

Finance: Complicity of Dexia in very serious Human Rights violations in the Israeli occupied territories

Series: Banks and the “Too big to jail” doctrine (Part 8)

Tuesday 1 July 2014, by [TOUSSAINT Éric](#) (Date first published: 11 May 2014).

In 2001, the Dexia Group (Dexia SA) took over the Israeli bank *Otzar Hashilton Hamekom*. It has been disclosed that this subsidiary – now called Dexia Israel – finances Israeli colonies in the Palestinian territories [1] which means Dexia is involved in the occupation of Palestine. As the platform “Palestine occupée – Dexia impliquée (Occupied Palestine – Dexia Involved)” says, “financing these colonies contravenes international law, in particular article 49 of the fourth Geneva Convention, which states, ‘The occupying power shall not deport or transfer parts of its own population into the territory it occupies.’” [2]

It follows that the Dexia Group can be held responsible for contravening international law along with the principal shareholders of Dexia SA, the French and Belgian governments. In 2008, Pierre Mariani, Dexia’s CEO justified this practice of financing the Israeli colonization by claiming that the amounts involved were very small (1%). Nevertheless, these loans continue to finance the development of colonies in Jerusalem and the West Bank. What is more, Israel has enjoyed a period of strong economic growth and the amount of money invested to finance the colonies has also increased. Pierre Mariani, whose arguments have been exploited by the bank, considers the colonies to be simple local Israeli communities, although the UN Security Council has repeatedly condemned the Israeli occupation policy.



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Thanks to the actions of the “Occupied Palestine – Dexia Involved” platform, [3] which includes more than 80 municipalities, associations, political parties and trade unions, Dexia’s management is regularly questioned about Dexia Israel at its Annual Meeting of Shareholders.

Jean-Luc Dehaene, the former Belgian Prime Minister, who died in May 2014, is also responsible for the shady activities of Dexia Israel. Although all major media outlets in the country have spoken highly about his career, Jean-Luc Dehaene played a very negative role in the Dexia case from start to end. He was Chairman of the Board of Directors of the Dexia Group from 2008 to 2011. Yet, when he resigned after the dismantling of the bank in October 2011, he rejected all responsibilities for Dexia’s failures. [4]

It is the government of which he was the Prime Minister that introduced banking deregulation in Belgium, and privatized Dexia in 1996, when it was sold off for €750 million. Jean-Luc Dehaene became president in 2008 after the bailout, but has in no way improved the bank's situation. He supported the positions of Pierre Mariani, along with his salary increase to €1 million. Once he had left, all Jean-Luc Dehaene could find to explain Dexia's deplorable situation was to blame it on his predecessors. [5]

In response to questions asked during the Annual Meeting of Shareholders in May 2009, Jean-Luc Dehaene replied that the West Bank colonies - which he did not name as such, preferring to use the term "disputed entities"! - would no longer be financed by Dexia. Concerning the occupation of East Jerusalem, he said that Dexia does not consider the city to be occupied. East Jerusalem is recognised to be an occupied territory by the International community through Resolution 476 passed by the UN Security Council in 1980! [6]

Contrary to Jean-Luc Dehaene's declarations, new loans were granted in June 2009. At Dexia's Annual Meeting of Shareholders in May 2011, the former Prime Minister announced the sale of Dexia Israel during the coming summer. An empty statement, which was, once again, not respected. Dexia continues to finance the occupation, as observed in 2013 by Richard Falk, United Nations Special Rapporteur on "the situation of human rights in the Palestinian territories occupied since 1967."

Indeed, on October 29, 2013, he presented his report to the United Nations General Assembly. [7] It is disparaging to Dexia SA and its shareholders, Belgium and France, revealing funding of illegal settlements in the Palestinian territories by Dexia SA through its subsidiary Dexia Israel. The UN Rapporteur urged those States to end the bank's activities in the occupied territories, to punish those responsible, and underscored the possibility for the International Criminal Court (ICC) to investigate the involvement of French and Belgian Dexia personnel in war crimes. The report also states that Belgium and France could be held liable for damage caused by Dexia SA and sentenced to pay compensation and war damages!

Despite these serious charges, Belgium and France continue supporting Dexia Israel. Its loans are systematically guaranteed by the two countries, and no sanctions have been imposed! Colonization of the Palestinian territories persists amid violence. Two Palestinians aged 16 and 17 years old were killed by the Israeli army on May 15 2014 at events commemorating "Nakba", the exodus of refugees after the creation of the State of Israel in 1948. [8]

Eric Toussaint

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P.S.

* <http://cadtm.org/Complicity-of-Dexia-in-very>

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Footnotes

[1] M. David Kapah, director of Dexia Israel, made this explicit declaration before the Knesset finances commission on 19 June 2007.

[2] http://www.intal.be/files/DEXIA_PLATFORM_PLATE-FORME.pdf (in French)

[3] <http://www.intal.be/fr/campagne/palestine-occupee-dexia-impliquee> (in French with Dutch link available)

[4] <http://www.lalibre.be/economie/actualite/dexia-jean-luc-dehaene-demissionne-avec-effet-immediat-51b8dc19e4b0de6db9c38e7e> (In French)

[5] http://www.solidaire.org/index.php?id=1340&tx_ttnews%5Btt_news%5D=30190&cHash=a78dab863b207cbf1abc39cd2c0027fd (in French)

[6] <http://www.intal.be/fr/article/dexia-israel-ne-finance-plus-les-colonies-israeliennes-en-cisjordanie> (in French)

[7] Report available here: http://www.intal.be/files/20131021_Richard_Falk_-_A_68_376_SR_oPt_report_2013_-_English.pdf
See also, the "Palestine occupée - Dexia impliquée" website, which is supported by 85 organisations including CADTM Belgium <http://www.intal.be/fr/campagne/palestine-occupee-dexia-impliquee> (in French with Dutch link available)

[8] <http://www.lemonde.fr/proche-orient/article/2014/05/21/les-israeliens-accuses-d-avoir-execute->

[deux-adolescents-palestiniens_4422551_3218.html](#) (in French)