Middlebury Institute *of*
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Center on Terrorism, Extremism, and Counterterrorism

NARRATIVE WARFARE AS THREAT FINANCE

HOW HAMAS MONETIZED THE GAZA WAR

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About the Author

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** Cover photo is an AI generated image used by one of Hamas's propaganda arms "Palpostn" social media channel.*

1. Introduction

Terrorism and organized violence are "crucially reliant on adequate sources of funding."[1] What is less well understood is how the fundraising environment itself can be deliberately engineered. That is, how a non-state actor (with or without the support of a state actor) can construct, amplify, and sustain the conditions that activate donor networks, legitimize sham charitable infrastructure, and embed financial flows within humanitarian frameworks that Western economic warfare tools are structurally ill-equipped to reach. This paper examines precisely that phenomenon: Hamas's operationalization of narrative warfare as the primary engine of its raise phase during and after the Gaza conflict that followed October 7, 2023, attacks on Israel.

Blazakis defines terrorist financing as "the way groups, individuals, or entities raise funds, or other assets, for the purposes of terrorism," and argues that the financing cycle "should not be seen as something static that must always happen in a specific sequence."[2] This paper argues that in Hamas's case, the raise phase is not merely the first stage of the lifecycle—it is the continuously regenerating mechanism of the entire system—sustained not by donor transfers alone, but by the deliberate production and global distribution of conflict imagery and civilian suffering as a fundraising mechanism. Drawing on Bradford Dillman, Williams, Blazakis, and Clarke treat illicit economies operating in conflict-adjacent environments are not peripheral phenomena, they are structurally embedded features of globalized humanitarian and commercial systems.[3] Hamas exploited this embeddedness, converting the machinery of international humanitarian and commercial flows into a taxation and diversion system that, together with taxes and kickbacks on goods, salaries, and smuggling, has generated an estimated 300-450 million dollars annually in domestic revenue.[4]

This paper argues that Western economic warfare doctrine systematically overlooks narrative production as a targetable node within the threat finance lifecycle, treating Hamas's narrative warfare as analytically peripheral rather than as a central engine of the raise phase. Designations, cryptocurrency seizures, and secondary sanctions disrupt the move and store phases, but they

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[1] Jason M. Blazakis, *Terror Disrupted* (Cambridge: Cambridge University Press, 2026), 1.
[2] Ibid., 12.
[3] Bradford Dillman, "Introduction: Shining Light on the Shadows," 125, cited in Phil Williams, Jason M. Blazakis, and Colin P. Clarke, *The Mediterranean Connection: Criminal Networks and Illicit Economies in North Africa* (Boulder, CO: Lynne Rienner Publishers, 2024), 11.
[4] Dan De Luce et al., "Gaza Is Plagued by Poverty, but Hamas Has No Shortage of Cash. Where Does It Come From?," *NBC News*, October 24, 2023, https://www.nbcnews.com/news/world/gaza-plagued-poverty-hamas-no-shortage-cash-come-rcna121099; Matthew Levitt, "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," testimony before the U.S. House of Representatives, Committee on Financial Services, Subcommittee on National Security, Illicit Finance, and International Financial Institutions, October 25, 2023, 5–6, https://docs.house.gov/meetings/BA/BA10/20231025/116509/HHRG-118-BA10-Wstate-LevittM-20231025.pdf.

arrive after the funds have already been raised, and they do not address the upstream mechanism that generates them. The paper applies Blazakis' raise-move-store-use framework[5] throughout, tracing each phase of Hamas's wartime financing architecture and concluding with a discussion of the doctrinal implications of treating narrative production as raise-phase infrastructure.

2. Conceptual Frame

To properly understand how narrative functions in this paper, it is necessary to anchor the argument in the conceptual framework of terror financing. Blazakis conceptualizes terror financing as a cycle in which actors raise, move, store, and use assets to carry out their violent ends—stressing that this process is best understood analytically rather than as a rigid chronological sequence.[6] He defines terror financing as "the way groups, individuals, or entities raise funds, or other assets, for the purpose of terrorism," and emphasizes that organizations must secure diverse income streams to sustain recruitment, training, safe havens, logistics, and operations.[7] Within this framework, raising encompasses both licit and illicit activity—from donations and charities to criminal enterprises and state sponsorship—while moving and storing involve formal and informal financial channels, trade-based schemes, and cash-intensive shadow economies designed to reduce exposure to law enforcement.[8]

Blazakis notes that the most developed countermeasures largely operate in the move and store phases—through anti-money laundering regimes, sanctions, and intelligence cooperation—because these phases intersect with the formal financial system and are therefore observable and targetable.[9] By contrast, the raise phase often operates in social and political space, leveraging community ties, ideology, and perceived legitimacy rather than bank accounts or corporate structures. In many cases, terrorist groups "use legitimate businesses and manipulate unwitting nongovernmental organizations to raise funds," blurring the line between social service provision, political activism, and threat finance.[10]

For the purpose of this paper, narrative warfare is defined narrowly as the deliberate production, curation, and dissemination of information (including images, videos, and testimony) with the specific aim of shaping external perceptions in ways that facilitates fundraising and resource mobilization. This case-specific usage fits within a broader literature that treats narratives as

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[5] Blazakis, *Terror Disrupted*, 13.
[6] Jason M. Blazakis, *Terror Disrupted: Countering the Financing of Terrorism* (Cambridge: Cambridge University Press, 2026), 12–13.
[7] Ibid., 12–13, 6.
[8] Ibid., 13, 18–20.
[9] Ibid., 18–20.
[10] Ibid., 13, 17, 24.

central instruments of contemporary conflict. Zarnadze emphasizes their role in cognitive warfare and mass mobilization over time. Freedman and Williams show how state-led information campaigns seek to "change the narrative" of crises but remain embedded within wider strategic struggles, and Krieg analyzes "weaponized narratives" as tools of subversion that generate measurable effects in the physical and political domains, from shifts in public discourse to changes in policy and behavior.[11] In this sense, Hamas's wartime narrative can be understood as a propaganda campaign whose ideological content, organizational carriers, and media practices together generate the fundraising environment that powers its raise phase. Blazakis's raise-move-store-use cycle therefore sits atop a propaganda layer: narrative warfare, in the Jowett-O'Donnell sense, is the process that socially produces and sustains the conditions under which raise-phase financing can occur.

Classic propaganda scholarship offers a useful way to formalize what this paper terms "narrative warfare." Jowett and O'Donnell conceptualize propaganda as an institutionalized communicative process in which ideology, organizational structure, media channels, target audiences, and message techniques interact over time to create durable "mass impressions," rather than as isolated acts of persuasion.[12]

In Hamas's case, the argument is that wartime narrative production is not only a tool of persuasion or deterrence but a mechanism for converting symbolic capital—images of suffering and asymmetry—into financial capital via donors, charities, and state sponsors. This claim is consistent with broader analyses of the information environment since October 7, which describes how the Israel-Hamas war has produced an "epicenter of a disinformation pandemic" in the digital domain, with fabricated and decontextualized imagery circulating at scale and shaping public emotions and political debates worldwide.[13] From a security perspective, Dostri's analysis of Israel's struggle in the information dimension frames Hamas, Hezbollah, and Iran as adversarial actors conducting coordinated information operations—including psychological warfare, impersonation, and dissemination of false content—to influence regional and global opinion and weaken Israel's strategic position.[14]

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[11] Aleksandr Zarnadze, "'Invisible Bullets': The Power of Narratives in Modern Warfare," Global Policy 16, no. 2 (2025): 419–22, https://doi.org/10.1111/1758-5899.70018; Lawrence Freedman and Heather Williams, Changing the Narrative: Information Campaigns, Strategy and Crisis Escalation in the Digital Age (London: IISS/Routledge, 2023); Andreas Krieg, Subversion: The Strategic Weaponization of Narratives (Washington, DC: Georgetown University Press, 2023).
[12] Garth S. Jowett and Victoria O'Donnell, *Propaganda and Persuasion*, 5th ed. (Thousand Oaks, CA: SAGE, 2012), esp. chap. 3 ("Propaganda Institutionalized") and chap. 4 ("Propaganda and Persuasion Examined").
[13] Wilson Center, "Digital Deception: Disinformation's Impact in the Israel-Hamas War," March 26, 2025, https://www.wilsoncenter.org/article/digital-deception-disinformations-impact-israel-hamas-war.
[14] Omer Dostri, "Israel's Struggle with the Information Dimension and Influence Operations during the Gaza War," Military Review Online Exclusive, U.S. Army University Press, June

Building on this, the paper's contribution is to treat these information operations not only as efforts to shape opinion and constrain Israel's freedom of action but as inputs into the raise phase of Hamas's financing cycle: by amplifying specific images and narratives, Hamas and its ecosystem make it easier for aligned charities, NGOs, and state patrons to solicit, justify, and sustain financial transfers.

A brief comparative example underscores that Hamas is not operating in a vacuum. The Wagner Group has, over the past decade, combined a resource-for-security business model with a deliberate information campaign that markets it as an effective defender of Russian interests, helping secure gold, diamond, and other extractive concessions in states such as the Central African Republic (CAR) and Mali.[15] The Sentry shows that this model in CAR is enforced through campaigns of terror and psychological warfare around key mining areas, with Wagner-linked firms obtaining licenses and export authorizations to monetize those sites.[16]

3. Raise Phase

3.1 Hamas's Wartime Narrative as Fundraising Environment

Hamas's raise phase during the Gaza war operated (and continues to operate) within a deliberately constructed narrative environment. Following the October 7 attacks, Hamas and its wider information ecosystem have pushed a framing of the conflict centered on siege, genocide, and total humanitarian collapse, saturating digital platforms with images of destroyed infrastructure, injured children, and overwhelmed hospitals. This unfolds in a digital information space that, as the Wilson Center notes, is densely populated with misleading and fabricated content about the Israel-Hamas war, where decontextualized and false imagery circulates at scale and shapes global emotional responses and political debates.[17]

Within Blazakis's raise-move-store-use framework, this wartime narrative can be analytically treated as the social infrastructure of the raise phase.[18] By systematically foregrounding civilian suffering and asymmetry, Hamas and its aligned media channels create a justificatory frame in which donations to "Gaza relief" campaigns, solidarity NGOs, and reconstruction projects appear morally urgent and politically necessary, even when the underlying financial conduits are controlled by Hamas or its partners. This paper argues that the narrative environment described

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2024, https://www.armyupress.army.mil/journals/military-review/online-exclusive/2024-ole/dr-dostri-israel-gaza-war/.

[15] The Sentry, Architects of Terror: The Wagner Group's Blueprint for State Capture in the Central African Republic (Washington, DC: The Sentry, June 2023), 4.

[16] The Sentry, *Architects of Terror*, 16-18, 26-27.

[17] Wilson Center, "Digital Deception: Disinformation's Impact in the Israel-Hamas War," March 26, 2025, https://www.wilsoncenter.org/article/digital-deception-disinformations-impact-israel-hamas-war.

[18] Jason M. Blazakis, *Terror Disrupted: Countering the Financing of Terrorism* (Cambridge: Cambridge University Press, 2026), 12–13.

is not merely a supporting factor in Hamas's fundraising efforts, but rather a crucial enabling condition. It activates donor networks, legitimizes sham charitable infrastructure, and normalizes the diversion and taxation of humanitarian aid.

3.2 Sham Charities and "Gaza Solidarity" Campaigns

The primary institutional beneficiaries of this wartime narrative are Hamas-controlled charities and advocacy organizations that present themselves as neutral humanitarian actors. U.S. Treasury designations issued in October 2024, and January 2026 outline the organizational structure and integration of entities like the Waed Society Gaza, Al-Nur Society Gaza, Qawafil Society Gaza, Al-Falah Society Gaza, Merciful Hands Gaza, and Al-Salameh Society Gaza into Hamas's military wing. Simultaneously, these entities are marketed as providers of social services and relief in Gaza. Documentary evidence seized from Hamas offices shows that members of Hamas's internal security forces are formally assigned to these "charities," and that fighters receive instructions on how to request projects and services from them, underscoring that they function as extensions of the organization rather than independent NGOs.[19]

Treasury and analytical reporting emphasize that these entities deliberately conceal their Hamas affiliation in donor-facing materials in order to attract contributions from unwitting foreign supporters who believe they are funding humanitarian relief or reconstruction.[20] Al-Falah alone is reported to have transferred more than 2.5 million dollars to Hamas over a recent three-year period, while Al-Nur and Merciful Hands have been used to pay members of the military wing and support operations.[21] Levitt's analysis of Hamas fundraising in Europe notes that, by late 2024, sham charities and solidarity associations on the continent were sending millions of dollars annually to Hamas-linked structures, and that U.S. government estimates placed donations through such organizations—many of them marketed as Gaza aid—at up to 10 million dollars per month.[22]

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[19] U.S. Department of the Treasury. "Treasury Exposes and Disrupts Hamas's Covert Support Network." Press release, Washington, D.C., January 21, 2026. https://home.treasury.gov/news/press-releases/sb0368.
[20] U.S. Department of the Treasury, "Treasury Targets Significant International Hamas Fundraising Network," press release, Washington, D.C., October 6, 2024, https://home.treasury.gov/news/press-releases/jy2632; Matthew Levitt, "Cutting Off Hamas's European Fundraising Spigot," Policy Watch 3906, The Washington Institute for Near East Policy, December 13, 2025, https://www.washingtoninstitute.org/policy-analysis/cutting-hamass-european-fundraising-spigot.
[21] U.S. Department of the Treasury, "Treasury Targets Significant International Hamas Fundraising Network," press release, Washington, D.C., October 6, 2024, https://home.treasury.gov/news/press-releases/jy2632.
[22] Ibid.; Matthew Levitt, "Cutting Off Hamas's European Fundraising Spigot," Policy Watch 3906, The Washington Institute for Near East Policy, December 13, 2025, https://www.washingtoninstitute.org/policy-analysis/cutting-hamass-european-fundraising-spigot.

The wartime narrative of siege and humanitarian catastrophe is what allows these organizations to operate at scale. Campaigns framed around "Gaza relief," "rebuilding hospitals," or "supporting besieged families" resonate strongly with publics exposed to continuous imagery of destruction and suffering and make it politically and morally difficult for intermediaries—payment processors, local regulators, or partner NGOs—to question where the funds ultimately go. In this sense, narrative and institutional architecture are mutually reinforcing: the information environment generates a pool of emotionally primed donors, while Hamas-controlled charities convert the goodwill into financial inflows that can be redirected to the group's military and political infrastructure.[23]

3.3 Influencer Campaigns, Cryptocurrency, and AI as Amplifiers

Alongside institutional charities, Hamas's raise phase has benefited from influencer-driven campaigns that exploit the same wartime narrative of devastation and urgent humanitarian need. In early 2025, Gazan influencer Saleh Al-Jafarawi—known online as "Mr. FAFO"—launched a highly publicized fundraising drive, where he raised 10 million dollars to rebuild Al-Nasr Children's Hospital using the logo of the Palestinian Health Ministry in Ramallah and the Kuwait Society for Relief on his materials.[24] The Palestinian Health Ministry quickly issued a statement denying any connection to the campaign, warning that it was not responsible for any such fundraising and cautioning against the unauthorized use of its name and logo. Officials in Ramallah subsequently accused Al-Jafarawi of embezzling the nearly ten million dollars raised.[25] Public commentary in Arabic-language media and on social platforms speculated that the funds had either been diverted for his personal benefit or funneled to Hamas. Drawing on the author's direct monitoring of Al-Jafarawi's social media accounts and Arabic-language discourse surrounding the campaign, the case illustrates how an individual actor can monetize the wartime narrative—leveraging imagery and suffering and institutional symbols of legitimacy—outside formal charitable structures while still plugging into the same ecosystem of Gaza-branded appeals.[26]

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[23] Wilson Center, "Digital Deception: Disinformation's Impact in the Israel–Hamas War," March 26, 2025, https://www.wilsoncenter.org/article/digital-deception-disinformations-impact-israel-hamas-war; Omer Dostri, "Israel's Struggle with the Information Dimension and Influence Operations during the Gaza War," *Military Review*, online exclusive, June 2024, https://www.armyupress.army.mil/journals/military-review/online-exclusive/2024-ole/dr-dostri-israel-gaza-war/.

[24] Shir Perets, "Gazan Influencer Saleh Al Jafarawi Raises Millions for Fake Charity," Jerusalem Post, March 12, 2025, https://www.jpost.com/middle-east/article-845887.

[25] "Gaza Influencer Accused of Embezzling Funds for Hospital Reconstruction," Kathimerini (Cyprus), March 12, 2025, https://knews.kathimerini.com.cy/en/news/gaza-influencer-accused-of-embezzling-funds-for-hospital-reconstruction.

[26] Amir Tadros, *Public Telegram Messaging Patterns and Flashpoint Incident Mapping in Gaza, Feb–Mar 2025* (internal OSINT report, Safe Reach Solutions / UG Solutions, March 2025).

4. Move & Store

4.1 Aid monetization and Taxation

Since October 7, 2023, external humanitarian and fiscal resources entering Gaza—whether from UN agencies, Western donors, Gulf states, or the PA—have constituted a major material base on which Hamas's wartime economy operates.[27] These flows are driven and justified by the global narrative of siege, devastation, and humanitarian collapse analyzed in the raise phase earlier in this paper. Once aid reaches the strip, however, Hamas embeds itself at the points where goods and cash cross into, and circulate within, Gaza, using its de facto control over territory and governance to convert this aid into taxable economic activity: once through selling the aid to merchants, and a second time by collecting sales tax on the same goods.

Levitt outlines how Hamas enforces this layered system of customs duties, value-added taxes, and informal levies on virtually all domestic trade, smuggling, and kickbacks.[28] Israeli declassified material and independent reporting since the war describe how Hamas authorities seize a portion of incoming humanitarian consignments, impose "fees" and "security charges" on merchants who wish to distribute UN or donor supplied goods, and then tax the resale of those same items in Gaza's markets, effectively transforming externally funded relief into a recurring revenue stream.[29] In Blazakis's terms, external actors raise and move resources into Gaza in response to a powerful humanitarian narrative, but Hamas's control over distribution nodes allows it to store and use value by embedding its financing architecture inside ostensibly humanitarian and commercial flows.[30]

4.2 Covert Transfer Mechanisms: Tunnels, Hawala, and Ghost Banking

The monetization of aid and domestic commerce described in Section 4.1 does not conclude Hamas's move and store phases; it creates liquidity that must then be moved, layered, and preserved in ways that evade formal oversight. In Blazakis's terms, this is where the financing cycle shifts from visible taxation and diversion to the use of informal value transfer systems and

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[27] Dan De Luce et al., "Gaza Is Plagued by Poverty, but Hamas Has No Shortage of Cash. Where Does It Come From?," NBC News, October 24, 2023, https://www.nbcnews.com/news/world/gaza-plagued-poverty-hamas-no-shortage-cash-come-rcna121099.

[28] Matthew Levitt, "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," testimony before the U.S. House of Representatives, Committee on Financial Services, Subcommittee on National Security, Illicit Finance, and International Financial Institutions, October 25, 2023, 5–6, https://docs.house.gov/meetings/BA/BA10/20231025/116509/HHRG-118-BA10-Wstate-LevittM-20231025.pdf.

[29] Israel Defense Forces, "The IDF Reveals How the Hamas Terrorist Organization Systematically Exploited Humanitarian Aid in Gaza To Fund Terrorist Activity," IDF Press Release, June 11, 2025, https://www.idf.il/en/mini-sites/idf-press-releases-israel-at-war/june-25-pr/the-idf-reveals-how-the-hamas-terrorist-organization-systematically-exploited-humanitarian-aid-in-gaza-to-fund-terrorist-activity/

[30] Jason M. Blazakis, Terror Disrupted: Countering the Financing of Terrorism (Cambridge: Cambridge University Press, 2026), 12–13, 18–20.

physical smuggling routes that sit largely outside the reach of conventional anti-money-laundering and sanctions tools.[31] The same narrative of siege and humanitarian collapse that legitimizes large aid inflows also provides political cover for these mechanisms: funds and goods are framed as emergency lifelines, even as a portion is quietly routed through tunnels, hawala networks, and "quasi-ghost" financial channels that ultimately consolidate value under Hamas's control.[32]

Blazakis emphasizes that hawala and other informal value transfer systems (IVTS) allow terrorists and their facilitators to move large sums across borders without corresponding movements in the formal banking system, relying instead on trusted intermediaries who settle accounts off-book through trade, cash, or in-kind transfers.[33] The Financial Action Task Force (FATF) typologies and U.S. Treasury designations show how such systems have been leveraged by groups ranging from al-Qaeda to ISIS, as well as by state sponsors of terrorism, precisely because they circumvent the customer-due-diligence and reporting obligations imposed on banks and licensed money service businesses.[34] In Hamas's ecosystem, IVTS and Hawala Houses (دار الحوالة) in third countries—particularly in Turkey and other regional hubs—play an analogous role: they receive donations, charity transfers, or commercial payments that are nominally linked to "Gaza relief." And then settle balances with Gaza-based counterparts through a combination of trade mispricing, cash couriers, and book entries, without funds ever touching sanction-vulnerable correspondent accounts.[35] In practice, this means that a donation triggered by wartime imagery may transit a European or Gulf-based NGO, pass through a friendly exchange house, and reappear in Gaza as cash or goods credited to Hamas-linked merchants, with only fragments of the trail intersecting the formal financial system.

Tunnels and smuggling corridors along the Gaza-Egypt border complement these financial channels by providing a physical infrastructure for the movement and storage of value. Williams, Blazakis, and Clarke underline that in North African illicit economies, armed groups and quasi-

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[31] Jason M. Blazakis, Terror Disrupted: Countering the Financing of Terrorism (Cambridge: Cambridge University Press, 2026), 12–13, 18–20.
[32] Wilson Center, "Digital Deception: Disinformation's Impact in the Israel–Hamas War," March 26, 2025; Omer Dostri, "Israel's Struggle with the Information Dimension and Influence Operations during the Gaza War," Military Review, June 2024.
[33] Blazakis, Terror Disrupted, 173–76.
[34] Financial Action Task Force, The Role of Hawala and Other Similar Service Providers in Money Laundering and Terrorist Financing (Paris: FATF, 2013); U.S. Department of the Treasury, "Treasury Imposes Sanctions on a Hawala and Two Individuals Linked to the Taliban," November 20, 2012, https://home.treasury.gov/news/press-releases/tg1777.
[35] Matthew Levitt, "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," testimony before the U.S. House of Representatives, Committee on Financial Services, Subcommittee on National Security, Illicit Finance, and International Financial Institutions, October 25, 2023, 5–6, https://docs.house.gov/meetings/BA/BA10/20231025/116509/HHRG-118-BA10-Wstate-LevittM-20231025.pdf.

state actors use control over border crossings and smuggling routes to extract rents, launder proceeds, and move commodities than can later be monetized.[36] Gaza under Hamas reflects this pattern: tunnels historically used for weapons and consumer goods also facilitate the movement of high-value items—fuel, construction materials, and diverted humanitarian supplies—that can be sold at inflated prices in Gaza's markets, generating cash that is then partially recycled through hawala or held as a local stockpile.[37] The June 2025 IDF disclosure on Hamas's exploitation of aid details how seized consignments are routed into controlled distribution channels, with Hamas-approved intermediaries handling resale and taxation—operations that, when necessary, can be supplemented by cross-border smuggling to arbitrage prices or avoid scrutiny.[38]

Taken together, these mechanisms constitute a covert, layered move/store architecture that is structurally resistant to the economic-warfare tools that dominate Western doctrine. Blazakis notes that most counter-terrorist-financing efforts, from FATF standards to G8 operations against cash couriers, are designed around the formal financial sector: banks, registered money transmitters, and detectable cross-border cash movements.[39] By contrast, Hamas's wartime system routes a substantial share of narrative-generated funds through entities and corridors that are either lightly regulated (DNFBPs) or entirely informal (Hawaladars), meaning that sanctions, correspondent banking pressure, and SWIFT-based measures primarily affect only the residual flows that touch the official system.[40]

In this configuration, the raise phase—driven by narrative warfare—feeds directly into a move/store complex optimized to stay just outside the perimeter of existing economic-warfare doctrine, reinforcing the central contention of this paper: that without targeting the narrative production and the informal transfer architecture it enables, Western financial tools will continue to chase symptoms rather than the underlying system.

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[36] Phil Williams, Jason M. Blazakis, and Colin P. Clarke, The Mediterranean Connection: Criminal Networks and Illicit Economies in North Africa (Boulder, CO: Lynne Rienner Publishers, 2024), 5–7, 11.
[37] Matthew Levitt, "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," testimony before the U.S. House of Representatives, October 25, 2023, 5–6; Israel Defense Forces, "The IDF Reveals How the Hamas Terrorist Organization Systematically Exploited Humanitarian Aid in Gaza," June 11, 2025; Pesach Benson, "UN Policies, Hamas Theft, Black Market Greed Delay Gaza Aid," Jerusalem Post, July 30, 2025, https://www.jpost.com/middle-east/article-862878.
[38] Israel Defense Forces, "The IDF Reveals How the Hamas Terrorist Organization Systematically Exploited Humanitarian Aid in Gaza To Fund Terrorist Activity," IDF Press Release, June 11, 2025, https://www.idf.il/en/mini-sites/idf-press-releases-israel-at-war/june-25-pr/the-idf-reveals-how-the-hamas-terrorist-organization-systematically-exploited-humanitarian-aid-in-gaza-to-fund-terrorist-activity/
[39] Jason M. Blazakis, Terror Disrupted, 165–76 (on cash couriers, MVTS, and multilateral efforts targeting the move phase).
[40] Ibid.

5. Use Phase

In Blazakis's framework, the use phase encompasses the deployment of stored value to sustain operational capacity, governance, and future violence.[41] In Hamas's case, the specific line-items—rockets, tunnels, salaries, and selective welfare—are less analytically important for this paper than the fact that they can be sustained despite unprecedented military and economic pressure. The critical point is that narrative-generated inflows and the covert monetization architecture described in Sections 3 and 4 enable Hamas to continue financing both its military apparatus and its shadow governance in Gaza while preserving a substantial cash stockpile, even amid war-time destruction.[42]

This outcome is central to the paper's argument about the limits of contemporary economic warfare doctrine. Western tools have had measurable effects on Hamas's formal channels and some of its external patrons, yet the combination of narrative-driven fundraising, aid monetization, and informal transfer mechanisms has helped the organization maintain the capacity to fight and to govern, at least in a minimalist sense.[43] The use phase thus does not need to be dissected in detail to make the analytical point: as long as Hamas can reliably raise, move and store value through the mechanisms described above, it can allocate funds flexibly across violence, patronage, and reserves in ways that blunt the intended coercive impact of sanctions and other financial tools.

6. Limitations of Current Doctrine and the Narrative Gap

Standard counter-terrorist-financing frameworks and FATF guidance conceptualize risk primarily in terms of observable financial activity—customer due diligence, suspicious-transaction reporting, sanctions compliance, and the governance of non-profit organizations—rather than in terms of the narrative environments that help generate those flows.[44] For their part, propaganda and information-operations studies richly theorize the

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[41] Jason M. Blazakis, Terror Disrupted: Countering the Financing of Terrorism (Cambridge: Cambridge University Press, 2026), 12–13.

[42] Dan De Luce et al., "Gaza Is Plagued by Poverty, but Hamas Has No Shortage of Cash. Where Does It Come From?," NBC News, October 24, 2023, https://www.nbcnews.com/news/world/gaza-plagued-poverty-hamas-no-shortage-cash-come-rcna121099.

[43] Matthew Levitt, "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," testimony before the U.S. House of Representatives, Committee on Financial Services, Subcommittee on National Security, Illicit Finance, and International Financial Institutions, October 25, 2023, 5–6, https://docs.house.gov/meetings/BA/BA10/20231025/116509/HHRG-118-BA10-Wstate-LevittM-20231025.pdf; Blazakis, Terror Disrupted, 165–76.

[44] Jason M. Blazakis, *Terror Disrupted: Countering the Financing of Terrorism* (Cambridge: Cambridge University Press, 2026), esp. 12–13, 18–20; Financial Action Task Force, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations* (Paris: FATF, 2012, amended 2013–2025).

political and psychological effects of wartime narratives but generally treat fundraising as an outcome or side-effect of successful messaging, not as an analytic focus in its own right.[45] Taken together, these orientations implicitly position narrative production as background context of terrorist financing rather than a discrete, targetable node within the raise phase.[46]

In the Hamas case, however, wartime narrative production operates as a standing fundraising engine that activates donor networks, legitimizes sham charities, and normalizes aid diversion, suggesting that existing doctrine underestimates the extent to which narratives themselves constitute infrastructure for the financing cycle.[47]

7. Economic Warfare's Asymmetry in the Hamas Case

Hamas's wartime financing system operates at the edge of, and often outside, the observable perimeter of Western economic warfare. FATF's forty recommendations, along with U.S. and EU sanctions practice and correspondent banking pressure, presuppose that illicit flows will intersect with regulated financial infrastructure—banks, licensed money transmitters, or other supervised entities subject to customer-due-diligence and reporting rules.[48] Within that domain,

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[45] Aleksandr Zarnadze, "'Invisible Bullets': The Power of Narratives in Modern Warfare," *Global Policy* 16, no. 2 (2025): 419–22; Lawrence Freedman and Heather Williams, *Changing the Narrative: Information Campaigns, Strategy and Crisis Escalation in the Digital Age* (London: IISS/Routledge, 2023); Andreas Krieg, *Subversion: The Strategic Weaponization of Narratives* (Washington, DC: Georgetown University Press, 2023).

[46] On these dominant emphases in CTF doctrine and propaganda research, see Jason M. Blazakis, *Terror Disrupted: Countering the Financing of Terrorism* (Cambridge: Cambridge University Press, 2026), 12–13, 18–20; Financial Action Task Force, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations* (Paris: FATF, 2012, amended 2013–2025); Garth S. Jowett and Victoria O'Donnell, *Propaganda and Persuasion*, 5th ed. (Thousand Oaks, CA: SAGE, 2012), chaps. 3–4.

[47] On Hamas's wartime information environment and disinformation, see Wilson Center, "Digital Deception: Disinformation's Impact in the Israel–Hamas War," March 26, 2025; on sham charities and fundraising volumes, see U.S. Department of the Treasury, "Treasury Targets Significant International Hamas Fundraising Network," October 6, 2024; U.S. Department of the Treasury, "Treasury Exposes and Disrupts Hamas's Covert Support Network," January 21, 2026; Matthew Levitt, "Cutting Off Hamas's European Fundraising Spigot," Policy Watch 3906, December 13, 2025; on aid exploitation and diversion, see Israel Defense Forces, "The IDF Reveals How the Hamas Terrorist Organization Systematically Exploited Humanitarian Aid in Gaza To Fund Terrorist Activity," June 11, 2025.

[48] Financial Action Task Force. International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations. Paris: FATF, 2012, amended 2013–2025. https://www.fatf-gafi.org/en/publications/Fatfrecommendations/FATF-standards.html.

tools such as designations, asset freezes, FININT reporting, and SWIFT-based monitoring can significantly constrain organizations that rely on formal channels.[49]

By contrast, much of Hamas's wartime financing is raised and routed through mechanisms that begin in social and political space—narrative driven campaigns for "Gaza relief," the monetization and taxation of humanitarian aid and commerce, and informal value transfer systems—only later, if at all, touching the formal system.[50] Legal and policy constraint around the non-profit and humanitarian sectors widen this gap. FATF's revisions to Recommendation 8 caution explicitly against indiscriminate de-risking of non-profit organizations and call for proportionate, risk-based measures to avoid harming legitimate civil society.[51]

8. Conclusion

In conclusion, Hamas's war economy is built primarily on narrative—a narrative deliberately designed, propagated, and amplified across global media. It turned images of Gaza's destruction and civilian suffering into a standing fundraising engine, then pushed that money through "relief" charities, influencers, and solidarity campaigns that are difficult to challenge without being accused of opposing aid to Gaza. Once the money and goods are inside, Hamas does what it has always done: taxes, diverts, and quietly moves value through tunnels, hawala, and other informal channels that sit mostly outside the reach of Western economic-warfare tools.

The main point of this paper has been straightforward: Western economic warfare targets the mechanical parts of the system but largely ignores the narrative environment that supplies oxygen to the entire ecosystem. By treating fundraising narratives, Gaza-branded "relief" infrastructures, and informal transfer mechanisms as political noise rather than as core elements of the raise phase, current doctrine attacks symptoms while leaving the engine intact.

The analysis in this paper draws in part on the author's direct monitoring of Hamas-aligned media and fundraising campaigns during the Gaza war, including the first ceasefire period (January–April 2025), when images and slogans could be traced in real time into Gaza-branded financial appeals. That vantage point underscores the central claim of this case study: Hamas's wartime economy cannot be understood—or countered—without taking its narrative architecture as seriously as its tunnels and its bank accounts. Building on this case, the author is developing a

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[49] Jason M. Blazakis. Terror Disrupted: Countering the Financing of Terrorism. Cambridge: Cambridge University Press, 2026.

[50] Dan De Luce et al. "Gaza Is Plagued by Poverty, but Hamas Has No Shortage of Cash. Where Does It Come From?" NBC News, October 24, 2023. https://www.nbcnews.com/news/world/gaza-plagued-poverty-hamas-no-shortage-cash-come-rcna121099.

[51] Financial Action Task Force. International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations. Paris: FATF, 2012, amended 2013–2025. https://www.fatf-gafi.org/en/publications/Fatfrecommendations/FATF-standards.html.

broader narrative-warfare research program that treats narrative not as messaging but as a weapon system across threat finance and information operations, of which this paper is one early application.

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