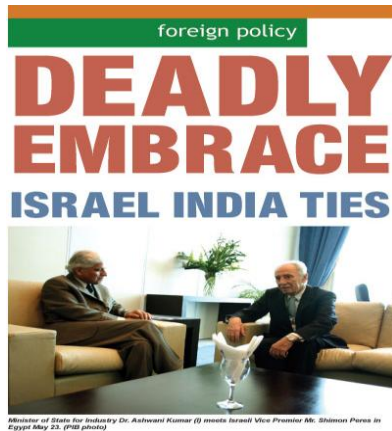


India and Israel: Dawn of a New Era

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At the beginning of the 21st century, South Asia and the Middle East pose major challenges to international peace and security. Amid many turbulent political and military developments in the two regions, India and Israel find a growing convergence in their strategic interests. The emerging Delhi-Jerusalem strategic alliance is creating much concern in the Arab world, but could become one of the crucial factors maintaining global security.



Relations between India and Israel remained cold and strained until recently. Delhi consistently felt itself constrained to develop normal and friendly ties with Jerusalem yet followed a pro-active pro-Arab policy. In the 1970s and 1980s, working within the framework of a zero-sum game, India became one of the greatest assets the Arabs had in their diplomatic assault against Israel.

However, the new world order of the 1990s eroded the Indian perception of conflicting interest with Israel, as new strategic variables sidelined the traditional constraints (the sentiments of Indian Muslims, deference to Arab sentiments and non-alignment) from the Indo-Israeli bilateral equation. The disintegration of the Soviet bloc, India's economic and defense related need to move closer to the West, as well as the beginning of the Middle East peace process, made Delhi realise that the continuation of the traditional negative policy towards Israel would undermine India's national interests in the changing strategic landscape of the Middle East and beyond.

Grasping the imperatives of the changed global and regional politico-strategic milieu, Delhi gradually de-linked its Israel policy from the Arab-Israeli conflict and developed a new perception of common interests with Jerusalem. Since the normalization of diplomatic relations in January 1992, the two countries have rapidly developed close relations and cooperate in many areas of mutual interest - cultural, economic, political and matters of defense and security. After four decades of strained relations, the current phase of warm and special ties includes a strategic alliance between India and Israel. This report highlights the process of emerging India-Israel strategic cooperation, its significance for regional and global security equations and the growing Arab worries.

The Historical Background

During the first half of the 20th century, a dialectic relationship emerged between the Indian national movement and the Zionist movement in Palestine. Indian leaders saw a sharp contradiction between the goals of the Zionist movement and the Indian freedom movement, especially on the issue of partitioning countries on religious grounds.

Gandhi's attempts to woo Indian Muslims for the sake of Hindu-Muslim unity and Nehru's negative assessment of the Zionist movement, which he considered the child of imperialism, led the Indian National Congress to adopt a pro-Arab policy in the Arab-Jewish conflict. This policy not only established a crucial link between Indian policy towards its Muslims and the trans-Muslim issues in Palestine, but also caused Indian leaders to view their Israel policy through the prism of Arab-Israeli conflict. However, it is important to stress that India's negative attitude to the Zionist movement was not tainted by anti-Semitism.

After gaining independence, India adopted an ambiguous policy towards Israel; deciding on a half-hearted delayed recognition of the Jewish state but refusing to establish full diplomatic relations. The unfinished agenda of Kashmir, Nehru's dream of leading a non-aligned bloc and the existence of a post-partition traumatised Muslim minority in India caused Delhi to view any positive gesture towards Israel as harmful to its vital interests.

The perception of serving Indian national interests by a negative policy towards Israel in the Middle East was so strong among the Indian leadership that even the failure of the Arabs to reciprocate during India's wars with China (1962) and Pakistan (1965 and 1971), growing public dissension, and the formation of the pro-Israel Janata government failed to cut much ice in Delhi. If the price for making the Arabs happy was to refuse establishing full diplomatic relations with Jerusalem and criticise Israel at various international forums, the Indian leadership showed no hesitation to pay it..

Yet the Indian government's attitude to the Arab-Israeli conflict could neither ensure continued electoral support from the Muslims nor win the goodwill of Arab states. Indeed, in retrospect, some of its aspects proved counterproductive.

However, at the unofficial level, there were always some undercurrents helping to create a perception of converging long-term interests between India and Israel. The Israeli Consulate functioned actively in Bombay and some high level delegations exchanged visits. There was much sympathy for Israel among Indian right-wing intellectuals, organizations and political parties. The socialist and trade union movements of the two countries provided more links. Pro-Israel voices in the Indian Parliament and media were not uncommon.

A New Beginning

With the change in the international balance of power after the 1991 Gulf War and the disintegration of the Soviet Union, India and Israel finally found the opportunity to normalize their relations. The following factors were significant in this regard:

1. The end of the Cold War eroded the political and ideological relevance of the Non-Aligned Movement.
2. The depressed oil prices in the early 1990s somewhat reduced India's dependence on oil from Arab states.
3. Repeated pro-Pakistan resolutions on Kashmir by the Organization of the Islamic Conference (OIC) further encouraged India to re-evaluate its Middle East policy.
4. After the Madrid Peace Conference of October 1991, the argument of annoying friendly Arab states and Muslims at home became irrelevant, as the Arabs, including the Palestine Liberation Organisation (PLO), were themselves negotiating peace with Israel.
5. In the early 1990s, the rise of Islamic fundamentalism and terrorism worsened the domestic and the regional security environment of India, and Delhi saw a common cause with Israel in this regard.
6. After the Gulf War, public opinion in India was once again demanding a fair attitude towards Israel.

Thus by the end of 1991, most of the actual and perceived constraints behind India's policy of 'no full diplomatic relations with Israel' had lost their rationale. After much deliberation, the first significant policy change occurred when India voted to rescind the 1975 UN resolution 'equating Zionism with racism'.

Moreover, this was the time when Delhi gradually began to identify Indian political and economic interests with the West. The role of the US Jewish lobby in stopping Airborne Warning and Control Systems (AWACS) sales to Pakistan and garnering support for India on Kashmir was not only appreciated by Delhi, but also apprised Indian leaders of the Jewish clout in the US. The Indian leadership became increasingly convinced that the American Jewish lobby provides a vital link of influence in American policy making and finance and that in order to fully utilize this link it was imperative to normalize relations with Israel. Against this background, Delhi upgraded its ties with Israel on 29 January 1992, on the eve of Prime Minister Narasimha Rao's high profile visit to the US.

Once the ice was broken, a new era of partnership began between India and Israel. Keeping a low profile for about a year, both countries worked hard to strengthen the institutional mechanism. Over a period of five years, India and Israel developed the vast institutional gamut of bilateral relations, which in normal circumstances requires a decade or more. The socio-cultural and political affinities between the two countries created a healthy atmosphere for improving ties. Thus, helped by fast changing international realities, the two countries moved very carefully but rapidly to develop a many-faceted friendship.

Flourishing Cultural Interaction and Economic Cooperation

India and Israel first emphasized economic and cultural ties. These were rightly considered not only mutually beneficial, but also instruments to build confidence and bridge gaps on the political and strategic issues. After 1992, there was a flood of cultural interaction between the two countries. Meanwhile, many high-level visit exchanges, including the high profile visits of

Israeli Foreign Minister Shimon Peres (1993) and President Ezer Weizman (1997), Indian Foreign Minister Jaswant Singh (2000) and Home Minister L. K. Advani (2000) took place. Israel celebrated with a fanfare, "Shalom India" as a mark to India's fiftieth year of independence. India reciprocated by organizing many cultural events all over Israel as part of the celebration of the fifty years of Israeli independence.

An increasing number of Indian students at Israeli universities and Israeli students at Indian universities have created effective channels of better understanding between the two countries. In the recent past, Israel's image in the Indian press underwent a positive change. Though the traditional pro-Arab (anti-Israel) class of Indian politicians, diplomats and intellectuals still exists, its influence has significantly declined in the past decade. The cultural interaction of the past nine years has helped India and Israel to discover social, cultural and political affinities between them.

The establishment of full diplomatic ties in 1992 also paved the way for greater economic cooperation between the two countries. India's main interests are in the spheres of agriculture, technology transfers and using Israel as a platform to expand its commerce with the European Union and the US (with which Israel has free trade agreements.) Israel's main considerations are the huge Indian market with more than 200 million middle class consumers, a link to the Far East and arms sales.

On this basis, the two countries established over 200 joint ventures in the spheres of engineering, ground water management, desalination, agro-industries and prevention of desertification, high-tech etc. Israeli investment in India increased from \$0.36 million in 1992 to \$1 billion in 1999. Both countries accorded 'most favoured nation' status to each other. Transport links and the financial and institutional infrastructure required to expand bilateral trade have also been developed rapidly. The volume of trade between the two countries grew from \$202 millions in 1992 to more than \$1 billion in 2000 and is being continuously diversified.

Considering the vast potential of Indo-Israeli economic cooperation, in coming years, we can witness more joint ventures, alliances and even mergers and acquisitions between Indian and Israeli companies. Under the shadow of congenial political environment between the two countries, a big jump in the bilateral trade can be expected in the years to come.

Symbiotic Military Interests

Even when normal diplomatic relations were missing, a fundamental understanding of long-run convergence of defense and security interests led India and Israel to maintain some secret military contacts. Israel started courting India to expand them after the Arab states failed to help India during its conflicts with her neighbours.

Figure I: India-Israel Bilateral Trade
(US million dollars)

Year	Indian exports	Israeli exports	Total bilateral Trade	Balance of Trade (India)
1950	0.8	0.0	0.8	0.8
1960	0.1	0.1	0.2	---
1970	-	-	-	-
1980	13.4	6.4	20.0	7.0
1990	69.6	96.4	166.0	- 26.8
<i><u>After the normalization of bilateral relations</u></i>				
1992	75.0	127.0	202.0	-52.0
1993	129.0	228.0	357.0	-99.0
1994	151.0	363.0	514.0	-212.0
1995	190.0	313.0	503.0	-135.0
1996	251.0	311.0	562.0	-60.0
1997	292.8	367.4	660.2	-74.6
1998	343.8	334.5	678.3	9.3
1999	455.0	538.0	993.0	-83.0
2000	529.8	557.0	1,086.8	-27.2

Source: Statistical Abstract of Israel, 2001.

Israel's impressive military successes against the Arabs were closely watched and quietly admired by the Indian military establishment. Israel's help with arms and military hardware during India's wars with China (1962) and Pakistan (1965 & 1971) indicated the potential for military cooperation between the two countries. The following instances of such cooperation are noteworthy:

1. Soon after the Indo-China war, Israeli Chief of Staff General David Shaltiel visited India in 1963.
2. After Prime Minister Indira Gandhi was assassinated in October 1984, India sought Israel's help to improve the protection of its important people. Israeli security specialists reportedly devised Rajiv Gandhi's security system when he was Prime Minister.
3. Two Boeing 707 aircraft of India's external intelligence agency, Research and Analysis Wing's (RAW) were fitted with Israeli equipment.
4. Since the early 1980s, Indian army and military intelligence officers are believed to be receiving anti-terrorist training in Israel.

5. In the late 1980s, India and Israel were engaged in a secret dialogue over destroying Pakistan's nuclear facility in Kahuta and signing military agreements.

Strict secrecy was maintained over these contacts owing to political constraints and the involvement of sensitive security issues. But it is no exaggeration to say that the decision of the Indian government to upgrade diplomatic ties with Israel was also influenced by Delhi's understanding of the importance of military cooperation with Jerusalem.

The normalization of bilateral ties in the post-Cold War period enabled India and Israel to develop their military ties on the basis of their security and commercial interests. During this period of uncertainty, the Indian military establishment was facing the following major challenges:

1. The disintegration of the Soviet Union, India's longstanding ally and the biggest supplier of arms, was a big strategic blow to India. Suddenly, crucial supplies of arms and military spare parts were interrupted. India felt the need to diversify its defense suppliers, realising the dangers of too much dependence on one source.
2. During the serious resource crunch in the early 1990s, India's short-term defense preparedness depended not only on its ability to obtain crucial spare parts, but also on upgrading and optimising its existing forces.
3. India's major defense projects like the Main Battle Tank (Arjun), Light Combat Aircraft (LCA), the Integrated Missiles Development Program (IMDP) are lagging behind because advanced technology and sufficient funds are not available.
4. In recent decades, India's internal security environment has deteriorated to threatening levels. The availability of modern arms and weapon systems to terrorists has necessitated the introduction of the latest security technology.

Israel's developed and research-oriented industrial-military complex is viewed by India as a good option answering some of its defense and security needs. Israel's sophisticated expertise in manufacturing and upgrading high-combat aircraft, anti-tactical ballistic missiles, electronic warfare and communication equipment, as well as security technology are of particular interest to India. Indian military officials are not only interested in Israeli weapons and technology, but they have also shown interest in the Israel Defense Forces' successful warfare strategies and concepts.

On the other hand, the Israeli quest for qualitative superiority in arms over its neighbours is closely linked to its tapping of more markets, and India is a big attraction in this regard. The volume of the Indian arms market reaches about two billion dollars and after the Pakistani nuclear tests (1998) and the Kargil crisis (1999), the demand of the Indian defense forces has soared. Today, after China and Turkey, India is the third largest importer of Israeli weapons. Notably, Israel does not have any objections to sell its arms and technologies to India, as it regards India as a responsible country with similar long-term interests.

As Southeast Asia is becoming an important destination for Israeli trade, Jerusalem has a profound interest in developing close military ties with India, which is one of the key actors safeguarding commercial shipping routes between the Middle East and Southeast Asia. Moreover, since the Indian Ocean is becoming important for the security of both countries, Indo-Israeli naval cooperation is mutually beneficial.

After the nuclearization of South Asia in May 1998, India assumed greater importance in the long-term security concerns of Israel. The Jewish State has a vital interest in preventing the transfer of mass destruction technology from Pakistan to its declared foes in the Middle East. Close cooperation with India in the intelligence sphere is crucial in this regard.

The symbiotic nature of Indian and Israeli security interests caused the two governments, their defense forces and their industries to interact extensively in the development of India-Israel military collaboration. However, in order to avoid any potential backlash, many of these contacts and related decisions were kept secret. The followings are the major areas around which the Indo-Israeli military cooperation is focussed:

ARMS SALES

At first, despite intensive talks on military cooperation, India hesitated to buy weapons from Israel. However, after the Kargil crisis (1999), during which Israel acceded to the Indian request to speed up the delivery of military equipment and ammunition despite US pressures to implement an arms embargo on India, a new chapter began in the arms trade between the two countries and now the Indian leadership is working hard to remove the remaining political constraints hampering military cooperation with Israel. The Indian purchases from Israel include:

1. Two *Dvora* fast attack boats equipped with modern surveillance systems and a sophisticated gun system. Four more will be manufactured as a joint venture of Goa Shipyard Limited and Ramta of Israel Aircraft Industry (IAI).
2. An undisclosed number of unmanned aerial vehicles (UAV) made by IAI, including the recent deal estimated at \$230 million.
3. The EL/M-2080 search acquisition and fire-control radar, which was developed for Israel's Arrow anti-ballistic missile program by Elta Electronics Industries Ltd.,
4. Electronics suites for upgrades of the Indian Air Force's Su-30, MiG-27 and Jaguar aircraft, as well as for Mi-35 helicopters.
5. Thirty sea-to-sea Barak missiles in a \$270 million deal with Rafael.
6. Hi-tech sensors to help manning the Line of Control (LOC) along the India-Pakistan border.
7. A large quantity of artillery and rifle ammunition, 155mm shells and other sophisticated radars.

India has shown much interest in the Israeli expertise in AWACS and other electronic counter-measure technologies. Defense sources confirm that the talks for buying the 'Green Pine' radar (based on Israel's anti-ballistic missile system) are in an advanced stage. The Indian defense

establishment is also contacting Israel about the purchase of the advanced Phalcon surveillance aircraft (whose supply to China was cancelled by Israel under US pressure) in a bid to improve its early warning capability against the regional threats. Although officials have played down this project, defense sources maintain that good progress has been made on the prospective deal.

Israeli contractors are said to be competing with Western firms in many other areas, such as assault rifles, self-propelled guns, satellite programs, air defense systems, electronic fencing, ammunition, and small arms for the Indian security forces. India's potential purchase list from Israel also includes equipment for special needs like vision gadgets, evacuation and rescue devices and techniques. To sum up, at a time when India is gearing to its 21st century military modernization plans, Israel has emerged a favoured supplier of imports.

UPGRADING AND SECURITY TECHNOLOGY

The Indian armed forces find Israeli expertise valuable for meeting the challenge of upgrading its Soviet military equipment. Israel was a major contender for the upgrading of 125 MiG-21 BIS aircraft. Though it lost the \$400 million deal to the Russian firm, Mikoyan Design Bureau of Russia - the manufacturers of the aircraft - Israel was able to get the sub-contract to provide avionics and electronic warfare equipment for the upgrading of the MiGs. It is important to stress that in this case Delhi's decision was more influenced by political reasons than by professional considerations.

The Indian defense market provides other prospects a big deals of upgradation. Sources close to the Indian defense headquarters suggest that India shortly needs to upgrade almost whole of its MiG-21 BIS, MiG-27ML, and MiG-29 aircraft fleet. Indigenous T-72 tanks are also considered to be in line for upgradation and Israeli company ELBIT has emerged as one of the favourite contenders. Another Israeli company, Soltam is already involved in upgrading one hundred and eighty 130 artillery guns to 155 artillery guns. In a significant move, the IAI and the Indian aircraft industry jointly bade for upgrading Indian assault helicopters Mi-8.

In the recent past, India has shown much interest in Israel's internal security technology, equipment and methods to meet the threat of cross-border terrorism in Kashmir, the insurgencies in northeastern states, and the challenge posed by the naxalites (extreme leftist groups which advocate Maoist methods to eliminate the class differences) in many states.

The visit of Indian Internal Security (Home) Minister L. K. Advani to Israel (May 2000) was a major step towards strengthening the Indo-Israeli cooperation in this area. It is significant that Advani was given access to the Mossad's offices to obtain an insight how the agency works. During this visit, Israel agreed to provide India with modern security equipment, as well as training.

Against this background, military intelligence reports claim that Israel has been given a contract to fence off the areas in the disturbed Kashmir region and is probably the only foreign country that has access to the sensitive installations in this border-state. Israeli anti-terrorism experts are training their Indian counterparts in checking infiltration along the borders, tracking movements

of militants within the country, detecting explosives, defusing bombs and the use of many other devices and tactics developed by Israel.

TRANSFER OF TECHNOLOGY AND JOINT WEAPON DEVELOPMENT

India's three major defense projects: Main Battle Tank (Arjun), the Light Combat Aircraft (LCA), and the Integrated Guided Missile Project are facing severe financial and technological constraints. Many Western defense experts regard them, especially the *Arjun* and LCA projects, as white elephants. However, despite numerous hurdles causing long delays and cost overruns, the vision of emerging a big power in the 21st century would let India tolerate the serious limitations linked with the success of these ambitious projects.

Indian defense sources believe that these projects can make a reasonably good headway if Israeli technology and expertise are available. They point out that the Israeli *Merkava* tank's long battlefield experience in hot and hostile desert conditions may provide relevant technical and operative support for the *Arjun* project. The avionics developed during the *Lavi* aircraft project (which Israel abandoned in 1987) can be useful for the LCA. A similar possible link can be made between the two countries' missile programs. The Israeli surface-to-surface missiles Jericho I and Jericho II broadly resemble the Indian *Prithvi* and *Agni* missiles respectively. Recently, India has also shown serious interest in the US-Israeli anti-missile system based on the Arrow project.

Notwithstanding the symbiotic relationship between the specific Indian needs and the Israeli supplies, there are not enough financial resources in India to buy the relevant technology from the shelf. So joint ventures of the two countries will be mutually beneficial and practical in achieving the much-desired goals of India's search for technological independence and Israel's quest for qualitative superiority.

Independent defense reports say that the two countries have made significant progress in this direction and today the leading Israeli and Indian defense companies and research organizations are working jointly on many projects. These sources further claim that during last year's visits of Jaswant Singh and L. K. Advani to Israel, this area was particularly emphasized. The formation of a Joint Ministerial Committee and the decision of conducting a dialogue between the National Security Councils of the two countries will further strengthen collaboration in this field.

Growing Strategic Understanding

The evolving Indo-Israeli cooperation in the sphere of defense and security brings us to the broader dimension of political and strategic issues. A defense and security partnership cannot fully develop or last long if it is based solely on symbiotic commercial military ties. It requires a proper framework of mutuality of overall political and strategic interests.

THE ARAB-ISRAELI CONFLICT AND THE KASHMIR ISSUE

In the post-Cold War period, India's foreign policy-makers faced the difficult task of adjusting their Middle East policy to the changed realities in the region. Delhi began to perceive that it could serve its interests better by having close relations with both Israel and the Arab world.

Thus, walking on a tightrope, Delhi consistently reiterated India's traditional support for the Palestinian cause, but simultaneously worked towards developing close ties with Israel.

This was why Delhi preferred to keep a low profile in the region and avoid active involvement in the Middle East conflict. India expressed concern whenever there were setbacks to the peace process (for example, during the opening of the tunnel beneath the Temple Mount and the disturbances in the Har Homa neighbourhood) but, unlike in the past, it refrained from openly criticizing Israel.

At the United Nations, India gradually stopped sponsoring anti-Israeli resolutions. Though there is no appreciable change in the voting pattern of the Indian delegation at the UN on the issues related to the Arab-Israeli conflict, the content analysis of speeches made by Indian delegates certainly reflects a softening of the Indian position vis-à-vis Israel. Significantly, during the millennium General Assembly summit at the UN, Indian Foreign Minister Jaswant Singh assured his Israeli counterpart Shlomo Ben-Ami that "India will start supporting Israel in international forums and organizations." If this were to happen, it would have an enormous positive impact on the overall Indo-Israeli ties.

The ascent of the right-wing Bharatiya Janata Party (BJP) to power in 1998 marked a new beginning in India's attitude towards the Middle East. The new leadership in Delhi appears to have shed the inhibitions about dealing extensively with Israel, and prefers to maintain neutrality in the Middle East conflict. Sources close to India's BJP Government are of the view that "following a pro-Arab policy could neither win over the support and loyalty of Indian Muslims nor the goodwill of Arab states. In fact, these policies have backfired and, for a long time, Arabs were allowed to influence our policies in the region".

On the issue of Kashmir, Israel has been a consistent supporter of the Indian position. Though the problems in Kashmir and in the Israeli-occupied Palestinian territories are of different nature, the globalisation of Islamic fundamentalism and the growing contacts between Kashmiri and Palestinian militants have created mutual worries for India and Israel. Similarly, after the NATO-led military intervention in Kosovo, both Delhi and Jerusalem have become more sensitive about any possibility of outside military intervention in Kashmir or the West Bank and Gaza.

Interestingly, realities in Kashmir have taken a different turn. In the wake of repeated anti-India resolutions passed by the OIC, India now regards Israeli security technology and intelligence a more valuable asset for dealing effectively with the Kashmir problem than the unfriendly attitude of the Arab/Muslim countries.

Grasping this strategic imperative, Delhi conveyed to the Arab leaders that in their dispute with Israel they could not take Indian support for granted, especially at the United Nations, unless they reciprocate by taking India's interests in Kashmir into consideration. This new approach does not mean that Delhi will abandon its efforts to seek political support from the Arab world on Kashmir. What it implies is that, unlike in the past when the Indian support for the Arabs was taken for granted, India is now forcefully asserting its interests in the Arab world.

ISLAMIC FUNDAMENTALISM AND TERRORISM

The resurgence of Islamic fundamentalism and terrorism concerns both India and Israel. Jerusalem considers the spread of Islamic militancy in North Africa, Central Asia, and the Middle East a direct threat to its security. Moreover, while the regional militant groups like Hezbollah, Hamas and the Islamic Jihad are actively and directly involved in trying to undermine Israel's existence, extra-regional Islamic militant groups look at the Jewish State as Islam's "eternal enemy" and thus pose a potential threat to Israeli security interests.

India has also begun to bear the brunt of the growing Islamic terrorist activities. India's internal and external security environment has been deteriorating sharply since the beginning of the 1990s. The role of Pakistan and Islamic mercenaries in abetting terrorism in Kashmir, Punjab, and the northeastern provinces has added to Delhi's apprehensions. The series of bomb blasts in Bombay in 1993 and the recent rise of terrorist activities in Kashmir have exposed India's vulnerability to the violence instigated by Islamic fundamentalism.

Thus, India and Israel have mutual political and strategic interests in dealing with the menace of Islamic fundamentalism and terrorism. The geopolitical locations of India and Israel also encourage a strategic understanding between them, as they are placed at either flank of the central Arab/Islamic bloc, with further significant Muslim population concentrations on the far side of each. Officially, both India and Israel stress this factor in their strategic relations, as it is the least controversial.

Notwithstanding their mutual concern over the threat of terrorism and their growing cooperation in fighting it, one must emphasise that the sources and nature of the terrorist threat faced by India and Israel do not automatically converge. Israel sees the threat emanating from *Hezbollah*, *Hamas* and the *Islamic Jihad* in the Middle East, and considers Syria and Iran as the main sources of global terrorism. Paradoxically, India has good relations with Syria and of late has also developed reasonably close ties with Tehran. India's threat is mainly from Pakistan, Afghanistan and some fundamentalist groups active in the Arab Gulf states, causing more concern with the Taliban-sponsored global terrorism, which for the time being has not affected Israel.

Nevertheless, the gradual globalisation of Islamic terrorism has provided a broad platform for close cooperation between India and Israel. Various intelligence reports suggest that, with the help of Osama bin Laden's terrorist network, some Pakistan-based Kashmiri militants are attempting to forge an alliance with Islamic militants active in the Middle East. In the recent past, after reports of the Israeli involvement in quelling insurgency in Kashmir, *jihadi* militant groups like *Lashkar-e-Toiba*, *Harkatul Muhajeedin* and *Al-Badr* have openly threatened to harm Israeli interests.

By fighting the menace of terrorism together, the two countries can enhance peace and security in the Middle East and South Asia. It was against this background that India and Israel have set up a Joint Working Group for combating international terrorism (together with the United Kingdom and France) and are closely cooperating at various international forums to fight this threat.

NUCLEAR COOPERATION

India and Israel are nuclear states - the former recently declared and the latter clandestinely. The hostile security environments around both countries made the nuclear program strategically important for their national defense and security. Though, officially, India and Israel deny any nuclear cooperation between them, the demonstration of Pakistan's nuclear capability and the ongoing nuclear programs of certain Middle Eastern countries led to the emergence of discernible similarities between their nuclear interests.

India and Israel previously shared concerns over Pakistan's nuclear programme in the 1980s, and it is widely believed that since then their intelligence agencies are in close contact over the issue. Moreover, not having signed the Nuclear Non-Proliferation Treaty (NPT), both countries may benefit by supporting each other's position while formulating their diplomatic response to the NPT. Notably, Israel did not react to the nuclear tests conducted by India in May 1998. It was not without significance that, despite being a close and special ally of the United States, which sponsored the sanctions and arms embargo against Delhi, Israel did not cut off its military ties with India altogether.

Notwithstanding Iranian Foreign Minister Kamal Kharrazi's statement (during his visit to Islamabad soon after the Pakistani nuclear tests) that "Muslims feel more secure from any Israeli threats under the Pakistani nuclear umbrella" and popular sentiments in the Muslim world calling it the "pride of the Islamic nation", Pakistan's nuclear capability, so far, has fallen short of the fears of the "Islamic Bomb". It is in Israel's interest if the nuclear issue remains confined to South Asia, yet the possibility of its spilling over to the Middle East or Central Asia cannot be overlooked in the long term by either India or Israel. Under present circumstances, low profile nuclear intelligence cooperation seems mutually beneficial to Delhi and Jerusalem - a point often stressed by Israeli and Indian defense sources.

Concerns in the Arab world

The growing strategic ties between India and Israel and their 'alleged cooperation' in the nuclear field have created serious concerns in the Arab world. Some of them are listed below:

1. Arabs always had a feeling that India was in their pocket and now they are finding it difficult to cope with the new reality - an India developing close military ties with their adversary, Israel.
2. India-Israel military cooperation may give Israel an important place in the strategic equation between South Asia and the Middle East, thus undermining the Arabs world's strategic depth in the inter-regional complex.
3. India's close relations with Israel could help the latter to gain more acceptance on the Asian continent to the Arabs' discomfiture, especially at the time of the second *Intifada* when the Arab League is working hard to isolate Israel.
4. Many rejectionist Arab states regard the possibility of an India-Israel-Turkey axis supported by the US as disadvantageous to their strategic and political situation.
5. Most importantly, the Arab world sees any kind of nuclear cooperation between India and Israel as a serious threat to its security.

Any kind of cooperation between India and Israel always created apprehensions in the Arab world, yet Arab protests were usually expressed privately. However, with the Indo-Israeli strategic collaboration gaining momentum in recent years, Arab leaders are becoming more vocal and critical of it. In July 1999, for the first time, the Arab League openly warned against the danger of growing India-Israel military cooperation. The Arab Follow Up Committee on the Hazards of Israeli Nuclear Activities underlined the need for the Arabs to confront Indian-Israeli cooperation, especially in the nuclear field, noting that it constitutes a grave threat to collective Arab security.

During his visit to Israel in May 2000, Indian Home Minister L. K. Advani assessed the prospects of Indo-Israeli nuclear cooperation positively: "I support the expanded cooperation between Israel and India in all fields, including this [nuclear] field." This further increased Arab apprehensions. There were strong protests from the Arab capitals against Advani's comment. The pro-Arab lobby in Delhi became active and demanded an explanation from the Government. Some reports revealed that an Arab ambassador in Delhi went to the extent of openly warning India of the "unpleasant consequences" of its new friendship with Israel.

The growing Indo-Israeli strategic ties, especially the possibility and/or actual covert cooperation in the nuclear field, have provided Pakistan a fresh opportunity to gain support in the Arab world. Pakistan's Government and media claim that Delhi-Jerusalem collaboration conflicts with Arab and Muslim interests. In general, the Arab press is also critical of the emerging military ties between India and Israel.

In the past, the Indian Government used to deny "any cooperation" with Israel in the sphere of defense and security. Now, Delhi's vague position that the bilateral relations between India and Israel are not at the cost of India's relations with the Arab world makes the Arabs wary. While categorically rejecting any nuclear cooperation with Israel, a senior Indian Foreign Ministry official chided the 18 protesting Arab ambassadors for looking unfairly at India's strategic ties with Israel.

This was an unprecedented response from Delhi. Moreover, compared to the high-profile visits of Jaswant Singh and L. K. Advani to Israel, the decision of the Indian government to send only a Cabinet minister, M. M. Joshi, to represent India at the funeral of Syrian president Hafez al-Assad further indicated India's changed priorities in the Middle East. Today, while Israeli diplomats and military officials are regular visitors at the South Block (Indian Foreign Ministry headquarters), the presence and influence of Arab diplomats there has shrunk substantially. Indeed, since India adopted a balanced approach in its Middle East policy, Arab expectations from India have declined.

It would be an error to term the emerging India-Israel alliance anti-Arab or anti-Muslim. Indeed, India has important strategic interests in the Middle East, especially in the Gulf States. While building strategic ties with Israel, India made intensive diplomatic efforts to develop close ties with the Arab/Muslim states. Nevertheless, the Delhi-Jerusalem strategic ties imply that India, especially under the right-wing BJP government, has abandoned its self-imposed inhibitions with regard to Arab sensitivities in dealing with Israel. Today, the Indian leadership is becoming increasingly convinced that it is in India's interests to have close strategic ties with Israel, and

these can no longer be kept hostage to its relations with the Arab world - a message clearly conveyed by the Indian Foreign Minister during his visit to Israel.

Challenges to the Alliance

The old issues that prevented Indo-Israeli friendship in the past still haunt both Delhi and Jerusalem, but they can no longer seriously threaten the emerging alliance. However, the following three issues could emerge as new obstacles:

INDO-IRANIAN RAPPROCHEMENT

India has begun building strategic ties with Tehran. Yet the growing military power of Iran is one of the main long-term security concerns of Israel. Irrespective of the current economic and strategic rapprochement with Tehran, it would not be in Delhi's interest to sell advanced technology and/or weapons to Iran because:

1. Such a step would adversely affect its ties with other Middle Eastern states - especially Iraq and Saudi Arabia.
2. As Iran is unlikely to abandon its plans to develop nuclear weapons and long-range missiles, many Indian strategists believe that Iran could also become a threat to Indian security in the long term if the Islamic fundamentalists maintain their grip on policymaking there.

The Indo-Iranian rapprochement can also be positively utilized by Israel as a conduit for dialogue with Tehran, as few countries maintain good relations with Israel while also maintaining close relations with Iran without supplying it with arms. It may be recalled that on Israel's request India brought the case of the "thirteen Iranian Jews" before the Iranian leadership.

ISRAELI-CHINESE MILITARY COOPERATION

Israel maintains strong military ties with China - a country that India regards as the main threat to its security. Israel gained a foothold in the huge Chinese arms market and may consider military sales to Beijing a possible means of influencing Beijing's arms transfer to the Middle East. It is ironic that China is often thought to be supplying arms, including missile and nuclear technology, to Iran and other Middle Eastern states.

India's main concern is that the Israeli arms and technology sold to China should not be transferred to Pakistan. Realising the long-term benefits of its strategic alliance with India, Israel has unequivocally assured the Indian leadership that its arms sales to China (or any other state near India) would not harm Delhi's security interests. The formation of a Joint Ministerial Commission and the consultations between the National Security Advisors of the two countries will provide useful channels for the consideration of their apprehensions related to this issue.

AMERICAN OPPOSITION

From time to time, the US Administration has expressed its concerns over Israel's sale of advanced weaponry to India for the following reasons:

1. Although the US does not consider India a military threat to its own troops (as in case of China), it is wary of a military escalation between India and Pakistan, which might lead to a nuclear war.
2. The White House was the biggest critic of India's nuclear tests conducted in May 1998. The US not only imposed economic sanctions and an arms embargo on India, but also used its influence over its allies to enforce these.
3. In addition, Washington has good commercial reasons for objecting to Israeli weapons sales to India.

However, after the historic US tilt from Islamabad to Delhi in its South Asia strategic equation, US pressures on Israel not to sell advanced weapon systems to India have become milder. As Delhi and Washington begin to develop global strategic ties, the Indo-Israeli strategic alliance can act a useful catalyst, rather than a point of contention.

Prospects for the Future

The present strategic regional and global imperatives have created a consensus in Delhi and Jerusalem that their strategic alliance will be mutually beneficial in the short term as well as in the long term. Their special relationship has gone beyond the institutional framework and is gradually becoming stronger as their interaction multiplies.

India's shift in its Middle East policy has reaped good dividends for Delhi. Indian diplomats quietly admit that the 'Israeli card' is becoming useful in dealing with the Arab states. It has helped India to assume an added importance for the Arabs, including the Palestinians. As the two sides compete to extract favorable statements from Delhi during the ongoing *Al-Aqsa Intifada*, India has a useful opportunity to carve out a role for herself in the volatile Middle East. Keeping strict neutrality in the Arab-Israeli conflict is crucial for Delhi to gain the confidence of both sides and thereby enhance its profile in the region and beyond.

The future of the Indo-Israeli strategic alliance is tied up with domestic issues, regional security and the global strategic environment. Presently, most of these variables seem to be favourable. Socio-culturally India and Israel are discovering a natural affinity, their economic cooperation is proving mutually beneficial, a partnership in the defense and security spheres is developing, and politico-strategically both states are moving towards each other.

However, it is important to acknowledge that the two countries still need to develop a clear common security threat. In the absence of it, joint ventures in defense and security become vital to the Indo-Israeli strategic alliance in the medium term and long term. If properly pursued, these joint ventures may burgeon into a partnership for the co-production of armaments for sale to Third World countries and both countries will gain appreciably from such collaboration.

Similarly, joint military exercises by the Indian and Israeli armed forces would provide further strategic depth for their relationship.

On the political front, the return of normalcy in the Middle East and a subsequent resumption of the peace process would contribute positively to the building of the Indo-Israeli strategic alliance. Conversely, a major Arab-Israeli conflict might slow down this process, especially if the traditionally pro-Arab Congress party returns to power in Delhi.

Seeing India as the emerging power of the 21st century, Jerusalem needs to take into account India's overall strategic objectives in the Middle East, which might not always coincide with Jerusalem's. Israeli leaders also need to give more weight to Delhi's concerns over the supply of advanced weapon systems to China. Meeting these concerns may yield Israel India's support at the United Nations, where India is a strong contender for a permanent seat in the expanded Security Council. Similarly, India can play a constructive role in further legitimizing Israel's acceptance on the Asian continent. Indeed, Israel's strategic alliance with India could constitute the pillar on which Israel's relations with the Third World are constructed.

Delhi-Jerusalem strategic ties can further be strengthened on the pattern of the Israeli-Turkish relationship. As India and Turkey have also begun to build strategic relationship, the possibility of a future Delhi-Ankara-Jerusalem strategic triangle cannot be ruled out. For those who believe in the importance of the balance of power, such a strategic triangle could provide stability and security to world's two most turbulent regions - South Asia and the Middle East. Such a strategic bloc should also be encouraged by the US, as its global and regional strategic interests converge with Washington's. Besides, it would protect and promote liberal democratic values in two regions dominated by dictatorial regimes.

To sum up: While the Cold War world order proved detrimental to India-Israel relations, the new millennium has set into motion forces conducive to a strong India-Israel strategic alliance, and this is the right time to nourish them.