

ISRAEL EXPLORES NEW OPPORTUNITIES IN LATIN  
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[Brazil Finds More Than a Friend in Israel](#): Allison Fedirka, *Real Clear World*, Jan. 6, 2018 – The friendly relationship between Israeli Prime Minister Benjamin Netanyahu and Brazil’s new president, Jair Bolsonaro, made headlines at the end of 2018.

[Israeli-Japanese Friendship: A Potential Yet to Be Realized](#): Shaun Ho, *JCPA*, Dec. 25, 2018— In the past few years, Israel has begun to tilt toward the East.

[Israel and North Korea: A New Opportunity?](#): Dr. Alon Levkowitz, *BESA*, Dec. 31, 2018— In the early 1990s, Eitan Ben-Zur of the Israeli foreign office tried to explore the possibility of a deal with North Korea to halt its missile shipments to states in the Middle East that pose a threat to Israel.

[China is at a Crossroads](#): Brahma Chellaney, *Globe and Mail*, Jan. 1, 2019— Four decades ago, the Chinese Communist Party, under its new leader Deng Xiaoping, decided to subordinate ideology to wealth creation, spawning a new aphorism, “To get rich is glorious.”

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BRAZIL FINDS MORE THAN A FRIEND IN ISRAEL

Allison Fedirka

[Real Clear World](#), Jan. 6, 2018

The friendly relationship between Israeli Prime Minister Benjamin Netanyahu and

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**Brazil's new president, Jair Bolsonaro, made headlines at the end of 2018. This "budding brotherhood," as they've called it, started when Bolsonaro, then the president-elect, announced plans to move Brazil's embassy in Israel from Tel Aviv to Jerusalem. Though he has since revised that promise, relations between the two countries continue to flourish. Netanyahu even attended Bolsonaro's inauguration Jan. 1, becoming the first sitting Israeli prime minister to visit Brazil. More than a bromance, the close ties between the two leaders are a testament to their countries' foreign policy strategies.**

**Alignment with Israel, while often framed as a new development, is a return to form for Brazil. In the late 1940s, Brazil supported the creation of an Israeli state and was among the first countries to recognize the Israeli government. Ties between the two grew closer during Brazil's military dictatorship, from 1964 to 1985, as they cooperated in areas such as security and nuclear energy. The relationship continued through the 1990s; in fact, Brazilian President Fernando Henrique Cardoso received several awards from Israel, including an honorary doctorate from the Hebrew University of Jerusalem, while in office. It was only when Luiz Inacio Lula da Silva took power in Brasilia in 2003 that Brazil-Israel relations became strained. Diverging from Cardoso's neoliberal economic policies, da Silva espoused more direct government control of the economy and ushered in a populist era of government in Brazil.**

**Changes in foreign policy accompanied the economic shifts: Brasilia turned against the United States - and, by extension, against Israel. Brazil formally recognized the Palestinian state, according to the 1967 border, in 2010. Even then, its relationship with Israel persisted. In 2010, Brazil also ratified the free trade agreement that the Common Market of the South, a regional trade bloc better known as Mercosur, had struck with Israel three years earlier. And despite its decision to recognize Palestine, Brazil never upgraded its diplomatic mission there to embassy status. The moves didn't exactly please Israel, but neither did they derail its relations with Brazil.**

**Bolsonaro wants to reverse course from the populist policies of Brazil's recent history. To that end, he's pledged to roll back government interference in the economy and to reach out once more to the developed countries da Silva eschewed in a bid to promote industrialization and growth among fellow developing economies. And Bolsonaro's market reforms, like those of his predecessors, will come with foreign policy changes. Where da Silva looked to other countries in the**

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**Southern Hemisphere - namely states in South America and Africa, as well as China - for support and cooperation, the new Brazilian president is turning back toward wealthier northern states like the U.S., countries in Northern Europe and, of course, Israel.**

**For Israel, meanwhile, Bolsonaro's interest is well-timed. Israel, a relatively small country, depends on trade and collaboration with other states to keep its economy humming. Surrounded as it is by rivals, however, it must look beyond the Middle East to find suitable partners. Latin America is a natural choice. The region's many developing markets and trade potential make it an attractive destination for Israel, which, according to the latest World Bank figures, derives 30 percent of gross domestic product from exports. South America remains a largely untapped market for Israel, and it boasts a wealth of natural resources and numerous opportunities for investment, technology development and military modernization. Over the past couple years, Netanyahu has paid official visits to Colombia, Argentina and Chile, along with several countries in Central America. But Brazil is a standout in the region. Not only does it have a \$1.93 trillion economy - the world's ninth-largest, by the World Bank's most recent data - but it also has recently pulled itself out of recession. Now that Bolsonaro has taken office, promises of deregulation and more open markets have made Brazil even more enticing.**

**The focus on economic ties in Latin America is something of a departure for Israel. Throughout the 1970s and 1980s, Israel built its relationships with regional states, including Guatemala, Nicaragua, Honduras, Argentina and Colombia, on military backing and support for various armed groups. Its ties with Brazil and nearby countries today are broader in scope by comparison. Nevertheless, military equipment still has a role to play in the partnerships.**

**In Brazil's case, technology transfer and development are the priority. Brazil began talks with Israel in March 2018 to acquire and exchange scientific and defense technologies, an arrangement that would at once satisfy Israel's desire to export military goods and services, its area of expertise, and Brazil's need to acquire more advanced technology. The two also have reached nascent agreements over defense technology, such as missiles, radar and high-tech surveillance cameras, that could help modernize Brazil's military and law enforcement. (Some recent Brazilian governments have shied away from making these kinds of deals, but Bolsonaro, a champion of the military and security forces, will welcome them.) Space exploration and satellites are other points of mutual interest. Brazil can benefit**

from Israel's know-how on the subject, while Israel takes advantage of Brazil's strategic launch sites near the equator...

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#### **ISRAELI-JAPANESE FRIENDSHIP:**

#### **A POTENTIAL YET TO BE REALIZED**

*Shaun Ho*

[JCPA](#), Dec. 25, 2018

In the past few years, Israel has begun to tilt toward the East. Prompted by declining political support from Europe, Jerusalem gradually turned to non-Western powers such as Russia and China for support. While Israel's growing relationship with China, in particular, has gained widespread attention in recent years, little attention has been paid to Israel's relationship with the other Asian economic superpower—Japan. Despite being the third largest economy and one of the most powerful countries in the world, Japan has often been below the radar in Israel's foreign relations and vice versa. Until the 1990s, Japan avoided trade with the Jewish state because of its strong reliance on oil and gas imported from the Arab states and hence its compliance with the Arab League boycott of Israel. As a result, most Japanese firms were unwilling to trade with Israel until the Arab League boycott ended in the 1990s.<sup>1</sup> Although relations between Israel and Japan have improved significantly, especially in trade and economic cooperation, these two countries have yet to develop a close political and economic relationship to the extent that Israel has with its Western allies and even China. Yet there is great potential for the two countries to develop deeper economic and even geopolitical ties, as both Japan and Israel would benefit considerably from increasing economic and technological cooperation, particularly in the field of innovation, and political cooperation on the international stage.

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**Despite both being developed nations, Japan and Israel have very different economic structures. The former has an enormous and mature economy dominated by conglomerates and other large corporations, while the latter has a relatively small but innovative economy whose growth is largely dependent on the myriad start-ups in “Silicon Wadi.” Additionally, corporate cultural differences between the two countries cannot be any starker. Japanese corporations are known globally for their rigid hierarchical structures and meticulous attention to detail, while Israelis are averse to vertical hierarchies and prioritize innovation over detail. Although it may seem that two countries with such contrasting cultures would not be able to work together effectively, these differences, in fact, would allow Japan and Israel to complement each other and alleviate each other’s structural weaknesses. As Glenn Newman wrote in the Japan Times in August 2018, “Israel and Japan are the yin and yang of countries. And yet, despite — or maybe because of — their differences, they have much to offer each other. Marrying their respective geniuses, Japan and Israel could be a killer combination.”**

**Following decades of economic boom in the post-war period, Japan’s asset price bubble burst, and its economy slumped into a period of stagnation known as the “Lost Decades” from the 1990s until well into the early 2010s. To reinvigorate the Japanese economy and make it more competitive on the world stage, in 2012 Prime Minister Shinzo Abe initiated a set of economic reforms known as “Abenomics,” which consists of three “arrows” (overarching policies): monetary easing, fiscal stimulus, and structural reforms. As part of the third “arrow” to reform the economic structure, the government is seeking to use innovation and technology to increase Japan’s competitiveness and economic growth. Although Japan is often regarded as one of the most technologically advanced nations in the world, it has been falling behind in innovation in recent years and losing its technological edge over countries such as the United States, South Korea, and China. Many critics contend that one major reason for the lack of innovation is that the rigid hierarchical structure of Japanese corporations and the cultural aversion to risk stifle innovation of new technologies and discourage entrepreneurship.**

**This is where Israel can potentially complement and play a role in Japan’s economy. In contrast to Japanese culture, which values structure, consensus-making, and meticulousness, Israeli culture is more egalitarian, more individualistic, and less risk-averse. As a result, Israelis are much more willing to develop new technologies and to engage in creative entrepreneurship, allowing Israel to become one of the most innovative countries and to have the highest number of start-ups per capita in**

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**the world. By investing in and cooperating with Israeli high-tech firms and start-ups, Japanese firms would be able to gain access to Israeli technology. Already, several Japanese corporations, such as Panasonic, NEC, and Ricoh have begun cooperation with Israeli companies in research and development (R&D) programs and plans to establish R&D centers in Silicon Wadi. Japanese automobile giants like Toyota, Nissan, and Honda have also started to invest in and cooperate with Israeli start-ups to improve their automotive technologies.<sup>789</sup> Japan's investments in Israeli start-ups would be immensely beneficial to the Japanese economy, not only because it would gain access to technology that it would not have otherwise, but also because many of these technologies would be potentially crucial to the Japanese government's effort to create sustainable economic growth through innovation.**

**As part of the Abenomics reforms, for example, the Japanese government has launched an initiative called "Society 5.0," which aims to shift Japan to an "innovative society" based on the Internet of Things (IoT), artificial intelligence (AI), and big data. [See glossary below for definitions.] As a world leader in AI and big data technology, Israel can contribute toward many areas of this initiative.**

**One area toward which Israeli firms can contribute is health care. With its rapidly aging population, Japan is seeking ways to increase people's access to health care, particularly in rural areas where the elderly are concentrated. The "Society 5.0" initiative aims to utilize AI and big data to improve people's access to medical services and data. Having developed some of the top medical technologies in the world, Israeli firms can play a big role in Japan's effort to innovate its medical data technologies. For example, Israeli startups such as Genoox and Aidoc, which have revolutionized the use of big data in health care, can complement Japan's current medical data technology.**

**Another area in which Israeli technology would assist Japan's transition into an innovative economy is financial technology (fintech). As one of the largest and most important financial markets in the world, Japan is surprisingly backward in fintech, falling behind most other advanced economies and even China and India. Furthermore, a high proportion of transactions in Japan are still conducted in cash, making Japan one of the most cash-dependent societies in the developed world. Because of the high transaction costs that come with cash payments, the Japanese government is promoting cashless payments and money transfers based on blockchain technology [See glossary below for definitions.] as part of the "Society**

5.0” initiative...[To Read the Full Article Click the Following [Link](#)—Ed.]

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### **ISRAEL AND NORTH KOREA: A NEW OPPORTUNITY?**

*Dr. Alon Levkowitz*

[BESA](#), Dec. 31, 2018

**In the early 1990s, Eitan Ben-Zur of the Israeli foreign office tried to explore the possibility of a deal with North Korea to halt its missile shipments to states in the Middle East that pose a threat to Israel. The deal would have included indirect Israeli economic assistance to Pyongyang to compensate it for the financial losses it would incur from the cessation of those sales. The Ben-Zur initiative was supported by Shimon Peres, the Israeli foreign minister.**

**In the end, the deal was not concluded due to a disagreement between the Israeli foreign office and the Mossad about its feasibility. Another barrier to the initiative was Washington’s objection to Jerusalem’s involvement with Pyongyang at a time when the US was trying to reach its own agreement with North Korea on the nuclear issue. Washington was disturbed by the Jerusalem-Pyongyang contacts despite the fact that Israel’s sole focus - missile shipments to the Middle East - was not perceived by the Americans as a critical issue.**

**Almost three decades later, Washington is negotiating with Pyongyang on an agreement that will include complete, verifiable, and irreversible dismantlement (CVID) of its nuclear and long-range missile programs. Again, as occurred during the 1990s negotiations between Washington and Pyongyang, the agreement is not expected to view military exports to the Middle East as a core issue.**

**The current improvement in relations among Seoul, Pyongyang, and Washington does not include any mechanisms to verify and prevent the continuation of military exports, such as missiles, from North Korea to Syria and Iran. Israel does not have any leverage over Washington or Pyongyang to force them to prevent the**

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continuation of North Korean military exports to the Middle East. That is why Jerusalem should take the opportunity to try an updated Ben-Zur initiative towards North Korea.

While Moon Jae-in might support such an initiative because it would be congruent with his own North Korea policy, Washington might object on the grounds that it would evade international sanctions and decrease Washington's pressure on Pyongyang. Israel should therefore offer economic assistance to North Korea in agriculture, medical technology, and green energy on condition that Pyongyang starts to disarm itself. In so doing, Jerusalem could mitigate Washington's objections and might be able to gain both American and South Korean support.

Israeli economic assistance to North Korea in exchange for a verified cessation of military exports would compensate Pyongyang for the losses it might face as a result of the decrease in military exports to the Middle East. This would help Kim Jong-un and Moon Jae-in legitimize their request to ease the sanctions on North Korea in order to pursue further joint economic projects.

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**CHINA IS AT A CROSSROADS**

***Brahma Chellaney***

**[Globe and Mail](#), Jan. 1, 2019**

Four decades ago, the Chinese Communist Party, under its new leader Deng Xiaoping, decided to subordinate ideology to wealth creation, spawning a new aphorism, "To get rich is glorious." The party's central committee, disavowing Mao Zedong's thought as dogma, embraced a principle that became Mr. Deng's oft-quoted dictum, "Seek truth from facts." Mr. Mao's death earlier in 1976 had triggered a vicious and protracted power struggle. When the diminutive Mr. Deng - once described by Mr. Mao as a "needle inside a ball of cotton" - finally emerged victorious at the age of 74, he hardly looked like an agent of reform.

But having been purged twice from the party during the Mao years - including once for proclaiming during the 1960s that "it doesn't matter whether a cat is black or



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**white, as long as it catches mice” - Mr. Deng seized the opportunity to usher in transformative change. The Four Modernizations program under Mr. Deng remarkably transformed China, including spurring its phenomenal economic rise. China’s economy today is 30 times larger than it was three decades ago. Indeed, in terms of purchasing power parity, China’s economy is already larger than America’s.**

**Yet, four decades after it initiated reform, China finds itself at the crossroads, with its future trajectory anything but certain. To be sure, when it celebrates in 2019 the 70th anniversary of its communist “revolution,” China can truly be proud of its remarkable achievements. An impoverished, backward country in 1949, it has risen dramatically and now commands respect and awe in the world.**

**China is today the world’s largest, strongest and longest-surviving autocracy. This is a country increasingly oriented to the primacy of the Communist Party. But here’s the paradox: The more it globalizes while seeking to simultaneously insulate itself from liberalizing influences, the more vulnerable it is becoming to unforeseen political “shocks” at home. Its overriding focus on domestic order explains one unusual but ominous fact: China’s budget for internal security - now officially at US\$196-billion - is larger than even its official military budget, which has grown rapidly to eclipse the defence spending of all other powers except the United States.**

**China’s increasingly repressive internal machinery, aided by a creeping Orwellian surveillance system, has fostered an overt state strategy to culturally smother ethnic minorities in their traditional homelands. This, in turn, has led to the detention of a million or more Muslims from Xinjiang in internment camps for “re-education.” Untrammelled repression, even if effective in achieving short-term objectives, could sow the seeds of violent insurgencies and upheavals.**

**More broadly, China’s rulers, by showing little regard for the rights of smaller countries as they do for their own citizens’ rights, are driving instability in the vast Indo-Pacific region. Nothing better illustrates China’s muscular foreign policy riding roughshod over international norms and rules than its South China Sea grab. It was exactly five years ago that Beijing began pushing its borders far out into international waters by pressing its first dredger into service for building artificial islands. The islands, rapidly created on top of shallow reefs, have now been turned into forward military bases.**

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The island-building anniversary is as important as the 40th economic-reform anniversary, because it is reminder that China never abandoned its heavy reliance since the Mao era on raw power. In fact, no sooner had Mr. Deng embarked on reshaping China's economic trajectory than he set out to "teach a lesson" to Vietnam. The February-March 1979 military attack occurred just days after Mr. Deng - the "nasty little man," as Henry Kissinger once called him - became the first Chinese communist leader to visit Washington.

A decade later, Mr. Deng brutally crushed a student-led, pro-democracy movement at home. He ordered the tank and machine-gun assault that came to be known as the Tiananmen massacre, according to a British government estimate, at least 10,000 demonstrators and bystanders perished. Yet, the United States continued to aid China's economic modernization, as it had done since 1979, when president Jimmy Carter sent a memo to various U.S. government departments instructing them to help in China's economic rise.

Today, a fundamental shift in America's China policy, with its broad bipartisan support, is set to outlast Donald Trump's presidency. This underscores new challenges for China, at a time when its economy is already slowing and it has imposed tighter capital controls to prop up its fragile financial system and the yuan's international value...

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**[A Golden Opportunity](#)**: [Ariel Kahana, Israel Hayom, Dec. 30, 2018](#)—The crowds of people waving Brazilian flags to welcome Prime Minister Benjamin Netanyahu are just one reason for excitement. That President-elect Jair Bolsonaro bestowed Netanyahu - the first foreign leader to officially visit the country since Bolsonaro's election - with his country's highest honor is also just part of the story.

**[How the African-Israeli Rapprochement is About Poetic Justice](#)**: [Amotz Asa-El, Jerusalem Post, Dec. 1, 2019](#)—In the beginning the British had the Bible and the Africans had the land, said once Jomo Kenyatta, the father of modern Kenya. Then, he said, missionaries arrived, had the Africans close their eyes, and when they opened their eyes they saw the Africans had the Bible and the British had the land.

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**[East Mediterranean Partnership Signals an Energy Revolution](#): Dr. Emmanuel Navon, *JISS*, Dec. 2, 2018—The announcement in November that Israel, Cyprus, Greece and Italy have agreed to build a natural gas pipeline (the longest in the world) from Israel’s offshore gas fields to Europe, clearly indicates that Israel has chosen the Greek option over the Turkish one.**

**[The U.S. is Right to Worry About Co-Operation Between its Adversaries](#): Kori Schake, *National Post*, Nov. 15, 2018—President Donald Trump’s National Security Strategy puts much greater emphasis on the return to great power competition than other American post-Cold War strategy documents.**