

## ***Israeli Security Dependence on the US***

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I would like to briefly discuss three points: the history and nature of technological cooperation between the US and Israeli armed forces; the issue of Israeli military export; and US military aid to Israel.

The first point relates to the link between the US and Israeli armed forces, and the history of those ties over the years, ranging from a purely military connection to technological cooperation. First of all, let me clarify my terminology. In the purely professional sense in which technology personnel understand the term “technology,” there is no cooperation today between the two countries. In contrast to practices of the past, Israel has not received any technological know-how from the Americans in recent years. Certainly Israel has received weapon systems from the US: combat systems, aircraft, electronic warfare systems, and various first line equipment of the highest quality of US technological production. But in recent years these items have arrived in sealed boxes that may not be opened; Israeli specialists may not know what is inside them and occasionally oversight groups arrive to preclude the possibility that anything was opened illegally.

When the Americans use the term “technological cooperation” they mean that Israel receives, more than almost any other country in the world, the very best US technological products. And that is indeed the case; if it were not so it would be difficult for Israel to manage. However, that does not mean that Israel gets know-how from the Americans: it doesn’t, unless it can demonstrate that this particular know-how already exists in Israel. The only field in which there is genuine cooperation in know-how is when Israel can persuade the Americans that we also know – on our own. In many instances it means that Israel has to invest a lot of money

to develop and master particular technology to convince the Americans to give it to us gratis or semi-gratis. And then there always remains the question – what will Israel do with all the investments it has made in order to develop that technology?

In the period before and up to the development and the cancellation of the Lavi, Israel and the US had true technological cooperation, i.e., joint development of know-how. But this practice has gradually disappeared. It ceased to exist for all kinds of reasons, some of them without any connection to Israel while others were Israel's own fault, such as the Pollard affair. Another reason is the Israeli defense exports that hardly existed in the period of the late sixties and early seventies (while today they account for something close to 10 percent of the worldwide arms sales market). The meaning of this change is that Israel has become a commercial rival of the US industry.

The fact that during the first Iraq War the Americans found themselves suddenly obliged to fight against technologies that they themselves had provided, be it directly to the Iraqis or to someone else, resulted in a situation in which the US, unrelated to Israel but in particular vis-à-vis Israel, became suspicious at the export of any advanced technologies of a security nature. Inter alia, this took the form of closing the faucet for technological know-how to Israel (as well as to the rest of the world); and I emphasize know-how, and distinguish between know-how and weapon systems.

This is not how it used to be. To a great extent the development of American weapons in the 1970s was based on experience garnered in Israeli wars. In a certain sense one could say that to a large extent Israel was the laboratory for those developing American weapons. This backdrop slowly disappeared more or less simultaneously with the disappearance of major wars. Israel waged its last major war in 1982 – but that too was not a war involving armored divisions facing each other. The last one was actually in 1973, and 35 years have passed since then. Since that time we have been involved with other problems no less important: the war on terror, missiles, and rockets – all those kind of things that today are assuming greater importance around the world. However, we have not seen wars with one army confronting another for over thirty years, and consequently we see that American military professionals are less interested in trying out

their systems over here. The situation has almost reversed; in other words, those who have conducted wars during those years were the Americans. The last one in which there was one military confronting another took place in 2003, just five years ago. All these things together, along with the fears related to exports, have resulted in the aforementioned processes.

One additional point regarding exports must be mentioned, often misunderstood by our American counterparts. The State of Israel is a unique country in the world in the sense that it exports approximately 80 per cent of the weapons that it produces. So we develop weapons and after the process of development is completed, we manufacture – but the IDF, the local market, is too small to absorb the product of the industry that Israel has had to build only for the sake of development. Let me give you some empirical data to dramatize the situation, so that the previous statement does not look like an empty slogan. The Israeli defense industry directly employs something like 40,000 people. The defense industries are similar to the electronic industries in terms of revenues per worker per annum one has to attain for such industries to be self-supporting. In the United States the accepted number is \$200,000 to \$250,000 annual sales per worker. Israel can do with a little less, perhaps \$200,000, perhaps \$150,000 per annum per worker. Even if the lower limit is accepted as point of reference, when multiplied by 40,000 one gets \$6 billion. If the internal market (sales to IDF) is subtracted (around \$2 billion annually), one is left with \$4 billion that must be exported.

Another problem that Israel must be prepared to solve is that countries from the region that sign a peace agreement with Israel receive the same equipment from the Americans. Therefore, Israel has to maintain some sort of a relative edge just in case this peace does not hold. So the question is how this suspended technological cooperation between Israel and the US can be reinstituted.

The next point refers to the fact that in recent years the Americans have developed a doctrine called the Revolution in Military Affairs. To a certain extent some technological achievements were gained based on US-Israeli mutual knowledge. However, while Israel focused on the technological side without thinking too much about operational doctrine, the Americans developed an entire doctrine for the military out of that. This doctrine was very successfully applied in the war of 2003, something that Israel did not

achieve in 2006 in a much smaller and simpler war. This is despite the fact that the technology serving the Americans in 2003 and Israel in 2006 was basically similar.

The above examples illustrate several crucial, objective points. We are far away from conventional wars and that causes us to become more theoretical and less practical. The American interest to collaborate with Israel in the security sphere has been reduced and that has resulted in a gradual disappearance of technological collaboration.

Another important point relates to the aid that Israel receives from the Americans. The amount changes every year, but it can be approximately estimated as a grant of \$2.5 billion per annum, most of which, namely three-quarters, can be spent only in the United States. Slightly more than a quarter of the grant can be spent in Israel or anywhere else on previously agreed upon items. From a financial point of view this aid is a great help to the Defense Ministry's budget, which today constitutes around \$10 billion. Yet despite the fact that this is a big help, it actually complicates our life very much. In addition, there are voices from our American counterparts that Israel spends American money on all sorts of things, including the development of Israeli know-how. However, once Israel decides to use its know-how in a way that is not too pleasing to the United States – then immediately the argument appears that it was done with American money and that becomes a source of tension.

The structural damage of this aid may be greater than its financial benefit because it obscures the right considerations such as what is to be produced in Israel, what is to be bought in the US, and what is to be bought in shekels, to name just a few. All these considerations become problematic because things are given gratis. If it were only for the financial aid, I think we should consider giving it up. However, the real value of the grant is political: the United States declares to the entire world that Israel, although it is not exactly a formal ally of the United States, is one of those countries that the United States will not allow to weaken – and it is this value that is actually the important part rather than the financial aspect. If we could have done away with the financial aid and asked the government of Israel to budget defense or security like any other government, that would have made life much easier. In addition, it would also have reduced a lot of the

conflicts between Israel and the Americans because quite a lot of those conflicts derive from that base.

To sum up, both countries can gain from enhancing cooperation in the technological area; this is beneficial to Israel and would not necessarily be a burden on the United States. I think both countries can stand to gain from that. First of all if fruitful technological cooperation was once possible, that means that it is possible in general. Knowing that, we should think of a way to revitalize it. Thus the real issue that hampers the development of technological cooperation is the lack of trust between the two parties. In other words, what has changed in recent years is trust. There is suspicion from the American side vis-à-vis Israel; I don't think there is any such problem the other way round. There is suspicion and the real question is how to cause it to dissipate. That is the challenge that must be addressed in the future.