2023 Israel-Hamas war. The current war has had several social consequences: refugee migrations, lack of basic survival necessities, withdrawal of medical aid groups, starving refugees, desolated cities, and allegations of rape and sexual torture. Economically, the war has led to the loss of income from economic activities, an increase in oil prices, reignited inflation, high-interest rates, increased government expenditures, and exchange rates. It has also impacted international relations among nations due to a split in support between Israel and Palestine. Nevertheless, there is an allowance for further study because this paper is limited only to the social, economic, and international relations impact of the war.

Keywords: Israel-Hamas War, Social Contract, Thomas Hobbes, Israel-Palestine Tension, Gaza, Israel, Hamas

INTRODUCTION

The October 7th, 2023, attack on Israel by Hamas has reawakened diverse schools of thought as to the original cause of the Israel-Palestine tensions and their impact on the world today (Samuel, 2023); tensions which stem from political, religious, ideological, geographic, national, and cultural roots that have shaped international dialogue over the course of the 20th and into the 21st century.

Hamas, an Islamic Resistance Movement that originated as an underground arm of the Muslim Brethren Movement in the Gaza Strip at the start of the Palestinian insurrection in December 1987, is ideologically driven by the teachings of the founder and leader of the Egyptian Mother movement, Hasan al-Banna. One among many emergent Palestinian movements opposed to the Palestinian dispossession of land in the wake of WWII, the terrorist organization evolved to the status of international threat in the modern age. Within this context, the current conflict can be contextualized as a war of religions or one of nations. “Islamic essence’ of the Palestinian cause and Palestinian-Israel Conflict” is at the center of Hamas’ dogma. The identities of both “Zionism and Palestinian nationalism” have evolved over the years thereby creating two distinctly opposed identities on either side of today’s war (Litvak, 1998).

The tension between Israel and Palestine dates back to the middle of the twentieth century when the United Nations enacted “Resolution 181” called the Partition Plan in 1947. The purpose of this plan was to partition the British Mandate of Palestine into Jewish and Arab Nations. In accordance with this plan, Britain withdrew from the peninsula, and the Jewish leaders of the time proclaimed the establishment of the State of Israel on May 14, 1948, thereby creating the ‘international city’ of Israel. It was this pivotal change in property and power in the previously Palestinian-held territory that sparked the first Arab-Israeli Conflict (Center for Preventive Action, 2023). Attacks from five Arab countries ensued the day after the State of Israel was declared (BBC, 2023). This conflict ended in 1949 with Israel emerging as the victorious party, but the consequences of the conflict were the displacement of about 750,000 Palestinians and the division of the region into three portions (The State of Israel, the West Bank, and Gaza Strip). The subsequent years have seen an increase in tension between Israel and Egypt, Jordan, and Syria (Center for Preventive Action, 2023).

According to McGreal (2023), most people believe that the root cause of the Palestine-Israeli tension was the 1947 vote by the United Nations to divide the British mandate of Palestine into two separate states (Jewish and Arab) after the systematic genocide of a majority of the European Jewry in the Holocaust. Schools of thought in favor of Israel postulate that the tension stems from vicious antisemitic hostility. In contrast, those in support of Palestine argue that Israel’s coercive military takeover of their territories since 1967 is to blame (Samuel, 2023). The June 1967 war is said to be an accidental and unneeded war that erupted from ‘miscalculations and misunderstanding’ between Israel and the Arab countries of Egypt, Syria, and Jordan (Karsh, et al., 2017). Furthermore, this conflict was recognized as “a war of no choice” as Israel found itself in a series of uncontrollable events that endangered its survival. While Israel gained vast land (Sinia Peninsula, Gaza Strip, the West Bank, East Jerusalem, and the Golan Heights), the hostility it received from the Arab nations widened leading to ‘more painful wars’ (Center for Preventive Action, 2023; Gera, 1992).

The aftermath of the 1967 war changed the ideological framework of the Middle East and tilted it towards Islamist ideology and away from Arab nationalism and socialism. The Islamic revival was strengthened by the incapacity of international law to resolve the conflict justly as argued by the Arab nations; the empowerment of Israel over the Arab nations; the impact of the Cold War; and the increased school of thought that considered Israel as a religious nation (Haddad, 1992). Sands and Suliman (2023) argue that the source of the current tension between Palestine and Israel precedes the creation of the State of Israel and the formation of Hamas in 1987 as both parties consider the region between the Mediterranean Sea and the Jordan River as theirs. These authors suggest that before the recent attack on October 7th, 2023, there had been a series of casualties from both sides (6,407 Palestinian and 308 Israeli) over the past 15 years as published by the United Nations.

This Palestinian-Israeli tension amplified since 2001 even when Israel was witnessing decreased threats from Syria, Jordan, Iraq, and Egypt (Zuhur, 2008). Simon and Stevenson (2003) argue that Hamas's ideological mission stated in its "Introductory Memorandum" impedes any form of 'political compromise' since it is dictatorial and intrinsically violent (focuses on the extinction of the Jews) as seen in Taba in January of 2001 when Hamas rejected the peace settlement negotiations between Israel and Palestinians. Samuel (2023) in his wider examination of the main cause of the Israel-Palestine tension suggests that the inappropriate use of international law kindled Hamas's attack on Israel as this law has constantly dismissed Palestinians the right to 'self-determination.' According to the Washington Post, Hamas has declared that the aim of the most recent (October 2023) attack on Israel was "to free Palestinian prisoners, stop Israeli aggression on al-Aqsa Mosque, and to break the siege on Gaza" (Sands & Suliman, 2023).

The evolution of conflict between Israel and her Arab neighbors provides a backdrop to the events that transpired on Saturday, October 7th, 2023. On this fateful day, the Israeli government formally declared that Hamas unexpectedly launched an attack on Israeli towns, an outdoor musical festival, army bases, and other areas leading to the death of about 1,200 persons, and about 240 others being taken hostage including children. As a response to this attack, the Israeli military started a roadblock to stop water, food, and fuel from getting into the region and launched an air campaign followed by a ground invasion that led to the encirclement of Gaza City by the Israeli troops (Livni & Gupta, 2023). By November 10th, 2023, the Palestinian Health Ministry declared that more than 11,100 Palestinians had lost their lives, in other words, one in every 200 persons in Gaza (Sands & Suliman, 2023). Due to Israeli attacks on Gaza, over one million Palestinians have been forced to relocate. The conditions of Palestinian civilians in Gaza impacted by the conflict led to outcries from the United Nations (UN), aid organizations, and other nations about the need for humanitarian aid for these civilians. The Biden Administration demanded "humanitarian pauses" to ensure the safety of Palestinian civilians and the delivery of emergency aid without opposing Israel's rights to self-defense (Livni & Gupta, 2023). The latter part of November 2023 witnessed a weeklong ceasefire that involved the swapping of many prisoners and the regular delivery of more aid. However, by December 3rd, 2023, Israel demanded more evacuations, leaving about 2.3 million Gazans with no safe place to go to according to the UN's report. Moreover, the invasion of several hospitals alongside the shortage of medical supplies in Gaza reduced the number of operating hospitals to just fifteen. Panic about the potential spread of diseases increased, joining the alarming rise in death among Gaza civilians as mentioned by the World Health Organization (Center for Preventive Action, 2023).

Clearly, the tension between Palestine and Israel did not start today. Conflict between these two groups dates back as far as the nineteenth century with casualties experienced on both sides. The purpose of this paper is to review the economic, social, and international relations impact of the October 7th, 2023, Israeli-Hamas's war. Several researchers have published on the past conflicts between Israel and Palestine, but there is little or no scholarly discourse on the recent October 2023 attack on Israel by Hamas. This paper will add to an existing discussion other researchers established following the separation of the British mandate of Palestine into two entities (Jewish and Arab), a separation that many see as the root cause of the ongoing tensions as suggested by McGreal (2023). This paper employs Social Contract Theory for its theoretical framework to better understand the continued conflict between both parties. Through Social Contract Theory, this paper will seek to explain the underlying principle behind the relationship between people and amid society and its members (Gauthier 1977).

THEORETICAL FRAMEWORK: THOMAS HOBBS'S SOCIAL CONTRACT THEORY

The Social Contract Theory developed as a means to explain the willingness of individuals to yield some of their natural rights and freedoms to a ruling government that will provide security and safety. Gauthier (1977) argues that the classic proponents of this theory are Thomas Hobbes and John Locke. This position stands in contrast to the belief by many that Social Contract Theory is attributed to the seventeenth and eighteenth centuries political philosophers though it did not commence with them (Ritchie, 1891). Ebenstein and Ebenstein (2000) in their book titled *Great Political Thinkers* suggest that the Social Contract Theory is frequently linked with Thomas Hobbes, John Locke, and Jean Jacques Rousseau (Mbah, 2021; Mbah & Wasum 2022). This paper will focus on the view of Social Contract Theory espoused by Thomas Hobbes as a means of explaining the evolving relationship between Palestine and Israel.

According to Gauthier (1977), John Locke argues that humans, especially landowners create contracts to protect both their real estate and well-being. On the other hand, this author states that in Hobbes' Social Contract theory, the relations between humans are two-fold: (1) hostile relations between individuals lead to the State of Nature and (2) contract relations between people lead to the State of Society. In the State of Nature, every human does what they can to preserve and benefit themselves. This tendency eventually leads to a state of war where every person is seen as a potential enemy to every other person. To solve this problem, people develop a contract with a ruling body that will protect them thus forming a commonwealth with an 'all-powerful sovereign' ruling over it (Gauthier 1977). There exist three types of Commonwealth; a Monarchy (the Sovereignty is in "one man"); a Democracy (Sovereignty is in an "assembly of more than one"); and an Aristocracy (Sovereignty is in an "assembly of a Part onely") (Hobbes, 2016 pp. 37-42).

Like Gauthier (1977), Ebenstein and Ebenstein (2000, p. 399) argue that Hobbes's State of Nature creates a state in which humans are in a perpetual state of war; "every man against every man." Three psychological factors contribute to this combative stance: (1) competition, (2) diffidence, and (3) glory. Additionally, it is theorized that in Hobbes's State of Nature, there can be no trade relations, no industry, no agriculture, no amenities, and no society. Rather, in this state, there is "continual fear and danger of violent death; and the life of man, solitary, poor, nasty, brutish and short." It is the fear of death that fundamentally causes people to seek peace

through a contract (the social contract) by surrendering their rights to a sovereign power willingly (Ebenstein & Ebenstein, 2000, p. 400; Mbah, 2021; Mbah & Wasum 2022).

Ward (1993) describes Thomas Hobbes as a “child of the Socratic tradition” due to his rational thought process. He postulates that “Rationalism is Hobbes’s assumption,” with rationalism foundational to the Socratic process. Therefore, Social Contract Theory requires humans to use their reason to determine that death is an absolute evil and thus, they must endeavor to prevent it. It is the implementation of such rational thinking that elevates mankind from its ‘State of Nature’ and the ‘Social State’ is the outcome of such reasoning (Ward, 1993).

Thomas Hobbes's Social Contract Theory provides a theoretical lens to view the years of hostility between Palestine and Israel within the context of the State of Nature where “every human does what they can to preserve and benefit themselves which consequently leads to a state of war ‘where every man is Enemy to every man’” (Gauthier, 1977; Ward, 1993; Ebenstein & Ebenstein, 2000; Mbah, 2021; Mbah & Wasum 2022). The root of the persisting conflict between both parties over the years started with the Arab-Israeli War of 1948 (United States Department of State, n.d). As justification for their participation in the 1948 war, certain Jewish extremist groups said their involvement in the war was “part of a divinely promised return to the holy land of Israel” (Mostafa, 2018, p. 2). On the other hand, their Muslim counterpart said their involvement was “an eschatological event pertinent to the approach of the Day of Judgment” (Mostafa, 2018. p. 2). The consequences of this long-lasting tension between Israel and Arab nations as described by Hobbes include political, economic, and social, and have impacted international relations.

THE SOCIAL, ECONOMIC, AND INTERNATIONAL RELATION IMPACT OF THE ISRAEL-HAMAS WAR

The events of October 7, 2023, reverberated across the globe and the implications thereof can be seen manifesting throughout the social, economic, and international relational spheres. Analysis of the Israel-Hamas war has been multifaceted and scholars, writers, politicians, the media, and laypeople across the globe have been examining these tumultuous events from perspectives that include, but are not limited to examining its philosophical underpinnings and questions it raises regarding morality; examining the cost-benefits impact of the conflict on social, economic, political, and psychological realms; delineating the consequences of the humanitarian crisis on the individual, national, and international levels; critically evaluating concepts of security in the aftermath of this deadly terrorist act; and, assessing the economic influence of the war and its potential escalation into a global crisis. In the following pages, an examination of the implications of the Israel-Hamas war on the social, economic, and international landscapes will be undertaken.

The Social Impact of the Israel-Hamas War

The social impact of the Israel-Hamas war has spiraled out beyond the Middle East with images and reports of the humanitarian crisis saturating international newsfeeds and dialogues (Leonard, 2023; Spiegel, 2023) and ideas of national and global security being reevaluated due to increased potential for terrorist threats, refugee migration affecting local and national demographics, and ethnic tensions escalating both domestically and internationally in scope (Fontenrose, 2023). Within the conflict zone, the humanitarian crisis has exacerbated already strained resources especially the halt in the importation of basic human survival needs such as

electricity, water, food, and medical provisions into a tightly inhabited and confined zone (Spiegel, 2023). The humanitarian crisis was amplified by the rapid withdrawal of medical aid groups including Medical Aid for Palestinians (MAP), the International Rescue Committee's (IRC) emergency medical team, and Doctors Without Borders at the onset of the war (Mendonca, 2024). Casualties from this conflict exceed all previous conflicts between the two nations. Images of war orphans, families torn apart, starving refugees, and desolated cities proliferating across the globe and allegations of rape and sexual torture reported from the conflict zone (Roth, 2024; Minsberg, 2024) underscore the profound impact of this conflict on the individual and universal psyche that cannot be understated. At the 100-day mark, the conflict had amassed over 25,000 casualties and decimated an estimated 45-56% of Gaza's infrastructure (Frankel, 2024). On one level, media saturation of the crisis has led to the re-imagining of the war in Ukraine, with support for the latter waning in light of the sheer cost to humanity and heartbreaking stories of life and hope lost in the currently escalating war on the Gaza Strip (Leonard, 2023). Within a larger context, international dialogue on the war and humanitarian crisis has led to questions regarding national- and international-level alliances with support for key nations involved in the conflict adapting to the constantly shifting political climate as multinational organizations and national blocs attempt to mitigate the humanitarian crisis as well as end the conflict without intensifying damage or political tension (Fontenrose, 2023).

The Economic Impact of the Israel-Hamas War

The economic impact of the Israel-Hamas war, both actual and potential, is complex. The war could cause Israel to lose some \$400 billion in economic activity over the next decade, and for Palestine, the effect may be so big that it undermines the possibility of an independent Palestinian state (Egel, 2023). The war has damaged jobs and businesses within a now crumbling economy.

Just like the Middle Eastern wars of the past, the Israel-Hamas war can drastically distort the world's economy, and this could lead to a recession if more countries join the conflict. A sharper escalation of the Israel-Hamas war could bring Israel into direct conflict with Iran which is a supplier of arms and money to Hamas (Daoud et al., 2023). Should this be the case, Bloomberg Economics estimates that oil prices could soar to \$150 a barrel and global growth drop to 1.7%, causing a recession that takes about \$1 trillion off world output (Daoud et al., 2023).

The world's economy today remains fragile as it seeks to recuperate and convalesce from the burst of inflation caused by Russia's attack on Ukraine in 2022 (Daoud et al., 2023). Yet another war in an area that is high in energy production could reignite inflation again. Other impacts could also come from continued anarchy in the Arab world and extend to the 2024 U.S. presidential elections where gas prices are vital in voter's decisions (Daoud et al., 2023). But the U.S. Secretary of the Treasury, Janet Yellen, stated there are no major economic ripple effects created by the Israel-Hamas war at this point, but that it is critically important to contain the Israel-Hamas conflict, and that is what the United States is focused on right now (Daoud et al., 2023). According to Bloomberg Economics, if the conflict remains confined to Gaza, the influence on the international economy will be, small especially if the UAE and Saudi Arabia offset missing Iranian oil barrels by making use of their spare capacity. If the war spreads to Syria and Lebanon (where Iran endorses armed groups), it could quickly turn into a proxy war

between Israel and Iran and the economic cost will increase by a risk-off move in the financial markets and at least a 10% spike in oil prices (Daoud et al., 2023).

- Increased oil prices will increase global inflation by an additional 0.2 percentage points, thus holding it near 6% while mounting pressure on central banks to tighten monetary policy even without growth.
- A 0.3 percentage-point delay in global growth in 2024 will amount to about a \$300 billion loss in output, and this will certainly reduce growth speed to about 2.4%. Apart from the global slump of 2009 and the COVID-19 crisis, this will be the most shaky and feeble growth in three decades (Daoud et al., 2023).

If a proxy war occurs, it will increase the chances of a direct war between Iran and Israel and that will certainly increase oil prices. Other countries like Tunisia, Egypt, and Lebanon are already enmeshed in political and economic stagnation, and some countries in the area are already protesting Israel's response to the Hamas attack (Daoud et al., 2023). There is a very low but dangerous probability of a direct war between Iran and Israel because, while the U.S. has close ties with Israel, Russia, and China have also been strengthening their ties with Iran, and the West is concerned that Russia and China will take advantage of the war to redirect military resources and deliberations from different parts of the world. This could provoke a worldwide recession with spiking oil prices as high as \$150 a barrel, plummeted GDP growth down to 1.7% by 2024, increasing inflation up to 6.7% in 2024, and the greatest risk-off shift in the financial markets (Daoud et al., 2023). Goldman Sachs (a global investment bank and financial service institution) says that the war between Israel and Hamas could have some serious implications on Europe's economic growth and inflation in the eurozone except the pressures of oil prices are controlled (Smith 2023). Europe Economics Analyst - Katya Vashkinskaya explained that the war could cause European economies to experience rigid financial conditions, lower consumer confidence, outrageous energy prices, and lower regional trade. European economic activities could be influenced by lower trade with the Middle East since Europe exports about 0.4% of the GDP to Israel and her surrounding neighbors. While Europe's trade exposure is limited, that of the British is less than 0.2% of the GDP (Smith, 2023). Rigid financial conditions could turn out to be heavy on the continent's growth and aggravate the economic activities with much higher interest rates both in the U.K. and Europe. Since the war began, the commodities market has experienced boosted volatility with European natural gas and Brent crude oil prices up by about 9% and 34%. The commodities team at Goldman Sachs evaluated that oil prices could increase by between 5% and 20% aloft the baseline given the ferocity of the oil supply shock. Increases in gas prices will pose a more critical defiance by reducing the exports of liquefied natural gas (LNG) from the Israeli gas fields and the current gas market will be unable to say something about the inauspicious supply shocks (Smith, 2023). The governor of the Bank of England – Andrew Bailey told CNBC news that the impacts of the war on the energy markets constitute a probable risk to the Central Bank's attempt to control inflation. Oil prices have been extremely unstable since October 7, 2023, when Hamas launched an attack on Israel, and in giving its quarterly update right after, the World Bank cautioned that if the war intensifies, there is a very high probability that crude oil prices would upsurge to more than \$150 a barrel (Smith, 2023).

Kristalina Georgieva – the Managing Director of the International Monetary Fund (IMF) explained how tourism is likely to be affected badly and the insured cost of moving goods will

increase. There is also a probability of increasing numbers of refugees in the region and investors are becoming a lot more prudent about traveling to the Middle East in general. A contemporaneous impact of the war according to the IMF is that the world economy is unbelievably tough, even though anxious, and apprehensive right now (Ziady, 2023). Interest on the U.S. government debt is spiking to some highs which have not happened in well over a decade, meaning that there is yet to be a brief comeback to safety like what happened as the aftereffects of the Hamas attack (Ziady, 2023).

United Nations Conference on Trade and Development (UNCTAD) forewarned of appalling aftermaths on the already shambled Palestinian economy, while Wall Street has for the most part repudiated the war. GDP in the Palestinian economy increased by 3.9% in 2022 but has lingered sharply underneath the pre-pandemic level on a per capita basis. After evaluating inflation, GDP in Gaza has been close to its nadir level since 1994 (Ziady, 2023). After governments have spent a whole lot to mitigate their economies from the aftereffects of the COVID-19 pandemic and the Ukraine war, the Israel-Hamas war is taking place at a time when interest rates are spiking, public debt has escalated, and growth is slow. The managing director of the IMF has advised everyone to get ready and to know that higher interest rates are here to stay for a prolonged and extended period especially because inflation is not declining briskly enough. At this point, inflation is predicted to linger above 2% all throughout 2024 and to some degree in 2025, and only after that will interest rates start to decrease (Ziady, 2023). Projections according to the Israeli Central Bank show that, the war between Israel and Hamas will cost Israel about \$53 billion between 2023 and 2025 with about half of that amount to be used for the growing defense expenditures, increasing expenses on civilians, and lost tax revenue. As businesses struggle with scarcity of labor and extremely low consumer demands, the Israeli Central Bank anticipates that war will get up to a 3% slam on Israel's GDP by the end of next year. As it stands now, Israel has issued billions of dollars in bonds and depends heavily on the U.S. and other allies for financial support to fund its budget. So far, the Israeli Central Bank has been able to sustain the financial markets and strengthen the currency – the shekel by the sale of foreign reserves. As of November 28, 2023, the shekel was up 9% against the dollar (Dulaney, 2023).



Figure 1: Graphical Representation of the Impact of the War on Israel Shekel Against Dollars - USDILS (Tullett Prebon)

Source: Wall Street Journal, (2024)

According to Kathrin Muehlbronner - senior vice president at Moody's, the gravity of any destruction and vandalism will be dependent on how long the military stays in conflict and on the possibility for Israel's domestic security state in the long term. The effect of the war on the

economy of Israel could be a lot more appalling than in the earlier events of the military conflict and barbarity, meanwhile, the unpredictability is sharply on the rise. The total cost of the war is forecasted to have surged up to about 10% of the country's GDP, and this has caused poor reviews on the government's A1 credit rating (Wrobel, 2023). The government will have to spend billions of shekels to compensate businesses impacted by the war, to rebuild and refurbish communities left in ruin by the Hamas attack and assault, to suck up the wages of hundreds of thousands of draftees, and expenditures on defense for their continuity in the war. On the other hand, fiscal revenues (mostly tax income) are envisaged to continually plunge as consumption and other demand factors keep falling off the cliff. Because of the predictions of how worrisome the economic impact of the war will be, Moody's was triggered to truncate its growth forecast for the Israeli economy for 2023 to 2.4% from 3% previously. Now, the outlook for 2024 is looking downbeat and gloomy especially as the ratings agency predicts a diminution and shrinkage of about 1.5% accompanied by very average and modest growth in 2025 (Wrobel, 2023).

The International Relation Impact of the Israel-Hamas War

In the international landscape, the events of October 7, 2023, will forever be etched in history. The implications of this action have reverberated across the globe and continue to impact regional and international relations in many dimensions. Prime Minister Benjamin Netanyahu has stated in a recent op-ed that the conflict will end only with the destruction of Hamas, the demilitarization of Gaza, and the deradicalization of the Palestinian people (Netanyahu, 2023). How long the conflict will last, how far it will spread, and what nations and intergovernmental organizations will do in response to the escalation of conflict and humanitarian crisis currently playing out in the Middle East has yet to be determined. Within the following pages, dimensions of said impact on regional and international relations will be explored.

International support for Israel in the face of the devastating attack in early October 2023 quickly turned sour as tensions mounted and casualties increased. Initial support sprung from many nations across the globe, with the United States, Britain, France, Germany, and Italy vocally condemning Hamas' attacks as acts of terrorism (Rosenzweig-Ziff, 2023). Additional condemnation of the attacks and tactics utilized by Hamas which included civilian casualties, kidnappings, and destabilization of peace in the Middle East came from the European Union, the United Arab Emirates, and Bahrain (Rosenzweig-Ziff, 2023). As a counterpoint, Russia sent a measured response which turned against Israel and the escalating humanitarian crisis in Gaza by early November (Ellyatt, 2023). Taking a middle stance, nations such as China and Turkey advocated early in the conflict for a two-state solution and a brokering of peace (Rosenzweig-Ziff, 2023).

Since October there have been numerous attempts to end the conflict. A temporary peace between Israel and the terrorist organization Hamas was brokered over a month into the conflict and a Qatar-mediated truce was agreed upon on November 18, 2023, which led to a seven-day ceasefire, the influx of humanitarian aid, and the release of dozens of hostages from Gaza in exchange for hundreds of Palestinian prisoners (Mills, 2023). Following the renewal of hostilities, on December 9, 2023, the United Nations General Assembly voted by large majority for an immediate humanitarian ceasefire binding all parties to follow international humanitarian law (UN News, 2023). Needless to say, the conflict continued and by December 22, 2023, the Gaza Health Ministry announced the current conflict had surpassed previous

death tolls in Israel-Palestinian conflicts with over 20,000 civilian casualties recorded (Times Now, 2023). The growing humanitarian crisis in Gaza spirals beyond the death toll with a severe threat of famine, complete breakdown of infrastructure, and displacement of refugees impacting the region (Lederer, 2023).

Some believe that the Israel-Hamas crisis will spiral into a global catastrophe due to a multiplicity of factors. Proximity of the conflict to the Suez Canal has already impacted the supply chain which will have rippling effects through economies across the globe (Perry, 2023). The Organization for Economic Cooperation and Development has predicted 2024 will see the slowest global economic growth since the pandemic (Wiseman, 2023). Beyond economic tensions, fear of extremism and terrorist attacks could lead to a more divisive political atmosphere in nations across the globe (Perry, 2023) thereby exacerbating political divisions that escalated during the COVID-19 pandemic.

South Africa brought before the International Court of Justice (ICJ) in Hague-Netherlands a genocide case against Israel: *Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel)* filed on 29th December 2023 (The International Court of Justice, 2024). South Africa in this case alleged that Israel was executing genocide against the people of Palestine. Israel on the other hand has harshly rejected this claim, postulating that it is rather Hamas who is carrying out genocide (Berg, 2024). The ICJ met on Friday, 26th January 2024; although Palestinians hoped that the court would request an immediate complete cease-fire as requested by South Africa (Rauhala & Hendrix, 2024), the court rather ordered Israel:

1. To do everything in its power to prevent any chance of genocide actions in Gaza (received 15 votes to 2).
2. To prevent and punish any public incitement towards executing genocide against Palestinians (received 16 votes to 1).
3. To immediately allow the free flow of urgent survival necessities and humanitarian help to Palestinians in Gaza (received 16 votes to 1).
4. To provide a report to the ICJ in one month on the execution of the above Order (received 15 votes to 2) (Rauhala & Hendrix, 2024; The International Court of Justice, 2024).

THEORETICAL APPLICATION

Understanding the Israel-Hamas war from a social contract perspective sheds light on the current conflict from the annals of philosophical thought. "As far as international law is concerned, Israel's oppressive, dispossessive, self-determination-denying occupation of the West Bank and its suffocating 16-year blockade of the Gaza Strip indeed provides the crucial context for Hamas's attack" (Samuel, 2023; p. 6). The conflict between these nations, cultures, and religious perspectives in this region has evolved for years without resolution. Social Contract Theory provides two lenses for interpreting the events of the Israel-Hamas war, that of the Social Contract and that of the State of Nature. From the perspective of the Social Contract, the aftermath of the October 7, 2023, attacks would lead to the annihilation of the Hamas threat and the cessation of the indoctrination of the Palestinian people to protect the nation of Israel. This course of action would be in alignment with the authority and mandates of Netanyahu (2023). The Social Contract from the perspective of the Palestinian people would require the retaking of their ancestral lands and the elevation of their culture and religion within the region.

From the perspective of the State of Nature, humankind without governance is aligned with war...without the Social Contract and authority to reign in natural impulses, the world would devolve into its basest form and forever maintain a status at the lowest levels of Maslow's hierarchy of needs with survival tantamount to existence. The dispossession of Palestine, supported by the international community, breached the Social Contract leading to mistrust and justification for the use of force and retaliation by the Palestinian people as expressed in intermittent conflicts between the two nations over the past century. However, the maxim that every man is an enemy unto every man embedded in this philosophical perspective can be debunked as we find evidence of individuals, nations, and multi-national organizations across the globe providing aid, resources, and preparing places in their communities for those displaced by this ongoing conflict. Furthermore, intersession by nations and national blocs toward cessation of hostilities and even peace provides a light of hope that the Social Contract, peace, and stability will win out in the end.

CONCLUSION AND STEPS FORWARD

The conflict between Israel and Palestine will continue as the nations and ideologies embroiled vie for religious, political, and geographic dominance. The purpose of this review was to examine the current impact of the conflict from social, economic, and relational perspectives as well as provide the theoretical framework of Social Contract Theory to better assess and understand the oppositional forces involved. As the world waits with bated breath, we will see what unfolds with the conflict, whether the nature of man wins out over the social contract. Our paper is limited to the economic, social, and international relations impact of the current war. Future studies can focus on the political, religious, and environmental impact of the war as well as examine the role of various interest groups in the war.

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