



PROJECT ON INDIA AND THE SUBCONTINENT
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Indo-Israeli Relations: Key Security Implications

Following more than forty years of diplomatic estrangement, the last decade has witnessed India and Israel embark on a new multidimensional "strategic partnership." The two states have expanded cooperation in a number of key areas, with counterterrorism and the sale of sophisticated weapons technology becoming two cornerstones of the relationship. What are the implications of growing ties between these two countries for India and the United States?

BACKGROUND

India and Israel share similar backgrounds: a British colonial past, hostile neighbors, and a democratic political system. Yet despite this, a number of factors led India to adopt an unfavorable posture towards Israel following its independence in 1947. For the first fifty or so years of its independence, India's foreign policy towards Israel was guided by Cold War alignments and politics, India's fear of alienating its large Muslim population, and New Delhi's strong ties to the Arab world. These factors prompted India to forgo establishing full diplomatic ties with Israel. Contact between India and the Jewish state remained limited to some covert military and intelligence cooperation.

In recent years, however, a number of factors have led New Delhi to finally extend full diplomatic recognition to Israel. The end of the Cold War brought the collapse of the Soviet Union, India's principal military and diplomatic patron, forcing India to search for alternative alliances. New Delhi also recognized that the staunch support it had given to the Arab world over the Israeli-Palestinian conflict had not been reciprocated to India over the Kashmir dispute. Finally, with the launching of the Madrid Peace Process in 1991, the ideological foundations of India's policy towards Israel had eroded. India thus extended Israel full diplomatic recognition in 1992, and Indo-Israeli relations have continued to accelerate since then.

CURRENT SITUATION

Bilateral relations between India and Israel are robust and multi-faceted. The two states share several congruent interests and have acted to expand cooperation in a number of key areas.

Counterterrorism and Intelligence Cooperation: Counterterrorism remains one of the greatest areas of cooperation between the two countries, stemming from the constant terror threat facing both states. Counterterrorism cooperation has involved the exchange of information on

terrorist groups, their finances, recruitment patterns, training, and operations; it has also entailed comparing national doctrines and operational experience. India and Israel have also focused their efforts on border security: Israel has sold India movement sensors and other monitoring equipment to track infiltration across the Line of Control (LoC) between India and Pakistan in the Jammu and Kashmir region. Israel also sold unmanned aerial vehicles (UAVs) to India for high-altitude surveillance and has offered to provide anti-insurgency training for Indian forces in the area as well. In 2000, India and Israel established a joint commission to combat terrorism at the ministerial level.

Military Cooperation: India and Israel share certain strategic objectives: qualitative (and in some cases quantitative) military supremacy over their rivals, and autonomy in technology and weapons procurement. Neither India nor Israel can realize these goals without international assistance. With the collapse of the Soviet Union and the end of the Cold War, New Delhi began looking to other nations for military equipment. As a result, Israel has become one of India's most important sources of sophisticated weapons and military equipment.

In January 2004, Israel signed a \$1.1 billion deal with India for the sale of the Phalcon airborne warning and control system (AWACS) and is in the process of providing three more aircraft to India. India and Israel are also negotiating the sale of the multi-billion dollar Arrow II ballistic missile system (requiring American approval, as it uses U.S. technology). Washington has blocked passage of the deal. In 2007, India and Israel announced that they would jointly develop a \$2.5 billion surface-to-air missile system, the biggest defense contract in Israeli history. The deal signals that Indo-Israeli defense military cooperation is moving beyond simple cash-for-arms transfers and is ready to move to greater collaboration between the two defense establishments. In May 2008, Israel Aerospace Industries (IAI) and the Tata Group signed an agreement to cooperate on the development, manufacturing and sale of defense products in India.

India has also taken advantage of Israel's global reputation for upgrading outdated weapon systems and Soviet-era military hardware. Israeli missiles, rockets, radar and communication equipments, ships, assault and sniper rifles, night-vision devices, and border monitoring equipment have all been added to the Indian arsenal. It has been reported that between 2002 and 2007, India purchased over \$5 billion worth of military weapons and systems from Israel (with \$1.6 billion in 2006 alone), making Israel India's largest worldwide supplier of defense equipment.

POLICY IMPLICATIONS FOR THE UNITED STATES

The United States played a role in helping facilitate India's full diplomatic recognition of Israel in 1992, a step New Delhi took in part to strengthen bilateral ties with Washington. The United States continues to regard strengthening Indo-Israeli relations positively, as evidenced by Washington's approval of Israel's sale of the Phalcon warning system to India, though it has blocked a similar sale to China. Sale of the Phalcon system, like the Arrow system, requires American approval because of its use of U.S. technology.

The Indo-Israeli strategic partnership has far-reaching policy implications for the United States.

- Burgeoning Indo-Israeli ties could potentially advance American interests in the Indian Ocean region, by counteracting the “arc of instability” region from the Middle East to Pakistan.
- Israel’s advanced security technology could also strengthen India’s abilities in this area, particularly vis-à-vis counterterrorism, an area of great concern to the U.S. However, Israeli industry competes with U.S. companies in such areas. Indo-Israeli ties under American auspices will be vulnerable to accusations of an “American-Jewish-Hindu” alliance against Islam, a charge that has been already made by Al-Qaeda. Such characterizations will potentially undermine American claims that the global war on terror is against extremism, not Islam.
- India’s decision to launch the Israeli Tescar spy satellite in January 2008 indicates New Delhi’s potential willingness to enhance Israel’s security vis-à-vis Iran, especially with regard to Iran’s nuclear program.
- The United States will benefit from having two of its democratic, pro-Western allies work together, especially in the counterterrorism and defense realms. Israel’s security remains a top U.S. priority.

RECOMMENDATIONS

India should pursue the following policy priorities:

- Maintain cooperation with Israel, particularly in the security realm. Expand diplomatic cooperation to support stability and democracy to the nations that border India and Israel.
- Continue to work on India’s relationship with the Arab world and to improve the situation of its own Muslim minority.

The United States should pursue the following policy priorities:

- Continue to support security and diplomatic cooperation between India and Israel. However, given the competition between U.S. and Israeli defense companies, American business interests should carry great weight with regard to decisions on sales of Israeli-U.S. technologies, such as the Arrow missile system.
- Any U.S. support for Israeli-Indian cooperation should be conducted privately. U.S. enthusiasm for such a relationship is only likely to have negative consequences in India, Pakistan, and the Muslim world (e.g. domestic backlash within India, concern within Pakistan for India’s improving military capabilities, and antagonism from the Muslim world).

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