

India-Israel Relations: Perceptions and Prospects

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For 45 years following independence in 1947, India's official Middle East policy was marked by the pursuit of close ties with Arab countries and support for the Palestinians, coupled with indifference bordering on hostility to Israel. In addition to the "anti-colonial" disposition of the Congress Party, there were powerful pragmatic considerations behind this approach, many of which persist today. The most obvious is India's need for hydrocarbon-based energy, and ever-growing energy demands pushed India to maintain cordial relations with Gulf states. Current projections suggest that India's hydrocarbon-based energy consumption will increase significantly over the coming decades, barring unforeseeable changes in the country itself, energy technologies, or the oil market.¹ Dependence on energy suppliers from the Gulf region and the limited availability of alternative sources of energy will continue to be a major factor in Indian policy.

A second element relates to migrant workers. In the year 2001, there were an estimated 6-7 million Indian workers in the Middle East, who sent home almost \$30 billion a year² (table 1). Thus, India has a strong interest in good economic relations with the Gulf region, and some Indian states are exceedingly dependent on these ties. Kerala, for example, sends very large numbers of workers to the Gulf, and those workers send back an estimated \$6 billion annually to the state.³ Consequently, India must consider carefully every policy move that might jeopardize the safety and security of its citizens in the Gulf region and the remittances that help sustain its economy.

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Table 1. Remittances to India from the Gulf Region, 2012

Remittances source country	Remittance amount (\$ billions)
UAE	15.69
Saudi Arabia	8.38
Kuwait	2.95
Oman	2.61
Qatar	2.29
Bahrain	0.76

Source: *Forbes*, see note 2

Third, the large sums of money India invests in the Gulf area are important to India's overall foreign trade. The viability of this trade depends upon the security of sea lanes through which almost all the hydrocarbon imports are transported. India has also entered into various investment agreements with Gulf countries relating to petrochemicals, communications, biotechnology, and tourism. In 2008-2009, as per the United Nations Security Council mandate, India played an active role in policing the Gulf of Aden (alongside several Western powers and the Chinese navy) in an effort to discourage the rampant piracy emanating from Somalia.⁴ The emergence of geo-economics as the main determinant of interstate relations requires adequate naval power to secure sea lines of communication against interference or interdiction by hostile navies. For India, which is expected to encounter enormous energy shortages in the coming years, this is especially relevant; India cannot afford to have its maritime link with the Gulf tampered with or obstructed.⁵

Changes in the Attitude toward Israel

Notwithstanding ongoing constraints, India's policy and attitude toward Israel began to change in the late 1980s and early 1990s. In part this was due to changes in domestic Indian politics, i.e., the beginning of an era of coalition politics, which signified the end of a particular ideological hegemony and introduction of greater flexibility in foreign policy. In part, however, it stemmed from the outbreak of Pakistan-sponsored terrorism in Kashmir. On June 27, 1991, there was an attempted kidnapping of Israeli tourists in a houseboat in Kashmir, which resulted in the death of one of the tourists. The incident underscored to Israel that it is a target of Muslim militants even in Kashmir, and also marked "a new phase in the worsening

conflict in predominantly Muslim Kashmir,” where Indian troops and paramilitary police sought to quell an armed independence movement.⁶

The incident likewise prompted a notable intensification of Indo-Israeli security cooperation, which existed even during the years of diplomatic distance. After the Indo-Pakistani wars in 1962, 1965, and 1971, India purchased arms and ammunitions from Israel, and India appreciated that Israel was willing to help with military equipment when the UK, US, France, and others held back. In the field of counterterrorism, after the assassination of Indira Gandhi, there were reports that Israel assisted in training counterterrorist forces such as the National Security Guards. Moreover, a relationship between Indian security agencies like the Research and Analysis Wing (RAW) and the Israeli intelligence agency Mossad is reported to have existed as far back as the 1960s.⁷ However, the change in domestic politics coupled with the interest in deeper defense cooperation led to a breakthrough in the early 1990s that was manifested in the establishment of full diplomatic relations in January 1992 and in a broad range of areas.

Beyond the 1990s

The opening of the Indian Embassy in Israel in May 1992 facilitated a variety of talks and exchanges on various levels and a quantum leap in the breadth of ties. This is reflected in numerous bilateral cooperation agreements, among them:⁸

- a. Agreement for the Promotion and Protection of Investments, January 29, 1996
- b. Convention for the Avoidance of Double Taxation and for the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital, January 29, 1996
- c. Bilateral Agreement regarding Mutual Assistance and Cooperation in Customs Matters, January 29, 1996
- d. Agreement on Cooperation in Peace Uses of Outer Space, October 28, 2002
- e. Agreement on Cooperation in the Field of Health and Medicine, September 9, 2003
- f. Agreement on Cooperation in Combating Illicit Trafficking and Abuse of Narcotic Drugs and Psychotropic Substances, September 9, 2003
- g. Agreement on Cooperation in the Field of Protection of the Environment, September 9, 2003

- h. Agreement on Exemption of Visa Requirement for Holders of Diplomatic, Official, and Service Passports, September 9, 2003
- i. Memorandum of Understanding on India-Israeli Research and Development Fund Initiative, May 30, 2005
- j. Inter-Governmental Work Plan on Agriculture Cooperation, May 10, 2006

In addition to the treaties covering the period from 1992 to 2006, India and Israel have worked to establish a joint Intellectual Property Regime (IPR). There is also informal cooperation between different law enforcement agencies on criminal matters, and an extradition treaty was signed in January 2012 during the visit of External Affairs Minister S. M. Krishna to Tel Aviv.⁹ In all, there are very few other countries with which India has drafted and ratified so many treaties. Not surprisingly, however, the most dramatic deepening of ties has been in the area of security and defense.

Cooperation in Security and Defense

Despite the preexisting foundation and the building momentum of connections between governments and officials, India was initially reluctant to publicize arms purchases from Israel. It was only during the 1999 Kargil crisis, when Israel responded promptly to Indian requests for military equipment and ammunition in spite of US pressure to implement an arms embargo on India, that this hesitation came to an end. That episode opened a new chapter in the bilateral arms trade, though some scholars contend that it was actually the Mumbai terror attack in 2008 that was the major turning point. Despite undisputed evidence pointing to Pakistan as the source of the attack (which also targeted a Jewish site), India was unable to retaliate for the 150 people killed. This highlighted India's weakness in air and naval surveillance. Turning to Israel to rectify the situation, India bought the state-owned Israel Aerospace Industries EL/M-2083 radar system, valued at \$600 million, and signaled that it would "be deployed along the Pakistani border."¹⁰

The Mumbai attack also made it clear that contemporary India has far more in common with Israel than with Russia. Israel and India have now moved beyond the earlier stage of one-way military trade to joint projects in developing both offensive and defensive weapons.¹¹ During the 2005-2009 period, when India was the world's second-largest arms buyer (second only to China), India imported nearly half a billion dollars worth of arms from Israel (compared to only \$147 million from the United States).¹² A separate study gauges Israeli sales to India in 2002-2005 as amounting to

over \$5 billion.¹³ The extensive transfer of military hardware affirmed the prospect of India as a promising customer for the Israeli defense industry:

The sensitivity of these transfers increased over time, and defense ties came to be seen as the vanguard of the broader relationship. This was exemplified by the sale of Israeli Phalcon AWACs (airborne radar systems) to India in 2004. This contrasted sharply with the US attitude towards Israel's desired sale of the same to China in 1999. Since the system constituted a joint venture production owing to financial support from the US, Washington was able to veto the sale to China, reportedly costing Israel a quarter of a million dollars in losses. The first system landed in India in May 2009. India has acquired three, and plans to purchase two to three more. According to one report, this would comprise the largest defense agreement in the history of Israel's existence.¹⁴

Thus by 2014, India became Israel's largest arms market, while Israel was one of India's biggest suppliers.

Counterterrorism

Acts of terrorism provided the major stimulus for Indo-Israeli security cooperation. Both countries are victims of international terrorism, have hostile neighbors that support such actions, and must be constantly alert against such threats. As Brajesh Mishra, National Security Advisor under the Vajpayee government and a chief architect of its security policy stated in an address to the American Jewish Committee in 2003, the United States, Israel, and India "have to jointly face the same ugly face of modern day terrorism."¹⁵

Yet while counterterrorism is a major focus of the Indo-Israel security relationship, there are differences of perception toward terrorism. As Rajendra Abhyankar argues, "While Israel believes in giving no quarter to terror as an instrument of political negotiation, India has always believed in keeping a door open for dialogue. Israel sees concentric circles of threat which includes Iran, Syria, Hezbollah and Hamas, while India sees its threats emanating from radical Islamic groups sponsored by Pakistan like the Taliban and Lashkar-e-Toiba, Jaish-i-Mohammad, who were responsible for the Mumbai terror attack."¹⁶ Moreover, "neither country wants to get involved directly in the other party's wars."¹⁷

In spite of these differences of perception and geostrategic requirements, the two countries have constituted a Joint Working Group and exchange

practical experiences in border security, suicide terrorism, aviation security, financing of terrorism, information security, and digital and cyber warfare. In addition, India's formation of a new national investigative agency following the 2008 Mumbai attacks could provide countries like Israel with a new focal point through which to form closer ties in the intelligence and security field.¹⁸

Space Cooperation

Israel's main area of interest in space technology is for imaging capabilities, which can be used further in military surveillance and border security. In the past decades India has developed indigenous satellites with remote sensing, meteorological data, and communication capabilities, and it launches these satellites with its own rockets. In 2005, Israel decided to launch TecSAR, its first synthetic aperture radar imaging satellite, on India's Polar Satellite Launch Vehicle.¹⁹ India's PSLV was chosen to launch TecSAR because of Israel's concerns about the reliability and technical limitations of its own Shavit space launch vehicle, economic considerations, and Israel's desire to increase strategic cooperation with India.²⁰ In addition, India's RISAT-2 satellite, which will provide enhanced capability for earth surface observation, disaster management, and surveillance purposes, was developed in collaboration with Israel Aerospace Industry (IAI). The acquisition and subsequent launch of the RISAT-2 satellite was accelerated after the 2008 Mumbai attacks, to boost India's future surveillance capabilities.²¹

Creating Economic Interdependence

As in the case of defense and security, business links between India and Israel existed long before the establishment of formal diplomatic relations. A major example is the diamond industry, which currently accounts for 50 percent of India-Israel non-defense trade:

India's prolific diamond industry is remarkable in that its prime movers come from Palanpur, a small village in Gujarat. In the inter-War years this community, who follow the Jain religion, set up trading companies in Antwerp, where they came in touch with Jewish diamond traders who dominated the business then. The good relations between the Indian and Jewish communities in Antwerp and New York over the decades, as well as the facilities for cutting of and trading in diamonds, have led the former to establish companies in Tel Aviv.²²

However, business ties have gone far beyond the diamond nexus. The two countries are continuously exploring new possibilities to increase trade and investment opportunities. According to the Confederation of Indian Industry, the bilateral trade volume had reached \$4.7 billion by 2010, not including defense sales.²³

The bilateral trade partnership would gain further impetus from robust research and development in Israel that could be effectively commercialized in India and extended to other trading countries as well. For example, India could benefit from technology transfers in areas of Israeli expertise such as life sciences, medical devices, biotechnology, nanotechnology, clean tech, alternative energy, water management, and arid agriculture, and Israel is willing to cooperate in these fields. A sense of the potential can be gleaned from existing realities.

In agriculture, for example, the Central Arid Zone Research Institute works with Israel on various scientific projects such as dry farming and has established various experimental centers in the states of Rajasthan and Gujarat. Israeli agricultural experts regularly conduct workshops to share knowledge, technologies, and expertise in the field of agriculture and horticulture, besides training the officials of the 26 Centers of Excellence that have been set up under the project. Indian farmers are now growing high quality vegetable and fruit crops with the help of Israeli agriculture. These crops earn farmers more profit, while saving water and expenses on pesticides. The project is carried out by MASHAV, Israel's agency for International Development Co-operation, with the support of the Union Ministry of Agriculture, the Embassy of Israel, and state governments in India.²⁴ The atmospheric and soil conditions in large parts of Rajasthan and Northern Gujarat are very similar to Israel, and their expertise can be used in growing crops like barley, mustard, grapes, and dates in these regions. Also active in India are Israeli private agricultural companies, including Naan Dan Jain, Netafim, Agrotop, Plasson, Hazera Genetics, Maximilk, Plastro Gvat, Agrexco, Zeraim, ICL fertilizers, Sion, and the Avshalom Group. These companies work not only in production but also in preservation and marketing.

Similarly, in the biomedical and pharmaceuticals fields, Israelis are investing and establishing R&D facilities in India. Some of the largest pharmaceuticals firms, like Teva and Taro, have been active in India for some years; the companies have established R&D centers at Noida and

Gajraula, respectively. As far as Biomed is concerned, companies like Bioline are conducting clinical research for treatment of schizophrenia in India.

Israel also has expertise in non-conventional energy generation and resource conservation. Leviathan Company has created wind, hydro, and wave-powered products and is in touch with various Indian companies for manufacturing purposes, and Focal Energy of Israel is developing 30-megawatt biomass power plants in Rajasthan and a 12-megawatt hydro-electric plant in Himachal Pradesh. There is also Israeli investment in water treatment; Amiad Water Filtration Systems, which has a presence in over 66 countries, has established its regional office in Mumbai.

Conclusion

India and Israel share a special multidimensional, multidisciplinary, and comprehensive relationship, characterized by pragmatic diplomacy and trust. Differences on some issues still exist, but they are not unbridgeable. India and Israel have strong joint international cooperation schemes and can explore and undertake joint ventures in different fields in countries like Maldives, Sri Lanka, Myanmar, and Afghanistan, where both the countries have interests. There is also a potential for cooperation in civil nuclear matters. The India-US Agreement on Civil Nuclear Cooperation is of great interest to Israel as a possible precedent for its own efforts in the context of the Nuclear Suppliers Group, and Israel too has a vital strategic interest in preventing the transfer of nuclear technology from Pakistan to countries in the Middle East.

During his visit to New Delhi on November 15, 2016, Israeli President Reuven Rivlin stated the basis for a bilateral understanding on terrorism: "Terror is terror is terror... nothing can justify terror."²⁵ And on cooperation in other fields, the President said, "Israel and India have changed history before, and it is time to do it again...this is not just a partnership, it is a partnership which is making a difference, in the water we drink, the food we eat, the technology we use."²⁶

There are many more fields in which bilateral cooperation will benefit both countries. A widespread perception exists that Indo-Israel relations are based on the military and security perspective, but the base is much broader and it will expand into more sectors in the future. The full potential of the India-Israel relationship has yet to be realized, and there are many more areas in which India and Israel can work together in the coming years.

Notes

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