An Expanded Agenda for U.S.-Israel Partnership: New Technologies, New Opportunities

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Brief Analysis

Experts discuss how the two allies can work more closely on everything from artificial intelligence to missile defense, ideally with help from emerging Arab partners.

*On May 5, The Washington Institute held a virtual Policy Forum with Michael Eisenstadt, Lt. Gen. Henry "Trey" Obering III, Samantha Ravich, and David Pollock. Eisenstadt and Pollock are senior fellows at the Institute and coauthors of its recent study '**Asset Test 2021: How the U.S. Can Keep Benefiting from Its Alliance with Israel (https://www.washingtoninstitute.org/policy-analysis/asset-test-2021-how-us-can-keep-benefiting-its-alliance-israel)** ." Obering retired from the U.S. Air Force after more than thirty-five years of service, including a stint as director of the Pentagon's Missile Defense Agency. Ravich is chair of the Center on Cyber and Technology Innovation at the Foundation for Defense of Democracies. The following is a rapporteur's summary of their remarks.*

Michael Eisenstadt

The foundations of the U.S.-Israel alliance have traditionally been described as shared values, democratic politics, and common strategic interests. Although this formulation remains true, it fails to adequately capture the relationship's complexity. The bilateral alliance has become an increasingly two-way affair, tangibly enhancing Washington's ability to confront the "hard" and "soft" security challenges of the future.

Indeed, few allies contribute to American security and success in as many diverse and important ways as Israel. It has helped the United States compete better economically, as well as address sustainability issues related to water and food security, renewable energy, and public health

(e.g., during the COVID-19 pandemic). Israel also makes important contributions in the areas of intelligence sharing, counterterrorism cooperation, drone/rocket/missile defense, military lessons, and defense-industrial production.

Such contributions are partly enabled by the fact that Israel punches far above its weight economically and technologically. It accounts for just 2.5 percent of the Middle East's population but consumes 20 percent of U.S. exports to the region. And it ranks first in the world in two key scientific metrics—R&D investment as a percentage of GDP, and number of engineers/scientists per capita—as well as fifth in patents per capita and seventh in innovation. It also ranks first in artificial intelligence startups per capita and third in total AI startups, behind only the United States and China. Accordingly, bilateral partnerships on AI will be crucial to capitalizing on this transformational technology.

In light of this blooming innovation ecosystem, more than 300 U.S. technology companies have established R&D centers in Israel. Moreover, Israeli firms seeking to go global often partner with U.S. firms, resulting in technology transfers and the creation of tens of thousands of American jobs. And while Israeli contributions are often heavily weighted toward niche sectors of the U.S. economy (e.g., information technology), they tend to have multiplier effects that boost many other sectors of the economy (e.g., promotion of e-commerce).

Henry Obering III

The U.S. military has been collaborating with and learning from Israel's armed forces for decades. Israel's grasp of advanced technologies has made it an especially valuable partner in developing and deploying missile defense systems, so the two countries should continue collaborating on short-range missile and rocket defense. The U.S. Army recently purchased a pair of Iron Dome batteries as an interim option and is considering their long-term viability, demonstrating the importance of Israeli technology in this field. Going forward, officials should consider working toward a **regional missile defense architecture (https://www.washingtoninstitute.org/policy-analysis/missile-defense-manhattan-project-middle-east)** that builds on the Abraham Accords.

In the meantime, the bilateral missile defense partnership must develop next-generation capabilities that focus on exploiting new environments such as space. Emerging threats from North Korea, Iran, and other actors necessitate the establishment of space-based sensors and kill capabilities. By working with private-sector firms that are currently developing the relevant technology, Israel and the United States will be well-positioned to collaborate on such architecture.

The U.S. military has relied on technological superiority over its adversaries since World War II, but China and other countries are gradually eroding this advantage. Washington must therefore remain vigilant and proactive toward such challenges. Collaborating with tech-savvy allies such as Israel will ensure that both partners can face down these emerging threats.

Samantha Ravich

The United States stands to benefit a great deal from sharing technological advantages with Israel. AI and machine learning will drive much of the world's future prosperity, health, and security, so bilateral cooperation on these issues will pay dividends.

The Pentagon has taken some steps to integrate AI into its mission—for example, the Joint Artificial Intelligence Center illustrates the military's recognition that developments in these fields need to be integrated with current processes and policies. Israel has worked with the United States on such programs from the outset and was a founding member of the AI Partnership for Defense, which is laying the foundation for the future of joint warfare.

Plenty of other avenues exist for bilateral cooperation on AI. Data and algorithms are the backbone of AI, and the challenge of protecting these assets from adversaries receives too little focus. Israel is at the cutting edge on cybersecurity, especially as it pertains to medical devices and water security, so the United States should seek out its expertise in these areas. More broadly, America needs to develop an "AI corps" of experts who can assist government efforts to integrate AI across different fields, and Israeli cooperation would bolster this effort.

Yet one major problem with the alliance is that Israel does not fully appreciate the threat posed by China. This mindset likely stems from the fact that smaller nations often do not view China's global activities in the same way the United States does. Israel has begun developing a more adversarial attitude toward Beijing of late, but this shift is largely driven by Washington and has been insufficient so far. For instance, the Israeli government body responsible for reviewing the national security implications of foreign investments does not include the technology sector, and it has paid little attention to the threat China poses to domestic universities.

As U.S.-Israeli high-tech cooperation deepens, Israel may feel the impact of Beijing's malign activities more directly and act accordingly. In any case, the United States should continue sharing Chinese threat information with Israeli officials, since this approach has helped convince other allies to reconsider their stance toward Beijing.

David Pollock

Israel's leadership in the medical field has been readily apparent during the COVID-19 pandemic, reinforcing the reputation it has built for decades as a vital partner to U.S. companies. The country's advanced collection and management of medical data led Pfizer to trade vaccines for access to this information, underscoring Israel's importance to the global vaccination effort.

Israel has also been a world leader in water conservation and irrigation for quite some time. Its most recent innovations include integrating AI

into water management in order to optimize usage and preserve resources. The country has partnered with the United States on alternative energy and climate resilience as well.

Now that Israel is normalizing relations with certain Arab states, the region will inevitably benefit from its technological prowess. As much as possible, Israeli, Arab, and American cooperation on this front should also include the Palestinians. Despite the political complications of official cooperation, Palestinians in the private sector already appear to be working with Israelis and Arabs in the technology sector.

Regarding defense issues, the United States and Israel must ensure that their bureaucracies can manage emerging threats effectively. The recent announcement of a committee to enhance bilateral coordination **on Iranian regional threats (https://www.washingtoninstitute.org/policy-analysis/deterring-iran-gray-zone-insights-four-decades-conflict)** is a promising step in this direction. Both partners would benefit from expanding this bilateral approach to a multilateral one, especially on "soft" security issues such as climate change.

This summary was prepared by Henry Mihm. The event was made possible by the Irwin Levy Family Program on the U.S.-Israel Strategic Relationship and the Florence and Robert Kaufman Family. ❖

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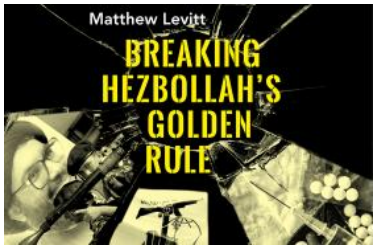

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