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Israel, the Arab States, and the Illusions of Normalization

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In the absence of progress in direct negotiations with the Palestinians – or any real prospects for progress, for that matter – many in Israel are now focusing greater attention on cultivating relations with the wider Arab world. From Prime Minister Benjamin Netanyahu to opposition leaders Yair Lapid and Isaac Herzog, many Israeli leaders believe that a growing confluence of interests between Israel and the region’s Sunni Arab states – primarily around the goals of containing Iran and fighting Islamist extremism – could provide a basis for Arab-Israeli normalization and contribute to progress on the long-stalled Palestinian issue. Netanyahu specifically argues that after years of hoping a breakthrough with the Palestinians would lead to better relations with Arab countries, he now thinks “this process could also run in the opposite direction: the normalization of advancing relations with the Arab world could help to advance peace – a more sober, stable and better-backed peace – between us and the Palestinians.”¹

The Trump administration also appears to be pinning its hopes on the approach known as “outside-in” – negotiating directly with Arab states and hoping they will use their influence with the Palestinians to advance agreement on Middle East peace.² Arriving in Israel directly from Riyadh after a May 2017 summit there with more than 50 Muslim leaders, Trump said he was “deeply encouraged” by his meetings, and insisted that Saudi Arabia’s King Salman would “love to see peace between Israelis and Palestinians.” Trump told the Israelis there was a “growing realization among your Arab neighbors that they have common cause with you on this threat posed by Iran.”³ According to longtime Middle East analyst and negotiator Dennis Ross, “the logic of outside in is that because the Palestinians are so weak and divided – and because there’s a new tacit relationship between the Sunni Arabs and Israel – there’s the hope the Arabs would be prepared to do more.”⁴

The strategic rapprochement between Israel and some Arab states is undeniable, and behind-the-scenes cooperation between them is now greater than ever. But having spent

much of the past several months in both Israel and Arab capitals discussing the issue with political leaders, officials, diplomats, businesspeople, and others, I believe that many of the hopes placed on normalization in advance of a deal with the Palestinians are misplaced. While modest steps toward normalization by some countries may be possible if Israel also acts, genuine normalization between Arab states and Israel will only happen in the context of comprehensive peace supported by the Palestinians. Moreover, even the more modest steps under consideration will require more significant gestures from Israel than many Israelis seem to realize. Israel should certainly continue to pursue better relations with the Arab states for a number of political, strategic, and economic reasons. But those looking to the Arabs for a shortcut on the Palestinian issue – or who think they can establish closer relations with the Arabs without addressing that issue – are likely to be disappointed.

Why Normalization Remains Unlikely

The growing confluence of interests, strategic rapprochement, and quiet cooperation between Israel and many Arab states is genuine. Israel is now far from the primary security priority of most Arab leaders, who share Israel's deep concerns about Iran, Islamist extremism, and regional instability. In private, these leaders recognize that Israel does not threaten them and that there are strategic and economic benefits to quiet cooperation with Israel. As one senior Gulf official put it to me, "We and Israel now see the region in much the same way. Israelis are not killing our people; Iran and ISIS are." Even King Salman of Saudi Arabia, which does not formally recognize Israel's existence, acknowledges that Israel is a "fact."

That said, there are still major political obstacles to a public Arab rapprochement with Israel. Leading Arab governments, particularly in Riyadh, face a vast array of threats to their security or even existence. They see security threats from Iran, Yemen, Syria, and Islamist extremist groups, including the Muslim Brotherhood (MB), al-Qaeda, and the Islamic State. And they see threats to political stability from restive, growing populations that must cope with rapid social and technological change and economic austerity driven by low oil prices. Under these circumstances, the region's leaders cannot afford to spend valuable political capital defending a public rapprochement with Israel that most of their citizens would consider a betrayal of the still-popular Palestinian cause. Previous Arab leaders who agreed to establish diplomatic relations with Israel – Egypt's Anwar Sadat and Jordan's King Hussein – were strong, autocratic leaders who felt able (wrongly, in Sadat's case) to run the political risk of normalization without threatening their rule. Today's Arab leaders do not, for the most part, see themselves in a position to take such political risks, absent a valuable and certain payoff.

On top of that is an important regional dimension: at a time of intense geopolitical competition with Iran, Saudi Arabia in particular will not want to cede the Palestinian issue to its rivals in Tehran, who would be sure to denounce Riyadh for any public rapprochement with Israel. The Iranians in that case would claim to be the true defenders of Muslim rights in Jerusalem and seek to portray Saudi Arabia – even in the eyes of its own population – as “stooges” of the United States and Israel. This is a risk that Saudi leaders cannot afford to run.

Clearly the scope of what may or may not be possible varies considerably among the different Arab states. Egypt and Jordan already have diplomatic and security relations with Israel that are in many ways closer than ever (even if still unpopular domestically). Mauritania recognized Israel in 1999, though later froze relations. Qatar, Oman, and Morocco have in the past exchanged senior-level visits with Israeli counterparts and allowed Israel to open trade representative offices in their countries – though those offices were forced to close when security crises broke out.⁵ The UAE hosts an Israeli mission to the Abu Dhabi-based International Renewable Energy Agency and could probably get away with a modest expansion of ties with Israel, but will not want to risk criticism from its enemies in Hamas and the MB. Saudi Arabia has less room for maneuver because of its special place in the Islamic world, the relative fragility of its political order, and the intensity of its regional competition with Iran. And certainly the governments of Iraq, Lebanon, Syria, and Yemen are so heavily influenced by Iran that any rapprochement with Israel is out of the question. What unites all these diverse countries is a reluctance to pay the political cost of drawing publicly closer to Israel in the absence of something significant to show for it.

Even much-discussed partial steps toward normalization – such as the establishment of Arab-Israeli telecommunications links; granting Israel overflight rights; issuing permits to Israeli businesses to operate in the Gulf; sports or cultural exchanges; or engaging Israeli diplomats at international meetings – will likely require more far-reaching moves by Israel than many Israelis seem to acknowledge. Even these modest steps would be costly to Arab leaders if they seemed to be done against the objections of the Palestinians, who continue to fear that economic and diplomatic normalization will come at the expense of their political aspirations, and believe that time is on their side. For example, the economic gestures Israel announced during President Trump’s May 2017 visit to Israel – including easing the passage for Palestinian workers into Israel, extending the opening hours of the Allenby crossing with Jordan; permitting the expansion of the industrial zone at Tarqumiya into Area C; and providing permits for thousands of Palestinian homes in parts of Area C – made little impact.⁶ While highly controversial and contested within the Israeli cabinet, they were seen by the Arabs as warmed-over versions of what has been promised many times before. Not surprisingly, press reports that suggested the Arab Gulf

states had finalized an offer and were close to a normalization deal with Israel on the eve of Trump's trip to the region proved premature.⁷

Cautioned by the Palestinians, the Arabs remain wary of making "permanent" or "de jure" steps toward Israel in exchange for "de facto" Israeli steps that could easily be reversed. For example, they are unwilling to formally recognize Israel as a Jewish state, or accept the legitimacy of Israelis remaining in the major settlement blocs, in exchange for expanded freedom of movement or autonomy for Palestinians that could easily be taken away in the future. Indeed, the Arab League's most recent reiteration of its commitment to the Arab Peace Initiative (API), which offers recognition of Israel in exchange for comprehensive peace with the Palestinians, commits Arab leaders to normalization only *after* the full withdrawal of Israeli forces from Palestinian territories is complete.⁸ The fear is that any other sequence could lead to their recognition of Israel in exchange for a withdrawal that never actually takes place.

The bottom line is that there is a major structural difference in the way Israel and the Arabs view steps toward normalization. For Israel there are big advantages to making public intelligence, military, and economic cooperation with Arabs in that it would further Israel's acceptance in the region, undercut international efforts to isolate Israel, and relieve some of the pressure to offer more concessions to the Palestinians. Israel would derive significant legitimacy from the establishment of formal ties with major Arab countries, and Israeli businesses would find new opportunities in Arab markets if they could openly operate there. For the Arabs, however, the dynamic is the opposite: making private cooperation public incurs a cost. Since the Arab states already receive most of what they need from Israel quietly, they have little incentive in expanding overt ties with Israel without something significant to show for it. Even Egypt and Jordan, which have diplomatic relations with Israel and extensive behind-the-scenes security and intelligence cooperation with Israel, remain reluctant to appear to be too conciliatory in public so long as their populations judge Israel's treatment of Palestinians so negatively.

New Dynamics and Potential Wildcards

Attempts to involve the wider Arab region in efforts to advance Israeli-Palestinian peace are not new. The United States managed to bring most of the Arabs to the table at the 1991 Madrid Peace Conference and the 2008 Annapolis Summit, but in neither case was this sufficient to bridge the gaps between Israelis and Palestinians, or have the Arabs to do much more with Israel than attend the meetings. In 2009, U.S. Middle East envoy George Mitchell pursued many of the same normalization steps currently on the table between Israel and the Arabs, and President Obama explored Saudi involvement on the basis of an Israeli settlement freeze, but again the price for their engagement was much

greater than what Israel was willing to pay. Perhaps most relevant, in 2016 Secretary of State John Kerry made exhaustive efforts to have the Arab regimes negotiate with Israel on the basis of the principles he had developed during the previous years of negotiations with the Israelis and Palestinians, but once again the gaps among the parties were too wide to bridge, and the Arab states were unwilling to pressure or break with the Palestinians. Even when Kerry thought he had persuaded the Arabs to accept certain principles such as recognition of Israel as a Jewish state, they were never willing to do so in public without Palestinian agreement.⁹ The Saudis and other key players were not even prepared to show up at an international conference – let alone take further steps toward normalization with Israel – without at least an Israeli commitment to a negotiating framework the Palestinians would accept (which Israel would not do).¹⁰

To be sure, the regional situation has changed considerably, even since last year, and there are new variables in play – including some wildcards that could potentially lead to major breaks with the past. One of the most important is President Donald Trump, who has made progress on the Israeli-Palestinian issue a foreign policy priority, seems determined to try to negotiate “the ultimate deal,” and is highly unpredictable. Transactional by nature and increasingly frustrated by a lack of progress on other issues on his agenda, Trump could try to leverage his strong support for the Arab Gulf states to win gestures from them that might advance normalization with Israel and Middle East peace. Key Arab leaders in the region are inclined to be helpful to Trump, who has wholeheartedly embraced their agenda on Iran, Qatar, and Yemen; is ready to do business and make armaments deals with no strings attached; and unlike his predecessors will not pressure them on democracy and human rights. For this reason, Trump may be better placed to succeed with the Arabs where Kerry and Obama failed. But Trump’s leverage will still be limited by the Arab domestic political factors mentioned above, and even Trump is unlikely to make his support for the Gulf states conditional on normalization. In fact he already granted that support unconditionally in exchange for the warm welcome in Riyadh and the announcement of major arms sales and investment agreements – higher priorities for him and more easily achievable than Arab normalization with Israel.

Another wildcard is Saudi Crown Prince Muhammad bin Salman, the driving force behind Saudi foreign policy. While the general Saudi inclination (including that of King Salman) on the issue of Israel is one of extreme caution, Prince Muhammad has already demonstrated his willingness to take bold steps and risks on issues critical to Saudi Arabia’s future. He is shaking up the Saudi economic system by diversifying it away from oil, cutting longstanding subsidies, raising taxes, and planning to privatize part of Aramco. He is likewise shaking up Saudi society by involving more women in education and the workforce, reducing the powers of the religious police, loosening male guardianship rules, and seeking to boost tourism and entertainment in the Kingdom. He has launched a war in Yemen and a diplomatic assault on Qatar that show a strong

propensity to take major risks. Finally, the 31-year-old Crown Prince did not personally experience the emergence of the Palestinian tragedy and numerous Arab-Israeli wars as did his father's generation; his formative years have instead been dominated by the Saudi rivalry with Iran, the Arab Spring, wars in Syria and Yemen, and relative Arab-Israeli peace. With the new situation in the Saudi hierarchy, new options with Saudi Arabia might conceivably open.

A third important variable concerns the future Palestinian leadership and likely upcoming leadership transition. Eighty-two-year-old Palestinian Authority President Mahmoud Abbas is not uniformly popular among Arab leaders, some of whom – such as those in the UAE – openly and actively support his rivals. As other Palestinian actors jockey to succeed Abbas, the Arab states will thus consider any steps toward normalization with Israel in the context of how it might help or hurt their preferred candidates for succession. If Hamas were to take power in the West Bank, for example, Saudi Arabia, Egypt, and the UAE might be willing to work even more closely and perhaps openly with Israel on efforts to contain and punish the organization, especially if Hamas were aligned with Qatar and Iran. On the other hand, if a new Palestinian leader preferred by the Gulf Arabs emerged, their willingness to work openly with Israel without the Palestinians' blessing might even diminish, lest that cooperation undermine the new leader's legitimacy. The rise of a new Palestinian leader whom the Arabs were eager to see in power might encourage Arab leaders to cooperate with Israel on measures to improve the daily lives of Palestinians, but again only if the Palestinians themselves signed off on such cooperation.

Perhaps the most important factor will be what takes place in Israel. The current Netanyahu government – in which a majority of cabinet ministers favor settlement expansion and oppose a two-state solution – seems highly unlikely to take the sort of steps presumably required to advance an agreement with Palestinians or normalization with the Arabs. Defense Minister Avigdor Liberman speaks for many others in the government when he insists that Israel “must not accept a situation in which normalization with the Arab countries will be held hostage to [resolution of] the Palestinian issue.”¹¹ Thus without political change in Jerusalem it seems highly unlikely that even modest steps toward normalization will take place. But the current government will not last forever, and a different prime minister or coalition could conceivably take steps that affect Arab and Palestinian calculations.

An Israeli proposal to go further than it has in previous peace negotiations – for example, along the lines of the principles that Secretary Kerry articulated in his December 2016 speech – would make it easier for the pragmatic Arabs to engage with Israel.¹² Indeed, although Kerry's principles included a number of controversial elements such as Arab recognition of Israel as a Jewish state, the speech received a positive public welcome throughout the Arab world, including from Egypt, Jordan, the UAE, Qatar, Bahrain, and even Saudi Arabia.¹³ With such principles genuinely on the table, the Arabs would have

more political cover for contact with Israel, and even Saudi Arabia might endorse international negotiations on this basis. Nonetheless, Arabs' formalizing security cooperation or establishing open political or economic ties with Israel would likely be contingent on the *conclusion* of the negotiations with the Palestinians, not on just a reasonable offer. Having seen too many rounds of peace talks fail, the Arabs are unlikely to take politically costly steps with Israel based merely on an agreement to a framework for talks. And no matter how generous the Israeli proposals, and no matter how much fault for lack of progress might lie with the Palestinians, any expectation that the Arabs will blame the Palestinians and side with Israel is misplaced.

In the absence of credible, comprehensive peace negotiations, Israeli proposals for partial, unilateral, or interim steps would command the Arabs' attention. For example, a unilateral move by a new Israeli government to limit settlement activity to the major blocs, end the "legalization" of outposts, transfer significant amounts of territory to Palestinian control, and genuinely ease freedom of movement would significantly improve the atmosphere and increase the prospects for meaningful talks with Palestinians and cooperation with Arab states. But even under these conditions the Arabs will hesitate to give a public blessing to the Israeli moves, let alone make any down payments on normalization, in the absence of Palestinian support. Israelis might rightly feel that steps such as these were unprecedented and politically difficult, but from the Arab point of view they would still leave the most controversial issues of refugees, occupation, and Jerusalem unaddressed. Palestinians in turn would complain that by compensating Israel for partial steps, the Arabs were reducing the leverage needed to address the core issues. A more realistic objective of an Israeli unilateral or interim initiative might be quiet Arab financial and political support designed to make that initiative succeed. That more achievable aim would at least improve the atmosphere for talks, the lives of Palestinians, and Arab attitudes toward Israel, potentially creating the conditions for more substantial progress down the road.

Finally, it is worth noting that while Arab leaders emphasize how difficult it would be for them to take steps toward normalization with Israel in the absence of progress with the Palestinians, they also firmly stand by their commitment to the 2002 Arab Peace Initiative and insist they have made a "strategic choice" for peace with Israel. While they continue to maintain that the terms of the initiative are not negotiable, they point out that the API was written in a way to provide maximum flexibility, and stand by previous statements that they can accept adjustments to the 1967 borders as a territorial basis for peace. Arab leaders, including in Riyadh, told me they stand by the 2013 statement made by then-Qatari Prime Minister Hamad bin Jassem al-Thani on behalf of the Arab League API Follow-Up Committee that a "comparable and mutually agreed minor swap of the land" between Israel and Palestine was consistent with the API's call for a return to 1967 borders.¹⁴ They cannot deviate from the official API position that the Golan Heights must

be returned to Syria, but they realize that it is currently not an option, and would likely not let the issue of returning territory to the Iran-backed Assad regime stand in the way of a peace agreement with Israel. Similarly, on refugees, they insist on the API's requirement of a "just" solution to the refugee problem "to be agreed upon in accordance with UN General Assembly Resolution 194," but understand – as evidenced by the words "to be agreed upon" – that Israel will never accept a solution that allows large numbers of Palestinian refugees to return. The Arabs complain that Israel has not been more proactive in putting forward specific ideas for them to react to – during the entire Kerry initiative, for example, the Israelis were never even willing to look at a map – and that the United States has not involved them significantly enough in its efforts to negotiate with Israelis and Palestinians. An Israel genuinely willing to negotiate on the basis of the API would find Arab partners ready to engage with it.

Conclusion

The prospect of Israel normalizing its relations with Arab states is an enticing idea that anyone who cares about Israel or the region should want to see realized. Arab strategic interests are aligning with Israel's; some Arab leaders' attitudes toward Israel are changing; and the Arab desire to see an Israeli-Palestinian deal remains strong. Arab leaders, moreover, have many other pressing issues on their plates, have not been forced to decide where their true bottom lines on normalization lie, and will not do so unless and until specific ideas are on the table – so those bottom lines are worth exploring.

Nevertheless, the vision of Israel normalizing its relations with Arab states without the agreement of the Palestinians is fanciful, and even modest steps toward normalization will require Israel to do much more than many Israelis seem to realize. Ultimately, the road to normalization with the Arab states still runs through the Palestinian issue, and not the other way around.

¹ Cited in Gill Cohen, "Netanyahu: 'Revolution' in Arab Ties Could Advance Peace with Palestinians," *Haaretz*, July 13, 2016.

² See Peter Baker and Mark Landler, "Trump May Turn to Arab Allies for Help with Israeli-Palestinian Relations," *New York Times*, February 9, 2017.

³ See Raphael Ahren and Marissa Newman, "Trump in Israel Says Saudi King Left Him Encouraged Over Peace Prospects," *Times of Israel*, May 22, 2017; and Barak Ravid, "Trump Tells Israelis: Arab Leaders Ready to Take Steps Toward Israel if Peace Process Gains Pace," *Haaretz*, May 23, 2017.

⁴ Ross, cited in Baker and Landler.

⁵ Oman closed its office in 2000 after the second intifada, and Qatar did the same after Israel's Operation Cast Lead in Gaza in 2009.

⁶ The announced measures and Israeli cabinet debate about them are detailed in Barak Ravid, "Day before Trump's Visit: Israel Approved Economic Measures to benefit Palestinians," *Haaretz*, May 21, 2017.

⁷ See, for example, Jay Solomon, Gordon Lubold, and Rory Jones, “Gulf States Offer Better Relations If Israel Makes New Bid for Peace,” *Wall Street Journal*, May 15, 2017; and Evelyn Gordon, “Arab-Israeli Ties: Hostage No More?” *Commentary*, May 17, 2017.

⁸ See Amman Declaration, March 28, 2017, <https://www.arabsummit2017.jo/Documents/08502809-6ee1-4670-874f-9c81391bb1aa.pdf>.

⁹ In this case they not only failed to support it but publicly ruled it out. See Jack Khoury and the Associated Press, *Haaretz*, “Arab League Rejects Israel as a Jewish State,” March 26, 2014.

¹⁰ See Barak Ravid, “Netanyahu Offered Opposition Leader to Push Together for Regional Peace Initiative – and then Backtracked,” *Haaretz*, March 5, 2017.

¹¹ Cited in Tovah Lazaroff, “Israel-Arab Normalization First, Then Peace with Palestinians,” *Jerusalem Post*, June 12, 2017.

¹² Those principles included: (1) secure and recognized international borders between Israel and a viable and contiguous Palestine, negotiated based on the 1967 lines with mutually agreed equivalent swaps; (2) the establishment of two states for two peoples, one Jewish and one Arab, with mutual recognition and full equal rights for all their respective citizens; (3) a just, agreed, fair, and realistic solution to the Palestinian refugee issue, with international assistance that includes compensation, options and assistance in finding permanent homes, and acknowledgment of suffering; (4) recognition of Jerusalem as the internationally recognized capital of the two states with protection and freedom of access to the holy sites consistent with the established status quo; (5) satisfying Israel’s security needs and bringing about a full end to the occupation while ensuring that Israel can defend itself effectively and that Palestine can provide security for its people in a sovereign and non-militarized state; (6) an end to the conflict and all outstanding claims, enabling normalized relations and enhanced regional security for all as envisaged by the Arab Peace Initiative. See “Full Text of John Kerry’s Speech on Middle East Peace, December 28, 2016,” *Times of Israel*, December 26, 2016.

¹³ See Barak Ravid, “Arab States Endores Kerry’s Peace Plan Despite Inclusion of Israel as ‘Jewish State,’” *Haaretz*, December 31, 2016.

¹⁴ For the 2013 statement, see Steven Lee Myers and Judi Rudoren, “Kerry Calls Arab League Plan to Revive Talks with Israel a ‘Big Step,’” *New York Times*, April 30, 2013.