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# **Israel's Relations with Arab Countries: The Unfulfilled Potential**

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**Editors:**

**Dr. Roei Kibrik, Dr. Nimrod Goren, Merav Kahana-Dagan**

**January 2021**

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**Edited by Dr. Roei Kibrik, Dr. Nimrod Goren, Merav Kahana-Dagan**

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**Translation from Hebrew: Ruth Sinai**

**Graphic design: Hila Mayzels**

**ISBN: 978-965-7617-07-6**

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## Introduction

*“We extend our hand to all neighboring states and their peoples in an offer of peace and good neighborliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land. The State of Israel is prepared to do its share in a common effort for the advancement of the entire Middle East.” (The Declaration of the Establishment of the State of Israel, May 15, 1948)*

Since declaring independence, Israel's relations with the states of the Middle East have undergone numerous upheavals. Over the years, relations moved across a spectrum from bitter, bloody wars to clandestine cooperation. The peace agreement with Egypt expanded that range of relations, creating an opening for formal ties and official economic and civilian cooperation. Progress in negotiations with the Palestinians in the 1990s led to the signing of a peace agreement with Jordan, and to a brief flourishing of Israel's relations with other Arab states. However, despite Israel's peace agreements with Egypt and Jordan, the establishment of the Palestinian Authority (PA) within the framework of the Oslo Accords, and the Arab Peace Initiative, Israel was unable to establish “good neighborliness” with the Arab world and to formalize cooperation and mutual assistance for the benefit of the Middle East as a whole.

Far-reaching changes have taken place in the region over the past decade. The popular uprisings across the Middle East undermined stability, led to changes in regimes or rulers, and made it clear to those who remained in power that they must proceed with caution, taking into consideration the demands of their people. What is more, Iran's actions in the region and its bid to obtain nuclear weapons, positioned it as a shared threat to Sunni Arab states and to Israel. Other shared threats included extremist Muslim terrorist activity and Daesh. The involvement of the global powers in the Middle East also underwent change, with the US signaling its way out of the region and Russia and China increasing their involvement. Israel and the Arab states that had relied to a large extent on the US, gradually realized that they were wrong to depend solely on US backing and its concern for the interests of its allies in the Middle East.

Against the backdrop of these broad geopolitical changes, Israeli policy and public discourse shifted, as well. Prime Minister Benjamin Netanyahu and his governments, which avoided progress in the peace process with the Palestinians, began arguing that a breakthrough toward normalization with Arab states could be achieved even without the advancement of Israeli-Palestinian peace. As proof, the Israeli leadership claimed that the extent of Israel's cooperation with Arab states in the region was unprecedented. This claim, backed by growing public visibility of Israel-Arab interactions, became a significant domestic political tool.

The Mitvim Institute, as a think tank focusing on Israel's regional foreign policy (including on Israel's regional belonging in the Middle East), deemed it important to examine this claim in depth. We therefore embarked on a project that examined bilateral ties between Israel and seven key Arab states: Egypt, Jordan, Saudi Arabia, the United Arab Emirates (UAE), Qatar, Morocco and Iraq. The researchers who took part in this project mapped out the potential of the cooperation with each state based on shared interests, challenges and opportunities, and on Israel's abilities, strengths and needs vis-à-vis each of these states. They described the existing diplomatic, security, economic and civilian cooperation, and

assessed the impact that the Israeli-Palestinian issue has on bilateral ties. The research papers they authored were based on open source information, academic and practical acquaintance with the countries at stake, and interviews conducted with relevant policy stakeholders.

The studies found that despite rosy descriptions of flourishing cooperation between Israel and Arab states in the Middle East, and notwithstanding certain growing cooperation's (most of them in the field of security and hidden from the public eye), the diplomatic, economic, societal, civilian and cultural opportunities for cooperation are immense and significantly greater than the current level of relations. There is wide-ranging, unfulfilled potential in Israel's relations with Arab states, and this is more evident now than it was in the past. The ongoing Israeli-Palestinian conflict, and absence of significant progress in resolving it, constitute the main obstacle, as of now, to fulfilling this potential. The normalization agreements signed in September 2000 between Israel, the UAE and Bahrain challenge the paradigm that normalization is contingent on significant progress in the Israeli-Palestinian peace process. Nevertheless, they did link normalization to the suspension of Israeli annexation intentions in the West Bank, reaffirming that regional cooperation is indivisible from the Palestinian issue. Likewise, as Israel and Morocco moved to re-establish diplomatic ties in December 2020, it was important to King Mohammed VI to emphasize that Morocco's stance towards the Palestinian issue remains unchanged, in support of the two-state solution.

In formulating its policies and actions in the region, Israel should learn the lessons of the past. It must take into consideration current realities and limitations, existing interests and processes. Just as important, it should also consider prospects for peace and cooperation, which can transform its regional relations and fulfill their potential. We hope this publication helps those interested in understanding the current complex relations between Israel and key Arab states as well as the opportunities for improving them. We hope the knowledge and recommendations included in this publication will support efforts to expand cooperation and promote normal relations between Israel and the Arab world. As the studies in this publication indicate, the potential for regional cooperation is great but its realization depends on progress in the Israeli-Palestinian peace process.

This publication was made possible by the contributions and cooperation of many. Our thanks go, first and foremost, to the researchers who took part: Dr. Yuval Benziman, Yitzhak Gal, Amb. (ret.) Dr. Haim Koren, Einat Levi, Prof. Elie Podeh, Dr. Michal Yaari, Dr. Moran Zaga and Dr. Ronen Zeidel. We would like to thank all those who participated in the policy workshops and public events we conducted throughout the project, during which we presented the research findings and discussed their significance. We would like to thank Jonathan Ghariani, who patiently and diligently compiled a database of regional cooperation between Israel and Arab states. We are also grateful to Dr. Eyal Bressler and Co. for the wonderful hosting of the project's task team meetings, to Ruth Sinai for the translation of the project products into English, and to the Ploughshares Fund and Friedrich-Ebert-Stiftung for their partnership and support.

**Dr. Roee Kibrik, Dr. Nimrod Goren, Merav Kahana-Dagan**

***Jerusalem, January 2021***

## Foreword

### Israel in the Middle East: From Covert to Overt Relations<sup>1</sup>

**Prof. Elie Podeh**

A significant change is taking place in Israel's relations with its Middle Eastern environs in recent years. The Second Lebanon War (summer 2006), the military operations in Gaza ("Cast Lead", winter 2008-09; "Pillar of Defense", November 2012; and "Protective Edge", summer 2014), as well as the Arab Spring (in the winter of 2010-2011) created a new regional environment, which Israel finds expedient in terms of security and politics. Successive Israeli governments led by Benjamin Netanyahu have viewed these developments as signaling an "Islamic winter", with the rise of radical Islamist regimes leading the region to instability and anarchy and creating new threats against Israel. As time went by, Israel's leaders realized that the upheavals in the Arab world had created a wealth of opportunities for Israel in the region. Netanyahu himself, addressing the UN General Assembly in September 2016, boasted that many states in the region recognized the fact that Israel not only was not their enemy, but rather that it was their ally in their war against Iran and radical Islamic organizations. "Israel's diplomatic relations are undergoing nothing less than a revolution," he summed up.<sup>2</sup>

Israel's diplomatic relations are undergoing a change but not a revolution. The United Arab Emirates (UAE), Bahrain, Sudan and Morocco established diplomatic relations with Israel in the second half of 2020, but the real revolution would take place only after the resolution of the Palestinian problem. The change that led to the new diplomatic ties and the continued expansion of clandestine cooperation between Israel and some Arab states are a result of several shared interests. First, the struggle against Iran's nuclear ambitions and its bid to play a dominant, if not hegemonic, role in the Middle East. To that end, Iran is forging alliances and cooperation with proxies – regimes and organizations with which it is closely affiliated in political, ideological and religious terms (Syria led by Bashar al-Assad and the Alawite minority; Hezbollah in Lebanon; al-Hashd al-Sha'abi in Iraq and the Houthis in Yemen). Second, the front against Jihadist Sunni Muslim groups, such as the Islamic State (Daesh), al-Qaida, and against the Muslim Brotherhood. Third, confronting the Hamas and Islamic Jihad organizations in Gaza, indirectly aided by Turkey and Qatar. Through cooperation with Arab states, Israel is seeking to deter its enemies and shift the balance of power between the rival camps.

The existence of clandestine relations with states in the region is not a new phenomenon in Israel's foreign policy. In fact, it has existed since the state was established in 1948 and even before that in the days of the British Mandate, when Zionist leaders and officials conducted covert ties with leading figures in the Arab and Palestinian arena. Most of these ties were severed once Israel was established, but some continued, for example with Jordan's King Abdullah, leaders of Lebanon's Christian Maronite community, officials in Syria, and more.

Secret ties, whether direct or through third parties, were occasionally forged with the

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1 This article is part of a comprehensive research on Israel's clandestine relations in the Middle East between 1948 and 2020, which will be published in Hebrew by *Am Oved*.

2 For text of the speech, see: <https://www.gov.il/en/departments/news/speechun220916>

Arab leader considered Israel's greatest enemy, Egyptian President Gamal 'Abd al-Nasser (1954-1970). Israel also maintained covert ties with Morocco since the 1950s, and even opened a Mossad office there in 1963; it aided the Kurds in their struggle against the Iraqi regime in Baghdad (1963-1975); helped the royalist rebels in Yemen against the revolutionary regime backed by the Egyptian military (1962-1967); helped rebels in southern Sudan (1969-1972) and the Maronites during Lebanon's civil war (1975-1976). Perhaps the most important chapter in the history of Israel's past covert activity was the existence of military and intelligence ties among Israel, Turkey and Iran (1958-1979). At the same time, Israel forged secret ties with Ethiopia and Sudan. This relationship was dubbed, with a measure of exaggeration, the "Alliance of the Periphery". There was no institutional link between the northern and southern periphery, but the ties were based on shared interests: Strategic concern about an Egyptian takeover of the Arab world and its oil reserves in the Arabian Peninsula, as well as concern about the spread of 'Abd al-Nasser's pan-Arab ideology with Soviet and communist help.

The clandestine ties Israel forged with some of its neighboring states and minorities were born not only of real military threats, but also of a sense of isolation that underpinned the world view of most Israeli decision makers. This sentiment was largely shaped by the historic Jewish legacy as encapsulated in the Biblical description of the Israelites, "a people who live apart and do not consider themselves one of the nations" (*Numbers* 23:9). The desire to breach the wall of isolation had two outcomes: Transcending the Arab wall of isolation towards Europe, the US, Asia and Africa and persistent efforts to find inroads to states, minorities and personalities willing to cooperate with Israel, albeit covertly. This cooperation, however, was mostly with elements at the periphery of the Middle East which do not belong to the Sunni Arab majority, such as Turkey, Iran, the Kurds and Iraq and the Christian Maronites in Lebanon.

Covert ties with neighboring states and minorities thus became a permanent feature of Israeli foreign policy. This feature may be termed "The Mistress Syndrome", with several distinct characteristics. The first is the secret nature of the relationship; Aharon Kleiman suggested the term "quiet diplomacy" to describe covert activity designed to achieve positive goals, such as peace, deterrence and/or a power balance vis-à-vis a rival striving for hegemony.<sup>3</sup> Indeed, a large part of Israel's clandestine relationships, for example with Morocco and Romania in advancing the peace with Egypt, with Jordan vis-à-vis Syria and the PLO, or these days with Gulf states vis-à-vis Iran's regional aspirations " could be described as "quiet diplomacy".<sup>4</sup> Recently, some of this secrecy was unveiled when Israel began to overtly cooperate with the UAE, Bahrain and Saudi Arabia.

The secrecy adopted by Israel and its partners was often meant to conceal such ties even from the US, Israel's most important ally. Exposure of such ties, whether through a deliberate leak or by happenstance, usually prompted a denial or immediate disruption. The public dimension of these ties is of great importance to Israel both in terms of achieving deterrence vis-à-vis shared enemies and its desire for greater legitimacy in Arab societies and the region. However, the other side generally insisted on secrecy out of concern for the stability and legitimacy of the regime (or minority) should it be accused of abandoning its commitment to the Palestinian cause. The 1951 assassination of Jordan's

3 Aharon Klieman, *Statecraft in the Dark: Israel's Practice of Quiet Diplomacy* (Tel Aviv: Jaffee Center for Strategic Studies, 1988), pp. 8-10.

4 For a distinction between "public" and "quiet" diplomacy, see Abba Eban, *The New Diplomacy: International Relations in the Modern Age* (New York: Random House, 1983).

King Abdullah because of his ties with Israel, and subsequently of Egyptian President Sadat (1981) and Phalange leader and elected Lebanese President Bashir Gemayel (1982), served as a warning to Arab leaders of the fate that awaits them if cooperation with Israel becomes known. Israel had no choice but to accept the rules of the covert game. However, it was not uncommon that impatient Israeli leaders (Shimon Peres and Menachem Begin being prominent examples) sought to boast of their contacts and leaked information or spread hints, embarrassing their counterparts and resulting in alienation or even a temporary freeze of the cooperation.

The second characteristic of the “Mistress Syndrome” is the existence of shared enemies, which leads to the realization of the cooperating parties that “the enemy of my enemy (or of my neighbor) is my friend”. This realization can only exist between pragmatic regimes or leaders, motivated by a realistic political approach and not by ideology that by its nature limits room for diplomatic maneuver. In fact, each of the case studies of Israel’s clandestine ties with Arab states involved a shared enemy, whether a state, leader or ideology (or a combination of the three), spawning cooperation between states that were not allies (or were even enemies) against an enemy perceived as more dangerous and threatening, both against the cooperating country and the entire region.

The third characteristic is the temporary nature of these relationships, which generally do not last long, but are intense as long as they last. Their provisional nature stems from the fact that the relationships are mainly based on specific, temporary interests relevant to a certain time or regime. Given that they are not based on permanent, shared values, but rather on shifting needs, they will presumably disappear once a dramatic change takes place (a coup, revolution or war), or dissipate once interests change. Abba Eban described it succinctly when he said, “States do not have permanent friends, there are only permanent interests, and you change friends according to interests”.<sup>5</sup> Relevant examples of changing circumstances severing such ad hoc relationships include Israel’s ties with the Kurds (following the 1975 Iran-Iraq agreement), with Iran (following the 1979 Khomeini revolution), with the Maronites (following the 1982 Lebanon War), with the royalists in Yemen (following the end of Egyptian involvement), and with Sudan and Ethiopia (in both cases following regime changes). Exceptions to the rule were relations between Israel and Jordan and between Israel and Morocco, which survived tough times due to the special relationships with their monarchic regimes. However, even “stable” clandestine relationships experienced ups and downs stemming from the Israeli-Palestinian conflict.

The fourth characteristic of the “Mistress Syndrome” is Israel’s preference for cooperation with states rather than with minorities or non-state actors (termed “the minority alliance”), which it views as being of lesser benefit, for several reasons. First, minorities usually exert limited influence in the regions where they live and lack broader regional influence. Second, a minority’s struggle against a regime often presents logistical difficulties in providing aid and carrying out cooperation. Third, the lack of organized regime mechanisms can undermine the cooperation. On the other hand, cooperation with states that have armies, security and intelligence services and govern a given territory, especially if it is of geostrategic importance, can be an asset for Israel. Not only that, cooperation with key states in the area (such as Turkey, Iran and Egypt) can have regional and possibly international implications due to their central role in the regional system.

5 Cited by Eytan Bentsur in his book *The Peace and Its Promises and Failures* (Rishon LeZion: Miskal – Yedioth Ahronoth, 2020), p. 131 [Hebrew].



The fifth characteristic is that the covert connection is maintained by official elements, but not through the foreign ministry, barring some exceptions. Truth be told, the foreign ministry is often excluded from these relations, for two reasons. First, concern that a broader circle of people in the know increases the risk of classified information leaks. Second, the inferior status of the foreign ministry compared with that of the defense ministry or prime minister's office (which is also responsible for the Mossad), which have predominated since the state was established. Thus, security and intelligence officials, mostly from the Mossad, or trusted personal envoys of the prime minister are usually the ones who maintain the covert ties. Nonetheless, it should be emphasized that Israel's "revolving door" phenomenon means that security or intelligence officials are sometimes "loaned" to the foreign ministry, or vice versa. Yet, the Foreign Office did play a role in the establishment of diplomatic relations with the UAE and Bahrain.

There are several advantages to such mistress-style relationships. First, as long as they remain secret, they are not exposed to public scrutiny and thus cannot harm the regime. For Arab states, concealment prevents embarrassing the regime and undermining its legitimacy, which is limited in any case given that it is not democratically elected. For Israel, the secrecy prevents public discussion that could generate opposition or criticism. Second, maintaining secrecy bolsters the other side's credibility whereas information leaks erode it. When the credibility of the other side is questionable, maintaining secrecy is essential for the preservation of relations. Preserving credibility over time could constitute a basis for upgrading relations and making them public once historic circumstances permit.

However, a clandestine relationship has three major drawbacks. One is that it does not guarantee formal recognition of Israel. Such a relationship does involve a measure of recognition of Israel's existence, albeit indirect, but the other side can always deny it and sever it at once, depriving the relationship of the dimension of recognition, regularity and permanence of public diplomatic relations. The best example of the importance of formal relations is the relationship between Israel and Egypt following signature of their peace agreement (in 1979), which has never been cut off, even during crises in Israel's relations with the Arab world. The most extreme measure in this regard was a recall of the Egyptian ambassador, often for lengthy periods (for example 1982-1986 in the wake of the Lebanon War; 2000-2005 following the Second Intifada; 2012-2015 following Israel's Operation "Pillar of Defense" in Gaza). Covert ties also conceal the deterrent dimension, which is the second drawback of the secrecy and one of the reasons that Israel, and in certain cases the other side, too, has an interest in at least hinting at the existence of such cooperation. The third drawback stems from the fact that while covert ties yield handsome dividends for Arab states, they do not exact a heavy price from them in terms of domestic policy. Therefore, as long as there is no change in Israel's position on the Palestinian issue, Arab states do not have any incentive to shift relations to formal, public lines. Yet, this feature in their behavior is gradually eroding, as some Arab states have recently established diplomatic relations with Israel and expressed willingness to promote normalization with it regardless of the Palestinian problem.

The "Mistress Syndrome" has created an inherent contradiction in Israeli foreign policy. On the one hand, Israel has acquired allies and friends, thereby emerging from its regional isolation. On the other hand, Israel cannot formally make these relationships public, and thereby refute claims of its isolation and bolster the legitimacy of its existence. Repeated declarations by Israeli leaders about the country's isolation in the Middle East may have been correct in a formal sense, but not in fact. Thus, for example, between 1949 and 1967,

Israel maintained an array of covert relationships – with Jordan's King Hussein, with the Maronites in Lebanon, with the Kurds in Iraq, with the royalists in Yemen, with the Shah's regime in Iran, with security and intelligence actors in Turkey, and even, occasionally, with Egypt and Sudan. These could dispel the leadership's sense of isolation, but not that of the public.

The peace with Egypt (which was also the result of clandestine ties forged between the two states through Morocco and Romania) appeared to change a clandestine relationship into a public one for the first time. However, the open aspect of Israeli-Egyptian ties remains limited due to the regime's need to pacify various elements in civil society opposed to normalization with Israel. In addition, Israel and Egypt's shared interests since the 1990s has resulted in the revival of the clandestine pattern of the relationship between the two sides' security and intelligence establishments. That is also the case in Israel's relationship with Jordan. As a result, the secrecy motif in relations remains dominant even once peace has been made and formal diplomatic relations have been established.

Developments in the Middle East since the end of the Second Lebanon War (2006), but especially in the wake of the Arab Spring upheavals at the end of 2010 and in early 2011, as well as the growing Iranian threat, have resulted in closer cooperation among Israel, Egypt and Jordan, on the one hand, as well as new ties with Arab states, especially in the Gulf region (Saudi Arabia, Bahrain, Oman, the UAE and Qatar). These ties exist mainly under the radar, but some have been made public. Israel is thus gradually moving away from the status of a "mistress" to that of a "common-law spouse" or even a partner – meaning, a state that other states are not ashamed to recognize and cooperate with Israel. Two main reasons explain the change. One is the growing understanding in the Arab world since 1967 that Israel's existence is a done deal, even if not always a desired one. The second is the wish to deter a shared enemy, Iran in this case, which is not relevant as long as the cooperation remains covert.

This following compilation of articles analyzes the political and economic potential that lies in future Israeli cooperation with some of its neighbors. Following an analysis of the Israeli political discourse regarding regional cooperation (Dr. Yuval Benziman), seven chapters analyze Israel's relationships, mostly covert, with several key Arab states – Jordan (Yitzhak Gal), Egypt (Amb. ret. Dr. Haim Koren), Saudi Arabia (Dr. Michal Yaari), the UAE (Dr. Moran Zaga), Qatar (Dr. Michal Yaari), Morocco (Einat Levi) and Iraq (Ronen Zeidel).

The chapters illustrate Israel's wide-ranging clandestine ties with state and non-state actors in the Arab world throughout its history. These ties, conducted far from the media and public eye, are widely varied. They include the sale of weapons and military equipment, electronic fences, advanced computer and cyber technologies, solar energy technology, drip irrigation and desalination equipment, agricultural and medical know-how, and more. These ties are generally conducted through foreign firms, masking the Israeli identity of the seller or service provider. Israeli goods are also transferred to Arab states (usually through the Jordan River bridges) with all labels or other indications of origin removed. This enables Arab states and companies to evade the provisions of Arab boycott legislation, which bans direct trade with Israel.

While indirect economic ties can somehow be sustained in secret, the political arena poses greater difficulties. In the past, these difficulties were overcome in one of three ways: First, by holding clandestine meetings. Nonetheless, experience shows that the existence

of such meetings is revealed sooner or later, embarrassing their participants (at least on the Arab side) and deterring future ones. For example, meetings of Israeli politicians with Emirati and Bahraini representatives were leaked to the media or exposed with the publication of Wikileaks documents. One way to avoid the embarrassment is for the Arab side to hold secret meetings with Jews, not with Israelis. Thus, for example, Bandar al-Saud, who served for many years as Saudi Ambassador to the US (1983-2005), used to meet with leading figures in the US Jewish establishment. Presumably, the messages conveyed in that channel were passed on to Israel. The second way is to conduct such contacts within the framework of multilateral channels, which do not expose the direct link. In this context one can include UN organizations, NATO and various European forums, both formal and informal (such as the EU's Neighborhood Policy and Barcelona Process, the Munich Security Conference, the World Economic Forum summit at Davos, and more). The opening of an Israeli mission at the UN's International Renewable Energy Agency (IRENA) in Abu Dhabi in 2015 was one such example.

The third kind are open ties conducted through civil society groups that represent the regime to a large extent, but can be presented as a private initiative, especially if the mission fails. Thus, for example, several publicized meetings were held between Israelis, some of them official, and Saudi heads of civilian research institutions who held key posts in the Saudi establishment in the past and were thus well-connected to the royal palace. Two such leading figures are Turki al-Faisal, the long-serving (1979-2001) head of Saudi intelligence and Anwar al-Eshki, a general in Saudi intelligence. Presumably, such meetings would not have been held without a green light from the palace. Covert ties can also exist through private "peace entrepreneurs" acting at their own discretion and only updating their governments ex post facto. It should be emphasized that even when public meetings are taking place (as recently held with Saudi, Emirati, Bahraini and Sudanese leaders), a hidden element will remain in these relationships, as manifested in Israel-Egyptian and Israeli-Jordanian relations.

Given the nature of covert ties, as described above, it is hard to assess their exact scope beyond information revealed in the media. Nonetheless, the different chapters in this compilation illustrate that the potential for cooperation between Israel and Arab states would be immeasurably greater were it conducted openly. Such cooperation could include a wide variety of additional spheres, such as the sale of natural gas (not only to Jordan and Egypt), and transshipment through Israeli ports (as is the case during the Syrian civil war, with goods arriving from Turkey, being offloaded in Haifa and transferred to Jordan and the Gulf States on land, instead of through the previous Syrian conduit). Other potential cooperation could include Israel's link to a regional railroad network ("Rails to Peace", a project suggested by then-Transportation Minister Israel Katz in 2017), holy site and medical tourism, various high-tech initiatives, and more. Current cooperation in various fields could also be significantly expanded.

However, all chapters, without exception, point to the absence of a solution, or at least of significant progress, in resolving the Palestinian problem as the main impediment to the development of Israel's relations with the Arab world. In other words, the Israeli-Palestinian conflict constitutes an obstacle to realization of the full potential that lies in relations between Israel and the Arab world and prevents a concrete breakthrough in this regard. The conflict drives and fuels opponents of normalization with Israel, which, in turn, influence the conduct of the leaders and elites in Arab states. The physical wall separating Israelis and Palestinians (the "Separation Fence") also constitutes a barrier between Israel and Arab states. Therefore, completion of Israel's move from the status

of “mistress” to that of a recognized, legitimate actor in the region lies in its willingness to resolve, or make significant progress, toward resolution of the conflict. The recent achievements of Israel’s foreign office – such as the diplomatic relations with the UAE, Bahrain, Sudan and Morocco, as well the open relations with Saudi Arabia – appear to illustrate that normalization measures with the Arab world are possible even absent a solution to the Palestinian problem. Relations with the UAE and Bahrain may indeed substantiate this assertion, yet at present it seems that major elements in the civil society in Egypt and Jordan, as well as in other parts of the Arab world, still object to the normalization with Israel without a solution or a significant progress in resolving the Israeli-Palestinian conflict.

As is the case with Arab states that are satisfied with their covert ties with Israel as long as they do not exact a domestic cost, presumably Israeli governments could also content themselves with the existing situation that provides them with new, varied cooperation, but does not require far-reaching political concessions on their part. Nonetheless, Israel’s Declaration of Independence stated, “We extend our hand to all neighboring states and their peoples in an offer of peace and good neighborliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land. The State of Israel is prepared to do its share in a common effort for the advancement of the entire Middle East.” The authors of this document presumably did not intend for this cooperation to take place in the dark. Beyond the document’s declarative aspect, current-day reality in the Middle East is offering Israel opportunities to become a legitimate, recognized and valued partner that maintains ties not only with the periphery and minorities, but also with Sunni Arab states at the core of the Middle East. To a great extent, that was the dream and vision of the founders of the state.

The articles in the compilation signal to decision makers the direction that Israeli foreign policy must take from a regional standpoint. Israeli decision makers face two options. One is to keep holding onto the status quo. Nonetheless, the thought that this status quo can be maintained for ever is an illusion, for two reasons: First, reality is never static, especially the demographic reality that is leading to an Arab-Palestinian majority and a Jewish minority between the Jordan River and the Mediterranean. Second, this unresolved reality may result in a popular uprising that will not allow Arab leaders to remain indifferent. The reasons for a third intifada breaking out already exist, but conditions on the ground are not yet ripe; however, it will not be a surprise once it breaks out. Indeed, a possible annexation of parts of the West Bank by Israel, in accordance with the Trump Peace Plan, may ignite disturbances in the Occupied Territories. The international arena will also gradually display, as can already be seen today, impatience with the Israeli occupation of the territories that will be expressed in criticism and partial boycotts. The election of the Biden Administration may signal that the continuation of the status quo is no longer tenable.

Israel’s second option is to undertake serious negotiations with the Palestinians and Arab states on resolution of the conflict. Trump’s Peace Plan, unveiled in January 2020, cannot serve as the basis of a solution, as illustrated by the Arab and Palestinian reactions. The Arab Peace Initiative, too, seems no longer relevant. In any case, successive Israeli governments have not responded to it since its publication in 2002.<sup>6</sup> Israel could also issue a peace initiative of its own. As surprising as it sounds,

6 I described Israel’s response as a missed opportunity, see Elie Podeh, *Chances for Peace: Missed Opportunities in the Arab-Israeli Conflict* (Austin: University of Texas Press, 2016), pp. 304-323.

Israeli governments have never come out with their own peace initiatives.<sup>7</sup> The political situation in Israel does not give much hope for such an eventuality, but if Israel wants to complete the process of turning into a recognized and legitimate player in the Middle East, it must find a way to end the conflict with the Palestinians.

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<sup>7</sup> Yitzhak Shamir's peace initiative (1989) was an exception, but it was more a political and media ploy than a sincere diplomatic initiative (*ibid*, pp.200-202). The Oslo initiative was launched jointly by Israel and the PLO, but initiated by academics and not by the government (*ibid*, pp.208-235).

## **Netanyahu's Attempt to Delink Israel-Arab Relations from the Palestinian Issue**

**Dr. Yuval Benziman**

The claim that emerged in 2000 that Israel has “no Palestinian partner” to negotiate with on the final status agreement has become a fixture in the Israeli public discourse ever since. During the premierships of Prime Ministers Ariel Sharon and Ehud Olmert, the working assumption was that even without a Palestinian partner, Israeli-Palestinian relations should change. However, ever since Prime Minister Benjamin Netanyahu came to power, he has been promoting an alternative political discourse and perception: it is possible to change Israel's regional reality by significantly improving relations with the entire Arab world, even without making progress in the Israeli-Palestinian negotiations.

This paper compares the discourse promoted by the Israeli government, especially by the Prime Minister, that seeks to create an alternative discourse with the one that prevailed until a decade ago. The new discourse is constructed around two main pillars: hope for better relations with the Arab world, but not for a real “peace” or “agreement”, and the belief that it is possible to promote such relations even without attending to the relations with the Palestinians. According to the new working assumptions of the Israeli leadership, this is possible because the Arab world no longer takes interest in the Palestinian struggle as it did in the past, due to two reasons: first, the conflicts within the Arab world (especially the Shia-Sunni conflict) push the moderate Arab states to view Israel as a partner rather than an enemy; and second, because of joint regional interests.

This new perception has no ground to stand on since historically, the relations between Israel and the Arab states have always depended on the Israeli-Palestinian relations. It also overturns the Arab League Initiative, which Netanyahu once claimed was “dangerous to the State of Israel in its current form” (2007) and later claimed “Israel welcomes the spirit of the Arab Peace Initiative” (2016). The “new” Netanyahu is willing to welcome the initiative as a basis for regional peace because he is ignoring its major requirement that an Israeli-Palestinian agreement be signed prior to the establishment of normal regional relations.

This chapter focuses on the discourse promoted by the Prime Minister and his surroundings since they are the most dominant and central actors shaping the debate. Moreover, even Netanyahu's political opponents find it difficult to create an alternative discourse: In the absence of a Palestinian partner, who can oppose any strengthening of ties with the Arab states? However, this discourse, sometimes consciously and overtly, tries to avoid the main problem: without an Israeli-Palestinian agreement, Israel's relations with the Arab and Muslim world cannot be normalized. Therefore, this perception leads in practice to continued attempts to manage the Israeli-Palestinian conflict, instead of encouraging its resolution.

## A. Background: A desire to change reality, and a belief that there is “no Palestinian partner”

Following the failure of the Camp David II Summit in 2000, the perception that there was “no Palestinian partner” for an agreement emerged. At the same time, however, the Israeli leadership has adopted an approach according to which the conditions for managing the conflict should be changed. Prime Minister Sharon began building the separation wall, which was officially erected for “security” reasons but also had clear political implications. Sharon persisted in this path when he carried out the unilateral withdrawal from Gaza. Sharon’s logic was clear: “There is no partner” and yet we must change reality, therefore we must act unilaterally. Thus, for example, he said on the Disengagement Plan in his October 25, 2004 Knesset speech:

*“The disengagement plan is not in place of negotiations and does not seek to freeze the situation that will be created over time. It is an absolutely necessary step in a situation that does not currently allow for real negotiations for peace.”<sup>8</sup>*

Prime Minister Olmert, who replaced Sharon after he became ill, continued this trend. Olmert was elected prime minister while declaring that he would try to reach a negotiated agreement with the Palestinians, but if unachievable, he would initiate a “realignment plan” in a similar (albeit broader) unilateral move to Sharon’s. Thus, for example, Olmert said in a speech on March 29, 2006, which became an appendix to the coalition agreement of the 31<sup>st</sup> government he headed:

*“If the Palestinians wisely act soon, we will sit at the negotiating table to shape a new reality in our region. If they fail to do so, Israel will take its fate in its hands and on the basis of a broad national consensus and a deep understanding with our international friends, first and foremost by the US and President Bush, we will act even in the absence of agreement with them. We will not wait indefinitely. It is time to act.”<sup>9</sup>*

Olmert said that “Abu Mazen is a legitimate partner,”<sup>10</sup> and has said on several occasions that he is a “partner for peace”<sup>11</sup> who has always wanted peace talks.<sup>12</sup> Olmert even negotiated with him at the Annapolis conference in November 2007. However, Olmert also claimed that the “realignment plan”, is inevitable.<sup>13</sup> Eventually, during his brief tenure he did not actually carry out any move toward disengagement and failed to advance an Israeli-Palestinian agreement.

8 Sharon’s speech to the Knesset on the Disengagement Plan, 25 October 2004.

9 [“Appendix to the coalition agreement for the establishment of the 31<sup>st</sup> government of the State of Israel,”](#) a speech delivered by Acting Prime Minister, Ehud Olmert, at Neve Ilan on 29 March 2006.

10 “Olmert: Abu-Mazen is a legitimate partner,” *Nana 10*, 16 October 2006.

11 [“Olmert: Abu-Mazen is a partner for peace,”](#) *Walla*, 21 September 2007.

12 For example, Olmert was quoted saying: “Do not tell me that there is no partner. Abu Mazen never supported terror [...] He opposed terrorism when Yasser Arafat ruled. He was in favor of peace talks when Arik Sharon was prime minister and when I was prime minister. He did not want the peace we want, but no one can tell me after hundreds of hours of talks that he is not a partner.” Yitzhak Benhorin, [“Olmert: Abu Mazen Partner, Never Supported Terrorism,”](#) *Ynet*, 27 March 2012.

13 Roni Sapir, [“Olmert: The Convergence Plan Is Inevitable,”](#) *Ynet*, 14 June 2006.

At the declarative level, similar to Sharon and Olmert, the perception underlying Prime Minister Netanyahu's policy is that the reality of the Israeli-Palestinian conflict must be changed. Netanyahu repeatedly declares his desire to conduct negotiations and has even made various (and sometimes contradictory) statements about the way he sees a future Israeli-Palestinian agreement ("two states", "state minus" and so forth). Like his predecessors, he too proposes changes to the Israeli-Palestinian relations and the relations between Israel and the region, when no Israeli-Palestinian agreement is in sight.

Netanyahu reflected this change of attitude when he was seeking to promote an economic peace before reaching an Israeli-Palestinian political agreement. According to him, in 2008:

*"Economic peace is a corridor to the possibility of political peace in the future [...] It does not make the negotiations on the permanent status agreement redundant but creates the conditions to ripen the tool. An economic peace is a tool to reach political solutions. The conflict with the Palestinians badly needs it [...] it is true that it does not solve the problem of national aspirations, but it should allow us to reach a dialogue on national aspirations in a better situation."<sup>14</sup>*

In his remarks, Netanyahu noted that a political agreement is a necessity, but the foundations of his conception, as is the case with his predecessors, rely on the premise that it is reasonable to assume that an Israeli-Palestinian agreement cannot be reached at this time, therefore the reality should be changed even in its absence. About a decade ago, Netanyahu believed that "economic peace" would change reality. In his view, during that period at least, economic peace could also have contributed to changing the reality by "its ability to prevent a broad recruiting base for radical Islamic activists."<sup>15</sup>

## **B. The new discourse: "A great change" in the relations with the Arab world without the need to progress in negotiations with the Palestinians**

In the years since Netanyahu became head of the opposition, extensive changes have taken place in the region: the Arab Spring, the disintegration of Iraq and Syria, the emergence of a religious-political struggle between Sunni and Shi'ite states and forces, divided Palestinian society and institutions, and more. The Israeli political landscape has also changed, with Netanyahu enjoying an almost undisputed rule with no strong opposition, a situation that allows him to promote a political discourse that has very few opponents.

Since he assumed his role as prime minister, and especially in recent years, he also promoted a discourse that is very different than the one held by previous prime ministers – claiming that it is possible to create cooperation with the Arab world even without negotiations with the Palestinians. The summer of 2014 was a turning point in the acceleration of this narrative, following the failure of the talks led by US Secretary of State John Kerry and the war in Gaza. Although this discourse is complex and convoluted, three main arguments can be identified.

14 Ora Coren, "[Netanyahu: 'Economic Peace', before Diplomatic Negotiations](#)," *Haaretz*, 20 January 2008.

15 "Netanyahu's speech at the 8th Herzliya Conference," *IDC Herzliya*, 20-23 January 2008.



**Argument No. 1: Relations with the Arab states, which “recognize that Israel is their ally”,<sup>16</sup> can be strengthened and a “very strong basis for relations” can be established with them (but not peace)**

The idea of “economic peace”, promoted by Netanyahu in the past, has remained part of the agenda that the country’s leadership is trying to promote, but gradually, and even more so in recent years, it appears that Israel under Netanyahu’s leadership has begun to create an alternative political discourse. Underlying this discourse is the prevailing assumption since 2000 that an Israeli-Palestinian final status agreement is not possible. However, the interesting thing in the new concept is that it sees possibility to strengthen relations between Israel and the Arab countries, even without any progress in Israeli-Palestinian relations. According to the new political-declaratory line, Israel does not have to deal with the Israeli-Palestinian conflict in order to enjoy regional cooperation with Middle Eastern countries and the Arab world. Therefore, on the one hand, the new Israeli perception led by Netanyahu continues the policy and declarations of both his predecessors: a change must be made even when having “no partner”. On the other hand, however, Netanyahu’s assumption – contrary to that of his predecessors – is that it is possible to change the relations with the countries of the region even without changing Israel’s relations with the Palestinians.

The idea of regional relations even without progress with the Palestinians is rooted in the worldview that the Arab world can be divided into the “axis of evil” and the “moderate axis,” or the “Shi’ite states” versus the “Sunni states”. According to this view, the moderate/Sunni part of the Arab world has similar interests to those of Israel, therefore cooperation can be made. Moreover, one of the most common arguments in this context is that the moderate Arab world fears radical Islam more than Israel. The new Israeli approach holds that the fear of the “axis of evil” and radical Islam, in the image of Iran, Hezbollah, Daesh, and others – which are a common enemy for both Israelis and most of the countries in the region – can produce extensive cooperation even if no solution is found for the Palestinian struggle. To that we can add the events of the Arab Spring and the internal changes within the countries of the region that cause their leaders great tension, and to the widespread perception that the Palestinians are divided from within and lack a strong, cohesive leadership. In such circumstances, whereby the regional leaders fear external terrorism and radical Islam, as well as the internal situation in their own countries, and combined with lack of trust in the Palestinian leadership, the ties with the moderate Arab states can be strengthened significantly even in the absence of Israeli-Palestinian negotiations. Thus, the component of shared interests, especially security-related, is added to the paradigm of economic peace.

An example of the new concept can be seen in the words of Israel Katz, Israel’s Minister of Transport, Road Safety, and Intelligence, who outlined the following:

*“We are promoting a totally realistic vision, of connecting to the East, to the Sunni countries that have a common interest with us [...] against both Iran and Daesh [...] we give them a pathway to the Mediterranean, this is a strategic thing, and the Americans give us their back on that [...] at this point in time significant decisions can be made. There are risks and there are opportunities. The risks*

16 [“Prime Minister Netanyahu’s Speech at the UN General Assembly,”](#) Ministry of Foreign Affairs, 22 September 2016.

*are in the south [...] Iran and Hezbollah. The opportunity is due to the common interest with the countries of this region in creating a regional economic peace. It is possible to include moderate Palestinians in this vision, it can be a very strong basis for a peace agreement later on, that will be on a higher level. At the moment, we need to strengthen our security and regional economic peace.”<sup>17</sup>*

Katz's remarks, which are very similar to those of Netanyahu, deal with the dramatic change that may take place in the region, but it also embodies the understanding that full peace agreements and normalization with the Arab world will not occur without an agreement with the Palestinians. Therefore, Netanyahu and the officials surrounding him speak about a “corridor” that leads to peace, or about creating collaborations that can “serve as a very strong basis for a higher-level peace”. Thus, the aspiration is not an official peace but an economic peace. It is not a final status document, but something that can lead to it in the future.

### **Argument No. 2: The Palestinian issue is of interest to the Arab states “like yesterday’s news”**

The new discourse is reflected in many statements made by senior figures in the Israeli leadership. Most of them do not ignore the fact that an Israeli-Palestinian agreement should be reached, or that there is a need for progress on this front, but instead explain that this is almost impossible. In their view, the Arab world has already despaired of trying to resolve the conflict as well, and the Palestinian struggle is not of interest to the Arab world and is actually a burden for the Arab countries.

Thus, for example, in July 2016, the chairman of the Knesset Foreign Affairs and Defense Committee and former Shin Bet chief Avi Dichter said that “the Egyptians are interested in the Palestinian issue like yesterday’s news”.<sup>18</sup> Dichter claimed that Egypt could significantly help the battle between the Israelis and the Palestinians, but in his opinion the Palestinian component is not at all important to them, and they only pay it lip service. Defense Minister Avigdor Lieberman also claimed that the Arab world pays lip service to the Palestinian issue and that it has no real and genuine concern for the Palestinian issue.<sup>19</sup>

The person leading this approach is first and foremost the prime minister himself. He, like the ministers and Knesset members who surround him, does not claim that the Palestinian component should be completely ignored. He also argues that in order to achieve regional peace, the Israeli-Palestinian relations must be promoted. However, he declared that even without progress with the Palestinians, there is already a fundamental change in Israel's relations with the Arab world. In his speech at the UN General Assembly in September 2016, Netanyahu explained to his audience that Israel's situation in the world is undergoing dramatic changes. According to him, even the UN, which is so hostile to Israel, will soon change its attitude since everyone is slowly recognizing that Israel is right. Speaking specifically about the Arab world, Prime Minister Netanyahu said:

17 “Vilenskiy and Bardugo,” *Galei Zahal*, 2 March 2017.

18 “Hakol Diburim,” *Reshet Bet*, 11 July 2016.

19 Barak Ravid, “[Lieberman Calls for Postponing the Vote on the Law to Legalize the Outposts until the End of Obama's Office](#),” *Haaretz*, 3 December 2016.

*"I will now surprise you even more. The big change in the attitude toward Israel is taking place elsewhere. It takes place within the Arab world. Our peace agreements with Egypt and Jordan continue to serve as anchors of stability in the volatile Middle East, but I must tell you this - for the first time in my life, many other countries in the region recognize that Israel is not their enemy. They recognize that Israel is their ally, our common enemies are Iran, and Daesh, and our shared goals are security, prosperity and peace. I believe that in the coming years we will work together to achieve these goals, we will work together openly. Therefore, Israel's diplomatic relations undergo no less than a revolution."<sup>20</sup>*

In the same speech, Netanyahu claimed that he understood that the road to regional peace must also pass through an Israeli-Palestinian agreement. He said:

*"Israel welcomes the spirit of the Arab Peace Initiative and welcomes dialogue with Arab countries to promote a broader peace. I believe that in order to fully achieve this broad peace, the Palestinians must be part of it. I am willing to resume negotiations to achieve that already today. Not tomorrow, not next week, today!"<sup>21</sup>*

Supposedly then, the Palestinian component is still necessary, but Netanyahu stresses that even in the absence of progress, it can already be seen that "the greatest change in the attitude toward Israel [...] is taking place in the Arab world." In other words, the Palestinian component is important but the good relations with the Arab world are already happening without it, and we are witnessing a revolution in Israel's foreign relations even in the absence of negotiations with the Palestinians.<sup>22</sup>

### **Argument No. 3: "Israel welcomes the spirit of the Arab Peace Initiative,"<sup>23</sup> but is interested in reversing its order**

In a sense, Netanyahu's new political discourse is trying to turn the Arab Peace Initiative on its head. If, in 2002, the Arab Peace Initiative offered Israel a deal according to which an Israeli-Palestinian agreement could normalize relations between Israel and the entire Arab world. Netanyahu's new perception envisions strengthening the ties with the Arab world even without an Israeli-Palestinian agreement. In the Arab Peace Initiative, the Israeli-Palestinian agreement is a necessary condition for regional peace. The Israeli leadership today believes that Israel's relations with the countries of the region can undergo dramatic changes without this condition.

20 ["Prime Minister Netanyahu's Speech at the UN General Assembly,"](#) *ibid.*

21 *Ibid.*

22 As noted, Netanyahu is not the only one to deliver dramatic descriptions of the new situation. Thus, for example, Maj. Gen. (res.) Amos Gilad, former head of the security-diplomatic wing at the Defense Ministry and one of the most influential people in the Israeli security community, said: "Today our relations with the Arab world are amazing. I am talking about everything related to security and similar things [...] It is like a tree with one root, and in order to establish this wonder, we must have a tree with many roots, which is a political settlement or a political process that leads to an agreement [...] There is no alternative to this and it is impossible to avoid the Palestinians." (From: "Hakol Diburim," *Reshet Bet*, 5 March 2017). Gilad also warned that without the "Palestinian component," it will not be possible to continue strengthening the various security partnerships. But he, too, spoke of a contemporary reality that is a "wonder" and "amazing".

23 ["Prime Minister Netanyahu's Speech at the UN General Assembly,"](#) *ibid.*

In fact, the assumption is that Israeli-Palestinian political development is possible only as part of a broader and more comprehensive process of regional peace. The new claim is that the Palestinian leadership, therefore, is unable to politically advance with Israel without the backing of the moderate Arab world, and hence the only chance to bring the parties to this stage is within a comprehensive process of regional peace. In other words, the agreement with the Palestinians is not a condition for peace with the Arab world; it is part of it, and regional peace will not be the result of peace with the Palestinians, but peace with the Palestinians will be one of the outcomes of regional peace.

Historically, when peace in the Middle East or regional peace was mentioned, it was understood that it would include and require an Israeli-Palestinian agreement. Moreover, throughout the years of negotiations between Israel and the Arab states, it was assumed that without a solution to the Palestinian struggle, the Arab states would not agree to establish meaningful ties with Israel. In support of this claim, let us remember that the Egyptian President Anwar Sadat conducted long and stubborn negotiations with Israel on the fate of the Palestinians, even though the Israeli-Egyptian conflict was about the Sinai Peninsula. Sadat refused to sign an Israeli-Egyptian agreement without including the Palestinian component. He hoped that the annex to the Camp David accords – which dealt with the Palestinian issue – would make the peace treaty acceptable and legitimate in the Arab world (but was wrong in his assumption and was removed from the Arab League following the peace treaty). King Hussein, despite ongoing relations between the Israeli leadership and the Jordanian monarchy, did not sign an Israeli-Jordanian peace treaty even after he relinquished the demand to get the West Bank back in 1988; It was only after Israel signed the Oslo Accords with the Palestinians that it was possible to advance the official relationship between Israel and Jordan. In addition, Israel's relations with some of the Persian Gulf and North African countries were made possible only after the Madrid Conference and the Oslo Accords, which are based on Israeli-Palestinian negotiations.

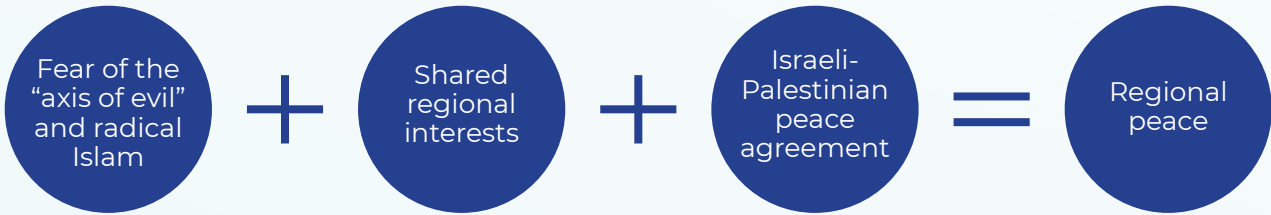
However, according to the new political discourse, the Palestinian component is no longer seen as necessary to create a major change in Israel's relations with the Arab world. In this situation, Netanyahu, who in the past opposed the Arab Peace Initiative, while saying that "in its current format [it] is dangerous to the State of Israel"<sup>24</sup>, can now say that "Israel welcomes the spirit of the Arab Peace Initiative."<sup>25</sup>

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24 "Netanyahu: The Saudi Initiative is Dangerous for Israel and for Peace," *Nana 10*, 4 June 2007.

25 "[Prime Minister Netanyahu's Speech at the UN General Assembly](#)," *ibid.*

**Traditional perception**



**New perception**



Traditional perception	New perception
Progress in Israeli-Palestinian negotiations is a necessary condition for normalization with the Arab world.	Substantial changes can be made in Israel-Arab relations without progress on the Palestinian issue.
An Israeli-Palestinian agreement is of the utmost importance.	An Israeli-Palestinian agreement is one of many components of agreements between Israel and the Arab world.
The Arab world is committed to the Palestinian struggle.	The Arab world pays lip service to the Palestinian struggle, but in practice it is not in its interests.
Regional peace with the Arab world will be based on a peace agreement with the Palestinians and will lead to a new Middle East.	In the absence of an agreement with the Palestinians and recognizing that there will be no agreement with the Arab world without it – the goal is to strengthen ties with the Arab world, significantly change relations with it, and create a corridor for reaching diplomatic solutions and regional economic peace, without formal official peace.

### C. Netanyahu's regional discourse: "An unprecedented opportunity" that holds the practical outcome of continued management of the conflict

If we adopt Netanyahu's approach, there is no basis for one of the main accusations against Israel since he was elected prime minister, according to which Israel does not initiate diplomatic moves. Yitzhak Rabin and Shimon Peres initiated the Oslo process; Ehud Barak withdrew unilaterally from Lebanon, conducted negotiations with Syria, and with the Palestinians at the second Camp David Summit; Sharon built the separation wall and withdrew unilaterally from Gaza; and Olmert spoke of a convergence plan. Netanyahu is accused of not initiating any diplomatic move, even though he repeatedly declares that he wants to negotiate with the Palestinians. However, Netanyahu declares that significant changes are indeed taking place: since the outbreak of the Arab Spring, the chaos in the Arab world has led the Arab countries to the understanding that Israel is their ally and not their enemy. Netanyahu, who at first expressed great concern about the Arab Spring and claimed that what is expected in the region is "instability and uncertainty,"<sup>26</sup> started claiming that the Arab states are ready to cooperate with Israel, strengthen ties with it and promote joint initiatives. If so, then it cannot be said that Israel is not adapting its policy to developments that change the face of the region. Moreover, since the Israeli leadership sees the Palestinian leadership as passive and unwilling to negotiate a final status agreement, the ability to change the regional reality without a Palestinian partner can be considered a diplomatic achievement. On Netanyahu's first visit to the US following the inauguration of President Donald Trump, he even said:

*"If we can stop militant Islam, we can take advantage of an historic opportunity, because for the first time in my life and for the first time since the establishment of the State of Israel, the Arab states in the region do not see Israel as an enemy, but more and more see us as an ally [...] an unprecedented opportunity to strengthen security and promote peace, let us realize the opportunity together, let us strengthen security, find new ways to peace."<sup>27</sup>*

According to his approach, Israel has an unprecedented historical opportunity. However, it requires seeking new ways to achieve peace, because the familiar path from the past, based on an Israeli-Palestinian agreement, is not feasible. Yet Netanyahu too, according to his own testimony, believes that these moves cannot lead to normalization of relations between Israel and the Arab world. He wants to look for new ways toward peace, talks about a change in the attitude of the Arab world to Israel, and describes a revolution in the attitude of the world toward Israel. But he also admits that the end of these processes will not be in peace agreements with the countries of the Arab world. Such agreements will not be signed as long as the Israeli-Palestinian conflict is not resolved. Even if the premise is that the Arab world only pays lip service to the Palestinian struggle, he himself said that "in order for us to fully achieve this broad peace, the Palestinians must be part of it."<sup>28</sup>

26 Lior Lehrs, "The Darkness of Egypt or the Spring of Youth? The Israeli Discourse on the Arab Spring," *The Mitvim Institute*, January 2013.

27 "[Address by Prime Minister Netanyahu at a press conference with US President Trump](#)," *Prime Minister's Office*, 15 February 2017.

28 "[Prime Minister Netanyahu's Speech at the UN General Assembly](#)," *Ibid.*

Indeed, if proof is needed that even when we envisage a “historic change” in Israel’s relations with the Arab world, the Palestinian component cannot be ignored, on 19 February 2017, *Haaretz* reported that at the end of 2015 and the beginning of 2016 intensive negotiations were held to renew a regional peace initiative. The culmination of the talks was a quadripartite summit meeting in Aqaba attended by the Israeli Prime Minister, the US Secretary of State, the King of Jordan, and the President of Egypt. According to the report, this renewed initiative, which did not succeed, was supposed to be part of a broad regional move based on the Arab Peace Initiative, and Netanyahu asked that “senior representatives from Saudi Arabia, the UAE and other Sunni countries”<sup>29</sup> join the discussions. As stated, the move failed and Netanyahu’s request was not answered, apparently because of the Israeli desire to advance relations with the Arab world without the Palestinians. Hence, even in 2016, there was no real reason to hope for a regional process without negotiations with the Palestinians.

## D. Conclusion

The outcome of the new governmental discourse led by Netanyahu is that it gives justifications to the continued management of the conflict instead of resolving it. The Israeli leadership proposes a political framework with four components: (1) Israel continues to operate without a new political initiative; (2) The world in general and the Arab world in particular, slowly understand that Israel is right; (3) In view of the events in the Arab world and the weakness of the Palestinian leadership, and in view of shared interests, the Arab states strengthen their ties with Israel; (4) Israel is lowering its expectations and under existing circumstances no longer aspires to peace agreements and instead believes in improving relations with the Arab world.

As far as the Israeli leadership is concerned, this diplomatic pattern does not require Israel to change anything in its conduct. Cooperation with the Arab world and strengthening ties therewith without having to pay any political toll are welcomed, of course. This is also hardly contested in the Israeli discourse. The Left (which is very weak) does not object to the strengthening of relations between Israel and the Arab world, and it seems that it is difficult for its representatives to present the public with a claim that it is wrong to welcome improvements in the relations between Israel and the Arab world. Even when there are voices that emphasize that a regional peace will not be possible without the Palestinian component, they are not opposed to strengthening ties with the Arab world in the absence thereof.<sup>30</sup> The Israeli right, even among those who do not see the necessity in reaching an agreement with the Palestinians, is prepared to ignore the statements that in the future the Palestinian component must be taken into account, as long as the current change in Israeli-Arab relations does not require any real political move.

However, it seems that the governmental discourse that hardly has any opposition is only an Israeli wish that cannot last for long. The Israeli leadership claims a change in the attitude of the Arab world toward Israel – except that apart from the security community, who testify to what only they are exposed to, it is difficult to know whether

29 Barak Ravid, “[Kerry presented Netanyahu with a regional peace initiative in a secret meeting with A-Sisi and Abdullah about a year ago, the prime minister was reserved](#),” *Haaretz*, 19 February 2017.

30 See, for example, [MK Nachman Shai’s speech](#) at the conference of the Knesset Caucus for Regional Cooperation, held in cooperation with The Mitvim Institute, 20 July 2016.

this is happening, and if so, how significant this change is.<sup>31</sup> Moreover, it appears that the cooperation is mostly in the context of security and not in a broader sense. If this is the case, it may be assumed, based on past experience, that security cooperation will continue as long as the Israeli-Palestinian conflict is conducted at a relatively low intensity. But during more difficult confrontations (which occur every two to three years in the past decade), and in the absence of formal agreements between Israel and the Arab states, it is doubtful whether the Arab world will demonstrate the change that the Israeli leadership claims is characteristic of its new attitude. This was well expressed by one of those well-known officials, former Mossad chief Tamir Pardo, who said:

*“The secret cooperation that is taking place is important [...] but it does not advance anything in the regional context or in the context of legitimizing the State of Israel. Secret ties [...] have a very interesting feature, they exist but can be stopped once there are changes of interests [...] they do not fit within the national narrative, and in the end peace is made between countries, peace is made between communities, the game of security organizations [...] is good for its period.”<sup>32</sup>*

The events that took place in July 2017 on the Temple Mount/al-Aqsa Mosque were another example of how the Arab and Muslim world leaders and the peoples of the region see the Israeli-Palestinian reality. Even if collaborations do indeed take place at various security levels, a public campaign such as the Israeli attempt to place a metal detector at the entrance to the Temple Mount/al-Aqsa Mosque, and their immediate removal following the uprising in the Muslim Arab world, demonstrated the inefficacy of such collaborations, if they indeed exist. In addition, while the Israeli leadership claims that the moderate Arab world is not interested in the Palestinian struggle at all, the past teaches us that the Palestinian component was critical in establishing relations between Israel and the Arab states, and that the Arab public is certainly mobilized for the Palestinian struggle.

There is one issue that seems to be agreed upon by all the parties involved (the Israeli leadership, the Palestinians, the leadership of the Arab states, the Arab public, and the entire world): without a solution to the Israeli-Palestinian conflict, there will be no regional peace. This consensus raises doubts about the optimistic declarations of Israeli leaders about a major change and a revolution that is taking place when there are no Israeli-Palestinian negotiations. If it is claimed that the Palestinians must be part of a regional peace agreement, but at the same time there is also an attempt to remove them from the equation, we are apparently witnessing the continued management of the conflict with the Arab world, rather than attempts to advance its resolution. Managing the conflict without an attempt to solve it – even prior to the age of “no partner” (starting in 2000) as well as in the period following it, and before the Arab Spring (starting in 2010) and following it – means wars and deaths. The alleged security cooperation between the Arab states and Israel will not last as long as there are Israeli-Palestinian rounds of

31 From the little we know, we can give a contrary example: The Israeli ambassador to Egypt was called back to Israel due to “security reasons” for a number of months at the end of 2016 and the beginning of 2017, despite the apparently very close security relations. See Itamar Eichner and Yoav Zeitun, “The Israeli Ambassador to Egypt was Returned to Israel due to Alerts,” *Ynet*, 14 February 2017.

32 Tamir Pardo, [speaking at the conference on “Making Safe Regional Peace”](#) convened by the Knesset Caucus for Regional Cooperation, 16 March 2017. Later, the former head of the Mossad emphasized that “nothing will advance without the beginning of a solution to the Palestinian issue [...] There will not be anything regional, nothing regional, without a progress on the Palestinian issue”.



fighting; regional economic peace will not occur without resolving the Palestinian issue; and the Israeli discourse that no longer aspires to achieve peace agreements, but only a “corridor of change” will continue to perpetuate the management of the violent conflict instead of ending it.

<b>Diplomatic development/ change</b>	<b>Year</b>	<b>The Palestinian component</b>
Israel-Egypt peace treaty	1979	The Camp David accords deal with Palestinian self-rule in the Gaza Strip and the West Bank.
Israel-Jordan peace treaty	1994	The peace agreement was signed only after the Israeli-Palestinian Oslo Accords.
The Arab Peace Initiative	2002	An Israeli-Palestinian agreement will enable the establishment of normal relations between Israel and the entire Arab world.
Unilateral disengagement from the Gaza Strip	2005	Israeli perception that there is no Palestinian partner, but that there is a need to change the Israeli-Palestinian reality.
Changes in the Middle East following the Arab Spring	2014 onwards	Israeli perception that it is impossible to reach a comprehensive peace with the Arab world without an Israeli-Palestinian agreement, but that Israel-Arab relations can be fundamentally changed even without an agreement or progress with the Palestinians.

# Israel-Jordan Cooperation: A Potential That Can Still Be Fulfilled

Yitzhak Gal

## A. Introduction

Although the Kingdom of Jordan is not abundant with resources, its most important asset is being a pivotal country.<sup>33</sup> Since its establishment in 1921, Jordan's geo-strategic location – in the heart of the Middle East at a junction between East to West and North to South – has been both a burden and an asset. Each of its neighbors, Iraq in the east, Israel and the Palestinians in the west, Saudi Arabia in the south, and Syria in the north, has tried, at some point, to bring about its destruction or substantially change its character. However, its location made it “too important to fall” from the point of view of regional and international powers, which gives Jordan a strategic protection umbrella.

Another key element, no less important for Jordan's political stability, is its widely recognized position as a legitimate political entity, with the Hashemite monarchy as a symbol and anchor of internal and international stability. The Kingdom of Jordan survived the Nasserist pan-Arabism and Saudi subversion, the Syrian and Palestinian aggression, Israel's attempts to flirt with the option of “Jordan is Palestine”, and in recent years the Arab Spring, threats by Daesh, and the spillover of regional crises from Iraq and Syria into Jordan.

However, this stability is fraught with constant challenges and threats – external and internal. Continued stability depends on the ability of the royal family to maneuver expertly in the political and diplomatic spheres. Political stability is also the basis upon which Jordan has built its economic strategy. Beginning in the mid-1990s and during the 2000s, Jordan adopted a consistent and determined policy of economic reforms that changed the face of the Jordanian economy. The change in the structure of the economy served as a very strong growth engine for the Jordanian economy and strengthened the Kingdom's resilience in face of economic shocks and social challenges that the current decade has brought.

Israel and Jordan maintained informal contacts for many years before signing the peace treaty. In the years following the Six-Day War, these relations crystallized into a kind of unwritten strategic alliance. The formal peace agreement signed in 1994 became one of the pillars of Jordan's political-strategic stability, which entailed economic stability as well. As far as Israel is concerned, the peace agreement has become an important component of its national security perception and a significant step toward opening it up to the Arab world and the Middle East.

This chapter presents the contribution that the peace agreement made to Jordan and Israel. It examines the potential of Israel-Jordan cooperation in various areas and explores the impact of a fully realized cooperation potential. Much has been written about the importance of security-strategic cooperation between Israel and Jordan; this chapter

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33 L. Carl Brown, “[Review of 'Jordan: Case Study of a Pivotal State' by Asher Susser](#),” *Foreign Affairs*, Policy Papers No. 53, November/December 2000; Asher Susser, “Jordan Facing Up to the ISIS Challenge: A Net Assessment,” *Brandeis University Crown Center Middle East*, Brief No. 92, April 2015.

focuses on economic cooperation, alongside political and civil cooperation. Examination of the economic aspect and its many advantages refutes the recently-heard assertion that the peace treaty with Jordan is not important to Israel, and that Jordan is its main beneficiary.

The study examines the impact of a fully realized Israeli-Jordanian cooperation on the course of the Israeli-Palestinian conflict. It further suggests possible courses-of-action and steps to realize the potential of such cooperation. Alongside publicly-shared sources, the chapter is based, to a large part, on a series of unpublished consulting interventions carried out by the author concerning Jordan and various aspects of the Israeli-Jordanian relationship. In addition, the chapter uses information obtained during interviews and conversations. Much of the information from the above sources is not available for publication or cannot be referenced, and its use in this chapter is subject to obvious limitations.

## **B. Potential cooperation between Israel and Jordan**

### **1. Geostrategic, political and security aspects**

From the Jordanian point of view, the peace agreement with Israel has a major strategic importance. In contrast to the neighboring countries, Jordanian citizens have enjoyed security and stability for half a century (since the events of Black September of 1970). In the 1990s, Jordan also amended its relations with the Arab Gulf states, which were severely damaged by the Jordanian support of Saddam Hussein during the first Gulf War. Since then, the kingdom has enjoyed stable diplomatic relations with all its neighbors. Jordan has become one of the most stable, open and liberal states in the Middle East. The 1994 Israel-Jordan peace treaty was signed at a critical point in the process of Jordan's political and economic rehabilitation. It has since served as one of the pillars of the political and strategic stability of the kingdom.

For many years before the signing of the peace treaty, Israel and Jordan had a relationship of an unwritten alliance. Still, the peace treaty provided the kingdom with a very important strategic anchor of stability: it strengthened both the Israeli defense umbrella and Jordan's strategic relations with the US. The Israel-US defense umbrella is vital to Jordan against external threats from the east and north, but also helps maintain domestic security against regional and local subversive terrorism. The peace treaty enables Jordan to counter threats even by Israel (positions such as "Jordan is Palestine", new waves of Palestinian immigration to Jordan as a result of an Israeli-Palestinian war, indirect damage to Jordan by Israel in the event of war between Israel and Syria or Iran, and more).

The Jordanian interest in maintaining and strengthening security and diplomatic relations with Israel is expected to continue being vital for Jordan in the years to come. The challenges and risks from Iraq and Syria are expected to continue and even intensify. The widening of Iranian influence and presence in these two countries is liable to put Jordan under direct and immediate Iranian threat. This is in addition to the continued threat of possible repercussions of the Israeli-Palestinian conflict.

The Jordanian regime is expected to face two major and difficult domestic threats to its stability. The first is the continued disintegration of the historical alliance between

the Hashemite monarchy and the Jordanian tribes, which has been the cornerstone of domestic political stability in the kingdom. It should be remembered that Jordan was created as part of an agreement between the Hashemite family and Great Britain that was meant to shape the Middle East after World War I, and that the ability of Hashemites to control the new state (despite being a foreign element) was based on the alliance with local Bedouin tribes. The second, the absorption of Syrian and other refugees, including all the difficulties associated with their integration in the Jordanian society. According to a census conducted in Jordan in 2015, the number of Syrian refugees living in Jordan was estimated at 1.3 million. The total number of non-citizens in Jordan (including Iraqi refugees and residents, Palestinians, Egyptians and others) was estimated at 3 million. Many of them have entered Jordan since 2000. As a result (and combined with population growth), the population in Jordan more than doubled from 4.8 million in 2000 to 9.8 million in 2016 and 10.2 in 2017.<sup>34</sup>

Diplomatic cooperation with Israel can also greatly assist Jordan in realizing political opportunities that the coming years may call for. Close ties with Israel will help position Jordan as an important partner in integrating Israel into the regional political and economic system. This role will strengthen Jordan's position both as a regional (for example, vis-à-vis the Gulf states) and international (especially vis-à-vis the US) actor. A close relationship with Israel will also enable Jordan to be involved in formulating Israeli-Palestinian agreements while preserving vital Jordanian interests. For example, the inclusion of Jordan in security arrangements in the Jordan Valley in a manner that will also help Jordan stop the spread of possible threats from the West Bank, or the inclusion of Jordan in arrangements concerning Jerusalem in a way that preserves its special status in the holy places.

From the Israeli point of view, the relations with Jordan have always been perceived as an unwritten strategic alliance. The transition to a formal peaceful relationship was made possible by King Hussein's decision in 1988 to sever the administrative ties of the Kingdom of Jordan to the West Bank, and later as a result of the Oslo Accords between Israel and the PLO.<sup>35</sup> Israel's security and geostrategic interests are, to a large extent, a mirror image of the Jordanian interests. The peace treaty with Jordan is one of the pillars of Israel's political-strategic stability, alongside the peace treaty with Egypt. Jordan serves as a friendly buffer-state against threats from the "Eastern Front", which in the past included mainly threats from an Arab front led by Iraq, and in recent years a Shi'ite coalition led by Iran. In addition, Jordan is also a partner in dealing with threats from Syria, including those connected directly or indirectly to Iran. Jordan has the potential to become Israel's security partner on the Eastern side of a future Palestinian state, and in assisting with observing the domestic security of the future Palestinian state. Diplomatic cooperation with Jordan can greatly assist Israel in realizing opportunities that the coming years are likely to call for. First and foremost, it can become a model and an important partner for Israel's integration in the region, especially with the Gulf states.

The most prominent aspect of well-developed Israeli-Jordanian cooperation is in the field of security, which is already yielding enormous advantages to both countries. Extensive

34 "Population of the Kingdom," *Department of Statistics, Government of Jordan*, 2016; Mohammad Ghazal, "Population stands at around 9.5 million, including 2.9 million guests," *Jordan Times*, 30 January 2016; "The World Factbook: Jordan," *CIA*, 2017.

35 Avraham Sela, "Israel-Jordan Relations: The Shadow of the Palestinian Actor," in Yossef Nevo (Ed.), *Neighbors in a Labyrinth: Israel-Jordan Relations before and After the Peace Accord* (Tel Aviv: The Yitzhak Rabin Center, 2004), pp. 37-42.

security cooperation is made possible because both governments recognized the vital need for such cooperation and have invested the required efforts, resources, and attention to develop it. If similar efforts and resources are invested in other areas, the countries can draw on the good security relations to deepen diplomatic cooperation as well. In this context, it is worth noticing important political and geostrategic possibilities for bilateral, trilateral (together with the Palestinians), regional, and international cooperation:

At the **bilateral** level, the most promising potential is leveraging economic cooperation to strengthen Israel-Jordan diplomatic relations. In this context, two aspects need to be considered: first, strengthening relations between government bodies at different levels; second, leveraging the advantages of economic and civil cooperation in order to reduce hostility and create sympathy and positive relations among the general Jordanian and Israeli public.

At the **trilateral** level, involving Jordan in bilateral agreements between Israel and the Palestinians, while building on the positive experience gained in the Temple Mount/al-Aqsa Mosque arrangements. Finding a creative way to involve Jordan in security and diplomatic arrangements can help resolve some of the difficult issues between Israel and the Palestinians, such as security arrangements in the Jordan Valley and Jerusalem.

At the **regional** level, as noted above, diplomatic cooperation with Jordan can assist Israel in integrating into the region, especially vis-à-vis the Gulf states. In so doing, Jordan will be able to make a particularly valuable contribution to a regional political settlement. Jordan, for its part, will position itself as a pivotal state, mediating between the two regional powers - Saudi Arabia and the Gulf on the one hand, and Israel on the other.

At the **international** level, deepening and upgrading the diplomatic cooperation with Israel, and especially the significant Jordanian contribution to a regional diplomatic settlement, could yield even greater political and economic dividends to Jordan, just as the Jordan-Israel peace agreement upgraded Jordan-US relations.

## 2. Economic aspects

Since the early 1990s, the Jordanian leadership has led a consistent and determined policy of economic reforms that have changed the face of the Jordanian economy. The “old” structure of the Jordanian economy, characterized by weak productive and exporting sectors and a dominant public sector, has undergone a true transformation. The private sector has become a leading driving economic force, and as of the beginning of the 2000s the Jordanian economy has become one of the most advanced in the region in terms of economic liberalization and integration into the global business sector.<sup>36</sup> The economic transformation was also reflected in an important social change – stronger integration of the population of Palestinian origin into the economic and social fabric of Jordan. Moreover, since the private sector in Jordan is largely led by Palestinian businessmen and professionals, a wide social layer of Palestinian decent has integrated into the economic, social, and political centers of power across the kingdom.

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36 IMF, “Jordan: Country Report,” various issues; see for example: IMF, “Jordan: Country Report 2012,” May 2012, p. 4; *Jordan Times*, [various issues](#); World Bank, “Jordan economic Monitor,” [various issues](#); Yitzhak Gal, “Israeli-Jordanian Economic Relations 1994-2004,” *International Conference – Israel-Jordan Relations: The First Decade of Formal Peace, 1994-2004*, Haifa University, 5-8 December 2004.

The restructuring of the economy was a very strong growth engine for the Jordanian economy. During the first decade of the 2000s, the Jordanian economy grew at an average annual rate of 6 percent. Exports of Jordanian goods grew more than fourfold, from less than 2 billion to 8 billion USD. GDP per capita increased by 250 percent, to 4,500 USD in 2010. The unemployment rate fell from 15 percent to 12 percent, despite a rapid annual increase of five percent in the labor force. This process was halted at the beginning of this decade, and real GDP growth dropped to an annual rate of two to three percent. Average export of goods between 2014 to 2016 did not exceed its level in 2010, and unemployment rate in 2016 climbed back to 15 percent.<sup>37</sup>

The political and geo-strategic stability of Jordan, whose peace treaty with Israel is one of its pillars, is the basis upon which Jordan's economic strategy was built. The first and most immediate fruit of peace was financial. Following the signing of the peace agreement, the US initiated a series of debt forgiveness and restructuring arrangements totaling in more than 3 billion USD, which was of critical importance to Jordan's financial standing and a prerequisite for the economic rehabilitation of Jordan. Jordan began to receive American economic assistance on a regular annual basis, along with substantial military aid.<sup>38</sup> The American aid that has become an important source of stability for the Hashemite Kingdom was proven yet again important since 2010, in view of the worsening economic situation, the challenges resulting from the "Arab Spring", and the regional turmoil. In the first half of the decade, American economic aid increased to an annual amount of about one billion dollars, and in 2015-2017 it increased further to one and a half billion dollars annually.<sup>39</sup> In parallel, there was a substantial increase of aid from the Gulf states and international institutions (especially the IMF).

Another "fruit of peace", of even greater importance for the long term, was the start of a process that led to a series of international trade agreements, placing Jordan on a path of accelerated economic growth driven by rapid growth in exports, and positioning it as a leading force in the integration of the region into the global economy. This process began the Jordan-Israel-US Qualifying Industrial Zone (QIZ) agreement of 1998. This agreement paved the way for a Jordan-US free trade agreement (Jordan was the fourth country in the world to sign such an agreement with the US, after Canada, Mexico, and Israel).

Supported by the US, the process continued with the accession of Jordan to the World Trade Organization, the signing of an association agreement with the EU, and a series of agreements between Jordan and all its important trade partners. These agreements, combined with a determined and consistent policy of economic reforms, created an enabling business environment that led to an increase in Jordanian exports while turning it into a strong growth engine throughout the 2000s. The rapid economic growth and other positive developments in the first decade of the 2000s greatly strengthened the Jordanian economy.

37 IMF, "Jordan: Country Report 2012," May 2012, p. 36; IMF, "Jordan: Country Report 2016," September 2016, p. 34; *Central Bank of Jordan*, "Monthly Statistical Bulletin," [various issues](#); "[Social Surveys: Employment](#)," Department of Statistics, Government of Jordan.

38 IMF, "Jordan: Country Report," various issues; *Jordan Times*, various issues. See for example: "[US Assistance to Jordan Hits Record High: Package Reaches \\$1.275 Billion in 2016](#)," *Jordan Times*, 1 September 2016.

39 Statistics for the fiscal years 2009-2014 and 2015-2017 respectively; Jeremy M. Sharp, "[Jordan: Background and U.S. Relations](#)," *Congressional Research Service*, 14 November 2017, pp. 13, 17.

This economic resilience combined with increased aid played an important role in Jordan's ability to withstand the social and economic turmoil resulting from the "Arab Spring" at the beginning of the second decade of the 2000s and the regional upheaval that followed.

The weakening of these economic growth engines in the current decade increases the risks associated with the shortage of energy and water resources, employment problems, and the sensitivities of the Jordanian economy to internal and regional political and security stability. All these are added to the challenge associated with the Syrian refugees, who have flooded the kingdom in recent years. As noted, these refugee flows (along with natural growth) have more than doubled the total population of Jordan (citizens, foreign workers and residents, as well as refugees) from just under five million in 2000 to more than 10 million in 2017.<sup>40</sup>

Such phenomena were manifested during the current decade in a stagnation (and even a decline in certain years) in per capita GDP and in pockets of poverty and unemployment, as well as heavy pressure on existing infrastructure, especially in the peripheral areas where Syrian refugees are concentrated. In order to deal with such risks, Jordan must develop new growth engines. Diplomatic and economic cooperation with Israel, as well as the dividends that are expected to result from such cooperation (as was the case with the 1994 peace treaty) can generate such growth engines.

From an Israeli perspective, bilateral economic relations with a relatively small economy such as Jordan are of secondary importance. However, Jordan is very important as a bridge for Israeli trade with the large markets of the Gulf states and other Arab countries. According to a series of comprehensive research works done in recent years, the opening of Arab markets to Israel (as part of a broad political arrangement with the Arab world) will generate a new and powerful growth engine for the Israeli economy. This growth engine will hasten the rate of increase of GDP per capita in Israel, which will be 25-30 percent higher than the current projected growth. Such expected additional growth will raise Israel, within a decade, to the group of the 15 richest countries in the world, and will increase the number of jobs by nearly 75 percent, compared with the number of jobs that the Israeli economy currently generates annually. Arab markets will become Israel's most important markets, alongside the European market.<sup>41</sup>

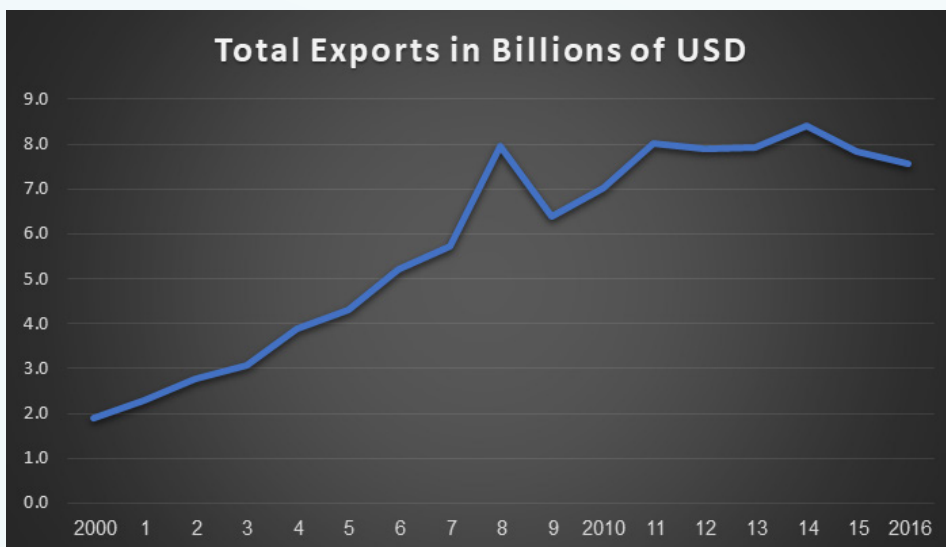
Beyond its great macro-economic importance, Israel's integration into the regional economy will make an important contribution to solving Israel's difficult social problems. A significant part of the additional jobs generated will be in Israel's peripheral towns and

40 "External Trade Statistics," *Department of Statistics, Government of Jordan*; "The World Factbook: Jordan," *ibid*.

41 Eldad Brik, "The Influence of a Regional Political Agreement on the Israeli Economy" (Prepared for "Israel Yozemet"), Israel Business Conference, December 2016 (update to an earlier comprehensive work by Eldad Brick et al. in 2014); Karim Nashashibi, Yitzhak Gal, and Bader Rock, "[Palestinian-Israeli Economic Relations: Trade and Economic Regime](#)," *Office of the Quartet – Palestine International Business Forum – International Council of Swedish Industry (NIR)*, June 2015; The Costs of Conflict Study Team, "[The Costs of the Israeli-Palestinian Conflict](#)," *RAND Corporation*, 2015; Joseph Zeira, Saeb Bamyra and Tal Wolfson "The Economic Costs of the Conflict to Israel: The Burden and Potential Risks," in Arie Arnon and Saeb Bamyra (eds.) [Economics and Politics in the Israeli-Palestinian Conflict](#), (AIX Group, February 2015); "[The Initiative for the Palestinian Economy](#)," *Office of the Quartet*, March 2014; "[Beyond Aid: A Palestinian Private Sector Initiative for Investment, Growth and Employment](#)," *Portland Trust*, November 2013; "The Untapped Potential – Palestinian-Israeli Economic Relations: Policy Options and Recommendations," *The Peres Center for Peace and PalTrade (Palestine Trade Center)*, December 2006.

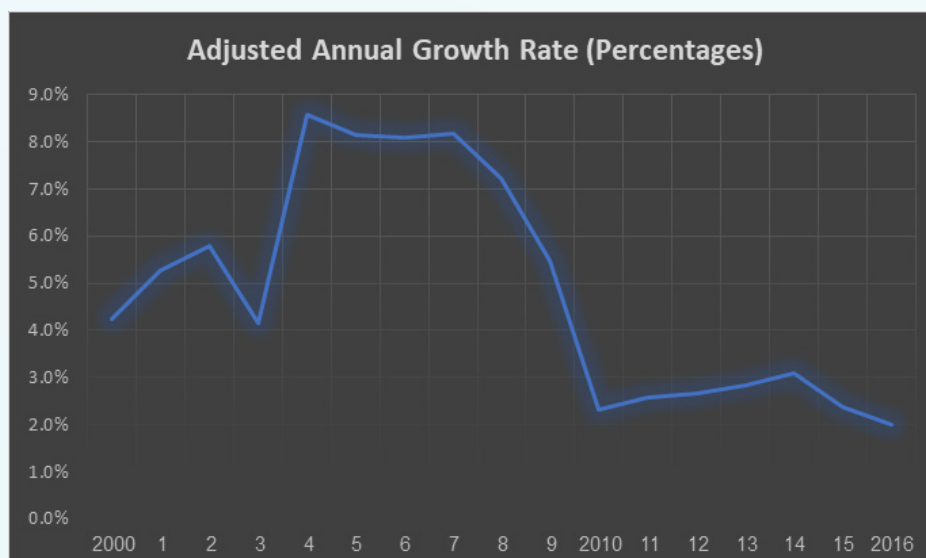
in sectors that do not require skilled labor (tourism, transportation, logistics, etc.). This will provide solutions to the most difficult employment issues of the Israeli economy (low-skilled labor, high unemployment rate in the periphery and in the Arab and ultra-Orthodox sectors). In addition, this process can be leveraged to drive a rapid economic development of the periphery. If placed in context of the economic cooperation with Jordan, such development will impact mainly the north-eastern periphery (Beit She'an Valley and the Lower Galilee) and the southeastern (Eilat, the Arava, and the Dead Sea area).

**Figure 1: The evolution of Jordanian export of goods, 2000-2016**  
(Billions of USD, current prices, including recurrent exports)



Source: [Foreign Trade Statistics](#), *The Central Bank of Jordan*, October 2017

**Figure 2: Jordan's economic growth rate, 2000-2016**  
(GDP growth in constant prices; annual percentages)



Source: [National Accounts Statistics](#), *The Central Bank of Jordan*, October 2017



### 3. Civil aspects

The geographical proximity between the two countries and the shared physical infrastructure and civil needs invite cooperation on a wide range of civil issues, alongside economic cooperation. One manifestation of this potential was the wide scope of civil cooperation agreements signed during the period following the signing of the Israel-Jordan peace treaty. During 1995-1997, 15 agreements were signed at the state level, alongside annexes to the peace agreement, as well as local cooperation agreements in the Eilat/Aqaba and Arava regions.<sup>42</sup> As shown below, the actual implementation of these agreements is limited. Regarding transportation, border crossings, maritime, air borders, and the environment, we may notice a certain degree of implementation. On the other hand, in other areas, such as culture and science, energy, the fight against crime and drug use, health, and medicine, the implementation of the agreements is very limited.<sup>43</sup>

## C. Existing cooperation following the 1994 peace treaty

### 1. The security and diplomatic spheres

Security cooperation between Israel and Jordan is quite advanced, including military, intelligence, and domestic security aspects, and yields enormous advantages for both sides. Naturally, the details of this cooperation are not announced publicly, but occasionally its depth and breadth are exposed in overt publications. For example, cooperation between the Israeli and Jordanian air forces in face of challenges related to the war in Syria was exposed by King Abdullah in a conversation with American congressmen.<sup>44</sup> It is difficult to weigh the specific contribution of the “quiet” security cooperation with Israel to the efforts to address the various external and internal security challenges facing Jordan since the beginning of the current decade. However, a detailed examination of the range of threats and of the methods that the Jordanian regime chooses to deal with them shows that this cooperation has considerable weight. This cooperation is even more important when combined with Jordan-US cooperation and the impressive capabilities of the Jordanian government to rule and maintain security.<sup>45</sup>

In contrast, the level of diplomatic cooperation is relatively limited. Besides the ongoing maintenance of formal relations, actual diplomatic cooperation is limited to specific areas (for example, the issue of the Temple Mount/al-Aqsa Mosque), and the Jordanian involvement in Israeli-Palestinian attempts to maintain dialogue is quite secondary. However, the political ties have been maintained at a high enough level to deal with crises over the years – starting with the crisis surrounding the attempted assassination of Khaled Mashal in Amman in 1997 to the crisis surrounding the killing of two Jordanian citizens by an Israeli security guard in 2017.

42 “[Bilateral Agreements](#),” *Israel Ministry of Foreign Affairs*.

43 Gideon Bachar, “Israel-Jordan: Analysis of Strategic Relations with a Neighboring Country,” *Eastern Wind* 5, Winter 2007, pp. 43-44.

44 “[Israeli, Jordanian Jets teamed up to warn off Russians, King Says](#),” *The Times of Israel*, 26 March 2016.

45 For a detailed analysis of the range of challenges and ways of coping with the challenge of Daesh, see: Susser, “Facing Up,” *ibid.*, pp. 2-6, see in particular the concluding remark regarding the place of Israel, from the Jordanian point of view, on p. 6.

The disappointing results in the field of diplomatic relations stem from a combination of factors, some of which are associated with the Jordanian side and some with the Israeli side. On the Jordanian side, there are four main factors. First, a Jordanian sentiment based on the Rabin assassination in 1995 and the ensuing change of governments in Israel in 1996, that Israel is not advancing its relations with Jordan in accordance with the spirit of the peace agreement; second, a deep sense of disappointment among the Jordanian public in view of the failure to realize the economic benefits of the peace agreement; third, political and public forces in Jordan opposing peace and normalization of relations with Israel. These forces exploited the first two of the above factors and created a public atmosphere that delegitimizes any diplomatic and economic cooperation with Israel. Alongside the political opposition (Islamists and others), who is using the public opposition to the peace agreement and to bilateral relations with Israel in general, to provoke the regime, this opposition is shared with the powerful professional associations (such as the Jordan Bar Association), labor unions, and the media. It was also expressed strongly in the Jordanian parliament and in overt or quiet refraining of Jordanian officials from any contact with Israel. The regime and successive Jordanian governments take this stance in silence and do not fight it.<sup>46</sup> The fourth factor, which is of particular importance, is the state of the Israeli-Palestinian conflict.

On the Israeli side, the reasons for the unrealized potential of diplomatic (and economic) relations are a combination of indifference, bureaucracy, and unwillingness to invest the efforts and attention that are embedded in security relations.<sup>47</sup> A striking example is the great difficulties and the cumbersome process that Jordanians are facing when applying for entry visas to Israel, including businessmen and others who maintain regular and ongoing contact with Israel. Such difficulties occur despite the fact that the issue has been raised over the years, dozens of times by various entities and officials, and despite the reassurances given by official professional working groups to conduct strict security checks if this process is made less cumbersome. These bureaucratic difficulties are reflected, among other things, in prolonged and unexplained delays in processing visa applications, inconsistencies in decisions to reject or approve such requests, and the avoidance of granting multi-entry visas. These difficulties distance hundreds of Jordanian businessmen, who have an interest in developing business relations with Israel.

## 2. The economic sphere

Like the diplomatic sphere, the Israeli-Jordanian economic cooperation that has developed since the signing of the peace agreement reflects a fraction of its potential. In certain areas, there were some achievements; however, these were largely the result of private sector initiatives. Regarding public sector activity, we notice poor economic cooperation that does not expand far beyond the basic elements required by the very existence of the peace agreement (operation of border crossings, aviation arrangements, visas, etc.). The majority of the many sections on economic and civil cooperation that were included in the Israel-Jordan peace treaty and its annexes (as well as some 15 other agreements signed in 1995-1997) were not implemented or were partially implemented

46 Muhanna Haddad, "Israel in the Eyes of Jordan after the Peace Agreement: Hope and Illusion," in Nevo (ed.), *ibid.*, pp. 268-275; Yossef Nevo, "Jordan, the Palestinians and the Al-Aqsa Intifada," in Nevo (ed.), *ibid.*, pp. 301-305; See also various issues of the Jordanian newspaper *Al-Ghad* and other Jordanian newspapers. for example: Suzanna Goussous, "2017 to See Action against 'Normalisation' of Ties with Israel, Activists Say," *Jordan Times*, 25 February 2017.

47 Bachar, "Israel-Jordan," *ibid.*, pp. 45-47; Oded Eran, "Israel-Jordan Relations Today and Looking Toward the Future," in Nevo (ed.), *ibid.*, pp. 236-237.

with delays. A few exceptions, in which the two governments have taken significant steps for economic cooperation, are discussed below.

The most important reason for the Jordanian disappointment with the peace agreement and their sense of suspicion and sourness toward it (alongside the Palestinian issue) is the failure to implement a series of major projects (the Red Sea-Dead Sea Canal, major plans in the fields of transport infrastructure, water, etc.) that were prominently presented by Israeli leaders at international conferences while giving the feeling that Israel is committed to their rapid implementation. As a result, the Jordanian leadership and public developed great expectations that the peace agreement and these large projects would bring about a rapid and sharp improvement in the economic situation and standard of living in Jordan. During the second half of the 1990s it became clear that some of these ambitious plans had no economic or environmental feasibility, and as for the others, Israel had no real intention to implement them.<sup>48</sup> In recent years there have been signs of progress in several important areas with a new and cautious approach: gas supply from Israel to Jordan, provision of water (including the implementation of a more modest and realistic version of the Red Sea-Dead Sea Canal project), creating a land transport corridor from Jordan via the Haifa port, and more.

Following is an overview of the economic cooperation that developed in several prominent areas:

**Trade** - Shortly after the signing of the peace treaty between Israel and Jordan, the two countries signed a trade agreement in 1995, which established reduced trade tariffs between them. However, these tariffs were still much higher than those agreed between Israel and most of its other trading partners. The trade agreement was upgraded in 2004, when a further gradual reduction of tariffs was imposed until tariffs were fully or almost fully eliminated (in 2010) on a large part of the trade between the two countries.<sup>49</sup> The bilateral trade agreements helped the Jordanian-Israeli trade to develop, but its scope remains limited and of secondary importance to both countries.<sup>50</sup>

Of greater importance was the special trilateral trade agreement signed in 1998 between Israel, Jordan, and the US regarding the establishment of Qualifying Industrial Zones (QIZs). The QIZ Agreement provided exemption from customs duties and quotas on products manufactured in specific industrial areas in Jordan, using Israeli inputs (at a minimum rate stipulated in the agreement) that are exported to the US. The agreement created large-scale cooperation between the respective Jordanian and Israeli textile sectors regarding goods exported to the US. Israel-Jordan bilateral trade increased almost tenfold during the decade following the signing of the QIZ agreement (most of the growth was in exports from Israel to Jordan). The trade in inputs and intermediate products for the textile and clothing sectors became the main component of trade between the two countries. By the end of the 2000s, the QIZ agreement lost much of its

48 Shimon Shamir, *Rise and Fall of the Warm Peace with Jordan* (Tel Aviv: Hakibbutz Hameuchad, 2012), pp. 290-291, 512, 556; Eran, "Israel-Jordan Relations," *ibid.*; Munther Haddad, "Reflections on the Peace Agreement between Jordan and Israel," in Nevo (ed.), *ibid.*, pp. 247-251.

49 "[Trade Agreements with Jordan](#)," *Ministry of Economy and Industry*.

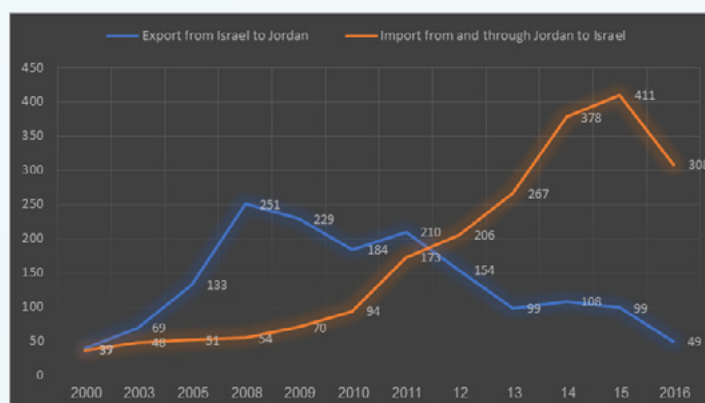
50 See the data in Figure 3 below. Israeli exports to Jordan in recent years (50-100 million USD per year) range between 0.1 to 0.2 percent of Israel's total exports of goods. The "net" Jordanian exports to Israel (i.e. after deducting recurrent exports from the Gulf that is registered as Jordanian exports) are estimated at 100-150 million USD a year and constitute only 1-1.5 percent of Jordan's total exports of goods.

attractiveness following the entry into force of a free trade agreement between Jordan and the US, which granted similar customs benefits to Jordanian exports without the need to purchase Israeli inputs. As a result, a sharp drop in Israeli exports to Jordan was recorded, from 200-250 million USD per year at the end of the first decade of the 2000s, to about 100 million USD per year in 2013-2015.<sup>51</sup>

Another trilateral trade agreement was the “Aggregation Agreement” between Israel, Jordan, and the EU, which came into effect in 2006. This agreement granted export benefits to products that were jointly manufactured by Jordan and Israel and exported to European markets.<sup>52</sup> Despite the great potential that this agreement represents, in practice it had virtually no effect on economic cooperation between Israel and Jordan. The apparent reason for this is that at the time there was no real political willingness of the two governments to take active steps to implement the agreement, and there were no strong players in the business sector pushing for its implementation, as was the case a decade earlier when the QIZ agreement was signed.

Since the beginning of this decade, a new trend of increased transit trade between Israel and Jordan has begun. There was a significant increase in Israeli imports from the Gulf through Jordan, mainly of chemical and petrochemical products, as well as import of various consumer goods from the large free trade zones in the Gulf. In addition, Jordan is using the route passing through the Jordan River Border Crossing and the Haifa Port in order to export mainly fresh agricultural produce to European markets (including Turkey, Russia and Eastern Europe), as a substitute for the land route through Syria. These trade activities are recorded in Israeli statistics as imports from Jordan, but a detailed analysis of the trade data shows that these are goods re-exported from Jordan.<sup>53</sup> This route through the Haifa Port also serves for some imports of Turkish and other goods through Israel to Jordan, and from there to Iraq and the Gulf.

**Figure 3: Israel’s trade with and through Jordan (to the Gulf states), 2000-2016**  
(Millions of USD)



Source: Foreign Trade Statistics, Table D.2, Trade Countries, Imports & Exports Excluding Diamonds, CBS

51 “[Trade Agreements with Jordan](#),” *ibid.*; Yitzhak Gal, “Qualifying Industrial Zones in Jordan and Egypt,” unpublished report, November 2012.

52 “[Aggregation](#),” *Ministry of Economy and Industry*.

53 “Foreign Trade Statistics, Table D.4 - Import and Export with Jordan by Commodity Groups,” *Central Bureau of Statistics*, December 2016; “[Israel-Jordan Relations: An overview, Summary of a Briefing by Dr. Abdullah Sawalha from Jordan](#),” *The Mitvim Institute*, April 2017; interview with Dr. Abdullah Sawalha, 9 July 2017; “[External Trade Database](#),” *Department of Statistics, Government of Jordan*.

**Water** - With the signing of the peace treaty and the accompanying water agreements between the two countries, Israel began to transfer to Jordan 50 million cubic meters of water per year from the Sea of Galilee as part of a complex set of arrangements relating to the distribution of Yarmouk water, brackish water purification for joint use, and more. Discussions about the transfer of additional 50 million cubic meters of the Sea of Galilee continued throughout the first decade of the 2000s, and only in 2010 an agreement was reached as part of a broader arrangement that also includes the distribution of desalinated water produced in Aqaba between Jordan, Israel, and the Palestinian Authority as part of the Red Sea-Dead Sea Canal project. The infrastructure for transferring the additional quantity already exists, and the beginning of the actual transfer was planned to begin in 2018.<sup>54</sup>

From the Jordanian point of view, the most important component of the Red Sea-Dead Sea Canal project is a large desalination facility to be built in Aqaba. The second major component of the project, featuring a canal that will divert water from the Red Sea to the Dead Sea, is considered of secondary importance for the Jordanians. The Aqaba desalination plant is planned to grow in several stages and serve, in the long term, as one of Jordan's most important water sources. Considering the vitality of this facility for Jordan, the Jordanian authorities prepared to operate the desalination plant in Aqaba separately from the Red-Dead Canal project, to prepare in the event that there are technical or environmental difficulties in implementing the Red Sea-Dead Sea Canal project or even political difficulties affecting the cooperation with Israel. This option was re-examined by Jordan in light of the crisis in its relations with Israel following the killing of two Jordanian citizens by a security guard at the Israeli Embassy in July 2017.<sup>55</sup>

**Manufacturing** - Significant cooperation in this area developed immediately after the signing of the peace agreement, especially in the textile and clothing industry. Leading Israeli companies have established factories in Jordan and have cooperated with Jordanian investors and manufacturers. The momentum and the great potential that was noted in this area were one of the main factors that led to the signing of the QIZ agreement, with the intention to encourage continued Israeli (and other) investments in exporting industries in Jordan. In practice, the success of the QIZ was reflected mainly in Israeli-Jordanian cooperation in the transit trade, as well as investments by non-Israeli companies in the textile and clothing sector in Jordan. Expectations for significant Israeli investments in joint manufacturing plants in Jordan did not materialize. Moreover, during the 2000s, almost all the Israeli companies that invested in joint manufacturing plants in the QIZ regions in Jordan ceased their direct investment in Jordan. Cooperation with factories in Jordan has shifted to a form of subcontracting. In other words, Israel exports raw materials or intermediate products for sewing in Jordan and receives finished goods in return (usually recorded as imports into Israel). Only a few Israeli companies have succeeded in establishing manufacturing and marketing operations in Jordan, in order to trade with other Arab markets.

54 Haddadin, "Reflections on the Peace Agreement," *ibid.*; Bachar, "Israel-Jordan," *ibid.*, p. 45; Daniel Dotan, "Opening the Tap: Israel and Jordan Cooperate in the Water Sector," *Globes*, 1 June 2016; Ora Coren, "Israel, Jordan sign the Red-Dead Canal Agreement; green organizations: there is less wasteful solution," *The Marker*, 26 February 2015.

55 Daoud Kuttab, "Is Jordan planning major change in Red Sea-Dead Sea project?," *Al-Monitor*, 19 October 2017; Mohammad Ghazal, "Jordan to Go ahead with Red Sea-Dead Sea Project Despite Israel's Withdrawal Threat," *Jordan Times*, 15 November 2017; John Anthony Allan, Abdallah I. Husein Malkawi, and Yacov Tsur, "Red Sea-Dead Sea Water Conveyance Study Program: Study of Alternatives," *World Bank*, March 2014, pp. 11-14.

**Natural Gas** - At the beginning of 2017, Israel started providing gas to the Jordanian Potash company and the Bromine plant at the Dead Sea, in accordance with the agreement signed in 2014 and despite protests and political objections in Jordan. The gas is pumped from the Tamar gas field and piped through a 36 km pipeline that connects the Jordanian factories to the Israeli gas transmission system at a point close to the Israeli Dead Sea Works plant. The Israeli part of the pipeline was laid and operated by the Israeli Gas Company, while the Jordanian part (20 km) was laid and operated by the Jordanian company Fajr, which operates Jordan's gas pipeline system. A much larger amount of gas was planned to be supplied to the Jordanian Electricity Company (NEPCO), in accordance with an agreement signed at the end of 2016. The supply of gas to the Jordan Electricity Company is supposed to be from the Leviathan gas field. Taking into account the political constraints, the agreements with the Jordanian customers were signed by a foreign company, a subsidiary of Noble Energy, and not by the gas partnership that includes Israeli companies.<sup>56</sup> Since steady and reliable gas supply is essential to the Jordanian economy and considering the political risk that surrounds the supply of gas from Israel, Jordan has prepared an alternative to that as well, just as it did with regard to desalination. To that effect, it has constructed and now operates a liquid gas reception facility in Aqaba, which allows the import of liquid natural gas (LNG) by sea from other suppliers.

**Logistics** - The development of transit trade led to the construction of a strong logistical business infrastructure between the two countries. This business infrastructure includes long-term cooperation between dozens of Israeli and Jordanian logistics and transportation companies, as well as a few hundred additional companies and businessmen from both sides that provide various services and products to this sector. This foundation has enabled the renewed momentum in the transit trade in recent years and provides a solid basis for realizing the potential in this sector in the future.

**Tourism, hotels and aviation** - some progress can be discerned in these areas: a rather limited extent of Israeli tourism to Jordan (mainly Arab citizens of Israel, as well as visits by Israelis to Petra and desert tours in southern Jordan), flights of Israelis to the Far East via Amman, pilgrimage of Israelis through Jordan, and limited employment of Jordanians in hotels in Eilat.<sup>57</sup>

### 3. The civil sphere

Israel's Arab citizens are most active regarding civil cooperation between Israel and Jordan. Alongside the tourism aspect, the most prominent expression of civic cooperation is the large number of young Israeli Arabs studying in Jordanian universities. In 2012, the number of Israeli Arabs studying in Jordan was estimated at 8,000 (compared to 28,000 Arab students in Israeli higher education institutions) but has apparently declined in recent years.<sup>58</sup>

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56 Eran Oren, "[For the first time in history and under the radar: natural gas began to flow from Israel to the Jordanian kingdom](#)," *The Marker*, 1 March 2017; "[The Leviathan partnerships will sell gas to Jordan for \\$10 billion](#)," *Globes*, 26 September 2016.

57 Interview with Dr. Sawalha, *ibid.*; Gal, "Qualifying Industrial Zones," *ibid.*, pp. 2-4.

58 Nuha Ali, "[Representation of Arab Citizens in Institutions of Higher Education](#)," *Sikkuy*, 2013, p. 17, 20; Yuval Vurgan, "[Israeli Students in Education and Teaching Disciplines in Higher Education Institutions in the Palestinian Authority](#)," *Knesset: Research and Information Center*, 2012; "Israel-Jordan Relations: A Current Situation," *ibid.*

Limited cooperation also exists on environmental matters. In this area, the activity of several NGOs is prominent. The Israeli-Jordanian-Palestinian organization *EcoPeace Middle East* pays particular attention to water and environmental issues in the Jordan Valley region. The Arava Institute also initiates and promotes Israel-Jordan cooperation on environmental and agricultural research.<sup>59</sup>

Several important civil society organizations that were very active during the first decade after the peace treaty was signed, such as the Israel-Jordan Chamber of Commerce, are no longer active. However, a limited number of organizations and research groups, Israelis and Jordanians, still maintain contact and joint activity. The most prominent Jordanian organizations operating in Amman and cooperating with research and policy institutes in Israel are the Amman Center for Peace and Development, headed by retired Jordanian General Mansur Abu Rashid, and the Center for Israel Studies, headed by Dr. Abdullah Sawalha.

#### **D. The linkage between the Israeli-Palestinian conflict and Israel-Jordan relations**

Beyond all the obstacles and difficulties described above, the Israeli-Palestinian conflict is without doubt the main factor blocking the development of Israel-Jordan relations and cooperation. This factor is the driving force behind the strong resistance of the “anti-normalization” groups and the political, religious and social forces against developing relations with Israel in Jordan today.<sup>60</sup>

Moreover, Israel's actions regarding the Palestinian issue have placed the Jordanian regime, time and again, in difficult situations vis-à-vis groups opposing the peace agreement with Israel. These difficulties started as early as 1995 and led to the emergence of hostile public opinion toward the peace agreement as it is considered a tool that helps Israel against the Palestinians. A decision made by the Rabin government in April 1995 to expropriate more land in East Jerusalem was received negatively in Jordan. The opening of the Hasmonean tunnel by the Netanyahu government and the beginning of construction in Har Homa, along with the attempt to assassinate Khaled Mashal (1996-1997), further damaged Jordanian trust in Israel and led to the on-going “cold peace” between the two countries and the hostile Jordanian public opinion toward peace.<sup>61</sup> The Jordanian sensitivity to the Palestinian cause has since been expressed dozens of times, around violent events related to the Israeli-Palestinian conflict, the wars in Gaza and Lebanon, various events in Jerusalem, and more.

The profound hostility that has developed over these years is limiting and paralyzing for political, economic, and civil cooperation. The public and social pressure, along with the harsh personal feelings of many Jordanians regarding Israel's moves vis-à-vis the Palestinians, have led business and government officials at all levels to avoid contact with Israel and Israelis (or to reduce it as much as possible) and to stop cooperation with Israel.

59 For example: “[Regional NGO Master Plan for Sustainable Development in the Jordan Valley](#),” *EcoPeace Middle East*, June 2015; “[Track II Environmental Forum](#),” *Arava Institute*, May 2017.

60 Bachar, “Israel-Jordan,” *ibid.*, p. 46; See a brief analysis of the forces against relations with Israel and the importance of the Palestinian issue to them in the first years following the signing of the peace agreement: Haddad, “Israel in the eyes of Jordan,” *ibid.*, pp. 258-264, 272-273.

61 Shamir, “The Rise and Fall of Peace,” *ibid.*, pp. 191-192, 236-237, 249.

For most Jordanians and the Jordanian government, the willingness to realize peace and to develop extensive political and economic cooperation is conditioned by a real progress toward an Israeli-Palestinian negotiated agreement.<sup>62</sup>

In this way, the Israeli-Palestinian conflict is a powerful barrier to realizing the potential in all spheres of economic activity. However, with the exception of the few above mentioned areas, in which Jordan has a clear vested interest (such as water or gas), or in which associated conditions create a kind of “bubble” that separates particular regions or activities from the general informal economic boycott (for example the textile and clothing sector related to the QIZ Agreement, or cooperation near the Aqaba-Eilat border area and in the Jordan Valley). Besides these exceptions, very few Israeli companies and products succeed in breaching the wall of barriers related to the conflict. Jordanian consumers or those from the Gulf are not willing to accept products bearing an Israeli label, therefore importers and distributors are unwilling to buy Israeli consumer goods. Even products that are not intended for the end consumer but for the business or public sector (machinery and equipment, raw materials, production inputs and intermediate products for agriculture, industry, construction, etc.) are boycotted. This is because distributors and potential customers fear the reaction of customers, employees, or business partners if they become aware that they are trading with Israel. The relatively few Israeli companies that manage to sell to the Jordanian market or to the Gulf via Jordan do so by disguising the Israeli origin of their products.<sup>63</sup>

In the last decade, a large part of these “bubbles” of economic cooperation have also been damaged. This phenomenon is reflected in the continuing decline in Israeli exports to Jordan (as shown in Figure 3). An analysis of the composition of Israeli exports to Jordan shows that one of the main reasons for this decline is the declining import of Israeli inputs into the Jordanian textile and clothing industry. Jordanian textile and clothing companies were quick to take advantage of the alternative created upon the entry into force of the Jordanian Free Trade Agreement with the US. Although this change has economic motives, in some cases, quite a few companies saw the imports from Israel (when the QIZ agreement imposed it) as a political burden they were happy to get rid of. Moreover, the deep hostility associated with the Palestinian issue also jeopardizes the new agreements for gas provision from Israel to Jordan. These agreements are being implemented “in a low public and media profile” in view of the strong public and parliamentary opposition. It can be expected that as the supply of gas from Israel to Jordan develops, these agreements will be under strong attack in the event of war or another crisis between Israelis and Palestinians.

The ongoing conflict between Israelis and Palestinians serves as a major barrier to establishing country-level and civil cooperation in other areas as well. The anti-normalization movement in reaction to the on-going Israeli-Palestinian conflict prevents civil cooperation. This is evident in cooperation between research institutes and universities, which began after the peace agreement was signed and later on reduced in scope as the peace process went into a deadlock. Examining the activity of environmental organizations, we see a similar dynamic, in which cooperation – and even

62 *Ibid.*, p. 556; Hadad, “Israel in the Eyes of Jordan”, *ibid.*, pp. 262-264; Hassan Barari, “Jordan and Israel: Ten Years after the Peace Agreement,” in Nevo (ed.), *ibid.*, p. 295.

63 This set of barriers has been documented by the author in dozens of cases that he personally encountered when he advised Israeli companies, along with dozens of other cases reported by other parties operating in the field of Israeli trade with and through Jordan.



joint membership in those organizations – has narrowed. As far as political and security aspects are concerned, the common interests do drive the parties to cooperate, but not optimally. For example, the absence of an agreed-upon solution between the Israelis and the Palestinians on the Temple Mount/al-Aqsa issue, and the repeated crises related to the site, cast shadow on the bilateral relations with Jordan. In the absence of a solution to the Israeli-Palestinian conflict, Jordan cannot play the role of a bridge between Israel and the rest of the Middle East.

## E. Areas of activity and major steps to realize the potential

In areas perceived by decision makers as important, such as security or water and gas, the parties can realize significant cooperation despite the public and political opposition in Jordan. In these areas, which are perceived as strategic and central, the Jordanian authorities overcome the conflict and the difficulties and cooperate. Although they do so “under the radar” as much as possible, they are willing to pay political capital if and when this cooperation is exposed. This type of cooperation, which is done “under the radar” and relies on individual connections and not on an extensive network of cooperation, has a limited political resilience to withstand crises. However, it is important to take advantage of this willingness, and to work with decision makers. If they are convinced that cooperation in certain areas, such as those listed below, are of importance, they may act to advance cooperation in additional areas, even in the face of public and political opposition. In light of the above, one of the most important steps to realize this potential is to launch a comprehensive campaign of public relations, targeting the wider public, opinion leaders, and decision-makers in both Jordan and Israel, regarding the advantages resulting from cooperation between the two countries. Raising awareness is an important condition for a fundamental change in policy both in Jordan and Israel and for fuller realization of the potential.<sup>64</sup> The proposed strategy for realizing the potential is to focus on several steps toward economic cooperation that will help Jordan develop new growth engines. If combined with extensive public relations efforts to demonstrate the advantages of these measures to the public in Jordan and Israel, economic cooperation between the two countries can be immensely strengthened.

Following are the main areas that can be used, in cooperation with Israel, as new growth engines for Jordan, which will increase Jordanian motivation to support and deepen cooperation with Israel:

**Transit trade** - Jordan proved in the 2000s an impressive ability to make its trade agreements a primary lever for economic development and growth. The Jordan-Israel-US QIZ Agreement and the Free Trade Agreement with the US that followed was leveraged to develop a large export sector to the US. At the same time, the Jordanians leveraged their geographic location and the Free Trade Agreement between the Arab States (GAFTA) to develop massive exports of goods and services to the Gulf and Iraq. This export was the most important engine for Jordan’s rapid economic growth in the 2000s, which has declined in recent years.<sup>65</sup> New trade arrangements between Israel and Jordan should focus on encouraging transit trade. A massive development of a transit trade route between the Gulf and the Mediterranean, through Israel and Jordan (with American, European and Gulf support), is expected to at least triple Jordanian exports

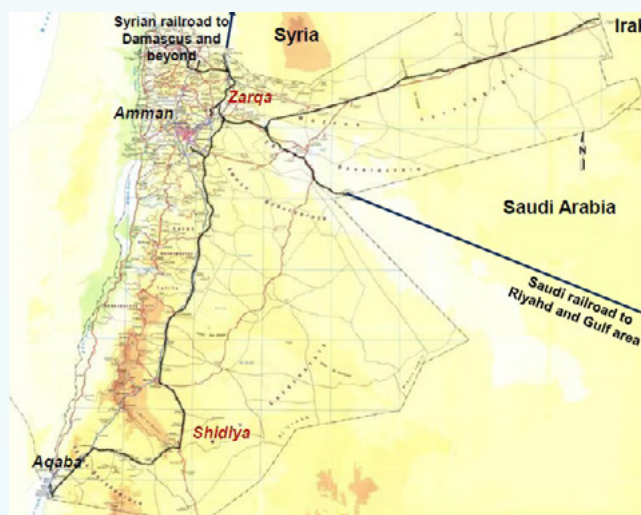
64 Interview with Dr. Sawalha, *ibid.*

65 Yitzhak Gal, “Potential Transport of Regional Cargoes through Israeli Ports,” unpublished consultancy paper, 2006; Gal, “Qualifying Industrial Zones,” *ibid.*

(including re-exports) within a decade. Thus, the transit trade through Israel will serve as a powerful new growth lever that can bring Jordan back to the high level of economic growth of the 2000s.

**Transport: Trains and Ports** - During the past decade the regional transportation infrastructure has undergone a fundamental change. This change relates to a new network of railroads, which is expected to reshape regional land transportation. Although most of these projects are planned and implemented separately by each of the Arab countries, they are coordinated and create a new regional railway network. China has become an important player in constructing the transport infrastructure in the Middle East as part of its attempt to establish new trade routes. The new rail network in the Gulf countries (especially in Saudi Arabia) is already in advanced stages of implementation. Other Arab countries are planning to connect to this railway network, which will allow for rapid and cheap movement of goods within the Arab world and between the Gulf and the Mediterranean Sea. Jordan is planned to serve as the main crossroads of this regional railway grid, thereby strengthening its position as a significant player in the regional transit trade.<sup>66</sup>

**Figure 4: Jordan as the main intersection of the regional railway network**



Source: the master plan of the Jordanian railway<sup>67</sup>

Without a railway connection to the Mediterranean ports via Israel, the economic feasibility of the Jordanian railway project is highly questionable. However, a rail connection between Israel and Jordan, combined with complementary agreements regulating Jordanian use of Israeli ports, will create additional important advantages for a regional route for transit trade via Jordan. For its part, Israel will benefit from the advantages of the transit trade, both through promoting its transportation infrastructure (ports and railways), and through creating more employment and addressing logistics needs.

66 Yitzhak Gal, "Arab Transportation Infrastructure: A Big Leap Forward," unpublished work, January 2012; "Jordan National Railway Project: General Brochure," *Jordan Ministry of Transportation*, August 2011; "Jordan National Railway Network Project," *BNP Paribas*, June 2010.

67 "Jordan National Railway Project: General Brochure," *ibid.*, p.3.

In this context, it is very important to promote the regional railways program (*Mesilot LeShalom*) promoted by then-Minister of Transport Israel Katz. This program provides a clear example of the potential for economic cooperation and its important economic and strategic advantages for both sides.

**Tourism** - The limited cooperation in this field is already contributing to the Jordanian economy. However, Israeli-Jordanian-Palestinian cooperation can turn it into an important growth engine for the three economies by implementing a three-part plan, which may yield an addition of several million tourists a year. The first part is joint development of the “Holy Land” brand and promoting it to Christian tourists. According to studies, cooperation in this area can triple the number of Christian tourists to the Christian holy sites (as well as to historical and recreational sites). The second part is encouraging Muslim tourists to visit the al-Aqsa Mosque via Jordan (combined with tours of Israel, Jordan, and the Palestinian Authority), which today hardly exists. Studies show that joint development of this kind of tourism is complementary to the pilgrimage to Mecca and can yield several million more tourists a year. The target market should be mainly pilgrims who go to Mecca not during the specific *Haj* period (*Umrah*). The number of *Umrah* pilgrims is ten times the number of Haj period pilgrims. The third part is joint development of tourism in the areas of the Jordan Valley, the Dead Sea, and the Aqaba-Eilat area, while leveraging the unique tourism assets of these areas. In addition, there is room to increase cooperation in the development of specific tourism activities, such as the field of health tourism, in which the successful Jordanian experience can be leveraged along with the Israeli advantages in the sector.<sup>68</sup>

**Water and Energy** - Cooperation in these areas can be expanded following existing arrangements for the exchange of water (water from the Lake of Galilee in Israel to Jordan in the north, desalinated water from Jordan to Israel in the South under the Red Sea-Dead Sea Project) and the export of Israeli gas to Jordan. A prominent program that needs to be thoroughly examined in this field is the exchange of Jordanian electricity, which can be generated in large solar facilities in the vast desert areas of Jordan, for desalinated water from large desalination facilities on the Israeli Mediterranean coast.<sup>69</sup> Another alley is Jordan’s connection to the emerging Israel-Cyprus-Greece gas alliance.

**Research, development, manufacturing, and advanced services** - These areas have great potential for synergy between Israel and Jordan, which is unrealized. Jordan has developed an extensive network of marketing channels in the Gulf, Iraq and other Arab countries. Jordan’s export to these markets amounts to several billion dollars a year. Cooperation with Israeli companies that leverages Israel’s strengths such as its development and manufacturing capacities can lead to a leapfrog in joint Israel-Jordan industrial exports to these markets. Jordan is also an important player in the Arab Information Technologies (IT) market. Jordan’s IT industry exports nearly 500,000 USD a year (mainly to the Gulf countries) and Jordanian IT professionals hold key positions in Gulf markets. Israel-Jordan cooperation in IT will allow leveraging Israeli know-how and its recognized leading role in global IT markets together with Jordan’s technological

68 Yitzhak Gal, “Options for Developing Tourism Relations between Israel and the Arab and Muslim World,” unpublished work, October 2016; Yitzhak Gal, “The Jordanian and the Gulf Tourist Market – Options from the Israeli Perspective,” unpublished work, August 2016; Yitzhak Gal, “Eilat, Aqaba and South Sinai – Economic Opportunities for Eilat,” unpublished work, October 2010; “Regional NGO Master Plan for Sustainable Development in the Jordan Valley,” *EcoPeace Middle East*, June 2015, pp. 140-144.

69 See a preliminary plan for such a move in “Water Energy nexus: A Pre-feasibility Study for Mid-East Water-Renewable Energy Exchange,” *EcoPeace Middle East and Konrad Adenauer Stiftung*, May 2017.

capabilities and its channels to Gulf markets. Similarly, it is possible to link the export of well-developed Jordanian medical services to Arab countries with the Israeli capabilities in this area.

**Jordan's National Projects** - Israel can enhance its contribution to several important Jordanian national projects, in which Israel has a significant comparative advantage. For example, Israel can contribute to the rapid implementation of the Jordanian national plan for the rehabilitation of the Syrian refugees in the northern and northeastern areas of Jordan. The lion's share of this program consists of water and health projects as well as other projects in areas in which Israel is known to be a world leader. We can further add to the list focused cooperation in developing peripheral areas, especially the Eilat-Aqaba and Arava regions in the south, and the Jordan Valley and Beit Shean Valley in the north.<sup>70</sup>

## F. Summary

The barriers resulting from the unresolved Israeli-Palestinian conflict, along with the Jordanian disappointment with the failure to realize the fruits of peace and the mutual trust that has been compromised, make it difficult to realize the great potential of Israeli-Jordanian relations. If Israel achieves a diplomatic and economic cooperation with Jordan as profound as the security cooperation, its political standing in the region will greatly improve, and the Gulf and other important Arab countries will become its trade partners. The advantages of integrating into the regional economy are expected to serve as a new and powerful growth engine for Israel, and to yield significant economic advantages to Jordan as well.

Although full realization of the potential requires significant progress toward an Israeli-Palestinian settlement, real and valuable progress can also be made in the current state-of-affairs between Israel and the Palestinians. This can be achieved by identifying several economic cooperation projects of particular significance for Jordan that can be implemented relatively quickly. For example, among the projects mentioned above, it could be possible promote, the rehabilitation of Syrian refugees, connecting Israel and Jordan on ground and on air and other projects of cross-border regional development in the Eilat-Aqaba region (tourism, renewable energy, water desalination, etc.) and in the Jordan Valley-Dead Sea (Water, agriculture and tourism, while rehabilitating the Dead Sea and the Jordan River). These projects have high visibility, they have economic and political feasibility, and they can yield significant economic benefits for both sides. Their rapid and sustainable implementation, along with other prominent projects mentioned in this chapter, will help create a new atmosphere of trust in Israel-Jordan peace and gradually change the attitudes of the Jordanian (and Israeli) public.

In order to enhance the positive effect of economic cooperation, it is important to also invest efforts in public relations that will focus on demonstrating the economic advantages of these measures (mainly to Jordan but also to Israel). "Success stories" in the Israeli-Jordanian context will contribute to strengthening Israel's position as an important regional player with a stabilizing, economic, and political contribution to the regional system as a whole.

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<sup>70</sup> Gal, "Eilat, Aqaba and southern Sinai," *ibid.*; "The Jordan Response Plan for the Syria Crisis," *Jordan Ministry of Planning and International Cooperation*, January 2017; "Regional NGO Master Plan," *ibid.*, 2015.

## **Israel and Egypt: Strategic Partnership, Civil Remoteness?**

**Amb. (ret.) Dr. Haim Koren**

### **A. Introduction**

Egypt is experiencing intensive political and social changes that are triggered by the regional turmoil that the Middle East has been undergoing since the beginning of the Arab Spring in 2011. After the Muslim Brotherhood movement and their leader Mohamed Morsi failed at their short attempt to rule Egypt, the rise of Abdel Fattah al-Sisi to power, signaled an effort to restore stability while taking into consideration the shocks it has undergone in recent years, the security and economic challenges and the attempt to get back on track regionally and internationally. President al-Sisi decided to confront the challenges facing the Egyptian people by redefining Egypt's national security concept and by relying on two pillars: striving for security and stability, and improving the Egyptian economy.

This chapter aims to describe the relationship between Israel and Egypt, with an emphasis on the time period since the January 2011 revolution, with the intention to evaluate the potential for cooperation between the two countries while looking into the existing cooperation. In this chapter, I will examine the attitude of Israelis and Egyptians toward such cooperation and will discuss how the Israeli-Palestinian conflict impacts the prospects of fulfilling the potential of bilateral cooperation.

Hence, the chapter will first discuss the potential for cooperation between Israel and Egypt based on their existing bilateral relations and their regional status. Then, the prospects for developing the relations will be discussed, as well as areas where cooperation is possible, followed by a presentation of the existing cooperation between the two countries. Finally, the impact of the Israeli-Palestinian conflict on Israeli-Egyptian cooperation and the resulting difficulties in realizing their potential will be examined.

This research is for its most part based on media publications and on my personal experience. My "Egyptian experience" included a participatory observation – a well-known research method in social sciences – in virtue of my position as ambassador. In addition, the chapter relies on the experience (which was partially disclosed) of other officials who were involved in Egypt-Israel relations, as well as on interviews I conducted (that are not yet published). Alongside the difficulties in locating relevant written sources, I have the advantage of being in direct contact with those directly involved and being exposed to much relevant material (although not yet published). This allows for shaping a realistic view for its time, although it may also be influenced by the author's own bias.

## B. The potential for cooperation between Israel and Egypt

### 1. The diplomatic and security spheres

Resulting from al-Sisi's intention to enhance security and stability, Egypt has formulated a new security conception and has decided to change a number of policy objectives. The most important of them is related to the redefinition of an enemy, an adversary, a partner, and an ally. Egypt's enemies today are, first and foremost, the terrorist organizations (the Muslim Brotherhood, Daesh, Al-Qaeda, Salafi organizations, and even Hamas, which was labeled a terrorist organization by the Egyptians in February 2015). Since Hamas has control over the Gaza strip, which borders the Sinai Peninsula, the Egyptians are suspicious of it. Alongside the rejection of the terror dimension of the movement (that the Egyptians fight against), there is an understanding that the Hamas is part of the Palestinian people, therefore, sometimes it is considered a rival (and not an enemy) who can be a party to certain actions (in the bilateral relations between Egypt and Hamas, and also in the Palestinian-Israeli relations). Another significant observed change in Egyptian policy is the effort to advance regional cooperation, particularly with Saudi Arabia, the UAE, Jordan, Israel, and Morocco, as a means to maintain regional strategic and economic stability.

Egypt's enemies are also the enemies of Jordan, the UAE, Saudi Arabia, and Israel, who form a de facto coalition that can stand up to these enemies. The Obama administration, conditioned aid to Egypt on actively supporting democratization and improving human rights and developing civil society. The same president also opposed Egypt's labeling the Muslim Brotherhood as a terror organization and regarded them as a legitimate part of Egyptian society. This perception led to frequent frictions between Egypt and the US, that threatened American aid to Egypt, and created hostility toward the Obama administration among the Egyptians. This hostility, or putting it mildly, failing to understand American policy and opposing it, was shared with other coalition partners: Jordan, Saudi Arabia and the UAE, who vehemently opposed the US-led nuclear agreement with Iran, which they perceived as a dangerous and threatening enemy. The change of administrations in the US and the different approach taken by President Trump toward both Iran and the Sunni countries, hold an inherent potential for Israeli-Egyptian cooperation in formulating anti-Iranian and pro-Saudi policies that the American Administration may adopt.

By virtue of Egypt's desire to promote regional stability and partnership with neighboring countries, it can play a major role in the peace process with the Palestinians, as it has done over the years, and even more so now. By finding a formula that will bring the Palestinian Authority and Hamas to a long-lasting reconciliation, Egypt could help Israel play down Palestinian demands and get the support of the Arab world for potential solutions, as well as backing future Palestinian concessions. From the Egyptian point of view, Israel will have to deal with the "Arab umbrella" that Egypt will lead (and will back the Palestinian concessions on core issues: Jerusalem, the settlements and borders). Israel, for its part, will be asked to "look into" the Arab initiative and then discuss it with the Arab League, headed by Egypt.<sup>71</sup> Hence the importance of Egyptian cooperation with Israel.

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71 See, for example, the analysis of the Arab Peace Initiative and its implications for the region in 2010, in Elie Podeh, "Israel and the Arab Peace Plan: A Historic Opportunity," in Ephraim Lavie (ed.), *Israel and the Arab Peace Initiative* (Tel Aviv: Tel Aviv University, 2010), pp. 67-94. The significant regional change in recent years could perhaps enable the use of the Arab peace initiative to promote bilateral and multilateral cooperation with Egypt.

Israel must be alert to regional changes and Egypt's central role in driving changes in the Middle East. Egypt wants to position itself as the "responsible adult" in the region and succeed in shaping its regional status and power by promoting Israeli-Palestinian negotiations, while mobilizing the support of the Arab world, legitimizing Palestinian concessions, and exerting pressure on Israel to be flexible on other issues. However, considering the forces in the region that are pushing to reach an agreement with the Palestinians, Israel-Egypt relations appear to be one of the most promising channels that can help achieve such an agreement, if at all, and Egypt's key position reinforces its important role, which helps it become an important political power in the Middle East.<sup>72</sup> Egypt's involvement in the attempts to calm, reconcile and regulate Israel and Hamas is vital and is required to make progress. The Egyptian thinking, to turn the tactical mediation into a strategic move has not yet matured, but the intention exists.

Besides advancing the Israeli-Palestinian peace process, Egypt and Israel have shared interests in promoting stability in Gaza and the Sinai Peninsula. Such opportunities provide a broad platform for security cooperation between Israel and Egypt, and the joint war against terror. Thus, the potential for a political-security cooperation between Israel and Egypt is evident when it comes to managing the Gaza Strip and dealing with the Hamas movement, or dealing with terrorist organizations in the region and especially in the Sinai Peninsula, promoting the peace process with the Palestinians, cooperating with the American administration, and having political-security-intelligence cooperation with the moderate Arab/Sunni countries in confronting Iran and its allies.

## **2. The civil sphere**

After four decades of peace, there are portions within the Israeli public that still wonder whether the Egyptians are willing to accept normalization with Israel and whether they would eventually accept their neighbor as a full-fledged state, with whom Egypt can establish good relations, overcoming the bitter sentiments of the past.

Despite the upheavals of recent years, the Egyptian government still has a significant influence on public positions in the country, therefore its overt and covert policies are of importance. However, the young age of most Egyptians, coupled with unprecedented technological developments and the exposure to the world, allow large sections of the population to learn about Israel from publicly available information without having to adhere to the bitterness of older generations.

The change of regimes and the reshaping of the power relations and regional alliances entailed a significant regional political transformation and a new reality begins to emerge. For the first time, we can look to the Egyptian regime to try and gradually influence public opinion that cooperation with Israel is necessary and important. Following is an overview of several areas where an opportunity for potential cooperation is identified:

### ***Scientific and medical cooperation***

There have been attempts to conclude scientific joint ventures and to exchange delegations and information, but so far with no great success. There have also been

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<sup>72</sup> Haim Koren, "Egypt and the Arab World - Elusive Leadership?," in Shaul Shay (ed.), *Egypt at a Crossroads: Seven Years after the Arab Spring Revolution* (Herzliya: Interdisciplinary Center Herzliya, March 2018), pp. 19-25.

several attempts to cooperate on medical projects, however, they have not yet yielded results. Recently, an Israeli doctor raised the idea of establishing an Israeli-Egyptian organ donation bank, which would enable life-saving transplants for both sides and ease the dependency of both sides on more remote hospitals in Europe. These are just examples illustrating the potential yet to be crystallized and materialized.

### **Cultural relations**

Cultural relations are a prime example of an Israeli-Egyptian potential for cooperation that depends on the nature of the political relations between the countries. Cairo holds a book fair once a year, that lasts for several weeks, and attracts many writers, intellectuals and students. The fair hosts various symposia and exhibits the best Egyptian and Arab publishing houses. The fair is frequented by hundreds of thousands of visitors each year. Israel participated in the fair in 1983 and since then the Egyptian authorities have not allowed Israel to participate, due to a fear of security threats resulting from potential public unrest. The assumed unofficial reason is the Egyptian sentiment that the conditions have not yet matured for such cooperation. Plans to exhibit Israeli and Palestinian artists in Egypt, to have the Israel Philharmonic Orchestra perform in Cairo, and to have the conductor Joseph al-Sisi (no connection to the President) to conduct the Philharmonic Orchestra in Tel Aviv, have not come to fruition.

In my conversations with Egyptian travel agents, they often expressed their desire to brand Egypt as an international tourism hub, and sell holiday packages that include both Israel and Egypt. In addition, the Egyptian government's decision to renovate the Jewish synagogue site in Alexandria (Nabi Daniel) is important in itself, and may be seen as an attempt to convey that the Jewish culture is part of the Egyptian heritage. Culture can greatly contribute to bringing people closer together, but the Egyptian regime is still dealing with the fear that parts of the Egyptian public will find it difficult to accept a rapprochement between the nations that is too rapid, therefore prefers to be cautious and patient.

### **3. The economic sphere**

The potential that arises from the existence of the peace agreement and the border crossings that are capable of handling transfer of goods can be developed. The introduction of new and efficient methods for the transfer of goods between Israel and Egypt is an example of such a development. There is enormous economic potential in opening up the Egyptian market to Israeli produce.

There is considerable economic potential in the tourism sector and in employment creation that is not being exploited at all. The fact that Egyptian citizens stopped entering Israel for work-related purposes is a barrier to a vibrant two-way tourism industry. The number of Egyptian tourists visiting the holy places in Israel is decreasing. There is also shortage of Egyptian labor that can replace other migrant workers, similar to the successful employment model of Jordanian workers in the hotels in Eilat.

Other potential areas for cooperation include infrastructure development, agriculture and energy (mainly joint water desalination projects, that will compete with the cheap rates offered by China, by highlighting regional interests and the Israeli expertise in mitigating local conditions that those projects need to take into account), developing



renewable energy sources, fighting growing desertification, irrigation methods, intelligent management of agricultural farms and agricultural inputs, and the shared interest in protecting and developing natural resources in the Red Sea.

During conversations with Egyptian ministers, the possibility that Israel would assist Egypt with water desalination projects, was often raised. According to the Egyptians, it is an expensive project. Moreover, a number of public figures in Egypt have already portrayed projects that desalinate the Nile water in a negative light. As for the prospects of cooperation on solar energy projects, the Egyptians stressed that China is already active in Egypt experimentally (in the Ghardaqa region) and at a much lower cost than that of the Israeli experts can offer. In this case, the Egyptians, so they claim, turned down the offer for business considerations and not due to political reasons.

Currently, Israel and Egypt are developing new pathways to cooperate in the energy sector, especially to exploit natural gas. The discovery of the offshore gas fields Tamar and Leviathan allows the transfer of gas from Israel to Egypt in the short term (Israel has already signed a 15-year gas transfer agreement with Jordan). The gas fields discovered in the eastern Mediterranean basin, and the plan to exploit them and export the gas to Europe, require the development of infrastructure that is based on political and economic cooperation between Egypt, Israel, Cyprus and Greece.

## C. Existing cooperation between Israel and Egypt

### 1. The diplomatic and security sphere

The new security concept developed by the al-Sisi regime, led to stronger state institutions (establishing a parliament, holding elections and backing the judicial system), and more population groups now have various channels for self-expression. There is increased law enforcement (mainly on issues of terrorism and incitement) along with the call for national and social unity (for example, “embracing” the Copts). These measures were taken while clarifying the economic difficulties and drawing a horizon for the future, which includes the initiation of large projects, such as the expansion of the Suez Canal, in a way that allows large-scale employment.

Egypt’s attitude toward Israel, underwent a significant change since president Morsi was in office. Although Morsi did not sever diplomatic relations with Israel, he aspired to minimize them as much as possible, perhaps waiting for the right moment to sever them without upsetting the international community. Contrary to him, al-Sisi sees Israel as a regional partner. However, a considerable segment of the Egyptian public is still hostile toward Israel and al-Sisi believes that he has to gradually minimize this hostility. Therefore, the Egyptian president occasionally makes positive and moderate statements that reveal his cooperation with Israel, even in rallies attended by a large crowd. There are strong opponents of Israel in the Nasserist circles, among supporters of the Muslim Brotherhood, and even among liberal intellectuals. Nonetheless, not all intellectuals are the same. There are quite a few among them who float between the non-negotiation with Israel and those who are supportive of relations therewith, and some even declare it openly (and are willing to pay the price for that).<sup>73</sup>

73 For details see David Sultan, “Between Cairo and Jerusalem: Normalization between the Arab States and Israel – The Egyptian Example” (Tel Aviv: Tel Aviv University, 2007), pp. 62-68.

In this context, one can discern a striking difference between the present situation and the situation during Mubarak's rule, conveyed by Fouad Ajami, an American scholar of Lebanese descent who said that when Mubarak was in office the regime and the intellectuals reached the understanding that the regime prefers a diplomatic compromise with Israel as the prevailing state-of-affair while the intellectuals received a 'green light' to incite against the peace treaty.<sup>74</sup> According to David Sultan, Israel's former ambassador to Egypt, cooperation with Egypt is most convenient to accomplish with the business sector, since businessmen are pragmatic by nature and are not committed to any ideological doctrine.<sup>75</sup>

Moreover, Israel exerted pressure on the US administration and Congress to persuade them to supply helicopters to Egypt (so Egypt improves its fighting capabilities in the Sinai) and to approve US foreign aid to Egypt. The fact that the armies of Egypt and Israel are currently participating in the fighting in Sinai is unprecedented in the history of the two countries. Indeed, significant changes have taken place since 2014. The redefinition of the enemy perception in Egyptian policy encouraged Israel, for the first time, to allow Egypt to introduce weapons into certain areas of the Sinai Peninsula, in violation of the Camp David Accords, in order to fight the terrorist organizations in Sinai and Hamas. According to media reports, Israel allowed Egypt to use tanks, helicopters and even drones in certain areas of the peninsula and even authorized Germany to provide advanced submarines to Egypt.<sup>76</sup>

The Multinational Force and Observers (MFO) positioned in the Sinai, was established in 1981 under the terms of the military annex to the peace treaty between Israel and Egypt. It ensures stability on the Egyptian border and oversees the demilitarization of the Sinai Peninsula. Its task is to ensure that the security arrangements by virtue of the peace agreement between Israel and Egypt are implemented and that its provisions are not violated. The force, always led by the American ambassador, is deployed in the security zones in the Sinai with soldiers from many countries. In recent years there has been an agreement between Egypt and Israel that the MFO is indispensable and that its success to fight terror should be ensured. Israel fears that a change of governments in Egypt, would allow the Egyptian army to use its large weapons arsenal in the Sinai against Israel. Notwithstanding, it is clear that the military cooperation between Israel and Egypt has expanded and serves common interests, resulting from recent years' reality.

The political-security cooperation is not limited to the Sinai Peninsula. Israel and Egypt were coordinated when the Tiran and Sanafir islands were transferred back to Saudi Arabia. Israel and Egypt are also cooperating and are well coordinated over the Red Sea basin, particularly in the context of the relations between Egypt and Ethiopia and the tensions surrounding the construction of the Renaissance Dam, as well as on matters related to the entire African continent. Israeli and Egyptian officials continue to meet frequently. Thus, for example, Prime Minister Netanyahu used the UN summits in 2017 and 2018 to meet with President al-Sisi, and Egyptian Foreign Minister Sameh Shoukry visited Israel in August 2016, while maintaining bilateral and regional political momentum.

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74 Fuad Ajami, *The Dream Palace of the Arabs: A Generation's Odyssey* (New York: Pantheon, 1998), p. 263.

75 Ibid, pp.59-62.

76 Yoram Schweitzer and Ofir Winter, "[Egypt's Fight Against Terrorism in the Sinai Peninsula: An Alliance with the Tribes, Partnership with Israel?](#)," *INSS Insight* 937, 15 June 2017.

Israel and Egypt are also coordinated when it comes to managing the territory of Gaza. Egypt succeeds in mobilizing Palestinian officials, leading to successful negotiations between the Palestinian Authority and Hamas in Gaza while keeping Israel in the picture all along. Egypt played a key role in the cessation of fighting between Israel and Hamas, and even prevented further rounds of fighting in the Gaza Strip while achieving a temporary ceasefire.

## 2. The civil sphere

Although having free movement between Israel and Egypt in both directions was one of the normalization goals, not all Israelis were enthusiastic about the idea. From the outset, Israeli security officials were concerned about uncontrolled entry of Egyptian citizens into Israel. The Israelis feared that the Egyptians would remain in Israel illegally once they were granted a tourist visa, which could lead to undesirable socio-economic consequences. Ironically, the Egyptian authorities played along and fulfilled the Israeli request to monitor the movement of Egyptian citizens to Israel, for their own reasons, far more severely than what Israel intended. In so doing, they virtually blocked the travel of Egyptian citizens to Israel.<sup>77</sup> On the other hand, during peaceful periods in the bilateral relations, many Israeli tourists visited Egypt. However, for several years now, the Israeli Foreign Ministry has issued a severe travel warning for Israelis interested in visiting Egypt (mainly Sinai). In the 1980s there were bus lines ("line 100") from the central bus station in Tel Aviv (and later also from Jerusalem) to the Abbassia station in Cairo. These were terminated after a few years.

### **Academic cooperation**

The Israeli academic center in Cairo is a bright spot. The center, which was established in Cairo in February 1982, has no diplomatic status and is funded and maintained by the Israel Academy of Sciences and Humanities. Its objectives were to promote studies and research in education, science and culture, archeology and history. The center was supposed to assist Egyptians who wanted to study or conduct research in Israel, and to Israelis interested in doing so in Egyptian academic institutions, and to give them access to archives, libraries and museums.<sup>78</sup> Although the idea of the center was based on reciprocity, no similar center was established in Israel. The Egyptian media occasionally conducted a smear campaign against the center, which was described as "an Israeli espionage agency". Academics and students rarely visited it, except for those whose primary academic focus was Hebrew. At times, the center helped Israeli researchers use Egyptian libraries. Israeli faculty occasionally taught at the center, usually in front of a small audience.

Classifying the center as an espionage agency, and the fear of being excluded from conferences and events in rich Arab countries, kept Egyptian academics and researchers away (although they were aware of the benefits resulting from cooperating with Israel). In 2016, the number of Egyptian students visiting the center slightly increased and nowadays the option of inviting lecturers from Israel is being considered. In addition, there have been unsuccessful attempts of conducting academic collaborations. For example, the Herzliya Interdisciplinary Center tried to cooperate with the American University in

77 Sultan, *ibid.*, pp. 90-93.

78 On the history and status of the Israeli academic center in Cairo in detail: Shimon Shamir, "The Story of the Israeli Academic Center in Cairo" (Tel Aviv: Haim Ruben Publishing House, Tel Aviv University, 2016).

Cairo but the initiative did not materialize. Prof. Uriel Reichman, the Center's president, arrived in Cairo in 1995, accompanied by two professors, for a meeting with the president of the American University, Donald McDonald, but the meeting did not bear fruit.

### **Cooperation on archeological projects**

By the end of 1994 Israel accelerated the process of returning archeological findings, uncovered by Israeli diggers in the Sinai when it was still under Israeli control, back to Egypt. Similarly, archeological findings, some of which were stolen and then purchased by the Israel Antiquities Authority, were returned in 2006. During the ceremony held at the Foreign Ministry in Jerusalem, the findings were handed over to the Egyptian ambassador to Israel.

### **3. The economic sphere**

The issue of economic cooperation has provoked public debate in Egypt and has been highly controversial also on the official level. Egyptian intellectuals feared an Israeli scheme to take control of the region's economy. In a debate organized by the daily *Al-Hayat* in November 1993, Dr. Ali al-Din Hilal, head of the Center for Strategic Studies at Cairo University, expressed the view that the time to establish a common Middle East market had not yet come, and argued that the political issues should be resolved first. Even then, he continued, there should be a benchmark approach to economic cooperation and establishing a common market should occur when the conditions are ripe. In contrast, the writer and publicist Lutfi al-Khuli saw the idea of the Middle East market, part of a trend that had emerged at the time - targeting large markets and creating blocs. His view was that this strategy is essential for Egypt to become part of the global economy in the age of globalization, thereby rejecting the theory it was an Israeli plot to take over the economy of the entire region.<sup>79</sup>

In my meeting with Industry and Trade Minister Dr. Mounir Fakhry Abdel-Nour, in 2015, we discussed the prospects of expanding economic cooperation but implementation was not easy due to Egyptian bureaucracy, the international Egyptian economic policy, and the high number of Egyptians ministries that need to be involved. Besides the good will and the interest conveyed, mainly in recruiting Israeli investors to fund projects, the policy of trade and cooperation has not changed.<sup>80</sup> My suggestion to advance joint solar energy projects, where Israel is known to have expertise, was turned down by Egypt that argued that the Chinese could deliver the same expertise for a cheaper price.

The transition of goods between Egypt and Israel was cumbersome due to the back-to-back method being used (a truck arrives at the border crossing, unloads its cargo and a truck on the other side of the border loads the cargo). This method was used for security reasons as well as for the maintenance conditions of Egyptian trucks that did not meet the requirements of the Israeli Ministry of Transport. Egypt's request to ease the process was not accepted by Israel, and neither was their request to ease Egyptian trade with the Palestinians. The justification given by Israel was that the 1994 Israeli-Palestinian economic agreement (the Paris Agreement) established a single customs envelope and uniform standards for Israel and the Palestinians, and no concessions could be made. The

79 *Al-Hayat*, 3 November 1993.

80 The meeting with the minister took place on 11 February 2015. On policy-making, see Ofir Winter, "[Egypt toward a New Socio-Economic Contract](#)," *INSS Insight* 869, 17 November 2016.

Egyptians sought to have both customs reliefs and lowering regulatory requirements, and in both cases the Israeli negative response was correct. However, if there would be an atmosphere of mutual goodwill, it would be possible to accede to some of the demands, thus perhaps advance trade between various parties in both countries.

### **Cooperation on industrial zones**

The Qualified Industrial Zone (QIZ) is a three-way Israeli-Egyptian-American agreement that allows Egyptian exports under free trade conditions, even though Egypt does not have a free trade agreement with the US. The project began in 2005 and upgraded Egyptian-Israeli economic cooperation under American sponsorship,<sup>81</sup> which was made possible by having Israeli inputs making up for 10.5 percent of product cost. The Egyptian textile and clothing industries have a particularly high tariffs when exported to the US, and this agreement significantly lowers exports costs which allows for exports to the American chain stores ranging from 800 million to 1 billion USD a year. This means that total purchases from Israel amount to 80-100 million USD a year. The attempt to expand successful cooperation through the QIZ<sup>82</sup> did not succeed, although in 2016 there was a certain positive shift that included exploring the possibility of expanding the QIZ to additional zones in Egypt and encouraging Egypt to use it more extensively.

### **Agricultural cooperation**

Only about 2.7 percent of Egypt's land can be cultivated. For decades, various Egyptian governments have been trying to expand the areas suitable for agriculture, but it seems that they have reached their full potential. The contribution of the agriculture sector to the Egyptian GDP is only 14.5 percent, and it is not an economic lever on a national scale. Since the 1980s and during the 1990s, Egyptian Agriculture Minister and Deputy Prime Minister Dr. Yousef Wali has been engaging in efforts to advance agricultural cooperation. Agriculture experts from Israel developed farms in the Delta and Noubaria regions (on the desert road, near Alexandria) in Egypt. The projects were a success story, despite the fact that the Egyptian press occasionally reported that Israel was sending poisoned tomato varieties to Egypt and that Israel's intention in these projects was to harm and cause damage. Attempts to restore and enhance fruitful cooperation have not yet succeeded.

## **D. The impact of the Israeli-Palestinian conflict on Israel-Egypt cooperation**

Since the signing of the peace treaty, Egyptian governments have been committed to the Palestinian issue while being influenced by regional events and attentive to public opinion and the Egyptian media. Egyptian governments sometimes made it difficult to advance normal relations. Former Egyptian Foreign Minister Amr Moussa believed that normalization with Israel was the product of comprehensive peace, and that Israel would not be able to enjoy it before reaching peace with the Palestinians. Therefore, he was dissatisfied with the multilateral track that formed following the Madrid Conference in 1991 and discussed regional cooperation. Moussa preferred to hold academic seminars to discuss and clarify various issues, rather than discussing the practicalities. For him, only

81 Oren Kessler, "[Trading Peace in Egypt and Israel](#)," *Foreign Affairs*, 23 August 2015.

82 For details about the project, see the website of the Israeli [Ministry of Trade and Industry](#).

two working groups were supposed to become operational: the one that dealt with the resolution of the refugee problem and the one dealing with arms control and regional security (which was also supposed to discuss the issue of the Israeli nuclear program). In his view, Israel aspired to skip discussing a peace agreement with the Palestinians and the Syrians and discuss regional cooperation instead. If this plan had succeeded, achieving peace with the Palestinians would have lost the attention it deserves, and the Palestinians and the Syrians would have received nothing.

In contrast, the chairman of the board of directors of the Egyptian National Bank, Muhammad Abdel Aziz, supported the promotion of economic ties between Egypt and Israel. He believed that economic ties reflect the real interests of both sides and they can be leveraged to mark impressive achievements. Ambassador Marfat al-Talawi that headed the Egyptian delegation to the first regional economic summit (held in Morocco at the end of October 1994 as a result of the Madrid Conference resolutions) welcomed economic cooperation as well.<sup>83</sup>

The Egyptians were consistently required to deal with the normalization dilemma. Therefore, their condition to maintain relations with Israel was that the latter complies with its political obligations. The Egyptian media (official and non-official) attacked Israel and the idea of normalization using a very blunt and unbridled language. Israel has also often embarrassed Egypt with actions, such as the wars in Lebanon in 1982 and 2006, the various military operations in Gaza, the continued construction of the settlements and with the occupation of the West bank in general. Against this backdrop, it was very difficult to implement joint projects for both countries, and Israeli governments, at any given time since the signing of the peace treaty, were mostly concerned with the political and security aspects of the bilateral relations. Representatives from the two countries devoted most of their meetings to political and security issues, and were hardly involved in promoting cooperation between the two countries in other areas. In this way, less attention was paid to advance normalization and “warm peace”. As a result, the Israeli embassy’s staff in Cairo, were burdened with advancing the bilateral relations, which were sometimes supported by the leaders. On several occasions, the Egyptians offered to hold high-level talks on the bilateral relations, but the talks never took place, mainly due to the lack of responsiveness on the part of the Israeli side.

It is important to note that besides the unresolved Palestinian cause that hinders cooperation between the two countries, there is also Egypt’s approach to the nuclear issue, for example. Egypt’s claim that Israel should be stripped of its nuclear weapons facilities, has been a source of tension that hindered cooperation between the two countries.

Recent regional geopolitical developments reveal a different Egyptian attitude to the Israeli-Palestinian conflict than in the past, but the role of the conflict continues to be significant. A major example to demonstrate this role was during operation “Protective Edge” in the summer of 2014. Hamas provoked the Israeli offensive in defiance of the Egyptians as well as the Israelis, with the intention to ease the situation in Gaza and force Egypt to cooperate with Hamas. During and after the operation, Egypt persisted in its attempts to mediate between Hamas and Israel. However, in Egypt’s view, the Palestinians must be treated as a single unit, therefore it has invested considerable effort in mediating between the Palestinian Authority and Hamas, along with its efforts to bring

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83 Sultan, *ibid.*, pp. 108-110.

the Palestinians and Israelis closer. Hence, the Egyptians continued to maintain contact with Hamas (as an important Palestinian player) even though they accused Hamas of planning and participating in acts of terror together with the Muslim Brotherhood and Daesh, not only in the Sinai but also inside Egypt.

Since operation “Protective Edge”, Egyptian President al-Sisi, has become, in the view of both Israel and the Arab countries, an effective mediator between the Palestinians and Israel and between the Palestinian parties. It was agreed and accepted that he was the only one who could get the “wagon out of the mud” and bring about calm, despite the mediation attempts of the then US Secretary of State John Kerry, who tried to involve Turkey and Qatar as intermediaries. The reconciliation talks between the Palestinian Authority, with its leadership in Ramallah, and the Hamas regime in the Gaza Strip, which has been conducted, to a large extent, under Egyptian auspices, reveal risks alongside opportunities. The traditional Egyptian position, which is also accepted by the other Arab countries, is that the Palestinian problem must be resolved as one unit rather than negotiating separately with Ramallah and Gaza. In the past three years, it seems that the Egyptian leadership is not grappling anymore with the dilemma of normalization with Israel. Since the al-Sisi regime set the economic development as his objective, and since the economic and military cooperation with Israel has been developing, there is no longer a reason to stop further cooperation with Israel, apart from the lack of progress on the Palestinian cause. In reality, the potential is yet to be translated into practical results.<sup>84</sup>

The prevailing Egyptian conception that shared interests are likely to lead to concrete steps, is still influenced, to a large extent, by the political events between Israel and Egypt at any given time. Egyptian ministers presented the problematic situation that Egypt is facing as such: the two countries are parties to a partnership that should be conducted quietly, through actions and dialogue, brainstorming and consideration of the region’s future (Fakhri, for example). In almost every conversation, it was noted that Egypt and Israel could discuss almost any issue without a problem if it could be ensured that there would be no leaks, since it creates an impression of a scheme against Arab countries, which is not the case.<sup>85</sup> Israel, for its part, wants to expose and highlight the cooperation in order to demonstrate to its citizens the fruits of peace. The gap between the Egyptian desire for secrecy and the Israeli desire to be open about the relations, limits the potential for cooperation in many areas.

In the meantime, we see that regional geopolitical developments have succeeded in advancing a closer Israeli-Egyptian security cooperation, and improving political cooperation, while the Israeli-Palestinian conflict is set aside, even though such cooperation concerns the Palestinians. There is greater potential for cooperation in the economic sphere, in which the Israeli-Palestinian conflict plays a certain role in realizing the potential (trade, legitimacy of Israeli investments, tourism, etc.). However, it seems that there are obstacles other than the Israeli-Palestinian conflict. For example, the low rates offered by China to implement various projects. It seems that cooperation in the civil sphere is most affected by the Israeli-Palestinian conflict, and Egypt can hardly justify cooperation with Israel as long as the Palestinian issue is not resolved.

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84 [“Egyptian President al-Sisi’s Bet on Economic Recovery,”](#) *Globes*, 7 August 2017.

85 The subject was raised in several conversations I had with Egyptian ministers during 2016.

## E. Summary

During the forty years of peace between Egypt and Israel, the countries cooperation was subject to political considerations that guided the Egyptians, who did not always encourage such cooperation. Since Egypt is no longer in a state of war with Israel, it will not participate in any military action between the Palestinians and Israel, but the Palestinians are still shaping Egypt's relations with Israel, given Egypt's commitment to the Palestinians. The potential for Israeli-Egyptian cooperation, which always existed, is now greater as a result of the changing regional and international geopolitical circumstances that entail the improvement of the bilateral relations between Egypt and Israel despite the stagnation with the Palestinian Authority.

The regional circumstances that place Egypt in the same boat with its partners and regional allies, including Israel, may encourage the Egyptians to advance reconciliation between Hamas and the Palestinian Authority, while including the Palestinians in this regional partnership. We have not yet experienced such a regional "umbrella", which covers all countries of the region (Egypt, Jordan, Saudi Arabia, and some of the Gulf emirates) together with Israel and the Palestinians. For the first time since Israel's independence, a reality has emerged in which Egypt, Jordan, Saudi Arabia, and several principalities in the Gulf have common interests with Israel. They all share a deep concern about Iran's policy in the region (with varying emphasis), and all of them invest efforts and declare their commitment to fight the terror of radical Islamic groups (e.g. Daesh, Hamas, al-Qaeda and similar groups) that threaten their national security and security of the region.

The correlation between Israeli-Egyptian relations and the state of Israeli-Palestinian relations still exists, but in the view of the al-Sisi regime, the Egyptian economy and political stability are two important anchors in its perception of national security. In these two areas, there are already a number of collaborations with Israel and it may be possible to upgrade them without having to condition them on political processes. The regime is committed to advancing the Palestinian cause which could also be seen as a lever that Egypt uses in its relations with Israel (although not boldly) while expressing a desire to bring the parties closer and assist in solving the problem.

Thus, despite the Israeli-Palestinian conflict, Egypt has the opportunity to advance its bilateral cooperation with Israel and its multilateral relations with other countries in the region, and with the Palestinians. Joint projects can help advance political processes, in contrast to the past, whereby projects were conditioned on policy change. The details of the various collaborations between Israel and Egypt indicate that it is possible to develop and promote what already exists and to even include new areas that are relevant to Egypt, Israel and the countries of the region. The "regional umbrella" allows for the dispute mitigation (for example, Israel and the Palestinians) by other countries under the same umbrella (e.g. the Egyptians). Successful cooperation between the two countries may be beneficial to both sides and serve as a catalyst for advancing reconciliation and peace in the region.



# Israel and Saudi Arabia: On the Way to Normalization?

Dr. Michal Yaari

## A. Introduction

In April 2018, journalist Barak Ravid reported about a meeting between Jewish leaders with the Saudi crown prince. In the meeting, Mohammed bin Salman allegedly attacked Palestinian President Mahmoud Abbas and said that the Palestinian leadership has repeatedly missed opportunities in the past 40 years. The time has come for the Palestinians to accept the proposals and agree to convene at the negotiating table, the prince said, or keep silent and stop complaining.<sup>86</sup> That same month, the crown prince was interviewed by *The Atlantic* magazine and implied that he recognized Israel's right to exist and the right of the Jewish people to a state of their own. Such statements are exceptional and unprecedented in the Arab discourse. The Arab leadership's critic of the Palestinians has been conducted behind closed doors – until now. In a rare interview with the Saudi newspaper *Elaph* in November 2017, Israeli Chief of Staff Gadi Eizenkot said that Israel and Saudi Arabia share many interests and that Israel is prepared to share intelligence with Saudi Arabia if necessary.<sup>87</sup> This comment followed the extraordinary statements made by Energy Minister and member of the Security Cabinet Yuval Steinitz in an interview with the IDF Radio, according to which Israel's relations with “the moderate Arab world, including Saudi Arabia, is helping us curb Iran.”<sup>88</sup> Up until that point, senior Israeli officials hinted at the tightening relations between Israel and Arab states that do not have a peace agreement with Israel, but this was the first time they explicitly referred to any existing ties with Saudi Arabia.<sup>89</sup> Later, the Saudi foreign minister denied the Israeli report.<sup>90</sup>

In light of these and other statements that portray unprecedented cooperation between Israel and the various Arab states, primarily Saudi Arabia, this chapter seeks to examine the validity of this discourse regarding the Israeli-Saudi relations, in view of the changing regional circumstances. The chapter will focus on the relations between the two countries while considering the political, security, strategic, and economic dimensions. It will further outline the potential for cooperation between Israel and Saudi Arabia, briefly address existing collaborations, and discuss the relations between Israel and the Palestinians as an influencing factor on the ability to realize this potential.

86 Barak Ravid, “Saudi Crown Prince on the Palestinian: let them accept what they are offered or remain silent,” *Channel 10 News*, 29 April 2018.

87 Yoav Zeitun and Roi Keis “[The Chief of Staff in a rare interview with a Saudi website: Full agreement on Iran](#),” *Ynet*, 16 November 2017.

88 Yuval Steinitz, “[The President should not be Blamed](#),” *IDF Radio*, 19 November 2017.

89 Prime Minister Benjamin Netanyahu: “What is happening with the Arab states in practice has not happened before, even when we signed peace agreements. In practice, cooperation in different ways, at different levels, does not necessarily always cross the externalization threshold, but under this externalization there is something much greater than any other period in the history of Israel. This is a huge change”. Benjamin Netanyahu, “[A toast on the occasion of the New Year at the Foreign Ministry](#),” 6 September 2017.

90 Ben Lynfield, “[Saudi foreign minister denies country maintains ties with Israel](#),” *The Jerusalem Post*, 22 November 2017.

The challenge of writing this chapter is twofold: firstly, because of the absence of formal diplomatic relations, the information about meetings and talks between representatives and citizens of the countries is limited and generally not approved by official bodies. Therefore, this chapter has been written with caution in order to avoid misrepresentation. Secondly, studies of this kind have a real difficulty in making clear distinction between the researchers' wishful thinking and the actual feasibility of cooperation.

Occasionally there is a tendency among researchers to overstate the importance of relations between countries and their contribution to national interests, whilst the picture portrayed by reality is different. In light of the above, the chapter will focus on achievable cooperation given certain circumstances that do not yet exist, primarily a significant advancement in the negotiations between Israel and the Palestinians. This does not necessarily need to be a final agreement, but rather a diplomatic breakthrough that will be interpreted by the Saudis as paving the way for formal relations between Riyadh and Jerusalem.

## **B. Cooperation between Israel and Saudi Arabia**

### **1. Diplomatic cooperation**

The tectonic changes in the Middle East since 2011, which included a real increase of the Iranian threat and the extensive activity of Jihadist terrorist organizations, have created the appropriate foundation for a significant rapprochement between Israel and Saudi Arabia. It seems that both countries have shed the traditional way of distinguishing enemies from allies while bringing their security issues to the fore. This signifies that Jerusalem and Riyadh primarily strive to stabilize the Middle East by stopping subversive and radical regional forces, led by Iran and its affiliates. Under these circumstances, the range of possibilities for cooperation expanded in proportion to the size and intensity of the threat. Accordingly, the Saudi policy toward Israel has become more flexible lately. This can be seen, for example, with Saudi approval for Air India to fly over its airspace on its way to and from Israel. In addition, meetings between Saudi officials and Jews over the past year also point to the new spirit in Riyadh. It is not inconceivable that the aim of these moves is to prepare Saudi public opinion for the day when the conditions for normalization with Israel will ripen, and to signal to Iran their close ties with Israel.

Despite this, normalization between the two countries is not expected until the Palestinian demands are met, or at least until a breakthrough in the Israeli-Palestinian negotiations will emerge. This is due to Saudi Arabia's historical commitment to advancing the solution of the Palestinian problem. The extensive Saudi activity on this issue reinforces the status and prestige of the regime, while imposing real limitations on its leeway vis-a-vis Israel. Public contacts between Riyadh and Jerusalem may be portrayed by the kingdom's enemies as a betrayal of the Palestinian interest. Therefore, even if Saudi Arabia is willing to tighten and expand its cooperation with Israel, its ability to do so is limited due to the expected damage to the resilience of the Kingdom's ruling authority. As a result, the Saudi regime prefers to follow the path of quiet diplomacy to advance national-strategic goals, rather than making its relations with Israel known.

The current Saudi position regards Israel as a potential ally, certainly at the strategic level, which is completely different to the traditional Saudi perception of Israel. In the past, the kingdom perceived Israel as a bitter enemy responsible for the suffering of millions of

Palestinians and a people that is foreign to the region. Although the Saudi army did not take an active part in the military actions against Israel, the official Saudi position was anti-Zionist and, in many ways, anti-Jewish.

The continued failures of the Arab armies in their war against Israel led to a dramatic change of perception within the Saudi leadership as to how the conflict should be resolved: not yet another military confrontation, but an arena that diplomacy could be the means of bringing about a total Israeli withdrawal from the occupied territories. The peace initiative of Crown Prince Fahd, which presented an ideological vision in which the solution to the conflict with Israel does not lie in bilateral but multilateral peace, saw daylight in 1981. The initiative called for a comprehensive Israeli withdrawal from the territories occupied in 1967 in exchange for a comprehensive regional peace. Although the Saudi initiative earned the approval of the Arab League in 1982, the initiative was not implemented nor promoted (due to the outbreak of the war in Lebanon), and soon afterwards it was removed from the Middle East agenda.

About twenty years later, the then crown prince, Prince Abdullah, presented another peace initiative that reiterated the same principles, but at the same time introduced some flexibility on the part of the Saudis in order to increase Israel's willingness to come to the negotiating table. This initiative, like its predecessor, also won the support of the Arab League and was repeatedly endorsed also during the events of the Arab Spring. However, despite its exceptional innovation and importance, the Saudi peace initiative (which would later be called the Arab Peace Initiative) has not received an Israeli official response to this day.<sup>91</sup>

Since the Arab Spring that led to the spread of Iranian influence in the Middle East and the strengthening of Jihadist terrorist organizations, the common denominator between Israel and Saudi Arabia has grown. The relations between Saudi Arabia and Israel became a known secret, although their nature and scope remain largely confidential.

As argued, the Palestinian issue has been and remains a substantial obstacle to making significant progress toward normalization between the two countries. However, even in the current state-of-affairs there are interactions at various levels and manners. In recent years, there has been a growing number of reports in the international and local media about confidential and public meetings between senior Israeli and Saudi officials. For example, a panel on the future of the Middle East was held in October 2017; Participants included former Mossad chief Efraim Halevi and the prince Turki al-Faisal, former head of Saudi intelligence.<sup>92</sup> Their presence side by side indicated the dramatic turnaround in the relations between the two countries. Prince Faisal also visited a synagogue in New York and met with former foreign minister Tzipi Livni on the sidelines of the Davos Economic Conference in 2016. Livni tweeted about the meeting on her Twitter account and added a picture of her with Prince Faisal.

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91 The main goal of the initiative was apparently to improve the image of Saudi Arabia in the eyes of the American public and the US administration in particular, following the attack on the Twin Towers in September 2001. Saudi Arabia was concerned that the harsh criticism about the fact that 15 out of the 19 terrorists were Saudi, would seriously damage the relations between the two countries, therefore it launched an initiative intended to portray itself to the world as a peacemaker and as a state having a proactive policy that advances peace in the bloody Middle East. The Saudi leadership apparently assumed that Israel would find it hard to accept the terms of the initiative, however in this initiative it attributed greater importance to appeasing its American ally.

92 James Reinl, "[Former Saudi and Israeli Spymasters Share NYC Stage](#)," *Al-Jazeera*, 23 October 2017.

This was not the first time that meetings between senior Israeli and Saudi officials had taken place. For example, it was reported that representatives of the Israeli Mossad had held talks with Saudi officials over the years, and in 2007 it was alleged in foreign publications that a secret meeting was held between former Prime Minister Ehud Olmert and Saudi Prince Bandar bin Sultan, who previously served as head of intelligence and head of the National Security Council.<sup>93</sup> These meetings were not officially confirmed, but a series of statements by the Israeli leadership seemingly reflects that the two countries are treading a new path.

In June 2015, a few days before Dore Gold assumed the role of Director-General of the Foreign Ministry, a public meeting was held with Anwar al-Ashqi, a retired Saudi general and current Chairman of the MESC Research Institute (Middle East Center for Strategic and Legal Studies). About a year later, Ashqi arrived with a Saudi delegation of academics and businessmen to visit Israel, and the delegation met with Israeli government and Knesset members with the intention to promote the Arab peace initiative.<sup>94</sup> This visit received great attention in the Israeli and foreign media because, although not official, it could not have happened without the green light of the Saudi royal family. In addition, one can discern a change in the public discourse regarding Israel, which is reflected in social networks as well as in the Saudi press. For example, the Saudi newspaper *Elaph* interviewed a number of senior Israeli officials, including the chief of staff, the defense minister, and the former opposition leader. A few years earlier, in 2014, the Saudi prince Turki al-Faisal published an unusual article in the Haaretz newspaper ahead of the peace conference convened by the paper, in which he expressed his hope for peace between the two countries.

In addition to meetings between Israeli and Saudi officials who held or still hold official positions, there are also contacts between the citizens of the two countries, which can be partially attributed to the actions undertaken by civil organizations. The idea of involving civil society is based on the premise that a change of awareness must begin at the leadership level, but it will cease to exist if it is not wrapped by civic engagement. Personal ties are the breeding ground for future peace between Israel and Saudi Arabia, which is founded first and foremost on shared interests. At the same time, its very existence will depend to a great extent on removing the cultural barriers between the two peoples. Official ties between the two countries will not survive if they are founded only on shared security interests, which may change in the dynamic environment of the Middle East. Therefore, cooperation must also be extended to the civil, economic, and cultural levels.

These changes do not occur in a vacuum but are influenced and nourished by the political ambiance in each of the countries. This is particularly true of Saudi Arabia, a country that has recently undergone changes in its leadership structure and its functioning. This is supposedly an internal matter, but it is quite possible that it will have far-reaching effects on the relations between Jerusalem and Riyadh.

These changes include an intergenerational transition within the ruling leadership, resulting in the younger generation replacing the older one. The ramifications of this process, which culminated in the appointment of the son of King Muhammad bin Salman as first heir to the throne and soon to become the king, resonate not only

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93 Aluf Benn, "[Israel's Liaison to Its Neighbors: Saudi Prince Bandar](#)," *Haaretz*, 2 March 2007.

94 Barak Ravid, "[A retired Saudi general visited Israel and met with the Director General of the Foreign Ministry](#)," *Haaretz*, 22 July 2016.

within the borders of the kingdom, but throughout the entire Middle East. The younger leadership creates new rules that change (sometimes dramatically) the traditional lines of action of Saudi foreign policy in two main ways: first, the foreign policy is becoming more assertive and proactive, as manifested in the decisions of the Saudi royal family to initiate a military operation in Yemen, to impose a boycott on Qatar, to exert massive pressure on Lebanese Prime Minister Hariri to resign, and the adoption of a stronger pushback against Iranian escalation. Second, the young prince's moves indicate that he intends to concentrate most of the power in his hands and in the hands of a group of people loyal to him, unlike in previous years, in which the tendency was to distribute the authorities in order to prevent an insurgency.

From the Israeli point of view, there are many who see Mohammed bin Salman as the right man at the right time. His proactive and uncompromising policy toward Iran and terrorist organizations (led by Hezbollah and Daesh), the emphasis he puts on expanding Saudi influence in the region, and his popularity among young Saudis - who make up about two-thirds of the population - present a unique opportunity for Israel. It should not be casually dismissed that Israel and the most important power in the Arab and Muslim world see eye to eye on the subjects of the immediate need to stabilize the region and stop the common enemies.

In an interview with Tom Friedman published in the *New York Times* in November 2017, the crown prince expressed himself unprecedentedly against Iran and its leaders: "We have learned from Europe that appeasement does not work [...] we do not want the new Hitler in Iran to repeat what happened in Europe in the Middle East". In addition, the prince said he would not agree to a Lebanese government controlled by Shi'ite Hezbollah, referring to the claim that al-Hariri's (temporary) resignation was the result of Saudi pressure.<sup>95</sup>

These statements, along with actions undertaken by Saudi Arabia in the region, point to an uncompromising policy of the monarchy against its enemies. During his brief tenure, Bin Salman proved an extraordinary resolve to promote goals that he believed were keeping with the interests of the kingdom and of the government in particular, even if the path to achieving them was fraught with obstacles. Therefore, it can be assumed that despite the expected harsh criticism, the Prince will make the effort to establish official relations with Israel if he sees them as a clear Saudi interest. Moreover, it is quite possible that he will be able to use the great sympathy he enjoys in order to remove the walls of hostility that the Arab public in general and the Saudi public, in particular, feel toward Israel.

However, despite the dramatic changes in the way the two countries define each other, no official diplomatic relations are expected to form between them as long as the unresolved conflict between Israel and the Palestinians is hovering above, at least according to the official position of Saudi Arabia. This conclusion can be drawn from a statement to the Egyptian television network CBS made by the Saudi Foreign Minister in November 2017, in response to Steinitz's remarks:

"There are no relations between Saudi Arabia and Israel. There is the Arab Peace Initiative, which shows the road map to reach peace and establish normal relations between Israel and Arab states."<sup>96</sup>

95 Thomas Friedman, "[Saudi Arabia's Arab Spring at Last](#)," *New York Times*, 23 November 2017.

96 Lynfield, *ibid*.

This clearly indicates that Saudi Arabia's official position is that as long as the Palestinian problem has not been resolved, or at least no real progress in negotiations between the sides has been made, there is slim likelihood for official relations between Riyadh and Jerusalem. Moreover, even if the Palestinian and Israeli policies become more flexible toward the main issues of contention, the road to peace in the Middle East is long and fraught with obstacles. Considerable portions of the Arab and Muslim public view Israel as responsible for the Palestinian suffering because of the occupation policy, and for this reason, every Arab leader that shows a desire to thaw relations with Israel is criticized. A vindication of this hypothesis can be seen in the angry reactions to the relatively weak and moderate statement of the Saudi royal family regarding the American decision to recognize Jerusalem as the capital of Israel.

The Saudi leadership prefers the path of quiet diplomacy that promotes security and other interests rather than exposing itself to harsh public criticism. Although unofficial relations do not fulfill the full potential of the relations between the countries, they are preferable, at least for the time being, to making them official. However, there are changes on this front too, as evidenced by the unique meeting between the Saudi crown prince and Jewish leaders.

According to the Israeli leadership, normalization with the Arab states may improve the chances of success in the Israeli-Palestinian negotiations. Prime Minister Netanyahu, who holds this approach, said the following:

"They always said that the moment we make progress, a breakthrough in the peace process with the Palestinians, we can also make peace with the entire Arab world. But more and more I think that the process can also move in the opposite direction. That the normalization, or advancement of relations with the Arab world, can help us attain a more realistic and stable peace with the Palestinians."<sup>97</sup>

Although the Prime Minister's remarks did not explicitly refer to Saudi Arabia, the message was clear. Nevertheless, one should not attribute the Saudis too much influence over the Palestinian leadership. Even if there is significant progress in relations between Israel and Saudi Arabia, within which the royal family will agree to dramatic compromises in order to resolve the conflict, this does not indicate that the Palestinian leadership is on board. Saudi Arabia can exert pressure on the Palestinian leadership to come to the negotiating table, but it cannot force it to sign a document that it does not agree with.

In addition, in an era of unclear American willingness to intervene in Middle Eastern affairs, especially with regard to Iran, and when the countries of the region show limited ability to deal with the growing threats alone, there is great benefit in bringing together Israeli and Saudi forces against common enemies. Finally, in times of regional crisis (such as the al-Aqsa Mosque crisis), the cooperation between Riyadh and Jerusalem could ease the tension and reduce the expected damage. Saudi Arabia and Israel, as well as Jordan, share the interest that the administration of the holy sites will be done quietly and consensually, to prevent flare-ups in one of the most explosive areas in the Middle East.

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97 Jackie Hogi, "[Analysis: Is Israeli-Saudi Peace a Realistic Proposition?](#)," *The Jerusalem Post*, 27 February 2017.

## 2. Security cooperation

Much has been written about the dramatic change that the relations between Riyadh and Jerusalem has undergone, due to the shared security interests, especially regarding Iran and Jihadist organizations. The Saudis view Iran as an existential threat to the security of the kingdom and to the regime. Therefore, their actions in the region are decided, first and foremost, through the narrow perspective of the Iranian threat. In their view, this is a zero-sum game, in which every profit of the Islamic Republic is necessarily a Saudi loss. This is especially true when considering the increase in Shi'ite dominance in Arab countries where there is an ongoing governmental failure (primarily Syria, Lebanon, and Yemen).

The Saudi fear of its neighbor from the Gulf has grown after the signing of the nuclear agreement between Iran and the Western powers. Although it was presented by the US as an achievement, the Saudi assumption is that the agreement cannot defeat Iran's nuclear capabilities, let alone its intentions. Even if there is only slim likelihood that Saudi Arabia will be attacked by its neighbor using unconventional weapons, the Saudis still fear Iran. Moreover, in the opinion of the Saudi leadership, the agreement paves the way for Iran's economic rehabilitation, thereby increasing Iran's support for subversive organizations in the Middle East.

Similarly, in Israel, the Iranian threat is also at the center of the security agenda. In contrast to the Saudi case, the concern in Israel is not the Iranian subversion but rather a significant undermining of the regional status quo, which will lead to intensifying regional wars and to expanding their scope, which will indirectly affect Israel. In addition, Israel shares the Saudi concern about the consequences of the nuclear agreement, which makes a decisive contribution to the rapprochement between Jerusalem and Riyadh.

Along with the inherent danger in the expansion of Iranian influence, the two countries are following the activities of Jihadi organizations throughout the Arab world with great concern. Even if, for now, the advancement of Daesh appears to have stopped, there are still additional terrorist cells (dormant or active) that cast a heavy shadow on the political future of the regimes in the Arab countries (Jordan and Egypt), whose survival is critical for the regional stability.

The threat to primary national interests posed by common enemies is underlying the significant rapprochement between Israel and Saudi Arabia. The logic of "the enemy of my enemy is my friend" laid the foundations for strategic security cooperation. The dramatic change in the Saudi understanding of the Middle East also made its contribution and helped it happen. If in the past the kingdom had a binary perception of the countries of the region (against or for Saudi Arabia), in recent years they have displayed considerable flexibility in the way they define enemies and allies. Between these two extremes, a new and wide range of sub-definitions has been created, which significantly increases the scope of action of the Saudi rulers. This means that in the current reality, the kingdom may find common ground with certain countries in one area (or more), even if they are divided on other issues.

Going back to the Israeli context, until recent years, Saudi Arabia has avoided extensive strategic cooperation with Israel, even if there was obvious benefit to both sides, because of the occupation policy. However, given the increasing security challenges, the Saudi view of Israel has become functional and pragmatic. Not only is Israel no longer the

ultimate enemy, as the Saudi crown prince and various newspapers in the Saudi press have occasionally shown, but now Israel has become a key player in fighting the enemies of the kingdom. Unlike other countries, including the US, Israel is the only country with military intentions and capabilities to confront Iran and its affiliates, thus its current importance in Saudi politics.

The strategic aspects of the relations between the two countries are the most dominant and significant because the issues at stake are of high importance. The Iranian threat is perceived by both countries as existential and immediate, therefore they both show great willingness to expand and deepen their ties. This means that from a strategic point of view, perhaps more than any other aspect of possible cooperation, the absence of a diplomatic process between Israel and the Palestinians only minimally affects the relations between the two countries.

Notwithstanding, there are still unsurmountable obstacles that limit the ability of Israel and Saudi Arabia to operate freely. Thus, for example, it is reasonable to assume that Saudi Arabia will refuse to participate in joint military exercises with Israel, due to the expected damage to the image of the Saudi leadership as a result thereof. Some argue that maintaining merely covert security coordination, as a result of the continued Israeli-Palestinian conflict, is already a significant progress, since if the peace process moves forward, the parties could openly restructure regional security, which will include mechanisms and multilateral channels of dialogue in the region, with the participation of Europe and the US. Accordingly, some consider the contribution of strategic cooperation to be of reduced significance. A Saudi columnist, Jamal Khashoggi published in September 2016 the article "Does Saudi Arabia need relations with Israel?" in which he wrote:

"Israel cannot do much regarding security threats. It would be a burden while we establish Muslim and Arab alliances. The worst thing Riyadh could do in terms of its public relations in the Muslim world is be allied with Israel against Iran. That would be the long-awaited gift Tehran is waiting for."<sup>98</sup>

Like Saudi Arabia, Israel also imposes restrictions on the strategic cooperation. Thus, for example, Israel will not agree to military cooperation in areas where it has no interest, such as Yemen. In addition, Israel is following with great concern the Saudi declarations about developing nuclear weapons in response to the Iranian nuclear program, which could compromise the IDF's strategic superiority.

From an Israeli perspective, Saudi Arabia has exceptional strategic importance due to its geographical proximity to Iran, as well as its power and status in the region. If there are official relations between the two countries, it is possible that in due course the kingdom will give Israel a green light to use its air and sea space in order to improve its combat systems against Iran. In this regard, it was reported in the past that Saudi Arabia agreed to allow Israel to attack Iran through its air space, although no confirmation was given by Saudi nor Israeli officials. If there will be extensive cooperation between the two countries, Israel may be able to position spy planes and ships to watch the Islamic Republic. However, since it is highly unlikely, it is reasonably safe to assume that Saudi Arabia will at most agree to share with Israel the intelligence collected on its territory.

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98 Jamal Khashoggi, "[Does Saudi Arabia Need Relations with Israel?](#)," *Al-Arabiya*, 4 September 2016.



From the Saudi point of view, Israel's importance does not necessarily lie in its defense industry, since the kingdom is probably equipped with the best defense systems. It is rather Israel's pro-active intelligence capabilities that will diversify and expand the existing knowledge base. There is a disagreement among Israeli officials regarding the contribution of Israeli intelligence to Saudi Arabia. Some underestimate its value and claim that it can at most add to the information that the Saudi security services receive from Western intelligence organizations. According to them, Saudi Arabia receives high quality information from various sources, and Israel has no real added value in this sense.

On the other hand, there are those who argue that Israel may have extensive contribution to the kingdom's security for the following reasons: First, no other country in the world (except Saudi Arabia) sees Iran as its greatest threat. This may be indicative of the scope and type of intelligence that Israel provides on this matter. In addition, Israel has a great deal of knowledge of countries where Iran is heavily involved, primarily Syria and Lebanon. Second, the accumulated Israeli experience in counter-terrorism activities and its use of various defense systems is unique and very relevant for Saudi Arabia, especially in view of the terror organizations targeting Saudi Arabia. Third, in Israel there are companies that specialize in cyber warfare, and their joint work with the Saudi government can help curb the increasing cyber-attacks. Fourth, if the two countries decide to cooperate militarily, it will create an important deterrent effect.

To sum up, it seems that strategically speaking there is a great willingness on the part of the countries to cooperate despite the political deadlock, as long as the interactions remain hidden and not subject to public criticism.

### 3. Economic cooperation

The scope of direct economic relations between Israel and Saudi Arabia is apparently insignificant or non-existent in view of the series of prohibitions set by the Saudi government regarding Israeli produce and manpower. However, an article published in Bloomberg BusinessWeek in 2016 mentioned business contacts between the Saudi government and Israeli companies and individuals, particularly about counterterrorism and cyber-attacks. For example, Shmuel Bar said in the article that senior Saudi officials approached him a few years ago and maintained contact with him via video calls on Skype regarding a certain project. According to him, the Saudis agreed to maintain economic contacts with him provided that his Israeli identity is disguised. Today, he says, he meets with Saudis and others from the Gulf without any restrictions. In addition, the article claimed that Israeli companies are participating in protecting Saudi security against cyber-attacks, especially since the computers of Saudi Arabia's state-owned oil company were breached in 2012. One of the main forms of cooperation is through incorporation of subsidiaries in the US and in Europe.<sup>99</sup>

A source in Riyadh denied the above and said that Saudi Arabia was not working with Israeli companies. These and other denials by Saudi Arabia cast doubt on the veracity of Israeli statements about economic engagements, therefore it is difficult to know for certain whether economic cooperation exists between Israel and Saudi Arabia, and if so, what its nature and extent is.

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99 Jonathan Ferziger and Peter Waldman, "[How Do Israel's Tech Firms Do Business in Saudi Arabia? Very Quietly](#)," *Bloomberg Businessweek*, 2 February 2017.

Thus, the discussion of the current economic activity is less important, and the spotlight should be directed to the economic potential of future cooperation between Israel and the Kingdom of Saudi Arabia.

In April 2018, during an interview with *The Atlantic* magazine, the Saudi Crown Prince expressed his great appreciation for the Israeli economy and the potential economic horizon hidden in the relations between the two countries if there would be a peace agreement between them.<sup>100</sup> A few months earlier, in June 2017, *The Times* reported that Israel and Saudi Arabia were conducting talks to establish economic ties between them on the way to normalizing their relations. In this context, it was argued that Saudi Arabia is considering the possibility of approving work visas for Israeli Arab citizens and to allow Israeli flights pass through its air space.<sup>101</sup> If this is indeed true, it will be a historic breakthrough; up to now, the Saudi royal family refused to allow Israeli workers to work within the kingdom or sell Israeli produce and technology in the Saudi markets. This means that despite the great interest in economic cooperation between the two countries, certainly on the Israeli side, this cooperation could not materialize due to the obstacles imposed by the Saudi leadership. In March 2018, Air India was given permission to fly through Saudi Arabia on its way to Israel. This approval was interpreted by various parties as a signal of a beginning of economic normalization between Saudi Arabia and Israel, although at this stage it is too early to tell whether it would move forward.

There is no dispute that there is a genuine potential for economic engagement between Israel and Saudi Arabia, but its scope, nature, and influence depend to a large extent on Saudi economic policy vis-a-vis Israel. Normalizing the relations between Israel and Saudi Arabia will prepare the groundwork for the implementation of large-scale regional water, agriculture, transportation, or energy projects, which until now have been rejected out of hand. If Saudi Arabia gives it a green light, it will legitimize these projects and remove the fears of the Arab countries in this regard, even those of Jordan and Egypt, with whom Israel already has formal peace agreements. Such projects are important for boosting the economies of the region, but more importantly they are essential for the survival of the Arab rulers.<sup>102</sup> Egypt, which is a strategic asset for Israel and Saudi Arabia, is expected to undergo a real water crisis in the coming years, the consequences of which could be disastrous. If the countries of the region work together to advance the solution to the problem, it would benefit all allies of Saudi Arabia in the region.

Similarly, in April 2017, the Transportation and Intelligence Minister Israel Katz presented a program entitled "Pathways to Regional Peace" in which Israel would connect to Jordan, Saudi Arabia, and the Gulf states through a railway grid. The purpose of the program is to join the efforts to strengthen Jordan while transforming it into a transportation center. In addition, it will connect the Palestinians to the ports of Haifa as well as to the Arab countries and will allow them access to the Mediterranean Sea. The minister claimed that there was significant dialogue with the Arab countries and he was optimistic about

100 "Israel is a big economy compared to their size and it's a growing economy, and of course there are a lot of interests we share with Israel and if there is peace, there would be a lot of interest between Israel and the Gulf Cooperation Council countries and countries like Egypt and Jordan", see Jeffrey Goldberg, "[Saudi Crown Prince: Iran's Supreme Leader 'Makes Hitler Look Good'](#)," *The Atlantic*, 2 April 2018.

101 Michael Binyon and Gregg Carlstrom, "[Trade Talks between Israel and Saudi Arabia Mark a Historic First](#)," *The Times*, 17 June 2017.

102 There is a claim that the drought in Syria is linked to an uprising against the Assad regime. See Moshe Terdiman, "The Environmental Reasons for the Outbreak of the Arab Spring – The Case of Syria," *The Forum for Regional Thinking*, 18 April 2012.

the feasibility of the program. This and other initiatives, such as the project to construct the Saudi futuristic city Neom, as well as transferring the Islands of Sanafir and Tiran from Egypt to Saudi Arabia, are designed to prevent humanitarian and economic crises and are based on the common interests of all countries in the region, including Israel. However, although important, there are difficulties in drawing on these interests, due to the ongoing failure of the Israeli-Palestinian negotiations.

In order to create a substantial change in the pattern of economic relations between the countries, the Saudi government is not required to adopt an “affirmative action” toward Israeli produce and manpower, but rather show willingness to relax some of the existing limitations. For example, if the Saudi government removes the prohibition on Israeli involvement in international projects implemented for the Saudi market, this will be an important and significant development for the Israeli economy. Every year, international companies undertake complex and large-scale projects for the Saudi government that are estimated at billions of dollars, such as the construction of a power plant, subways, desalination plants, and more. In order to carry out these projects, there is a need to work with subcontractors and suppliers on a variety of services, including consultants and engineers as well as the purchase of smart security and energy saving systems.

Israel has a clear advantage over other countries because of its geographic proximity to Saudi Arabia and very often because of its advanced knowledge and equipment. Because of the geographic proximity of the two countries, Israel could send service providers and equipment which would replace those from Europe and the US, thereby allowing for significant saving. If Israeli companies will no longer be required to hide their Israeli identity, it would be a golden opportunity that can be translated into billions of shekels every year.

In addition, if the royal family approves the granting of work visas to Israel's Arab citizens and if Israel allows them to work in the Arab countries, everyone will gain from the situation, both economically and politically. Arab citizens of Israel will be able to improve their economic situation by working in the Gulf and at the same time serve as a link between the Israeli and Arab publics. Although Saudi Arabia allows Israel's Arab citizens to cross its borders to observe the Hajj, it still does not allow them to work within its territory.

If the Saudi government allows Israeli companies to compete with international companies on international projects, it is likely to bring about a significant change. However, even if this happens, the potential for establishing official bilateral relations remains unfulfilled. Saudi Arabia could lift the ban on the sale of Israeli produce to Saudi markets. This decision will be revolutionary and has dramatic implications for the Israeli economy. The reason being that unlike the policy change discussed above, this change would entail the direct sale of Israeli produce to Saudi outlets.

These are not just Israeli components that are woven into a larger project, but Israeli produce that would be visible to all. If this change is combined with the railway grid connecting Israel to the Gulf markets, Israel's economic viability would grow significantly. However, in order to translate the potential to real economic success, the Saudi public should be willing to buy Israeli products. Without lifting the public boycott of Israeli produce, it is doubtful whether the high expectations of this move will materialize.

In the opinion of Dr. Yitzhak Gal, an expert on the Gulf economies, if the Saudi government agrees to remove the various economic barriers (the banning of Israeli involvement in international projects, the prohibition to sell Israeli products to the Saudi markets, and the boycott of Israeli products), it would boost the Israeli economy. As mentioned, such measures would not require the Saudi government to actively promote Israeli products, but rather to lift the ban on the sale of Israeli products and approve the hiring of Israeli manpower.

Israel, for its part, could also make a significant contribution to Saudi Arabia in a variety of areas, especially now that the royal family prioritizes the setting up of a pool of young talents that will drive the economy and industry forward. At the top of Saudi Arabia's agenda is the challenge of reducing its dependence on oil and diversifying its economy. After years of being addicted to the black gold, Saudi Arabia is working with exceptional intensity and determination, while spearheading revolutionary moves to increase its revenues from other industries and widely integrate its citizens in the private sector.

Saudi Vision 2030, launched in 2016 by Bin Salman, is a clear reflection of the current state of mind in the kingdom. In order to achieve its ambitious goals – primarily a significant increase in the number of workplaces, the development and strengthening of the local economy, and a dramatic reduction in the number of migrant workers – a real change is required in the kingdom's economy. One of the threshold conditions for the success of this ambitious vision is the expansion and nurturing of the local human capital. As a technological and scientific power based on a pool of local skills, Israel can help the Kingdom integrate innovation, entrepreneurship, and criticism into its labor market and education systems, thereby increasing the chances of the Saudi vision to succeed.

Moreover, it seems that the greatest potential for economic cooperation between the two countries is in water purification and desalination projects, as well as in desert agriculture. Although Saudi Arabia is blessed with oil, it is a stagnant economy with no water sources. This reality led its leadership to place great emphasis on desalination plants in search for additional water sources. Incidentally, the world's largest water desalination plant is in Saudi Arabia. There are dozens of Israeli companies specializing in water desalination and in reducing water evaporation, in sewage purification, and in water security. In this sense, the Saudi market may serve as a platform for extensive and diverse Israeli activity.

In addition, there are Israeli companies that specialize in agricultural machinery and irrigation methods that may be relevant to the Saudi market. In addition, it should be remembered that in recent years, Saudi Arabia has allocated huge sums of money for green energy generation, primarily solar and wind energy. Apparently, there are no Israeli companies that can construct a solar field or a wind farm of the required scope and complexity for the Saudi economy, but there are certainly companies that sell complementary know-how and products in these areas.

Alongside selling Israeli produce and integrating Israeli manpower into the Saudi job market, Israel can increase its economic gains by transforming itself (and the al-Aqsa Mosque in particular) into a tourist destination for Saudi Muslims. This measure could contribute huge sums to the state treasury, both due to the expected number of Saudi visitors, and because it would pave the way for tourists who have so far avoided visiting Israel for political reasons.

Alongside the profits to the Israeli market, the Saudi economy will also benefit from the economic ties with Israel, especially in terms of selling oil and petrochemical products to the Israeli industry. Due to the large use of petrochemical products in Israel, Gal estimates that the volume of imports will amount to two to three billion dollars a year.

In sum, economic cooperation between Israel and Saudi Arabia that allows the integration of Israeli products and personnel into Saudi projects, as well as the sale of Israeli produce to the Saudi markets, can bring about a real revolution to the Israeli economy due to the expected economic reward. However, for it to materialize, progress should be made with the Palestinians, even if there is no agreement on the final solution to the issues of dispute.

### C. The impact of the Israel-Palestinian conflict on Israel-Saudi Arabia cooperation

The revolutionary steps being spearheaded by the Saudi crown prince are clear evidence that Saudi Arabia is racing toward a future that will fundamentally change its character: no longer an oil-dependent state driven by radical Islam, but a more liberal and productive country which is a source of attraction for foreign investors. If this vision comes true, the potential for cooperation between Israel and Saudi Arabia is huge.

However, despite the growing interest of Israel and Saudi Arabia in expanding and deepening their relations, economic ties, and political normalization, without a breakthrough in the Israeli-Palestinian conflict it is impossible in the foreseeable future. Although the current reality has led to a significantly more relaxed Saudi policy toward Israel, as can be seen from the statements of the Saudi foreign minister mentioned above, it does not mean that the Palestinian hurdle can be skipped.<sup>103</sup>

Consequently, the prevailing perception of the Israelis, assuming that a significant rapprochement between the countries can occur based solely on shared interests while pushing the Palestinian issue aside, becomes irrelevant.<sup>104</sup> The proponents of this approach argue that Saudi Arabia's national interests outweigh its commitment to solving the Palestinian problem, certainly at present. Therefore, if dealing with the Palestinian problem is too heavy, Saudi Arabia will find a way to bypass the Palestinian issue and advance its relations with Israel. Yaakov Nagel, who was the security adviser to Prime Minister Netanyahu, commented in this spirit during an interview in November 2017:

“They just have to say there is an agreement between Israel and the Palestinians, they don't care, they don't give a damn about what will be in the agreement [...] They need to say there is an agreement in order to go for next steps.”<sup>105</sup>

103 Lynfield, *ibid.*

104 The development of this perception and its failures can be learned in Yuval Benziman, “[The Netanyahu Government's Attempt to Disconnect Israeli-Arab Relations from the Israeli-Palestinian Peace Process](#)”, *The Mitvim Institute*, February 2018.

105 Raf Sanchez, “[‘Saudi Arabia ‘Doesn't Care’ about the Palestinians as Long as It Can Make a Deal with Israel against Iran, Says Former Netanyahu Advisor](#),” *The Telegraph*, 25 November 2017.

Whether it is an Israeli wish, or an authentic Saudi reality, the bottom line is unchanged: Israel will have to show flexibility with the occupation policy in order to make the normalization process more meaningful, even if the Saudi demands have been softened and reduced. According to a Saudi official quoted in the article:

“Palestine is not an easy issue [...] Saudi Arabia is expecting to hold Islamic leadership and will not let it go easily. And, if you need Israel in anything, you can do it anyway, without having a relationship.”<sup>106</sup>

In view of the above, there are quite a few senior security officials and politicians in Israel who assume that it is best for both countries to continue on the path of secret diplomacy, because its many advantages and because it does not require paying the price resulting from the transition to overt relations. According to them, Israel and Saudi Arabia agree on a long list of issues even without formally recognizing their relations, so there is no point in spoiling an already working dynamic. Even if regional negotiations are to begin in the future, it is likely to be long, tedious and sensitive and will include endless hurdles, while the expected changes are doubtful as long as the negotiations have not achieved their goals. Therefore, it would be better for Israel and Saudi Arabia to conduct informal comprehensive and in-depth relations, even if they do not enable to fully realize the potential thereof.

But this is a misrepresentation of reality. The advantages of secret diplomacy are limited, and under certain circumstances it is the secret diplomacy that can jeopardize and undermine the national interests of each country. Saudi Arabia does not derive its policy based on Israeli interests, but based on its national identity, which is a result of its role as a leading country in the Muslim and Arab world. Even if national interests prevail over its commitment to the Palestinians, it does not mean that under the appropriate circumstances Saudi Arabia will tighten its relations with Israel and abandon the Palestinians. The 2002 Arab peace initiative should indeed be adapted to the current Middle East context (for example, waiving the demand for an Israeli withdrawal from the Golan Heights), but the historical Saudi demand that Israel solves the Palestinian predicament remains unchanged. This means that realizing the potential of the cooperation between Israel and Saudi Arabia requires a partial removal of the existing hurdles in the Israeli-Palestinian relations.

## D. Summary

The volatile regional reality generated an extraordinary opportunity for laying the foundations for a long-term relationship between Jerusalem and Riyadh. However, despite the growing interactions between the citizens of both countries, official relations are not likely to occur without significant progress with the Palestinian-Israeli conflict. Having common enemies has contributed significantly to the removal of obstacles that in the past seemed impassable, but this does not mean that the kingdom's leadership is prepared to leave the Palestinian problem unresolved for the sake of advancing national interests, even if the threshold of the Saudi claims is lowered. The connection between the two regional powers, which strive together for regional stability and are prepared to ease their demands for this purpose, is important and substantial, but in order for it to be meaningful, a political breakthrough is required.

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<sup>106</sup> Yaroslav Trofimov, “[For Saudis and Israelis, Cost of Open Ties Outweighs the Benefits](#),” *The Wall Street Journal*, 1 February 2018.

The ties between Israel and Saudi Arabia will probably yield considerable gains for both countries, in addition to affecting the entire region and having a significant impact on regional stability. At the same time, one must be cautious and avoid excessive exaggeration in the potential of a peace agreement between the two countries. The scope and breadth of cooperation will not be decided at the moment of signing the agreement, but rather in a long process laden with hurdles. The viability of the peace agreement will not be examined through the presence of diplomatic missions or reciprocal visits, but rather through the question of how senior Saudi and Israeli officials conduct themselves in times of political, security and religious crisis, and how the crisis will affect their relations. It is too early to know whether the rapprochement between Israel and Saudi Arabia marks a trend that will lead to a dramatic change in the pattern of relations between the countries, or whether it is only a cooperation that is a product of the current circumstances. In any case, this may give Israel the sense of urgency toward tightening its ties with Saudi Arabia, even if Israel must show more flexibility with complex issues with regard to its conflict with the Palestinians. For now, it seems that there is no Israeli leadership that would be willing to be more flexible about the Palestinian demands, just as there is no Palestinian leadership that will accept, even partially, the Israeli demands. Without true willingness for political flexibility on the part of Israel and the Palestinians, such articles dealing with normalization between Israel and Saudi Arabia will remain on the shelves of history.

# Israel and the United Arab Emirates: Opportunities on Hold

Dr. Moran Zaga

## A. Introduction

The UAE is considered a rising regional power. In addition to its economic and political stability, the UAE increased its foreign policy activity in recent years by leading processes in the Arab world. On August 2020, the UAE signed a groundbreaking deal with Israel, leading to the full normalization of ties between the states, wrecking the tradition amongst Arab states to refuse normalization without a significant advance towards Israeli-Palestinian peace.

The UAE was founded in 1971 as an independent federal state. Its socio-political structure derives from several tribal coalitions, relatively homogeneous in their ethnic and religious affiliation. Most of the Emiratis are Arab Sunni Muslims who adhere to the Maliki School of Islamic jurisprudence. From the early 19th century until the establishment of the UAE, the region was subject to the rule of the British Empire, yet local leaders were able to enjoy a substantial sovereignty in managing local affairs. Britain had a meaningful role in shaping the political system of the UAE and demarcating its borders (internal and external) based on the regional tribal loyalties. The UAE was established as the only Arab federal state, consisting of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah and Fujairah. Despite their relatively homogeneous characteristics, the seven emirates differ in their political, economic and religious nature, as well as in their degree of cultural openness to the West.

Among the seven emirates, Abu Dhabi and Dubai are considered the most influential both politically and economically. In the last two decades, the two emirates had invested in shaping themselves as global centers, an effort which is manifested in their cultural, educational and diplomatic arenas. They regularly host international events and attract tourists from all over the world. The third most important emirate, Sharjah, has enjoyed in recent years an increased amount of influence, both locally and globally, and is establishing itself as a significant cultural and political center as well. Despite the divergences between the internal political units, the UAE is addressed in this paper as one integral unit, since the emirates who are the most influential among the seven represent the overall governing policy and quite accurately reflect the general attitude of the state.

According to UN and World Bank<sup>107</sup> figures, the population of the UAE is estimated at 9.2 million, of whom more than 80 percent are foreign nationals residing in the country for labor purposes. These foreign residents hold almost all types of jobs, with the exception of highly senior positions in the government and in security institutions, and their outstanding numbers affect the social and cultural composition of the country.<sup>108</sup>

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107 UN Data, [United Arab Emirates](#); World Bank Data, [United Arab Emirates](#).

108 Moran Zaga, "[Who is \(Not\) Afraid of the Demographic Balance?](#)" *The Forum for Regional Thinking*, 20 February 2017.



The birth rate in the UAE is considered rather low compared to other Arab countries, and is estimated at 1.77.<sup>109</sup>

## 1. The UAE and the regional system

The UAE expresses its national perception in Article 6 of its constitution, according to which the state is part of a larger political unit – the Arab world: “The people that make up the union are one, while also being a part of the larger Arab nation”.<sup>110</sup> Based on this approach, the UAE is an active member within the Arab League and the Gulf Cooperation Council (GCC), and participates in regional initiatives, such as the Saudi-led coalition in Yemen, and humanitarian assistance to crisis struck zones in the Arab world.<sup>111</sup> The UAE’s membership in these forums dictates, to a large extent, its foreign policy. Yet, its political and economic resilience allows the UAE a relative flexibility in independent decision-making regarding its foreign affairs, which is manifested in the agreement with Israel.

One of the salient features of the UAE is its moderate approach to Islam, endorsing the religion as a non-political cultural component. Its religious tolerance is expressed in a high level of equal opportunities for women and a permissive attitude toward foreign residents and visitors within its borders. This religious-political approach in the state level is also reflected in its foreign policy, which opposes Islamic fundamentalism and promotes the fight against terror organizations (both Sunnis and Shi’ites). The political dispute between the UAE and its neighbors, Iran and Qatar, derives largely from this worldview.<sup>112</sup>

During the wave of protests also known as the Arab Spring, the UAE boycotted the Qatar-based Al-Jazeera channel, accusing Qatar of supporting radical movements such as the Muslim Brotherhood. In June 2017, another crisis erupted between Qatar and the UAE over the former’s stance on Iran. This last crisis has led to a complete severing of ties between the UAE and Qatar, and to antagonistic statements by public figures and government officials.<sup>113</sup> The UAE’s policy toward Iran is one of political and ideological dispute, which grew stronger in recent years following the emergence of a new balance of power in the region. The UAE, which is threatened by Iran’s hegemony and is in a territorial dispute with Iran over islands in the Persian Gulf, objects Iran’s development of weapons of mass destruction in the region.<sup>114</sup> Moreover, the involvement of Iran and the UAE in the war in Yemen has placed both countries on different sides of the barricade. Despite its attempts to avoid an outright confrontation with Iran, the UAE has been taking various steps to protest Iran’s policy. For example, in 2017 the UAE’s Federal Court gave a 10-year prison verdict to an Iranian businessman who it accused of being involved in Iran’s nuclear program.<sup>115</sup> These moves express the rising tension between the Gulf states on the issue of security and political Islam, and they testify to various political

109 The World Bank, [World Development Indicators](#).

110 The Cabinet of the United Arab Emirates, [UAE’s Constitution](#).

111 “[Foreign Aid Strategy 2017-2021](#),” *United Arab Emirates Government*, 26 April 2018.

112 William Rugh, “The Foreign Policy of the United Arab Emirates,” *Middle East Journal* 50(1), 1996, pp. 57-70.

113 Gulf News Report, “[Our Patience Has Limits, Says UAE Minister](#),” *Gulf News*, 28 May 2017.

114 Taimur Khan, “[UAE is Committed to Keeping Middle East Free of Nuclear Weapons](#),” *The National*, 12 October 2013.

115 Rasha Moran, “[Abu Dhabi Federal Appeal Court Convicts Iranian Businessman for Supporting Iran’s Nuclear Programme](#),” *Emirates News Agency*, 26 April 2017.

intrigues that exist beneath the surface.<sup>116</sup> In recent years, Turkey became an additional threatening force in the UAE's perception. Turkey's increasing involvement in the Middle East in general and in the Gulf in particular, exacerbated the hostility between the sides.

The UAE is considered the second largest economy in the Arab world, after Saudi Arabia, and the country's per capita gross domestic product (in terms of Purchasing Power Parity<sup>117</sup>) is in the top ten of international ranking.<sup>118</sup> The UAE's economy relies heavily on oil exports. However, the economic strategy of the country tends to develop additional growth channels and in recent years, it has succeeded in reducing its dependence on oil to about a third of its gross national product. The country has positioned itself as a leading international business center and as an important trading hub between the West and the East. Another growing field of economy in the UAE is tourism, which also affects the cultural environment in the country.<sup>119</sup> The economic prowess of the UAE is an important factor in consolidating its political status in regional and global terms. The UAE invests its efforts and resources in expanding its diplomatic relations, and often acts as a mediator in third-party disputes.<sup>120</sup> Its foreign activism during the last decade indicates its desire to stand out in the regional arena. Some of these endeavors include humanitarian aid programs, involvement in the fighting in Yemen, the Qatar boycott, and its political involvement in Egypt,<sup>121</sup> Libya<sup>122</sup> and Gaza.<sup>123</sup>

## 2. The UAE and Israel

The UAE was established 23 years after Israel's independence and after the local and regional changes that have taken place in the wake of the Six-Day War of 1967. The UAE never took part in the wars against Israel, but its policy and attitude toward the Israeli state were largely influenced by the balance of power at the time of its establishment.

The geopolitical conditions of both the UAE and Israel are an important factor in understanding the nature of the relationship between the two countries. The UAE is geographically distant from Israel, located on the southern shore of the Gulf. The possibility to a direct and immediate conflict between the two countries is unlikely in the foreseen future. While the UAE is a monarchy and all its citizens are Sunni Arabs, Israel is a democracy, comprised of a diverse population that includes also a minority of Sunni Arabs.

The relations between Israel and the UAE are often affected by their positions in the political axes of power. In the international arena, the UAE and Israel are considered as pro-American states. The US maintains close ties with the UAE, and these ties rely

116 Moran Zaga, "A Divided Union: The Gulf States and the Roots of the Qatar Crisis," *Near East: The Middle East Magazine*, 11 June 2017

117 This index enables international comparisons between currencies and GDP, GDP per capita, growth, etc.

118 Yitzhak Gal, "The Gulf Market: A Fast-Growing Economic Giant," 20 December 2009.

119 Dubai ranks 6th among the world's 10 most visited cities, according to the 2017 [Euromonitor](#) ranking.

120 For example, the UAE served as a mediator in the peace process between Eritrea and Ethiopia, signed in July 2015 after a decade of war between the parties: "[The UAE is Scrambling to Control Ports in Africa](#)," *The Economist*, 19 July 2018.

121 "[Ahmed Shafiq: Egyptian ex-PM Withdraws from Election](#)," *BBC News*, 7 January 2018.

122 "[UN report: UAE Violates Libya Arms Embargo](#)," *Al-Jazeera*, 14 June 2017.

123 Adnan Abu Amer, "[Dahlan Muscles his Way into Gaza with UAE Money](#)," *Al-Monitor*, 7 August 2017.

on a strategic alliance based on shared diplomatic, security and economic interests.<sup>124</sup> However, in terms of regional policy, Israel and the UAE have often stood in opposing positions. Since its establishment, the UAE has been endorsing the Arab League and the GCC decisions regarding Israel. Being a member of the Arab League, the UAE refused to recognize the legitimacy of the State of Israel,<sup>125</sup> and officially prohibited the entry of Israelis into its territory in accordance with the general boycott of Israel by the Arab League.<sup>126</sup> However, being a member of the GCC somewhat moderated its hawkish approach, as the Gulf states consider Israel as a regional player that should be acknowledged.

Since the establishment of the GCC in 1981, its member states have adopted a clear position against Israel's policy toward the Palestinians, while seeking a resolution to the Israeli-Palestinian conflict.<sup>127</sup> In addition to the numerous condemnations made by the UAE against Israel's policy on the Palestinian issue, the UAE has historically supported various regional peace initiatives and frequently mentions its support for the 2002 Arab peace initiative (initiated by Saudi Arabia). The Gulf states, including the UAE, consider the resolution of the conflict as a source for regional stability and as a way to eliminate radical movements operating in the region. The UAE and the rest of the GCC member states perceive the two-state solution as the key to resolving the Israeli-Palestinian conflict.<sup>128</sup>

Israel's policies and actions in the West Bank and the Gaza Strip are a central cause for UAE's opposition to Israel, which has so far rejected every chance for formal bilateral diplomatic relations between the two countries. Indeed, unlike its neighbors Qatar or Oman, the UAE never officially opened an Israeli consulate. Despite adopting the general rhetoric of the Arab states, on the practical level, the UAE presents a relatively flexible and independent approach toward Israel, which is manifested in its willingness to maintain low profile relations.<sup>129</sup> Among other things, this approach included granting an entry visa to Israelis holding foreign passports (and to holders of an Israeli passport through a local sponsorship), receiving Israeli government officials visiting its territory, maintaining diplomatic and security ties at the multilateral level (and attempting to keep them covert), mutual trade carried out "under the radar" and more. Despite the UAE's support of the Arab League's boycott of Israel, it does not enforce absolute restrictions on the trade with Israel and does not prevent developing further ties with the Israeli state.<sup>130</sup> In 1994, the UAE (together with the rest of the GCC member states) removed the restrictions resulting from the Arab League's boycott on Israel, which banned any business engagements with Israeli companies and with foreign companies that are affiliated with them.<sup>131</sup>

124 For further reading about the US-UAE relations: Kenneth Katzman, "[The United Arab Emirates \(UAE\): Issues for U.S. Policy](#)," *Congressional Research Service*, 22 June 2018.

125 See Appendix: Federal Law No. 15/1972 of the United Arab Emirates concerning the Boycott of Israel, September 3, 1972.

126 Dubai Online, [Dubai Visas and Immigration](#).

127 Rugh, *ibid*.

128 Uzi Rabi and Chelsi Mueller, "The Gulf Arab States and Israel since 1967: From 'No Negotiation' to Tacit Cooperation," *British Journal of Middle East Studies* 44(4), 2017, pp. 576-592.

129 Adam Entous, "[Donald Trump's New World Order](#)," *The New Yorker*, 18 June 2018.

130 "[Arab League Boycott of Israel: CRS Report for Congress](#)," *Congressional Research Service*, 3 July 2008.

131 "[Arab League Boycott: Statement by Gulf States on Arab Boycott](#)," *Jewish Virtual Library*, 1 October 1994.

As a rule, the UAE accepts non-Israeli Jews in its territory, since it makes a distinction between religious differences and its political disagreements surrounding Israeli politics. Palestinians living in Israel and the Palestinian Authority (PA) both maintain relations with the UAE at various levels, but entering the UAE is usually easier for Palestinians under the PA's jurisdiction, and according to this, quite a few of them work in the UAE. The Israeli law does not prohibit the entry of UAE nationals to its territory, however, it requires the Israeli government's approval.<sup>132</sup>

Historically, the extent of the cooperation between the UAE and the State of Israel and its public, changed over time and between sectors. A salient case of such fluctuation was following the assassination of senior Hamas figure Mahmoud al-Mabhouh in a hotel in Dubai in January 2010.<sup>133</sup> Shortly after the incident, the relations between the two countries deteriorated when the Dubai chief of police accused the Israeli Mossad for being involved. Israel did not confirm nor deny these accusations, but various Israeli sources insinuated this involvement.<sup>134</sup> Following this event, the UAE started taking a series of steps aimed to curb official and non-official relations between the two countries. In November of that year, Deputy Minister Gila Gamliel was denied entry to the UAE when she wished to attend the Davos International Economic Forum.<sup>135</sup> In addition, a UAE decision was taken to prohibit the entry of Israelis holding dual passports<sup>136</sup> and even the entry of non-Israelis possessing passports that contained Israel's border control stamps. Over time, this policy began to dissolve, and such prohibitions were almost completely removed.<sup>137</sup> Another acute change, manifested in UAE's decision to normalize overt ties with Israel.

The UAE's aspiration to integrate into world politics and economy<sup>138</sup> and to host conferences, conventions, and international cultural and sports events, posed dilemmas upon the country regarding its ties with Israel. On the one hand, the UAE is facing some Arab criticism for allowing Israelis into its territory. On the other hand, the international pressure against boycotting Israel's participation in these UAE based international events, and consequently the UAE's fear of losing legitimacy for hosting them, forced the country to accept the presence of Israelis in such occasions, while still posing some restrictions. So far, it appears that the UAE preferred to avoid hosting Israelis in international events where there is no concern of being criticized by the international community for doing so.

The purpose of this chapter is to describe and analyze the nature of the relationship between Israel and the UAE, while focusing on existing and possible future collaborations, and to assess the impact of the Israeli-Palestinian conflict on the prospects for cooperation between the two countries. It reviews possible political, military, security, civic and economic channels of cooperation between the countries. The chapter puts

132 [List of Countries Requiring Visas](#), *Israel's Ministry of Foreign Affairs*, 14 February 2017.

133 Avi Issacharoff, "[The Assassination of Mahmoud al-Mabhouh – Twenty-Two Minutes' Assassination](#)," *Haaretz*, 19 February 2010.

134 Shimon Ifergan and Mishka Ben David, "[The Mabhouh Assassination was a Success](#)," *Mako-Docu Keshet*, 11 November 2015.

135 Roni Sofer, "[After the assassination: Dubai has banned Gamliel from entering the conference](#)," *Ynet*, 2 November 2010.

136 "[Dubai Police Chief Bars All Suspected Israelis Entering UAE](#)," *The Guardian*, 1 March 2010.

137 Embassy of the United Arab Emirates Washington DC, [FAQs: Passports and Visas](#); UK Government, [Foreign travel advice: United Arab Emirates](#).

138 The Cabinet of the United Arab Emirates, [National Agenda](#).

an emphasis on the UAE's approach toward Israel, due to the Israeli desire to maintain and expand cooperation with the UAE, as opposed to the challenges posed by the UAE. The data relies on official and unofficial sources, as well as on relevant media articles, interviews and conversations with various stakeholders in both Israel and the UAE.

## **B. The potential for cooperation between Israel and the UAE**

Israel and the UAE are fundamentally different in political, economic and social structures. They are distant geographically and possess different historical experiences. Nonetheless, they have shared interests, both of shared threats and opportunities. These interests, when acted upon cooperatively, have the potential to promote extensive, multi-faceted collaborations. The pool of shared interests is centered around common political and security goals – regionally and globally, commerce, technology, resources, knowledge, environmental issues, culture and religion, and more. Normalization will lead to extending the relationship and development of new channels of cooperation.

### **1. Political and security objectives**

Israel's main interest in strengthening ties with the UAE lies in its desire to gain increased legitimacy in the Middle East. Israel's hostile environment makes it ever so important to have potential allies, and the UAE appears to be a country that can advance this goal. The UAE's interest in enhancing its ties with Israel lies in its aspiration to become a significant regional player. The UAE is considered as a moderate Arab-Muslim country, therefore its approach toward advancing relations with Israel is more pragmatic than ideological. Furthermore, the UAE enjoys a high level of political, social and economic stability,<sup>139</sup> which is a rather outstanding trait in the Middle East and that allows it to engage in long-term planning and processes.<sup>140</sup> Political stability is an important consideration in advancing peace processes and normalization, therefore Israel has a clear interest in strengthening its ties with countries such as the UAE. To date, the UAE did not lead any Israeli-Palestinian peace initiatives, but rather joined and supported existing ones.

The UAE's decision to establish normal with Israel, in the presence of neither a regional peace initiative nor a development in Israeli-Palestinian peace, was a deviation from its previous paradigm. Such normalization has the potential to legitimize similar moves by other Arab countries. It decreases the significance of the Palestinian issue. Another outcome of the normalization may be a leading UAE role in future Israeli-Palestinian negotiations, which may take place following leadership changes on both sides. The rise of a new Palestinian leader after Mahmoud Abbas (in particular if it is Mohammed Dahlan, which the UAE supports) may lead to enhanced UAE involvement in the issue. Thus, Israel has a clear interest in strengthening its ties with the UAE.

On the regional level, the UAE has an alliance with Egypt, Saudi Arabia, Jordan and Bahrain, and the Israel-UAE normalization provides an opportunity for Israel to develop closer ties with these countries as well. On the international arena, the UAE persistently attempts to expand its diplomatic relations and brand itself as a major global actor. The UAE hosts international institutions, conferences, competitions, and more. Israel's participation in such events creates new diplomatic and economic opportunities.

139 The Fund for Peace, [Fragile States index – Global Data](#).

140 The Cabinet of the United Arab Emirates, [UAE Vision](#).

The main shared challenges facing the UAE and Israel are Iran's nuclear program; Iran's increased presence in regional countries (including armament and training of terrorist organizations), maritime attacks, and exercising of military power through proxies; the lifting of the arm sales embargo on Iran; Turkey's emergence as a regional power; the US withdrawal from the Middle East; and the ongoing threat posed by extremist actors and terrorist organizations.

Already in 2013, Israeli Prime Minister Netanyahu referred to the Iran nuclear deal as "a regional threat" that also applies to the Arab states, and as an opportunity for new cooperation, saying: "Israel welcomes contacts with the wider Arab world. It is our hope that common interests and challenges will help create a future of peace".<sup>141</sup> The Israeli diplomatic struggle against Iran resonates with Gulf states, especially the UAE. Direct and open relations with Israel will enable mutual defense coalitions and cooperation in an extreme case of violent escalation. Likewise, the agreement between Israel and the UAE will enable the latter to access sophisticated technology and military equipment, and Israel will in turn enjoy cooperation with a highly militarily capable regional ally.

The threat posed by terrorist organizations and general radicalism trends also acts as an alternative platform for ideological struggle and operational cooperation. Movements like the Muslim Brotherhood and its offshoots, are considered as a political threat to the stability of the UAE and a security threat to both the UAE and Israel.<sup>142</sup> In June 2017, the UAE together with other countries, announced the severing of relations with Qatar following its support of terror organizations and figures. The conflict with Qatar also revolves around the UAE's objection to the position of Qatar's Al-Jazeera TV channel during the coverage of the Arab Spring and the 2008-9 war in Gaza (known as "Operation Cast Lead").<sup>143</sup> This in itself is an indication of the shared interests and the similar worldviews of Israel and the UAE.

## 2. Economic objectives

The UAE is an important economic actor in the Middle East, largely because of its successful Jebel Ali seaport, considered to be the largest and most important in the region.<sup>144</sup> The impressive economic and political status of the UAE attracts states and international firms amongst them Israelis. The UAE economy is based mostly on imports. In 2016, the volume of imports from various countries to the UAE was estimated at 700 billion NIS.<sup>145</sup> Strengthening the ties between the UAE and Israel will help to establish new trade routes for Israeli products to the East and for UAE exports to the West and to the Mediterranean Basin. In addition to the inherent potential in opening new trade routes to other parts of the world, the two countries can benefit from direct trade between them.

141 The Embassy of Israel to the United States, [PM Netanyahu's Speech at the UN, 10 January 2013](#).

142 Yoel Guzansky, "The Gulf States, Israel and Hamas," Anat Kurz, Udi Dekel and Benedetta Berti (eds.), *The Crisis in the Gaza Strip: Response to the Challenge* (Tel Aviv: Institute for National Security Studies, 2018).

143 Katzman, *ibid*.

144 Jebel Ali Port in Dubai is considered the busiest seaport in the Middle East, significantly apart from the other ports in the region according to the World Shipping Council Index: [Top 50 World Containers Ports](#), World Shipping Council website.

145 From the International Trade Data for 2016, [Central Bureau of Statistics website](#), UAE.

Looking at the significant comparative advantages of the two countries, Israel's technological expertise and UAE's energy resources can set a platform for joint projects that will benefit the commercial interests of both sides. However, other sectors offer only a small economic size in the competitive market with other countries. Moreover, during the last decade, the UAE has begun to develop its manufacturing capacity in its own territory, and it is well likely that Israel will gradually expand its import market to the UAE. The high rate of development of the UAE in infrastructure, construction, real estate and various types of projects offer an abundance of opportunities for foreign investors and international companies. A possibility for participation in such projects by Israeli companies may make a significant contribution to the Israeli economy.

### 3. Civil objectives

The potential cooperation between the two countries may also possess some civil attributes. The holy sites for Islam in Israel hold the potential for promoting religious tourism from Muslim countries in times of peace, including the UAE. Religion is an inseparable part of Israel's and the UAE's daily life and politics, and both countries have adopted norms of religious tolerance. Should there be cooperation in the sector of religious tourism, both countries can strengthen their unique culture of religious tolerance through inter-religious dialogues and additional opportunities for encounters between Jews and Muslims.<sup>146</sup> It should be noted, however, that increasing tourism between the countries would have more of a symbolic benefit rather than an economic one, due to the relatively small populations of both countries.

Another sector in which there is potential for bilateral cooperation is the medical industry. Israel's advanced medical experts, facilities and knowledge could appeal to the UAE, which is investing its efforts to improve its medical services. Mutual exchange of knowledge, research, technology and manpower can be a common interest for both countries – Israel, can enjoy the UAE's resources, and the UAE can enjoy the expertise that Israel has accumulated throughout the years. The technological and advancement ambitions that the two countries are demonstrating can also be leveraged to environmental issues. The harsh physical conditions in the UAE have pushed the country in search of advanced technological solutions in order to cope with the shortage of fresh water, desertification and extremely high temperatures – all of which are well known to Israel. Both countries have established large desalination plants and continue to develop creative solutions for utilizing solar energy and environmentally aware construction. Both countries are gradually shifting to the use of alternative and renewable energies, and both aspire to be a model for scientific progress on a global scale in this sense. The most prominent example of this aspiration is the environmental friendly city of Al-Masdar, which Abu Dhabi is building on the principles of zero-waste and zero-carbon.<sup>147</sup>

Another promising channel is academic collaboration between research institutions and scholars, which are entirely disconnected at the moment. The UAE is investing in higher education and promoting academic collaboration worldwide, a trend that can be

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146 In December 2017, a delegation of clerics from Bahrain visited Israel, which reinforced the possibility of a religious connection with other Gulf states. See "[The king called for the end of the Arab boycott and the delegation from Bahrain arrived for a rare visit to Israel](#)," *Wallat*, 11 December 2017.

147 [Masdar Initiative website](#).

demonstrated in the amount of international academic branches based in it.<sup>148</sup> Fruitful cooperation between researchers and scientists from Israel and the UAE, as well as with other scholars and international institutions located in the UAE, will contribute to the advancement of common knowledge, especially in areas of study that are unique to the region. A significant contribution could be achieved by mutual access to archives and databases, which is currently denied from both sides.

To conclude, Israel and the UAE share common interests in expanding their cooperation in various spheres. These are centered around political and security aspects, including their interest in challenging the regional roles of Iran and Turkey. In addition, Israel desires to access the growing economic and political opportunities that exist in the UAE, and to benefit from its recognition by a moderate, pragmatic Arab state.

### C. Existing cooperation between Israel and the UAE

Israel and the UAE maintain contacts at various levels, mainly in the economic and security spheres, though less in the political and civil spheres. The limited cooperation that does exist in these spheres is carried out mostly through multilateral forums. In many areas, including those of the academia, media, tourism, aviation and culture, there is almost no publicly available information about ongoing collaboration between the countries neither in the past nor in the present.

#### 1. Diplomatic cooperation

There were no official diplomatic relations between Israel and the UAE. Occasionally, meetings were held between officials of the two countries, but the public is usually not aware of them. For example, a secret meeting between Israeli Prime Minister Netanyahu and the UAE Foreign Minister Sheikh Abdullah bin Zayed al-Nahyan took place in September 2012 during the UN General Assembly in New York, and was only reported several years later by *Haaretz*.<sup>149</sup> This meeting took place in light of the common interest of both countries to thwart Iran's nuclear plans. Another example of direct and confidential meetings between senior officials is the visit of the former Director General of Israel's Ministry of Foreign Affairs Dore Gold in the UAE in November 2015, in order to discuss the opening of the Israeli mission's office to the UN's International Renewable Energy Agency (IRENA).<sup>150</sup> Although the main theme of the visit was dedicated to a cooperation of agencies under an international umbrella, it opened the door for direct, albeit secret, channel between the countries. This reality was overturned by the Israel-UAE August 2020 declaration on the establishment of full, bilateral relationship and the signing of the Abraham Accords in September 2020.

At the multilateral level, Israel and the UAE jointly took part in various activities, but the UAE keeps a low profile regarding them. The state-controlled media in the UAE conveyed an ambiguous policy regarding relations with Israel. For example, the official news agencies in the UAE refrained from reporting on the opening of the Israeli mission

148 Some examples of international extensions of academic institutions at the UAE include: New York University, Middlesex University, the Sorbonne-Paris University, and Harvard Medical School.

149 Barak Ravid, "[Exclusive: Netanyahu Secretly Met With UAE Foreign Minister in 2012 in New York](#)," *Haaretz*, 25 July 2017.

150 Barak Ravid, "[Political Achievement: Israel to First Open an Official Representation in Abu Dhabi](#)," *Haaretz*, 27 November 2015.



to IRENA in Abu Dhabi in early 2016. However, the opening of the agency was extensively covered by the Israeli and global media which eventually led to negative reactions in the Emirati media. Maryam Khalifa al-Falasi, head of communication and media at the Ministry of Foreign Affairs in the UAE, issued an official statement clarifying that IRENA is an international and independent agency, having its own norms and laws, and that the opening of the Israeli mission does not reflect a change in the UAE's position toward Israel or in the relations between the two countries.<sup>151</sup> Establishing IRENA in Abu Dhabi served as a platform for Israeli officials to visit the UAE. The most senior Israeli representatives who took part in the conferences and meetings of the agency were Infrastructure Minister Uzi Landau (2010), Minister of National Infrastructure, Energy and Water Silvan Shalom (2014) and Minister of Energy Yuval Steinitz (2016).<sup>152</sup>

Israeli officials are normally allowed to participate in international conferences and conventions held in the UAE. Thus, in 2003, a large Israeli delegation of approximately 80 persons were on a non-stop flight from Israel to the UAE (officially, it was the only direct flight between the two countries) to participate in an international conference of the International Monetary Fund held in Dubai. The participants in this delegation were former Minister Meir Sheerit, Governor of the Bank of Israel David Klein, and some businesspeople.<sup>153</sup> Another example is the official visit of the Israeli ambassador to the UN, Danny Danon, to the UAE in November 2016, as part of his position as chairman of the UN Legal Committee.<sup>154</sup>

## 2. Security cooperation

The absence of overt relations between the two countries characterized also the cooperation in security matters. Usually, information about security collaboration between Israel and the UAE is classified. However, from various publications in the Israeli and international media, it can be understood that cooperation between the two countries takes place, mainly through participation in multilateral military exercises and exchange of intelligence and military equipment.<sup>155</sup> UAE's interest in Israeli drones and other security products was mentioned in various reports throughout the years.<sup>156</sup> A specific shared military interest exists when it comes to air forces. The media reported that the Israeli and UAE air forces participated together in at least three multinational military exercises, under the sponsorship of a third-party.<sup>157</sup> The Emirati aspiration to develop its air force led to unprecedented relationship with Israel, when in July 2018, a military delegation from the UAE reportedly arrived in Israel to examine the F-35 aircrafts that Israel had purchased from the US.<sup>158</sup>

151 Maryam Al Falasi, "[UAE: Any Agreement Between IRENA and Israel Does Not Represent any Change in UAE Position](#)," *UAE Ministry of Foreign Affairs & International Cooperation*, 27 November 2015.

152 Barak Ravid, "[Political Achievement: Israel to First Open an Official Representation in Abu Dhabi](#)," *Haaretz*, 27 November 2015.

153 Alona Koren, "[On Monday, the Israeli delegation will leave for the International Monetary Fund convention in Dubai](#)," *News7*, 18 September 2003.

154 Udi Segal, "[The surprising visit of the Israeli ambassador to the UN: Danon was received in Dubai](#)," *Mako - News 2*, 3 November 2016.

155 Aluf Benn, "[Israel Selling Military Wares to Mideast Countries, Britain Says](#)," *Haaretz*, 11 June 2013.

156 Taimur Khan, "[UAE a step closer to buying US Predator drones](#)," *The National*, 28 January 2015; Linda Gradstein, "[US Lawmakers Pushing for Drone Sales to Jordan and UAE](#)," *The Media Line*, 18 April 2017.

157 Gili Cohen, "[The Air Force holds a joint exercise with the United Arab Emirates, the United States and Italy in Greece](#)," *Haaretz*, 27 March 2017.

158 "[Exclusive: Israel Hosted UAE Military Delegation to Review F-35s, Sources Say](#)," *i24News*, 4 July 2018.

### 3. Economic cooperation

Business cooperation between Israel and the UAE is generally more advanced compared to the other types of cooperation mentioned earlier. However, much of the transactions between the countries remain covert. The business sector is a platform for meetings between ordinary people, who, unlike officials, can keep a low profile and have unmediated interaction. In addition, business associates have the freedom to interact independently despite the lack of official diplomatic relations between their countries. Most of the business cooperation takes place in the UAE. Israeli businesspeople enter the country – whether with Israeli or foreign passports – after being sponsored by local Emiratis. The economic cooperation includes the exchange of good, as well as business deals between companies that implement projects in Israel and the UAE. Israeli companies, which are involved in projects that are carried out in the UAE, are usually doing so through companies registered in third countries.

The commercial relationship focuses on exports from Israel, rather than on imports from the UAE. The types of goods currently exported from Israel to the UAE include medical equipment, telecommunications, raw materials, defense products, machinery and engineering, consulting and agricultural and food related products.<sup>159</sup> Goods exported from Israel to the UAE are sent through a third country and the products do not carry any Hebrew labels or trade signs in order to keep the country of origin as covert as possible. Conversations held with Israeli companies making business in the UAE reveal that the Emirati businesspeople appreciate the cooperation with the Israelis and Jews in general, but are nevertheless concerned about it. Some of the tenders in the UAE explicitly mention a ban on trade with Israel, but in many cases it is not enforced in practice. Existing trade relations encounter difficulties at every stage: registration, shipping, and transfer of funds; however, the volume of trade shows that both sides have learned to overcome these technical obstacles.

Occasionally, the media also reports on business cooperation in various other sectors such as shipping, security, the diamond industry, energy and hotels. Here are some examples (1) AGT international, owned by the Israeli businessman Mati Kochavi, was contracted by the Abu Dhabi government to install electronic fences, sensor systems and cameras to monitor borders and secure oil and natural gas fields (2008).<sup>160</sup> The Swiss-based AGT company, which provides Israeli technologies and employs Israeli engineers, contracted with two local UAE companies in order to be able to work there as an external company.<sup>161</sup> The deal is worth 3 billion USD, according to the Emirati newspaper *al-Ittihad*<sup>162</sup> and 6 billion USD according to Bloomberg;<sup>163</sup> (2) The opening of diamond stores in Dubai by the Israeli Lev Leviev Group (2008);<sup>164</sup> (3) joint projects between Israeli businessman Yitzhak

159 Based on information on trade with Arab countries received from consulting firms; Hagar Shezaf, "[Israel Eyes Improved Ties with Gulf States after 'Foothold' Gained in UAE](#)," *Middle East Eye*, 18 January 2016.

160 Sami Abd al-Rauf and 'Abd al-Rahim Askar, "[Mohammed bin Zayed: The Security Strategy Reacts to the Comprehensive Development Requirements](#)," *Al-Ittihad*, 5 March 2008; Giorgio Cafiero and Andrea Petrelli, "[What's All This Talk about a Gulf-Israel Alliance?](#)," *Fair Observer*, 22 May 2017.

161 Nissar Hoath, "[Security Expo Closes with Mega Contracts](#)," *Emirates* 24/7, 5 March 2008.

162 Abd al-Rauf and 'Abd al-Rahim Askar, *ibid*.

163 Jonathan Ferzinger and Peter Waldman, "[How Do Israel's Tech Firms Do Business in Saudi Arabia? Very Quietly](#)," *Bloomberg Businessweek*, 2 February 2017.

164 Golan Hazani, Shay Pauzner and Naama Sikuler, "From Tshuva to Leviev: The Israelis Who Have Done Business with the Principality of Dubai," *Calcalist*, 28 November 2009.

Tshuva and government officials from the UAE, including the construction of a Plaza Hotel owned by Tshuva in the UAE and joint investments in other countries (2008-9);<sup>165</sup> (4) Business cooperation between the Israeli Ofer Brothers Group and the UAE in the shipping sector (2009);<sup>166</sup> (5) Negotiations between Israeli businessman Beny Steinmetz and UAE government officials regarding energy and hotel projects (2009).<sup>167</sup>

Following the assassination of al-Mabhouh in January 2010, the scope of economic ties between the two countries reduced for a number of years, and those that were maintained were kept under extreme secrecy and discretion. For this reason, the quality and scope of these collaborations is unknown in the period between 2010 and 2015. In 2016, the AGT Company relaunched its business in the UAE. It installed a national surveillance system (the Falcon Eye system), and there were rumors about Kochavi's private jet flying several times between Tel Aviv and Abu Dhabi (2016).<sup>168</sup>

#### 4. Civil cooperation

Civil cooperation between Israel and the UAE is very limited in scope. There is almost no information on cooperation involving academia, research, tourism, culture, healthcare, communications, and aviation. There are some collaborations between citizens of the two countries sponsored by multilateral NGOs (such as Doctors Without Borders and Rotary) and various UN agencies, but it is difficult to assess how significant their scope is.

A prominent exception of this limited field of cooperation can be traced to sports. The UAE's growing desire to host international sporting events poses a dilemma for the state with regard to Israel's participation. Until 2010, the UAE refused to allow Israeli athletes to enter its territory, but due to the international community's pressure and the likelihood of losing legitimacy to host international competitions, the UAE allowed their participation under certain conditions and while maintaining a low media profile. Thus, for example, in February 2010, Israeli tennis player Shahar Pe'er received permission to participate in the International Tennis Tournament in Dubai, after she was refused to enter the same tournament a year earlier.<sup>169</sup> Pe'er's rare visit to the UAE received extensive media coverage, which undermined the Emirati desire to keep a low profile. In light of this, the UAE decided to remove the ban on Israeli athletes in the case of international competitions, under the condition that they do not bear any national symbols during their visit.

Thus, since October 2015, the Israeli judo team was allowed to participate in the annual international Judo competition held in Abu Dhabi. The Chairman of Israel's Judo Association Moshe Ponti told *Haaretz* about the preparations to the competition: "I have made every effort to make this historic opportunity to compete for the first time in the UAE happen. I have been through intensive correspondence and conversations with the relevant authorities in order to compete in Abu Dhabi. The granting of visas was a condition for not involving the Israeli and international media, which was a very

165 Golan Hazani, "[Tshuva is looking for business in Dubai](#)," *Calcalist*, 21 April 2008.

166 Hazani, Pauzner and Sikuler, *ibid.*

167 *Ibid.*

168 Rori Donaghy, "[Falcon Eye: The Israeli-installed Mass Civil Surveillance System of Abu Dhabi](#)," *Middle East Eye*, 28 February 2015.

169 Miki Sade, "[Pe'er's coach: Shahar made Israel proud](#)," *Ynet*, 15 February 2010.

difficult task in and of itself".<sup>170</sup> The pragmatic policy of the UAE toward the participation of Israeli athletes in international competitions held in its territory is not indicative of any cooperation between the countries in local sports competitions, but only in international competitions.

In May 2018, a cycling group sponsored by the UAE participated in the Giro d'Italia International Cycling Competition, the first phase of which was held in Israel. The UAE team officially participated bearing their state symbols.<sup>171</sup>

International sports organizations play a significant role in shaping the relations between the countries and indicating a trend of openness. In July 2018, the International Judo Association banned the UAE from hosting future international judo tournaments following the restrictions imposed on Israeli athletes.<sup>172</sup> This announcement had led to UAE's decision to allow the participation of Israeli athletes, this time while presenting their national symbols. Indeed, on October 2018, the Israeli national anthem was played for the first time in Abu Dhabi at the Judo Grand Slam competition, following the winning of Sagi Muki of a gold medal.<sup>173</sup>

#### **D. The impact of the Israeli-Palestinian conflict on Israel-UAE cooperation**

The UAE demonstrates solidarity with the national aspirations of the Palestinians. Both the Palestinians and the UAE are members of the Arab League and other regional forums. The UAE has an embassy in the PA, and about 100,000 Palestinians live and work in the UAE. The hawkish approach of the UAE to radical Islam led to a distinction between its relations with the Fatah and its relations with Hamas, which is affiliated with the Muslim Brotherhood. While the UAE openly and unequivocally identifies itself with the Palestinian struggle for an independent state,<sup>174</sup> its ties with Hamas and government officials in the Gaza Strip are limited. In 2009, during the war in Gaza, the UAE allowed a Hamas demonstration on its territory, under the condition that it would be consistent with the UAE's hostile attitude toward the Muslim Brotherhood.<sup>175</sup> The event symbolized a clash between two worldviews: one that views Israel as responsible for the situation of the Palestinians and another that opposes Islamist groups. Since approximately 2015, the UAE has been increasing its economic and political support for Mohammed Dahlan as the next Palestinian leader. This has been seen by some as an attempt to induce moderate and pragmatic politics in Gaza, and to balance Qatar's support for more radical groups.<sup>176</sup> The UAE coordinates this sort of involvement with Egypt, which also has an interest in curbing extremist groups in Gaza. It is evident that the growing involvement of the UAE in internal Palestinian politics raises its overall interest in the Israeli-Palestinian conflict.

170 Uri Talshir, "[Judo Team Competes in Abu Dhabi without the Israeli Flag](#)," *Haaretz*, 29 October 2015.

171 Shlomo Weiss, "Toward a Leap: All Preparations for the Giro d'Italia in Jerusalem are complete," *Walla*, 4 May 2018.

172 Alexander Fulbright, "[UAE, Tunisia Stripped of Judo Events for Discriminating against Israeli Athletes](#)," *The Times of Israel*, 20 July 2018.

173 "[Israeli national anthem played in Abu Dhabi as Sagi Muki clinches gold](#)," *i24NEWS-AFP*, 28 October 2018.

174 Lana Zaki Nusseibeh, "[The Question of Palestine](#)," *Permanent Mission of the United Arab Emirates to the United Nations*, 24 November 2014.

175 Katzman, *ibid.*

176 Mahasen Asseraf, "[The Emirati Money in Gaza at the expense of Qatar](#)," *Ida'at*, 6 September 2017.

The UAE's media outlets, most of which are controlled by the state, deal extensively with the Israeli-Palestinian conflict and most references they make to Israel relate to settlements, restrictions on Palestinians in Gaza and the West Bank, and Israeli claims over East Jerusalem and the al-Aqsa Mosque/Temple Mount.<sup>177</sup> Media outlets in the UAE are rather influential in shaping public opinion regarding Israel and the UAE. They mostly reflect a negative image of Israel and focus on Israel's allegedly provocative actions against the Palestinians and the Arab world. For example, the so-called "Jerusalem dress" worn by Israeli Minister Miri Regev at the international ceremony in Cannes in May 2017, was perceived by the UAE's public as a provocative action of a government official, offending Muslims in general and Palestinians in particular.<sup>178</sup> Another example is the attitude of the media toward Israel's actions in al-Aqsa and their implications.<sup>179</sup>

The most prominent example is Trump's announcement of Jerusalem as the capital of Israel in late 2017, which was critically covered by media outlets and officially denounced by the Emirati foreign minister.<sup>180</sup> Although it was the US that was being criticized, the media coverage also included a negative report on Israel's policy toward Jerusalem. However, at a convention of Arab leaders following this declaration, Foreign Minister Abdullah bin Zayed al-Nahyan considered ways of renewing negotiations between Israel and the Palestinians.<sup>181</sup> Despite its harsh criticism of Israel, the UAE advances a pragmatic policy and seeks a solution to the Israeli-Palestinian conflict, as reflected in repeated statements by its leaders, its increased involvement in Palestinian politics in recent years, and its decision to establish diplomatic relations with Israel in exchange for halting annexation.<sup>182</sup> The UAE's hidden criticism on the PA's passive position toward the peace process led in the last few years to a positive change in the general image of Israel in the UAE's media. This trend can also be related to the unofficial rapprochement between the countries.

In a speech delivered by the former UAE Ambassador to the UN Lana Nusseibeh in 2014, she declared that "the increasing unrest and grave security concerns, the deteriorating humanitarian and social conditions in the Palestinian territories, resulting from Israel's aggressive policy against Palestinians particularly in East Jerusalem, continue to negatively affect the situation on the ground."<sup>183</sup> Lana herself is from the Palestinian Nusseibeh family, and her father, Zaki, who for many years was a close adviser to the president of the UAE, is now a government minister there, despite his Palestinian origins.<sup>184</sup> Lana's personal affiliation and background, which includes an academic degree in

177 Examples of statements on the Palestinian issue can be found on [The Emirati News Agency](#) website.

178 Nasouh Nazzal, "[Israeli Minister Appear with a Dress Emblazoned with the Image of Al Aqsa Mosque](#)," *Gulf News*, 23 May 2017.

179 "[The Emirates and Jordan want to completely and immediately open the al-Aqsa mosque](#)," *Al-Ittihad*, 22 July 2017; "[Israel sends more Troops to West Bank Amid Escalating Tensions](#)," *The National*, 22 July 2017.

180 "[UAE Condemns US Decision to Recognise Jerusalem as Capital of Israel](#)," *United Arab Emirates Ministry of Foreign Affairs & International Cooperation*, 7 December 2017.

181 "[H.H. Sheikh Abdullah bin Zayed attends Arab Meeting on Jerusalem](#)," *United Arab Emirates Ministry of Foreign Affairs & International Cooperation*, 26 February 2018.

182 "[UAE Reaffirms its Support to Push the Middle East Peace Process Forward](#)," *United Arab Emirates Ministry of Foreign Affairs & International Cooperation*, 20 October 2017.

183 Lana Zaki Nusseibeh, "[The Question of Palestine](#)," *Permanent Mission of the United Arab Emirates to the United Nations*, 24 November 2014.

184 The Cabinet of the United Arab Emirates, [Cabinet Members](#).

Israel and Diaspora studies from SOAS University in London, explains her interest in the Israeli-Palestinian issue and the narrative she represented in her position as the UAE ambassador to the UN.<sup>185</sup> In the same speech, Nusseibeh demonstrated how sensitive is the issue of the holy sites of Islam, when she criticized the behavior of the Israeli security forces and the settlers at the al-Aqsa Mosque, which she claims lead to increased tension and violence in the PA.

Nusseibeh also criticized what she described as Israel's violent and unjust behavior toward Palestinians in the West Bank and Gaza Strip, which she said includes war crimes. However, the key sentence in her speech claimed that "Israel's security will be achieved when it fulfills its obligations as an occupying power, and demonstrates its political will to achieve true lasting peace in the region and cooperates in achieving a two-state solution based on pre-1967 borders".<sup>186</sup> This speech reflects the general attitude of the UAE toward Israel and the Israeli-Palestinian conflict, which was also expressed in the statements of the UAE's President and the Emir of Abu Dhabi Sheikh Khalifa Bin Zayed Al Nahyan in November 2013: "Today, we in the UAE are renewing our solidarity and our support for the Palestinian people in their just and legitimate struggle to end the Israeli occupation in their homeland and to fully recognize their national rights together with all other nations of the world".<sup>187</sup>

The issue of "normalizing relations with Israel in exchange for a Palestinian state" was also raised at a secret meeting held between Netanyahu and Abdullah bin Zayed in New York in 2012, when the UAE's foreign minister made clear to the Israeli prime minister that his country would not "warm up" its relations with Israel as long as there was no significant progress in peace negotiations with the Palestinians.

Not only governmental figures link the Palestinian cause with UAE's relations with Israel. Sultan Sooud al-Qassemi, a prominent Emirati commentator, published in 2008 an opinion column in *Haaretz* entitled "Welcoming Our Old Neighbors".<sup>188</sup> In the article, he described and praised the long history of Jews and Arabs in the region, while explicitly using the term "Jews" rather than "Israelis", and wrote about the injustice done by the Arab countries when they turned their backs on Jews who were born and lived there before their emigration. Al-Qassemi expressed his desire to see the Arab countries welcoming them back and even granting them citizenship. Nevertheless, al-Qassemi's statements over the years were often critical of Israel's policy toward the Palestinians. In March 2017, for example, he posted in his Twitter account that Israel has been "stealing Palestinian land since 1948".<sup>189</sup>

Learning from these governmental and non-governmental approaches toward Israel, it can be concluded that the Israeli-Palestinian conflict poses a key barrier in the relations between the UAE and Israel, which ultimately affects the scope of cooperation between the countries and the nature of their existing ties. Attesting to this claim is the proactive proposal that was reportedly made by the Gulf states (including the UAE) in May 2017, to improve their diplomatic relations with Israel in exchange to the renewal of the

185 ["SOAS Alumna First Female Representative of UAE to UN,"](#) *SOAS University of London*, 29 October 2013.

186 Nusseibeh, *ibid.*

187 ["Khalifa Pledges Solidarity with Palestinians,"](#) *The National*, 25 November 2013.

188 Sultan Al Qassemi, ["Welcoming Our Long-gone Neighbors,"](#) *Haaretz*, 16 May 2008.

189 [Sultan Al-Qassemi,](#) *Twitter*, March 2017.

peace process with the Palestinians and the freezing of settlements construction.<sup>190</sup> The proposal included concrete steps that the Arab states would be willing to take, such as easing the granting of visas to Israelis interested in visiting the Gulf (mainly referring to athletes and businessmen), and expanding trade opportunities. This announcement was considered as an exceptional and courageous step in the political climate of the Middle East, indicating great potential for establishing official relations between Israel and the UAE and expanding their cooperation. However, the fulfilment of this potential still depends on developments in the Israeli-Palestinian conflict.

The shift from tacit and low-profile Israel-UAE cooperation, that entails myriad obstacles, to legal and public relationship was done, with linkage to the Israeli-Palestinian context. A major motivation behind the move, as claimed the UAE, was preventing Israeli annexation and sustaining the possibility for a feasible two-state solution. The UAE does not have much leverage to advance significant progress in the Palestinian issue, yet this context was significant in rationalizing the normalization with Israel.

The overt and official ties with Israel are expected to provoke criticism within the UAE and in the Arab World. Diverting the “conflict barrier” will likely expand cooperation between the countries in multiple fields and levels. Then, there will no longer be a need to absorb the costs involved in transferring goods through a third country while removing Israeli labels and trade signs (in comparison, the Jordanian export value to the UAE stood at 1 billion NIS at 2016. Even before normalization, different estimations predict that trade between the UAE and Israel stood valued about 5 billion NIS).<sup>191</sup> Israeli businessmen will be able to visit the UAE easily, bureaucratic barriers will be lifted, and trade companies in both countries will be able to promote business overtly. Furthermore, cooperation between both civil societies is expected to improve, and to enjoy a sense of legitimacy in both countries. There is much potential for cooperation between Israel and the UAE to evolve and expand.

## E. Conclusions

Today, the potential for cooperation between Israel and the UAE is far from being fulfilled. Israel is still a sort of enclave in the Middle East, and in order to enjoy the many opportunities waiting for it in the region it must be able to expand its regional ties. A significant integration of Israel into the Middle East is essential for strengthening its political, security and economic standing, as well as for maintaining regional stability. This paper demonstrates how Israel's relations with the UAE serve as a source for optimism, even under current circumstances.

The relations between Israel and the UAE were characterized by the wide gap that shadowed the relations before the agreement between the formal and the practical levels. On the one hand, the UAE adopts a pro-Palestinian policy and was committed to the Arab League decisions that condition normalizing ties with Israel on the fulfillment of the Arab Peace Initiative's conditions. On the other hand, the UAE allowed unofficial

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190 Barak Ravid, “[The Gulf States Offer: Normalization with Israel in Return for a Partial Construction Freeze in the Settlements](#),” *Haaretz*, 16 May 2017; Jay Solomon, Gordon Lubold and Rory Jones, “[Gulf States Offer Better Relations if Israel Makes New Bid for Peace](#),” *The Wall Street Journal*, 15 May 2017.

191 An indication of the trade potential can be found in the fact that exports from Jordan to the UAE were evaluated at about 1 billion NIS in 2016; see: International Trade Data for 2016, [Central Bureau of Statistics website](#), United Arab Emirates.

cooperation with Israel at various levels and sectors, and recently publicized and normalized the relations. In some cases, the UAE even enables formal collaboration under multilateral settings. Indeed, most of the existing cooperation between Israel and UAE takes place at the multilateral level, which enables the countries to cooperate without having to formalize their bilateral relations. Bilateral cooperation is limited in scope and is almost exclusively economic. Such cooperation is typically covert, and does not include Israeli trade signs, mainly because the UAE does not recognize Israel and seeks to avoid criticism, both its domestic public and by the Arab/Muslim world. Consequently, the UAE would prefer to cooperate with other countries, even in areas where Israel has a better offering. Nevertheless, in regard to security and other technologies, the UAE does show interest in Israeli products and does not prevent indirect trade that has been occurring for years between the two countries, and that still has significant potential of growth.

Common and conflicting interests influence the relations between Israel and the UAE. Both countries view Iran's growing regional influence as a strategic threat and oppose its nuclear armament. In addition, Israel and the UAE partnered in the efforts to eradicate regional organizations they view as radical (such as Hezbollah, the Muslim Brotherhood, and Hamas) by participating in multinational military exercises and clandestine political relations.<sup>192</sup> However, there is an ideological and political gap in the way they view the Israeli-Palestinian conflict. The UAE fiercely criticizes Israel's control of the occupied Palestinian territories and its policy toward the Palestinians, which it perceives as unjust. Therefore, the UAE was reluctant to expand its overt and official cooperation with Israel, and linked normalization to the suspension of annexation. However, the cooperation that does already exist between the two countries indicates the potential and the desire to maintain relations. Therefore, it is worth examining whether relations between Israel and the UAE can further expand, even given the current political setting.

In recent years, there seems to be an increase in shared interests between Israel and the Gulf states, leading to an increasing number of Arab states, including the UAE, that express a desire to improve relations with Israel. The UAE expressed more than once its readiness for a rapprochement with Israel toward normalizing the relations between the countries. Yet, at the same time, the UAE stressed that the Palestinian issue is a key obstacle to achieve that goal. Israel could benefit from publicly responding to this and from agreeing to engage in meaningful negotiations with the Palestinians as part of a regional "package deal".

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192 Adam Entous, "[Donald Trump's New World Order](#)," *The New Yorker*, 18 June 2018.



## Israel and Qatar: Relations Nurtured by the Palestinian Issue

Dr. Michal Yaari

### A. Introduction

In October 2018, a senior Qatari official was asked in his office in Doha about his country's enhanced relations with Jerusalem. "We have excellent relations with Israel, mainly because of Gaza," he said. "Egypt is your neighbor. It is a big country and very important for you, but you rely on us more than on the Egyptians."<sup>193</sup> About a month later, in November 2018, Hamas and other Palestinian factions fired some 300 rockets at communities in Israel's south, bringing Israel and Gaza to the brink of fighting. Qatari mediation defused the tensions, as expressed, inter alia, in Israeli willingness to let Qatar pay the salaries of public servants in Gaza. It was the third transfer of substantial Qatari funding within a short period for rebuilding the Strip, providing humanitarian relief and paying Palestinian employees.<sup>194</sup>

According to data presented to Israel's security cabinet, from 2012 to 2018, Qatar donated over 1.1 billion USD to Gaza – with the Israeli government's permission. In May 2019, 700 rockets were fired from Gaza at Israel, killing four people. Israeli patience appeared at an end and a military clash inevitable, although neither side wanted it. Qatar and Egypt led the mediation with the UN's help, achieving a deal between the sides, mostly due to a Qatari pledge of 480 USD million in aid to the Palestinian Authority (PA) for the Palestinian people.

The extensive cooperation between Doha and Jerusalem is not to be taken lightly. Qatar became the only Gulf State to allow the opening of an Israeli trade office following the Oslo Accords. However, Israeli diplomats who served in Doha at the time reported that their discourse with senior Qatari officials ranged from limited to non-existent. In fact, relations were largely symbolic, devoid of concrete content. From Israel's perspective, it was an important achievement, although judging by the result, the extent of the relationship remained essentially unaltered. Qatar was careful not to cross the lines of the discourse in the Arab world on Israel and the Palestinian issue, and continued to adhere to an ideology diametrically opposed to Israeli interests.

This changed overnight following operation "Protective Edge" in 2014. Doha and Jerusalem both understood that dramatic measures were required to rebuild the Strip, as an essential deterrent to another round of Israel-Hamas fighting. The shift in relations stemmed primarily from a mutual interest in preventing further escalation. Since then, an unprecedented discourse has been taking place between the countries, despite the absence of any official Israeli representation there. The 2018 remark by the senior Qatari regarding the trust between himself and Israeli decision makers faithfully reflects the improved relations, at least as far as the Palestinian issue goes.

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<sup>193</sup> Author's interview with senior Qatari official, Doha, October 2018.

<sup>194</sup> The Qatari money was initially transferred in three installments in November, December 2018 and January 2019. Qatar continued to provide funding for Gaza in the ensuing months for salaries, humanitarian relief for families and infrastructure development.

With Qatar isolated by its Gulf neighbors, and the Arab world largely rejecting normalization with Israel until the Palestinian problem is resolved, Qatari willingness to discuss its ties with Israel openly is not par for the course.

This chapter outlines the transformation in Israel-Qatar relations and discusses the shift from a conception of mutual hostility to unusual cooperation. It argues that the mutual interest in averting an Israel-Hamas clash lies at the heart of the dramatic change. Israel is not interested in another round of fighting in Gaza, whereas Qatar is using the conflict there to advance national goals: strengthening its regional standing as a mediator and scoring points with the US administration for its contribution to dousing the flames and rehabilitating Gaza. The chapter reviews the history of the ties, the upheavals they underwent over the years and the limitations under which they exist in the wake of the formative events that shaped them (such as wars and military operations). It also discusses the unfulfilled potential of Israel-Qatar relations. The chapter is based on media and academic sources, as well as many conversations with top Israeli defense and other government officials involved directly or indirectly in Israel-Qatar relations.

## **B. Qatar's foreign policy**

Qatar is a small state in terms of size and population, flanked by two rival powers – Iran and Saudi Arabia. Its unique geographic location places it in a challenging neighborhood and forces it to maneuver among various forces to ensure its survival. Nonetheless, the Qatari regime enjoys stability and relatively broad freedom in foreign policy, thanks to its quite homogenous population in terms of ethnicity and religion (most citizens are Sunni Muslims).

Under the rule of the Emir Khalifa Bin-Hamad Al-Thani (1972-1995), Qatar was a marginal player in regional politics and enjoyed the patronage of its Saudi neighbor to compensate for its clear military disadvantage, certainly compared with regional powers. This policy changed immediately with the unseating of the Emir by his son, Hamad Bin-Khalifa Al-Thani. Border disputes between Qatar and Saudi Arabia, which began in 1992 and reached their peak in 1995, led to a rift within the GCC. Unlike his father, the new ruler wanted to distinguish Qatar from Saudi Arabia by expanding and deepening its position and influence in the region. He launched a foreign policy characterized by flexibility, pragmatism and independence, and which is less dependent on Saudi Arabia. Instead of sheltering under the Saudi defense umbrella, the presence of an American military base on its territory guaranteed a comprehensive American defense for Qatar. Recognizing his country's military weakness, Al-Thani focused on developing its soft power underpinned by two key elements: economic capacity (oil and gas) and the Al-Jazeera television network.

Unlike its neighbors, which are identified with a specific ideology that influences their conduct in the Middle East, Qatari foreign policy is an anomaly in the Arab world due to its persistent refusal to align itself with any bloc of nations. Despite its small size and military weakness, certainly compared with the regional powers, Qatar does not accept their dictates and regards its independence as an overarching value. Over the years, it has forged ties with various states and organizations, some of which are engaged in lengthy conflicts with each other. For example, Qatar maintains close ties with Iran, the Muslim Brotherhood and Hamas, along with its enhanced relationships with the US and Israel. Its ideological economic support for subversive states and organizations has generated

anger among its Gulf neighbors, which culminated in an embargo they imposed on Qatar in 2017. Despite the heavy price it paid, Qatar is determined to push back against Arab pressure and refuses to modify its positions. Not only that, it views the crisis with its neighbors in the Gulf as an opportunity to prove independence and resilience vis-à-vis bigger and more powerful forces.

Along with political pragmatism, Qatar's foreign policy continuously strives to expand and deepen its role as a regional mediator, with two key goals in mind: one is to deal with its security challenges, as if to say, "no one kills the messenger"; the other is to expand its regional and international influence. Despite its demographic and military disadvantages, Qatar seeks to provide an alternative to the region's traditional mediators (chief among them Egypt and Saudi Arabia), while making use of its economic levers. Over the last decade and a half, Qatar has increased its involvement in local disputes (for example, Lebanon in 2008, Darfur in 2010 and Yemen in 2011)<sup>195</sup> and even provided economic aid to jihadist groups that led the overthrow of Gaddafi in Libya and challenged the Assad regime in Syria. It also transferred large sums of money to the Morsi government in Egypt to ensure its political survival, and was the only Arab state to stand by its side.<sup>196</sup>

### *Relations with the US*

Qatar attributes much importance to relations with the US, especially as long as Washington's Arab allies continue to boycott the regime in Doha. Qatar is therefore constantly seeking to ensure sustained US interest, using two key levers. The first is hosting the regional headquarters of the US Central Command, providing the Americans with a strategic perch from which to combat terror organizations in the Gulf. Qatar not only enables the American presence on its territory, it also pays for it. In 2018, Qatar was reported to be planning a 1.8 billion USD upgrade of the American facilities. Qatar is also buying extensive quantities of US weapons. For example, in 2017 it finalized a 12 billion USD deal for 36 F-15 fighter jets, as well as other military procurement deals.<sup>197</sup> In return, the US provides Qatar with a strategic umbrella, which is crucial for its survival, sustainability and ability to increase its diplomatic influence in the Middle East.

The second tool Qatar employs to bolster ties with Washington is closer relations with Israel in order to enhance its image in the eyes of the American public and its leadership. Qatar donated 250,000 USD to Zionist American, pro-Israel organizations, hired a media adviser identified with the Jewish right in the US and launched extensive lobbying among Jewish communities. It also hosted leading American Jewish figures that enjoy close ties with the White House.<sup>198</sup>

The Qataris assumed that the Jewish lobby in the US could provide a counterweight to the Gulf boycott and highlight Qatar's importance to American interests in the Middle East. In this sense, ties with Israel help Qatar shake off its image as a supporter of terrorism

195 Sultan Barakat, "Qatari Mediation: Between Ambition and Achievement," *Brookings Doha Center*, Number 12, November 2014.

196 Faisal Mukhyat Abu Sulaib, "[Understanding Qatar's Foreign policy, 1995-2017](#)," *Middle East Policy* 24(4), Winter 2017.

197 Karen DeYoung and Dan Lamothe, "[Qatar to upgrade air base used by U.S. to fight terrorism](#)," *The Washington Post*, 24 July 2018.

198 "[Qatar funding pro-Israel US organizations](#)," *Middle East Monitor*, 12 July 2018.

and portray itself as a central player in defusing tensions between Israel and Hamas, due to its ability to restrain Hamas. The US, for its part, continues to maintain close ties with the Saudi monarchy, even as it recognizes Qatar's value as a mediator.

### C. Israel-Qatar relations, 1991-2009

Qatar has always demanded full Israeli withdrawal from the occupied territories and supported the right of the Palestinian people to a state achieved through negotiations.<sup>199</sup> At the opening session of the 48<sup>th</sup> Shura Council in early November 2019, Emir Hamad Al-Thani declared, "the normalization of relations with Israel without a just solution to the problem of Palestine is a mere illusion."<sup>200</sup> However, Qatar has adopted a pragmatic attitude toward Israel over the years, dictated by its national interests. Its roots date back to the 1990s and the erosion of the steadfast Arab rejection of any contact with Israel as long as the Palestinian issue was not fully resolved. Qatar's participation in the 1991 Madrid Conference signaled the start of a slow thaw in relations with Israel.

Shortly after the first Gulf War in 1991, Qatar expressed a unique willingness to re-examine the Arab Boycott policy toward Israel if it were to freeze settlement construction. Following the 1993 Oslo Accord, further progress was made. The Qatari media softened its tone on Israel, and a series of meetings between Israeli and Qataris was held to discuss economic cooperation. Toward the end of 1994, Deputy Israeli Foreign Minister Yossi Beilin met with the Qatari Ambassador to the US Abd Al-Rahman.<sup>201</sup> The Qataris were involved in the multilateral talks launched after the Madrid Conference, and were keen to meet with Israeli representatives. According to Beilin, Al-Rahman made it clear that his country would be happy to cooperate and support the peace process. The message that emerged from such meetings was that Qatar was interested in progress on the Israeli-Palestinian track so that it could upgrade its ties with Israel.

In 1995, the Qatari Emir took part in the signing of the Oslo 2 agreement and the two countries launched commercial ties, which constituted de facto Qatari recognition of Israel's existence. What is more, a representative of the Qatari government attended the funeral of Yitzhak Rabin. That same year, an Israeli trade office opened its doors in Doha, and Qatar became the only Gulf state to allow a permanent, official Israeli presence on its territory. According to Eli Avidar, head of the Israeli representation from 1999 to 2001, the office provided the services of an embassy but was forbidden to fly the Israeli flag or hang a sign at the entrance.<sup>202</sup> In 1996, acting Prime Minister Shimon Peres arrived on an official visit to Qatar, and visits by other senior Israeli representatives ensued (among them Tzipi Livni as Foreign Minister in 2008). In 1997, Doha hosted the Middle East and North Africa Economic Summit devoted to advancing a solution to the Israeli-Palestinian conflict as a follow-up to Madrid. Israel was among the participants.

The ongoing meetings between Israeli and Qatari officials, as well as the opening of the trade office in Doha, were supposed to pave the way for a dramatic rapprochement between the two states, but that did not occur. Though the importance of the meetings lay in their very existence, no significant change occurred in the status of the relationship.

199 ["Israel's efforts can't change history, Palestinian rights,"](#) *Qatar Tribune*, 5 March 2019.

200 ["HH The Amir Inaugurates the 48th Ordinary Session of Shura Council,"](#) 5 November 2019.

201 Author's interview with Dr. Yossi Beilin, October 2018.

202 Author's conversation with Member of Knesset Eli Avidar, September 2019.

Foreign Ministry representatives who headed the Israeli trade office in Doha over the years reported a persistent unwillingness on the part of key Qatari figures to acquiesce to their requests, whether small or large, and more than once described relations as tense and fraught. The sense was that the Qataris did not really want the Israeli presence. According to Yaakov Hadas, the former commercial consul in Qatar, "This was the period that Al-Jazeera broadcasted non-stop footage of morgues in the territories. It was clear that what they wanted was to get rid of us. There was dialogue on a commercial level and a little on the diplomatic level, but what was most important was keeping up appearances. I would go around Doha in order to be seen. The point was to survive, not to be thrown out of there."<sup>203</sup>

The presence of the Israeli trade office did not result in the desired breakthrough. At the same time, Qatar turned a cold shoulder to Israel and rejected attempts to deepen relations. While Qatar did adopt an independent line on Israel, compared to other Arab states, it did so in measured and cautious steps, and avoided overly challenging the dominant positions in the Arab world. In general, Qatar's policy toward Israel in the 1990s and beginning of the 2000s was complex. On the one hand, Qatar stood out in its willingness to begin a process of normalization with Israel in complete contradiction to the views of its Arab neighbors, and even made clear that it would not give in to their dictates on this issue. Reflecting this stance, Prime Minister Ehud Barak met in September 2000 with his Qatari counterpart at the Millennial Conference at the UN.<sup>204</sup> On the other hand, Qatar's unusual stance led it to express harsh criticism of a series of Israeli government decisions, in order to prove its loyalty to its Arab brethren, and especially to the Palestinians. For example, the Qatari media was harshly critical of the decision by Prime Minister Benjamin Netanyahu to open the Western Wall tunnel in 1996, and supported protests by Qataris against Israel during the Second Intifada that started in the year 2000.<sup>205</sup>

Eventually, Qatar had to follow the policies demanded by regional Gulf powers. When Qatar was preparing to host a November 2000 summit of the heads of the Organization of Islamic Cooperation, Saudi Arabia and Iran made clear that they would boycott the event as long as an official Israeli presence remained in Doha. Responding to their pressure, and following the eruption of the Second Intifada, Qatar decided to shut down the Israeli trade office in Doha.<sup>206</sup> However, the move did not significantly alter relations between Doha and Jerusalem. While Qatar agreed to pay lip service to its neighbors, it maintained a dialogue with Israel. A month after the expulsion of the Israeli diplomats from Doha, a clandestine meeting was held in Geneva between Israeli Foreign Minister Shlomo Ben-Ami and a senior Qatari official.<sup>207</sup> Subsequently, Qatari Foreign Minister Hamad Bin-Jassim met in Paris in 2003 with his Israeli counterpart Silvan Shalom to discuss the US roadmap for Middle East peace.<sup>208</sup>

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203 Author's conversation with Yaakov Hadas, November 2018.

204 Gawdat Bahgat, "The New Middle East: The Gulf Monarchies and Israel," *The Journal of Social, Political, and Economic Studies* 28(2), Summer 2003, p. 123.

205 Uzi Rabi, "[Qatar's Relations with Israel: Challenging Arab and Gulf Norms](#)," *The Middle East Journal* 63(3), Summer 2009, pp. 443-459.

206 *Ibid.*

207 Author's conversation with Prof. Shlomo Ben-Ami, October 2018.

208 Rabi, *ibid.*

Two years later, following Israel's pullout from the Gaza Strip, an Israeli trade office was opened once again in Doha, a move that paved the way for a meeting between Bin-Jassim and Israeli Foreign Minister Tzipi Livni on the sidelines of the UN General Assembly in New York. That, in turn, led to Livni's historic 2008 visit to Qatar, despite strident Arab public protests.

During the 2006 Second Lebanon War, Qatar backed Lebanon in demanding an Israeli withdrawal to the international border. Qatar was critical of what it called Israel's disproportionate use of force and donated money for post-war reconstruction in Lebanon. At the same time, Qatar preserved its diplomatic and commercial ties with Israel, arguing that peace in the Middle East could only be achieved through diplomacy, not by military resistance. Three years later, in December 2008 and January 2009, Israel's Operation Cast Lead in Gaza once again challenged relations between Doha and Jerusalem. Qatar was vehemently opposed to Israeli actions and announced the closure of the trade office in Doha. At the same time, it offered to mediate between Israel and Hamas.

The decision to cut ties with Israel did not have a concrete impact on the situation on the ground, because at that point, relations between the two had been downscaled in any case. In 2010, Qatar proposed renewing its ties with Israel on condition that Israel allowed material for reconstruction to enter Gaza. It also wanted Israel to accept Qatari mediation in the Israeli-Arab conflict. Israel dismissed the offer because of opposition by Egypt's then-President Mubarak, as well as concern that Hamas would abuse the Qatari aid to mount terror attacks on Israeli targets.

From an Israeli standpoint, ties with Qatar from 1991 to 2009 were important largely as a milestone in Israel's relations with Arab and Muslim countries, with the majority of which it does not have official diplomatic ties. According to Hadas, the goal was to "ease the chokehold of hostility and boycott, and thereby take away the Palestinians' most important weapon: preventing normalization with the Arab-Muslim states".<sup>209</sup> At the same time, Qatar was not considered then a key player in the region, nor as one that can lead efforts to resolve the Israeli-Arab conflict. Israel focused its attention mostly on security threats, for example from Iran and Hezbollah, and therefore Qatar was a secondary issue. Qatar did not have a strong military, nor real influence in the Arab world. That meant that the importance of relations with it was mainly symbolic for Israel, and did not generate exaggerated hopes.

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209 Author's conversation with Yaakov Hadas, November 2018.

## D. Israel-Qatar relations, 2010-2019

### 1. Diplomatic and security relations

Qatar has rightly earned its reputation as the “enfant terrible” of the Middle East. Since the Second Intifada, and more so during the Arab Spring, Qatar turned into an inciting, provocative force threatening the stability of Arab regimes and seeking to undermine them. It led a confrontational line encouraging extremism and supporting jihadist activity, using its financial resources and Al-Jazeera to do so. This policy was particularly obvious vis-à-vis Egypt, where Qatar provided broad economic and diplomatic backing to the Muslim Brotherhood in its efforts to topple the Mubarak regime. The tendentious use of the Al-Jazeera network, as well as Qatar’s identification with organizations and states that other Gulf states and Israel defined as enemies, led to its rapprochement with Turkey, and pushed it out of the circle of Sunni Gulf states. In 2014, Saudi Arabia adopted the Egyptian policy and declared the Muslim Brotherhood a terrorist organization. In June 2017, it launched a boycott of unprecedented harshness against Qatar over its close affinity with this movement and Iran. The boycott, joined by its Gulf neighbors and Egypt, isolated Qatar and caused it significant economic and diplomatic damage.

Along with its support for the Muslim Brotherhood, Qatar provided significant financial support to Hamas. It offered to host Hamas’ top leaders after they were forced to flee Syria when civil war broke out there in 2011. Among those who enjoyed Qatari auspices at the time were Khaled Mashal, the head of the Hamas political wing, Saleh Al-Arouri, the man responsible for establishing the movement’s military infrastructure in the West Bank, and some of the detainees Israel freed in the 2011 prisoner exchange.<sup>210</sup> During operation “Protective Edge” in 2014, Qatar and Turkey attempted to mediate between Israel and Hamas. It was a mission doomed to failure from the start. Despite Washington’s blessing for Qatari mediation, Israel rejected the initiative out of hand due to the close affinity between Qatar and Israel’s enemies. In choosing between Egyptian and Qatari mediation, there was no doubt whatsoever about Israel’s preference. The congruity of interests between Cairo and Jerusalem on the Gaza issue led to the removal of the Qatari initiative from the table, resulting in Qatar’s failure to leverage its influence with the warring sides.

The mutual hostility between Israel and Qatar underwent a dramatic shift due to the results of the 2014 warfare in Gaza. The destruction and ruin inflicted by Israel’s artillery bombing of Gaza required extensive reconstruction, at a time when Arab states dramatically cut their economic aid to the Palestinians. While the IDF accomplished most of its goals, chief among them dealing a deadly blow to Hamas military capabilities, it realized that the chaotic situation in Gaza was explosive and if not dealt with properly, could generate additional anti-Israel terrorism.

Qatar shared that insight and offered over a billion dollars to rebuild the Strip. As far as it was concerned, an investment in Gaza was an expression of a moral and ideological commitment to its Palestinian brothers. It was also an opportunity for Qatar to assume a key role in mediation between Israel and Gaza, especially at a time when Saudi Arabia and Egypt, the traditional mediators, decided to lie low and focus on national, domestic

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<sup>210</sup> Jack Khoury, “[Palestinians Confirm: Top Hamas Officials Have Left Qatar at Country’s Request](#),” *Haaretz*, 5 June 2017; Avi Issascharoff and Amir Tibon, “[Report: Qatar expelled Khaled Mashal; Hamas denies](#),” *Walla*, 5 January 2015.

issues. This allowed Qatar to boost its standing in the region. Israel would no doubt have preferred Saudi or Egyptian aid for Gaza, but the lack of such an option set the stage for unusual and anomalous cooperation between Israel and Qatar, based on mutual interests.

In other words, the main impetus for the shift in the positions of both Doha and Jerusalem was the urgent need to rebuild Gaza and defuse tensions there. Both countries assume that this would reduce Hamas's motivation to act militarily in order to divert public attention in Gaza from existential problems. Essentially, Israel and Qatar seek the same outcome, but for different reasons. Israel is aiming for calm with Gaza, whereas Qatar is using the aid to enhance its influence in the region. Israel is aware that Qatar cannot lead to a diplomatic breakthrough in the Israeli-Palestinian conflict due to the limits of its power and influence, but that does not annul its importance as a mediator. The fact that Qatar is the only state allocating an unprecedented fortune to support Gaza, while other states are steering clear, pushed Israel and Qatar into each other's arms. Their understanding that if they do not act jointly they would be significantly undermining their national interests is the basis for their relationship. Israel also assumed that absent the Qatari financial aid, Hamas would tighten its relations with Iran in a bid to obtain additional funding.

Despite calls by Israeli cabinet ministers to topple the Hamas regime (among them by former defense minister Avigdor Lieberman and then-Education Minister Naftali Bennett), Israel facilitated the transfer of Qatari money into the Strip. In doing so, it contributed to Hamas' political survival. Although Israel has reiterated that it was not conducting discussions with Hamas, it did hold indirect contacts with it through Qatar, Egypt and the UN. The Gaza Rehabilitation Mechanism (GRM), established after operation "Protective Edge", provides an unusual framework for cooperation among the UN, Israel and the Palestinian Authority.<sup>211</sup>

The aim of the GRM is to enable reconstruction and development in Gaza by transferring materials into the Strip. So far, the GRM has enabled the construction of housing, hospitals, community centers, and more. Although not part of the mechanism, Qatar is a key player in the process thanks to its financial investments. In addition to funding reconstruction projects, Qatar has transferred millions of dollars for the salaries of civil servants in Gaza and funded a regular supply of diesel fuel to provide residents with up to eight hours of electric power a day. Israel has given permission for all these moves. In addition, Qatar and Israel have been considering the construction of a port across from the Gaza coast and an airport in the Strip. Qatar is also said to be mediating between Hamas and Israel in negotiations for the return of the bodies of soldiers Hadar Goldin and Oron Shaul, as well as several Israeli civilians believed to be in Gaza.

Israel and Qatar have been conducting frequent talks on the Gaza issue since 2014. The mediation by Mohammed Al-Emadi, Qatar's envoy to Gaza, assisted in repeatedly preventing rounds of fighting between Israel and Hamas, even when it seemed Israel was no longer willing to practice restraint. In May 2019, after a heavy barrage of 700 rockets fired at Israel, killing four people, many in Israel demanded a military offensive to restore Israeli deterrence.

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211 [The Gaza Reconstruction Mechanism](#), An Agreement between the Government of Palestine (GoP) and the Government of Israel (Gol).



An offensive seemed inevitable, even at a heavy cost to both sides. However, once again, mediation by Qatar, Egypt and the UN envoy Mladenov, along with a Qatari pledge of extensive funding for Gaza and the Palestinian Authority, resulted in a ceasefire.

Ironically, the humanitarian disaster afflicting Gaza has created a unique reality in which mutual interests are overcoming past enmity between Jerusalem and Doha and providing an opportunity to re-examine their relationship. Qatar's dual role in the Gaza Strip, both as a financial contributor and a key player in Hamas-Israel mediation, has made it a strategic partner of Israel's leadership on this complex issue. Netanyahu is subject to harsh domestic criticism over his support for the transfer of suitcases packed with Qatari money into Gaza, funding perceived as aid to the enemy. But, so far this has not significantly undermined the process. Israeli decision makers appear willing to deal with the public pressure at home in order to avoid the next war. According to Minister Tzachi Hanegbi, "If limited humanitarian aid can help prevent escalation we do not care who is helping, even if it's Micronesia."<sup>212</sup> Qatar understands that without Israeli permission, its money would not be reaching Gaza.

The importance of Israel-Qatar ties is best illustrated by their endurance despite the displeasure of Gulf states and Egypt, especially since they declared a boycott on Qatar in 2017. Qatar's isolation by its neighbors placed Israel in the uncomfortable position of being expected to choose sides. Its natural inclination was to remain neutral and avoid a clash of interests. On the one hand, Israel backed the Saudi-led boycott, both because of its desire for closer ties with Saudi Arabia and because it supported what it viewed as the justified reason for the boycott – Qatar's links with terror organizations and with Iran. Israel was also seeking a closer relationship with Egypt, especially on defense and security. On the other hand, the Qatari money had proven an effective tool in averting further escalation between Israel and Hamas. Israel has thus far successfully maneuvered between the cross pressures, inter alia by downplaying its contacts with the Qataris. For example, the February 2018 talks<sup>213</sup> between the Qatari ambassador and Minister Hanegbi, as well as the June 2018 meeting<sup>214</sup> in Cyprus with then-Defense Minister Lieberman, were kept secret and were only reported after the fact. However, it is unclear how long Israel will be able to keep up this duality, and it would prefer to see a speedy resolution of the Arab-Qatari crisis.

## 2. Civilian relations

Along with their diplomatic cooperation over Gaza, Israel and Qatar maintain a certain degree of cultural-civilian cooperation, mainly in media coverage and sports events. Civilian relations also include Israeli presence at international conferences held in Qatar, although this does not necessarily attest to a significant change of ties between the two states.

In the media arena, Al-Jazeera is at the focal point of relations between Israel and Qatar. Israel has consistently expressed harsh criticism of the network and its coverage of Israel and Israel-related issues, but nonetheless allowed it to maintain an office and operate in Israel. Israel often felt that the network's reporting was biased and incorrect, especially at times of escalation with Gaza. For example, during operation "Protective Edge", Al-

212 Author's conversation with Minister Tzachi Hanegbi, October 2018.

213 *Ibid.*

214 Anna Ahronheim, "[Lieberman secretly met with Qatari FM to talk Gaza](#)," *Jerusalem Post*, 23 August 2018.

Jazeera focused on loss of life and damage to property in Gaza, while its coverage of the damage to Israel from the fighting was limited and minimal. While the network did give airtime to Capt. Avichay Adraee, head of the Arab media department at the IDF Spokesman's office, even as he was speaking and presenting Israel's case, the backdrop showed graphic footage documenting the casualties and destruction in Gaza.

Al-Jazeera also occasionally aired and reported items apparently designed to portray Israel in a negative light,<sup>215</sup> although it did give a platform to some Israelis, such as Dr. Mordechai Kedar and Dr. Nimrod Goren.<sup>216</sup> The hawkish line it took on Israel generated a harsh response by Netanyahu in 2017, when he accused Al-Jazeera of fomenting severe unrest on the Temple Mount and said he would seek ways to shut down Al-Jazeera's Israel office.<sup>217</sup> This was not the first time Israel had seriously considered such an option. As previously mentioned, during Operation Cast Lead, Qatar shut down Israel's trade office in Doha and expelled the Israeli diplomats, prompting Israeli measures against Al-Jazeera. The sanctions included refusal to renew visas for the network's non-Israeli workers, withholding visas from new workers or from network representatives wanting to come to Israel, and revoking permission for the network to take part in official Israeli briefings and news conferences.<sup>218</sup>

As for sports, Qatar has hosted Israeli athletes over the years as part of international competitions,<sup>219</sup> despite criticism, both domestic and in the Arab world. Qatar donated funds for the construction of a football stadium in the Israeli town of Sakhnin, although it probably did so to help Israel's Arab citizens and not to signal a shift in its position toward Israel. The presence of Israeli athletes in Qatar was unusual at first. Saudi Arabia, for example, refused to allow the participation of Israeli chess players at a 2018 tournament it hosted. Moreover, Hassan al-Thawadi, the head of Qatar's World Football Cup organizing committee, met with US Rabbi Marc Schneier in December 2018 to consult with him regarding the hosting of Israeli and Jewish players and fans at the 2022 event.<sup>220</sup> There is some opposition in Qatar to the regime's openness toward Israeli participation in sporting events. The participation of Israeli tennis player Dudi Sela at a 2017 tournament in Qatar generated furious reactions on social media, especially in light of the event's timing soon after the US declaration of its recognition of Jerusalem as the capital of Israel. While some posts did refer to the desired separation of sports from politics, they argued against such a distinction in Israel's case because of its policy on the Palestinian issue.<sup>221</sup>

215 Itamar Eichner, "[Al-Jazeera aired fake testimony: 'I shot dead children during my military service'](#)," *Ynet*, 29 August 2017.

216 Jonathan Cook, "[US embassy relocation to Jerusalem 'a war crime'](#)," *Al Jazeera*, 1 February 2017.

217 "[Netanyahu demands al-Jazeera offices in Israel be shut down](#)," *Times of Israel*, 27 July 2017.

218 Barak Ravid, "[Qatar severed ties, Israel cracks down on Al-Jazeera in response](#)," *Haaretz*, 31 December 2008.

219 For example, the participation of Israeli tennis player Shahar Pe'er at a 2008 tournament and the hosting of an Israeli team at a 2018 high school handball tournament.

220 Itamar Eichner, "[Qatar preparing to welcome Jewish, Israeli fans for World Cup](#)," *Ynet*, 24 December 2018.

221 "[Israeli tennis player's presence in Qatar infuriates citizens](#)," *The National*, 7 January 2018.

### **3. Economic relations**

Economic ties between Israel and Qatar are minimal, conducted either through third parties (often at state level) or through Israeli companies not registered as such. Consideration was given in the past to possible Israeli purchase of gas from Qatar, but the idea was dropped in its initial stages for various reasons, chief among them lack of economic viability. The Qatari market is limited in scope, certainly compared with the Saudi market on which Israelis have set their sights. Therefore, even if Israel and Qatar were to expand their economic cooperation, its impact on the Israeli economy would still be limited.

## **E. The unfulfilled potential of Israel-Qatar relations**

### **1. Diplomatic potential**

Even if Israel sought to develop cooperation with Qatar in the field of diplomacy, Qatar lacks the necessary levers to create real regional impact, especially given the partial Arab boycott against it. While the bags full of Qatari money have proven effective in preventing additional rounds of Israeli fighting with Gaza, Egypt and Saudi Arabia were and remain the key players in efforts to reach a diplomatic breakthrough in the Israeli-Palestinian conflict. That means Qatar's power is limited, and its diplomatic services are likely to be less useful in aspects not directly related to Gaza.

### **2. Civilian potential**

Broad cooperation on civilian matters is unlikely under the current circumstances. Some segments of the Qatari public oppose a warming of relations with Israel and regard such a process as disloyal to the Palestinian interest. While Al-Jazeera has softened its hostile tone on Israel in recent years, this does not necessarily attest to a significant change of direction in the prevailing attitudes toward Israel. Israel is perceived in Qatar as responsible for Palestinian suffering, and as long as that is the case, there are few prospects of building bridges between the two societies. On the Israeli side, too, lack of information regarding Qatar's activities in Gaza, as well as its branding as a terror-supporting state, make it difficult to forge people-to-people ties. Qatar is rarely mentioned in Israeli public discourse other than in the context of its money transfers to Hamas. Given these circumstances, Israelis have little motivation to seek dialogue, and therefore, without a change in the depiction of the two states in the media and political discourse, the negative narrative is likely to stay.

### **3. Economic potential**

Qatar and Israel share an interest in developing economic ties, even under the existing restrictions, especially since both countries face similar challenges in terms of climate and water shortage. Groundbreaking technologies have been developed in Israel in response to these challenges, for example in water efficiency and conservation. Israeli firms offer a broad range of solutions for sewage treatment and the use of treated water for farming and drinking, reducing vaporization of desalinated water, effective water-saving irrigation systems for stadiums and large spaces, purification of polluted water derived from oil drilling, hydroponic cultivation based on desalinated water, and more.

Israeli technological innovation in arid-area agriculture could benefit Qatar greatly in developing local produce, especially given its intense efforts to reduce food imports. Israeli technologies could also be relevant for the Qatari market in terms of alternative energy, among them an Israeli invention that turns domestic garbage into electric power. As Qatar gears up to host the 2022 FIFA World Cup, it is also displaying keen interest in solutions offered by Israeli companies for “smart cities”. The special advantages of Israeli companies stem not only from advanced technologies, but also from the proven and cumulative experience of their systems, especially in the field of security.

Beyond specific areas in which Israel can offer an added value, Qatar is also displaying great interest in the innovative and entrepreneurial nature of the Israeli economy. Studying and understanding the way Israel creates innovation and implements it could help Qatar, especially as it engages energetically in independent production capacities and integrating the private sector. This knowledge could serve Qatar in its humanitarian endeavors around the world. From an Israeli standpoint, economic cooperation with Qatar is vital on two levels: first, Qatar is an oil power, and various Israeli industries, especially plastics, are interested in the chemical products it manufactures. Second, Qatar invests huge amounts of money in developing industry and high-tech, and in this sense, its economic resources could help the development and growth of Israeli companies, especially of start-ups.<sup>222</sup>

## **F. The impact of the Israeli-Palestinian conflict on Israel-Qatar cooperation**

The Gaza issue has shaped Israel-Qatar relations ever since operation “Protective Edge”. This is manifested in a regular, focused and circumscribed dialogue largely aimed at humanitarian reconstruction of the Strip as a tool to avert an Israel-Hamas military clash. Thus far, absent a resolution to the Palestinian issue on the horizon, the Israeli-Qatari dialogue is breaking through past obstacles and has been successful in blocking Israel-Hamas escalation. The Qatari regime is also removing more and more obstacles to its ties with Israel. For example, on a February 2018 visit to Jerusalem, the Qatari envoy to Gaza gave an interview to the Reuters news agency laying out the extent of the changed relations between the two countries, as well as their commonality of interests. The interview appeared designed to address the Israeli public with a view to paving a way for normalization. The ambassador told his interviewer that this was one of his many visits to Israel (over 20 since 2014). He emphasized that the money his country was giving Gaza was being supervised and monitored to ensure it only serves humanitarian interests. It was a remark likely designed to ease Israeli fears that the Qatari aid was serving Hamas to mount terror attacks and dig terror tunnels. The envoy also noted that Qatar was no longer hosting Saleh Al-Aroui, the deputy head of the Hamas political wing, following Israeli and American pressure.<sup>223</sup>

The interview, as well as the fact it was held in Israel’s capital, was undoubtedly rare and unusual. It corresponded with Qatar’s willingness to host Israeli athletes on its soil within the framework of international tournaments, without stuttering or apologizing. While some Qataris express opposition to these gestures, they do not seem to constitute a critical mass that could potentially overshadow the development of these relations. In

222 Conversation with Dr. Yitzhak Gal, a Mitvim Institute expert on Gulf economies, November 2018.

223 Dan Williams, “[Qatar says Gaza aid spares Israel war, shows Doha does not back Hamas](#),” *Reuters*, 22 February 2018.

general, economic relations will presumably remain limited in their nature and extent in the absence of progress in talks on resolving the Israeli-Palestinian conflict. As is the case with other Arab states, this issue was previously and continues to be a real obstacle to tapping commercial potential in light of local hostility to Israeli products. Nonetheless, one can assume that the growing Qatari need for Israeli technology and expertise would enhance willingness to find roundabout ways for cooperation, even without a concrete change in the status of the Israeli-Palestinian conflict.

The Palestinian issue continues to pose a significant hurdle to tapping the potential of Israel-Qatar relations. Qatar repeatedly says that as long as the establishment of a Palestinian state does not resolve the conflict, there will not be full peace between the two countries. In his speech at the 2019 Munich Security Conference, Qatar's foreign minister insisted that granting the Palestinians their rights was a key issue in his country's foreign policy that could not be ignored.<sup>224</sup> In other words, the Israeli-Palestinian conflict imposes a cap on the development of relations between Israel and Qatar. Nonetheless, the volatile reality in Gaza was what led to the development of ties between the two countries to begin with. Were it not for the urgent need to rebuild Gaza and prevent war, as well as recognition of the centrality of Qatar and Israel in easing the humanitarian crisis there, cooperation between Doha and Jerusalem would have been non-existent. The Palestinian issue dictates the bounds of bilateral ties, but at the same time constitutes the platform on which they were born.

## G. Summary

In examining the entirety of relations between Doha and Jerusalem, their cooperation appears to take place mostly when there are no other options, in other words, when exigent circumstances overcome ideology and cultural-religious distances. These are functional, localized relations mostly designed to achieve calm in Gaza by providing economic and humanitarian aid. Even if there were potential for expanding and deepening the relations, it would be difficult to implement in the near future. Although Qatar conducts an independent foreign policy and refuses to give in to the dictates of regional powers, it is nonetheless not sufficiently strong to withstand on its own the prevailing concept that opposes official ties with Israel as long as the occupation continues. Not only that, there is no certainty that even if its standing in the regional arena were different, Qatar would have done so, given the antagonism toward Israel among significant segments of the Qatari public.

From Israel's point of view, Qatar has great importance as regards Hamas and Gaza, but Israel cannot overlook Qatar's past and current relations with its enemies. This point is not relevant to the economic sphere, since Israel is interested in developing commercial cooperation despite other constraints, but it definitely influences civilian ties between the two states, as well as security and diplomatic cooperation. The Israeli public, as well as the security establishment, is still suspicious and reluctant to expand relations, certainly, as long as Qatar does not step back from its links with Iran and the Muslim Brotherhood. Israel's tendency was and remains to promote and tighten relations with Egypt and Saudi Arabia, and to turn to Qatar only when there are no alternatives to advancing its interests. In the final analysis, Israel is not comfortable with its troubling relations with Doha, but recognizes that it must deal with this reality.

224 Tova Lazaroff, "[Qatar: Palestinian issue core stumbling block to ties with Israel](#)," *The Jerusalem Post*, 17 February 2019.

If the Gulf boycott of Qatar continues, Israel will find it hard to preserve the current format of the relationship with Doha. Although it has thus far managed to maneuver between the rival sides, a point may come when Egypt and Gulf states are less tolerant of the Israel-Qatar rapprochement. The strategic importance of Saudi Arabia and Egypt to Israeli interests could cast a major shadow over the quiet revolution in Jerusalem-Doha ties. Israel will be unable to advance its relations with Qatar in the face of opposition by most Arab states. Its cooperation with Qatar will therefore continue to focus on the Gaza issue.

To sum up, there is a long road ahead to official diplomatic ties between Israel and Qatar, But, this does not negate the change that is taking place in their relations. Within several years, Israel and Qatar have turned from being hostile states on two sides of the divide, to strategic partners in shaping the reality in Gaza. That does not mean Qatar has shed its historic ties with Israel's enemies, but that its view of the Palestinian issue no longer rests on binary concepts of aggressor and victim; rather on recognition that responsibility for the problems lies with many different parties. As for the Israeli leadership, it will likely continue to harbor suspicions about Qatar in the coming years. Nonetheless, as opposed to the past, it no longer precludes links with Qatar but simply defines their borders.

## Israel and Morocco: Cooperation Rooted in Heritage<sup>225</sup>

Einat Levi

### A. Introduction

About one million Moroccan Jews currently live in Israel and tens of thousands of Israelis visit Morocco every year for tourism purposes, business or family visits. This reality leads Israel and Morocco to be warm and unique. There are countless surprising examples of cooperation that cannot be found in Israel's relations with any other Arab or Muslim country. Still, the cooperation between Israel and Morocco is far from realizing its potential. It is limited due to the ongoing Israeli-Palestinian conflict and is influenced by the boycott movements in Morocco.

The relationship between Israel and Morocco has not been properly studied since October 2000, when the official relations between the two countries were severed. This chapter is intended to shed light on the existing and potential relationship between the two countries. The chapter includes four parts: the first part provides a historical, social and political background on Morocco and the Israeli-Moroccan friendship as it has developed over the years; the second part deals with the interests and characteristics of the cooperation between the two countries and analyzes the potential, while addressing the political, security, economic, business and civil society spheres; the third part includes a mapping of the existing initiatives carried out by Israelis and Moroccans; and the last part deals with the impact of the Israeli-Palestinian conflict on the relations between the two countries.

The findings of the chapter are based on Israeli, Moroccan, Arab and Western media sources and on publicly available statistics. In-depth interviews were conducted with experts from academia, with diplomats and with private sector professionals, who were involved (and some are still involved) in Israel-Morocco cooperation. The main challenges in terms of the sources for this chapter were the lack of studies that map existing cooperation, the difficulty in identifying the many existing initiatives that are facilitated through a third party, and the reluctance of Moroccan and Israeli officials to be interviewed due to sensitivities involved.

### B. Background on Morocco and its relations with Israel

Morocco, or in its official name *al-Mamlaka al-Maghribiya*, was established in 1956 in North Africa, in an area known as the Maghreb. It has a population of 34 million people, with 99 percent Sunni Muslims. Morocco's political system continues to transform slowly and cautiously from a centralized monarchy to a parliamentary monarchy. The king retains most executive powers, but the parliament and the prime minister are elected democratically.

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<sup>225</sup> This research was conducted prior to the re-establishment of formal ties between Israel and Morocco. The change in ties did not happen overnight. It was the result of shared geopolitical interests and a continuous warming of people-to-people relations from the bottom-up. We hope that this analysis of shared interests, potential areas of cooperation and bilateral opportunities will enable a better understanding of the unique relationship between Israel and Morocco, and will contribute to the improvement of ties.

Since his rise in 1999, Morocco's King Mohammed VI has led to significant domestic changes, including infrastructure development in rural areas, liberalization of the private sector, fostering of civil society, development of the financial sector, and reducing living costs. As a result, the economy is growing. Morocco has successfully endured the Arab Spring protests, in part because of the constitutional reform announced by the King in July 2011. The reform included relinquishing part of his administrative powers whereby the Prime Minister will be the leader of the party that won the general elections rather than be appointed by the King; granting new civil rights; and promoting legislation relating to the status of women under the new Family Code (2004). Alongside the economic and social reforms, the King continued to strengthen the army and appoint close associates to key positions.<sup>226</sup>

Since 2011, Morocco has been dominated by the Justice and Development Party (PJD), a moderate Islamist party that opposes normalization with Israel. This opposition came to the fore in August 2013 when the PJD, together with other parties, submitted a bill to ban any relations between Morocco and Israel. This bill eventually did not pass, but it well reflected the spirit of the times.<sup>227</sup>

As far as foreign relations go, Morocco is active in a number of circles: The African, the Arab and the international. In terms of the African circle, Morocco has recently renewed contacts with African countries after more than thirty years and is now working on strengthening its position in various African forums such as the African Union (AU) and the Economic Community of West African States (ECOWAS). Morocco withdrew from the African Union in 1984, following its recognition of the Saharan Arab Democratic Republic (SADR), a self-declared state in the Sahara region, which Morocco claims to be an integral part of its territorial sovereignty.

As far as the international community is concerned, Morocco continues to strengthen its ties with the international community in general, and with the US and the EU in particular, despite occasional tensions, particularly against the backdrop of the conflict in the Sahara region. In contrast, in terms of Arab affairs, Morocco has reduced its involvement in recent years, since the Arab regional system fails to meet Morocco's main needs, i.e. continued economic and social development and the safeguarding of the Moroccan interests in the Sahara region.<sup>228</sup>

However, Morocco has significant allies among Arab states, first and foremost with Saudi Arabia, Jordan and the countries of the GCC. The GCC countries recognize Morocco's sovereignty over the Sahara and provide Morocco with economic aid, while Morocco grants military assistance to Saudi Arabia in Yemen and tried to mediate in the conflict between the Gulf states and Qatar.<sup>229</sup>

226 Since Mohammed VI started democratizing his country in 2001, local governors have gained more authority, but since the local governors are appointed by the King himself, this ultimately strengthened his power. Another example of the King's power in Moroccan democracy was his involvement in forming government coalitions. Thus, in April 2017, the King approved a new coalition, after the elected Prime Minister of the PJD, Benkirane, failed in his task of forming a coalition. The King dismissed Benkirane and appointed the party's second strongest person, Saad Eddine al-Othmani, who is now prime minister.

227 Vish Sakthivel, "[Morocco Plays with Anti-Normalization](#)," *The Washington Institute*, 13 December 2013.

228 [The World Bank in Morocco](#), *World Bank*, April 2017.

229 Interview with a Moroccan entrepreneur (remained anonymous), December 15, 2017; Ayelet Levy, "[Morocco: Return to the African Union and the Continuing Disengagement from the Arab League](#)," Africa Research Program, Tel Aviv University, 23 May 2017.



An inward look at Moroccan society reveals its diversity as well as the rifts that characterize it as a society. Two main ethnic groups make up Moroccan society, Arabs and Amazigh. The latter are also known as “Berbers”. They are the first residents of Morocco and North Africa and are estimated to be between 50 and 60 percent of the population. Upon independence in 1956, Morocco adopted a national Arab identity, while the Amazigh heritage was marginalized. This exclusion led to the awakening of the Amazigh protest, which calls for enhancing the Amazigh cultural presence in the Moroccan national narrative and for narrowing the gaps between the capital and the rural areas which are mostly inhabited by Amazigh population.

Since Muhammad VI assumed power, he has been improving the situation in order to calm the protest and ensure the stability of the kingdom.<sup>230</sup> Nonetheless, these objectives are yet to be achieved. For example, Morocco forbids giving children Amazigh names, therefore Moroccan Amazigh citizens hold two names – one Arab and the other Amazigh. For the past two years, residents of the Rif region have been raging in Morocco, over neglecting the northern part of the country.<sup>231</sup>

The Arab-Amazigh divide in Moroccan society is relevant to Israel-Morocco relations in view of the historical and cultural connection between the Jews and the Amazigh people. In the first centuries after Christ, many Amazigh tribes converted to Judaism and to this day they see Judaism as part of the Amazigh heritage. According to a well-known Amazigh tale, an Amazigh leader, named Kahina, was a Jewish woman who fought the Arab armies' invasion of Morocco. Also, as of today there are Jews of Amazigh origin living in Israel and they are perceived by the Amazigh in Morocco and in the diaspora as Amazigh for all intents and purposes.

Nowadays, there are those who view the Jewish-Amazigh connection as an alliance against a common Arab enemy. There are Amazigh activists who see Israel as a role model, as a country that succeeded in reviving its extinct heritage against all odds and while fighting the Arabs. The Israeli connection with the Amazigh activists has stirred criticism in the media, both in Morocco and abroad. Critics see this as a subversive connection, directed against the Arab and Islamist populations in Morocco.<sup>232</sup>

The friendship between Israel and Morocco began at the end of the 1950s, when the immigration of Jews to Israel needed to be regulated, especially after the sinking of the illegal immigrant vessel *Egoz* in January 1961. Later, the relations between Morocco and Israel warmed up as Gamal Abdel Nasser was reinforcing his rule and his pan-Arab ideology, which threatened both Israel and Morocco. In October 1963, Morocco and Israel signed a “revolving” arms deal (via Iran). Mystère airplanes and French-made tanks made their way from Israel to Morocco to assist in the war against Algeria, which received Egyptian assistance.<sup>233</sup>

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230 Among the measures taken are the establishment of the IRCAM center in Rabat, that acts to preserve the Amazigh heritage, reviewing educational programs, encouraging research of the Amazigh heritage, and reviving the Amazigh language. In addition, the ban on the use of Amazigh languages on state television channels have been abolished, and today Amazigh languages are taught in about 50% of the country's elementary schools.

231 Ayelet Levy, “[The People Demand the King's Intervention](#),” *The Forum for Regional Thinking*, 27 June 2017.

232 Bruce Maddy-Weitzman, “[Morocco's Berbers and Israel](#),” *The Middle East Quarterly* 18(2), 2011.

233 Yossi Alpher, *Periphery: Israel's Search for Middle East Allies* (London: Rowman & Littlefield, 2015).

The trust between Israel and Morocco grew stronger until, in 1976, King Hassan hosted for the first time an Israeli prime minister. It was Yitzhak Rabin, who came to explore the possibility that Morocco would help promote a dialogue between Israel and Egypt. A year later, Morocco hosted a secret meeting between the foreign ministers of Israel and Egypt, which paved the way for Sadat's famous visit to Israel. In the early 1990s, the Oslo Accords allowed relations between the two countries to develop and expand, and in September 1993, Rabin and Peres visited Morocco on their way back from Washington after the signing of the Declaration of Principles with the PLO in order to promote formal relations between Israel and Morocco. Following this visit to Morocco the relations warmed up and a period of economic peace had started. The good intentions of the Moroccans led to the appointment of Serge Berdugo, the leader of the Jewish community, to the Minister of Tourism and to the visit of a high-level delegation of Moroccan directors of major companies to Israel.<sup>234</sup>

In 1994, a kind of honeymoon began in Israel-Morocco relations, which lasted for six years. At the end of October 1994, Hassan II hosted the Casablanca Conference, attended by leaders and businessmen from Israel and the Arab countries, as part of a series of regional economic conferences designed to promote economic partnerships between the Middle East and North Africa. Upon the end of the conference, the Casablanca Declaration was released, which ended the Arab boycott of Israel, and as a result, Israel and Morocco opened liaison offices in Rabat and Tel Aviv.

The death of King Hassan II in 1999, the failure of the Camp David peace conference in 2000, and the outbreak of the second intifada, led to the cooling of relations between Israel and Morocco. Official diplomatic relations were severed and the new King, Muhammad VI, preferred to focus on establishing his rule and addressing Morocco's main challenges: the strengthening of Islamism, the conflict over the Sahara region, and the challenges of development. In order to cope with these challenges, the King took a number of steps, including: a huge investment in infrastructure development projects in Morocco (providing electricity and water for every household), reducing unemployment, strengthening education and health systems, improving the status of women, reforming the political system, and recognizing the Amazigh heritage.

In the political climate that prevails in Morocco as the Islamist ideology is growing stronger, as well as the impasse in the Israeli-Palestinian peace talks in recent years, an improvement in the official relations between Israel and Morocco seems very unlikely. However, it is advisable to maintain cautious optimism, such that will allow to leverage existing opportunities and identify new and future opportunities that may become relevant if the regional dynamic changes.<sup>235</sup>

### C. The potential for cooperation between Israel and Morocco

The potential for cooperation between Israel and Morocco has remained unfulfilled over the years, with the exception of a short period during 1994-2000. Those six years were a taste of cooperation that might have been. Since then, cooperation remains limited and depends on the progress in the Israeli-Palestinian peace process and on political and

234 Shmuel Segev, *The Moroccan Connection* (Tel Aviv: Shmuel Segev, 2008); "[Rabin and Peres Visit Morocco Amid Hope for Diplomatic Ties](#)," *JTA*, 14 September 1993.

235 Vish Sakthvel, "[Morocco Plays with Anti-Normalization](#)," *The Washington Institute for Near East Policy*, 13 December 2013.

social developments in Morocco, Israel and the region. In order to assess the potential for cooperation between Israel and Morocco, attention must be paid to the six interests and the attributes of relations between Israel and Morocco:

**The Jewish-Moroccan connection** - Judaism is not foreign to Morocco and is actually perceived as part of the Moroccan heritage by virtue of two thousand years of joint history in Morocco. At the end of the 1940s, the Jewish community in Morocco was the largest in the Arab world and included about 270,000 Jews. The large portion of this community emigrated to Israel in the mid-1950s led to personal contacts between Israeli and Moroccan officials. The small Jewish community that remained in Morocco today numbers about 2,500 people, and its representatives continue to play significant roles and be a connecting link between Morocco and Moroccan Jewry in the Diaspora, including in Israel. Worth mentioning is Andre Azoulay, a Moroccan Jew who serves as an advisor to the King of Morocco, and Serge Berdugo, president of the Jewish community and former Minister of Tourism, who was awarded the title of “Ambassador Itinerant of His Majesty King Mohammed VI”. His main role is to enlist the support of the Jewish lobby in the US in favor of Morocco.<sup>236</sup>

**Middle Eastern peripherality** - Morocco is located on the westernmost edge of the Middle East, which makes it geographically distant from the Israeli-Palestinian conflict. Morocco's affiliation to Africa, as well as its ties with the West, are more important to Morocco than its involvement in the Arab regional system. In fact, the question of whether Morocco is a part of the Middle East is raised often, as reflected in the Facebook group by the name *Morocco is not in the Middle East*.<sup>237</sup> The peripherality of Morocco in relation to the Arab-Israeli conflict is also due to the cultural diversity and composition of the Moroccan population, which is estimated to include 50-60 percent Amazighs. Some see Israel as part of the global Amazigh diaspora, in view of the Jewish population of Amazigh origin living there. According to one of the known myths in this context, the Amazighs and the Zionists made a pact against the Arabs, who are perceived as the common enemy. This claim is repeated in the Moroccan media and in the Arab and Muslim world every time an Amazigh delegation visits Israel or meets with Israeli officials in Morocco. Whether a myth or not, the return of the Jewish people to Israel is a source of inspiration for the Amazighs in North Africa. Moreover, the myth is mainly used by politicians in Morocco, including Islamist parties, to undermine the Amazigh activity in the country.<sup>238</sup>

**Moderation and struggle against Pan-Arab and Islamic extremism** - Morocco and Israel are moderate countries and are both fending off threats from radical Islamic groups, as well as radical Pan-Arab groups. This trend was already evident in 1963, when Israel granted military aid to Morocco (a “revolving” arm deal through France that included military equipment such as MiG aircrafts and tanks), following the intervention of Gamal Abdel Nasser in the war between Morocco and Algeria. The common interest had two reasons: one is the need to block the pan-Arab ideology that guided Nasser and the second was to preserve the Arab states as separate sovereign entities.

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236 Segev, *ibid*.

237 [Morocco is not in the Middle East](#), Facebook group.

238 Maddy-Weitzman, *ibid*.

In recent years Israel and Morocco have partnered with other moderate countries in an effort to fight radical Muslim terrorist organizations such as al-Qaeda and Daesh. This partnership between Israel and Morocco is manifested ideologically as well as by participating in international forums dealing with the topic.<sup>239</sup>

**Pro-Western orientation** - Israel and Morocco turn westward in terms of their foreign policy, which sometimes brings them together on the same side, for example, in the framework of the Coalition Against Radical Terrorism (alongside the US) and the EU Neighborhood Program (ENP). As a mean of maintaining their stability and coping with internal and regional challenges, they both enjoy aid and investment from Western countries.

As far as the relations with the US is concerned, Israel and Morocco aspire to secure American support of their interests with regard to the conflicts they are involved in. In the case of Israel, it is the Israeli-Palestinian conflict, while in the Moroccan case it is a conflict in the Sahara region. Trump's presidency announced the strengthening of ties between the US and Israel, that was reflected in particular in the relocation of the US Embassy from Tel Aviv to Jerusalem in May 2018 and in the growing American support for Israel at the UN. From Morocco's point of view, the nature of the emerging relationship between the Trump administration was unclear. One of the reasons being a delay of almost a year in the appointment of the US ambassador to Morocco until David Fischer was appointed in November 2017. Nevertheless, the relationship between Morocco and the US is very strong and is based on a long history of warm and sympathetic relations, alongside the protection of common interests such as preserving the stability in North Africa and the Sahel area and joint efforts to prevent terrorism.<sup>240</sup>

In terms of the relations with the EU, Morocco and Israel are both situated in the vicinity of Europe and both have complex relations with the EU, that oscillates between extensive cooperation and harsh European criticism of Israeli conduct in the Israeli-Palestinian conflict and the conduct of Morocco in the Sahara.<sup>241</sup> The need to define the scope of the relations with the EU is shared by Israel and Morocco, and they can learn from each other in this context.

**Reciprocal mediation** - Throughout the years, Morocco was helped by Israel and the Moroccan Jewish diaspora in the US and in Canada to solidify its relations with the West. In November 1979, for example, a delegation from the Jewish community in Morocco headed by businessman David Amar, who served at the time as the head of the Jewish community, left for the US in order to enlist the support of the US Congress in providing

239 In April 2006, it was reported that Israel, Morocco and Algeria would begin maritime patrols to prevent terrorism by virtue of their membership in the NATO organization. "[Israel, Algeria, Morocco to Join NATO Counter-Terrorism Patrols](#)," *Haaretz*, 7 April 2006. Israel, however, was not included in the Global Counter Terrorism Forum (GCTF) anti-terrorism efforts, because of Turkey's resolute objection. "[Counter terrorism Forum Excludes Israel, despite State's History of Combating Terrorism](#)," *The Times of Israel*, 13 July 2012.

240 Hassan Masiky, "[Washington: Morocco Missing an Opportunity in the Trump Administration](#)," *Morocco World News*, 18 January 2018; Samir Bennis, "[Why Trump Took Almost a Year to Choose an Ambassador to Morocco](#)," *Morocco World News*, 22 November 2017.

241 Morocco's criticism, in the case of the Sahara, and that of Israel, in the case of the settlements, is expressed in the issue of marking products originating from those regions, in order to prevent Israel and Morocco from enjoying economic gains generated in trading these products. For further details, see Amir Tibon, "[Confusion in Europe: The Court of the Union supports the Israeli claim against marking products](#)," *Wallat*, 16 December 2015.

aid to Morocco so it could modernize its air force. Another example to the role of the Jewish community as a bridge to North American Jewry was Berdugo's appointment as a "traveling ambassador" whose role was to nurture the ties with the Jewish lobby in North America.

For its part, Israel views Morocco as a friendly mediator vis-à-vis the Arab and Muslim world. This was reflected in the peace process between Israel and Egypt, when Morocco offered a friendly meeting place for both sides and hosted multiple key meetings that paved the way for the peace agreement between Israel and Egypt.<sup>242</sup> Morocco's efforts to bring about peace were also evident in the interactions between Israel and the Palestinians. In March 1982, Morocco hosted in Fez an Arab summit in which Morocco and Saudi Arabia presented a peace plan calling for recognition of the Palestinians' right to self-determination and the establishment of an independent Palestinian state.<sup>243</sup> In 1994, Morocco hosted the Casablanca Conference to encourage economic cooperation between Israel, the Middle East and North Africa in the Oslo process. Since the rise of Muhammad VI to power, Morocco has not played a central role in resolving the conflicts between Israel and its neighbors apart from participating in and supporting initiatives and conventions to promote a political solution to the Israeli-Palestinian conflict.<sup>244</sup>

**Securing peace in Jerusalem and the holy sites of Islam** - Morocco serves as Chair of the Jerusalem Committee and its Islamic Holy Sites on behalf of the Organization of the Islamic Conference. This is a very important Moroccan interest, as this role attests to the King's religious authority as a descendant of the Prophet's family. Morocco's desire for stability and its moderate policy is in fitting with Israel's desire to maintain stability and the status quo in the Old City of Jerusalem. Throughout the years, the importance of Morocco's role was mainly symbolic, and Morocco convened the committee only a few times. However, this role may cause tensions and disagreements, especially when the relations between Israel and the Palestinians deteriorate, and Morocco is forced to act on the issue of the holy sites in Jerusalem. For example, in December 2017, the King sent a special message to Trump in response to his decision to transfer the US embassy from Tel Aviv to Jerusalem. Muhammad VI expressed his personal concern about such a move, which could undermine the chances of achieving a just and comprehensive solution to the Israeli-Palestinian conflict. The King urged Trump to refrain from any step that might provoke any sentiments of frustration or disappointment, which according to him are the root cause of extremism and terrorism.<sup>245</sup>

Based on these interests and attributes, following is an analysis of the potential for cooperation between Morocco and Israel. It is important to note that this is a forecast for a complex and surprising reality that is not always predictable. The analysis is based on past experience, with an emphasis on the relations between the two countries in the 1990s, but also on the manner in which Israel-Morocco relations have developed

242 The Moroccan efforts to advance the peace process between Israel and Egypt were also expressed in a series of meetings between Israeli, Moroccan and Egyptian officials on Moroccan soil: the meeting between Moshe Dayan and Hassan II in August 1971 in Marrakech; Moshe Dayan meets with Hassan II and Hassan Tohami, Deputy Prime Minister of Egypt, in September 1977; and Dayan's meeting with Tohami and Hassan II, December 1977.

243 Israel, which was not explicitly mentioned in the plan, rejected it because it was not willing to recognize a Palestinian state alongside Israel. For further reading, see Segev, *ibid*.

244 Morocco participated in the Annapolis Peace Conference in November 2007. Morocco has also supported the Arab peace initiative over the years.

245 Ben Ariel, "[Moroccan King 'deeply concerned' over embassy move](#)," *Arutz Sheva*, 6 December 2017.

since then - and on the common interests, structural characteristics, and the needs of both countries. The analysis demonstrates how relations can develop, if and when political conditions ripen and a significant breakthrough occurs between Israel and the Palestinians.

### 1. Potential for diplomatic cooperation

The potential for diplomatic cooperation between Israel and Morocco begins with the establishment of full and official diplomatic relations, which would lead to the opening of embassies and economic attaches and to laying the initial foundation for further cooperation. This point is important because there are many economic and civic partnerships between the two countries, but there are obstacles that arise from the absence of relevant regulatory institutions.<sup>246</sup> Establishing official diplomatic relations will allow Israel and Morocco to expand their cooperation in regional and international forums, which may lead to a favorable change in Morocco's voting pattern in Muslim, Arab and international forums with regard to Israel. Official diplomatic relations will also allow for more delegation exchanges between the two countries, which will strengthen and expand cooperation and will lead to a better understanding at the political level. In the political-economic sphere, Israel and Morocco will benefit from establishing chambers of commerce and drafting agreements that will promote cooperation in areas such as health, education, culture, agriculture, telecommunications, industry, the environment, and sustainable development.

### 2. Potential for security cooperation

It is difficult to assess the potential for cooperation in a sector that conducts its activities mostly underground, and yet it is clear that Israel and Morocco have common security interests. Since both countries belong to the moderate axis in the region, the war against terror organizations is a common need, which can also be a motivator for the two countries to participate in regional security forums that will be established in the future. In addition, Israel and Morocco have an interest and ability to help each other in dealing with internal and external security challenges based on their experience. Israel has gained such experience when dealing with the challenges of the Israeli-Palestinian conflict, and has in the past helped Morocco, according to foreign sources, build a security fence in the Sahara. Moreover, Israel has an interest in carrying out arms deals with Morocco, which were already carried out in the past.

### 3. Potential for economic and business cooperation

**Foreign Trade** - The potential here is conditioned on the ability to openly conduct trade between the two countries. In recent years, Morocco has invested considerable resources in branding itself, especially Casablanca, as an economic-financial hub that encourages foreign investments and connects Africa with Europe, America and Asia. Morocco invests in the infrastructure of seaports and airports in Casablanca, Tangier and Agadir in order

246 In this context, Morocco today has bilateral free trade agreements with 55 countries and regions, while Israel has only 39 agreements. The number of Israeli agreements is expected to increase if and to the extent that there is significant progress with advancing an agreement with the Palestinians. Source: "[Interview with Nizar Baraka, chairman of the Economic, Social and Environmental Council \(CESE\)](#)," *The Report Company*, 28 January 2016.

to realize its objectives.<sup>247</sup> These steps may open trade channels and other economic opportunities for Israel, as well as increase the volume of trade between the countries. It is reasonable to assume that the trade volumes involved are not significant in comparison to the trade between Israel and other countries, but they undoubtedly have a significant added value in Israel's efforts to become part of the regional economy. In addition, Morocco can serve as a distribution center of Israeli and joint Israeli-Moroccan goods to neighboring European countries, North and South America and to African countries, with whom both Morocco and Israel have recently intensified relationships.

**Agriculture, fish, and food** - This is a significant potential for cooperation since Morocco relies heavily on agriculture. The sector of agriculture is responsible for about 44 percent of the jobs market in the Moroccan economy, thus alleviating unemployment.<sup>248</sup> Over the years, Israel has accumulated extensive agricultural experience, while Morocco is currently moving from traditional to commercial agriculture, which includes the entire agricultural production chain. The cooperation between Morocco and Israel in this field is likely to expand in the future in two important ways: one is knowledge sharing and the import of smart agricultural developments from Israel to Morocco, similar to greenhouse technology and drip irrigations that was already imported to Morocco;<sup>249</sup> the second would be to expand the activity of Israeli farmers in Morocco by establishing agricultural farms. Such farms will create new employment opportunities for local Moroccan labor force and will address the needs of Israeli farmers who are also coping with similar challenges. However, Israel and Morocco will probably continue to compete against one another over the export of commodities such as citrus to Europe and the US.

**Tourism** - One of the prominent sectors in Morocco, who is aiming to double the annual number of visiting tourists from 10.3 million (as of 2016) to 20 million by 2020.<sup>250</sup> Today, the number of Israeli tourists in Morocco ranges from 25,000 to 45,000, annually, mainly through organized tours. According to estimates, if Israel's relations with the region significantly improves, this number is expected to triple, and reach 120,000.<sup>251</sup> In a situation of full diplomatic relations between Morocco and Israel, the visa issuance process for Israelis and Moroccans will become less cumbersome and Israel will become a tourist attraction for Moroccans who will visit the holy sites of Islam and beyond. The Moroccan tourist will be able to combine visits to sites in neighboring countries such as Ramallah, Aqaba, Petra, Amman and the Sinai Peninsula. With regard to aviation, the countries may sign agreements regulating their joint activity in three major areas: expanding the "interline" agreement, which regulates the flight of passengers through third countries; signing a commercial agreement; operating direct flights without a stopover. Such agreements will meet the rising demand for flights and shorten the average flight time.<sup>252</sup>

247 [Foreign Trade Operator's Guide](#), *Ministère Délégué auprès du Ministère de l'Industrie du Commerce de l'Investissement et de l'Economie Numérique Maroc*, 2015.

248 [Morocco – Agricultural Sector](#), *export.gov*, 25 October 2017.

249 Ruti Krichman, "[Israeli Orchardists in the Orchards of Morocco](#)," *Et Hadar*, April 2013.

250 Chaima Lahsini, "[10.3 Million Tourists Visited Morocco in 2016](#)," *Morocco World News*, 21 February 2017; [Foreign Trade Operator's Guide](#), *ibid*.

251 An interview with Joseph Fischer, tourism expert, June 2017. It is very difficult to accurately estimate the figures of Israeli tourists entering Morocco, since many of them do so with a foreign passport (American or European, or even Moroccan).

252 Dror Marom, "[Royal Air Maroc Renewed efforts after the elections to operate direct flights to Israel](#)," *Globes*, 30 May 1999.

#### 4. Potential for civic cooperation

**Culture, art, and heritage** - The potential in this area is based mainly on the Jewish-Moroccan bond, which creates a space for cultural activities based on a common and shared identity. The potential is great, and its realization may lead to a greater movement of Moroccan and Israeli artists performing in Morocco and around the world. The expected demand in this context is for various types of Moroccan music and culture. Morocco also has an extensive film industry and some of the best in the world, but there is no cooperation yet with Israel in this sector, partly due to the lack of joint production agreements. The signing of such agreements will be an incentive and will make it easier for Israeli and Moroccan artists to cooperate and find sources of funding.<sup>253</sup>

**Education, research, and academia** - In the area of education there is a potential for an increase in Moroccan and Israeli delegation exchange, while expanding the target audiences, the areas of cooperation. For example, in June 2016, the Biton committee, appointed by the Israel Ministry of Education, recommended the dispatch of high-school delegations to study tours in Morocco.<sup>254</sup> There is also a potential for expanding cooperation between institutions of higher education and research and policy institutions, universities and non-academic institutions, that deal with areas such as foreign relations, security, medicine, agriculture, economics, immigrant absorption, community development and the legacy of Moroccan Jewry. There is also potential to expand cooperation between students, researchers and lecturers from both countries through participation in EU exchange programs such as Erasmus Mundus<sup>255</sup> and Tempus.<sup>256</sup>

#### D. Existing cooperation between Israel and Morocco

This section includes a mapping of the various types of cooperation that has been taking place in recent years between Israel and Morocco, divided into four main areas: political, security, economic and business and civic.

The mapping reveals many diverse and surprising partnerships, despite the fact that since 2000, Israel and Morocco have not maintained official diplomatic relations. Bilateral cooperation is conducted directly whereas multilateral cooperation is mediated through third countries or international organizations and forums. Much of the cooperation takes place behind the scenes, and most of those involved prefer to be discrete, in order to enable their continued existence. Therefore, it is reasonable to assume that the mapping presented in this section does not fully reflect the current ongoing cooperation.

253 Conversation with Raphael Balulu, director and independent film maker, 8 July 2017.

254 Shachar Chai, "[Biton Committee Recommendations: visiting the tombs of the Righteous and students traveling to Morocco](#)," *Ynet*, 7 July 2016.

255 European Region Action Scheme for the Mobility of University Students, for more details see [here](#).

256 The objective of the Trans-European Mobility Program for University Studies is to encourage cooperation in the field of higher education between institutions of higher education in the EU and institutions of higher education among the countries participating in the program, including Israel and Morocco. For more details, see the program's [website](#).



The attempt to fill in the gaps through interviews with experts turned out to be particularly challenging. Moroccans and Israelis involved in cooperation between the two countries were not willing to be interviewed openly. Morocco prefers to play down the scope of its cooperation with Israel, therefore does not publish official statistics on the subject. Israel publishes few statistics on the relations with Morocco, which may even be misleading, since most of the cooperation between the two countries is sponsored by private non-Israeli companies or even done secretly, and therefore most of it is not documented.

It is possible that these challenges in collecting the data explain why almost no in-depth studies of Israel-Morocco relations have been published since the second intifada. Nevertheless, the proposed mapping is based on a combination of Israeli, Moroccan, Arab and international media sources, as well as various reports and interviews with experts (mainly Israelis).<sup>257</sup>

## 1. Diplomatic cooperation

In the absence of official diplomatic relations between the two countries, open political cooperation is limited to meetings between senior officials from both countries, with the participation of multilateral organizations and the adoption of international agreements. Israel and Morocco maintain diplomatic relations through the UN and its institutions, the NATO Alliance, the Parliamentary Assembly of the Mediterranean (PAM),<sup>258</sup> the EUROCONTROL Organization,<sup>259</sup> the Barcelona Process (since 1995) and the European Neighborhood Policy (as of 2004).<sup>260</sup>

In international forums, the relations between Israel and Morocco range from refraining from contact on the part of Moroccan officials and cautious attempts of rapprochement. Morocco is moving between its desire to find its place in the international community to increase its internal stability, and having an official and open interaction with Israel, which could provoke criticism in Morocco and abroad. In November 2016, Morocco hosted the 22nd UN Climate Conference (COP22) and was asked to raise the flag of Israel along with

257 Another example of the difficulty in obtaining data relates to the movement of people between the two countries - the Central Bureau of Statistics does not provide data on Israelis visiting Morocco. In fact, this figure is particularly difficult to obtain because it is not possible to know how many Israelis are entering Morocco with a foreign passport and who through a pre-arranged visa. In addition, the absence of direct flights between Morocco and Israel makes it difficult to monitor Israelis who flew all the way to Morocco via a connection.

258 See the [website](#) of the Parliamentary Assembly of the Mediterranean.

259 In February 2017, Israel joined the EuroControl organization and together with Morocco they are the only two non-European member states. The agreement allows Israel for the first time to enjoy a variety of new aviation services offered by the EuroControl organization, such as the advanced design of the air transport system and its safe and efficient management, management and advertising of aviation information, and direct contact with the hub that manages the airspace in Europe.

260 The official cooperation under the European Neighborhood Policy started with the Barcelona process, which was signed in November 1995. All EU member states as well as the 12 Mediterranean countries, including Morocco, Israel and the Palestinian Authority participate in this process. Its objective is to replicate the European peace model for the Mediterranean basin while enhancing stability and encouraging regional economic development by fostering democratization and protecting human rights, establishing a free trade zone and developing civil societies and cooperation between them. The total budget planned for investment in projects in the Southern Neighborhood in the years 2014-2020 is 7.5-9.2 billion Euros. The program is funded by the European Neighborhood Instrument (ENI).

the other flags of the UN member states. Multiple demonstrations broke out throughout the kingdom, claiming that raising the Israeli flag meant official recognition of Israel. Moroccan Foreign Minister – Salahuddin Mazar – responded by saying that “all nations are welcome at UN meetings” and that the struggle against climate change “binds all governments” The Israeli flag continued to fly until the end of the conference.<sup>261</sup>

An interesting incident took place in October 2017, during a meeting of the Parliamentary Assembly of the Mediterranean held in the Moroccan Parliament in Rabat. The meeting was attended by MK Amir Peretz, who serves as the organization’s vice president, which provoked protests from one of the Moroccan parliamentarians, who shouted at him: “you were the Israeli defense minister and you are an unwanted guest here”. Majali Wahabi, a former member of the Knesset and member of the Israeli delegation, came to his defense and told the Moroccan MP that “Amir Peretz is Moroccan, his father and mother are Moroccans, he was born here and you have no right to attack him”. Moreover, members of the Palestinian delegation objected the behavior of the protestor and publicly demonstrated it. Finally, the Moroccan representative, who served as chairman of the assembly, summed up the incident with a softening message and said, “this minority cannot represent the parliament or the Moroccan people”. Here, too, in the end, the official Morocco chose to host an international forum and pay the price of its relations with Israel. The reactions that this encounter provoked in the Moroccan parliament reflects the complex relations between Israel and Morocco, especially when the Israeli representatives are also Moroccans.<sup>262</sup>

Although the international forums enable interaction between Israel and Morocco, the activity of the two countries in these forums led sometimes to diplomatic clashes. This was the case at the Economic Community of West African States (ECOWAS), which met in June 2017 in Liberia. Following the announcement of Israel's participation in the conference, criticism was voiced by some of the member states. Morocco, which was supposed to attend the conference for the first time, canceled its participation at the last minute on the grounds that “the King does not want the first time Morocco is present at the conference would be under tension and controversy, and therefore wants to avoid it”. Only after a few months did it turn out that Morocco’s accession to the organization was anyway complex, and it possibly used Israel as an accuse in order to buy time, that would help Morocco gain better conditions to join the organization.<sup>263</sup>

Another clash took place in the context of the EU, when in December 2015 Israel claimed that although the Sahara region was announced by the EU an occupied territory, the EU did not require the marking of products originating in that region, as it did with products originating from the settlements.

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261 For details see: “[International activities in the 20<sup>th</sup> Knesset](#),” *The Knesset*; “[Hundreds Protest against Israeli Flag in Morocco](#),” *Ynetnews*, 10 November 2016; Another example occurred at the beginning of 2016 when Morocco voted in favor of Israel, which was running for the chairmanship of the UN Legislation Committee. The opposition on the part of the Action Group for Palestine did not wait long, which demanded the Moroccan government to explain this step, for more details see Urfa al-Bandari, “[Israeli-Moroccan Relations: Enemies in Public, Friends in Secret](#),” *Raseef 22*, 6 November 2016 [Arabic].

262 Ohad Chemo, “[Documentation: Amir Peretz you are a war criminal](#),” *Mako*, 8 October 2017.

263 [His Majesty the King Wants His First Presence at ECOWAS Summit not to Take Place in a Context of Controversy](#), *Kingdom of Morocco – Ministry of Foreign Affairs and International Cooperation*, 6 January 2017.

Much to its dismay Morocco discovered that Israel is putting the sensitive and important issue of the Sahara under the spotlight, while comparing between the two cases.<sup>264</sup>

Open and secret meetings between senior Moroccan and Israeli officials take place outside of Morocco and even in Morocco itself. Thus, for example, in September 2009, Foreign Minister Avigdor Lieberman secretly met with his Moroccan counterpart Taieb Fassi Fihri after the UN General Assembly in New York. In December 2008 the Foreign Ministry Director-General Aaron Abramovich visited Rabat to explore the possibility of an official visit by then Foreign Minister Tzipi Livni to Morocco. An official visit by an Israeli foreign minister to Morocco has not taken place since Silvan Shalom's visit in 2003.<sup>265</sup> Livni eventually visited Morocco in November 2009, when she headed the opposition. She was invited by the Amadeus Research Institute, and her visit provoked protests and hostile coverage by the media in Morocco and the Arab world.

In some cases, the protest against visits of senior Israeli officials in Morocco led to the cancellation of planned visits. This was the case in October 2010 and May 2015, when Shimon Peres expressed his intention to visit Morocco as part of Israel's participation in international economic forums, but in both cases, Mohammed VI did not show any willingness to meet with him during his visit which led to the cancellation of the visits by Peres himself. Moroccan public opinion, the Arab states and Palestinian officials drew a clear red line against his visit. It is possible that if he was a Moroccan Jew, it would have been more difficult for Moroccan public opinion to rally a consensus against the visit, as happened in MK Peretz's visit to the Moroccan parliament in October 2017.<sup>266</sup>

## 2. Security cooperation

Security cooperation continued even after the severance of official diplomatic relations with the outbreak of the second intifada. Most of it is conducted secretly and therefore it is difficult to outline the scale and character of cooperation in this field other than to base it on public foreign sources. Today, according to these sources, security cooperation involves mostly in the exchange of intelligence information and the trade of weapons. Thus, for example, the Mossad opened an office in Morocco as early as 1963, and since then the secret ties between the intelligence services have continued. In a report published in 2014 by the British Department for Business, Innovation and Skills, which oversees British defense exports, it is claimed that Israel sold to Morocco electronic warfare, communications and control systems. The arms deals are carried out usually through a third party, thus in March 2013, for example, according to foreign sources, the Moroccan

264 Tibon, *ibid.* Other diplomatic incidents occurred during 2017, expressing insensitivity and lack of understanding the Moroccan culture and politics. MK Zuhair Bahlul called on the Israeli government to assume responsibility for the holy sites of Moroccan Jews in Morocco and led to a diplomatic incident: Marissa Newman, "[When a Muslim MK Beseached Israel to Fund a Moroccan Synagogue](#)," *The Times of Israel*, 30 November 2016. In May 2017, Ayoub Kara published in the social networks a picture of him meeting with the Prime Minister of the Sahrawi Republic, Abdelkader Omar: Raoul Wootliff, "[Morocco Complains to Israel about Minister's Photo with Rival Leader](#)," *The Times of Israel*, 22 June 2017.

265 Ali Amar, «[Maroc, le Partenaire Discret d'Israël](#),» *Slate Afrique*, 11 September 2011; Barak Ravid, "[Livni in Talks to Hold Official Visit to Morocco in the Coming Weeks](#)," *Haaretz*, 8 December 2008.

266 Nir Yahav, "[Report: The Arab States foiled Peres's visit to Morocco](#)," *Walla*, 20 October 2010; Nir Hasson, "[Moroccan King Mohammed VI to Peres: I Will Not Meet You](#)," *Haaretz*, 17 October 2010; Another case occurred in May 2015, when Morocco canceled Shimon Peres' invitation to an international conference in Marrakech: Dalit Halevi, " [Hamas welcomes the cancellation of Peres' visit to Morocco](#)," *Arutz Sheva*, 4 May 2015.

Air Force acquired three Heron drones, which were transferred from Israel to France, painted in the colors of the kingdom and sent to Morocco. The drones were equipped with advanced Israeli systems and equipment.<sup>267</sup>

### 3. Economic and business cooperation

**Foreign trade** - Trade between Israel and Morocco is very limited. In recent years, exports to Morocco have not exceeded 0.04 percent of Israel's total exports, and included mainly agricultural product and communications and medical equipment. Imports from Morocco were even more limited and did not exceed 0.03 percent of all imports into Israel, and included mainly olives, sardines and products for the automotive industry.<sup>268</sup> The main reason for the low trade volumes is the influence of the prevalent position in Arab countries that opposes cooperation with Israel.<sup>269</sup> The limited foreign trade between Israel and Morocco is possible thanks to the mediation of third countries and the removal of Israeli trademarks from the goods.<sup>270</sup>

A number of international shipping companies such as Green Shipping, and Maersk, operate trade routes linking the Israeli seaports (Haifa and Ashdod) with the Moroccan seaports (Casablanca and Tangier). In addition, containers of the Israeli shipping company ZIM are being shipped between Spain, Portugal and Morocco routinely.<sup>271</sup> Foreign trade is constrained by the existing political circumstances which sometimes come to the fore, such as the incident in June 2016, when the Moroccan parliament demanded an explanation for the Moroccan markets being flooded with Israeli Majhul dates during Ramadan. Mohamad Abou, the Moroccan minister was in charge of foreign trade at that time, denied any direct trade with Israel.<sup>272</sup> Another example relates to the activities of ZIM in Morocco, which used to have a permanent agent in Casablanca. The agent's activity was recently halted by the company, according to a ZIM representative, following the opposition of anti-normalization movements in Morocco.<sup>273</sup>

**Tourism** - Morocco opened its gates to Israeli tourism in the early '80s in response to an increasing demand by Israelis of Moroccan origins to visit the country. At first, only Moroccan Israelis who held Moroccan passports were allowed to visit Morocco. In the 1990s, Morocco allowed entry to all Israelis who wished to visit it, which is not surprising, as this was when Berdugo, then the president of the Jewish community in Casablanca, was appointed Minister of Tourism of Morocco. His appointment indicated how important it

267 This office is currently split into several departments, see the website of the [Export Control Joint Unit](#). The unit is responsible for overseeing defense exports in the kingdom and follows exports worldwide. Shai Levy, "[The Surprising Collaborations of the IDF](#)," *Mako*, 30 January 2014; Shai Levy, "[From Syria to Yemen: This is how Israeli Arms Reach the Arab Countries](#)," *Mako*, 10 September 2015.

268 [Table 16.5](#), *Central Bureau of Statistics*, 2016.

269 The Arab boycott of Israel began officially in a resolution adopted by the Arab League Council on 2 December 1945, in Cairo. Since then there have been changes in terms of scope and participating countries. Today, this is a largely symbolic boycott, that enjoys high public awareness. Egypt and Jordan, who signed a peace agreement with Israel declared that they are not bound by this boycott. For further information, see Martin A. Weiss, [Arab League Boycott of Israel](#), *Congressional Research Service*, 25 August 2017.

270 Barak Ravid, "[The King severed relations, the King will renew them?](#)," *Haaretz*, 24 July 2009.

271 For more information, see the company's web site [Zim Integrated Shipping Services Ltd](#).

272 "[Morocco denies having business relations with Israel](#)," *RT*, 28 June 2016.

273 Phone conversation with Zim Representative, January 2018.

was for King Hassan II to preserve the Jewish-Moroccan bond.<sup>274</sup> Since then, every Israeli tourist interested in visiting Morocco is required to apply for a visa for a stay of up to 15 days. Currently, between 25,000 and 45,000 Israelis visit Morocco each year. However, tourists from Morocco, Arab and Muslim countries arrive in Israel through the airport and through the border crossings with Jordan. The number of tourists from Morocco to Israel was only 3,200 in 2015, though the number is slowly increasing. There are several main reasons for the low numbers of tourists from Morocco: anti-normalization movements, general concerns, financial difficulties, a complex visa application process, and the fear of an Israeli stamp in a passport. In early 2013 Israel started allowing entry to its territory without stamping the passports of Moroccans, which made it easier for tourists to travel into the country.<sup>275</sup>

**Agriculture** - Agricultural cooperation between Israel and Morocco is limited but very important. In terms of agricultural commodities, Israel mainly exports to Morocco seeds of cherry tomatoes, peppers, dates and agricultural equipment.<sup>276</sup> Morocco, for its part, exports to Israel mainly olives and sardines. It seems that even small volumes of trade are provoking opposition in Morocco and bind the Moroccan government to address it officially.<sup>277</sup>

In addition to agricultural produce and the revenue it generates, agriculture is one of the most important economic sectors in Morocco, providing 44 percent of jobs for the local labor force. This helps to reduce unemployment rate, which is one of Morocco's main objectives. The Moroccan government recognized the economic potential in liberalizing the agriculture sector and in 2008 published a new strategy for agricultural development. The goal of the program is to encourage international and local investment as a means to create additional jobs, introduce new technologies and encourage integration into the global economy.<sup>278</sup>

These processes, which began before 2008, attracted Israeli farmers (some were evacuated from Gush Katif) who sought better conditions for agricultural development. They established agricultural farms in Morocco and worked as consultants, thanks to the extensive professional knowledge they acquired in organic farming, and the development and implementation of agricultural technology such as greenhouses, drip irrigation, and pest control.<sup>279</sup> The agricultural sector not only provides opportunities for cooperation, but also creates a competition on exporting agricultural produce to attractive markets in Europe, America and Asia, due to the unique geo-strategic and inter-continental location of the two countries.

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274 Serge Berdugo was the first Jewish minister to serve in the Moroccan government since Leon Benzaken's tenure as minister of tourism in the first government established after Morocco became independent. See Bruce Maddy-Weitzman, "Israel and Morocco: A Special Relationship," *The Maghreb Review* 21, 1996.

275 [Tourism 2015](#), CBS, 2015.

276 Private sector companies are not so willing to provide information about their activities – for further details see: Noam Nir, [Israel-Morocco: Le Grand Business](#), *The King and I*, 28 October 2008.

277 For example, the opposition in Morocco following the import of dates from Israel during the month of Ramadan: Hassan Al-Ashraf, [Morocco Activists Outraged over Israeli Dates Imported for Ramadan](#), *Al Arabiya News*, 26 July 2012.

278 "[Morocco – Agricultural Sector](#)," *export.gov*, 25 October 2017.

279 Ruti Krichman, "[Israeli Orchardists in the Orchard s of Morocco](#)," *Et Hadar*, April 2013; Amiram Bareket, "[Gush Katif settlers set up greenhouses in Africa](#)," *Walla*, 4 June 2006.

In this competition, Morocco enjoys an advantage over Israel in terms of manufacturing costs, wages and transportation, which allows it to export at lower prices.<sup>280</sup>

#### 4. Cooperation between civil societies

There are numerous surprising and fruitful civil society partnerships between Israelis and Moroccans which are made possible thanks to three main factors: first, the independence of the civil societies in both countries and their relative freedom of action within and outside both countries. Global processes have led to an increase in the power of civil society worldwide, as well as in Morocco and Israel.<sup>281</sup>

Since its inception, Mohammed VI has been promoting a liberal civil society in Morocco. Currently there are some 120,000 civil society organizations working on issues such as democracy, women's rights, advanced medicine, human rights, promoting Amazigh representation in Morocco and promoting trade organizations;<sup>282</sup> Second, the special connection and intensive human movement between Israel and Morocco and the ability to maintain it, encourage and preserve these partnerships. The amendment to the Moroccan constitution of July 2011, according to which the Hebraic culture is part of the Moroccan national heritage, facilitated the activities of civil society organizations that deal with Judaism in Morocco. This is something which is not seen anywhere else in the Arab and Muslim world; Third, the relations between Morocco and its diaspora in Israel and other Moroccan diasporas in the world, are based on shared Moroccan identity and values. Both Morocco and Israel cultivate a strong bond between the homelands and their diaspora. In Morocco, the concept of nationalism as an inclusive meta-identity, allows the Moroccan people to enjoy a strong sense of partnership and belonging. In other words, every citizen is first of all a Moroccan while the ethnic, religious and other identities are secondary. In addition, Moroccan nationality is inherited up to four generations after the emigration. This enables, Israelis of second, third and fourth generations of Moroccan origin to apply for Moroccan citizenship.

Cooperation between the civil societies of Morocco and Israel is particularly prominent in the following areas:

**Preservation of the Judeo-Moroccan heritage** - In recent years many Jewish heritage sites have been renovated including synagogues, cemeteries, Jewish schools, and the streets of the Mellah quarter (Jewish quarters). There are many parties involved in such

280 Israel sees the rise in Moroccan agricultural exports to Europe as one of the direct causes for the decline in Israeli exports to the Moroccan market. See Moshe Glantz, "[Why did Agricultural Exports Drop from Israel to the World?](#)," *Ynet*, 5 January 2016; Ra'anana Cohen, "Speech by the former Chairman of the Wholesale Market Company Ra'anana Cohen," *Made in Israel: Wholesale Market of Israel Ltd.*, 2013.

281 "[The Future Role of Civil Society](#)," *World Economic Forum*, January 2013.

282 Vish Sakthivel, "[Beyond Islamists and Autocrats: Morocco - Prospects for Civil Society](#)," *The Washington Institute for Near East Policy*, 2015; Essaadi Mostafa, "[Civic Freedom Monitor: Morocco](#)," *ICNL*, 1 June 2017.

rehabilitation projects of Jewish heritage sites, including the King of Morocco,<sup>283</sup> leaders from the Jewish community in Morocco and the Diaspora,<sup>284</sup> institutions and civil society organizations,<sup>285</sup> and Israelis of Moroccan origin. The Judeo-Moroccan heritage lies at the heart of the cooperation on civil matters between Israel and Morocco. This allows expanding the relations between the countries much further in comparison Israel's relations with other Arab countries. There are two complementary explanations for the Moroccan desire and efforts to preserve the Jewish heritage: first, Morocco still has deep feelings and longing for the Jews who have almost disappeared from its landscape. This is a sense of a real and genuine partnership, and some Moroccans even believe that the Jews will return to Morocco and that their departure was a tragic mistake. Second, preservation of the Moroccan Jewish heritage is done for pragmatic reasons and out of a desire to improve Morocco's image in the international community and in the West. Morocco's objective is to improve relations with the EU and to enlist the Jewish lobby in the US to safeguard the Moroccan interests in the Sahara region.<sup>286</sup>

**Delegation exchanges** - In recent years we have witnessed the exchange of many delegations between Morocco and Israel in a variety of areas. Israeli delegations visited Morocco on study tours, some of which were of a social and political nature, and included meetings with officials in Morocco. Delegations from Morocco visit Israel several times a year. For example, in November-December 2016, three Moroccan delegations from the educational and communications sectors visited Israel.<sup>287</sup> In June 2018, three civil society delegations from Morocco also arrived in Israel. Another example can be found in the field of sports in general and specifically in judo. For example, in March 2018, following the victory of Timna Nelson Levi in the Grand Prix at Agadir, the Israeli flag was flying in public and the Israeli anthem was played.<sup>288</sup>

The frequent delegation exchanges stir a harsh debate in the Moroccan and Arab media and provoke criticism from anti-normalization movements such as the Moroccan Observer Against Normalization. To date, the continuous exchange of delegations turned

283 The King of Morocco, Mohammed VI, was present at a festive ceremony after the renovation of the Etedgui Synagogue in Casablanca: [With a lot of respect](#), *Davar Rishon*, 21 December 2016; Mohammed VI visits the Mellah streets of Marrakech after restoring the original names of the streets of the neighborhood dating back to its Jewish period: JTA, "[Historic Jewish Neighborhood in Marrakech to Have Original Name Restored](#)," *Haaretz*, 5 January 2017; Renovation and restoration of the Slat al-Fassiyine synagogue in Fez: [Complete Restoration of the Slat El Fassiyine Synagogue](#), *Aladdin Project*.

284 Worth mentioning Mr. Andre Azoulay, Senior Advisor to the King, Serge Berdugo, President of the Jewish Community of Morocco, Jacky Kadosh, Rabbi of the Jewish community of Marrakech and Essaouira, and the late Simon Levy, who was very active.

285 Einat Levi, "[Casablanca: Things Seen from Here](#)," *The Forum for Regional Thinking*, 18 June 2017. [The Museum of Moroccan Jewry](#), the first to be established in an Arab country, which serves as a bridge and as a cultural attraction for visitors from Morocco, the Arab world and Israel.

286 "[Moroccan Jews Reportedly Protest UN View on 'Occupied' Sahara](#)," JTA, 9 May 2016.

287 The first delegation came at the invitation of the Yad Vashem Museum and included educators who came to participate in Holocaust studies in order to teach the subject in Morocco. The second delegation arrived at the invitation of the Israeli Ministry of Foreign Affairs and included journalists, in order to improve Israel's image in the Moroccan media. The third arrived at the invitation of the Tikkun Movement and included social activists, in order to encourage the rapprochement between Israel and Morocco. See Herb Keinon, "[Is A Growing Interest in Israel on the Rise in Morocco?](#)" *The Jerusalem Post*, 30 November 2016; [International Activities in the 20th Knesset](#), *The Knesset*, 30 November 2016.

288 Einat Levi, "[The Routinization Effect: Why the Boycott of Israel Failed in Morocco](#)," *Maariv*, 22 March 2018.

mutual visits into a routine, meaning that there is a kind of “routinization effect”. The Moroccan media continues to cover those visits, but they are not considered as a new thing anymore and the criticism is less harsh.

**Music, cinema, and art** - Many collaborations in the areas of music, cinema and art take place between Israeli and Moroccan civil societies. Israeli and Moroccan artists and composers meet in festivals in Morocco and around the world, such as the Symphoniat concert in Marrakesh.<sup>289</sup> Occasionally, as is the case when there is an escalation with the Israeli-Palestinian conflict, the anti-normalization movements in Morocco raise their voice and attract the attention to the cooperation between the countries. This was the case with the film “Tinghir-Jerusalem: Echoes from the Mellah”, released in 2013. The film, which was shot in Morocco and Israel, was screened dozens of times in Morocco, Israel and around the world. The film aroused many objections in Morocco arguing that it was normalization, nevertheless it won prizes and was even screened on the Moroccan state channel M2.<sup>290</sup>

**Education and research** - There is cooperation between educational institutions, researchers (independent or affiliated to research and policy institutes), internship programs, and more.<sup>291</sup> For example, in April 2015, the Galilee College in Nahalal, the al-Akhawayn University in Ifrane and the EuroMed University of Fes started working on a joint environmental protection program in the Mediterranean. The program included two semesters, one in Israel and one in Morocco. Two main factors enabled this cooperation: first, the fact that the Galilee College is a private educational institution; and second, the fact that the main funding for such initiatives comes from international institutions and forums such as the World Bank, the EU, the World Health Organization, and the UN Environment Program.<sup>292</sup>

Research cooperation is often facilitated by academic institutions in third countries such as the US, Canada and European countries. The joint research topics deal with Jewish-Moroccan heritage, Jewish-Muslim relations in Morocco, Amazigh identity, community development, environmental protection, and more.<sup>293</sup>

In recent years we have witnessed an exchanged of Israeli and Moroccan students between the two countries. A number of students from Morocco have studied and are

289 In December 2016, the Symphoniat concert was held in Marrakech, which was attended by singers and artists from Israel, and received media coverage on Morocco's M2 national channel: [Symphoniat Project – Morocco - 2M Mag Report](#), *YouTube*, 21 April 2016.

290 Including opposition on the part of the Moroccan communications minister, who categorically boycotted the 2014 Tangier National Film Festival because the film participated. For further details, see: Einat Levi, “[Tangier-Jerusalem: The Story of Complex Identity](#),” *The Forum for Regional Thinking*, 5 September 2013; Karima Rhanem, “[Kamal Hachkar: Muslim-Jewish Coexistence Should Be Taught in Moroccan Schools](#),” *Morocco World News*, 26 June 2013.

291 One of the participants of the [GLOCAL](#) program at the Hebrew University, Marwa Taher Natsheh, set out for a four-month internship at the [High Atlas Foundation](#) in the Marrakech region. In 2017, another student from the program interned in a Moroccan NGO. To read the blog written by a student specializing in the organization, see: Marwa Natsheh, “Visiting Akrich and Aboghlo Women's Cooperative: Shared Stories and New Perceptions,” *High Atlas Foundation*.

292 [Galilee College Puts Peace into Practice](#), *The World University Rankings*, 16 January 1998.

293 Among Israeli researchers, it is worth mentioning (late) Prof. Moshe Gershowitz, Prof. Bruce Maddi-Weizmann, Dr. Orit Vaknin Yekutieli, Michael Lasker, Yaron Tsur and others. On the Moroccan side, Prof. Mohammed Kanbib, Dr. Samir Ben-Layashi, Prof. Omar Baum, who won an award for his research from Ben-Gurion University in July 2017, and others.



still studying in academic institutions in Israel, such as Ben-Gurion University and the Arava Institute. Although there are currently no Israeli students studying in academic institutions in Morocco, Israeli students have recently begun to intern in Moroccan civil society organizations in the field of community development.<sup>294</sup> Although joint educational programs are not common, they are diverse and their very existence reflects the great potential for cooperation between the civil societies of both countries.

**Promoting political processes and creating channels of dialogue between Israel, the Arab states and the Palestinians** - Civil society organizations in Morocco, Israel and the Moroccan Diaspora are sometimes involved in facilitating political moves and creating channels of dialogue between Israel, the Arab states and the Palestinians. For example, in February 2016, Mohammed VI gave his blessing to the Chair of the World Federation of Moroccan Jewry, Sam Ben Shitrit, to advance a meeting between Benjamin Netanyahu and Mahmoud Abbas, and that same month a delegation from the Federation met with Abbas and his delegation in Ramallah.<sup>295</sup> This meeting continues a trend that began in the 1970s with the establishment of the "Identity and Dialogue" movement, one of the first groups in Morocco to call for direct negotiations between Israel and the Palestinians.<sup>296</sup>

## E. The impact of the Israeli-Palestinian conflict on Israel-Morocco cooperation

Over the years, the Israeli-Palestinian conflict has been a barrier that prevents the relations between Israel and Morocco from fulfilling their potential. For a short period of time, when a significant Israeli-Palestinian peace process took place in the 1990s, relations between the two countries became warmer. Despite the Israel-Morocco friendship, Morocco supports the Palestinians in their struggle for a state of their own alongside the State of Israel, due to its commitment as a member of the Arab League and the Organization of the Islamic Conference. In fact, it was King Hassan II who promoted the Arab League summit of October 1974, which recognized the PLO as the sole representative of the Palestinians, and since 1975, Morocco has served as Chair of the Jerusalem Committee of the Organization of the Islamic Conference. Since the issue of Jerusalem lies at the heart of every Israeli-Palestinian negotiation, Morocco may become relevant to this debate by virtue of its role.<sup>297</sup>

294 The interns stay in Morocco for several months and are accompanied by the university in Israel and the hosting organization in Morocco. Given the sensitivity, and out of the fear that the Israeli and Moroccan students might be targeted by anti-normalization movements, I refrained from revealing their full details.

295 The meeting between Sam Ben-Shitrit and his representatives and Mahmoud Abbas and his representatives took place in February 2016 with the participation of twenty ministers from the Palestinian Authority. For further information, see: Raoul Wootliff, "[Morocco's King Dispatches Jewish Aide to Push Israeli-Palestinian Talks](#)," *The Times of Israel*, 15 February, 2016.

296 Gidon Levi, "[The Insights of Gidon Levi While Visiting Morocco](#)," *Haaretz*, 30 April 2010.

297 Morocco's role is revealed in various decisions of Islamic institutions, such as the 37th Convention of Foreign Ministers of the Organization of the Islamic Conference, in May 2010. The [minutes of the meeting](#) included Article 17 (p. 10) emphasizing Morocco's role: "Affirms its support for the efforts of His Majesty King Mohammed VI, Chairman of al-Quds Committee, in supporting the City of al-Quds al-Shareef, in preserving its Arab and Islamic identity and in supporting its steadfastness in confronting the Judaization attempt that they are faced with."

Morocco is relevant to the Israeli-Palestinian conflict because it can potentially become a mediator, thanks to its relative neutrality, its special character as a meeting point between East and West, and the fact that it enjoys the trust of the parties to the conflict. Thanks to all of this, Morocco has become an involved player in the peace process. This was especially important for Hassan II, who aspired to strengthen Morocco's position as a mediator in the Israeli-Arab and Israeli-Palestinian conflict. During the negotiations between Israel and Egypt, it was Morocco that assisted and hosted the historic meeting between the Israeli Foreign Minister Moshe Dayan and Egyptian Deputy Prime Minister Muhammad Hassan al-Tuhami. Morocco even hosted the summit meeting in Fes in September 1982, in which the Fes Plan for a negotiated settlement in the Middle East was presented.<sup>298</sup> Morocco was also involved in the Oslo process. Morocco entered the process after the process was already in progress and became more significant after the visit of Rabin and Peres in Rabat in September 1993. In October 1994, it hosted an economic conference (the Casablanca Conference), which declared the end of the Arab boycott of Israel.<sup>299</sup>

It is clear that since the outbreak of the second intifada in October 2000 and the rise of Mohammed VI to power, Morocco's involvement in the Israeli-Palestinian conflict has been significantly reduced. The new King preferred to focus first on the domestic challenges of Morocco and to establish his rule from within. The increasing power of the political Islam in the kingdom, which is reflected in the victory of the Justice and Development Party in the last two elections held in 2011 and in 2016, made the Israeli-Palestinian conflict less significant for Moroccans. The King understood that from a political point of view, any public discussion on the subject could strengthen the Islamist camp and erode his authority. If considering also the stagnation that the Israeli-Palestinian conflict has undergone in recent years and the reduced public attention it receives, it is easier to understand the King's position.

The instability in the Middle East since the outbreak of the Arab Spring, along with other considerations, led the King to realize that the Middle East and the inter-Arab swamp cannot satisfy Morocco's major interests – i.e. its continued economic development and reinforcing Morocco's sovereignty in the Sahara region. Therefore, Morocco reduces its involvement in the Arab regional system and continues to strengthen its ties with Africa and the West. This trend further distances it from the Israeli-Palestinian conflict.<sup>300</sup> An analysis of Mohammed VI's speeches reaffirms this trend. In the period between April 2012 and January 2018, Israel was mentioned only in 12 out of 111 official speeches that the King delivered (about 11 percent). In 11 out of the 12 speeches in which Israel was mentioned, it was mentioned on average four times per speech, mostly in a negative or a neutral context and without any positive comment.

The speech delivered by Mohammed VI on 29 November 2017, was unique for the fact that Israel was mentioned 22 times. Special attention was given to Trump's declaration of the American recognition of Jerusalem as the capital of Israel, the events of November

298 [Fez Plan of Action](#), *The Knesset website*.

299 Marvin Howe, *Morocco: The Islamist Awakening and Other Challenges* (New York: Oxford University Press, 2005); Segev, *ibid*.

300 The focus on African and Western countries is out of the perception that these are the communities that can best address Morocco's main political and economic needs and its interests in the Sahara region. For further details, see Ayelet Levy, "[Morocco: Return to the African Union and the Continuing Departure from the Arab League](#)," *ibid*; Aziz El Yaakoubi, "[Morocco, Citing Arab Disunity, Says Will not Host Summit](#)," *Reuters*, 19 February 2016.

29 and the International Day of Solidarity with the Palestinian People. He expressed his concern over the violation of the status quo in Jerusalem and the situation of the Palestinians, urged Israel to stop construction projects in the settlements, and the violation of international conventions. However, he called for Israel to return to the negotiating table, and for the involvement of the international community, while expressing support for previous peace initiatives based on the two-state solution, such as the Quartet's road map and the Arab peace initiative.<sup>301</sup>

Another case in which Mohammed VI officially condemned Israel took place in August 2017, in his capacity as Chairman of the Jerusalem Committee. In those days, the number of violent incidents between Israel and the Palestinians increased in Jerusalem, and Mohammed VI sent an emphatic letter to the UN Secretary-General in which he issued a protest against Israeli activity in Jerusalem in general and the Al-Aqsa Mosque in particular. He described Israeli activity as unacceptable and as one that is trying to change the situation and create facts on the ground. The King called on the international community to take determined steps to force Israel to put an end to its provocations, which, he said, could ignite extremism, tension and violence in the whole region.<sup>302</sup>

**Anti-normalization: The glass ceiling of Israel-Morocco relations** - The continuation of the Israeli-Palestinian conflict reduces the scope of cooperation between Israel and Morocco, and does not allow both countries to realize the full potential of their relations. One of the reasons for this is the campaigns of movements and organizations opposed to normalize relations between Israel and the Arab states. The campaigns of such movements in Morocco began in 1968, with the establishment of the Moroccan Association for the Support of the Palestinian People, which continues to this day. Over the years, additional movements have been established, such as the National Action Organization for Palestine in Morocco, which was founded in 1998 against the backdrop of the Oslo process; the BDS Maroc, founded in 2005 and headed by Zion Asidon, a Jewish-Moroccan political activist living in Tangier; and the Moroccan Observer against Normalization, which was established in January 2013 and coordinates between several organizations and movements active in this field. The Moroccan Observer against Normalization is the most important organization today led by the opposition to normalization between Morocco and Israel, headed by Khaled Sufyani, an activist of Amazigh origin. This organization and others are investing their efforts in raising funds, organizing conferences and seminars to raise awareness of the Palestinian struggle, lobbying the Moroccan Parliament and outside Morocco, organizing large-scale demonstrations in support of the Palestinian struggle, and boycotting any cooperation with Israel. All of these reduce the scope of cooperation between Israel and Morocco.

It is not always possible to prove the effect of the anti-normalization movements activity on actual and potential cooperation between the countries. Morocco's decision-makers refrain from admitting that they are influenced by these movements, which in many cases have essentially a deterrent effect. The actual influence of the movements varies according to the areas of cooperation. It seems that their activity is more effective against

301 HM King Mohammed VI, "[HM the King Sends Message to Chairman of UN Committee on the Exercise of the Inalienable Rights of the Palestinian People](#)," *Kingdom of Morocco, Ministry of Culture & Communication – Royal Speeches*, 29 November, 2017.

302 "[OIC Commends Moroccan King's Efforts as Chairman of Al Quds Committee](#)," *The North Africa Post*, 2 August 2017.

open and official bilateral cooperation, especially in the political and economic spheres. For example, cancelling Peres's visits to Morocco in 2010 and 2015, apparently in reaction to the pressure exerted by the anti-normalization movements that followed the media coverage of the planned visits.

The impact of the opposition to normalization decreases when it is directed at multilateral cooperation within the framework of international forums. Thus, for example, the Israeli flag was flying at the COP22 climate conference, which was held in Marrakech in November 2016, despite the protest of anti-normalization movements. The failure of the protest was apparently due to Morocco's desire to improve its position within the international community and its readiness to pay the price for it.

In the civil sphere, the influence of anti-normalization movements changes based on events related with the Israeli-Palestinian conflict, the inter-Arab relations and Moroccan domestic politics. For example, the participation of Israeli artists in festivals in Morocco is often canceled during periods of escalation in Israeli-Palestinian relations. The organizers of the festivals fear that they will be the target of anti-normalization protests. On the other hand, in a relatively calm period, as in September 2017, the protest against the concert of the Israeli singer Noam Vazana in Tangier did not prevent her from performing.<sup>303</sup>

While the boycott movements in Morocco do not prevent the cooperation between Morocco and Israel from happening, they certainly succeed in limiting it. Their main strength lies in the extensive media coverage they receive and their ability to shape public opinion as a result thereof. Moreover, these movements have a very strong lobby in the trade unions (mainly among the jurists), and they succeed in mobilizing the Moroccan public for an ad hoc protest against new initiatives that are reported. In the end, they do not prevent cooperation altogether, but limit it and prevent Israel and Morocco from realizing the full potential of their relationship.

In conclusion, it appears that since the rise of Mohammed VI to power, Morocco has focused on its domestic challenges and less on issues related to the inter-Arab and Middle Eastern systems. Its attitude toward the Israeli-Palestinian conflict is one of avoidance and caution. The decision-makers in Morocco do not publicly comment about the conflict unless they are forced to do so. Since the outbreak of the second intifada, the Israeli-Palestinian conflict has been an inhibitor to fulfilling the potential for cooperation between Israel and Morocco. The main reasons being the public opinion in Morocco and the Arab world in general, which supports the Palestinian cause and the anti-normalization movements. The degree of influence of the anti-normalization movements is greater when it comes to overt, bilateral and official cooperation (which is more common with Morocco than with other Arab countries). On the other hand, covert, multilateral and unofficial cooperation continues to take place without significant disruption, on a varying scale depending on domestic and regional developments.

## F. Summary

The current cooperation between Israel and Morocco is relatively large in scope and the interests underlying it are strong and durable. The main pillars of the cooperation are first and foremost the Jewish-Moroccan bond that has lasted for more than 2000 years

303 Benjamin Weinthal, "[BDS Morocco Attacks World-Renowned Israeli Singer In Tangier](#)," *The Jerusalem Post*, 10 October, 2017.

and the security cooperation that emerged in the early 1960s and continues to this day. These two create a true sense of partnership and nurture deep mutual trust.

Since the failure of the Camp David summit and the outbreak of the second intifada in October 2000, Israel and Morocco have not maintained formal diplomatic relations. However, cooperation between them continues, despite the stalemate in the Israeli-Palestinian peace process in recent years, albeit to a limited extent. The most prominent collaborations are confidential such as in the areas of security and intelligence, and openly and unofficially in areas such as tourism and civil society. There is more limited cooperation on official political and economic matters that take place openly, in part because of joint activity in regional and international forums. The recent extensive involvement of Morocco and Israel in Africa may point to another possible opportunity for cooperation, but further in-depth research is required to substantiate that.

The extensive travelling of Israelis and Moroccan between the countries, and the coverage it receives in the media and social networks in both countries, create a routinization effect and make the relations between them a matter of routine. The coverage, even if not always positive, encourages open and courageous public debate in Morocco on issues related to the relations with Israel and Israel's relations with the Arab and Muslim world. As a result, the Moroccan public is not as excited as ever about any cooperation between Morocco and Israel. The routinization effect gradually succeeds in expanding the boundaries of cooperation.

However, the realization of the potential for cooperation between Israel and Morocco depends on four main factors: (1) significant and positive progress in the political process with the Palestinians that will facilitate a more favorable Moroccan public opinion toward official diplomatic relations between Israel and Morocco; (2) choosing the "right" partners for the right purpose, considering the specifics of Moroccan politics and society. Israeli officials sometimes are forced to choose partners who do not represent the mainstream in Morocco. If Israel is interested in promoting significant cooperation with Morocco, Israel should ally with official partners who can "deliver the goods"; (3) leveraging designated populations in Israeli society and involving them in the efforts to enhance cooperation, including Jews of Moroccan and Arab origins and the Arab citizens of Israel. The contribution of Jews of Moroccan origin is based on the concept of Moroccan nationalism, according to which the Moroccan identity is almost eternal and therefore Jews of Moroccan origin living in Israel are perceived as Moroccans. Israel is also considered the second largest Moroccan Diaspora in the world after France; (4) combining the use of formal diplomacy channels and public and cultural diplomacy, based on the joint activities of officials and civil society actors in Morocco and Israel. This can be promoted also through digital diplomacy, which will include creating joint communities on social media, positive coverage in media channels and face-to-face meetings.

If Israel and Morocco succeed in realizing the potential for cooperation between them, it is expected to yield relations as profound and deep as their roots, thus show how far the connection between Israel and the countries of the region can go.

**Table 1**  
**Number of Moroccan tourists visiting Israel, 2008-2015<sup>304</sup>**

Year	Number of Moroccan tourists visiting Israel	Total number of tourists visiting Israel	Moroccan tourists out of all tourist (percent)
2015	3,200	2,799,400	0.14
2014	3,100	2,926,400	0.11
2013	2,500	2,961,700	0.08
2012	2,300	2,885,800	0.08
2011	2,400	2,820,200	0.09
2010	2,500	2,803,100	0.09
2009	2,300	2,321,400	0.10
2008	2,500	2,559,600	0.10

**Table 2**  
**Volumes of trade between Israel and Morocco, 1980-2015 (millions of USD)<sup>305</sup>**

Year	Total import from Morocco to Israel	Total import to Israel	Import from Morocco to Israel out of total import (percent)	Total export from Israel to Morocco	Total of export from Israel	Export from Israel to Morocco out of total export from Israel (percent)	Trade balance between Israel and Morocco <sup>306</sup>
2015	15.6	62,071	0.03	23.0	64,062	0.04	+7.4
2014	6.6	72,341	0.01	10.6	68,967	0.02	+4.0
2010	5.2	59,199	0.01	13.2	58,415	0.02	+8.0
2000	1.6	35,749	0.00	8.4	31,403	0.03	+6.8
1990	0.0	15,325	0.00	0.0	11,926	0.0	0
1980	0.0	7,994	0.00	0.0	5,537	0.0	0

304 Tourism 2015, *ibid.*

305 CBS, Table 16.5, 2016.

306 Positive trade means that Israel imports from Morocco more than it exports to Morocco.

# Israel and Iraq: Taking the Civilian Path to Improve Relations

Dr. Ronen Zeidel

## A. Introduction

This chapter examines the prospects for cooperation between Israel and Iraq – the largest Arab state east of Israel – the existing cooperation between the two countries, and the effect of the Israeli-Palestinian conflict on Israel-Iraq relations.

Iraq is a complex state, to put it mildly, currently undergoing far-reaching changes: the Kurdish ethnic group that is populating the three provinces of northern Iraq held a referendum in September 2017, which widely supported the notion of an independent Kurdish region; Iraq is recovering from a series of wars and crises that swept its territory and is currently busy rebuilding the central governing institutions; and on 12 May 2018, Iraq held general elections, which will have a major effect on Iraq's regional orientation. Will Iraq choose to approach the Sunni states in the region, or will it try to solidify its ties with Iran?

Due to the chain of events following the Gulf War in 1991 and the US attack on Iraq in 2003, Iraq lost its clout in the region. As a result, Israeli decision-makers tend to ignore its existence. When they relate to Iraq, it is usually to show that the division of countries in the region is “artificial” and that they are “failed states.” Alternatively, Iraq is perceived as being under “Iranian patronage,” which makes it off-limits for Israel. In other cases, Israel refers to Iraq in the context of the civil war in Syria while focusing on Syria. Israel tends to forget that Daesh was created in Iraq as a result of the conditions that prevailed in the country at the time and ignores the fact that the “artificial” state in Iraq survived despite everything, as well as the opportunities that it produces for Israel in the longer term.

The discussion of possible and existing cooperation between Israel and Iraq must take into account the complexity and dynamism characterizing Iraq. Therefore, this chapter starts with presenting the historical and political background of Iraq, on the basis of which the opportunities for potential cooperation between the two countries will be identified and described. The chapter will also address existing collaborations and discuss the effect of the Israeli-Palestinian conflict on the prospects of fulfilling this potential, even though this conflict is of little interest to Baghdad, who derives its attitude toward Israel out of the power struggles between the countries of the region in an effort to improve its position in the Middle East. The last part of the chapter will address Israel's policy toward Iraq while making suggestions as to the pathways Israel should explore.

Establishing official relations between Israel and Iraq is not on the agenda in the near future, and interaction at the political level between the two countries is extremely marginal. However, the potential for rapprochement, especially between the peoples, exists. Unlike the relations between Israel and other Arab countries, which are shaped by politicians, it is possible and desirable to use a “bottom-up” approach with Iraq, which may someday lead to a warmer and more durable relationship.

## B. Iraq: Historical and political background

Before we delineate the Israel-Iraq relations and the prospects for cooperation between them, we will provide the background of the current political structure in Iraq and present the great complexity that characterizes this country. This section presents the main forces that are currently active in Iraq, their regional orientation, and their relations with various bodies in the region.

In general, the country is divided into political blocs, which differ in their positions and orientation, rather than by ethnic groups (Shi'ites, Sunnis, Kurds). The stronger bloc, led by cleric Muqtada al-Sadr and the incumbent Prime Minister Haider al-'Abadi, to which the Sunni and possibly the Kurdish parties may join, holds to Iraqi nationalism, focuses on Iraq's domestic affairs – primarily the rehabilitation of the country – fights corruption, and supports anti-sectarian politics. From the regional and international point of view, this bloc is a proponent of joining the Sunni Arab bloc led by Saudi Arabia, is in favor of receiving continued American aid, and strongly opposes Iran and its influence on Iraq. The second bloc, led by the militia leader Hadi al-'Ameri and former Prime Minister Nuri al-Maliki, is prominently supported by Iran and opposes the US and the Sunni Arab bloc. This bloc emphasizes Shi'ite sectarian affiliation and calls for cross-border ethnic cooperation with Shi'ite Iran. An important element of this bloc are the Shi'ite militias that fought Daesh, some of whom were sent to Syria on behalf of Iran to help Bashar al-Assad.

### 1. Haider al-'Abadi: Leader of the moderate Shi'ites

Iraqi Prime Minister al-'Abadi is a moderate religious Shi'ite. Iraq's achievements in the struggle against Daesh were largely credited to him. Al-'Abadi is clearly pro-Western: he works in cooperation on military issues solely with the Americans, and his opponents even accuse him of yielding to American dictates. His visit to the US in March 2017 and his meeting with President Trump proved successful. The fruits of the visit were the exclusion of Iraq from the list of countries whose subjects are not allowed to visit the US. Thanks to him, the presence and influence of the Iranians in Iraq has been significantly limited, including the removal of Iranian General Qassem Suleimani, whom al-'Abadi personally humiliated.

Al-'Abadi also promotes cooperation with the moderate Sunni political group in Iraq, headed by Parliament Speaker Saleem al-Jaburi, in the view that such cooperation is essential in the post-Daesh era. For this reason, al-'Abadi's government's foreign policy strives to approach the bloc of Sunni Arab states, especially the Gulf states, who are financially essential to rebuilding Iraq, especially its Sunni-dominated regions. In June 2017, al-'Abadi made his first official visit to Saudi Arabia and discussed with his hosts a long list of agreements between the two countries that are essential to their bi-lateral relations. Among other things, the border between the two countries was fenced, and a number of Saudi-funded development projects were agreed upon (for example, the renovation of the football stadium in Baghdad). Iraqis also expect the Saudis to partially fund the rehabilitation of the Sunni areas affected by the war on Daesh.

Al-'Abadi rarely expresses himself about Israeli issues. When asked about it, his answer is that Iraq is committed to the Arab peace initiative. Iraq also supports the rights of the Palestinians and the Palestinian Authority, and in January 2017 the Iraqi ambassador to



Jordan was sworn in to become the representative of Iraq in Ramallah. In August 2017, Palestinian Foreign Minister Riyad al-Maliki visited Iraq and discussed the prospects of expanding the relations between the sides. His Iraqi hosts generally discussed Iraq's principled position on the Palestinian issue, without making any commitments, while the visit was not extensively covered by the Iraqi media.

## **2. Muqtada al-Sadr: The Leader of the Sa'irun (Marching Forward) Party**

The young cleric, based in the city of Kufa near Najaf and his power base in the outskirts of Baghdad, dismantled his former party, al-Ahrar, a distinctly sectarian Shi'ite political party, and established a new party: Sa'irun, which believes in bringing together religious and secular politicians and is headed by the Iraqi communist party. This party brands itself as a non-ethnic party, fights political and national corruption, and stands by the principle of "Iraq first". Whereas in the past the party's people and al-Sadr himself expressed extreme anti-American and anti-Israel positions, in recent years the party's positions have changed and it became a distinctly anti-Iranian party. In the joyous demonstrations of the party's followers, members of the lower Shi'ite class, the masses shouted "Iran out!"

Al-Sadr is known for being inconsistent. His critics claim he has a childish personality. However, it should be noted that he is consistent in his nationalist positions. His relationship with the pro-Iranian player is extremely hostile. He has not visited Iran for a long time, inter alia, because he rejects the country's religious views. He is conducting a crusade against the corrupt politicians, headed by al-Maliki, and against the pro-Iranian militias headed by his great rival al-'Ameri. After the Americans left, against whom they fought, he decided to eliminate the Iranian presence in Iraq, which he considered undermining the sovereignty of the state. al-Sadr also has a militia, the Saraia al-Salam (Peace Brigades), which was partially dismantled. This militia, unlike other militias, is not taking part in the security operations against Daesh pockets. More importantly, al-Sadr opposes its participation in the fighting in Syria, where the Iranians use other Iraqi militias.

Al-Sadr's relationship with Lebanon's Hezbollah are very fraught, and on his recent visit to Lebanon he refrained from meeting Hassan Nasrallah. Al-Sadr is not a Pan-Arabist or Islamist nationalist, like the Muslim Brotherhood or Hezbollah. It represents a new Iraq-centric Shi'ite-Iraqi identity, strives to integrate all population groups, and views Iran as the source for Iraq's problems since 2003.

Al-Sadr is also the only Iraqi political leader to mention Iraq's Jews as a community that was part of the Iraqi fabric in the past, while most Iraqi politicians still refrain from dealing with the issue. Not only does al-Sadr mention Iraq's Jews, he also treats them positively, as full partners in Iraqi nationalism and in the love of Iraq.

## **3. Hadi al-'Ameri: Head of the al-Fath (Occupation) Party**

Al-'Ameri appears to be the strongest man-behind-the-scenes of the Shi'ite militias in Iraq. He is also Iran's senior representative in Iraqi politics. In the course of the fighting against Daesh, the Shi'ite militias were forming in Iraq, and are known by the name of al-Hashd al-Sha'bi (Popular Mobilization Forces). For the most part, these were new groups that joined existing Shi'ite militias. Although they did not play a central role in the reclaiming of the territories from Daesh, they enjoyed great prestige and most of them had not yet vacated the Sunni cities they liberated.

Under Iraqi law, militias cannot participate in the elections. Thus, al-Ameri and his partners – other pro-Iranian militia commanders – Qays al-Khaz’ali (commander of ‘Asa’ib Ahl al-Haqq [The League of the Righteous]) and Abu Mahdi al Muhandis (commander of Hezbollah al-Iraqi) – founded a party by the name al-Fath (the Occupation). The May 2011 elections highlighted its position as the largest party in the pro-Iranian bloc.

Al-Ameri, who heads the oldest militia, Badr, served alongside the Iranian army and against the Iraqi army in the Iraq-Iran war in the 1980s. He speaks fluent Persian but lacks charisma or real public sympathy. Next to him in the pro-Iranian bloc is the party of former prime minister al-Maliki, Dawlat al-Qanun (State of Law) and another religious Shi’ite party, al-Majlis al-Aa’la (The Supreme Council).

One of the militia party’s strengths is its ability to reward its supporters and voters financially and provide them jobs, but mainly because of the great fear that its members impose. They send murder threats, they arrest, hurt, and break into the offices of activists. Currently, they are the main source of fear among the Iraqi public.

#### **4. The Sunnis**

The Sunnis lost much of their power as a result of the emergence of Daesh. Until a year ago, four out of Iraq’s eight million citizens lived in displaced persons camps. As of 2018, despite efforts to bring people back to their home, 2.9 million displaced persons have yet to return home. The prominent Sunni politician in the 2014 elections, the governor of Mosul, Atheel al-Nujaifi, lost power and now lives in Irbil, the capital of the Kurdish region, while the prominent Sunni politician Salim al-Jaburi successfully cooperates with al-‘Abadi. The Sunni representation is split into at least three camps, which do not manage even to compose a memorandum of understanding. In the Sunni areas, branches of Shi’ite parties, with Sunni activists, emerge, reflecting the transformation of Iraq into a state of Shi’ite majority. Iraqi politics is being conducted in the Shi’ite playground and therefore the positions of the Sunni parties, including on the Israeli issue, are not very important.

Traditionally, the Sunnis hold to more nationalist positions regarding the Israeli and Palestinian issues. The extremist Sunni faction, represented by members of the Ba’ath party and the Jihadists, has almost disappeared, and its representatives, who are not currently active in Iraq, occasionally play anachronistic positions (for example, encouraging delegitimization of the current regime in Iraq and calling for violent rebellion) in the Arab media. Most Sunnis in Iraq pin their hopes on the money from the Gulf that will bring about the rebuilding of their ruined cities and perhaps help bring the displaced persons back to their homes. Therefore, the al-‘Abadi government rapprochement with the Gulf states, including the acceptance of their moderate positions toward Israel, is acceptable to the Sunni population and its representatives in politics. The Sunnis are very concerned about the growing Iranian influence in Iraq, which is a more frightening existential threat to them than the “Israeli threat”.

The May 2018 elections and their results only underscored the weakness of the Sunnis, many of whom are probably concerned about the rise of pro-Iranian Shi’ite parties backed by militias stationed in Sunni areas. The Sunnis voted mainly for the Al Wataniyya party headed by Iyad ‘Allawi (Shi’ite) or for regional parties. It should be noted that al-‘Abadi’s party won a landslide victory in the most populated Sunni district of Nainawa province (Mosul) and marked impressive achievements in other Sunni provinces. The great fear of

Iran, along with the appreciation they feel for al-'Abadi, will probably lead the Sunnis to support the alliance between al-Sadr and al-'Abadi, an anti-Iranian coalition supported by Saudi Arabia.

## 5. Kurdistan and the Kurds

The Kurdish region in Iraq is now largely conducted as a separate political unit. In September 2017 an official referendum was held on the motion of Kurdish independence, with a large majority voting in favor of independence. The referendum increased tension between Arab Baghdad and the Kurdish region and led Baghdad to respond with a series of steps, notably the reoccupation of the disputed oil-rich Kirkuk province. The Iraqi Kurdish region's prospects of becoming independent may affect Iraq's future unity.

The relations between Israel and the Kurds began in the 1950s and reached their peak in the early 1960s and 1970s. Despite the tragic ending of Iranian support for the Kurds in 1975, which brought an end to the Israeli presence, the relationship left a touch of romantic nostalgia on both sides. Many in Israel identify with the aspirations of the Kurds. Israeli politicians have expressed enthusiastic support of the aspirations of the Kurds for independence before, and, more strongly, during the last referendum. Justice Minister Ayelet Shaked, even called for recognition of a Kurdish state on the territory of Iraqi Kurdistan. Sources in the Foreign Ministry claimed that supporting a Kurdish state in Iraqi territory is now an official Israeli policy.<sup>307</sup>

However, it is possible that Kurdish independence is still a far-fetched dream, and that even after the referendum the region will continue to be part of Iraq with all the ensuing implications. In private conversations, Kurdish sources explain that when they obtain independence they will be able to act independently of the Iraqi mother-state, including on the Israeli issue, implying establishing relations with Israel. However, it is more likely that this has been said to ease the mind of Israelis and to receive support for the Kurdish aspirations for independence. The Kurds believe that Israel has a real influence on the American administration, therefore they put their hope in Israel, especially in light of their failure to convince the world to support their demand for independence so far. Iraqi Shi'ite politician 'Ammar al-Hakeem mocked the Kurdish intentions before the referendum, saying that "only Israel recognized the Kurdish state."<sup>308</sup>

In 2017 Iraq coped with the most acute crisis in its history with considerable success: a third of its territory was occupied by Daesh. Despite the predictions of various experts, the country has survived and is even more likely to emerge victorious from the fierce confrontation. In the past year the main powerful groups in Iraq held discussions over the image of the state in the post-Daesh era. These are fascinating discussions that may lead to reestablishing the set of understandings that governs Iraq since 2005. Iraq faces many complex internal challenges that it will have to cope with in the coming years: maintaining its unity and stability, its physical rehabilitation, combating terrorism and corruption, and improving the standard of living of its citizens. Under such conditions, it is difficult to imagine Iraq diverting resources and attention to the Israeli-Palestinian conflict, and it cannot be expected to take any independent steps or play a leading role in the Arab world.

307 "[Shaked: 'Openly calling for the establishment of a Kurdish state'](#)," *NRG*, 19 January 2016.

308 "Iraqi Kurdistan provokes Amar al-Hakim to convey its gratitude to Israel," *OneIraqNews*, 6 July 2017.

## C. Cooperation between Israel and Iraq

The prospects for a reversal of attitude on the part of the political leadership in Iraq toward Israel are unrealistic at this stage. Iraq's official position oscillates between Iran's radical position and the moderate Arab position in the spirit of the Arab Peace Initiative. Even an independent and separate Kurdish state from Iraq, if established, will not be constraint-free with regard to Israel.

The regime in Iraq is very weak and poorly governed. Therefore, any attempt to impose a position on any issue which is not related to Iraq, like the attitude toward Israel, is doomed to failure. However, the situation in Iraq resulting from the 2003 American offensive paves the way for a new approach that has not yet been tried with any other Arab state. This approach includes educating both societies to interact and get acquainted with each other through meetings, promoting cultural ties, and more.<sup>309</sup> This way, the political change, when it happens, will be based on stronger foundations than just Israel's peace agreements with Egypt and Jordan and the Oslo Accords, all of which were signed at the leadership level. Many Iraqis show willingness to follow this path, despite the paralyzing fear.

### 1. The Jewish track

Having a large Jewish Iraqi community in Israel can be leveraged to establish future contacts between citizens of both countries. Many Iraqis come to deal with Israel mainly through the somewhat nostalgic context of the Jewish community in Iraq and its bitter end. Sometimes, the Jewish context also serves to justify prohibited contacts with Israeli Jews of Iraqi origin. The second and third generations of the Iraqi community in Israel have also recently shown interest in Iraq and in meetings with Iraqis. Jews who immigrated from Iraq in the 1960s and 1970s still maintain steady contact with Iraqis through social networks. In Iraq, there are those who preserve Jewish heritage sites and show great interest in the Jewish past of their country, while sharing information with Israeli friends. Exiled Iraqis, with foreign passports, are increasingly visiting Israel. Therefore, it is strongly recommended that Israelis of Iraqi origins be included in official and unofficial contacts with Iraq. The Jewish channel opens hearts in the interaction with the Iraqis and creates broad interest and legitimacy that is not always present in other kinds of interactions with Israelis.

Obviously, there are controversies between Iraqi Jews and other Iraqis. Similar to some European countries, controversial demands are made of Iraq. Iraqi Jews want Iraq to apologize for expelling its Jewish population, compensate them for property that was left behind, and restitute their property. Based on past experience, these issues do not usually emerge in informal meetings between Israelis and Iraqis. Even the issue of the "Jewish archive" that Iraq demanded of the US its restitution, while the Iraqi Jewry demanded that it remains in the US, was finally resolved to the satisfaction of the parties. The settlement of the issue happened thanks to the Iraqi ambassador to the US, Luqman

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309 Ronen Zeidel, "[An Alternative Model of Arab-Israeli Encounters](#)," in Nimrod Goren and Jenia Yudkevich (eds.), *Israel and the Arab Spring: Opportunities in Change* (Ramat Gan: The Mitvim Institute and Friedrich-Ebert-Stiftung, 2013), pp. 90-99.

al-Fayli,<sup>310</sup> who personally intervened. He also gave the opening address at the Middle East and Africa Studies Association (ASMEA) conference in 2014, which is known for its pro-Israel positions.<sup>311</sup> Until recently, in the absence of a Jewish community in the province, the government official in charge of the Jewish property in the Kurdish government was a non-Jewish Kurd. In late 2017 he resigned due to budgetary problems, and Iraqi officials suggested that a non-Israeli Iraqi Jew be appointed. They also raised the possibility that this person could take care of the many Jewish properties that were left behind in Iraq.

## 2. Economic and commercial opportunities

According to the definitions of the Israeli Ministry of Economy,<sup>312</sup> Iraq is not defined as an enemy state. The trade opportunities between Israel and Iraq are numerous. The Kurdish region, the safest area for Israelis, needs investment and development in almost every aspect. The financial and banking systems in this region are very basic and far from meeting the standards of the 21<sup>st</sup> century: the use of credit is limited to large cities, and even that it is not possible everywhere; ATMs are a rare commodity; and the economy is a cash economy that suffers from a permanent shortage of cash coming from Baghdad. An Israeli company that develops an efficient financial and banking system will be received with open arms. The region also suffers from a severe housing shortage that has greatly increased real estate prices in the cities. However, the construction market in the region is controlled exclusively by Turkish companies and it is unlikely that an Israeli entrepreneur will succeed in competing with them.

Two types of trade activities with the Kurdish region receive special attention: defense and oil exports. As far as security is concerned, Israel has assisted in the past with the training of the Peshmerga forces, especially those that subordinate to Mas'ud Barzani. Currently, these forces stationed in a front line to stop Daesh do not need training but weapons. These weapons are supplied, to some extent, by the West. The Kurdish forces have no armored corps nor air force. In the present context, extended military aid to the Kurds will involve Israel in a complicated internal Arab-Kurdish conflict and is therefore not recommended. The second type of trade is oil exports. The oil fields in the Kurdish region are controlled, almost exclusively, by Turkey, from which a very modest amount of Kurdish oil is exported. In principle, the Kurds cannot export oil themselves. Any attempt to do so will encounter economic sanctions from Baghdad and lack of cooperation on the part of the buyer countries, who do not wish to jeopardize their ties with Baghdad. In principle, Israel does not need Kurdish oil and when it agreed in the past to store Kurdish oil in Ashqelon it was no more than a gesture for the Kurds. However, the unverified information we have deals with relatively large oil transactions with the Kurdish region that sells oil to Israel at a price lower than the market price.<sup>313</sup> At the end of 2017, most Kurdish

310 After being processed and presented in the US, the "archive" is due to be returned to Iraq in 2018. The disqualified Torah scrolls were buried in Washington at a ceremony attended by representatives of the Iraqi Jewish community and diplomats from the Iraqi embassy. For details see: Saed Salum, "[Who opposes the return of the archive to Iraq](#)," *ankawa*, 30 September 2017.

311 ASMEA, "Special remarks by ambassador Lukman al-Fayli," 7<sup>th</sup> Annual Conference, 30 October-1 November 2014.

312 On the other hand, the Israeli Foreign Ministry still sees Iraq as an enemy state, a situation that makes it very difficult for Iraqi (Arab and Kurdish) visitors to Israel. Having double definition makes it difficult to advance the ties.

313 "[The majority of oil to Israel comes from Iraq](#)," *Ynet*, 24 August 2015; Dov Friedman and Gabriel Mitchell, "[Israel is Challenging America to Support Kurdish Independence](#)," *The New Republic*, 3 July 2014.

oil fields in dispute were re-occupied by the Baghdadi government. If the current situation continues, the prospects to potentially cooperate in the security and oil sectors are not significant.

Similar to other developing countries, the Kurdish region needs investments in various infrastructure, especially in banking and communications. Similarly, the Kurdish region will also find it difficult to pay for such infrastructure, due to lack of cash and a different business culture. Therefore, it looks like there are business opportunities for Israel. Statements made by Israeli politicians in support of Kurdish independence were highly appreciated by the Kurdish public. In addition, the Kurds are free of the nationalist and religious ideological inhibitions that govern the attitude of the Iraqi Arabs toward Israel, who on the personal level show great friendly sentiments toward Israelis and Israel. However, it is important to note that the region, led by former President Barzani, is fully dependent on a Turkey that is ruled by Recep Tayyip Erdogan. Other Kurdish parties in the region are very close to Iran, who is very influential in the east part of the region. Israel is not present at any of the levels – political, economic or cultural – in the region. If it tries to become economically active, for example, it will find that it has to contend with other countries and that the economic gain, in any case, are minimal.

As for the rest of Iraq, trade with Israel is negligible. This is despite the great potential in various sectors, as will be detailed further below. Arab Iraq has many problems and a lot of money. It does not need massive security assistance, since its security forces are now highly skilled as a result of their fight against the threats at hand. The military engineering forces, who had previously suffered from shortage of equipment to dismantle explosive devices, have closed the gap. However, the capital of Baghdad is still very vulnerable to painful attacks and in the past the equipment quality of the forces conducting security checks in the city was criticized. Israeli companies that provide effective and sophisticated equipment for security checks may find interest in addressing this gap.

Referring to the situation following the recent defeat of Daesh, Prime Minister al-'Abadi said that Iraq was debating how to go about the events in the Syrian border. In other words, it debates how to close the border. The issue has not yet been considered and it is not clear what the border will look like. The separation wall between Israel and the occupied territories can be used as a model and Israeli companies may be able to participate in this project either as implementors or advisors.<sup>314</sup>

### **3. Opportunities in the sector of agriculture**

Agriculture is a sector with great potential for bilateral exports and imports. Like the Israelis, the Iraqis became big consumers of poultry. However, Iraq's large breeding farms suffer from water shortages that cause chicken deaths. Israeli knowledge can help address this problem. The two countries can supply poultry meat to one another, thus avoid shortages and soaring prices. Iraq is known for growing its palm trees. Until recently, Iraq was the world's largest exporter of dates which is an Iraqi traditional crop that is common in southern Iraq. However, this industry has been seriously challenged for several decades: the Iraq-Iran war led to the cutting down of palm groves in the central growing region and to severe soil pollution; later, Iraq was exposed to the palm beetle that destroyed many groves in other large areas.

314 On Saudi Arabia's rapprochement with Iraq, see Roi Kais, "[Together against Iran: The affair between Saudi Arabia and Iraq](#)," *Ynet*, 21 August 2017.

In Israel, on the other hand, palm growing and consumption are steadily increasing. The combination of Israeli knowledge (especially in fighting the beetle and in providing agricultural equipment for date harvesting) with growing date species that are unique to Iraq (Barhee-type dates, for example, which is cultivated in Israel in limited quantities and is very expensive or Khastawi-type dates that is unknown in Israel) may help both countries. In addition, in recent years, Iraq started growing pond fish, while the Iraqi population consumes a lot of freshwater fish (in Basra they also eat sea fish). The Israeli experience in this sector is broader than that of Iraq and may help the Iraqi farmers with establishing marine breeding farms in the Gulf. Iraq can also supply Israel with fish species that are known only to the older Iraqi Jews.

Kurdish agriculture suffers from many problems and the region in question was forced to import its food from Turkey and Iran. The extensive destruction of the agricultural areas, especially during the Anfal genocide and chemical attacks of the late 1980s and the Daesh attacks in 2014,<sup>315</sup> led to the abandonment of villages and accelerated the phenomenon of desertification. Simultaneously, there are millions of refugees from other areas in Iraq who add to the challenge of population growth and the shortage of food. Israeli knowledge of agricultural crops, especially plantation crops and desertification, is highly essential.

#### **4. Tourism**

If and when there is significant improvement in the domestic security situation in Iraq – not only by eliminating political terrorism, but also the dealing with the rising criminal violence, such as murdering and kidnapping in order to demand ransom from foreign businessmen – it will be possible to leverage the unique potential for Israeli-Iraqi Jews to visit Iraqi sites which may also develop to include traditional and religious tourism. Iraq is the burial place of five of Israel's prophets: Ezekiel, Ezra, Jonah, Daniel, and Nahum (buried in Kurdish-controlled territory). Their burial sites are still used as active religious sites, and Israeli rabbis have expressed interest in renewing visits to these sites. If the town of Uman in Ukraine can attract mass tourism from Israel, why would not the Shi'ite town of Chifl to the south of Baghdad, where the prophet Ezekiel is buried?

#### **5. Additional opportunities**

During conversations with Iraqis, it appears that Iraq expects non-direct Israeli cooperation and assistance with infrastructure-related matters. The Iraqis expect Israel to persuade Western countries to improve Iraq's bad credit rating and invest in infrastructure projects, such as the railway from Basra to Europe and to the port of Aqaba. Iraq also needs assistance with automating the various state systems. The mobile market in Iraq has grown rapidly in recent years and requires a supportive infrastructure. The banking system needs upgrading. The oil economy, a centralized and computerized system, is also likely to benefit from Israeli knowledge. It is important to emphasize that Iraq is not a poor country. It is the second largest oil producer in the world after Saudi Arabia and has renewable oil reserves. The Iraqi economy is abundant with money. Entrepreneurs who invest in Iraq, and who manage to deal with corruption and security problems, can draw considerable gains.

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<sup>315</sup> The actions of the Iraqi army against the Kurdish population in late 1988 that caused the death of 182,000 people and the destruction of more than 4,000 villages and settlements.

Interestingly, Iraqis also note intelligence as a possible area of cooperation with Israel. Iraqi military intelligence (al-Istikhbarat al-'Askariya) became the world's most important factor in fighting against Daesh. It is a state institution working in cooperation with Western intelligence agencies. The security service (al-Mukhabarat) headed by Mustafa al-Kathimi, a member of the Ahmad al-Chalabi group and a pro-American figure, may agree to covert cooperation with the Israeli intelligence services. The Iraqis are interested in information about regional terror networks but also on Iran. However, it is still too early to begin cooperation with regard to Iran, due to the sensitive intelligence sources, but it may be possible to cooperate on terror prevention.

## 6. Which interactions do take place?

Despite the potential described above, as far as I know, there is no cooperation, either directly or through a third party, to report about between Arab Iraq and Israel. It is interesting that Arab businessmen in Israel, who import products from many Arab countries, including Syria and Lebanon, which are still considered enemy countries, ignore Iraq. Apparently, these businessmen have not yet established business and commercial ties with the relevant counterparts in Iraq.

In recent months an interesting phenomenon was noticed on social networks: Many Iraqis, as well as popular Iraqi sites, express clear pro-Israel positions, calling for the establishment of full diplomatic relations between the two countries.<sup>316</sup> Those who express these views usually identify by their real name. Such attitude may be explained by the hatred that Iraqis feel toward Palestinians, Arab states (particularly Egypt and Saudi Arabia), and Iran. Quite a few expressed positive attitudes toward Israel and mentioned the benefits that Iraq will derive from establishing relations with her. According to official figures from the Foreign Ministry, which were delivered in September 2017 at a Hasbara conference in Arabic, about one-third of the users of the Ministry of Foreign Affairs' Facebook page in Arabic are Iraqis and almost all of them, as opposed to other Arab users, express positive attitudes toward Israel. These attitudes also permeate to the ranks of Iraqi intellectuals both in Iraq and abroad, but have yet to affect the country's political leadership. It is still too early to assess the implications of this phenomenon. It may be limited to social media outlets, which in this case serve as a refuge for opinions that should not be made public. It is also possible that this is another expression of the unique public opinion of certain Iraqis, that is influenced by the special conditions of this country, who try, in an exceptional way, to change the attitude toward Israel from below.

## D. The impact of the Israeli-Palestinian conflicts on Israel-Iraq cooperation

Iraq is an Arab state whose position is almost unaffected by the Israeli-Palestinian conflict. The conflict is irrelevant for the Kurdish region and has little relevance in Arab Iraq. The Iraqi position moves between the Arab pole of al-'Abadi (with the Sunnis and the moderate Shi'ites), who supports the Arab peace initiative, to the more radical Iranian pole. In general, the issue does not concern policy makers in Iraq at all.

316 Among the many examples, see Adnan Abu Zeed, "[Iraqi citizens' sentiment may be softening toward Israel](#)," *Al-Monitor*, 27 September 2017; For an Israeli article that calls for a reexamination of the question of relations between the two countries, see Jackie Hogi, "[Israel and Iraq: Let's Talk About It](#)," *Maariv*, 23 September 2017.



From the Iraqi point of view, the “conflict” can be divided into three sub-themes: the Israeli-Palestinian conflict, the Israeli-Arab conflict, and the Israel-Iran conflict.

Iraq is showing little interest or involvement in the Israeli-Palestinian conflict. The Shi'ite Iraqi public does not demonstrate solidarity with the Palestinian people and still treat the Palestinians as supporters of Saddam Hussein and the Ba'th. Palestinians have been involved in several suicide bombings in Iraq and the Shi'ites often mention this, using exaggerated numbers of suicide bombers. Demonstrations of solidarity with the Palestinians took place after 2003 in the Sunni city of Mosul, but it is not expected that the residents of this battered city continue to do so after their liberation from Daesh; rather, they are expected to focus on rebuilding their lives. Officially, Iraq passively supports the Palestinian Authority and it has no relations with Hamas. Support for the Palestinian Authority is carried out with reservations, because the Iraqis remember well the positions of the PLO during Saddam Hussein's rule and the fact that PA Chairman Mahmoud Abbas spent many years in Iraq as Saddam Hussein's guest. Many Iraqis see the Palestinians as Saddam Hussein's supporters and feel resentment.

Therefore, it is not expected that the worsening of the Israeli-Palestinian conflict would lead to a change in Iraq's position or that it would try to prevent progress in the negotiations to resolve the conflict, when they take place. Progress in the Israeli-Palestinian negotiations will not in itself lead to an improvement in relations with Iraq unless it leads to an improvement with all the Arab states in the spirit of the Arab peace initiative. On the other hand, an improvement in Israeli-Iraqi relations, in isolation from progress with the Palestinian issue, which is unlikely in the present situation, will have no effect on the Israeli-Palestinian conflict. The Palestinians are not dependent on Iraq economically or politically.

The position of Iraq led by al-'Abadi on the issue of the Arab-Israeli conflict was reflected in the Iraqi support for the Arab peace initiative and its attempt to woo the Gulf states and Jordan. As already mentioned, Iraq will not initiate any move on the Israeli issue and will not necessarily engage in such a move if it is initiated. The group of the Sunni states, led by the Gulf states, are still quite reserved about Iraq and do not share their intentions with her. Only the Lebanese issue is likely to shake Iraq's indifference off. A renewed conflict between Israel and Hezbollah, after a period of relative calm, could lead to expressions of anti-Israel sentiments, especially among the Shi'ites and those close to Iran, although such a protest is not expected to be accompanied by actions.

The 2018 elections introduced a new unknown: al-Sadr. His views on Israel are far more extreme than those of al-'Abadi. Even if some of his party's candidates are secular and moderate, it is reasonable to assume that they will not lead the Sa'irun party, and certainly not with regard to Israel. al-Sadr and the hard core of its supporters will continue to oppose moves such as the transfer of the American embassy to Jerusalem or interfering with the status-quo of the al-Aqsa Mosque. The question is whether, as part of a coalition with al-'Abadi and others, when the priority is explicitly given to rebuilding Iraq and getting closer to the Sunni bloc, the anti-Israeli protest will be limited to demonstrations. Chances are that it will. It is clear that a government led by the pro-Iranian camp will completely change the situation. Iran may then use its influence in Iraq to send troops to Syria through Iraq to achieve the territorial contiguity it aspires to. In such a situation, Israel will not be able to supervise the transfer of Iranian and Iraqi troops and equipment to Syria.

The most important factor in figuring out the Iraqi position toward Israel is the Israel-Iran conflict. Iran is acquiring allies in Iraq through whom it gains influence. However, this influence is also limited in Shi'ite politics and even in the Shi'ite Iraqi world, which rejects the political theology underlying the Islamic Republic of Iran. Contrary to the prevailing position, Iraq is not, and is not expected to be, an Iranian patronage state. The Shi'ite hegemony in Iraq creates an affiliation to Iran which raises serious concerns in Iraq. Al-'Abadi and his political allies (al-Sadr, the Sunnis, the moderate Shi'ites, and to some extent the Kurds) are politically, ideologically and religiously far from Iran. His rivals, al-Maliki, al-'Ameri, and several of the al-Hashd al-Sha'bi militias,<sup>317</sup> are supported by Iran. They, too, will not oppose Iran with regard to Israel. The degree of extremism in relation to Israel depends, to a large extent, on the question of which of the camps forms the next government.

## E. Recommendations for Israeli policy change toward Iraq

What should be Israel's expectations from Iraq and what should it do about it? First of all, Israel needs to formulate a policy regarding this important country. With its 39 million citizens, Iraq is the largest Arab state east of Israel. The days of the Iraqi expeditionary forces and the threat of Saddam Hussein's missiles have passed forever. The official Israeli position toward Iraq is as a "failed state", an "artificial" state that is about to disappear, or as a territory under Iranian patronage. Israel's indifference toward Iraq cannot be a substitute for clear policy. In such a case, Iraq remains the focus of regional violence, which has a negative impact on all countries in the region, including Israel. Strengthening the pro-Iranian Shi'ites in Iraq could bring to life the nightmare of the "Shi'ite Crescent" in the Middle East. Without Iraq, Iran controls only small Shi'ite enclaves in the region. A complete Iranian control over Iraqi politics may, in the medium term, erode the young Iraqi democratic and parliamentary systems and even bring in figures from the Islamic Republic of Iran. Iran's ideological influence in the Middle East will thus increase.

Officially, Israel recognizes the Kurdish region in Iraq while ignoring most of the country. Why does Israel ignore Iraqi Arabs? Is the Israeli behavior in the Iraqi-Kurdish case similar to the Israeli policy on the Armenian-Azeri issue? Israel regards Azerbaijan as a strategic partner, partly because this country supplies most of Israel's oil. Therefore, Israeli policy tends to favor the Azeri side in its conflict with Armenia, even though the latter has diplomatic relations with Israel. Even if the information regarding the large oil deals between Israel and the Kurdish region is finally confirmed, this does not justify the Israeli disregard for Iraqi Arabs. Israel does not need Kurdish oil, despite its apparently tempting prices. Moreover, the supply of Kurdish oil is completely dependent on Turkish consent, and Turkey is liable to interrupt the flow. It is therefore preferable to continue to purchase oil from a strategically recognized and important country such as Azerbaijan.

In the context of the Israeli-Arab conflict, official Israel insists on seeing the new Iraq as the successor of the hostile state under the Ba'th regime, and the regimes preceding it. This may be the main reason for the sweeping support for the independence of the Kurdish region in Iraq. In the current situation, this is antithetical to the periphery policy, which at the time was intended mainly to harm Arab countries such as Iraq and Syria.

317 This refers mainly to the "Hezbollah-Iraq" militias, and to a certain extent, to 'Asa'ib Ahl al-Haqq. The other forces of suspicion are the result of popular mobilization for patriotic reasons, in June 2014 following the call of the Iran opponent senior cleric Ali Sistani to fight Daesh. These forces have not yet been institutionalized.

Support for the Kurds right now is intended to weaken more prominent regional rivals: Iran and Turkey. Paradoxically, by supporting the rights of the Kurdish minority,<sup>318</sup> Israel allows Iran to control the center of this large and important state. Israeli support for Kurdish aspirations for independence raises great concern among Iraqi Arabs who would like their country to remain united. Iran and its supporters are already taking advantage of that to provoke anti-Israeli sentiments and to denounce those who express different positions as traitors.

Developments in Iraq in recent years contradict the prevailing working assumptions among decision makers in Israel, who maintain that the Middle East is divided into Shi'ite and Sunni blocs. Iraq has Shi'ite dominance, but under Prime Minister al-'Abadi, it made every effort to belong to the Sunni Arab camp. This camp, for its own reasons, is not always willing to accept Iraq, who, for that reason, often finds itself in regional isolation. This situation pushes the Iraqis to seek their unique identity in the Middle Eastern space, instead of assimilating into Arab or Shi'ite space. The clear Israeli interest is that Iraq be part of the Sunni camp or that it remains in regional isolation, since this way it will not be influenced by Iran.

The Israeli interest is to see a normal, self-rehabilitating Iraq, guaranteeing an adequate standard of living for all its citizens, devoting national energy to rehabilitation rather than nationalist militarism and oppression, and turning into a country where fear and violence are eradicated. Such an Iraq is necessarily Shi'ite. Israel must hope for the dominance of the moderate Shi'ite, anti-Iranian and pro-Western stream. At this stage, it is too early to assess whether an Iraqi prime minister with such characteristics would agree to accept a secret message from Israel congratulating him for the success of the Iraqi army in defeating Daesh or expressing condolences after mass casualty attacks. It may be possible to settle for messages to the Iraqi people through social media channels. In February 2018, the Foreign Ministry issued for the first time a message of condolences, addressed to "Iraq" following a major attack in Tiran Square in Baghdad. The message was received with great enthusiasm by Iraqis on social networks. Even an open official message of friendly sentiments to the Iraqi people, on Israeli web sites in Arabic for example, will also be welcome.

Due to the weakness of the Iraqi state, especially after 2003, Iraq offers a different framework of closer relations with Israel. Instead of prioritizing contacts with the political elite, as was done with all other Arab countries (and then encounter the most hostile public opinion, such as in the case of Egypt and Jordan), it is possible now to first interact directly with the people: through social networks, public Skype talks with Iraqis, direct encounters, and so on. The large Jewish community that lived in Iraq in the past enables the deepening of ties between the descendants of those Jews and many Iraqis who yearn to know the Jewish past of their country. Iraq can be like Morocco and Tunisia, an Arab country that attracts Jewish religious tourism (to the tombs of the prophets Ezekiel, Ezra, Jonah, Nahum and Daniel) and genealogy tourism. Israel, for its part, can attract Muslim religious tourism to holy sites of Islam, Christian pilgrims from Iraq and even Shi'ite tourism, for example to a site where according to one tradition the head of Imam Hussein (the Imam of Shia) was buried, at the Barzilai Hospital in Ashkelon. Another channel that has not yet been tried is that of medical tourism from Iraq to Israel via a third country such as Jordan.

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<sup>318</sup> The Kurds make up 5 million of Iraq's 39 million inhabitants.

There is another difference between Iraq and the other Arab countries: it has always had a Shi'ite majority. After 2003, the Shi'ite majority gained political hegemony, and Iraq became the only Arab state ruled by the Shi'ites. Having different ethnic roots than the rest of the Arab states, Iraq tends to differentiate itself and prefer its territorial nationalism over pan-Arab issues, such as the Arab-Israeli conflict and the Palestinian issue. These feelings are shared by the entire Iraqi population but are particularly prominent among the Shi'ites. The desire to make contact with Israel and Israelis comes from Iraqis of all ethnic groups and nationalities: about 500,000 of the users of the Foreign Ministry website in Arabic, "Israel speaks Arabic" (one-third of the total number of users) are Iraqis and usually express friendly messages to Israel.

As for the possibility of a Kurdish declaration of independence, which seems very distant now, Israel has the right to have its own position on the issue. However, Israel must demand, as a condition for recognition, that the Kurdish state – if and when it is established – maintains full diplomatic relations with Israel, including having embassies and allowing free tourism. Israel should carefully follow the moves of the Kurds and recognize their state only if it becomes clear that the way leading to its establishment is paved and agreed upon by all parties in Iraq. Israel should refrain from unilateral statements on controversial issues, such as the status of Kirkuk and the buffer zones between Iraq and the Kurdish region. Israel must not encourage the Kurds to take reckless steps, for example, by making promises of support or lobbying the Americans. Israel should monitor the effect of the moves regarding the Kurdish issue on other groups in the region and on the regional system. The pro-Kurdish lobby, which succeeded in obtaining a declaration from the Israeli prime minister in favor of Kurdish independence, created on the one hand the appearance of an unbalanced Israeli position in Iraq and even interference in its internal affairs, while on the other hand, it created false hopes for practical Israeli support. Experts and commentators who predicted, and still predict, the dismantling of Iraq, also caused damage.

Israel must make it clear that its support for a Kurdish state, if announced, does not support the dismantling of Arab Iraq. Israel can and should make decisions of symbolic significance to the Kurds: for example, having the Knesset and Yad Vashem recognize the terrible massacre (known as the "Anfal") that Saddam Hussein waged against the Kurds in 1988 as genocide, and extending assistance to the Kurds. Cultural, linguistic, and academic cooperation will also contribute to fostering friendship between the two peoples. However, even if Iraqi Kurdistan declares its independence, currently a distant possibility, Iraq, whose capital is Baghdad and where Arabic-speaking Iraqis live, will still remain. This part, where most Iraqis live, should be discovered by Israel.

As explained in this chapter, the Israeli-Palestinian conflict is not central to Iraq's relations with Israel. Therefore, even if progress is made toward resolving the conflict, this will not guarantee the improvement of relations with Iraq. Both Israel and the Palestinians ignore Iraq, and Iraq will coordinate its policy on the issue with the other Arab states and play a secondary role. Israel's total disregard of the political, economic and commercial aspects of Iraq (and official Iraqi disregard for Israel) stems from the preservation of outdated ways of thinking on both sides. On the Israeli side, Iraq is a hostile country. Iraq, for its part, has a hard time disengaging itself from the Arab and Iranian embrace. In addition, its economy and regional orientation continue to lean toward the Gulf and not eastward toward the Mediterranean and Israel.

## Afterword

# Israel's Relations with the Arab World: The Palestinian Issue Is the Gateway to the Middle East

**Dr. Moran Zaga and Dr. Roei Kibrik**

### A. Introduction

Israel's relations with Arab states constitute a key regional diplomatic issue as well as a domestic political one in Israel itself. Various Israeli political actors exploit the issue to advance their interests and power, often irrespective of the de facto quality of relations and cooperation. Many of them employ a cloak of secrecy in order to limit public scrutiny and assessment of the true state of affairs. Israeli discourse on Israel's relations with Arab states is greatly influenced by Prime Minister Benjamin Netanyahu, who argues that such cooperation is possible even absent negotiations with the Palestinians.

Due to the significant knowledge gap on this issue, and the gap between public perceptions and actual fact, the Mitvim Institute has undertaken to cover Israel-Arab relations up to date, and to examine the various arguments about the link between regional cooperation and the Palestinian issue. To that end, within the framework of an ongoing study, Mitvim conducted extensive mapping of the ties and analyzed the overall current snapshot of existing and possible cooperation between Israel and key Arab states. In light of this emerging picture, researchers also examined the impact of the Israeli-Palestinian conflict on these relations and asked whether and how the conflict poses an obstacle to significant progress in regional cooperation.

In order to present a broad picture and examine the relevant arguments, the project focused on Israel's relations with seven key states as case studies and representative examples: Saudi Arabia, the UAE, Iraq, Jordan, Egypt, Qatar and Morocco. Each case was examined by an expert on that state, focusing on three main issues: (1) The potential for cooperation with Israel; (2) Israel's existing cooperation with that state; and (3) the effect of the Israeli-Palestinian conflict on Israel's relations with each state.

In examining existing and potential cooperation, the researchers were asked to relate to four arenas: the diplomatic-political arena, the security-strategic arena, the economic arena and the social-civilian one. Although this division is somewhat artificial, given that much cooperation involves all arenas or a few at a time, it can help identify and characterize different trends, while avoiding the prevalent focus on the diplomatic and security arenas alone.

The case studies present a complex picture. Extensive geopolitical and societal changes sweeping the Middle East over the past decade have offered new opportunities for Israeli-Arab cooperation in a variety of fields. Existing cooperation in the security-strategic arena has been strengthened and new cooperation has been forged against the backdrop of regional realignments, new alliances and shared interests. However, the researchers emphasized the impermanence of this cooperation, its covert nature with

all its drawbacks, and its dependence on frequently changing external circumstances. In the diplomatic, economic and civilian spheres, the studies point to great, untapped potential for cooperation. These spheres tend to be influenced more by the ongoing Israeli-Palestinian conflict, and significant progress in the peace process is an essential condition (even if unsatisfactory) for greater exploitation of the existing potential.

This chapter distills and consolidates the mosaic of insights emerging from the studies presented in this compilation, and points to the key characteristics that represent the nature of the relations between Israel and key states in the Arab world. The first part will review the existing and potential cooperation in the four arenas examined. The second will discuss the implications of the Israeli-Palestinian conflict on these relations.

## **B. Snapshot of current and potential cooperation**

### **1. Diplomatic cooperation**

The potential that lies in expanding and deepening diplomatic cooperation with Arab states offers tremendous advantages for Israel. First, strengthening its legitimacy in the region and expanding elements of normalization; second, alleviating Israel's diplomatic isolation in the Middle East; and third, creating broad regional processes that necessitate cooperation. Among the states studied in this project, two have established formal relations with Israel (Jordan and Egypt), one is defined by Israel as an enemy state (Iraq), and four do not maintain formal diplomatic relations with Israel (Morocco, Saudi Arabia, Qatar and the UAE). Nonetheless, these official diplomatic levels do not necessarily testify to the nature and quality of the relations de-facto.

#### ***The enemy of my enemies: Pragmatic and ideological partnership against radical elements***

The geopolitical changes experienced by the Middle East since the events of the Arab Spring, along with intensification of the Iranian threat, have led to dramatic shifts in relations between Israel and Arab states. Following the upheaval that shook the entire region, the power balance map has undergone huge change. The states considered strongest and most influential in the region, such as Egypt, Iraq and Libya, lost much of their prestige and ability to focus on foreign policy. Instead, other states currently enjoy leadership positions in guiding regional processes and exerting greater influence than they did in the past, chief among them the Gulf States, especially Saudi Arabia and the UAE. The rising importance of these states redefines Israel's strategic interests in the region.

Concerns over the instability fostered by the Arab Spring, Iran's regional policy, and the threat emanating during the period under study from Daesh, have led many states to adopt a more aggressive policy against domestic and regional extremists. This, in turn, created an axis of states considered most moderate that could serve as potential allies for Israel. At the same time, the shifts in the balance of power increased different threats against Israel, among them the physical Iranian and Russian presence in Syria. The redefined axes of power in the Middle East have given birth to non-traditional alliances, which include Israel as part of them, stemming from the perception of a shared enemy. The struggle waged against Iran's nuclear armament resulted in evident rapprochement, albeit hesitant, between Israel and some Arab states. Beyond the growing diplomatic

ties coalescing around such shared interests, a certain trend of moderation can be detected in rhetoric and actions vis-à-vis Israel. Thus, for example, the strategic Israeli-Saudi partnership in blocking the influence of Iran and its proxies led to greater flexibility in Saudi policy on Israel. In addition, one can also point to a growing number of meetings between senior Emirati and Saudi figures and Jewish representatives, and interviews by senior Israeli figures to the Saudi media, which all attest to the trend of unofficial rapprochement.

### ***Security threats as catalysts for closer diplomatic ties with Jordan and Egypt***

While Israel's cooperation with the adjacent states of Jordan and Egypt is based on peace agreements, the relations has been generally cold and tense over the past two decades. During the period under study, existing cooperation was strengthened in light of shared interests, stemming to a large extent from direct threats with immediate or potential implications. Israel has a clear interest in ensuring Jordan's stability, both because of its geographic proximity to her and the benefits stemming from the open and peaceful relations and agreements with the Hashemite Kingdom. The challenges and dangers faced by Jordan from Iraq, Syria and Iran, especially during the spread of Daesh and escalation of war in Syria, also feed Israel's fears of direct or indirect influence on regional instability. Among them are the flood of refugees to Jordan and Iran's entrenchment and presence along its northern borders. Domestic socio-political conflicts also threaten the resilience and stability of the Jordanian regime.

As is the case with Jordan, Israel's peace agreement with Egypt has also provided legitimate infrastructure for diplomatic and strategic cooperation. The security challenges facing Egypt and Israel mostly stem from the influence of radical subversive elements that have pledged allegiance to Daesh and other Salafi organizations that have entrenched themselves in the Sinai Peninsula. Although Egypt sees Hamas as part of the Palestinian people and a legitimate player in regional politics, it opposes the movement's terrorist activity and the expansion of its ideology in the region. Israel and Egypt have forged a pragmatic partnership over their desire to stabilize the region, as clearly demonstrated in their close cooperation in stabilizing the Sinai Peninsula and Gaza Strip.

### ***The obstacle of normalization***

The widespread opposition in Arab states to normalization with Israel serves as a key element in shaping their relations with Israel. The term "normalization" relates to the process of establishing various ties and cooperation between states within the framework of a broad consensus. Normalization is realized when ties are perceived as a foregone conclusion and do not generate any doubts. The lack of consensus regarding Israel's right to exist and the widespread opposition and criticism among the Arab establishment and public to its policies in the region, especially regarding the Palestinians, have set a political and social line that paints cooperation and relations with Israel as being of doubtful legitimacy. Arab opposition to normalization with Israel ranges from outright non-recognition and complete refusal to establish ties to cooperation under a peace agreement limited only to essential state interests. There is sometimes a gap between the extent of Arab opposition as reflected in public opinion and the extent of cooperation with Israel by established organizations and government decisions. Thus, for example, while Jordan and Egypt maintain official diplomatic relations with Israel within the framework of peace agreements, potential expansion of these ties and improvement of

relations encounter widespread public criticism and opposition to normalization by their peoples. Both states have strong public and political opposition to strengthening of ties with Israel. Nonetheless, the 2002 Arab Peace Initiative explicitly stated that the Arab world would establish normal relations with Israel once it signs peace agreements with the Palestinians and Syria.

### ***Secrecy as a fundamental element in relations***

Since signing the peace agreements with Egypt and Jordan, Israel has not established full diplomatic ties with any other Arab state, until the signing of the Abraham Accords with the UAE and Bahrain in September 2020, and the normalization with Sudan that was announced afterwards. However, ties with additional states are expanding in the shape of covert cooperation that has become, as argued by Prof. Elie Podeh in this compilation, a permanent fixture in Israeli foreign policy. Cooperation of this type enables a broad array of ties since they are not exposed to public criticism by their very nature. Nonetheless, they are temporary in nature since they are not based on deep political or cultural values, but rather on shifting and ad-hoc interests.

The covert diplomatic ties between Israel and the UAE, for example, were occasionally exposed in leaks to the media. Thus, for example, news leaked of the 2012 meeting between Prime Minister Netanyahu and Emirati Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan on the sidelines of the UN General Assembly. The growing diplomatic closeness between Israel and the UAE and other Gulf States stems mainly from a shared perception of the growing Iranian threat. Conversely, relations between Israel and Morocco are of a more public nature, as expressed in meetings between senior officials and the hosting of each other's official delegations. Morocco's relative openness toward Israel in this regard enables significant Israeli tourism to Morocco, participation of Israeli athletes bearing national insignia in international tournaments there (recently made possible by the Gulf States, as well), and participation of official Israeli diplomats in international events held in Morocco, including the flying of the Israeli flag. This attitude stems to a large extent from Morocco's desire to solidify its standing with the international community and from the distinction that it is careful to make between the State of Israel, with which it does not maintain formal ties, and its Jewish heritage and large number of Jews of Moroccan origin living in Israel.

### ***Cooperation within multilateral frameworks***

In addition to the use of covert channels to overcome obstacles to normalization, Arab states seeking cooperation with Israel tend to support diplomatic ties through multilateral fora. These frameworks create a legitimate channel for maintaining ties with Israel in a manner that does not bind the Arab side to changing the official status of the relations. One such example is the Israeli mission to the International Renewable Energies Agency opened in Abu Dhabi in 2016. According to various reports, clandestine diplomatic ties are also maintained with Qatar and Saudi Arabia. At the same time, open ties exist outside the Middle East between governmental and non-governmental Saudi figures, who represent the administration to a large extent, and Jewish communities or senior Israeli figures.



### ***Exploiting the potential of existing peace agreements***

The most obvious potential highlighted by the study is leveraging cooperation with Egypt and Jordan, with which there are existing diplomatic infrastructures for expanding ties by virtue of the peace agreements with them. Unlike states with which formal cooperation or recognition of Israel are not perceived as at all legitimate, Egypt and Jordan could offer a broader legitimate scope of activity in their ties with Israel. Both states played key roles in the past in advancing the peace process with the Palestinians. Should Israel and the Palestinian be interested in returning to negotiations and advancing a regional peace process, Egypt and Jordan could serve as important bridges in the process due to their ability to represent the interests of all sides.

### ***Role of mediator: Advantages of Arab involvement in the Israeli-Palestinian conflict***

Strategic alliances between Israel and Arab states are forged not only to confront shared threats, but also to benefit from mutual opportunities. The special relations between Israel and Saudi Arabia, for example, are influenced by the latter's interest and involvement in the Israeli-Palestinian conflict. The 1981 and 2002 Saudi peace initiatives present a regional solution to the conflict that opens up a possible channel for full diplomatic relations with Israel and with all Arab states. So far, Israel has not responded to the Arab Peace Initiative. Presumably, should Israel start advancing peace talks with the Palestinians, many opportunities will open up that will expand cooperation with Arab states in various fields, beyond the Palestinian issue and even prior to reaching a full and comprehensive agreement with the Palestinians. Such a model developed in the 1990s, too, when the peace progress underway between Israel and the Palestinians resulted in formal limited ties with Morocco, Qatar, Tunisia and Oman. The relations recently developing between Israel and Qatar in managing the Gaza crisis effectively illustrate the potential for stronger, expanded Israeli ties with different Arab states through shared activity on the Palestinian issue.

Additional states have expressed willingness to serve as mediators in the Israeli-Palestinian conflict, among them Jordan, Egypt and Morocco. They, too, could offer a significant warming of relations with Israel should they serve in such a role. Despite the separate peace agreements with Jordan and Egypt, their attitude toward Israel is still to a large extent influenced by the Palestinian issue. Therefore, joint action in moving the peace process forward could contribute to confidence building, strengthening existing ties and expanding them. Egypt's importance for the advancement of Israeli-Palestinian dialogue stems from its special status as a key Arab state that maintains official ties at the same time with Hamas, Israel and the Palestinian Authority. Jordan, too, could provide an open communications channel to both the Palestinians and Israel.

### ***Desired link to the alliance of pro-Western states***

Jordan and Egypt serve as important anchor states also for establishing broader ties between Israel and other states in the region. Their strategic alliances with Saudi Arabia, the UAE, Bahrain and even Morocco create potential for cooperation on shared interests. Unlike coalitions formed for specific action or for a relatively limited time period, an alliance between states is more stable and based on values-driven identification and the commitment of its member states to the partnership over time. The member states of

the mentioned alliance are considered pro-Western. They maintain close ties with the US and Western European states, and enjoy the defense umbrella these provide. The same goes for Qatar, despite its involvement in a protracted conflict with the other states in this group. Since Israel is also part of the axis of pro-Western states in the region, a basis exists for future development of a partnership between these states and Israel.

## **2. Security cooperation**

The security, military and strategic relations between Israel and Arab states generally merge with the diplomatic ties, and are the ones that flourish the most. The classified nature of such cooperation challenged the authors of this compilation in trying to examine it and offer a precise picture. The various chapters indicate that Israel maintains security relations with most Arab states; the covert nature of these security ties and the shared interests vital to dealing with regional challenges enable fertile and prosperous cooperation in this field, as opposed to in others.

### ***The security focus: Intelligence exchange, technology and military equipment***

According to foreign and open source material, Israel exchanges intelligence information with most of the states examined in this compilation. The broadest security and intelligence cooperation take place with Egypt, Jordan and the UAE, yielding significant benefits for all sides involved. Cooperation with the UAE is focused on the interest in military technology and equipment (by the UAE) and joint military drills within multilateral frameworks. According to foreign sources, Israel sells weaponry to Morocco and Saudi Arabia. Intensifying Israeli security cooperation with Arab states will augment its strategic capacity to defend itself and protect its interests against regional threats. At the same time, security cooperation also risks the exposure of intelligence and military technologies that could be used in the future against one of the currently cooperating parties. Despite the success of the existing cooperation, it has not yet been translated into joint military action other than within the framework of international exercises. A decision by states such as Saudi Arabia, the UAE and Morocco to engage with Israel in the military field could have an important deterrent effect in the joint struggle against Iran and in dealing with additional strategic challenges.

### ***Blocking potential security threats***

Jordan and Egypt are considered friendly buffer states against threats to Israel from the east and south. Threats from the south include terrorist organizations operating in the Sinai, immigrant flows from Africa to Israel, and violence by radical elements in Gaza. Stronger security and military ties with Egypt could assist Israel in managing the frequent conflicts on this front. Egypt's leadership holds significant sway over the activity of extremists in Sinai and serves as a mediating and moderating influence on relations between Israel and the Hamas leadership. Another Arab state that serves as a vital partner to restrain and manage violent acts from Gaza Strip toward Israel is Qatar. Meanwhile, threats from the east include the spillover of fighting and instability from Syria and Iraq, the greater physical impact of Iran and its proxies in southern Syria, and even closer threats from the West Bank. Like Egypt and Qatar, Jordan also serves as a mediating and moderating player between Israel and the Palestinian Authority. Expanded security collaboration with Jordan could help Israel block the spread of conflicts and violence on this front, as was the case with the blocking of Daesh expansion toward Jordan.

### 3. Economic cooperation

Economic interests constitute an important motivation for Israeli-Arab cooperation, which includes ties between states and private entities. Economic ties with Arab states have several clear advantages. The first is that such collaboration can be kept secret compared to diplomatic relations, which exists under a media spotlight, or civilian cooperation that generally requires some form of open ties. Trade with states with which Israel does not maintain formal diplomatic ties generally entails the removal of all origin traces, and is conducted via a third country, by concealing the goods' national indicators, or both. Second, the business arena enables ties between private entities that can operate in a low-key, direct manner, unlike states. The business sector also has greater capacity to operate irrespective of political exigencies in the nature of diplomatic relations between states. The third advantage of economic relations lies in their indirect potential to serve as infrastructure for the development of partnership in other fields. Israeli businesspeople testify to contacts with Saudi Arabia and the UAE through Skype conversations and meetings in third countries. Meetings are held often in Arab states themselves, where participants' Israeli identities are downplayed. Economic relations are largely integrated with ties of a civilian nature, related to environmental, tourism and social issues. Economic cooperation also entails personal links between businesspeople and officials of both states.

Trade between Israel and Arab states is considered very limited. Some of the countries took part in the Arab League boycott of Israel, which included limitations on trade and a ban on the entry of Israelis and Israeli commodity. Nonetheless, different states, at various times, allowed a certain measure of trade (for example during the six-year period of official ties with Morocco following the Oslo Agreement, or the Israeli trade office that opened in Qatar in 1995 and was shut down in 2009 following Operation Cast Lead), and many states have turned a blind eye to such links. The ban on Israelis entering certain Arab states greatly limits the ability to develop business ties and conduct deals, despite exemptions from the ban in specific cases. Given that most trade is conducted through third countries, it is hard to assess its extent with any degree of precision.

#### ***Economic opportunities in the immediate neighborhood***

Israel's economic ties with Jordan and Egypt, with which it maintains diplomatic relations, enjoy relatively high success, although they still hold great untapped potential. Unlike economic cooperation with other Arab states, ties with Jordan and Egypt do not require total secrecy. Israel's geographic proximity to these states provides many opportunities for cooperation in varied economic spheres. Examples include the contiguous Israeli and Egyptian maritime space that provides infrastructure for natural gas deals and maritime trade; environmental concerns shared by Israel and Jordan, such as managing and exploiting water resources (for example the Dead Sea-Red Sea Canal); and the developing land trade routes between Israel and Jordan that serve as a basis for greater trade with the Arab world and the Fast East. The economies of Egypt and Jordan are considered smaller than those of the Gulf States, but their importance stems from their geographic proximity to Israel and from their embodiment of the fruits of peace.

The growth of the Jordanian economy since the start of the millennium has given rise to upgraded transportation infrastructure and transportation routes from the Mediterranean and Israel to the Fast East. These could help Israel forge trade ties with

the Arab world and Far East on the alternative Silk Road that China is working to fashion. In April 2017, Transportation and Intelligence Affairs Minister Israel Katz unveiled his “Rails to Peace” program that envisions linking Israel to a rail network to Jordan, Saudi Arabia and the Gulf States. According to Dr. Michal Yaari, who studied Israel’s ties with Saudi Arabia and Qatar for the Mitvim project, the plan also aims to strengthen Jordan and turn it into a transportation hub. In addition, it will link the Palestinians not only to the Haifa ports but also to the Arab arena, and will provide Arab states with access to the Mediterranean. The trilateral QIZ agreements among Israel, Jordan and the US and among Israel, Egypt and the US upgraded economic cooperation and initially resulted in a significant export surge for Egypt and Jordan. However, the normalization obstacles with these countries, too, largely limit the expansion of these links.

### ***Traditional economy versus modern economy***

The extent of Israel’s economic activity with all the states included in this study varies, except for activity with Iraq – which is limited to the Kurdish region and is consistently minimal. Trade and economic activity differs from state to state. Economic cooperation with Egypt, Jordan and Morocco clearly focuses on the traditional economy, including agriculture expertise (currently mostly with Morocco), sale of farming equipment, raw material, equipment and machinery. Agricultural cooperation with Morocco and Egypt is of limited economic benefit, but is important given that agriculture is a key economic sector in both these states. On the other hand, cooperation with the UAE, Qatar and Saudi Arabia focuses on Israeli technology exports and advanced military equipment. Various media reports point to deals in the field of cyber and counterterrorism with Saudi Arabia, as well as deals on electronic surveillance and security equipment with these states, which court Israeli technology.

The focus on aspects of modern trade with these states is made possible by their economic capacity and modernization. One of the outstanding advantages of this type of trade is its suitability to the limitations of the ties with these countries, due to its mostly ad hoc nature not dependent on ongoing trade. In light of the restrictions on the import of Israeli goods, trade between Israel, Saudi Arabia and Qatar is generally of marginal scope in comparison to trade with Egypt and Jordan. The indirect nature of this trade, which also requires removing any indications of Israeli origin, entails an effort that many companies are hard pressed to make. An additional characteristic of modern economic ties lies in the challenge of meeting the standards set by Gulf States for global providers of cyber and advanced technology, generating competition which contributes greatly to the streamlining of Israel’s high-tech industry, considered one of the state’s key economic sectors.

### ***The importance of opening Arab markets to the Israeli economy***

Many states in the Arab world are considered important economic hubs on regional and global levels. Among them are Saudi Arabia, which is a world-class economic power; Qatar and the UAE, which are considered regional powers in terms of growth and important economic-trade transit points between West and East; and Morocco, considered a trade transit point from the Middle East and North Africa to the Americas.

According to Yitzhak Gal, an expert on the Middle East economy who researched Israeli-Jordanian ties for this project, an Arab market opening as part of a process of diplomatic accommodation with Israel would create a new and powerful engine for the Israeli economy. This engine could boost expected per capita GDP growth by 25% to 33%, according to the current forecast growth rate. This growth trajectory would place Israel among the world's 15 richest countries within a decade, creating a 75% job increase and making the Arab world Israel's most important market, in addition to the European one.

Expanding economic cooperation with regional economic powers such as Saudi Arabia, Qatar and the UAE could be enormously beneficial for Israel. The oil market is a clear example of an opportunity for Israel to enjoy an available resource at cheaper transportation costs than existing alternatives. Saudi Arabia, Qatar and the UAE are engaged in mega advanced technology projects that are yielding huge profits for the companies involved. Israeli participation in these innovative, smart projects would significantly boost its economy, upgrading skills and expertise in the fields of industry and high-tech. One such example is the future smart city of Neom being built in Saudi Arabia at an initial investment of \$500 billion reflecting a vision of technological, economic and environmental progress.

Even Iraq, considered the Arab state most cut off from Israel in diplomatic, security and economic terms compared to the other states examined, holds out many trade options. Trade cooperation with the Kurdish region, for example, could be expanded under existing circumstances, given its status as an autonomous state unit interested in ties with Israel and safer for Israelis. This region has potential for Israeli involvement in infrastructure development, but Turkey's influence there poses an obstacle to the entry of Israeli firms. Future Israeli investment in other areas of Iraq is of high economic potential in light of plans for the country's massive rehabilitation from the ruins left by the Daesh occupation. Huge projects on the drawing boards will entail major deals with companies in the construction and industry field.

### ***Economic ties to address diplomatic needs***

The importance of economic cooperation with Arab states is not only of financial and business benefit; it also has potential for the development of civilian and diplomatic channels. For example, economic cooperation between Israel and Jordan is vital to dealing jointly with such problems as the refugee crisis, shortage of water and energy resources, weakened growth engines in the current decade, growth of unemployment, and security-strategic threats resulting from instability in Jordan and its neighboring states. Diplomatic and economic cooperation could provide Jordan with growth engines and Israel with an economic-political advantage. The QIZ agreement with Egypt is another potential source for upgrading economic cooperation with Israel, although efforts to expand it have not been successful thus far. As with similar projects with Jordan, expansion of economic ties within this framework would not only help upgrade the economies of both states, but also improve diplomatic relations between them. Economic relations could also yield civilian and diplomatic benefits for Israel's expertise in advanced agriculture. This knowhow could help develop agriculture in Morocco, Egypt, Iraq and Jordan, deal with crises such as water shortages, plant disease, ground pollution and traditional irrigation systems. Israel's advantage in the expertise and technology it has developed in these areas could address the economic interests of all sides, and especially promote civilian and diplomatic ties.

#### 4. Civilian cooperation

Civilian cooperation relates to many links unrelated to diplomacy, security or economy, and hence the diversity typical of this sphere. Such cooperation is not necessarily conducted by governments and official bodies, and often, civilian entities, private individuals, organizations, non-profits, research institutions and diaspora organization are the ones entrusted with the ties and cooperation. Compared with cooperation in other fields, civilian ties between Israel and Arab states are very limited in scope. Nonetheless, in recent years certain traditional walls have been breached in terms of Arab states' openness to Israel, generated both by social media and the desire of some states to integrate into the international community and host international events that include Israeli participation. The potential for civilian cooperation stems from varied Arab interests. Its main contribution, first and foremost, is in forging warmer ties between the citizens of these states as well as in the sharing of knowledge and advancement of regional initiatives. Civil society also serves as an important element in normalization processes and in translating diplomatic relations between governments into de facto activity on the ground.

##### ***Nostalgia and culture links: The Jewish heritage in Iraq and Morocco***

Whereas Iraq was signaled out in this study as the Arab state farthest and most cut off from Israel in terms of diplomacy, security and economic ties, civilian links between the two states are flourishing to a surprising extent. Iraq stands out in the special connection on social media between Iraqis and Israelis of Iraqi origin, especially in contacts related to that state's Jewish heritage. Often, the Jewish issue also serves as justification for encounters between Iraqis and Israelis of Iraqi origin. Beyond this issue, in another emerging trend many Iraqis as well as popular Iraqi web sites are expressing distinctly pro-Israel views and calling for the establishment of full diplomatic ties between the two states. This special interest has also resulted in the translation of Israeli literature and its distribution in Iraqi book markets.

Ties with Morocco also revolve around that state's Jewish heritage and nostalgia for the extensive Jewish presence in Morocco in previous centuries. This is obvious in the many restoration enterprises of Jewish heritage sites, including synagogues, cemeteries, Jewish schools, and the streets of the Jewish quarters (Malah). As a result, the most active and prosperous aspect of Israel-Morocco ties is tourism. Some 25,000 to 45,000 Israelis visit Morocco annually; Moroccans visit Israel in far lower numbers (some 3,200 in 2015). This testifies to a shared interest, with Israelis visiting Morocco warmly welcomed by official and private entities. Links between Israelis of Moroccan origin and Moroccan citizens have also led to broader cooperation, including delegation exchanges and joint cultural activity in music and cinema.

The interest in the Hebrew language, its literature and poetry, the writings of Israeli intellectuals and the Jewish religion is also evident in other Arab states. This interest could develop into private and non-state initiatives of greater Jewish and Israeli cultural representation in Arab states. In links with Saudi Arabia, for example, one can clearly identify a broader civilian discourse that includes exchanges of opinions in the media and unofficial meetings between citizens of the two states. In the UAE, museums display items of Jewish heritage. In the multilateral arena, too, cooperation could be expanded and diversified with regional and global initiatives serving as the infrastructure. Compared

with other fields of relations and interest examined here, culture links have significant potential for creating understanding and bringing together hearts and minds.

### ***Growing Arab openness to international community as channel for Israel's integration***

Civilian ties with Arab states that do not maintain official diplomatic ties with Israel are usually enabled by multilateral platforms, focusing on shared interests, agreements and conventions, competitions and events. The hosting of Israeli representatives in international events taking place in Arab states or the participation of Arab representatives in similar events held in Israel underscore prospects of normalization. The issue is even more prominent in recent years as Arab states, especially Morocco, Qatar and the UAE (and other states not covered by this project, such as Bahrain and Tunisia) strive to integrate into global processes and attract the international community. As a result, they tend to host many international events, such as culture festivals, book fairs, sports competitions, academic conferences and professional meetings.

Over the past decade, growing Israeli participation is clearly evident in sports, culture, science and environmental events taking place in Arab states. Recently, these states have even expanded their participation in events held in Israel. However, there is a different degree of willingness by these states to include Israel and participate with it in international events. Morocco is the most positive in this respect, whereas the UAE and Qatar enable such participation to a limited extent and under various restrictions. Morocco's relative openness enables the participation of Israeli athletes in international tournaments wearing their national insignias and flying their flag. Such participation has also been made possible recently in the Gulf States. Saudi Arabia and Iraq, on the other hand, block almost all such cooperation.

### ***Identifying relevant arenas for each state and setting government policy***

The studies in this compilation identified fields of interest shared by Israel and various Arab states, around which cooperation can be developed under existing circumstances or should diplomatic rapprochement occur. Yet civilian cooperation requires broader public legitimacy than does diplomatic, security or economic cooperation. Therefore, initiating cooperation in civilian fields requires a guiding hand, including at the governmental level.

Thus, for example, an area of interest relevant to Egypt and Jordan is environmental development and protection of shared and adjacent natural resources. This field is included both under civilian and diplomatic cooperation. Links on environmental issues are already in place, but they require expansion since growing coordination between the states will enable sustainable ecological development in their shared environment. Among the projects feasible for development and expansion are responses to water shortages, dealing with cross-border plant and animal disease, managing energy resources and developing renewable energies. The environmental sphere is also relevant to the other states examined, which, similarly to Israel, are also challenged by harsh climate conditions and absence of water resources. Cooperation on environmental technologies could help these nations confront national challenges and deal with shared regional problems.

### **C. The impact of the Israeli-Palestinian conflict on Israel's cooperation with Arab states**

A central conclusion emerging from these studies is that the absence of significant progress in the peace process with the Palestinians is one of the key reasons for the gap between existing and potential cooperation between Israel and Arab states. This issue constitutes a central obstacle – often the sole one – to normalization between Israel and the Arab states, dictating the extent of ties, their nature and quality, even with states that maintain diplomatic ties with Israel.

The national Palestinian struggle enjoys the support of all Arab states, but the extent of solidarity, interest and active support differ from state to state. Of the states examined here, Jordan and Egypt are considered the most engaged in the Israeli-Palestinian conflict and in advancing Palestinian interests, whereas Iraq is the least engaged and interested. Jordan and Egypt played important roles in managing the conflict and advancing peace moves between Israel and the Palestinian Authority, whether as initiators or as mediators and a moderating influence. As states that themselves have peace relations with Israel, they are uniquely able to converse with both Israel and the PA and to protect the interests of both sides.

Egypt has an additional advantage in the form of its links with the Hamas leadership in Gaza. Qatar has also become more involved in mediating between Israel and Hamas. Saudi Arabia is of key importance in supporting the Palestinian national struggle. The centrality of its role is also expressed in the peace initiatives it has led with the full support of the Arab League, as well as in its position as a regional power exercising considerable influence.

Many Palestinian refugees who reached Gulf States as migrant laborers in the 1970s have influenced the extent of these states' support for and interest in the Palestinian issue. A large community of Palestinians resides in the UAE, some of whom hold senior administration positions, but while the UAE is considered a state with a high degree of interest in the conflict, its involvement is limited. Nonetheless, in recent years it has become increasingly involved in internal processes underway in the PA and Gaza. One result of this involvement is the more active role it has assumed in the Israeli-Palestinian conflict, but only behind the scenes and to a lesser extent than Qatar. The Israel-UAE normalization could enhance the UAE's future involvement in the Palestinian issue. The extent of Morocco's involvement in the conflict and its general approach to the Palestinian issue has been limited over the past two decades, even though it previously served as a mediator in negotiating processes and even hosted talks between the sides. Its involvement generally became significant only after initial conditions for the peace processes ripened. Morocco has a symbolic role in future Israeli-Palestinian negotiations as head of the Jerusalem Committee of the Organization of Islamic Cooperation. Following Morocco's decision to re-establish diplomatic ties with Israel in December 2020, it may be able to play a more significant role in efforts to advance Israeli-Palestinian peace.

The Israeli-Palestinian conflict distinctly limits room for cooperation between Israel and Arab states. The states that do maintain peaceful ties with Israel are not fulfilling the full potential of these ties as long as the conflict continues and the Palestinians are unable to fulfill their aspirations for a national sovereign state. As long as the Palestinian issue remains unresolved, public pressure in Egypt and Jordan prevents their leaders from



promoting normalization with Israel. The other states clearly condition their cooperation with Israel on resolution of the Palestinian issue. Even those that maintain cooperative arrangements with Israel in certain areas despite the conflict, fear externalizing the ties and expanding them. All the states on which this compilation focuses openly declare that normalization with Israel is conditioned on resolution of the conflict, establishment of a Palestinian state or significant progress in peace negotiations. All the states also back the Arab Peace Initiative.

Public opinion in Arab states has considerable influence on government decisions regarding Israel. Openness to cooperation with Israel is given to great fluctuations. Much of the existing cooperation is conducted secretly, in order to limit public awareness of its existence. These limitations significantly reduce Israel's ability to integrate in the region and promote its diplomatic, security, economic and civilian interests as it would wish to do.

Experience shows that once progress is made in the diplomatic process with the Palestinians, Arab states opened their gates to Israel. This was the case in the 1990s following the Oslo Accords; Israel opened official diplomatic missions in Qatar, Oman, Morocco and Tunisia, most of which were shut down with the outbreak of the second intifada in the year 2000 (the Israeli mission in Qatar was shuttered in 2009 following Operation Cast Lead). Morocco also began advancing the establishment of official ties with Israel, and the two states enjoyed six years of economic peace after the signing of the Oslo Accords. The UAE began covert intelligence and security cooperation with Israel and increased its business interest in Israel.

## **D. Summary**

This compilation points to an overall trend of limited expansion in cooperation between Israel and Morocco, the UAE, Qatar and Saudi Arabia, and developments in the civilian ties with Iraqis (as opposed to a prolonged cutoff of ties with the regime). On the other hand, cooperation with Jordan and Egypt has not increased to any significant degree in recent years.

The positive trend evident particularly in Israeli relations with states with which it does not have diplomatic ties is illustrative of the growing importance of regional and bilateral interests and an overall shift in the attitude of these states toward Israel. This approach expresses willingness for a measured and cautious rapprochement attesting, on the one hand, to the interest on the part of Arab states once or twice removed from Israel in forging some form of ties with it; on the other hand, reflecting their reservations over a more significant, closer relationship. The commitment to the national Palestinian struggle is the leading consideration underpinning these reservations, impeding full implementation of existing ties and of tapping the potential of relations with all the states studied.

Significant progress toward resolution of the Israeli-Palestinian conflict would lead to a more positive trend in Arab public opinion of Israel and advance the establishment of formal diplomatic relations. A measured choice of partners and alliances would also contribute to strengthening relations between Israel and Arab states, while preserving cautious and covert diplomacy in the process of rapprochement. The diplomatic barriers cut Israel off from a wide array of economic opportunities. The security field is

considered the most successful area of Israel-Arab cooperation; the covert nature and advantages of this cooperation for the national interests of the states involved enable its continuation. Leveraging target populations in Israeli society (Jews of Arab origin and Arab citizens of Israel) to bolster cooperation with these states could create an opening to expansion of additional ties. A proper combination of state diplomacy and cultural diplomacy will lead to a warmer peace. In addition, social media and the global age provide infrastructure for direct contact between populations even when political conditions do not allow for physical encounters. Institutional or private development of these channels of communication could create and encourage virtual meetings and positive social discourse between Israelis and citizens of Arab states in Israel's immediate circle and beyond.

To sum up, the Israeli-Palestinian conflict is the most significant obstacle to broader cooperation between Israel and the Arab states examined in this compilation. Significant progress in the peace process could open up many opportunities for Israel in fields in which legitimacy for open cooperation is currently limited. In this regard, the Palestinian issue is Israel's gateway to the Middle East.

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**Israel's Relations with Arab Countries: The Unfulfilled Potential** examines relations between Israel and seven key Arab states – Egypt, Jordan, Saudi Arabia, the UAE, Qatar, Morocco and Iraq – against the backdrop of the changes sweeping the Middle East over the past decade. The researchers mapped out the potential for cooperation with each state based on shared interests, challenges and opportunities, and on the abilities, strengths and needs of Israel and those states. The researchers described existing diplomatic, security, economic and civilian cooperation – relying on open source material, their expertise in the arena and interviews they conducted.

The studies found that despite progress in cooperation between Israel and Arab countries, and notwithstanding certain growing normalization with specific Middle Eastern countries, the strategic-diplomatic, economic, social, civilian and cultural opportunities are significant and far greater than their current level. There is wide-ranging, unfulfilled potential in Israel's relations with Arab countries, and it is more evident now than it was in the past. The ongoing Israeli-Palestinian conflict and absence of significant progress in resolving it constitute the main obstacle to tapping the potential for cooperation between Israel and the Arab world, capping relations with a glass ceiling.

In formulating its policy and actions in the region, Israel should learn the lessons of the past. It must take into consideration current realities and limitations, existing interests and processes. Just as important, it must also shape its actions, assessing and choosing from among various alternatives with a view to the future potential and tremendous promise they hold out. We hope this publication helps those interested in sketching the current complex picture and the potential that lies in relations between Israel and major Arab countries, and paves the way to expanded cooperation and normalization between Israel and its neighbors in the Middle East. As the studies in this publication indicate, the potential for regional cooperation is great and its realization also depends on progress towards Israeli-Palestinian peace.

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**For additional information:**

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ISBN 978-965-7617-07-6



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