

# Israel and the BRICS

By Yossi Alpher

## ■ Executive summary

Israel's growing economic and security links with BRICS members Russia, India and China reflect Jerusalem's desire to diversify its strategic international ties. Israel is critically aware of the danger of European economic sanctions and, along with some sectors of European Jewry, perceives a rise in Islamic influence in Europe. It also seeks to compensate strategically for what is perceived as declining U.S. interest and capabilities in the region. One key background issue is the Israeli-Palestinian conflict: the three BRICS Eurasian powers may express sympathy with the Palestinian cause, but they do not allow this sentiment to interfere with their strategic and economic ties with Israel.

Collaboration among the BRICS countries is designed to constitute an alternative to the global political and economic dominance of Europe and the U.S. Israel appears to be interested in extending contacts with the grouping, even if its strategic links with the BRICS are still far overshadowed by those with the U.S. and Europe.

The term BRICS refers to Brazil, Russia, India, China and South Africa. Coined in 2001, the term originally had a purely economic connotation, designating emerging national economies that, according to predictions, would by 2050 be wealthier than the current major economic powers and would supply most of the world's manufactured goods, services and raw materials. The group was first called BRIC, with South Africa joining in 2010. Additional emerging economies such as Argentina, Indonesia and Turkey reportedly might at some point be added to the group.

The BRICS countries account for 40% of the world's population and more than 25% of its landmass. BRICS members display considerable disparity in characteristics like GDP per capita, literacy and life expectancy, with India and South Africa generally lagging behind the others. At the global political level members like Brazil and India want to push for United Nations (UN) Security Council reform, while China and India have yet to resolve their territorial disputes.

Even though the group's designation was arbitrarily assigned to it by a U.S.-based economist, its five members have eagerly bought into the notion of institutionalising

their relationship. In recent years BRICS annual summits have addressed political and diplomatic issues and aspired to project influence on regional and global affairs. A recent example of solidarity among BRICS countries was the refusal of the other four to criticise Russia over its annexation of Crimea. Russia and China signed a huge energy deal understood to be Moscow's response to Western economic sanctions resulting from the Crimea annexation. The group seeks to affect International Monetary Fund policy and to make global financial institutions more equitable: the BRICS summit in Brazil of July 15th-16th 2014 dedicated \$150 million to a development bank and reserve fund.

Israel and the BRICS have no specific strategic or economic institutional relationship, nor are they likely to. On the other hand, for diverse reasons Israel is interested in the alternative economic and strategic orientation offered by the BRICS grouping. Accordingly it is placing growing emphasis on developing its ties with Russia, India and China, with some success. In contrast, Israeli-Brazilian and Israeli-South African relations have unique features, but lack a strategic dimension.

With regard to the Palestinian issue upon which Israel is frequently judged at the international institutional level, BRICS members are in many ways an extension of the Non-Aligned Movement that flourished in the 1950s, 1960s and 1970s, meaning that they tend to join votes condemning Israel with regard to the Palestinian cause. This was evident, for example, when in 2011 the Palestine Liberation Organisation asked for UN recognition of Palestine as a state. Brazil, India and South Africa as non-permanent members of the Security Council joined permanent members Russia and China in voting for this proposal.

Yet the BRICS as an institution has yet to engage in direct international diplomacy, and with the exception of South Africa and recently Brazil, BRICS countries do not allow the Palestinian issue to interfere in bilateral strategic and other ties with Israel. The recent BRICS summit in Brazil formulated carefully worded positions on the Middle East that avoided direct criticism of the Assad regime in Syria, endorsed an Israeli-Palestinian two-state solution, criticised Israel's settlement expansion without mentioning the Israel-Hamas conflict that was raging at the time, and completely failed to mention the Islamic State-Iraq crisis.

### Israel and the “RIC” countries

This brings us to the far more expansive issue of Israel's relations with the Eurasian core of the BRICS: Russia, India and China. Here the government of Israeli prime minister Binyamin Netanyahu has quite clearly set itself the objective of radically expanding strategic and economic relations. While each of these three countries presents unique strategic circumstances, three critical common denominators lie behind this drive.

The first is Israel's perceived need to balance anticipated economic sanctions by Europe over the Palestinian issue by developing alternative economic relationships. A corollary is Israeli concern over the rise of indigenous Islamic influence in Western Europe and a spike in European anti-Semitism. As former Likud minister of defence and foreign affairs and ambassador in Washington Moshe Arens put it in May 2014, “Slowly but surely, Israel is pivoting toward the east ... away from Europe and the sad European legacy”. One example of this dynamic is the reported decision by the Israel Ministry of the Economy to close Israeli trade missions in Sweden and Finland and open them in China, India and Brazil.

A second common concern is the need to balance a perceived decline in U.S. strategic involvement and even capabilities in the Middle East – the latter illustrated, in Israeli eyes, by U.S. failures in managing the Israeli-Palestinian peace process and subsequent Gaza-related ceasefire attempts in 2014. This state of affairs has generated a requirement to expand Israel's strategic relationships beyond the Washington-Jerusalem axis. A third concern derives from the second: while anticipated U.S. energy independence reduces Washington's interest in the

Middle East, China and India are becoming ever more dependent on energy supply from countries like Iran and Saudi Arabia. Israel feels a growing need to counter this trend by developing strategic relations with Beijing and New Delhi.

In late May 2014 Prime Minister Netanyahu was interviewed by Bloomberg's Jeffrey Goldberg, a particularly strategy-minded observer. Goldberg asked: “You just got off the phone with the newly elected prime minister of India. You're increasingly isolated in parts of Europe. Are you looking east in ways that Israel hasn't before?” In response, Netanyahu noted that “Israel is rapidly developing relations in Asia. ... These countries ... are not being held back by the continuing conflict.”

### Russia

Israel hosts the largest Russian-speaking community outside the former Soviet Union – over a million immigrants who have integrated successfully into the country and who maintain close ties with their former homeland. Soviet-born politicians are rapidly climbing the Israeli political ladder, led by Foreign Minister Avigdor Lieberman, who has openly advocated expanding ties with Russia as a means of balancing Israel's dependency on the U.S.

Russia is also attractive to Israel because both have a serious problem with Islamic extremism and terrorist attacks, laying the basis for intelligence and defence sales cooperation. Russia is also deeply involved in Syria, on Israel's northern border, and in light of Egyptian-U.S. tensions is again selling arms to Egypt on Israel's southern border. Not all this Middle East involvement is to Israel's liking: in particular, Russia's support for the Assad regime in Syria and the Islamic Republic of Iran runs counter to Israeli interests. Yet official Israeli protests, if any, are muted.

Moreover, Israeli Middle East experts increasingly point to recent U.S. failures at state-building in Iraq and peacemaking in Israel-Palestine. Some note that Moscow's understanding of the region appears more perceptive than that of Washington, which is in any case withdrawing from the Middle East region and proving reluctant to entertain any additional military involvement there.

Against this backdrop of concern over the U.S. performance in the Middle East, Israeli diplomacy appears to have identified a need to address Russian actions and motives more positively than in the past. Israel's refusal to condemn Russia's occupation of Crimea in a crucial UN vote in late May 2014 is a prominent case in point. Also in May, during a Knesset Foreign and Security Affairs Committee discussion (regarding a rejected request from Moscow to allow one of its missile boats to anchor at Haifa), Lieberman dissented, noting characteristically, “Even though our greatest ally is the U.S., Israel must look after its interests”. One of those interests, incidentally, is a new “hot-line” linking Moscow and Jerusalem. Another, as with India

and China, is far-reaching academic exchanges and cooperation.

At the economic level Israel's recent Mediterranean gas discoveries open up the possibility of collaboration with Russian energy companies that are well established in Cyprus, Israel's energy partner. And Russian-speaking Israelis are setting up joint high-tech and other ventures in Russia.

### **India**

Despite its ongoing conflict with Muslim Pakistan, India was very much in the Non-Aligned anti-Israel camp until the collapse of the Soviet Union and the 1991 Madrid Conference, both of which generated a major thaw in Israel's relations with both India and China. Today, India and Israel cooperate closely regarding intelligence related to militant Islam, and Israel is India's second-largest arms supplier. Israeli foreign policy circles anticipate that recently elected Hindu nationalist prime minister Narendra Modi of the Bharatiya Janat Party, with his anti-Islamic ideological history, will tighten relations yet further.

### **China**

Netanyahu travelled to China in May of this year, primarily to seek additional Chinese investment in Israeli high-tech R&D, industry, infrastructure and academia. This effort has become highly controversial in Israel, where some strategic observers fear that China's economic reach could eventually involve its control over vital sources of raw materials, global transportation and infrastructure links, and knowledge-based industry. Chinese economic dominance in the Middle East in the decades ahead could possibly prove detrimental to Israel's strategic interests.

Israel and China also have security links involving their defence industries, while Israeli security experts are reportedly advising China in Xinjiang regarding the suppression of Islamic-linked Uighur dissidents. So critical is the Chinese commercial link for Netanyahu, a champion of the struggle to combat terrorist financing, that he has cancelled Israeli involvement in a prominent legal action in the U.S. against a Chinese bank for allegedly laundering money for Hamas.

### **Brazil and South Africa**

The recent football World Cup competition and approaching Olympics are only two of many indications that Brazil sees itself as a major emerging global power. The country's interest in the Middle East reflects this self-image, much as Brazil's demographics fuel it: its population comprises some eight million citizens of Syrian, Lebanese and Palestinian extraction, and over 110,000 Jews.

Brazil and Israel have developing economic and security relations, including Israeli arms sales. Parallel to this friendship, Brazil generally seeks proactive and even-handed involvement in the Israeli-Palestinian dispute, again reflecting its aspiration to a higher international

profile as an emerging power. Thus Brazil maintains a large Palestinian aid delegation in Ramallah, where it coordinates projects with BRICS partners India and South Africa. It has also suggested that it be added to the Quartet – i.e. the UN, U.S., Russia and the European Union (EU) – an institution that emerged at the instigation of the George W. Bush administration and was briefly a major player in Middle East peace efforts. In July 2014 Brazil was one of several Latin American countries that recalled its ambassador to Israel for consultations regarding the war between Israel and Gaza in protest over the heavy civilian casualties registered in the Gaza Strip.

Perhaps more than any other African country south of the Sahara, South Africa spearheads campaigns that identify Israel's Palestinian policies as apartheid. It hosted the Durban Conference against Racism in 2001 that effectively launched the boycott, disinvestment and sanctions campaign, and it has raised the issue at BRICS summits.

Indeed, Israel's relations with South Africa still bear the scars of the apartheid period, when the two countries collaborated on weapons development. At the time Israel's rationale was that it needed Pretoria's investment in R&D projects vital for Israeli security. South African resentment is clearly a major factor in the two countries' lack of strategic collaboration. As with Brazil, economic ties are relatively minor due at least in part to geographic factors. Nor is either country's Jewish community sufficiently large or endangered to warrant closer attention on Israel's part along the pattern of, say, its concerns over Russia's Jews.

Interestingly, despite or alongside this low profile of Israeli-South African relations, Israeli foreign minister Avigdor Lieberman has spearheaded an upgrading of Israel's relations with a host of African countries in the Sahel and further south. He recently returned from a ten-day "strategic" tour of Rwanda, Ivory Coast, Ghana, Ethiopia and Kenya, and Israel is seeking observer status in the African Union. Lieberman appears to believe, in the spirit of Israel's periphery doctrine of the 1960s and 1970s, that ties with countries bordering on the Arab world or on hostile Muslim countries will benefit Israel.

### **Conclusion: benefits and limitations of strategic links with the BRICS**

There appear to be two primary strategic reasons for Israel's developing links with Russia, India and China. One is a drive to give Israel a more balanced set of major international relationships in anticipation of possible European sanctions and U.S. military and economic withdrawal from the Middle East region. The three "RIC" countries may express ritual criticism of Israel's stance toward the Palestinians, but they do not seek major involvement in the issue and do not threaten to punish Israel economically. This in turn conceivably contributes to the current Israeli government's readiness to rebuff U.S. peace proposals and EU sanctions and to continue to build

West Bank settlements. A second reason for developing BRICS links is the rise in the region of various strains of militant Islam that, from a geostrategic standpoint, appear to Israel to be particularly relevant to the Eurasian land-mass.

Having noted these dynamics, it is important to recall that Israel's economic and strategic ties with the U.S. and EU still dwarf its ties with the BRICS. Even Israel's ties with Turkey – a country characterised by “lite” Islamism and official hostility toward Israel – continue to outweigh some of its BRICS links such as trade with Russia. Further, Washington is extremely sensitive to Israel's strategic links with Russia and its arms sales to China, and does not hesitate to pressure Israel on these and related issues.

To the extent that the Ukraine crisis has moved Russia and China closer together strategically, and in view of the clash between Washington's “pivot to Asia” and China's perceived provocations in the East China Sea, Israel's relations with Beijing and Moscow are a particularly sensitive issue in both Washington and Brussels.

Some Israeli policymakers express disdain for what they consider to be Washington's mistakes and Europe's inaction in the Middle East region, against the backdrop of controversial efforts to advance relations with Russia and China. But by linking the two dynamics they risk jeopardising an overwhelmingly major strategic asset in favour of ties that currently reflect far less strategic significance. ■

## ■ THE AUTHOR

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