



INDIA-ISRAEL PARTNERSHIP: CONVERGENCE AND CONSTRAINTS

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There has been a steady strengthening of India's relationship with Israel ever since India established full diplomatic relations with Israel in 1992, despite Indian attempts to keep this flourishing bilateral relationship out of public view. A flourishing Indo-Israeli relationship has the potential to make a significant impact on global politics by altering the balance of power, not only in South Asia and the Middle East, but also in the larger Asian region, which has been in a state of flux in recent times. However, notwithstanding the convergence of interests on a range of issues between India and Israel, this bilateral relationship will have to be carefully managed because of a host of constraints which circumscribe this relationship. This study examines those factors which are bringing the two nations increasingly closer and the constraints that might make it difficult for this relationship to achieve its full potential.

There has been a steady strengthening of India's relationship with Israel ever since India established full diplomatic relations with Israel in 1992, despite Indian attempts to keep this flourishing bilateral relationship out of public view. This bilateral relationship assumed an altogether new dynamic and came under full public scrutiny with the visit of Ariel Sharon to India in September 2003, the first ever by a ruling Israeli prime minister. The excitement surrounding this visit and the future prospects of Indo-Israeli relationship signaled the sea change in relations between the two states. In sharp contrast to the back-channel security ties that existed even before the normalization of bilateral relations, India now seems more willing to openly carve out a mutually beneficial bilateral relationship with Israel, including deepening military ties and countering the threat posed by terrorism to the two societies.

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power, not only in South Asia and the Middle East, but also in the larger Asian region, which has been in a state of flux in recent times. However, notwithstanding the convergence of interests on a range of issues between India and Israel, this bilateral relationship will have to be carefully managed because of a host of constraints which circumscribe this relationship. This study examines those factors which are bringing the two nations increasingly closer and the constraints that might make it difficult for this relationship to achieve its full potential. First, the historical underpinnings of the Indo-Israeli relationship are examined in brief. Subsequently, the convergence of Indo-Israeli interests on some important issues is analyzed with special reference to countering terrorism and the growing defense relationship. Finally, the constraints within which this relationship will have to operate in the near future are examined.

HISTORICAL BACKGROUND

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India recognized the state of Israel in 1950, two years after its establishment in 1948. However, diplomatic relations were not established until 1992.¹ This was mainly because of India's support and sympathies with the Palestinian cause. India was a founder member of the Non-Aligned Movement (NAM) that was supportive of anti-colonial struggles around the world and this also meant strong support for the Palestine Liberation Organization (PLO). India became one of the first non-Arab states to recognize Palestinian independence and also one of the first to allow an embassy of the PLO in its capital.

India's anti-Israel stance was also part of the larger Indian diplomatic strategy of trying to counter Pakistan's influence in the Arab world and of safeguarding its oil supplies from Arab countries. It also ensured jobs for thousands of Indians in the Gulf, helping India to keep its foreign exchange reserves afloat. India and Israel also ended up on the opposite sides during the Cold War, with the United States strongly supporting Israel, while India's sympathies were toward the Soviet Union. The Congress Party in India, the dominant force in Indian politics since India's independence in 1947, opposed Israel in large part because it viewed Israel as the analogue of Pakistan, a state based on religion. This also hampered growth of Indo-Israeli ties in the immediate aftermath of Indian independence.

Despite this, however, it is remarkable that India and Israel managed to come together on a range of issues, especially the close collaboration between the Indian intelligence agency, RAW (Research and Analysis Wing) and Israel's Mossad. This collaboration was the result of a secret cooperation agreement in the area of security, intelligence and military equipment. Israel also never hesitated to come to India's defense, publicly and vigorously, in most of India's major conflicts. While India got tacit

help and support from Israel during its 1962 war with China and 1965 war with Pakistan, India's relations with Israel went downhill in the early seventies with the worsening of the Arab-Israeli dispute after the 1967 war.

It is also important to note that Jews have been a part of India for well over a thousand years. The most distinctive aspect of the Indian Jewish experience is the complete absence of discrimination by the host majority. Jews have lived in India without any fear of persecution, a fact that has been well appreciated by Israel. Even though the Jewish population in India is estimated to be around 6,000--following the emigration of over 25,000 to Israel between the 1950s and 1970s--the community's contributions to India remain substantive.²

After the end of the Cold War and the collapse of the Soviet Union, India was forced to reorient its foreign policy to accommodate the changing international milieu. India also embarked on a path of economic liberalization, forcing it to open its markets to other nations. It was in 1992 that India granted full diplomatic recognition to Israel, leading India and Israel to establish embassies in each other's country. Since then, the Indo-Israeli bilateral relationship has attained a new dynamic with a significant upward trend. However, while the exchanges in diverse fields intensified, the overall connection deliberately remained low profile. Such an approach was thought to be necessary in order to insulate the other interests India had in the Middle East from being affected by the Arab animosity towards Israel. In this context, Ariel Sharon's visit to India in September 2003 was an important benchmark in that it made clear to the world that India was no longer shy about its burgeoning relationship with Israel.

There was some concern that the recent change of government in India, from the Hindu nationalist Bhartiya Janata Party (BJP)-led National Democratic Alliance to

the Congress Party-led United Progressive Alliance (UPA), might be inimical to Indo-Israeli ties. But so far they seem to have remained on track, as the new government has shown its determination to continue on the path of strengthening relations with Israel. The first foreign ministry level consultations after the new government's assumption of power took place in November 2004. In those meetings--which have taken place annually since 1999--the two sides took stock of their bilateral ties and discussed various regional and multilateral issues. The Indo-Israeli joint working group (JWG) on counter-terrorism met soon thereafter in New Delhi, at which time the two sides agreed to step up cooperation in multilateral forums and broaden the scope of their interaction. This JWG was set up in 2000 to strengthen cooperation between the two states in their fight against terrorism.

CONVERGENCE OF INTERESTS

When Israeli prime minister Ariel Sharon was given a red carpet welcome during his visit to India in September 2003, the world was forced to take notice of how dramatically the bilateral ties between India and Israel have grown since the early 1990s. It has been argued that among "India's potential (and indeed current) antagonists are countries and organizations which may pose a threat to Israel in time to come or are likely to ally themselves with Israel's adversaries in some future conflict."³ Though this relationship is multifaceted, it is particularly driven by the menace of terrorism that afflicts both nations and by a burgeoning defense relationship. The terror attacks of September 11, 2001, and their aftermath also made the two nations realize the importance of cooperating on a larger scale to counter terrorism.

Combating Terrorism

Fighting terrorism is a major issue and challenge for both India and Israel. Both are democratic, pluralistic states with large domestic Muslim minorities, and both face the scourge of Islamist terrorism, which is sponsored by their neighbors. This shared dilemma has led to a better understanding of each other's concerns.⁴ It was in this respect that the Indian national security advisor, Brajesh Mishra, outlined a proposal in a speech to the American Jewish Committee in Washington in May 2003 that India, Israel, and the United States should unite to combat the common threat of Islamic fundamentalism. He argued that democratic nations that face the menace of international terrorism should form a "viable alliance" and develop multilateral mechanisms to counter this menace.⁵ Israel also supported this and has even gone to the extent of saying that an "unwritten and abstract" axis with India and the United States has been created to combat international terrorism and make the world a more secure place.⁶

While there has been no attempt to form an explicit alliance among the three states,⁷ India and Israel have definitely started cooperating more closely on the terror front. India has found it increasingly beneficial to learn from Israel's experience in dealing with terrorism since Israel has also long suffered from cross-border terrorism. And the terrorism that both India and Israel face comes not only from disaffected groups within their territories but it is also aided and abetted by the neighboring states, mostly under non-democratic regimes, increasingly capable of transferring weapons of mass destruction to the terrorist organizations. States such as Pakistan in South Asia, or Iran and Syria in Middle East, have long used terror as an instrument of their foreign policies. There are, thus, distinct structural similarities in the kind of threat that India and Israel face from terrorism. It is also important

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to note that when the extremist *mullahs* call upon their followers to take up arms in support of an Islamic jihad, their topmost exhortations have always been the "liberation" of all of mandatory Palestine, Kashmir, and the annihilation of the United States.

This realization has drawn the two nations closer, with India being the first close friend Israel has to its east and Israel being the first close friend India has to its west. Israel, which has faced relative isolation across the globe, views India as its strategic anchor in Asia.⁸ Israel also sees major benefits in coming closer to a country with a big Muslim population, the second largest in the world, hoping that it might help dilute the importance of the religious component in the Arab-Israeli conflict. Both states are also islands of stability in an otherwise largely chaotic region stretching from North Africa to the Himalayas, which some have argued should be seen as a single strategic region.⁹ The search for strength in each other's inner reserves is natural for India and Israel in their quest for security and the fight against terror.

As a result, a basic understanding has emerged between India and Israel that despite the fact that circumstances surrounding the nature of terrorism they face are different, there can be no compromise with terror. The declaration signed during Sharon's visit to India condemned states and individuals who aided and abetted terrorism across borders, harbored and provided sanctuary to terrorists besides giving financial support, training, or patronage. India sees Israel as a source providing training for its personnel and materiel in its fight against terrorism, and Israel is more than willing to offer India both material and moral support in this regard.¹⁰

India and Israel not only exchange crucial intelligence information on Islamist terrorist groups but Israel is also helping India to fight terrorism in Kashmir by providing important logistical support such as

specialized surveillance equipment, cooperation in intelligence gathering, joint exercises, and cooperation to stop money laundering and terror funding. The level of intelligence cooperation between India and Israel may be even more extensive than between India and the United States. The tactics used by the Israeli Defense Forces (IDF) in the guerilla and urban warfare it wages against Palestinian terror in the West Bank and Gaza Strip can be fruitfully adopted by the Indian security forces in countering insurgency. These tactics have even been found useful by the U.S. forces in Iraq who had to learn IDF strategy of urban warfare to tackle growing insurgency there.¹¹

Israel's long experience in training, equipping, and operating elite undercover units deployed in Palestinian towns and villages to gather intelligence, spot targets, and engage Palestinian gunmen, is useful for the Indian security forces facing similar situations in Kashmir and the Northeast. Other areas where Israeli know-how can be incorporated by India include tactics aimed at lowering the risk of ambush, use of infantry and commando units seeking out and destroying arms caches and terrorist bomb-making capabilities, and the use of dogs, robotics, and specially trained sappers to detect hidden roadside mines.

Soon after Sharon's visit to India, India and Israel decided to hold joint military exercises for their elite special forces to further strengthen their defense collaboration.¹² The joint special forces exercise is a logical next step, as it will allow each force to demonstrate the distinctive skills each has acquired in the context of their own regional conflict dynamics, thus serving to complement and strengthen the force capabilities of the each country's force. Israel is expected to train Indian soldiers for specialized anti-insurgency strikes, adding to their training in desert, mountains, forests, and counter-hijacking and hostage crisis

situations. India primarily wants this training in order to tackle cross-border infiltration of insurgents in Kashmir from Pakistan, as well as protecting other Northeastern states of India from similar infiltration from other neighboring states. India has also bought Tavor assault rifles, Galil sniper rifles, and night vision and laser range finding and targeting equipment in order to improve the capabilities of its forces to tackle insurgency. India has also shown interest in the counter-infiltration devices Israel uses on Golan Heights and in the Negev Desert.

Defense Collaboration

The ballast for Indo-Israeli bilateral ties is provided by the defense cooperation between the two states with India emerging as Israel's largest arms market, displacing Turkey, with Israel becoming India's biggest arms supplier. With the end of the Cold War, the lure of the Russian arms market for India has diminished due to a high degree of obsolescence. Moreover, with Israel specializing in upgrading Russian equipment, it has emerged as an alternative source of hi-tech defense procurement as India has decided to diversify its defense purchasing.

On the other hand, for Israel, empowering the Indian military has meant becoming a major exporter to that large, financially rewarding arms market. More than the harm to the general Israeli economy caused by the conflict with the Palestinians, Israel's defense industry has always been dependent on exports to reach a point where it could produce enough to remain financially solvent. In fact, in its vigorous search for new markets for its defense products, Israel has emerged in 2002 as the fifth-largest arms-exporter in the world.¹³ In this context, Israel's growing defense relationship with India goes a long way toward sustaining its own local defense industry, and this in turn is also a significant boost to Israel's economy as a whole. As a consequence, the Indo-Israel

defense partnership has reached a critical mass in recent years.¹⁴

With huge investments in research and development, Israeli weapon systems are considered the cutting edge in various areas of the international arms market, even compared to American and European products. This is primarily because a high technology defense industry is a matter of vital national security for Israel. The extent of Israel's defense industry reflects its precarious geopolitical situation of a nation of about six million surrounded by a largely adversarial Arab world many times its size. Despite enjoying a close relationship with the United States, self-reliance in defense is a mantra that Israel has followed almost to perfection. Israel has also adopted a pragmatic attitude with respect to weapon sales to India as opposed to other developed states that have looked at weapons sales to India from the perspective of balance of power in South Asia. Israel was willing to continue and even step up its arms sales to India after other major states curbed their technological exports to India following India's nuclear tests in May 1998.

From anti-missile systems to hi-tech radars, from sky drones to night-vision equipment, Indo-Israeli defense cooperation has known no bounds in recent times.¹⁵ A large part of the imported equipment to modernize the Indian Army battalions as part of the Rs. 3, 290 crore (over \$700 million) investment is also likely to come from Israel. Israel is also to figure in the Indian Army's plan to bolster its lethal firepower, anti-IED (improvised explosive device), and communication capabilities. In the summer of 2004, Israel's defense industry was bidding for the upgrade of the Indian Air Force's Mig-27 strike aircraft, the avionics upgrade of the Indian Navy's Ka-25 anti-submarine helicopters and maritime patrol aircrafts. Israel's Soltam 155mm Howitzers are one of three contenders for the Rs. 5000 crore (over

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\$1 billion) deal to purchase about 1,000 Howitzer guns--evaluations of which are currently being conducted by the Indian Army. Israel and India are also involved in close cooperation in upgrading Russian-supplied Mig-21 Bison aircraft and T-72 tanks, particularly to make the tanks capable of conducting night operations.

India has also shown its interest in acquiring unmanned aerial vehicles, with negotiations ongoing for the joint production of high altitude Herons with Israel. The Indian Air Force is also looking to acquire the Israeli Harpy missile, used for silencing enemy radars, which would be a significant force multiplier. Some other acquisitions from Israel in which the Indian Air Force has recently expressed a keen interest include Delilah II bombs, crystal maze bombs, Pechora III, surface-to-air missiles, and Popeye beyond-visual-range air-to-air missiles. The U.S. finally gave its approval to Israel's delivery of Phalcon Airborne Warning & Controlling Systems (AWACS) to India after initial reluctance about how this sale might impact the conventional weapons balance between India and Pakistan. India's AWACS project involves the integration of the "Phalcon" radar and communication system with the Russian Ilyushin-76 heavy transport military aircraft.¹⁶ The first of five AWACS is scheduled to be delivered by 2007.

India and Israel are also currently negotiating the possible sale of the Arrow-II anti-ballistic missile defense system to India, which wants to strengthen its air defense capabilities. Though Israel is more than willing to sell the system, it needs American approval since the U.S. was a collaborator in the project. However, India has already acquired the advanced "Green Pine" fire control radars from Israel. This is a transportable phased-array radar which forms a crucial component of the Arrow system and

can detect and track incoming missiles from up to 500km away.

It has also been argued that Israel could be acquiring an element of strategic depth (crucial for a geographically small state like Israel) by setting up logistical bases in the Indian Ocean for its navy.¹⁷ Cooperation with the Indian Navy is seen as vital for such a venture and it is occurring in various ways. The Indian Navy plans to acquire about ten more Israeli Barak anti-missile defense systems, in addition to the seven already procured for its major warships. This system would provide India with a close-in point defense system against the Harpoon and Exocet missiles acquired by Pakistan. India has also approved the purchase of a \$97 million Israeli electronic warfare system for ships. India has decided to launch joint programs with Israel in the field of electronic warfare. With Israel's strength being sensors and packaging, and India's being fiber optic gyros and micro-electromechanical systems, both Israel and India can neatly complement each other in this area.¹⁸

India's attempts to shore up its conventional defenses in order to counter its nuclear-armed adversary, Pakistan, have been greatly supported by Israeli weaponry. This includes surface-to-air missiles, avionics, sophisticated sensors to monitor cross-border infiltration, remotely piloted drones, and artillery. It is instructive to note that Israel sent its laser guided missiles to India during the Indo-Pak Kargil war of 1999, making it possible for the Indian Mirages to destroy Pakistani bunkers in the mountains. Also, when India was planning to undertake a limited military strike against Pakistan in June 2002 as part of "Operation Parakram," Israel supplied hardware through special planes after a visit by the Director-General of Israeli Defense ministry.¹⁹

During Sharon's visit to India, Israel reportedly also took up the issue of developing an anti-ballistic missile system

with India. India is concerned about the nuclear arsenal of Pakistan, especially about its command and control as Pakistan's military not only completely controls the country's nuclear weapons, but it is also seen as sympathetic to the Islamist extremists. Israel is also concerned about the proliferation of missiles in its own neighborhood and about the possibility of Pakistani nuclear weapon mutating into an "Islamic bomb."

One of the most immediate effects of this close defense relationship between India and Israel can be seen in Pakistan's worry that the strategic balance in the subcontinent is fast tilting against it. It finds it difficult to match the conventional military capability of Israel-India combined.²⁰ It is especially concerned about the sale of the Arrow anti-missile system that would neutralize part of Pakistan's nuclear arsenal by seriously affecting its ballistic missile capability. The Phalcon early-warning system will give India the capability to look deep into Pakistan's territory with the result that it would be difficult for Pakistani warplanes to move without being detected. The Barak anti-missile system will protect the Indian Navy ships from Pakistan's missiles, giving the Indian Navy huge maneuver advantages vis-à-vis Pakistan.

Perturbed by this growing conventional asymmetry, Pakistan has been asking the U.S. to supply it with AWACS and give its nod of approval for the purchase of F-16 aircrafts from Belgium, though with little success so far.²¹ Pakistan has also indicated that it is re-examining its policy of non-recognition of Israel in order to counter growing Indo-Israeli relations.²² Not much progress has, however, been made on that front.

It would be fallacious, however, to view the Indian defense spending as being directed mainly towards Pakistan. India has larger aspirations of becoming a global

political and military power. Israel's state-of-the-art weapon systems will help India in restructuring its armed forces to meet the defense requirements of the twenty-first century.

Defense cooperation between India and Israel has continued even after the recent change of guard in India. The vice chief of the Indian Army, the Indian Navy chief, and the chief of the Indian Air Force have all visited Israel since the new government assumed office in May 2004. These visits were followed by the visit of high-level Israeli defense ministry officials and top executives from several major armament manufacturers. Despite initial apprehension in some Israeli quarters that defense cooperation might suffer under the new Indian government, the new defense minister made it clear that there will be no change in the existing defense ties between India and Israel.²³

Other Areas of Cooperation

Though cooperation in the realm of defense and anti-terrorism has driven India and Israel closer, the two states are also making concerted attempts to diversify this relationship. The emergence of India and Israel as industrialized and technologically-advanced states makes their cooperation on a range of fields meaningful and mutually beneficial. There has been a six-fold increase in India's trade with Israel in the last decade with India becoming Israel's second-largest trading partner in Asia in non-military goods and services. India's non-military trade with Israel reached \$1.27 billion in 2002 from just \$202 million in 1992, which is still not commensurate with the vast potential.²⁴ Also, a single product, diamonds, accounts for nearly 65 percent of total trade.

During his visit to India, Ariel Sharon was accompanied by a large delegation of about 30 influential businessmen, eager to forge new contracts and open new markets in

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India. This bears witness to Israel's commitment to intensify its economic and trade relations with India. On his part, Indian Prime Minister Manmohan Singh met top leaders of the American Jewish community when he visited the United States in September 2004, and praised their contributions to the Indo-American and Indo-Israeli friendships. The Jewish organizations in the United States share a very close relationship with the Indian-American community and together they have been instrumental in shaping Indo-Israeli ties.²⁵

New areas of cooperation have also been identified by the two states, including the agricultural sector, farm research, science, public health, information technology, telecommunications, and cooperation in space. India and Israel have decided to set up a joint economic committee to identify new measures to stimulate trade and a joint committee on agriculture to stimulate greater cooperation in that sector. Israeli industry is keen to take advantage of synergies with India in various areas like telecom, information technology, and biotechnology. Also, an Indo-Israeli CEOs forum comprising senior business heads from both countries has also been established to deliberate on trade and economic matters.

Israel has offered to help India with venture capital funding for communications and information technology projects, advanced agricultural technologies, and aerospace engineering. In the agricultural sector, cooperation in areas like afforestation in arid areas, desertification, pollution, water conservation, recycling of wastewater, low cost technologies for pollution control, and environmental monitoring methods have been envisaged by the two states. Indian companies are also hoping to sell more chemical and pharmaceutical products in Israel and invest in joint ventures there to gain better access to markets in Europe and

the United States, which have free trade agreements with Israel.

An overview of the range of the Indo-Israeli relationship is provided by the variety of agreements signed during Sharon's visit to India. The six agreements covered the fields of environment; health; combating illicit trafficking of drugs; visa waivers for diplomatic, service, and official passport holders; education; and an exchange program for cultural education.²⁶

Given India's strong scientific and technological base, Israel is keen on strengthening scientific and technological ties with India.²⁷ Both nations are planning to double the investment under the ongoing science and technology collaboration from \$0.5 million in 2003 to about \$1 million by 2005. Israel has shown a particular interest in collaborating with Indian scientists on human genome research and with the Indian Space Research Organization on better management of land and other resources using satellites. India has evinced an interest in the field of nano-technology that is at an advanced stage of development in Israel. Israel will also be installing a set of three wide-field ultra-violet telescopes on India's GSAT-4 satellite that will be launched in 2005. India and Israel have decided to set up a joint fund for research and development, with the aim of promoting technology-based trade and collaboration that will help them tap into the global market together.

In a relatively short span of eleven years of formal diplomatic relations, India and Israel have established a vibrant partnership. While India stands to strengthen its defense and security apparatus as a result of this partnership, Israel gets the platform of the biggest democracy in the world, which offers a huge market and is regarded as a strategic player in the region.

CONSTRAINTS

Despite a significant convergence of interests between India and Israel on a host of issues, there remain a number of constraints within which the two states will have to chart out their bilateral relationship.

The Palestine Question

The most significant of these constraints, perhaps, emerges from the Indian domestic political milieu. India cannot ignore the sentiments of its substantial Muslim populace of about 140 million that are overwhelmingly against Israel's policy regarding the Palestinians. Fear of alienating its Muslim population has been a major factor that prevented India from normalizing its relations with Israel for decades. India has also been a strong supporter of Palestinian self-determination.

Though only few left-wing parties and Muslim organizations expressed their vocal disapproval of Ariel Sharon's visit to India, the Palestinian cause remains popular in India.²⁸ The Indian government, while welcoming Sharon, also made it clear that it would neither dilute its traditional support for the Palestinian cause nor abandon Yasir Arafat as the leader of the Palestinians. Until his death, India saw Arafat as a symbol of Palestinian nationalism and as such central to any peace process in the Middle East, a view in complete contrast to that of the Sharon government, which was in favor of expelling Arafat and allowing for the emergence of an alternative Palestinian leadership.²⁹ With Arafat's death, the issue of Palestinian leadership will probably no longer remain a point of contention between India and Israel.

This disagreement over Arafat's role is not to say that a subtle re-evaluation of India's Middle East policy is not underway. Before 1992, India had made the normalization of relations with Israel contingent upon the resolution of the Palestinian issue. In 1992, India decided to delink the two, making it clear that it was not

prepared to make an independent Palestinian state a precondition for improving its relations with Israel. This was in tune with the policy much of the world was already following.

Over the years, the Indian government has also toned down its reactions to Israel's treatment of the Palestinians. Sharon's policy towards the Palestinians has evoked little more than mild disapproval from the Indian government in recent years. India has also begun denouncing Palestinian suicide bombings and other terrorist acts in Israel, something that was seen earlier as rather justified in light of the harsh policies of Israel against the Palestinians. A token visit by the Palestinian foreign minister to India before the Sharon visit was the only concession India made to indicate that it remains concerned about the plight of the Palestinians. India is no longer initiating anti-Israel resolutions at the UN and has made serious attempts to moderate NAM's anti-Israel resolutions.

There is also realization in India that India's largely pro-Arab stance in the Middle East has not been adequately rewarded by the Arab world. India has received no worthwhile backing from the Arab countries in the resolution of problems it faces in its neighborhood, especially Kashmir. There have been no serious attempts by the Arab world to put pressure on Pakistan to reign in the cross-border insurgency in Kashmir. On the contrary, the Arab world has firmly stood by Pakistan, using the Organization of Islamic Conference to build support for Islamabad and the Jihadi groups in Kashmir.³⁰ There is a growing perception in India that if Arab nations, such as Jordan, have been able to keep their traditional ties with the Palestinians intact while building a new relationship with Israel, there is no reason for India not to take a similar route. This might give India more room for diplomatic maneuvering.

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Despite India's tilt towards Israel in the 1990s, however, it will be forced to operate its bilateral relationship with Israel within the constraints imposed by its domestic politics and its interests in the Middle East. It will have to be careful not to let its relationship with Israel be projected as a Jewish-Hindu axis against Islam. Israel's handling of the Palestine issue will also be a major factor as it would be difficult for India to justify its continuing support for Israel in case Israel's policies become blatantly harsh. Also, despite India's disillusionment with the Arab world, about three million Indians work in the Persian Gulf and are valuable foreign exchange earners. India also gets about one-fourth of its oil supplies from the Middle East. In sum, India will have to balance its growing relationship with Israel without sacrificing its core interests in the rest of the region. India needs Israel as a political and military partner but without being pushed into any new confrontation with the Islamic world.³¹ While Israel has long faced enmity from much of the Islamic world, India's national interests and large Muslim population makes it especially careful to avoid such a fate.

It was in this context that concerns were raised about the orientation of the new Indian government, led by the Congress Party and supported by left-wing parties, towards Israel. When in opposition, the current Indian Foreign Minister, K. Natwar Singh, was critical of the previous government's efforts to promote Indo-Israeli ties at the expense of the Palestinians. The left-wing parties have also been very vocal in their support for the Palestinian cause. However, so far there is little indication that Indo-Israeli ties are suffering because of the new government's supposed dispensation. The new government has argued that its ties with Israel would not affect its support for the Palestinian cause.³² In effect, this is the same position held by the former BJP-led government.

The new government did make a symbolic move of sending its Minister of State for External Affairs to the Palestinian Authority, thereby demonstrating its strong support for Palestinian independence. It also called for measures to lift the siege imposed by Israel around the headquarters of Yasir Arafat.³³ Apart from these symbolic gestures, however, nothing dramatic has happened that might lead one to conclude that India's ties with Israel are under reconsideration.

India's Relations with Iran

Another constraint on India's enhanced engagement with Israel is India's flourishing relations with Iran. In fact, the RAND Corporation of the United States has termed this relationship as "the Tehran-New Delhi axis" and in its opinion, it is one of the ten international security developments that are not getting appropriate attention.³⁴ And this is primarily because of the impact that closer ties between India and Iran might have on the Middle Eastern political dynamic, and which might not necessarily help U.S. interests in the region.

While an India-Iran axis seems far-fetched, relations between India and Iran have definitely been on an upswing in the last decade. This was reflected in India's invitation to Iran's Prime Minister to be the guest of honor at the Republic Day celebrations in January 2003. There are a number of factors, such as the unipolar nature of the current international system, India's need to counter Pakistan's influence in the Islamic world, the increasing geopolitical importance of Central Asia, and the need to strengthen economic and commercial ties, which have been responsible for the growing convergence in Indo-Iran interests in the post-Cold War period.³⁵

On the other hand, Israel has a deeply antagonistic relationship with Iran. Israel sees Iran as the main supporter of the anti-Israeli Hizballah group in Lebanon. It also blames

Iran for actively supporting extremist Palestinian groups that use terrorism against the Israeli civilians. Iran's policy towards the Palestine issue can become a major stumbling block in Indo-Israel relations as Iran not only supports the Palestinian cause and the right of its people to reclaim occupied lands as their homeland, but also follows a policy of non-recognition towards Israel, openly calling for the elimination of the Israeli state.

Israel, along with the United States, has also been putting pressure on Iran to stop its suspected nuclear weapons program, with some reports even suggesting that Israel could consider taking military action against the Iranian nuclear facilities. With Iran openly calling for its elimination, Israel clearly sees a nuclear-armed Iran as an existential threat. While the U.S.-led overthrow of Saddam Hussein may have removed one of Israel's enemies, it also seems to have created new opportunities for Iran to increase its influence in Israel's immediate neighborhood.

In this respect, Israel is concerned about India's growing ties with Iran.³⁶ It is especially worried about India sharing with Iran some of the military technology that it is receiving from Israel. Israel raised its concern over Iran's nuclear weapons program and its impact on regional stability at the meeting of the Indo-Israeli JWG on counterterrorism in November 2004. Israel would like India to acknowledge the threat posed by a nuclear-armed Iran and would like India to make efforts to help in the stabilization of the volatile security situation in Southwest Asia.

While India and Israel need not make their bilateral relationship a function of each other's relationship with any third country, both will have to manage it carefully in light of India's relations with other countries in Middle East, and with Iran in particular. Israel will remain concerned about the direction of Indian foreign policy in the Middle East even though India might try its

best to keep its relationship with Israel insulated from its bilateral dealings with other countries of the Middle East.

Ambivalent Role of the United States

India's ties with Israel will also be constrained by how far the U.S. wants this engagement to go. Though the U.S. has welcomed the growing ties between India and Israel, it has a significant veto over Israel's defense exports. In 2000, the U.S. vetoed an intended \$2 billion Phalcon sale to China, ostensibly because of U.S. fears of an increased threat to Taiwan and to U.S. pilots in the event of war with China. Though the U.S. has generally approved hi-tech military exports from Israel to India, it has been reluctant to give its nod to systems involving American technology or financial input. The U.S. has expressed its disapproval of the possible sale of Israel's Arrow anti-missile system to India, leading to the suspension of talks between India and Israel on this issue.³⁷

This is not to deny, however, that the growing security relationship between India and Israel has, to a large extent, been nurtured with the help of the US. Many also see a larger design behind the U.S. desire to make the two states work closely with each other and the US, mainly to counter-balance a rising China, which may become America's main competitor in the coming years.

Also, since to a large extent defense cooperation is driving the Indo-Israeli relationship, there is a real danger that any decline in such cooperation may seriously undermine the bilateral relationship. It is a distinct possibility that once the U.S. arms market becomes more fully open to India, the Israeli market would lose its relative attraction. India and the United States have already signed an agreement that would lift U.S. restrictions on high-technology trade with India. This agreement covers cutting-edge technology pertaining to civilian nuclear

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energy, space, missile defense, and hi-tech commerce.³⁸

Perceptual Differences on Terrorism

There are differences of perception between India and Israel on the issue of terrorism. While for India, Pakistan is the epicenter of terrorism, Israel reserves that status for Iran. Israel might be sympathetic to Indian concerns regarding Pakistan but it is not ready to make new enemies. Israel would not like to undermine the possibility of Pakistan normalizing its relations with Israel at some future date.

Another issue has to do with the way in which terrorism is handled. While India can learn much from Israel's tackling of terrorism within its borders and sponsored by regional adversaries, there are limits to how far India sees Israel's strategy as a viable one. It views Israel's tough policy toward contentious neighbors and the Palestinians as an approach which has not brought peace and security, but has rather served to entrench hatred in the Arab world. As such, many Indians believe the strategy is not a model for their own situation.

Israel's Relationship with China and Pakistan

India would also be concerned about Israel forging a close defense relationship with China or even with Pakistan in the future, which would have adverse strategic consequences for India. Israel is apparently keen on reviving its bilateral relations with China after they suffered a major setback when Israel cancelled the Phalcon spy plane deal with China under U.S. pressure. Counter-terror cooperation and defense trade seem to be driving Sino-Israel relations just as in the case of Indo-Israel relations.³⁹ Israel sees China not only as another huge market for its defense products, but also as a significant global player that can play a constructive role in favor of Israel in multilateral forums like the UN. Though

Israel's relations with China will indubitably be conducted under the watchful eyes of the United States, India will have to be concerned about the ramifications of close defense cooperation between Israel and China, especially in light of China's close defense ties with Pakistan.

CONCLUSION

Bilateral relations between India and Israel have strengthened significantly in recent years with both nations experiencing a convergence of interests on a range of issues. At its heart, however, this relationship still remains driven by close defense ties and recognition of a common foe in Islamist terrorism. Though attempts are being made by both sides to broaden the base of their relationship, significant constraints remain, preventing this relationship from achieving its full potential. Both sides will have to navigate their relationship carefully through these constraints.

The current international environment, however, is particularly favorable to a deepening of Indo-Israeli ties. How far the two sides are willing to make use of this opportunity depends ultimately on the political will in the two states. The people of India and Israel have a long history of civilizational contact and it is only natural for the two states to cooperate more closely with each other on issues ranging from defense cooperation and counterterrorism to trade and cultural exchanges. There are significant mutual benefits that the two states can gain from a vibrant partnership with each other.

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NOTES

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⁵ Brajesh Mishra's speech can be found at <http://www.meadev.nic.in/speeches/bmnsa-ad.htm>

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²⁵ On the close relationship between American-Jewish and American-Indian groups, see Indrani Bagchi, "Canny Friends," *India Today*, April 10, 2004.

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