



## PERSPECTIVES

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# Modi in Israel: Diplomacy and Development

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**EXECUTIVE SUMMARY:** India-Israel defense and intelligence ties developed even before diplomatic relations were established between the countries. The establishment of diplomatic relations opened the door for greater cooperation, but relations remained low-profile until the ascendancy of Prime Minister Narendra Modi. He has given a dynamic push to India's Israel policy. His recent, long overdue visit to Israel was centered around development-related issues and intensified the bilateral relationship.

India-Israel relations have witnessed a steady upward trajectory since diplomatic relations were established in 1992. Narendra Modi's recent visit to Israel, the first ever by an Indian prime minister, was long overdue.

Since coming to power in 2014, Modi has given a dynamic push to India's Israel policy. Israel has emerged as a critical component of India's Grand Strategic calculation under Modi. Structural and philosophical hindrances regarding Israel have been eliminated under his regime. In fully setting aside India's ideological and historical baggage with regard to Israel, Modi has achieved a culmination of the diplomatic process that started in January 1992.

Modi's successful visit to Israel, which took place on July 4-6, 2017, was part and parcel of India's grand strategy for the promotion of the values of self-reliance, national development, economic growth, technological innovation, and national security. The visit was an essential part of Modi's effort to engineer India's rise.

Modi's historic trip was symbolic in that it was the first-ever visit by an Indian PM to Israel, and substantive in that it will give a strong push to the countries' already blooming bilateral ties at the operational level. The visit was formally

intended to commemorate 25 years of diplomatic ties between the states, but the implications of the visit are immense.

In finally taking the step of visiting the State of Israel, Modi demonstrated that India has not only relinquished its inhibitions towards Israel but has also expressed its political will to bring their relations out of the closet. The visit gave a high profile to the bilateral relationship and shed the mindset of secret engagement.

It was a stand-alone visit, skipping the stopover in Ramallah that is a diplomatic tradition for most foreign dignitaries. Modi did not even mention the Palestinian question in public during his visit. The Israeli-Indian joint statement briefly emphasized “the need for the establishment of a just and durable peace in the region” and “reaffirmed support for an early negotiated solution between the sides based on mutual recognition and security arrangements”, but avoided phrases like “two-state solution” and made no mention of East Jerusalem as Palestine’s future capital. These omissions reflect India’s belief that the two sides should resolve their issues through bilateral negotiations, and demonstrate that India-Israel relations are no longer dependent on the Palestinian variable.

India has separated its ties with Israel and Palestinian Authority and is now trying to engage them separately. There is an indication that India will ponder every issue related to the Israel-Palestinian conflict on its merit. India has reaffirmed its support for the Palestinian cause, but is simultaneously developing a close, mutually beneficial partnership with Israel.

India’s voting behavior at UN agencies – it has abstained rather than vote against Israel – also reflects a paradigm shift. India’s Ambassador to Israel Pavan Kapoor said India has “matured”, and “it is our sense of confidence that we can deal with both relationships independently and own their own merit. We don’t see the need to hyphenate them”. This new approach opens the door to immense cooperation in many fields.

Israel gave Modi a red carpet welcome, with Israeli PM Netanyahu hailing the visit as “historic”. Departing from the normal diplomatic course, Netanyahu accompanied Modi throughout his stay in Israel. It was a rare gesture, unseen in decades, that reflects the new level of personal chemistry between the leaders. Their camaraderie, on display throughout all three days, attracted the attention of regional and global media.

Modi’s visit to Israel not only “solidified the enduring partnership” but also “raised the bilateral relationship to that of a strategic partnership”. In order to

realize the full potential of bilateral partnership beyond defense and security, the countries “affirmed their intention to build a broad-based relationship” and “agreed on policy and initiatives that would reflect the goals and aspirations of both the nations”.

The focal point of this diplomatic sojourn was development. The visit focused on expanding and deepening relations beyond defense and diamonds. India and Israel expressed their resolve to develop a close partnership in the fields of “development, technology, innovation, entrepreneurship, defense and security”.

Modi is well aware that Israeli technological expertise could play a vital role in India’s rise, and visited several sites that display Israel’s innovative spirit. He witnessed cutting-edge floriculture technology at the Danzinger Dan flower farm near Tel Aviv, tasted water from a Galmobile desalination device at Dror beach near Hadera, and attended a technological innovation exhibition. Modi knows that Israel can play an instrumental role in the success of his dream projects, like Make in India, Digital India, Clean India, Clean Ganga, Smart City, Skill India, and New India.

In an attempt to give a boost to India’s agricultural development, the countries decided to establish a “Strategic Partnership in Water and Agriculture”. As per the joint statement, “this will focus on water conservation, waste-water treatment and its reuse for agriculture, desalination, water utility reforms, and the cleaning of the Ganges and other rivers using advanced water technologies”. A “Joint Working Group” is to be established aimed at doubling Indian farmers’ income.

Seven Memoranda of Understanding were signed. An MoU established the India-Israel Industrial R&D and Innovation Fund (I4F), with a contribution of US\$40 million, which will promote a partnership based on the use of technology for development. The joint statement envisaged that this fund “will play a seminal role in enabling Indian and Israeli enterprises to undertake joint R&D projects leading to development of innovative technologies and products that have potential for commercial applications”.

India and Israel also agreed “to upgrade their scientific and technological collaboration by supporting joint research and development projects in the cutting-edge areas”. They signed agreements related to water conservation in India, water utility reform, and a three-year work program on agriculture. This developmental approach was also evident in agreements signed in the field of space research. The agreements will promote cooperation in atomic clocks, the GEO-LEO optical link, and electric propulsion of small satellites.

Modi's visit is also important from a business and economic point of view. The joint statement not only recognized the importance of "fostering a wide-ranging knowledge-business partnership", but also realized the importance of enhancing bilateral trade and investment and emphasized the need for an agreement for the Protection of Investment. The first meeting of the India Israel CEO Forum was held in Tel Aviv on July 6. It was presided over by both prime ministers and attended by almost 30 Indian and Israeli CEOs. In a bid to boost bilateral cooperation in innovation and entrepreneurship, the joint statement tasked the India-Israel CEO Forum to come up with early recommendations. It was also decided to work on granting multiple entry visas to business people for up to five years and to start negotiation on an investment protection agreement. Israel will be the partner country for the annual Technology Summit to be held in India in 2018. During Modi's visit, Indian and Israeli companies signed various deals worth US\$4.3 billion, excluding defense. (The matter of a free trade agreement did not come up between the two states.) The CEOs expressed the hope that bilateral trade could reach US\$20 billion in the next five years from the current level of about US\$5 billion.

Terrorism is a menace to humanity and a threat to national development. That is why cooperation on countering terrorism was also a major takeaway of this visit. Both states are victims of terrorism and recognize that their democracies and development must be protected from it. Modi's and Netanyahu's meeting with ten-year-old Moshe Holtzberg symbolized their recognition of this truth. Israel categorically stated that there is no difference between Lashkar-e-Taiba and Hamas. Senior Israeli diplomat Mark Sofer commented, "the horrors coming out of Pakistan, from Lashkar-e-Taiba, are known, and we support India's right to defend itself against terrorism as Israel has the same right". The joint statement stressed their "strong commitment to combat" terrorism in all its forms and manifestations. It further asserted that "strong measures should be taken against terrorists, terror organizations, their networks, all those who encourage, support and finance terrorism, or provide sanctuary to terrorists and terror groups". Both countries expressed their commitment to cooperate on the early adoption of the Comprehensive Convention on International Terrorism (CCIT). It was also stressed that existing cooperation on homeland security shall be implemented "in an efficient and effective manner".

Development cannot be achieved if national security is regularly threatened. That is why capacity-building is vital. Defense cooperation between the two states has emerged as the central pillar of collaboration since the 1999 Kargil conflict. The Modi regime has given a boost to military relations with Israel, even though no big-ticket defense deals were signed during his visit. However, reflecting the paradigm shift for capacity-building in the field of defense and security, the joint statement stated that future development in this sphere

should focus on joint development of defense products, including the transfer of technology from Israel that will give a boost to the Make in India initiative.

During the CEOs' meeting, Indian and Israeli companies also agreed to joint development in the defense sector and to bid jointly to win contracts. Bharat Forge and Israel Aerospace Industries (IAI) decided to expand their joint venture in the field of selected air defense systems. Dynamatic Technologies, IAI, and Elcom agreed to industrial cooperation and local production of unmanned aerial systems in India. Cooperation in the field of cyber security will be increased as well, with both sides expressing their commitment "to promote security and stability in cyber space".

The strategic journey to achieve a new level of developmental relationship is based not only on mutual national interests but also on a solid foundation of deep historical and cultural roots shared by India and Israel, roots Modi made a point of highlighting during his address to the Indian community. In a bid to strengthen people-to-people contacts, he announced the setting up of an Indian Cultural Center in Israel and committed to launch direct flights between India and Israel.

Modi's unscheduled and spontaneous visit to the grave of Theodor Herzl in Jerusalem is also significant. The homage to the father of Zionism reflects Modi's support for the land of Zion and Israel. This signifies India's recognition of Zionism, which had been negated by Mahatma Gandhi before the emergence of the State of Israel.

Modi's visit to Israel gave a fresh push to already deepening bilateral ties. It took relations to a new level and should prove a catalyst in smoothing negotiations at both the governmental and corporate levels across many sectors. Netanyahu correctly stated that "this successful visit will add more energy to India-Israel relations". In the words of Modi, it is an "unprecedented visit that will bring our two countries and peoples closer".

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