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Survival by Design

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Field Dossier: Survival by Design

Why Jewish economic relevance has repeatedly functioned as a hedge against vulnerability — and why tolerance alone never has.

By Uriel Zehavi · January 8, 2026

Introduction

There's a moment that recurs as one observes contemporary events. A Jewish communal professional, discussing budgets and security, remarked offhandedly: "We're fine. We're relevant. People need us." Not in moral terms, but economically and institutionally.

This observation resonates uncomfortably with history. Similar sentiments have been expressed in medieval Frankfurt, early modern Vienna, and Weimar Berlin—always before catastrophe struck. This essay examines when Jewish economic utility actually protected communities, when it merely delayed disaster, and what happens when relevance disappears.

Jewish Industry and Collective Security

HOW ECONOMIC RELEVANCE BECAME A HEDGE AGAINST JEWISH VULNERABILITY — AND WHY IT WAS NEVER ENOUGH ON ITS OWN

For over a millennium, Jews have learned that tolerance proves fickle. Jewish vulnerability increases when communities become economically irrelevant or easily removable. Conversely, being useful—or self-sufficient—has provided hedges against annihilation. Jewish economic concentration emerged from constraint rather than preference. Economic usefulness historically bought conditional protection, not equal rights.

The Zionist movement internalized these lessons. Modern antisemitism twisted this dynamic: in the 19th–20th centuries, Jewish utility was reframed as threat through the trope of the parasitic or conspiratorial Jew.

Constraint as Catalyst

Jewish economic roles concentrated in particular sectors largely due to external constraints—legal bans, guild exclusions, landownership restrictions—rather than preference. When barred from normal livelihoods, Jews adapted by specializing in remaining niches.

Throughout the Middle Ages and early modern period, Jews in Christian Europe faced a maze of legal disabilities. They were prohibited from owning land, joining artisan guilds, and holding public office in most realms. In many cities, special permits confined Jews to segregated quarters or ghettos. They faced heavy taxation and remained vulnerable to expulsion at rulers' discretion.

These structural barriers meant that before considering occupational preferences, Jews must first identify what was forbidden. Guild charters explicitly

excluded Jews, often requiring Christian faith oaths as membership conditions. The result: Jews were locked out of feudal society's predominant activities—agriculture and guild-regulated crafts—regardless of talent or inclination.

Jews gravitated into permitted roles. They were essentially pushed into moneylending, petty trade, peddling, tax collecting, and intermediary occupations. Church law discouraged Christians from lending at interest, so medieval authorities tacitly allowed or invited Jews to fulfill that “un-Christian” but economically vital function. Noble landlords in central and Eastern Europe barred Jews from farming but employed them as estate managers, tax collectors, and tavern operators—roles shunned by or unavailable to the Christian majority.

Documentation of these constraints is extensive. Medieval charters and canon law records detail land ownership bans and special “Jew taxes.” The Holy Roman Empire's statutes referred to Jews as *Kammerknechte* (serfs of the chamber), implying direct royal control while excluding them from regular society. The 1215 Fourth Lateran Council imposed the yellow badge on Jews while reinforcing prohibitions against Jews holding civil or military authority over Christians. Guild defenses of Christian monopolies explicitly cited both religious and economic rationales: outsiders (Jews) were infidels and unwelcome competition.

These measures effectively narrowed Jewish existence to few economic arteries. Had Jews been free to farm or practice crafts, some certainly would have. Wherever small exceptions existed—a Polish prince allowing Jews into cloth trade—Jews seized those opportunities. Overall, however, constraint catalyzed the distinctive occupational profile of Diaspora Jews. Over generations, this imposed specialization yielded remarkable communal skills and pernicious stereotypes. Jews gained expertise in finance, trade, and literacy, making them useful to rulers. But visibility also made them targets of popular resentment. This represented the tragic irony of medieval Jewish condition: they were despised for functions they were forced to perform.

By the early modern era (16th–18th centuries), some restrictions began lifting in Western Europe, but not before deeply inscribing themselves into public consciousness. In central and eastern Europe, Jews were invited for commercial acumen even as laws forbade landownership and guild work. The Polish-Lithuanian Commonwealth granted Jews charters to run mills, distilleries, and tolls (the *arenda* system) because nobles wanted skilled managers. Yet those same Jews were barred from the gentry and subject to separate jurisdiction. They were useful—thus tolerated—but not emancipated.

Literacy Without Protection

From antiquity, Jewish culture has been uniquely text-centered. By religious mandate, Jewish males were encouraged (even required) to learn Hebrew and study scripture. By the medieval period, virtually every Jewish community maintained a *cheder* or school for boys, with many girls educated as well. The result: literacy rates far exceeded surrounding peasantry.

While exact figures remain elusive, contemporary accounts frequently noted that even poor Jewish tradesmen could read and write, whereas Christian lower classes could not. Hebrew literacy (and later adoption of local languages in writing) meant Jewish merchants could maintain accounts and letters, preserving trust across time and distance. In an era where a majority of Europeans were illiterate, a community where most adult men (and many women) could read business letters and keep ledgers possessed clear commercial advantage.

This literacy fed directly into contract enforcement and trust via shared networks. Jewish law and communal structures provided mechanisms to uphold agreements even across borders. Widespread religious study imbued Jewish businessmen with a common legal vocabulary and ethical framework. Merchants separated by thousands of miles—say, a trader in Alexandria and another in Yemen—could strike deals via letters, knowing that if one party cheated, the tight-knit Diaspora information network would destroy his reputation.

Surviving correspondence from the Cairo Geniza (a medieval document cache) shows Jewish merchants routinely acting as each other's agents, shipping goods on consignment and extending credit purely on written letters and communal accountability. In an age without instant banking or reliable cross-country lawsuits, such trust-based networks proved extremely valuable. A Jewish trader from Venice could send a shipment to a cousin in Salonica with confidence that profits would be split fairly—and if not, the offender would face communal sanctions.

Jewish merchants also benefited from multilingualism and dispersion. A Jew from Baghdad could appear in Amsterdam or Cochin and find a co-religionist community, however small, where he could speak Hebrew (the common tongue of prayer and study) or a Judeo-local dialect (such as Yiddish or Ladino), and access local expertise. These far-flung connections functioned as a proto-“credit rating” system and distribution channel for news. They allowed Jews to move capital and physically relocate with relative ease compared to rooted peasant populations. If expelled, they could appeal to kin elsewhere. If persecuted in one port, they might redirect goods to another where a friendly Jew would manage sales.

Medieval Jewish wealth often took forms of jewels, gold coins, or debts recorded on paper—forms one could carry or transmit, since owning land or heavy assets proved risky when expulsion threats loomed. Jewish refugees from Spain in 1492 famously sewed gemstones into clothes and re-established businesses in the Ottoman Empire within years. Generations of such experiences taught Jews to make wealth mobile and skills transferable.

Yet we must not romanticize these advantages. Literacy and global networks made Jews useful, but also vulnerable. A Jewish merchant's ledger and community connections could sustain trade transcending political boundaries. However, no state reliably enforced his contracts or protected assets if a powerful debtor chose to default. Rulers and church officials often viewed Jewish

wealth as fair game. A Jewish banker might possess meticulous records proving a king owed money. That could never stop that king from expelling the banker and invalidating debts. Sometimes records even facilitated appropriation, as the crown could seize account books and collect debts for itself. The very cosmopolitanism allowing Jews to thrive outside the feudal hierarchy also meant that in crises—unfortunately not uncommon—they had few local allies.

Useful, Not Secure

In early modern Europe, Jewish financiers and traders became state economy linchpins—financing wars, provisioning armies, managing mints—receiving patronage and protection in return. However, this protection remained personal and precarious, lasting only while the Jew proved useful to his prince. When political or fiscal winds shifted, even the most indispensable Jews faced expulsion or murder.

The “Court Jew” phenomenon illustrates this vividly. In the 1600s–1700s, many German principalities and Habsburg lands relied on Jewish businessmen to sustain war efforts and luxury consumption. These *Hoffjuden* lent money, supplied armies with food and munitions, managed taxes, and greased absolutist economy wheels. Men like Samuel Oppenheimer in Vienna or Joseph Süß Oppenheimer in Württemberg became as crucial to their rulers as any general. They could mobilize far-flung Jewish trading networks to provision armies on campaign, or raise large loans when Christian creditors proved reluctant.

According to historian Howard Sachar, 17th-century dukes “continually engaged in bitter dynastic wars” needed supplies from across Europe, and “the purveyors and factors providing those supplies were almost invariably Jews.” They also weren’t bound by guild regulations or church scruples about profiteering.

The reward for these risky services was conditional privilege. Successful Court Jews received precious rights denied ordinary Jews: permission to live outside ghettos, exemptions from wearing badges. Princes dangled these incentives because they needed Jewish purveyors highly motivated. The chance to dwell freely at court “with the privileges of Christian courtiers” dazzled Jews normally confined to ghetto shadows. In exchange, the Court Jew staked his fortune and often his life.

The Court Jew’s usefulness to the prince made him hated by populace. He was seen as an enforcer of high taxes, a confidant in shady royal deals, a symbol of foreignness at power’s heart. Christian courtiers, jealous and bigoted, constantly whispered against these upstart Jews and seized any pretext to attack them. Popular antisemitic tropes adapted. No longer was the Jew only a ghetto moneylender; now he was the secret power behind the throne.

The Thirty Years’ War (1618–48) ravaged Central Europe. Afterwards, many princes literally couldn’t fund armies without Jewish credit. Habsburg Emperor Leopold I turned to Samuel Oppenheimer in the late 1600s to finance

and provision wars against Ottoman Turkey and Louis XIV of France. Oppenheimer assembled a Jewish financier syndicate across Germany (Frankfurt, Mainz, etc.) to extend massive loans and deliver supplies on credit.

When Oppenheimer died in 1703, the Viennese court nearly went bankrupt because the empire's finances were so entangled with his operations. The Habsburgs' solution: simply find other Jewish purveyors to fill the breach. In one sense this demonstrates Jewish indispensability. These states might not have functioned (or won wars) without the credit and logistical talents of their Jewish service elite. Rulers certainly valued these Jews—many protection edicts were issued to keep a Court Jew safe from the Inquisition or mobs, because the treasury needed him. The Holy Roman Emperor sometimes issued a *Generalprivilegium* granting a Court Jew freedom of worship and movement, overriding local anti-Jewish laws, purely because he was useful to imperial finances.

Yet crucially, none of this translated into security for the broader Jewish population. The masses remained in ghettos, often paying prices for their protector's prominence. If a Court Jew fell from grace, sometimes local people took revenge on entire communities. Moreover, even at their height, Court Jews were isolated phenomena. The pattern was often cyclical: extraordinary tolerance and favor in one generation, followed by backlash and expulsion in the next.

Early modern expulsions often correlated with state power or finance shifts. When Spain expelled its Jews in 1492, part of the context involved that after the Reconquista, Ferdinand and Isabella had new revenue sources and felt they no longer needed their Jewish and converso advisors—many already undermined by jealous courtiers and churchmen. Once kings figured out how to tax nobles and merchants directly (or found Christian bankers), the Jews' special usefulness evaporated and with it their fragile immunity. Edward I's expulsion of England's Jews in 1290 came only after he had wrung them dry and instituted new taxes on the broader population. When Jews lacked funds to continue lending the king money, they were dispensed with.

The Integration Trap

After centuries of enforced separateness, the Enlightenment and liberal revolutions of the 18th–19th centuries opened new doors for Jews in Europe. Suddenly, in theory, Jews could attend university, join professions, live where they pleased, intermix. By the late 19th century, Jewish families that for generations had been peddlers or ghetto bankers sent their sons (and some daughters) to universities and cities. The result: strikingly quick integration of Jews in the modern white-collar and intellectual elite, especially in the relative “golden age” from about 1870 to 1914.

In the German Empire, Jews constituted only about 1% of the population, yet occupied a disproportionately large share of professional positions. By the Weimar era (1918–1933), roughly 16% of Germany's physicians were Jewish, 15% of its dentists, 25% of its lawyers, and an astonishing 50% of theater

directors. In Berlin's vibrant cultural scene, Jews managed or edited a majority of major newspapers and played leading roles in literature, music, and science. Vienna showed similar numbers: in interwar Austria, Jews (3.5% of the population) made up 27% of university professors.

Jews had long honed skills in finance and trade. Now they could found modern banks and industrial companies, which many did. Families like the Rothschilds, Warburgs, Mendelssohns, and others proved pivotal in developing European capital markets in the 19th century. In academia and arts, Jewish talent once channeled into Talmudic scholarship or liturgical music now flowed into secular fields, producing luminaries (Freud, Einstein, Mahler, among others) who fundamentally shaped modern thought. In Germany, Jewish scientists and businessmen stood at industrialization's forefront and innovation. By the 1920s, one could plausibly argue that German Jewry was a cornerstone of the nation's intellectual and economic life. A Jewish foreign minister (Walther Rathenau) negotiated major treaties. Jewish professors taught in prestigious faculties (until purged). Jewish bankers helped stabilize the shaky post-WWI economy.

Yet this very success fed a poisonous narrative among antisemites. To diehard chauvinists and racial theorists, Jews appeared not as dedicated patriots (though many were) but as a "foreign body" thriving at the host's expense. The trope of the Jew as "rootless cosmopolitan" or international puppet-master took root. German cultural antisemites felt unnerved that Jews, constituting a tiny fraction of people, were so visible in public life. They fixated on numbers and names. How many Jews in academy? How many in press? They spun statistics into conspiracy.

For instance, an antisemitic Weimar pamphleteer might rant that while Jews comprise less than one percent of Germany's population, they "control" law and medicine to a grossly "disproportionate" extent.

The newly unified German Empire initially embraced Jewish emancipation. Many German Jews were fervent patriots who fought in World War I for the Kaiser. But alongside official tolerance grew an ugly undercurrent. By the 1880s, an organized antisemitic movement had emerged, with figures like Wilhelm Marr openly warning that Jews, with their press and finance influence, were conquering Germany from within.

Marr's 1879 pamphlet "The Victory of Judaism over Germandom" proclaimed that Jews had become a "world power" and that naive Germans were essentially enslaved to them. He wrote in dramatic despair, announcing "Finis Germaniae!" (the end of Germany) at the hands of triumphant Jewry. Marr's secular, racial antisemitism reframed Jewish "usefulness" as infiltration. Jews weren't outsiders to be kept down, in his view. They had "won" and now ruled behind scenes, which he found intolerable. "Israel has become a world power of the very first rank," he sneered, urging Germans to awaken to their subjugation.

This new antisemitic ideology explicitly painted Jewish emancipation and success as a national menace. A sharp reversal from the earlier notion that

a useful Jew might earn tolerance. Now it was precisely the most successful Jews (bankers, journalists, ministers) who were seen as most dangerous.

In late Imperial Germany and Austria's culture, Jews thus walked a tightrope. Caricatures in Viennese and Munich newspapers depicted hook-nosed financiers manipulating markets or effeminate Jewish writers corrupting German art. The infamous composer Richard Wagner had already, in 1850, written an essay "Jewry in Music" arguing that Jewish influence was inherently degenerate in German culture. By the turn of the century, such ideas moved from fringes toward respectability.

It was a trap, though. Jews did everything a society asked of a minority. They learned the language. They served in the military. They contributed disproportionately to economy and arts. And yet this very prominence was twisted into proof of disloyal overreach.

During the Weimar Republic (1918–1933), the trap snapped shut. Weimar was Germany's most liberal era, and Jews flourished in it. They held cabinet positions, dominated sectors of Berlin's cultural avant-garde, started film studios, and so on. But Weimar was also chaotic, with economic crises and political polarization. Antisemites scapegoated Jews for everything from World War I defeat (the "stab-in-the-back" myth often singled out Jewish socialists for blame) to hyperinflation in 1923 (since some bankers and speculators were Jewish, all Jews were tarred with profiteering).

Far-right propagandists railed against the "Jewish-Bolshevist" threat on one hand and the "Jewish capitalist" threat on the other—a contradictory conspiracy theory that nevertheless resonated. Jewish indispensability to modern German society was spun as a kind of alien grip that needed breaking. Adolf Hitler's Nazi movement capitalized on these tropes to devastating effect.

Hitler incessantly spoke of Jews as a parasitic race controlling Germany's press, economy, and government. In *Mein Kampf*, he described the Jew as having "wormed his way" into key positions, intent on undermining the Aryan nation from within.

The experience of Germany (and similarly Austria, Hungary, etc.) by 1933 demonstrated that no degree of Jewish contribution or patriotism could fully immunize against antisemitism. If anything, the more Jews became visibly woven into national life's fabric, the more elaborate the antisemitic fantasies grew to justify ripping them out. In stable, liberal environments, Jews did thrive and antisemitism receded to margins. But the moment crisis hit—be it war, depression, or social upheaval—those old-new hatreds could be activated with vengeance.

Erasure Before Extermination

When Adolf Hitler took power in 1933, Jews in Germany still held many prominent positions—a Weimar integration legacy. Within months, laws and decrees began expelling Jews from the civil service, judiciary, academia, and journalism.

The April 1933 Law for the Restoration of the Professional Civil Service summarily dismissed Jewish government employees (except some war veterans) from their posts. Similar edicts soon barred Jewish doctors from state hospitals and Jewish lawyers from bar associations. The effect was swift: Jewish judges, professors, schoolteachers, prosecutors—all gone by the mid-1930s. In private sectors, boycotts and Aryanization pressures mounted.

On April 1, 1933, the Nazis orchestrated a nationwide boycott of Jewish-owned shops and businesses, with Stormtroopers standing menacingly at doors. An opening salvo to intimidate Aryan customers away.

Jews were banned from stock exchanges, from owning farms, from advertising in newspapers, from receiving myriad trade certifications. Many Jews saw the writing on walls and tried to sell businesses “voluntarily” at distress prices. This was the first phase of what the Nazis called Aryanization—transferring Jewish property to non-Jewish ownership.

By the regime’s design, these transfers were effectively legalized theft. According to the U.S. Holocaust Memorial Museum, in early 1933 Germany had about 100,000 Jewish-owned businesses. Through a mix of terror, propaganda, and discriminatory laws, about two-thirds of these enterprises were gone by 1938—either shuttered or sold off for pennies to “Aryan” buyers. Jewish owners who agreed under pressure to sell their life’s work might get perhaps twenty percent of its value, if even that. Many accepted such deals simply to be able to emigrate or because Nazi boycotts had run their businesses into the ground.

After the November 1938 Kristallnacht pogrom, Nazi policy shifted from slow strangulation to outright plunder. Rather than punish the perpetrators, Nazi authorities doubled down to finish the economic destruction of German Jewry. Hermann Goering chaired a meeting resulting in decrees to completely eliminate Jews from the economy. One decree forbade Jews from owning retail stores, sales agencies, or engaging in trade. All remaining Jewish businesses were to be forcibly Aryanized or liquidated. Jewish employees were to be dismissed. A collective fine of 1 billion Reichsmarks was imposed on the Jewish community (supposedly to pay for Kristallnacht damage, which the Nazis themselves caused), crippling whatever capital remained in Jewish hands.

The “Decree on the Exclusion of Jews from German Economic Life” essentially completed the erasure: by January 1939, a Jew in Germany could not legally run a business or practice a profession at all. Nazi records show that at least two-thirds of Jewish businesses had already been transferred by 1938, and the rest were finished off in ensuing months. Trust administrators were appointed to manage forced sales, often pocketing huge fees that left Jewish sellers with nothing.

Nazi laws stripped Jews of citizenship (the Nuremberg Laws of 1935) and basic rights. By the late 1930s, Jews couldn’t even attend public schools or go to a movie theater, let alone own a radio or a car. The purpose was clear: reduce Jews to a non-people within Germany, isolated and penniless, so that when physical removal began, few non-Jews would still view them as neighbors or

colleagues. Indeed, many Germans by 1939 had never met a Jewish doctor or teacher. Those Jews had been purged years prior.

The Nazis themselves saw economic “Aryanization” as a precondition to dealing with the “Jewish question” once and for all. Nazi official Hans Frank bluntly stated in 1939, “The Jews must be done away with... wherever we catch one, it’s his end.” But first, as in Poland, they forced Jews into ghettos and seized their property.

Raul Hilberg, the preeminent Holocaust historian, described the process as one of definition (classification of Jews), expropriation (taking their property), concentration (ghettoizing and deporting), and finally annihilation. By 1939, however, Jews in Germany were largely pauperized, dependent on dwindling Jewish charity. They had been made into a separate caste with which ordinary Germans had minimal contact. Thus, when mass deportations from Germany to ghettos and death camps started in 1941, they occurred in a society already conditioned to see Jews as outsiders with no role or place. The genocide machine ran smoother because the victims had already been economically nullified and socially excised.

Notably, this pattern extended in Nazi-conquered territories as well. In Austria after the 1938 Anschluss, Nazis immediately implemented Aryanization at lightning speed. Within mere months, Vienna’s Jews were divested of most businesses and many apartments. In occupied Poland, even before mass killings, Nazis confined Jews to ghettos and systematically stole their businesses, property, and even basic possessions (down to kitchen utensils and winter coats).

By the time the Nazis began deporting Polish Jews to Treblinka and Birkenau, those Jews had been living on starvation rations in sealed ghettos, with no assets left. They were, in both Nazi and Polish collaborator eyes, completely disposable. It reduces resistance (hunger dulls fight) and it reduces sympathy from surrounding population (“these beggar Jews carry disease and contribute nothing”—a common refrain engineered by the Nazis).

The fact that most Germans saw Jews as an anathema and burden by 1939 eased the path to genocide. When Jews lose all leverage and utility in the eyes of their neighbors, their vulnerability is total.

Zionism as Economic Security

Theodor Herzl, the founder of political Zionism, is often remembered for his diplomatic and political vision (chartering a state, gaining international legitimacy). But even Herzl, in *The Jewish State*, devoted considerable attention to the economic blueprint of a future Jewish polity.

He envisioned a “Jewish Company” that would systematically transfer people and capital to the new land, creating infrastructure and agriculture. Herzl knew that a state needed an economic base, not just ideology. The Labor Zionists—figures like A.D. Gordon, Berl Katznelson, and David Ben-Gurion—turned the idea of Jewish labor into a near-religious ethos.

Gordon preached that Jews in their homeland must redeem themselves by working the land with their own hands, after generations of being barred

from soil and confined to middleman trades. “We lack the habit of labor,” he warned in 1911, meaning productive, physical labor connected to nature.

Concrete policies reflected this doctrine from the earliest Zionist settlements. The First Aliyah (1880s–1900) of Zionist pioneers, and even more so the Second Aliyah (1904–1914), prioritized agriculture. They established moshavim (farming villages) and later kibbutzim (collective farms) with the explicit aim that Jews become a nation of farmers and workers, not just traders and scholars.

By working as pioneers, Jews were training themselves to fill every role a society needs. Ben-Gurion later said that the yishuv (pre-state Jewish community) had to create a “working class, an intellectual class, an army—all strata of a normal nation.” In effect, Zionism was trying to short-circuit the centuries-old cycle of Jews as a narrowly specialized minority. No more just “People of the Book” or finance. In the new old land, Jews would be farmers, soldiers, builders.

The emphasis on manual labor and agriculture was striking given many pioneers were urban intellectuals. They were deliberately turning themselves into peasants and proletarians. Why? Partly for moral or spiritual reasons—to reconnect with the earth and shed the “unnatural” Diaspora livelihood profile—but also as a strategic hedge. If you wield a hammer and rifle, a mob hesitates to attack.

Zionism’s early literature is replete with this kind of reasoning. For instance, the Labor Zionist leader Berl Katznelson wrote that the tragedy of European Jewry was having “no share in the physical defenses or food production of the nations.” When those nations turned on them, in his view, Jews were helpless.

We see this doctrine in action in the Jewish Yishuv of the 1920s–1940s. The community built the Histadrut (General Federation of Hebrew Workers in Eretz Israel) in 1920, which quickly became not just a labor union but a vast economic engine organizing workers, running companies, and providing services. The Histadrut founded a construction firm to build roads and public works (thereby training Jewish builders and literally laying the country’s foundations). It started *Tahal* (water engineering), *Tnuva* (an agricultural marketing co-op for Jewish farms), and even a shipping company. By the 1930s, the Histadrut ran its own health insurance (*Kupat Holim*) and owned a bank. It was, as one historian put it, a “state within a state” that helped create a self-contained Hebrew economy.

Indeed, the 1945 British White Paper, which limited Jewish immigration and land purchase, led the Yishuv to intensify its autonomous institutions rather than wither. By the eve of independence, the Jewish sector in Palestine had farms producing food, factories weaving textiles and refining sugar, its own electricity company (founded by Pinhas Rutenberg in the 1920s), and even armaments workshops working clandestinely.

In short, Zionism by 1948 had largely realized its goal of an integrated Jewish economy.

The leaders of the Yishuv saw the coming struggle for statehood against potentially all the surrounding Arab states. Economic resilience would be as important as battlefield wins. Ben-Gurion in particular was fixated on developing industrial and military capacity. Under his leadership, even before statehood, the Yishuv set up the Haganah's arms industry—secret factories producing bullets (like the famous underground “Ayalon Institute” bullet factory) and guns. They did this because they couldn't count on foreign arms suppliers in times of need.

Labor Zionist writings often invoked the siege mentality—not paranoid, given actual sieges like Jerusalem in 1948 happened. In their view, a Jewish community must be as self-reliant as possible to weather hostility.

The prioritization of industrial capacity alongside farming became more pronounced after the 1930s. Initially, Zionism was agrarian-romantic, but reality dictated diversification. The Yishuv leadership facilitated the creation of enterprises to absorb them: textile mills, metalworks, chemical plants. Seeds of what would become Israel's industrial base. There was also ideological adaptation. The Revisionist Zionists under Jabotinsky emphasized the need for a Jewish “iron wall” of defense and self-sustenance. While the Labor Zionists, somewhat utopianly, spoke of cooperatives, they too believed in building heavy industry.

In the 1940s, the Jewish Agency (the quasi-government of the Yishuv) drew up economic plans anticipating statehood—including development of mineral resources from the Dead Sea, expanding the port of Haifa, and establishing energy independence.

The Zionists internalized lessons of catastrophe even before 1945. Every weakness—inability to leave when borders closed, inability to arm themselves, reliance on gentile society that turned hostile—had been exploited by the Nazis. Zionism sought to remedy each of those weaknesses.

It's no coincidence that Israel's Declaration of Independence explicitly mentions the Holocaust and the need for a Jewish state in its wake, implicitly promising that never again would Jews be dependent on others for their right to live. A Jewish homeland with farms to feed its people, factories to equip them, and an army to protect them. In other words, a homeland where Jews would never be economically irrelevant or superfluous.

Industry as Defense

In the State of Israel, economic and industrial development—especially in defense, science, and technology—has been pursued with an eye toward national survival. Facing existential threats and frequent embargoes, Israel built indigenous defense industries to ensure it could arm itself even if cut off from suppliers. Additionally, by exporting military and technological products, Israel has woven itself into global economic networks and subtly constrained the behavior of would-be adversaries and allies alike. Israeli industry became an extension of the nation's defense doctrine, creating deterrence through capability and interdependence rather than through sympathy.

In 1948, the fledgling nation fought its War of Independence with a hodge-podge of arms, many smuggled or improvised. Indeed, early on Israel did manage to buy arms from abroad (Czechoslovakia in 1948, then France became a primary supplier in the 1950s–60s). But the lesson was reinforced dramatically in 1967, on the eve of the Six-Day War, when France—then Israel’s main source of fighter jets—imposed an arms embargo.

President de Gaulle abruptly halted delivery of Mirage V aircraft that Israel had paid for, due to shifting French interests in the Arab world. The French arms embargo “shocked the IDF into rethinking its... exclusive reliance on imported munitions” and led to a new policy of “Munitions Independence.” In practice, that meant Israel redoubled efforts to produce major weapons systems at home henceforth.

Already by the mid-1960s, Israel had established core defense companies: Israel Military Industries (IMI) for firearms, ammo, etc., Israel Aircraft Industries (IAI) for aviation, and Rafael for advanced weapons research. These steps laid groundwork, but the post-1967 push was to make truly indigenous designs. Israel realized it might need to build its own fighter jets, missiles, naval craft—big-ticket items usually reserved for superpower industries.

And they did. Within a decade of the French embargo, Israel’s IAI rolled out the “Nesher” and then “Kfir” fighter jets, essentially copies/upgrades of the Mirage, with domestic modifications and a U.S. engine. The Kfir entered service in the 1970s and was even exported to countries like Colombia.

When Israel’s Navy faced new Soviet-supplied Arab missile boats, Israel innovated by building its own missile boats and equipping them with Gabriels—resulting in decisive naval victories in the 1973 Yom Kippur War where Israeli boats sank multiple Egyptian and Syrian vessels with these homegrown weapons. Israel also embarked on its own main battle tank, the Merkava, in the 1970s.

By the 1980s, Israel had a full-spectrum defense industry, producing small arms, artillery, electronics, drones (pioneering unmanned aerial vehicles early on), and high-tech systems like the Arrow anti-missile radar.

Israel’s focus on R&D and industry was to constrain the enemy’s options. By having domestic missile capabilities, Israel negated certain Arab naval advantages. By having a nuclear reactor, Israel introduced existential deterrence that has arguably prevented some more all-out wars. Technology became Israel’s answer to being outnumbered.

Ben-Gurion encapsulated this in his doctrine of “qualitative military edge” (QME)—Israel must always have better equipment and training to offset the quantity of adversaries. Since foreign suppliers might not always guarantee that edge, Israel secured it by building key pieces itself.

Indeed, enemies were often fighting an Israeli force whose capabilities they did not fully comprehend, thanks to domestic innovation kept under wraps until used. This is deterrence by uncertainty—a product of industrial prowess.

Another dimension is how Israeli tech exports create strategic ties. From the 1970s onward, Israel became one of the world's leading arms exporters. By the 1980s it was exporting billions of dollars of arms per year. Countries purchasing Israeli weapons or technology ranged from India to Turkey to Western nations.

For example, Israel's sale of military drones and radar to India in the 2000s helped cement a quiet alliance. India became much friendlier as it valued Israeli tech for its own security needs. This meant that even nations that might not "love" Israel were nonetheless entangled in mutually beneficial deals and it subtly constrained their willingness to isolate Israel.

Even major powers: the United States benefits significantly from Israeli innovation—whether arms, technology, or intelligence. (Though the U.S. and Israel are close allies now, it's important to remember that has not always been the case, and Israel must continue to safeguard its arms production in case the U.S. turns away.)

Europe too, despite the bloc's rhetoric, buys Israeli security tech.

Thus Israel managed to transform itself from a poor client state in 1948 to an indispensable supplier in certain global markets by the 21st century.

Everything from drip irrigation technology (vital for agriculture worldwide) to Intel processors designed in Israel (half of Intel's new chips come via its Israeli R&D centers) means that many economies have a stake in Israel's stability. This economic integration creates a diffuse deterrent. Nations or actors considering extreme actions against Israel must consider fallout on themselves.

The deterrence without affection concept fits here. You might not love Israel, but you need its tech or fear the market consequences of instability. Even regional adversaries feel this. Take China, which politically supports anti-Israel positions at the U.N. but simultaneously buys Israeli technologies (like agri-tech, artificial intelligence) and thus maintains functional ties.

Or Arab Gulf states, which have quietly engaged Israeli cybersecurity firms because they value the know-how, leading in part to the Abraham Accords normalizations in recent years. Israel's prowess turned it from pariah to partner in their eyes, when confronting common threats like Iran.

Israeli industry—forged initially from that Labor Zionist ideal of self-reliance—evolved into a strategic asset on multiple fronts. Capability constrained enemies. Israel's independent arms deterred attacks (enemy pilots knew Israelis might have better electronics, enemy tank crews faced Israeli-made missiles like Spike, etc.). Exports constrained allies' behavior: friends and semi-friends became more cautious about isolating Israel knowing they benefit from its exports (and Israel can seek other markets).

And economic integration created deterrence without affection: countries intertwined with Israel economically may still criticize it, but they have concrete reasons not to push too far (sanction calls fizzle when your own industries would suffer).

The Accusations Return

In the late 19th century, Jews finally coming out of ghettos gave us modern political antisemitism. In the 1940s, even stateless, powerless Jews were exterminated due to a lie about their “power” over Germany’s loss in WWI. Today, with Israel strong and diaspora Jews influential in the West, new theories abound.

Antisemitism is an irrational shapeshifter: evidence is molded to fit the predetermined conclusion that Jews are to blame. If Jews are poor and powerless, they are despised as parasites. If they are successful and influential, they are feared as conspirators.

The core tropes of antisemitism have remained remarkably consistent even as they shift forms. Modern antisemites weaponize Jewish visibility and success to peddle conspiracy theories of disproportionate Jewish power. It is critical to differentiate actual Jewish influence (which exists in some realms, as for any successful minority) from the mythologized control portrayed by hate propagandists.

Another modern incarnation is the “Zionist Occupation Government (ZOG)” conspiracy beloved by neo-Nazis and white supremacists. This vile theory asserts that Jews (often specifically via Israel or “Zionists”) secretly control ostensibly gentile governments like the US, using puppet politicians. It’s basically a rehash of *The Protocols of the Elders of Zion*, the notorious czarist-forged text that purported to be minutes of a meeting of Jewish leaders plotting world domination.

The Protocols, though debunked a century ago, continues to circulate globally, from the West to the Middle East, fueling beliefs that events are orchestrated by a Jewish cabal. We hear about AIPAC, for example, in countless conspiracy theories. In truth it’s a small and not particularly well-funded domestic lobbying organization. But the conspiracies leap to demonic heights, depicting it as an all-powerful entity pulling strings worldwide.

The content of the Jew-hater’s accusation adapts to the times (from “they poison wells” to “they run the media” to “they control the government”), but the structure is constant. In their minds Jews are orchestrating behind the scenes for malign ends.

When something happens—be it a financial crisis, a war, a pandemic, whatever—in certain circles the reflex is to “find the Jew.” It is almost formulaic: increased Jewish visibility or involvement in any major sector (pharma, high finance, etc.) invites twisted attributions of omnipotence.

Political rhetoric even at high levels has indulged these tropes. In Hungary, Viktor Orban’s government ran billboard campaigns vilifying George Soros as an enemy of the people (dog-whistling on anti-Jewish sentiments). In the US, terms like “globalist” have been used by some politicians as code.

Take just one example where President Trump’s close advisor Steve Bannon explicitly described the media as dominated by a cosmopolitan clique.

When Jews fight back or succeed, the antisemites pivot their narrative but keep the Jew as villain. In medieval times, Jews were accused of arrogance and impudence if they became wealthy (“insolent usurers” etc.). In modern times, when Jews gained a nation-state (Israel) and a military, antisemitism adapted by painting Israel as the global bully. “The Jew among nations” as some call it.

This isn’t to deflect legitimate criticism of Israel’s policies, but to note that a lot of what circulates crosses into familiar antisemitic territory: e.g., cartoonists drawing Israeli politicians as puppeteers of American presidents (straight out of the Protocols imagery), or depicting a hooked-nose Netanyahu killing children for blood (a literal blood libel motif). The “global elite” accusation often lumps Jewish billionaires, Hollywood figures, bankers, and Israel all together into one grand conspiracy of a “New World Order.”

On the extreme left, it merges with anti-capitalism (Jews as arch-capitalists controlling Wall Street) or anti-imperialism (Jews as the masterminds of American imperial policy). In both, real Jewish individuals in high places are cherry-picked as “proof.” Whether that’s a Fed chairman here, a Hollywood studio head there, a few influential neoconservatives in the Bush administration—to weave a tale that “the Jews” as a collective run the show.

Antisemites interpret any Jewish power as inherently nefarious and vastly overstate it. They also scapegoat Jews for outcomes with many causes. An economic crash? Blame Jewish bankers. Social changes? Blame Jewish media owners. They collapse complex systems into a single Jewish causation, which is exactly what the Protocols did. Portray Jews as omnipotent puppet-masters of anything bad.

In many Muslim-majority countries, state propaganda and clerical rhetoric frequently demonizes “al-Yahud” (the Jews) far beyond any reality. In Iran, the regime pushes the notion that an “American-Zionist” cabal (basically Jews and their dupes) orchestrate sanctions and wars. So the Jew-as-global-manipulator motif is truly universal at this point.

This dynamic underscores that antisemitism does not disappear with progress; it mutates. In the extremist cesspools—whether on the left or the right—memes about “Happy Merchant” (a derogatory cartoon of a Jew rubbing hands) circulate widely, linking any event to Jewish scheming.

The Tree of Life synagogue shooter in Pittsburgh (2018) believed Jews via HIAS (a Jewish refugee aid group) were responsible for mass immigration and thus for “white genocide.” So, naturally, he massacred Jewish worshippers. On the left, campus movements have slid from criticizing Israel to peddling age-old stereotypes (like painting Jews as collectively privileged or dual-loyalty suspects).

The patterns are old. The medium is new. The violence is here already.

Diaspora Under an Umbrella

Diaspora Jews have built extensive institutions (philanthropic networks, schools, defense leagues, political lobbies, to name but a few) to protect their interests

and vibrancy. There is an unspoken understanding that if the worst happens, Israel is the insurance policy for Jews worldwide. In effect, the existence of a sovereign Jewish industrial-military power provides a collective security umbrella under which diaspora Jews operate—even if they seldom acknowledge it directly (or prepare to shield themselves with it).

Jewish communities, especially in North America and Europe, pour significant funds into security and continuity. After a spate of attacks (like the 2015 Paris kosher supermarket shooting or 2018 Pittsburgh synagogue shooting), Jewish organizations stepped up spending to harden targets. In the UK, the Community Security Trust (CST) is a major charity that works closely with police to protect Jewish sites, funded by communal donations and government support.

Instead of pleading with kings, Jewish groups now deploy professional security consultants and lobby for hate-crime legislation. Education is another pillar. Keeping Jewish identity strong through day schools, camps, Hillels on campus, etc., to ensure the community remains cohesive and can advocate for itself. And indeed, day school enrollment and birthright trips to Israel (10-day Israel trips for young Jews subsidized by philanthropists) are aimed at fostering a sense that Jewishness is worth preserving.

However, one must candidly note that professional and geographic concentration can be a double-edged sword. Many diaspora Jews are concentrated in certain urban centers and fields (e.g., law, medicine, finance, academia, media). It's not the 1930s, but echoes remain. Yet integration and success are not things one can or should roll back.

Importantly, diaspora Jewish well-being today is entwined with Israel in less obvious ways. In the back of many Jewish minds is the assumption that Israel's Law of Return offers them a passport to safety should things deteriorate drastically—though many would be hard pressed to be able to avail themselves of it in less than a year or two's notice. An assumption of a luxury that their beleaguered ancestors never experienced.

After the 2015 Charlie Hebdo/HyperCacher attacks in Paris, Israeli PM Netanyahu invited French Jews "home" to Israel and indeed aliyah (Jewish immigration to Israel) from France spiked in the years since. While most French Jews stayed, it was widely understood that if France became intolerable, Israel is a lifeboat.

American Jews seldom contemplate making aliyah (they feel safe in the US historically—its worth noting that many Jews felt the same but ultimately regretted it). But even they draw comfort from Israel's existence. And it's Israel's industrial-military strength that makes that promise credible. It airlifted Jews in distress from Ethiopia, rescued Jews in Entebbe, and will absorb many more when it has to.

However, reliance on Israel comes with complexities. Some worry diaspora communities might become complacent ("if anything, we have Israel"). Also, the association with Israel can itself spark localized antisemitism, especially

when Israel is at war. Nonetheless, the strategic link is evident and diaspora leaders often quietly coordinate with Israeli officials on security.

At the highest level, Israel sees itself as responsible for Jews worldwide—which occasionally causes friction—but in dire scenarios it's a reassurance.

One interesting evolution: diaspora institutions have mimicked state-like behavior on a small scale. There are Jewish emergency networks, volunteer patrols (e.g., Shomrim in Orthodox neighborhoods) functioning as quasi-police for their own community. Thus, continuity programs (Birthright, Honeymoon Israel, etc.) are indirectly part of collective security—making sure the next generation stays Jewish and supportive of Jewish causes, including Israel.

What History Teaches

Looking back over this expanse of history, certain blunt lessons stand out. As we articulate them, it's not to celebrate struggle but to candidly acknowledge what has and hasn't worked in ensuring Jewish continuity.

Economic relevance is not the same as assimilation or acceptance. Jews often thought (or hoped) that being useful to their neighbors or rulers would translate into safety. The moment a society decided it could do without Jews, whatever grudging tolerance existed evaporated. Having leverage (financial, commercial, etc.) protected Jews to a point, but it never meant they were loved or truly seen as one of the “in-group.”

A Court Jew could live in a palace, dine with princes, even hold a noble title. But he would still be executed or expelled when tides turned. In modern times, Jews became fully integrated Germans, Frenchmen, Poles—winning medals in WWI for their countries—yet this patriotic assimilation did not prevent vicious antisemitism from labeling them outsiders and destroying them. Being relevant or even seemingly indistinguishable culturally does not guarantee security. It might delay hatred's worst expression, but it doesn't cure it.

As the historian Salo Baron noted, the “less conspicuous” Jews tried to be, sometimes the more shocking the outbreak when scapegoating seized on them as the hidden hand.

Goodwill is a fickle shield—structured power is a far safer bet. Time and again, Jews benefited from periods of tolerance or philo-semitism. A golden age in Muslim Spain, Enlightenment-era emancipation, the benevolence of certain kings or presidents, feeling well integrated in the United States. But if that goodwill wasn't backed by durable institutions and if Jews lacked their own means of self-defense, it proved fleeting. Sentiments change with economic or political stress.

The only times Jewish security held firm was when it was underwritten by concrete power. E.g., the post-1948 scenario where Israel's survival doesn't depend on anyone's mood but on the IDF and the nation's strength. In the diaspora too, what truly protects Jews in, say, America is not that Americans inherently adore Jews (more and more surveys show they don't); it's that the American system has up until recently enforced anti-discrimination laws.

“Never again” is underwritten by fighter jets and alert intelligence services, not by hopes that humanity has morally evolved. Structural guarantees, whether legal or military or economic, matter more than sweet words at interfaith banquets.

Institutions matter more than sentiment. Jews have survived and thrived when they built robust communal institutions. When crisis hits, it's the institutions that mobilize protection or response, not general sympathy. For example, Eastern European Jewry in the late 1800s faced pogroms. What helped more than pleas for mercy were new institutions like the Jewish press to alert the world, proto-defense groups, and eventually Zionist groups that gave Jews collective voice and options.

A lone family or small shtetl is easily victimized. An organized community with networks can exert pressure and find refuge. On the grand scale, Israel itself is the ultimate Jewish institution: a state. It treats global Jewry as citizens in absentia to some extent. The existence of that state has literally altered outcomes for threatened Jews (e.g., airlifting Ethiopian Jews facing famine and regime collapse in 1980s).

Relevance reduces vulnerability but never erases hatred. Put plainly, it's better for Jews to be needed than to be expendable. Utility can stave off the worst. We saw that in various cases where rulers shielded “their” Jews from slaughter because they filled the treasury. In modern democracies, being productive citizens and major contributors to culture and economy certainly helps mainstream acceptance.

But as I try to underscore here, it doesn't erase the hatred. It never has. It never will. It simply pushes it to the margins or mutates it (in the U.S., into coded talk about “Hollywood elites” or conspiracies about Federal Reserve). And if a society's cohesion cracks, those old toxins can flood back in, regardless of how many Nobel Prizes or civic awards Jews have won.

So yes, it's better to be relevant: it beats being a powerless pariah easily scapegoated with no allies. But one must always be aware that indispensability can be fleeting and will breed envy.

Survival, Engineered

Perhaps the clearest overarching truth: Jewish survival is a story of agency, not passively outlasting persecutors. No one handed us survival on a silver platter. Often, world powers actively tried to destroy us. Jews have survived by grit, ingenuity, and adaptability. Our people have learned foreign languages, mastered new trades, migrated across continents when needed, formed alliances where possible, and resisted (culturally, politically, spiritually, and at times physically) when no alliance was there.

This is the antithesis of the antisemitic portrayal of Jews as puppet-masters. Jews were more often scrappy underdogs hacking the system of the day to carve out breathing room. The “collective security” Jews enjoy today (relatively robust communities, a sovereign state) is not a fluke of history or simply pity after the Holocaust. It was built, piece by piece.

From Herzl's diplomacy to farmers draining malaria marshes. From lobbying for minority rights in new nations after WWI to investing in education and science to ensure Jews excelled. In every era, Jews who cared about their people's future did something to secure it. A banker negotiated a loan to stop a pogrom. A rabbi established a school to empower youth. A Zionist worked a quarry to literally lay foundations.

It hasn't been an easy or linear journey. It's been fraught with cruel setbacks. But the Jewish people bent the arc of their history through will and work.

I keep thinking back to that conversation—to the confidence embedded in those words: "We're relevant. People need us."

History says that sentence is neither foolish nor sufficient.

Relevance has saved Jewish lives. It has postponed violence. It has created leverage where none should have existed. But it has also bred resentment, myth, and accusation. And when relevance was stripped away—deliberately, methodically—extermination followed. Whether that was before or after Hitler's Shoah.

Zionism understood this not as a moral failure of others, but as a structural reality of history. Israel wasn't built to be admired. It was built to be necessary. And more importantly, to be unremovable.

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Mitzpe Institute is an intelligence and strategy organization focused on Israeli security, diaspora threat assessment, and the strategic challenges confronting the Jewish people and the West. We produce daily intelligence, forensic analyses, strategic assessments, and tactical briefings read by policymakers, military leaders, and institutional decision-makers across more than 90 countries and all 50 US states — from the Knesset and the US Congress to allied governments, major policy institutions, and Jewish organizational leadership worldwide.

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