



For the first time, the Israeli national anthem is played in the United Arab Emirates, November 1, 2018.. Photo: Courtesy of IJF – International Judo Federation

# The Unrealized Potential of Israel's Relations with Arab States: Regional Cooperation Hindered by the Israeli-Palestinian Conflict

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Israel's relations with Middle East states have undergone many significant upheavals, and over the years have fluctuated between bitter, bloody wars and covert cooperation. The peace agreement with Egypt widened the spectrum even further and opened the door to official civil and economic partnerships. Advances in peace negotiations with Palestinians in the 1990s brought about a peace treaty with Jordan, and even led to a short blossoming of relations between Israel and other Arab states. This period ended with the second intifada and the wars in Gaza.

In the past decade, the region has gone through significant changes. Popular uprisings

throughout the Middle East led to destabilization and regime changes, and made it clear to rulers that did remain in power that they would need to calculate their steps carefully in light of public demands. In addition, Tehran's support of terrorist organizations throughout the Middle East and efforts to attain nuclear capability position Iran as a common enemy of Israel and Sunni Muslim states. Joining this are Islamic terrorism and the threat of the Islamic State (ISIS), as these too became a common enemy of Sunni Muslim states and Israel. Furthermore, there have been changes in the involvement of world powers in the region—while the US has

signaled an intended exit from the region, Russia and China have increased their involvement.

Against the background of these broad geopolitical changes, there is also a change in Israeli policy and in public discourse. Netanyahu and his governments, which avoided advancing peace negotiations with the Palestinians, began to claim it was possible to move toward normalization with the Arab states without moving forward in the political process with the Palestinians. Yuval Ben-Zion (2018) describes the changes in the Israeli public discourse and how this claim has become a prominent political instrument. The idea of regional cooperation has become central to Israel's foreign policy and Israel's internal politics, and as such has become a subject for research. The review that follows presents some of the research that deals with regional cooperation, as well as the central insights that arise from this research.

### **Covert Military and Intelligence Cooperation, and its Limits**

Many studies show that the geopolitical changes in the Middle East in the last ten years have greatly affected Israel's relationship with various Arab states. The increasing Iranian threat, the instability brought about by the so-called Arab spring, the Islamic State, and extremist Islamic terror, along with the changes in the involvement of foreign powers, have all positioned Israel and the Arab states in the region on the same side of the geopolitical map (Rabi & Mueller, 2017). Michal Yaari and Jonathan Rynhold describe how the struggle against Iran's nuclearization brought Israel and Saudi Arabia together (Yaari, 2018; Rynhold & Yaari, 2019). Moran Zaga describes a similar process whereby Israel and the UAE drew closer (Zaga, 2018), and Yoel Guzansky describes how alongside their loyalty to the general Arab discourse about Israel, the Arab Gulf states are advancing covert cooperation with Israel against the Iranian threat (Guzansky, 2015).

Shared security threats served as a catalyst for strengthening Israel's political relations with

Egypt and Jordan as well (Schweitzer & Winter, 2017; Kramer, 2018). Yitzhak Gal describes how Israel and Jordan's shared interest in the stability of the Hashemite regime against the threats from Iraq, Syria, and the Islamic State strengthened their political cooperation (Gal, 2018). Haim Koren presents a similar situation in his description of the increased political closeness between Israel and Egypt in light of shared security threats in Sinai, the strengthening of the Muslim Brotherhood and Hamas, and the challenge of the Gaza region (Koren, 2018). As studies indicate (Yaari, 2018; Zaga, 2018; Levi, 2018), most of the cooperation against security threats is focused on intelligence, technology, and military equipment; prominent examples are arms and technology deals between Israel and Saudi Arabia, the UAE, and Morocco.

Covert military and intelligence cooperation is not without its problems and limits. Researchers note the danger in exposing intelligence and transferring military technology to states with which Israel does not have official relations, and that if circumstances change, these assets could be used against Israel. More importantly, the widespread criticism of Israel's policy in the region, from the establishment and from the Arab public, and especially criticism of Israeli policy vis-à-vis the Palestinians, creates a political and social line that casts all cooperation or relations with Israel as illegitimate. This is the main reason that the sides make an effort to maintain secrecy. As Elie Podeh (2020) argues, the secrecy allows Israel and the Arab states an area for cooperation that the public cannot criticize. However, this kind of cooperation is characterized by transience, and is based on changing circumstances and interests. Podeh aptly labels this the "mistress syndrome."

### **The Road to Washington Runs through Israel**

Among the entanglement of geopolitical considerations in face of the Iranian threat, Sunni Muslim states seek to strengthen their relations with the United States, even as the

US cuts back on its involvement in the region. Morocco, Egypt, Jordan, and the Gulf states put their hope in the US as the power that would support them in security matters. Even Qatar, which is in the throes of conflict with the other Gulf States, takes shelter under the security umbrella of the US (Yaari, 2020). Researchers point to the dominant view in these states that one of the ways to get closer to Washington is through Israel and through a tolerant attitude toward Jews.

Researchers describe how in Arab states it is possible to identify an increasing interest in the Hebrew language—in literature and poetry—and in the Jewish religion. In Saudi Arabia, it is possible to identify a growing civil discourse that includes exchanging opinions on relations with Jews and with Israel (Yaari, 2018). In the UAE, Jewish heritage items are displayed in museums, and synagogues have opened (Zaga, 2018). In Egypt, synagogues are under renovation, and Judaism has a place in Egyptian heritage (Koren, 2018). Muslim religious scholars are expressing favorable views toward relations with Jews, and even participate in memorial delegations to death camps in Poland. Delegations led by American rabbis are welcomed in capital cities of Gulf states. All this shows tolerance and openness toward Judaism, though not necessarily toward Israel. As Svetlova (2020) emphasizes, it seems that the Arab states, and especially those in the Gulf that are without Jewish roots, have identified that through Judaism, they can build a self-image of liberalism and tolerance, and distance themselves from the image of extreme Islam, while strengthening their communication with the halls of Washington.

### **Limited Business, Out of the Spotlight**

Efforts at regional cooperation are not limited to the realm of security and intelligence, and Israel is also building shared economic projects with other states in the region. Indeed, Israel has something to offer these states. It

is possible to see that economic cooperation with Egypt, Jordan, Iraq, and Morocco is advancing in traditional economic areas, including consulting on agriculture and trade of agricultural equipment, raw materials, industry, equipment, machines, and more (Zeidel, 2018; Levi, 2018). In contrast, economic cooperation with the UAE, Qatar, and Saudi Arabia focuses on Israeli exports of technology and advanced military equipment. Various publications report deals with Saudi Arabia in cyber security and the battle against terrorism, and deals in the realm of electronic monitoring and security with states that are courting Israeli technology (see for example the survey in Ferziger & Waldman, 2017). The focus on modern economies in the connections with these states is possible due to their economic capabilities and processes of modernization. One of the salient advantages of this kind of commerce is its ability to be tailored to suit the limited relationship between the states, such that these deals are often immediate, and for the most part do not involve ongoing trade.

Given the prohibitions on importing Israeli products, trade between Israel and Saudi Arabia, Morocco, Qatar, and the UAE occurs on a minor scale when compared to trade with Jordan and Egypt. Koren (2018) and Gal (2018) describe the economic measures taken with Egypt and Jordan. The geographic proximity between them and Israel offers many opportunities for cooperation across various economic fields, including the Israel-Egypt maritime realm, which creates an infrastructure for deals in natural gas and maritime trade between Israel and Egypt; the gas deal with Jordan; the environmental issues that Israel and Jordan have in common, such as management of water sources; and overland trade routes between Israel and Jordan that also serve as infrastructure for a wider trade route with the Arab world and the East. Although Egypt and Jordan are considered smaller economies than the Gulf states, their importance stems from their geographic proximity to Israel and the fruits borne from the

peace treaties. Jordan's economic growth that began in the 2000s led to an improvement in transportation infrastructure, and a connection with shipping routes from the Mediterranean and from Israel to the East. These could aid Israel in connecting to the Arab world and the East via trade on China's New Silk Road (Gal, 2018). In April 2017, then-Minister of Transportation and Minister of Intelligence Israel Katz presented his "Tracks for Peace" plan, which proposed a system of railway tracks that would connect Israel to Jordan, Saudi Arabia, and the Gulf states (Bendar, 2017). According to Yaari (2018), the goal of the program was to strengthen and create a transit hub in Jordan. In addition, it would connect the Palestinian areas to the Arab world and allow Arab states land access to the Mediterranean Sea. The three-way Qualified Industrial Zone (QIZ) agreements signed between Israel, Jordan, and the US, and between Israel, Egypt, and the US (Kessler, 2015) improved the economic cooperation and led to a sharp increase in Egyptian and Jordanian exports. At the same time, the normalization obstacle in these countries greatly limited these connections, and ideas of developing commerce and the transportation system are in the meantime confined to words.

Ultimately, when examining the economic sector, the anomaly of Israel belonging to the Middle East is apparent and reflected in the very limited trade between Israel and the Arab states. The ban on Israelis entering some of the states greatly restricts the ability to conduct business and develop business relations, in spite of the exceptions to the bans in certain cases. The economy is the central interest, and for businesspeople, there are ways to find loopholes and contend with the obstacles that the political realm places in front of them. Economic cooperation can be kept more secret than political cooperation, which is in the media spotlight, and usually as part of trade with Arab states there is the need to hide the tracks of the origin of the goods, either by sending them via a third party state, or by eliminating identifying

national signs on the goods themselves. Ferziger and Waldman (2017) describe this and offer examples on how business is done under these conditions. Furthermore, the business sector offers connections between private parties who, in contrast to political actors, can operate with a low signature and in direct cooperation, irrespective of the political reality between the states (Gal, 2018; Yaari, 2018). But this indirect commerce that involves eliminating signs of "Israeliness" from goods requires an effort that many companies cannot afford to make, although in reality, the potential for economic connections is practically unlimited. According to Yitzhak Gal (2018), opening these Arab markets to Israel, as part of a policy arrangement with the Arab world, would create a growth engine that would allow Israel to increase production per capita by 25-33 percent of the expected growth as projected today. An increase in growth of this magnitude could be expected to bring Israel into the ranks of the 15 richest countries in the world within a decade, and would create an almost 75 percent increase in workplaces, as compared to the number of workplaces the Israeli economy creates yearly. This would turn the Arab market into the most important market for Israel, alongside the European market.

### **Civil Relations Far from Normalization**

Compared to economic and security-related cooperation, civil society cooperation between Israel and Arab states is more limited. At the same time, even in the civil sector, changes have taken place over the last ten years. In the past few years, traditional barriers have been broken in terms of the openness of Arab states toward Israel, thanks to social media, the influence of other sectors, and a desire on the part of some of the states in the region to join the international community and host international events that include Israeli representation.

Zeidel (2018) describes how Iraq stands out for the unique social media connection between Iraqis and Iraqi Israelis, especially



around the Jewish heritage in Iraq. Sometimes, he claims, the Jewish issue even serves as a justification for encounters between Iraqis and Israelis of Iraqi descent. Furthermore, he points to the prominent trend whereby many Iraqis, as well as popular Iraqi websites, express openly pro-Israeli stances, and inter alia call for full diplomatic relations between Israel and Iraq (for instance, Abu Zeed, 2017). This special topic has also led to the translation of Israeli literature and the distribution of these works in Iraqi bookstores. Fattal Kuperwasser's book *The Pictures on the Wall* (2015) is an example of this.

Levi (2018) describes how the connection with Morocco was built around Jewish heritage in the country and the nostalgia for the days of shared existence in the country. She brings a variety of examples that reflect this, most prominently the example of Israeli tourism to Morocco, and the many efforts to rehabilitate Jewish heritage sights around Morocco. Every year 25-45,000 Israelis visit Morocco, although the number of Moroccans visiting Israel is much lower (about 3,200 in 2015). Levi points to the fact that the connection between Israelis of Moroccan descent and Moroccans has led to broader efforts in cooperation, including exchange delegations and shared cultural activities around music and cinema. Khaleila describes the Tunisian playing field—how the tourism sector allows Jews to visit the country, especially the island of Djerba, and how Israel is trying to recruit Tunisian influencers to build a positive image for Israel (Khaleila, 2019; Friedman, 2019). All of these researchers note that these civil connections are exceptions and are built in spite of strong movements that attempt to delegitimize cooperation, movements that often succeed in preventing additional connections.

### **Can the Palestinian Issue be Bypassed? No!**

Extensive geopolitical and social changes in the Middle East over the last decade have presented

new opportunities for cooperation between Israel and Arab states in various fields, and even more such cooperation than in the past. Israel and the Arab states have found ways to work together and to a certain extent circumvent obstacles to such cooperation. For instance, they worked in multi-national frameworks or with international organizations or events that would allow the sides to cooperate without being exposed to sharp criticism, and without Arab states having to change their official relations with the State of Israel. Zaga (2018) describes how even military cooperation was possible under international sponsorship, with the example of the Israeli and UAE air forces taking part in the same international training exercise.

Arab states that apply to host many international events and conferences, as part of their efforts to build their liberal images and position themselves on the global playing field, supply additional opportunities for encounters and cooperation. Qatar's anticipated hosting of the World Cup and the planned Dubai Expo are prominent examples of a wide variety of international encounters of this kind. In order for the Gulf states to enjoy this kind of hosting, they will need to accustom themselves to Israeli participation in such events. The same is true of sporting events. In earlier years, Israel was forced to keep a modest presence and even participate without national symbols, but international organizations have ended these practices, and the Israeli national anthem can be heard in Morocco and in the UAE. Saudi Arabia and Iraq still avoid this kind of cooperation.

Nonetheless, even with the increase and strengthening of cooperation between Israel and Arab states, and despite attempts to work around limitations, cooperation is stopped far before it reaches its potential. Researchers emphasize the transient nature of security cooperation, the operation of such efforts under the cover of secrecy, and their dependence on frequently-changing external circumstances (Pardo, 2017). In the economic

and civil sectors, studies show that there are ever-growing connections, but there too, the great potential for cooperation is far from reached. These sectors tend to be more affected by the ongoing Israeli-Palestinian conflict, and meaningful progress in the peace process is a necessary condition (even if not sufficient) for reaching much greater potential than what exists today.

The level of solidarity, interest, and active support for the Palestinian struggle varies from state to state. In the region, Egypt and Jordan are considered the most involved in the Israeli-Palestinian conflict and in advancing Palestinian interests, while Iraq is the least involved and the least interested. Qatar has become more involved, specifically in acting as a mediator between Israel and Hamas in Gaza (Zaga, 2019). The UAE is considered a country with a high level of interest in the conflict, but with a limited level of involvement. At the same time, in recent years, the UAE has become more involved with internal processes within the Palestinian Authority and in Gaza (Ben-Menachem, 2017). One of the consequences of such involvement is a more active role in the Israeli-Palestinian conflict, even if only in a behind-the-scenes capacity and to a lesser degree than that of Qatar. Saudi Arabia is central to the support of the Palestinian national struggle, and the importance of its role is reflected in the peace efforts Saudi Arabia led with the full support of the Arab League, and in the aid to the Palestinian Authority (Rynhold & Yaari, 2019). Morocco's level of involvement in the conflict and general relationship to the Palestinian issue was low in the past two decades, after previously having played the role of facilitator in negotiations, and even hosting talks between the sides. For the most part, Morocco's involvement became more significant only after the previous conditions were conducive to a peace process (Levi, 2018).

Despite the political claim, it is not possible to bypass the Palestinian issue and move toward full normalization with the Arab states. Reaching the enormous potential latent in the

close relations between Israel and the Arab states depends on significant advances in the Palestinian issue (Gordon, 2017). Rynhold and Yaari (2019) clearly note this in everything relating to Saudi Arabia; former Mossad Chief

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Tamir Pardo noted the same point at the lobbying conference for regional cooperation in the Knesset (Pardo, 2017); Ferziger and Waldman (2017) describe how the great interest Saudis have in Israeli technology does not translate to full business relations because of the ongoing Israeli-Palestinian conflict; Gal (2018) describes this in relation to Jordan, and Koren (2018) in relation to Egypt. Overall, researchers agree that conditions have created an opportunity for Israel to advance normalization with the Arab states, conditions that are riper than ever for such a process. The Arab states are even now ready to advance to a certain extent, and are demanding and waiting for Israel to come to a solution with the Palestinians so that the great potential can be fully realized.

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