





Australia – Israel Sixth Annual Be'er Sheva Dialogue

Proceedings and Outcomes

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Background

This year marked the sixth annual Be'er Sheva Dialogue, organised by the Australian Strategic Policy Institute (ASPI) in partnership with the International Institute for Counter-Terrorism (ICT) at the Interdisciplinary Center (IDC) Herzliya, and the Begin-Sadat Center for Strategic Studies (BESA).

We kindly thank our key partners in this year's dialogue: Professor Boaz Ganor, Founder & Executive Director, ICT, Stevie Weinberg, Deputy Executive Director, ICT, and Professor Efraim Karsh, Director, BESA. We would also like to extend our sincere thanks to sponsors of previous in-person Be'er Sheva Dialogues: the Pratt Foundation and Rafael.

In light of Covid-19 restrictions, this year's dialogue was conducted virtually with six sessions held over four days. Speakers and participants included Australian Members of Parliament, Australian and Israeli government and defence force representatives, and Australian and Israeli researchers and academics.

The Australian and Israeli Defence Ministers also addressed the dialogue, providing encouragement and a challenge to us to deepen cooperation in both nations' interests. This level of ministerial involvement signals the importance of the dialogue for defence and security engagement between Australia and Israel.

As per previous dialogues, the objective was to provide a platform for the exchange of practical and constructive ideas that can inform greater cooperation between Australia and Israel on strategic and security issues. The dialogue remains important for both sides to promote defence and security engagement.

The dialogue comprised sessions on the following topics: China and the Middle East, counterterrorism, the Abraham Accords, cyber warfare, and the implications of the US election.

This report outlines the key takeaways from each of the sessions and summarises the main recommendations stemming from the discussions.

Opening address

The opening address of the sixth Be'er Sheva Dialogue by Australian Defence Minister, Senator the Hon Linda Reynolds CSC, highlighted the strong and enduring connection between Australia and Israel. The two countries have strong people-to-people ties, and hold shared values, interests, and outlooks for the future.

The Minister noted her long-standing participation in the Be'er Sheva Dialogue since its foundation, and she especially valued being in Be'er Sheva in 2017 with other dialogue participants to mark the 100th anniversary of the Battle of Be'er Sheva.

The address also emphasised that the 2020 Be'er Sheva Dialogue was perhaps the most important to date. Across the world, the Covid-19 pandemic has intensified trends towards strategic competition. In light of the strategic realignment currently underway, we must all prepare for a post-Covid world that is poorer, more dangerous and more disorderly.

New challenges include the growing prevalence of grey zone conflict and coercion – with this taking many forms, including cyber-attacks, foreign interference and economic pressure.

In response to the changing strategic environment, Australia has reset its national priorities in its 2020 Defence Strategic Update and accompanying Force Structure Plan.

The interconnectedness of our world and shared challenges make it more important than ever to promote discussion, exchange information, and cooperate between likeminded nations.

Australia is committed to ongoing cooperation with Israel, both bilaterally and multilaterally. As liberal democracies, Australia and Israel are united by a profound conviction in, and support of, the rule of law and sovereignty.

Session One

Patterns in China's strategic agenda between the Indo-Pacific and the Middle East: Grounds for partnership between Australia and Israel?

Australian speakers outlined their perspectives on the challenges posed by the Chinese government. China at the end of 2020 is a country under an empowered President Xi Jinping. The health of the Chinese economy appears relatively good compared to the rest of the world, driven by other nations' policies of consumption-driven stimulus.

However, Beijing has been squandering the soft power it has accumulated from its economic rise. It increasingly uses access to the Chinese market as a coercive weapon, and seeks to increase the world's dependence on Chinese trade, investment and supply chains, while at the same time, trying to make China less dependent on the rest of the world (the 'dual circulation' model).

There has been a collapse in trust of China, most obviously on display in the US but evident in many developed economies. In the US, actions taken by the Chinese government have created bipartisan consensus around the fact that China poses a significant strategic threat.

While Australia has developed an unhealthy dependence on trade and investment with China, given the arc of China's political development, Australians are increasingly aware of the risks inherent in the bilateral relationship. The Australian government has pushed back against covert and overt attempts by the Chinese government to interfere in our democracy and undermine the rules based international order. Responses have included: implementation of measures around 5G, legislation countering foreign interference, and working to promote freedom of navigation in the South China Sea.

A key insight is that the challenge China poses to Australia is in many ways not novel, but a shared challenge with multiple other nations' peoples, governments and economies, meaning that dealing with China primarily as a bilateral issue is a mistake.

Australia is taking a more confident approach to global and regional security and contributing to others' decision making in the Indo-Pacific and more broadly, with the international 5G debate an example.

From the Israeli perspective, there is a view that Israel is not yet dependent on China and that the relationship still offers valuable economic benefits.

Before the 2000s, Israel sold a great deal of military equipment and advanced technology to China. Between the late 1990s and early 2000s, following pressure from the US, tight restrictions were placed on defence-related and dual-use exports to China and relations cooled. The relationship has normalised since 2013 and has focused largely on civilian areas of cooperation. This has brought in a lot of Chinese investment, the most notable project being Chinese investment in the Israeli port of Haifa, where Israel has invited a Chinese company, Shanghai International Port Group, to build and operate a future shipping container terminal.

The Australian perspective emphasises that other countries should learn from Australia's pain in its relationship with China. This is certainly the case for Israel, who should be wary as China develops relationships with different countries in the region.

In the Middle East, China's objectives centre on energy security and gaining strategic leverage over other countries.

China recognises that it is not currently a major power in the Middle East and is pursuing a soft balancing strategy; making the US expend more resources than it would otherwise have to. The Chinese government is also trying to connect economies in the Middle East to China through strategic investments in infrastructure and technology, linking economic ties to strategic and political objectives by imposing rules and clauses with future strategic implications. China's model is to build up dependence, then coerce and extract benefits. This is a recognisable model elsewhere.

Session Two

Counter-terrorism challenges in light of Covid-19

A number of overarching themes characterise counter-terrorism challenges, namely the democratic dilemma, i.e. the tension between efficiency in counter-terrorism efforts, but also the need to safeguard liberal, democratic values. It is also important to note that terrorism and extremist ideologies do not exist in a vacuum. The larger answer to how to combat violent extremism, beyond operational CT, lies in looking at the societal conditions that give rise to these ideologies and actions.

Jihadism

Jihadism remains an enduring movement in the Middle East and even in Western countries, despite the fact that jihadism has largely failed to achieve its objectives. Broad, structural issues in the Middle East – including ineffective and corrupt governments that lack legitimacy, and increased sectarianism – drive alternative forms of political identity and formation, and jihadism remains appealing compared to existing systems.

There is not much of a role for Western democracies in the Middle East when countering this movement. Western democracies need to strengthen their own systems, uphold rules and human rights, and create a counterpoint to authoritarian governments.

In Western countries, measures are needed to prevent marginalisation and promote a broad and inclusive civic national identity, with the pandemic and government responses being both a problem and a source of refocusing on preventing marginalisation, including of young people. While we work on policies to minimise polarisation and foster social cohesion, we also need to evaluate the efficacy of intervention efforts.

Technology and extremism

Social media platforms have enabled the spread of violent content and hate speech. They have also 'frayed our consensus reality', limiting a common factual basis upon which we can conduct informed debate and build community. The way in which social media companies encourage and spread content that contorts information and cements biases, creates rigid and exclusive 'in and out groups'.

Further, disinformation and falsehoods spread more quickly than facts online. While taking into consideration the potential use of fake news and deep fakes by terrorist actors, the existing combination of these elements drives conspiratorial thinking, spurs anti-government mentalities and violent extremist intentions.

While social media companies have made some good efforts in engaging with the research and practitioner community, this needs to continue and be supported by government. Without this, problems will persist in the tech industry as employees run up against company leadership and other colleagues who undermine efforts to remove dangerous actors and implement more effective content moderation policies.

Right-wing extremism

The threat of right-wing extremism (RWE) is growing not only in Australia but also throughout Europe and the United States and has become more pronounced during Covid-19. RWE encompasses a complex array of ideologies and includes components such as exclusionary nationalism, racism and xenophobia, misogyny, homophobia, anti-Semitism, Islamophobia, etc. RWE actors are becoming better organised, more sophisticated, and more cohesive. RWE has some similarities with jihadism in terms of ideology (all-consuming hatred and total intolerance of other views) and modus operandi (attack methods). It is likely we could see negative interactions between right-wing extremists and jihadist groups, triggering one another and leading to more attacks.

Iran

For Israel, the top terrorism and security threat stems from the Iranian-Shiite Axis – this begins on Iranian territory, is created and funded by the Iranian regime, stretches out across the region and creates armed proxies. There are Iranian-backed militias in Iraq, Syria, Bahrain, the Houthis in Yemen, as well as the Palestinian Islamic Jihad and Hezbollah.

These groups control territories, and are using mixed modus operandi, featuring military hierarchy coupled with guerrilla armed tactics and terrorist operations. Iran considers this an extremely successful model that it wishes to replicate to strengthen the Shiite crescent.

While Covid-19 challenges the Iranian regime - with the country also facing the impact of US sanctions, low oil prices and domestic unrest - the Shiite axis of Iran and its powerful proxies Hezbollah and Hamas, continues to deploy its tactics and the security threat it poses is not decreasing.

Israel views the Iranian-Shiite axis as more than a terrorist threat; it is a military and terrorist threat at the same time. When seeking to counter this threat, it will be important to address Iran's nuclear program, its precision missile program, its cyber program and Iran's malign and destabilising activities in the region.

Session Three

The Abraham Accords and future opportunities in the Middle East

One of the main drivers behind the Abraham Accords was a growing concern among the Arab/Gulf States about Iran's hegemonic ambitions and desire to exercise a dominant role in the region. Turkey's belligerent behaviour has also contributed to strategic realignment in the region.

Iran is viewed as a joint and imminent threat, and other countries in the region are joining forces to contain Iranian strategic and military ambitions.

US support for the Accords was critical for them to begin and will remain crucial for them to prosper.

Significance of the Accords

The Abraham Accords represent an unofficial alliance between Israel and the moderate, pro-US Arab countries at the economic and strategic levels. The alliance is intended to create a domino effect, with the hope that Saudi Arabia, Oman, Qatar, and Morocco will follow the UAE and Bahrain. The Accords make clear that the region is keen to get on with things, and that the Palestinians will no longer hold a veto over attitudes towards Israel, which has the prospect of shifting formerly intractable positions and issues.

The reaction to the Accords has been muted, but not hostile. Younger generations appear to be positive about the Accords, demonstrating that they are not imprisoned by ideology like previous generations and are more interested in practical realities.

In addition to the Abraham Accords, separate normalisation agreements usher in a new paradigm for a new Middle East. Discreet Israeli relations with the Sunni Gulf states have been an open secret for a long time; and Israel-United Arab Emirates (UAE) relations are just the tip of the iceberg.

Palestinian issue

The Abraham Accords have removed the centrality of resolving the Palestinian issue as the basis for peace and prosperity in the Middle East. While the Palestinian issue has not been resolved, the Arab-Israeli issue is on the way to being resolved. The Abraham Accords could present an opportunity for the Palestinian national cause. Now that greater legitimacy is being bestowed towards Israel by the Arab world, particularly the Gulf State monarchies, the Palestinians could move away from their current position and join the table of negotiation.

The role of the US

The Obama administration played a role in the achievement of the Accords, if largely because of what many have labelled an inadequate approach towards Iran. Critics note the Joint Comprehensive Plan of Action's (JCPOA) sunset clauses, failure to account for Iran's missile program, Iran's unchecked rogue behaviour in the region, and its state sponsorship of terrorism, which the JCPOA failed to encompass.

This presents a challenge for incoming US president, Joe Biden, who has considered that the US may re-join JCPOA, although he no doubt realises that simply re-joining is not an option given the changed circumstances of the Middle East. The US will need to renegotiate in order to achieve an upgraded and improved agreement with Iran.

The Trump administration has played a central part in the achievement of the Accords. Trump's realistic assessment leading to a rejection of the notion that peace could only be achieved in the Middle East by the creation of a Palestinian state was a defining factor. However, Trump's overarching 'America First' approach to domestic and foreign policy have also been key in driving concerns about US commitment in the region, prompting countries in the region to look for other partners who share a common enemy, a negative input that led to the positive Accords.

It is unclear the effect an incoming Biden presidency will have, but it could see a revival of the two-state solution and Iranian pressure not only to have the US re-join the JCPOA, but also to make other concessions that might undermine and so jeopardise the future of the Abraham Accords.

Indonesia

It is possible that the Abraham Accords might motivate Jakarta to takes its relationship with Israel a step further because of the precedents of Middle Eastern states. However, completely normalised relations remain unlikely at this stage. It is not yet clear if Indonesia has thought too much about the Abraham Accords. Indonesia has often used unwavering support for Palestine as a core position shaping responses to developments in the region.

Session Five

Zooming in on cyber warfare:

How to handle the genie now it's out of the bottle?

Cyber-attacks in Israel

This year, there were a number of major cyber-attacks, both successful and unsuccessful, against Israeli defence-related entities and national critical infrastructure.

Examples include an attack on an Israeli chip maker, phishing attacks against banks, and the disruption of websites and publishing of anti-Israeli propaganda. While not all details have been revealed, the most significant attack was on the Israeli water supply system. If successful, the cyber-attack could have caused serious loss of life among the civilian population. From open-source reporting, it appears that Israel's retaliation to deter further attacks came in the form of attacking the control centre of Shahid Rajaee Port in Iran.

Capability and deterrence

In terms of deterrence, Israel has employed kinetic means in response to non-kinetic attacks as a deterrent. Other views on deterrence include demonstrating offensive cyber capability by showing that you can hurt adversaries and build a record of consistent operational responses. This provides deterrence after the act or deterrence of future attacks.

The Australian offensive cyber model

Offensive cyber is defined as the ability to manipulate, deny, destroy, or degrade a computer network or an information system (this does not include cyber espionage). In Australia, the Australian Signals Directorate (ASD) conducts these activities under legislation.

It supports military operations by providing the technical capability to provide offensive cyber for the Australian Defence Force (ADF). Cases of this include disrupting terrorist communications in Syria while the ADF attacked a command post, as well as disrupting the Islamic State's (IS) ability to recruit, disrupting the IS propaganda unit, preventing access to computers and deleting data. In both cases, ASD was doing something that could not be done otherwise by the ADF because the capability to support the military has been created in ASD.

ASD also plays a role in preventing and disrupting cybercrime. This role is mandated in legislation, but the way in which operations are authorised and carried out has yet to be clearly articulated publicly.

There has been mention of blocking attempted malign activities during the Covid-19 pandemic, including the disabling of criminal infrastructure, and blocking access to stolen information.

Australia also seeks to shape the responses of other actors in this space by being transparent, employing proportional offensive cyber responses, and articulating how international humanitarian law applies.

States are responsible for making sure that offensive cyber is used responsibly. For those unwilling or unable to do this, Australia's view is that victim states may take proportional countermeasures, in accordance with international law.

Session Six

The implications of the US election

Expected continuities

Trump's China policies are not particular to him: American policies on China represent an evolution of previous thinking that has now become bipartisan.

It is widely expected that Biden will continue a balancing and countering strategy against China, driven by the recognition that it is necessary to take risks to reverse some of the negative trends set in motion by the Chinese government. The US will maintain its efforts to alter the Chinese government's assessment of costs, in an attempt to modify the country's behaviour.

Biden is expected to continue to pressure allies to adopt policies in line with those of the US (to counter China's political, economic, technological and strategic policies). But there will be a difference in tone compared to the Trump administration. There will also be a different emphasis, with Biden valuing the contributions that allies can bring rather than focusing on the burden they present. Biden is also likely to be open to understanding how partners and allies are acting to meet the China challenge and understand that the US approach will not be the only lens that others use to address the China challenge.

Expected changes

Some believe that Biden will represent a dramatic shift in the way America goes about things in the world. Trump was unpredictable, whereas Biden is seen to represent a return to a more predictable management of global affairs.

It is hoped that the US will re-emerge as a global leader, rather than an isolationist, 'America First' state.

While Biden and Trump may share the same assessment about the ends the US wishes to achieve vis-à-vis China, they have different assessments regarding the necessary means to achieve these ends.

With regards to Iran, Biden has indicated that he may re-join the Joint Comprehensive Plan of Action (JCPOA), raising concerns among allies and partners in the Middle East. Despite the failings of the Trump administration, it had a similar view to many countries in the Middle East regarding the threat posed by Iran.

Biden and some of his key advisers have shown an understanding that simply re-joining would not take account of changed circumstances in the region – including the positive fact of the Abraham Accords.

Biden also understands the directions Turkish president Erdogan has been taking his country and will likely increase pressure on Turkey.

What allies should look out for

There needs to be a critical assessment of both the Trump and Obama administrations as part of the incoming administration's thinking; the Biden administration cannot repeat the failings of the Obama-era, and must avoid the worst excesses of Trump. Encouragingly, Biden and his early nominees are recognising this, although a new agenda that is not defined as a combination of 'Not Obama 3.0' and 'Not Trump' is yet to emerge.

The Biden administration needs to recognise the costs for inaction, which should be considered just as much as the risks of action. Partners and allies expecting an undemanding but positive US administration may well be surprised – Biden is more likely to be a multilateralist with an edge who expects greater contributions from partners and allies, albeit in a more collegiate way than the outgoing Trump administration. His need to focus on domestic recovery may add to his drive to get partners and allies to share burdens and help craft a wider agenda.

Closing address

The <u>closing address by MK Lt. Gen. (Ret.) Benny Gantz</u>, Israeli Alternate Prime Minister & Minister of Defence, emphasised how the Be'er Sheva Dialogue is reflective of the strong ties that exist between Australia and Israel, which go all the way back to the Battle of Be'er Sheva.

Australia and Israel have been conducting security dialogues in recent years, and the 2020 Dialogue comes at a time of major shifts in both of our regions.

Challenges and opportunities come together, and both ask us to be responsive to changing realities.

In the Middle East, we are witnessing sweeping changes. Countries that have previously refused to recognise Israel are now publicly embracing peace. Relationships are being developed, even if gradually, that were once only a fantasy. The advantages of moderation are becoming clearer to countries through the Muslim and Arab world, the Gulf and beyond.

But this emerging alliance of moderates also faces forces that are determined to undermine stability. Australia and Israel share the recognition that aggression by regional actors has major implications for global stability, and both feel the effect of expansionist ideologies in our different regions.

The Covid-19 pandemic has also brought more uncertainty, and social and economic unrest.

The challenges to stability are many and they point to the need for likeminded countries who share values of democracy, progress, and peace to unite to create a broad and cohesive front.

Israeli is very appreciative of its ties with Australia, and these will only grow stronger and deeper as we move forward.

Key recommendations

Australia-Israel defence cooperation

Key elements of cooperation and suggestions for enhancing ties:

• Strategic dialogue

- In order to step up our cooperation, we face a big operational need for a confidential hotline between Australia and Israel to have discussions at classified levels throughout the year between defence organisations
- Defence industry and technology cooperation
 - Space establishing joint working group on space technologies
 - Cyber potential for a joint venture on the development of defensive and offensive capabilities
 - Joint government to government projects are the path for opening up industry cooperation, as these are enabled by the government-government connection, including through requirements and R&D
 - Joint efforts in the development of Australian Sovereign Capability. Israeli
 officials and companies understand the challenge the Australian
 government has set around Australian Industry Capability (AIC) in the new
 Strategic Update

Military-to-military

- Military cooperation and exchanging knowledge in force building and concepts
- Cooperation in the Middle East (where necessary)
- Joint efforts to combat 'grey zone' activities
- Cooperation between military colleges, student exchange
- Research, development and demonstration
 - Establishing a joint committee for innovation, research and development
 - Facilitating policies for sharing know-how, and forging a connection between industry and academia
 - Joint government to government projects in fields of interest to both sides (space, cyber, artificial intelligence)
 - Joint efforts in the development of Australian Sovereign Capability

- 'Soft' cooperation defence and academia
 - Joint military history research
 - Crisis management (Australia's experience with natural disaster response, Israel's experience with mass casualty events)

China

- Strong democracies aligning and sharing unified approaches to the China challenge are the most productive way to reduce Beijing's coercive use of power against individual states
- Australia and Israel can learn from each other, sharing experience on dealing with hybrid threats, and building deterrence and defence capability
- Areas of cooperation could include defence, intelligence, cyber, and new and emerging critical technology
- It will also be important to recognise that while everyone is increasingly worried about China, a limiting factor for cooperation to date has been that we each worry about different things. We can pursue a more aligned approach if we all care more about each other's priorities and notice the parallels and patterns

Counter-terrorism

- Regulation of social media companies must be at the heart of the solution regulation that promotes transparency
- Suggestion to treat tech companies like major banks; once they are deemed 'systematically important', their algorithms need to be available to everyone, or closely audited
- There are also policy solutions that fall outside of social media companies, and can include measures around civics education and media literacy education
- Policies on countering violent extremism (CVE): there are some CVE policies that need to be targeted at certain countries, and will only work in certain contexts
- At the broader level, however, it is important to look at CVE policies from a public health and societal perspective – identify primary, secondary, and tertiary interventions, then targeting actions at each of these levels
- Australia should consider expanding its proscription of Hezbollah as a terrorist organisation from just the military wing to include the whole organisation, given the decisions of the UK and Germany in 2020

The Middle East

- Potential for trilateral cooperation between Australia, Israel and the UAE in the fields of defence, defence industry, cyber security, tourism, and agriculture has been created by the Abraham Accords
- The prospects for offering Australian expertise and technology in the field of agriculture, particularly with Sudan, could be important area for cooperation given Sudan's scale and importance for stability and human security in the broader region
- While China may not be the biggest strategic threat facing Israel, Australia should encourage Israel to think more about its strategic links with Beijing and the implications in the medium and longer term
- At the same time, Australia needs to consider whether it is focused enough on Iran and its network across the region
- Australia may be losing interest in the Middle East because of the enormous shifts in its nearer region, but it cannot turn its back on more than a decade of military and intelligence engagement in the region. If it were to do so, strategic surprise would be a likely outcome; Israel can help Australia keep a focus and understanding of the region

Cyber warfare

 Allies and partners need to think together and operate together to create a global ecosystem to support one another in the face of cyber threats, share information and expertise, and combine to face common threats

Relations with the US

- Both Australia and Israel are friends and allies of the US; both sides wish to deepen their alliance with the US
- Australia will need to continue to play its larger role in global strategic affairs; we
 need to share the burden of strategic thought within our alliance with the US, and
 assure the US that it has an active partner
- Both Australia and Israel have a strong interest in ensuring that the US continues to invest in the credibility of its security relationship with them
- Both understand that their close defence relationship with the US requires their governments to invest heavily in sustaining an alliance relationship, in which their voices are heard in Washington

- Australia has a long history of trying to shape the alliance in our interests, we may
 have fallen off in our efforts in this regard recently we need to be proactive with
 the Biden administration, and understand that the incoming US administration will
 be determined to refocus and use the broader US government machinery in a
 strategic and coordinated way
- Israel also has a strong interest in ensuring that the US continues to invest in the credibility of its security relationship with Israel, including through support to the new environment created by the Abraham Accords