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Seeking stability:
Israel's approach to the Middle East and North Africa

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In its approach to the Middle East and North Africa (MENA) region, Israel's strategy confirms the country's strong desire to seek stability. Since the beginning of the regional transformations resulting from the 2011 'Arab awakening', Israel has implemented a mostly risk-adverse, minimalist and pro-status quo policy. Fearing instability, and overwhelmingly doubting the regional potential for democratisation, Israel has focused on short-term security risks and gains, in line with the country's traditionally realist security and foreign policy.

HIGHLIGHTS

- Fearing instability following the 2011 Arab spring, Israel has focused on risk-adverse, minimalist and pro-status quo policies towards the Middle East region.
- This is partly because of overwhelming Israeli doubts about the regional potential for democratisation, and the government has avoided playing any role in the Arab transitions.
- However, Israel has tried to maintain working relations with Egypt and Jordan, while sharing similar concerns to Gulf countries over growing Iranian influence in the region.

SPLENDID ISOLATION?

Geography and politics are deeply intertwined in Israel, and the country's strategic culture is profoundly shaped by geopolitics. Located in the heart of the Eastern Mediterranean, Israel perceives itself as a small, unique and regionally isolated country surrounded by potential enemies (most Arab countries do not formally recognise the existence of the state of Israel). It views its own geo-strategic environment as hostile, unpredictable, volatile, and replete with dangers. As a result of this acute perception of vulnerability, as well as its history, Israel has developed a 'siege mentality' alongside a sense of being under constant threat. Even though both of these perceptions have somewhat weakened in the past two decades, the mutually reinforcing notions of geopolitical vulnerability and regional isolation are crucial to understanding the country's starkly realist foreign

and security policy – which in turn is based on self-reliance, hard-power and placing the attainment of security above all alternative ends.

Accordingly, Israel has traditionally focused on 'hard' security threats, relying on unilateral, pro-active and pre-emptive coercive measures in the name of self-defence. In addition, Israel often assumes a conservative and cautious attitude toward shifts in its immediate security and political environment. The country has invested greatly in the strength of its military, which has emerged as a central institution in the Israeli state and society, with extensive influence over foreign and domestic policies, ranging from the state budget to the peace process with the Palestinians. Israel is well-placed to defend itself in the region through hard-power, but at the same time, it has scarce diplomatic and political influence or 'soft power' in its own neighbourhood.

Historical political isolation within the Middle East has translated into relatively limited political and economic links with other states in the region, compensated by strong commercial, economic and political relations with the United States (US) and Europe. Figure 1 further elucidates this point by showing the importance of markets from members of the Organisation for Economic Cooperation and Development (OECD – a forum for 34 of the most advanced economies) for Israeli foreign trade. Figure 2 highlights the extremely limited nature of Israel's commercial ties with the MENA region (the top two regional export markets, Jordan and Egypt, compared with some of Israel's principal trade partners).

The Palestinian Authority (PA) is an exceptional case, given its heavy economic and political ties to Israel. The PA is the main regional export market for Israel, importing over 70 per cent of its goods from Israel and exporting roughly 87 per cent of its goods to the Israeli market.

Israel's energy dependence on the region is fairly limited. The Israeli energy ministry says that the country imports roughly 40 per cent of its crude oil from Azerbaijan via the Baku-Tbilisi-Ceyhan pipeline (the ministry does not provide a detailed breakdown on where the other 60 per cent comes from), which, beyond pipeline security, creates other types of political dependencies – such as Turkey's willingness to allow oil shipments to Israel (relations between Ankara and Tel Aviv have been rocky in recent years). In the past, Israel also imported large quantities of natural gas from Egypt. More recently, however, thanks to the discovery and development of gas fields on its shores, Israel's local supply has grown rapidly (see Figure 3), with the country well on the way to self-sufficiency. Indeed, natural gas is likely to become Israel's main source of energy. The Natural Gas Authority in the Ministry of Energy and Water Resources estimates that by 2030 natural gas will be used to generate 80 per cent of electricity, with

Figure 1
Israel's Foreign Trade by Destination

Source: Israel Central Bureau of Statistics, Figures for 2013

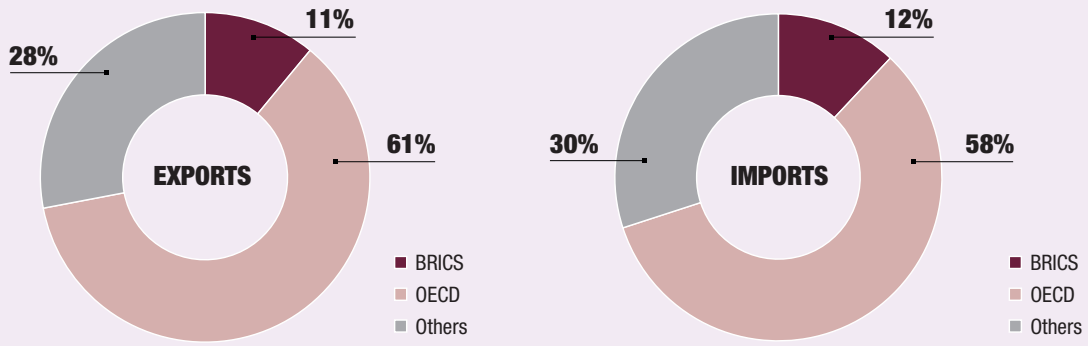


Figure 2
Israel's Main Trade Partners

Source: Israel Central Bureau of Statistics; Palestinian Central Bureau of Statistics, Figures for 2013

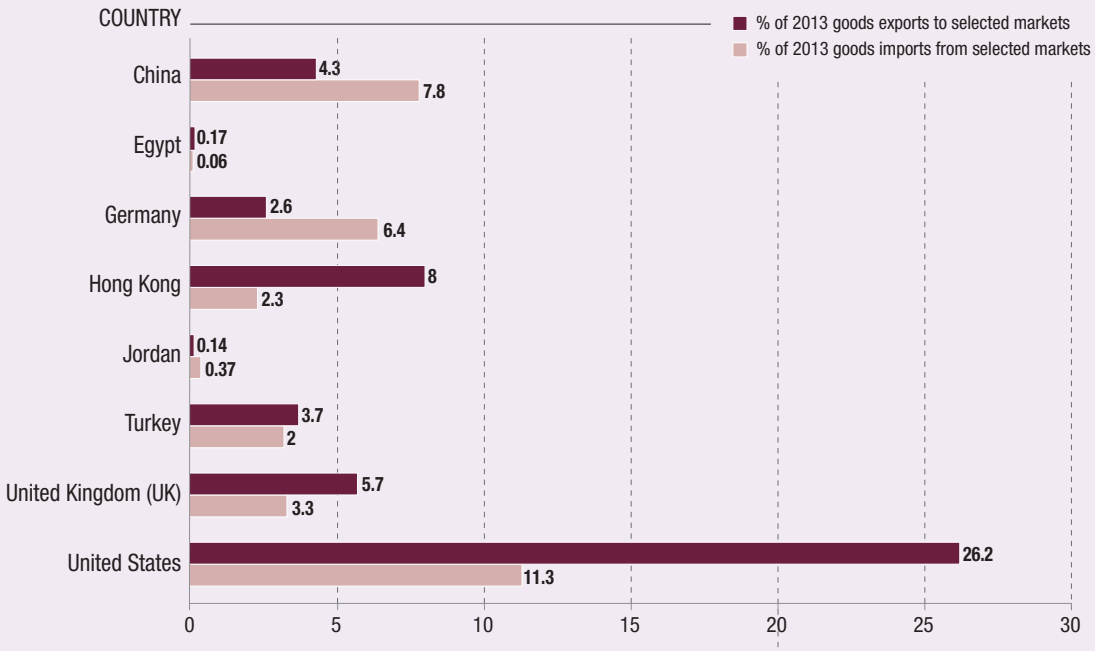
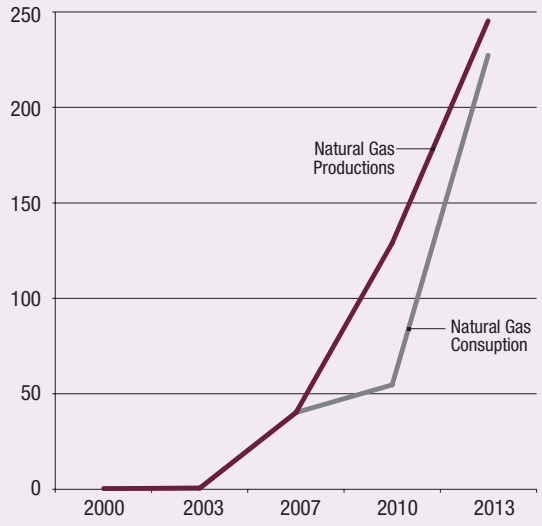


Figure 3
Israel Natural Gas Production/Consumption

Source: U.S Energy Information Administration-05/2013



an additional 10 per cent coming from renewable sources. Moreover, as Israel steps up its efforts to become an exporter of natural gas, economic ties with energy-hungry neighbours – Jordan and Egypt – are likely to develop further.

It is important to stress the high-value of Israel's strategic partnership with the US in economic, political and military terms. In recent years, Israel has received roughly US$3 billion a year in foreign military financing. These funds, designed to preserve Israel's 'qualitative military edge', have also contributed to the development of a robust defense industry that has recently assumed a leading role in global arms exports. For example, the Stockholm International Peace Research Institute ranks Israel as the 10th largest arms exporter worldwide. In addition, bilateral American-Israeli military cooperation is extremely important for national security. For example, the Iron Dome missile defence system was partly built with American funding.

SEEKING STABILITY IN A RAPIDLY CHANGING REGION

Stability in its immediate neighbourhood has long constituted a key interest for Israel. This interest is grounded in Israel's concern for the security of its borders, as well as its fragile regional status, especially in the context of the Israeli-Palestinian ›››››

conflict. There is also a strong economic rationale for stability: the Israeli economy, dependent on foreign exports and foreign direct investments, can be quickly and negatively affected by deteriorations in its immediate security environment.

In this vein, days after massive popular demonstrations succeeded in forcing President Ben Ali to resign in Tunisia in 2011, Israeli Prime Minister Benjamin Netanyahu underlined that: 'there is a great island of instability in the geographic expanse in which we live. We hope that stability will be restored'. In the following weeks and months, the prime minister – in line with the mainstream assessment in security and foreign policy circles – repeatedly emphasised the notion that the ongoing 'Arab spring' (a term itself not adopted within the Israeli government, which preferred to use the more neutral term 'upheaval') would bring additional instability to the MENA region. The core messages from Netanyahu were that Israel is 'in a volatile region' and all it can 'rely on is our own strength, our unity and our resolve to protect ourselves'.

Calls for stability need to be understood not so much as a sign of support for the established systems of government throughout the region, but as a reflection of the country's concern that any shifts in power could worsen Israel's delicate regional position by empowering more antagonistic actors. In other words, Israel – acting under a 'worst case scenario' assumption – has adopted a generally risk-adverse attitude with respect to regional regime change. The exceptions have been the relatively distant and strategically marginal Libya and, to a lesser extent, Syria under Bashar al-Assad. On Syria, the pre-existing enmity with Iran softened Israeli stability concerns considering the potential strategic gains that could be derived from the downfall of the Tehran-backed Syrian regime.

Israel has mainly focused on the country's immediate neighbourhood, and on preserving its long-standing peace treaties and *ad hoc* cooperation with Jordan and Egypt – both long-held pillars of Israel's approach to regional security. This in turn explains Israel's anxious attitude towards the 2011 'January 25th' Egyptian revolution, which led the government to hope that former President Mubarak would prevail. Later, Israel's worries further increased with the political rise of the Islamist Muslim Brotherhood, despite a general sense of relief about the strong political role played by the Egyptian Armed Forces during the transitional period. Israeli decision-makers considered Egypt's Armed Forces to be reliable actors that shared Israel's determination to keep the cold peace between the two countries, and to preserve the robust bilateral security cooperation. Accordingly, the summer 2013 ousting of Muslim Brotherhood President Morsi, and the attainment of the presidency by Abdelfattah El-Sisi, former chief of Egypt's Armed Forces, were (privately) welcomed in Israeli political and security circles.

Israel has also worried about the increasingly volatile environment throughout the broader region, in particular the trend of weakening central governments, alongside the growth of non-state challengers such as Da'esh (also known as Islamic State) and Salafi-jihadist groups operating in Sinai or the Syrian Golan. The existence of 'ungoverned' or 'semi-governed' areas in close proximity to its borders, such as Sinai and Syria, raises concerns about the potential for radical groups and other non-state entities to engage in criminal or terrorist cross-border operations against Israel. For example, the August 2011 cross-border terrorist attacks planned and executed from the Egyptian Sinai by a Palestinian group; or the August 2012 attack against an Egyptian security outpost in Sinai, followed by an attempt to cross the border into Israel on stolen Egyptian military vehicles.

MORE FRIENDS OF ISRAEL?

In tandem with stability and security considerations, Israel's regional outlook has focused on managing the country's political isolation, seeking under-the-radar, *ad hoc* regional partnerships. There have been concerted efforts to uphold the peace treaties with Jordan and Egypt and to further cement relationships with both countries. In this context, the multiplication of security threats – including the rise of Da'esh – faced by Jordan and Egypt has offered Israel an opportunity to preserve *ad hoc* cooperation with both neighbours.

More broadly, Israel's interest in stability, and its opposition to political Islam (in particular the Muslim Brotherhood-brand of Islamism) and stronger Iranian influence throughout the region, has – to some extent – produced a shared assessment of security concerns with Gulf countries like Saudi Arabia. Yet despite some shared interests, Israel's relationship with other Middle Eastern countries – beyond the already noted exceptions of Egypt, Jordan and the Palestinian Authority – have not amounted to deeper economic or political ties.

The rise of Da'esh only partially alters Israel's strategic calculations. On the one hand, Israel is far from pleased by the emergence of this group and its potential to further destabilise the region, and supports the ongoing international campaign against it. On the other hand, there is a tendency to consider Da'esh not as a primary but a secondary security threat. In February 2015, Minister of Defense Moshe Ya'alon explained this posture by underlining how he considers Da'esh a threat that 'will pass', whereas what still worried him was the increasingly prominent role and stature of Iran across the region. The positioning of Iran (including Iranian forces) in Syria and Iraq – and the ongoing process of political rapprochement with the US – greatly worries Israeli security and foreign policy officials.

Israel overwhelmingly doubts the regional potential for democratisation

Outside of the Middle East, Israel's strategic alliance with the US and close economic ties to both the US and the European Union (EU) are at the centre of the country's foreign relations. US-Israeli relations have recently become tenser due to a combination of personality and political factors, and some policy differences on important topics (notably on Iran and its nuclear programme). Many Israelis would perceive any additional strains on US-Israeli relations as a substantial threat for Israel, since the country has no real alternative to its strategic partnership with the US. In this vein, numerous Israeli political leaders have criticised Prime Minister Netanyahu for his frayed relationship with US President Obama. For example, opposition leaders Isaac Herzog and Tzipi Livni both objected to Netanyahu's controversial March 2015 trip to the US Congress, which was not coordinated with the White House, with Herzog stating: 'Netanyahu is playing politics at the expense of diplomacy'.

While political and diplomatic relations between the EU and Israel have stuttered because of the lack of progress on the Israeli-Palestinian front, economic ties as well as cultural and scientific cooperation remain strong. The EU is Israel's first trade partner (in 2013 accounting for 27 per cent of Israeli goods exports, and 34 per cent of goods imports), and in 2012 EU foreign direct investment in Israel amounted to about US$1.1 billion, behind US$1.8 billion coming from the US.

Turkey also remains an indispensable economic partner for Israel, despite the freeze in the two countries' political relations, which have not fully recovered from the 2010 Navi Marmara episode (eight Turkish citizens were killed when Israeli Armed Forces boarded a Turkish ship carrying humanitarian aid to Gaza). For example, the Turkish Foreign Minister, Mevlut Cavusoglu, recently refused to share a panel with Israeli officials at the 2015 Munich Security Conference.

Although Israel cannot 'pivot' away from the US, it has been investing in improving political and commercial ties with a number of other countries. Following the Arab spring, some Israeli analysts predicted that Israel's new strategy to manage its regional isolation would be an 'alliance of the periphery' (stretching from the Eastern Mediterranean to the Caspian Sea), with countries such as Azerbaijan, Cyprus, Greece and other Balkan states. Although commercial and diplomatic relationships have grown, the geopolitical value of these partnerships should not be overstated.

Israel has also solidified its relations with both China and India. Since taking up diplomatic relations with India in 1992, bilateral trade has grown from US$200 million to over US$4.4 billion, a Free Trade Agreement is being negotiated and a US$1.5 billion defence equipment deal, including ››››››

sophisticated airborne warning and control systems, is in the making (adding to the general trend of growing Israeli arms sales to India). Chinese-Israeli commercial ties have also grown exponentially, with exports to China representing over 4.3 per cent of Israeli exported goods, alongside growing Chinese investments in Israeli companies, predominantly in IT, advanced medical equipment, and agricultural technology (Chinese foreign direct investment in Israel grew from US$2 billion to US$60 billion between 2000 and 2010).

DEFENCE FIRST, DEMOCRACY (MAYBE) LATER

Since 2011, Israel has invested in sheltering itself militarily from the winds of regional change in three ways. First, beefing-up the country's border defences. The rapid completion and upgrade of the massive border fence between Israel and Egypt is a powerful example of this trend. In addition to strengthening the 'Israeli fortress', the overall post-2011 strategy has focused on keeping a low profile and shying away from openly taking sides in regional upheavals, mindful of Israel's scarce to non-existent direct political influence in the region. In its public diplomacy, Israel has appeared eager to exclude itself from regional turmoil as well as drawing a separation between the Israeli-Palestinian conflict and regional developments.

Second, Israel's government has continued to invest in military preparedness and boosting its deterrence against its main non-state challengers: the Palestinian Hamas and the Lebanon-based Hezbollah. Deterrence has also been complemented with some pre-emptive military activity. For example, since the beginning of the Syrian civil war, Israel has reportedly targeted transfers of advanced weapons to Hezbollah and, more recently, it has intervened against the Lebanese-Shiite group's attempts to increase its presence in the Syrian Golan heights. In Israel's view, however, these operations are not aimed at triggering an escalation but rather to preserve the status quo following the 2006 Israel-Hezbollah conflict, and to prevent Hezbollah from improving its military position as a result of the ongoing Syrian war.

Third, Israel's risk-adverse regional 'wait-and-see' approach is especially visible in its policy on the conflict with the Palestinians. In essence, the Israeli government has focussed on managing the conflict with the Palestinians rather than solving it. For instance, the summer 2014 conflict with Hamas was more geared at restoring Israel's deterrence capacity against that group than substantially altering the strategic balance. Similarly, Israel's defensive reactions to the ongoing international campaign for recognition of Palestinian statehood suggest a pro-status quo attitude than any desire to renegotiate with the Palestinian Authority

Observing regional transformations through the lens of its immediate national security interests has resulted in Israel taking an unenthusiastic and sceptical view of the Middle East's democratic potential. That said, Israeli official reactions to the 2011 Arab popular uprisings reiterated the country's normative commitment to democracy, and its support for democratic development in the region. In parallel to this rhetoric, however, the domestic Israeli discourse on the Arab awakening adopted a much more pessimistic tone, with top decision-makers openly discussing the 'Islamist or Iranian winter'.

Israeli officials often list structural problems and domestic cleavages within different Arab states that may prove insurmountable for democratic transitions. At the same time, some analysts have also expressed concerns that the cost of long-term democratisation may be undesirable short-term instability. Here the assessment on whether the cost would be worth it has varied. For example, given a generally tense relationship with the 'Arab street', some have wondered whether democratisation could also lead to increased tensions between Israel and its neighbours (hence the aforementioned Israeli relief at Sisi's attainment of power in Egypt).

These debates about the feasibility and short-term costs of democratisation, however, did not meaningfully inform Israel's policies. Constrained by its limited political influence in the region, Israel has refrained from assisting democracy or state-building processes, and has shied away from direct and open involvement in the domestic affairs of its neighbours. For example, Israel played no role in

the ousting of Morsi and the rise of Sisi in Egypt. In other words, Israel has excluded itself from the Arab transitions, but has consistently rooted for the stability of its neighbouring allies, irrespective of their democratic record. Regrettably, this stability-first approach has also applied to the Israeli-Palestinian conflict. This not only hinders the development of Palestinian democracy, it also prevents any prospect of Israel substantially deepening its economic and political ties (and concomitant security) with – at least – its immediate Middle Eastern neighbours.

CONCLUSION

The campaign (ongoing at the time of writing) for the March 2015 Israeli parliamentary elections has been largely fought over economic and hard-security issues. Still some Israeli politicians have debated the merits and flaws of the post-2011 MENA policies. Opposition leaders have questioned the lack of urgency in dealing with the Israeli-Palestinian conflict, and the absence of a pro-active diplomatic strategy towards the region. New political leadership may lead to a re-evaluation of some of the pro-status quo and pro-stability assumptions that have guided Israeli foreign policy so far. However, it is more likely that continuity, rather than change, will define the overall strategy of the next government of Israel towards the Middle East and North Africa.

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