Chapter 6
Conclusion

This study has been an attempt to investigate the impact of besieged status as well as the subsequent political normalization of the defense industries of South Africa and Israel. It was an attempt in testing the hypothesis that the origins, growth, orientation and subsequent transformation in the defense industries of South Africa and Israel was caused by the besieged status of the two countries. The research further hypothesized that since all states in the international system are insecure and therefore engage in external and internal balancing behaviour, states that are particularly insecure should exhibit heightened levels of internal and external balancing. Thus in the case of the two studies, South Africa and Israel, they would engage in the aggressive development of their defense industries as a means of internal balancing since the scope of their external balancing is severely limited.

Having looked at the case studies in detail, analyzed the origins, growth trajectory and current status of the defense industries of the two countries, and considered the empirical evidence in this regard, this study suggests that Israel and South Africa developed their defense industries in response to their besieged status.

Conclusions and summary of the findings

Conclusion 1. Israel and South Africa developed their defense industries because of their Besieged status in the international system.
Summary of the finding

As a result of the policy of apartheid that the South African government enforced, the country was excluded and isolated by the international community from the international system through the use of various kinds of sanctions and embargoes. This led South Africa feel both an increased level of insecurity and besieged by the international community. In order to survive in an unfriendly and ally-less international system, the South African government reasoned it had to strengthen its defenses and thus the once dismantled defense industry was restarted and reinvigorated. In the years between 1962 and 1989, the South African arms industry grew quickly due to the government's perception of external threats; it had been involved in various regional conflicts and UN arms embargoes. The UN's voluntary arms embargo in 1969, and the mandatory embargo in 1967, forced the country to develop an indigenous arms industry because the country perceived an acute sense of security deficit. Thus we can see a causal linkage between besieged status and growth of the South African defense industry.

Israel also faced similar exclusions from the international community. While on the one hand, the Jewish people have historically felt like outcasts in the international community due to religious and communal prejudices, and the physical suffering at the hands of the Nazis, the modern state of Israel ever since its inception in 1948 faced widespread exclusion from the international community. It has also, conversely, been accused of practicing racism, in the form of Zionism. The Arab countries of the Middle East have long considered Israel to be a transgressor with no legitimate right to be amidst them. The 1975 UNGA resolution (3379) titled 'Elimination of All Forms of Racial Discrimination', considers Zionism as a form of racism and racial discrimination. Apart from votes against it in the UN with regard to Zionism, there have also been resolutions against the country relating to the occupied territories under its control. Israel chose to ignore many of those resolutions which further increased the international community's resolve to isolate it. The very existence of the state of Israel, or so the majority of states in the international community believed, was at the expense of the Palestinians. Israel found itself in a situation where it was surrounded by enemies, and the international community had little sympathy for it. This meant many states were reluctant to enter into diplomatic
relations with Israel, and enacted arms and trade embargoes, among other punitive measures, making Israel feel and behave like a besieged state.

This insecurity-induced sense of urgency in the minds of Israeli decision makers led to a major expansion of the Israeli military-industrial sector and made it self-reliant (to a great extent) and sophisticated. Thus we see a causal linkage between the besieged status-infused insecurity of the Israeli state and the aggressive development of the defense industries of Israel.

Conclusion 2. The South African defense industry normalized in the 1990s as a result of the political normalization the country experienced. In other words, the loss of the country's besieged status led to the normalization of the South African defense industry.

Summary of the finding: The besieged status of South Africa finally ended when Nelson Mandela was elected president in 1994, following which the country undertook a radical transformation of its defense, foreign and security policy. This has had transformative impact on its defense industry. South Africa ordered its troops back home from Namibia and Angola in 1989, gave up its policy of military aggression and regional destabilization, started reaching out to other African states, and started radically redefining its notions of security, peace and stability. Furthermore, total strategy was replaced with non-offensive defense, restrictions on international political organizations and public safety act were removed, the national state of emergency was lifted and apartheid was concluded.

As a result of these reforms, South Africa was readmitted into the international community and the UN lifted the mandatory arms embargoes in 1994. The state was no longer besieged. This new reality had a clear impact on the South African defense industry. The industry normalized and was thereafter subjected to the usual commercial and financial pressures. The state's defense budget was reduced by over 40 per cent.
between 1989 and 1994, and defense procurement by about 60 per cent. The procurement expenditure of SADF was also reduced by over 60 per cent in real terms between 1989 and 1993. The 'hands-off' policy of the South African government forced the country's defense industry to embark on a market-driven strategy of downsizing and restructuring in order to survive the impact of the decline in the domestic defense market. The defense industry was also subjected to unprecedented levels of international competition, which forced the industry to take unprecedented measures for survival. The South African defense industry started behaving like any other defense industry: It began to witness massive job losses, declining output, takeovers, mergers, and the exit of a number of defense industrial firms.

The South African government also decided to give up its nuclear weapons programme. Its winding down was also due to the same reason that had prompted the country to make its defense industry less aggressive and inward looking – the disappearance of its besieged status.

Conclusion 3. Israel’s political normalization process has been incomplete which prevented the complete normalization of its defense industry

Summary of the finding:
Israel’s political normalization process started in the 1970s with the Egypt-Israeli peace treaty of 1979. In the late 1980s, the cold war was winding down, the USSR was too busy to focus on the evolving balance of power in the Middle East (which meant that the Arab nations lost a powerful patron), and the changing nature of geopolitics in the region (that began with the Arab-Israeli peace treaty of 1979 and continued through the October 1991 Madrid conference) all slowly but steadily changed Israel’s position in the region and the world. US involvement in the region, due to the Gulf war and its desire to resolve the region’s outstanding conflicts, saw them bringing the Syrian, Palestinian and the Jordanians to negotiate in Madrid, without any preconditions. The Egyptians now recognized the state of Israel and demonstrated their change of stance with a peace treaty. This marked the beginning of increased Arab acceptance of the nation as well. By 1988,
the PLO also had started adopting a more conciliatory approach towards Israel. It began to decry terrorism and emphasized peaceful coexistence. Since 1991, many countries in the Middle East have initiated diplomatic relations with Israel and many more countries around the world have followed suit. The Oslo Accords in 1993 further legitimized the state of Israel. Israeli leadership recognized the changing nature of the region and the international community's perception of Israel. It started de-emphasizing the once important national security concepts of defense self-reliance and national security exceptionalism, and commenced promoting concepts such as arms control, non-aggression, economic cooperation and human rights.

Despite all of the above, this study has found that the Israeli state never actually achieved complete political normalization. It was never able to come out of its security obsessed mindset. Factors such as the first and the second intifada in the late 1980s and 1990s, increasing radicalization of Arab militant politics against the Israeli state, and key Middle Eastern countries such as Iran and Iraq unwilling to make any changes in their policies towards Israel prevented Israel from feeling completely secure and non-besieged.

Though relative, the political normalization process of the Israeli state was significant enough to impact upon the Israeli defense industry.

The defense workforce in the country was radically reduced, Israel changed its attitude towards various arms control initiatives, the Israeli government decided to cancel the building of the Lavi advanced aircraft, many arms production contracts went to international firms rather than Israeli firms, and allocations to weapons R&D came down drastically. In other words, like any other normal defense industry, today's Israeli defense firms no longer count solely on domestic sales to the IDF. Today, the IDF is a secondary customer for almost all Israeli defense firms. This has resulted in increased competition. The IDF has started focusing on external sources for weapons rather than buying all of its requirements from domestic arms firms. There have also been talks of defense industry consolidation, diversification, privatization, downsizing and mergers.
However, this study has found that the normalization of the Israeli defense industry has been incomplete and not of equal proportion to that of the South African defense industry. The reason for this was found to be the incomplete shedding of Israel’s besieged status. The Israeli state, despite its increasing acceptance in the international community and the various peace process and deals it made with the Arab world, continues to feel insecure and besieged, though not to the extent of during the 1960s and 1970s.

Research Questions and Hypotheses

The study began with the following research questions:

1. What strategies do besieged states adopt to confront the acute levels of insecurity arising from this status?
2. What impact does their besieged status have on their (South Africa and Israel, in this case) defense industries?
3. Has the relative change in their besieged status given a new focus to their defense industries?

The first question that the study began with is a general one that pertains not only to the two case studies but also to besieged states in general. This research analysis did not attempt to perform a general study on besieged states nor has it attempted to draw lessons from the two case studies. It limited itself to understanding the various strategies that South Africa and Israel adopted and focused particularly on the development of their defense industries as examples of internal balancing, which the realist theory of international politics expects besieged states to engage in due to the absence of external balancing opportunities.

The second question was comprehensively explored and answered by the study. It considered the available evidence in the case of the defense industries of Israel and South Africa, and argued that both the acquiring and shedding of their besieged status had a
clear impact on their nature, orientation and performance. The third question was similarly comprehensively clarified.

The study had the following hypotheses:

1. Israel and South Africa developed their defense industries because of their besieged status in the international system.

2. Change in the besieged status of these countries led to a change in the orientation of their defense industries, from national defense and self-reliance to the logic of the market.

While analyzing the available evidence in order to verify the two hypotheses, the study found that the first hypothesis can be completely verified as the finding was in accordance with this initial claim. The finding of the study suggests that while the first part of the hypothesis is fully verified, evidence does not support the second section. In other words, the evidence indicated that the South African defense industry behaved as argued in the second hypothesis but the Israeli defense industry did not. In the light of this finding, the study proposes to a) divide the second hypothesis into two and b) modify that part of the hypothesis pertaining to Israel. Thus the study restates the hypotheses in the following manner:

1) Israel and South Africa developed their defense industries in response to their besieged status.

2) Complete change in the besieged status of South Africa led to a change in the orientation of its defense industry from national self-reliance to the logic of the market.

3) Incomplete change in the besieged status of Israel led to an incomplete change in the orientation of its defense industry from national self-reliance to the logic of the market.
Other conclusions

This study also points to the general tendency of states in the international system to aggressively defend their security and sovereignty especially when faced with threats and besiegement. From a realist theoretical point of view, this is clearly an expected behaviour from such states. Realism expects states to balance when they feel insecure and besieged and balancing is usually done externally when insecure or threatened states enter into alliances and pacts with countries which do not threaten them. The behaviour of besieged states, however, does not confirm to the typical behaviour pattern expected of insecure/threatened states (of external balancing) because such states, by definition, are friendless, or are mostly so. Such states enter into what is called internal balancing, again an expected behaviour, if not common, from a realist point of view.

However, it is striking that not all besieged states engage in internal balancing of the kind that Israel and South Africa did. Myanmar, for example, has been an outcaste in the international system but it never made the efforts to internally balance in order to challenge the international system. This leads us to the question of state capacity and location in the international system. Not all states have the wherewithal to internally balance. For besieged states to internally balance they have to have the material capability to do so, have at least a great power patron, or have the necessary infrastructure. This was evident in the case of Israel and South Africa. Theoretically, realism can explain the significance of such conditionalities which play a major role when besieged states decide to balance. While most realists would be in a position to explain this, realist literature on structural modifiers would be better placed to explain this.

One significant policy implication of the study is that when besieged, states, if they can, tend to react aggressively as was seen in the case of Israel and South Africa. When they were besieged they tried to challenge the international system, and when they were readmitted into the international system, they started behaving normally and were not challenging the system anymore. This lesson has policy implications when dealing with ‘difficult’ states in the international system be it Iran or North Korea.