

PREFACE

In its attack on October 7, 2023, Hamas aimed, among other goals, to undermine the prospects of a normalization agreement between Israel and Saudi Arabia. Following the outbreak of the Swords of Iron war, then-US President Joe Biden stated that harming the normalization process was one of Hamas' objectives in launching the war. He further claimed that the parties had reached a breakthrough on the eve of the Hamas assault. Saudi Arabia also indicated that the sides had been close to an agreement prior to the war, and the impression remains that despite the conflict, the door to such an agreement may still be ajar.

Normalization remains largely on the table today, a year and a half after the war's outbreak—evidence of its continued strategic importance for the parties involved and of the fact that their underlying motivations have not fundamentally changed. Though while it appears that the Trump administration is continuing the efforts begun under its predecessor to create favorable conditions for an agreement, steps taken in public tell a somewhat different story: Shortly after the war began, Saudi officials announced the suspension of normalization talks with the United States. This was a calculated and expected announcement, crafted to avoid entirely shutting the door on the process while signaling the Kingdom's solidarity with the Palestinians in Gaza and its refusal to remain passive in the face of the war's devastation. Accordingly, Saudi Arabia opted to cool its relations with Israel, at least as long as the war continues.

The three central actors in this process—Israel, Saudi Arabia, and the United States—are each pursuing normalization for their own reasons. Israel seeks to deepen its integration into the region by forging an agreement with the most important Arab state with which it has yet to establish ties—Saudi Arabia, the largest economy in the Middle East and the custodian of Islam's holy sites. Israel also hopes that normalization with such a pivotal state will

lead other Arab and Muslim countries, including those beyond the region, to follow suit.

The United States, for its part, views the agreement as a way to consolidate a new regional order under American leadership, thus easing its efforts to contain Iran while signaling to its allies—and simultaneously to China and Russia—that the Middle East remains firmly within the American sphere of influence. As for Saudi Arabia, it sees in such an agreement a path to bolster its status and security, particularly in relation to Iran, by strengthening ties with the United States. In exchange for normalization with Israel, Saudi Arabia seeks to obtain a range of security and diplomatic benefits that it is unlikely to receive without completing the process.

Even if Hamas did not succeed in removing the normalization process entirely from the agenda, it did succeed in disrupting its momentum and altering the calculations of the key players—especially regarding the “price” each party is expected to pay to move negotiations toward an agreement. From Israel’s perspective, and in light of the war—particularly the centrality of the Palestinian issue in its aftermath—the price of normalization has risen. It now includes agreement on a political-territorial framework for an Israeli-Palestinian settlement, namely the articulation of a political horizon within the vision of a two-state solution. As of now, the Israeli government refuses to pay this price.

The cost that Saudi Arabia is expected to “pay” for normalization with Israel has also increased. It is now expected to deepen its involvement in the Palestinian arena and even contribute to the reconstruction and stabilization of the Gaza Strip. This comes in addition to the need to address public opinion within the Kingdom and in other Arab states, which has become more hostile toward Israel since the outbreak of the war. Since the beginning of the Swords of Iron war, Saudi Arabia has dictated the slow pace—or even suspension—of the normalization process. At present, the Saudi leadership is in need of legitimacy, which is tied, at least in part and perhaps primarily, to Israel’s

actions and policies regarding the Palestinian issue. As a result, a new Saudi condition for normalization is the achievement of a permanent ceasefire in Gaza and an end to the war. In Riyadh's view, diplomatic relations with Israel cannot be established while the war continues.

From both the Israeli and Saudi perspectives, the American role in the normalization process is nothing short of critical. Both parties expect the United States to continue leading this initiative—which it itself launched—to reshape the Middle East, and to demonstrate a deeper presence and involvement in regional affairs. This involvement is also intended to counter Iran's subversive and aggressive ambitions. At the same time, the ongoing war in Gaza increases the likelihood—still not high—that the United States and Saudi Arabia will reach an agreement between themselves, excluding Israel. Such a scenario would deprive Israel of many of the benefits embedded in normalization and would grant Saudi Arabia significant dividends, some of which are highly problematic from an Israeli perspective.

Given that Hamas sought—and at least temporarily succeeded—in hindering progress on normalization, one must ask: What role and influence might actors who are ostensibly external to the process have on its future prospects? Furthermore, one must consider the possibility that a Saudi-Israeli normalization agreement will not ultimately materialize. What regional dynamics and global circumstances might lead to this outcome? Would the process be derailed due to a shift in the interests of one of the central actors, or as a result of hostile action by a spoiler actor—similar to Hamas' actions on October 7, 2023?

This collection of essays focuses on the positions and interests of both state and non-state actors regarding Israeli-Saudi normalization, and on their direct or indirect, negative or positive, influence on the process and its likelihood of success. In the articles compiled here, researchers at the Institute for National Security Studies (INSS) analyze the interests of various regional and global players with a stake in the process and those who will be affected

by its outcomes. The volume brings together diverse analytical perspectives. The assessments and conclusions do not always align, nor do they always lead to identical policy recommendations—but this diversity reflects the collection’s central aim: to provide a broad and nuanced foundation for thought and discussion.

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Yoel Guzansky, March 2025