

The Palestinian Issue as Ground and Ceiling for Arab-Israeli Cooperation

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October 2020

This paper provides an historic overview of Israel's relationship with the Arab world followed by an in-depth review of cooperation between Arab states and Israel on solving and managing the conflict between Israel and the Palestinians. The Palestinian issue served to enable and limit relations between Israel and Arab states along the years. Reviving Palestinian-Israeli negotiations and improving the status of the Palestinians have been the central tenants of cooperation between Israel and Arab states. The Palestinian issue serves as a legitimizing factor for Israeli-Arab cooperation, and the occupation remains an obstacle to accomplishing regional stability. The Abraham Accords may intensify Israeli-Arab cooperation on the Palestinian issue, thus making the quest for a peaceful resolution to the Palestinian issue more central to Israel's regional foreign policies.

A. Introduction

Regional developments over the last decade have led some policymakers and pundits both in Israel and the US to believe that peace and normalization between Arab countries and Israel is on the horizon. Over the last few years, we have witnessed numerous diplomatic gestures between Israel and a few Arab countries, particularly in the Persian Gulf, that we did not see even during the height of the peace process in the 1990s. In the summer of 2020 these strengthening ties reached a pinnacle following the American-brokered Abraham Accords between Israel and both the UAE and Bahrain to fully normalize diplomatic relations between Israel and the two Gulf countries. Policymakers and pundits are now arguing that Israel is able to fully cooperate and even sign peace treaties and mutual defense alliances with Arab countries, despite its continued occupation of the Palestinian territories and the lack of a peace treaty between Israel and the Palestinian Authority.

This paper argues that such assertions are inflated because they are not rooted in stable regional realities. It embraces the stand that despite tactical cooperation between Israel and some Arab countries on specific issues of urgent mutual interest, the only way to achieve full cooperation between Arab nations and Israel remains by means of a peace deal between Israel and the Palestinians, as many researchers and politicians emphasize.¹ This paper also argues that the Palestinian issue is not only a legitimizing factor for Arab-Israeli

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¹ Yuval Benziman, "[Netanyahu's Attempt to Delink Israel-Arab Relations from the Palestinian Issue](#)," *Mitvim - The Israeli Institute for Regional Foreign policies*, April 2018; Yitzhak Gal et.al., "[Israel's Relations with Key Arab States in 2019](#)," *Mitvim - The Israeli Institute for Regional Foreign Policies*, May 2020; Dahlia Scheindlin, "[Lessons from Cyprus for Israel-Palestine](#)," *Mitvim - The Israeli Institute for Regional Foreign Policies*, September 2016.

cooperation that defines the relationship between Arab countries and Israel and prevents them from moving to normalization, but also as a subject for cooperation between Israel and Arab countries due to the centrality of the Palestinian issue in regional dynamics. Both the Arabs and the Israelis often cannot cooperate on issues of mutual interest without cooperating first on advancing Israeli-Palestinian peace or stability. The aim of this paper is to present an overview of the cooperation between Arab countries and Israel and how such cooperation was legitimized via cooperation on the Palestinian issue.

The paper begins with a historic overview of the Arab-Israeli conflict, with a focus on the shift from military confrontation over the question of Palestine to public and tacit diplomatic cooperation on the issue. It then provides an overview of joint Arab-Israeli attempts to secure a peace deal. The final section provides focuses on joint Israeli and Arab attempts to manage the Israeli-Palestinian conflict and to prevent the total collapse of the peace process, especially over the last decade, which witnessed a total stagnation in negotiations.

B. Overview: From Violent Conflict to Diplomacy and Cooperation

Following the end of hostilities in the 1948 war, the post-colonial regimes of the Arab world considered Israel their prime enemy and an obstacle to organic national and regional development. Seen as an unnatural colonial entity imposed by the imperialist west, Israel was the target of vows by Arab states to combat it until its defeat. In 1948, the Arab League represented by seven states, lost the Arab-Israeli war that led to the creation of the state of Israel.² The war had huge ramifications on the region, including the creation of the “Palestinian issue”. The war also played a role in the regime changes in Egypt, Syria and Lebanon, as well as the rise of anti-colonial and anti-western ideologies in the region such as Pan-Arabism and revolutionary Marxism during the 1950s.³

The 1950s and 1960s witnessed increased militarization on both sides of the Arab-Israeli divide, which reached its peak in the Six Day War of 1967. The 1967 war ended in a decisive Israeli military victory, with Israel capturing the Sinai Peninsula from Egypt, the Golan Heights from Syria and the West Bank and East Jerusalem from Jordan. Ironically, the decisive Israeli victory led to the re-introduction of the Palestinian plight onto the international stage. After two decades of Arab governments controlling Palestinian territory and political mobilization, the Palestinians, particularly those in the West Bank and Gaza, were able to lead their own struggle against Israel, free from the calculations of the Arab regimes that controlled their territories.⁴ Led by second-generation refugees in the diaspora who organized under the banner of the Palestine Liberation Organization (PLO), Palestinians faced the Israel directly, thus diverting the Arab governments’ role from leading the charge against Israel to playing a role on the sideline and in some cases even cooperating with Israel.⁵ Despite the contentious regional environment of the 1950s and 1960s, covert diplomacy took place between Israel and a few pro-Western Arab regimes to discuss the status of the Palestinian territories.⁶ Following the 1967 war, the Arab states reinforced their

² Avi Shlaim, *Collusion Across the Jordan: King Abdullah, the Zionist Movement, and the Partition of Palestine*, (New York: Columbia University Press, 1988).

³ Ibid.

⁴ Said Aly, Abdel Monem, Shai Feldman, and Khalīl Shiqāqī. *Arabs and Israelis: Conflict and Peacemaking in the Middle East*, (New York: Palgrave Macmillan, 2013).

⁵ Sue Surkes, [“Morocco tipped off Israeli intelligence, ‘helped Israel win Six Day War’](#),” *Times of Israel*, 16 October 2016.

⁶ Avi Shlaim, *Lion of Jordan: The life of King Hussein in war and peace*, (New York: Vintage Books, 2007).

defiance towards Israel. In August 1967, two months after the war, the Arab League issued the Khartoum Declaration which included the famous “Three No’s of Khartoum” (no negotiations with Israel, no recognition of Israel and no peace with Israel); while the resolution represented the official position of the Arab League, countries such as Jordan, Tunisia and Morocco supported a diplomatic approach towards Israel. The Arab contradictions of waging war on the one hand and covertly dealing with Israelis on the other exploded in Jordan when the PLO attempted to overthrow the Jordanian monarchy and establish Jordan as a base for PLO operations against in what became known as the events of “Black September”. With the help of Israeli intelligence and the threat of the superior Israeli air force, Jordan was able to subdue the PLO and her ally, Syria.

The 1973 war would prove to be the last joint Arab effort to resist Israel and recuperate territory through military means. The 1974 Disengagement Agreement and the 1975 Interim Agreement both paved the way to the 1979 Camp David Accords between Israel and Egypt. While the Palestinian issue was not the main issue discussed at Camp David, the centrality of the Palestinian cause in the Egyptian public imagination demanded that it be mentioned in the agreement. Therefore, as a legitimizing factor to the peace treaty, the Israeli-Egyptian deal included a clause that called for the establishment of a Palestinian autonomy. The “Palestinian autonomy clause” was the first official joint Arab-Israeli document publicly discussing the fate of the Palestinian territories, and ushered in a new era of Arab-Israeli cooperation over Palestine, in contrast to the Arab-Israeli hostilities over the holy land that had been ever-present in the decades prior.

Despite the new regional dynamic that the Egyptian-Israeli peace deal introduced, the Arab-Israeli Conflict influenced by the Palestinian question remained salient in other parts of the region. In 1982, Israel invaded Lebanon to prevent the PLO from attacking northern Israel and in hopes of setting in place a strong anti-Palestinian central government in Beirut. The war led to an 18-year Israeli occupation of southern Lebanon. The Lebanon War led to temporary Arab unity in the face of Israel, however, with Egypt’s suspension from the Arab league and with a Lebanese civil war raging, the Arab states were unable to counter Israel militarily, which led the Arab League to ask for international intervention. In effect, the Lebanon War was the first time Arab leaders publicly called for a diplomatic solution to their conflict with Israel rather than a military solution. Moreover, the Lebanese Civil War was the first war in which Israel publicly enjoyed an alliance with a regional counterpart: the “Lebanese forces”, a Maronite nationalist paramilitary force.

In 1988, the first Palestinian uprising (*Intifada*) erupted in the West Bank and Gaza, resulting in new dynamics in the region that would lead to negotiations as opposed to military confrontation. These new dynamics were strengthened by regional and international developments such as the PLO’s acceptance of UN resolution 242 and 338, which amounted to a de-facto recognition of Israel, the end of the cold war and the first Gulf War, which led to the Madrid conference – the first public gathering of Arab and Israeli leaders. Two years following the Madrid conference, Israel, and the PLO signed the Oslo accords – a declaration of principles aimed at solving the Palestinian-Israeli conflict. The Oslo accords allowed for neighboring Arab countries to join the peace process as well. In 1994, Israel and Jordan signed the Wadi Araba peace agreement, making Jordan the second Arab country to sign a peace deal with Israel after Egypt. In 1995 and from 1999-2000, Israel and Syria held peace talks, and both declared their intention to finalize a peace deal. The efforts never yielded a result.

The shift from military confrontation to negotiations dubbed “the peace process” was encouraged by the US, the international community and Arab nations that did not neighbor Israel, as the Palestinian issue was no longer regarded as an obstacle to closer ties between them. A number of Arab countries decreased their public hostility towards Israel: Morocco and Tunisia, which no longer considered Israel an enemy nation, permitted Israeli tourism, particularly for Israelis of North African descent; oil rich gulf countries strengthened their relationship with Israel; and the Sultanate of Oman welcomed Israeli Prime Minister Yitzhak Rabin and Israeli Foreign Minister Shimon Peres into the country in a historic visit and opened a “trade post” in Tel Aviv to encourage the peace process. Qatar also had a public relationship with Israel, opening an Israeli diplomatic mission in Doha in the mid-nineties that remained functioning until the first Gaza war in 2009, during which it was shut down. Despite the failure of negotiations between Israel and Syria, the two countries attempted to strengthen cooperation by allowing Palestinian citizens of Israel to visit relatives in Syria.

However, the failure of the Israeli-Palestinian peace process in 2000 and the start of the Second *Intifada* led to the collapse of the Arab-Israeli rapprochement of the 1990s. Oman closed its trade office, Egypt and Jordan recalled their ambassadors and publicly scolded Israel for its policies, and Arab streets were swamped with protestors pressuring their governments to stop all shapes of normalization with Israel. The continued bloodshed of the Second *Intifada* only intensified grassroots pressure against Arab-Israeli cooperation.

In the height of the *Intifada* and following the September 2001 attack against the US, the Arab League under the leadership of Saudi Arabia proposed the Arab peace initiative that highlighted a path to peace between Israel and Palestine. If Israel was to agree to the initiative, the plan would commit all members of the Arab League and all of the 55-member states of the Organization of Islamic Cooperation (OIC) to immediate normalization with Israel. Similar to the grassroots expression in the Arab world, Israeli public opinion became more apprehensive towards the peace process. Instead of a joint peace plan, the Israeli government shifted towards a policy of unilateral disengagement from the Gaza Strip to relieve itself from international pressure and the Arab Peace Initiative against its continued occupation without being forced to negotiate with the PLO.

Despite a violent beginning to the new millennium, by the end of the decade Israel and many Arab states began to find that regional realities were bringing them closer together. The rise of new leadership in the occupied Palestinian territories following the death of Yasser Arafat in 2004 and the Gaza disengagement plan of 2005 also helped create a more facilitative atmosphere between Israel and a number of Arab states. The new Palestinian leadership was supported by Israel’s military and institution-building mechanism and wealthy Arab Gulf states funded numerous building projects within the occupied territories. In the summer of 2006, Israel was at war with Lebanon again, though this time the war brought some Arab countries, particularly the oil producing nations of the Persian Gulf, much closer to Israel rather than pushing them farther away.

Throughout the modern history of the Middle East, the Palestinian issue has been the central tenant of regional strategies. Arab governments have both declared wars and signed peace deals influenced by regional calculations regarding the Palestinian issue. Not only war and peace treaties were central to Arab calculations, however, as in recent decades cooperation and normalization have also come into play. Cooperation between Israel and Arab countries has continued through the legitimizing channel of “solving the Palestinian issue and supporting the Palestinian people,” whether through economic aid, projects aimed at

institutionalizing the future Palestinian state or humanitarian aid, particularly relevant to the Covid-19 pandemic. Arab political elites are unable to strengthen their bilateral relations with Israel without attempting to enhance the odds of ending the Israeli occupation and achieving Palestinian statehood.

C. Israel and the Arab Countries Advancing Peace

The 1979 Egyptian Israeli Camp David accord may have been a bilateral agreement between the Middle East's two most formidable powers. Yet both sides were only able to legitimize their peace deal due to the autonomy clause stipulating support and a plan for autonomous Palestinian rule in the Palestinian Territories. The Camp David accords of 1979 are a good example of the centrality of the Palestinian question in bilateral relations between Arab countries and Israel. It is the genesis to such relations and central to their continued legitimacy and stability. Since the Camp David accord, no Arab country has officially fought Israel. Moreover, after its signing, many Arab countries began cooperating with Israel (covertly) on issues of mutual interest. However, in order to legitimize such cooperation in the eyes of Arab public opinion, Arab leaders needed to solve the Palestinian issue and bring Islamic holy sites in Jerusalem under Arab sovereignty. This has naturally led both Israel and the Arab states to focus their cooperation on advancing Israeli-Palestinian peace and improving the fortunes of potential Palestinian statehood. This section will provide an overview of Arab attempts to cooperate with Israel on the Palestinian issue in hopes of succeeding in creating peace between Israel and the Palestinians that will also allow the Arab world to publicly normalize their relationship with Israel.

The first public Arab attempt to mediate Israeli-Palestinian peace was the "Fahd Peace Plan". Presented in the Arab League summit in Morocco in 1981, the eight-point peace initiative was the first iteration of the land-for-peace rationale. Under Saudi pressure, PLO chairman agreed to the proposal while Israeli Prime Minister Menachem Begin vehemently rejected the plan, calling it "a recipe for my country's destruction".⁷ While the plan was not advanced, it had effectively replaced the 1967 "Three No's of Khartoum" as the Arab League's official policy towards the Israeli-Palestinian conflict. In 1987, King Hussein of Jordan and Israeli Foreign Minister Shimon Peres held a series of meetings in London aimed at solving the Israeli-Palestinian conflict through Jordanian sovereignty over the West Bank. The London Agreement had the support of Egypt and, surprisingly, Syria, a country long believed to be a challenge to Arab-Israeli peace.⁸ However, the talks were terminated by Israeli Prime Minister Shamir who opposed Israeli withdrawal from the West Bank.

Despite these failed endeavors, it was only following the fall of the Berlin wall in 1989 and, more importantly, the liberation of Kuwait in January 1991 that joint Arab-Israeli efforts to solve the Palestinian issue received center stage. The public meeting between Arab and Israeli delegations in the Madrid peace conference of 1991 helped build trust between Arab states and Israel. The Oslo peace process that started in 1993 was an important factor in reaching the Wadi Araba peace treaty between Jordan and Israel in 1994. Consequently, the Wadi Araba agreement itself legitimized the relationship between Israel and the Arab states it did not share a border with. Countries such as Morocco and Qatar, for example, hosted peace conferences in the 1990s with Israel. A number of Arab countries including Saudi Arabia and Tunisia took part in the Ad Hoc Liaison Committee, an international body aimed at coordinating the delivery of international aid to the Palestinian Authority. The Oslo

⁷ Mujtaba, Razvi, "The Fahad Peace Plan," *Pakistan horizon*, 34(4), 1981, pp. 48-61.

⁸ Azriel Bermant, "*Margaret Thatcher and the Middle East*," (New York: Cambridge University Press, 2017).

II Accord was signed in Taba (Egypt) in 1995 and the Sharm al Sheikh Memorandum was signed in the Egyptian resort city in 1999. Taba became the venue for a final push for peace talks in January 2001 following the outbreak of the second intifada.

In 2002, Saudi Arabia proposed the Arab Peace Initiative that remains the Arab world's official strategy for lasting peace. Despite its recent cooperation with Israel on a number of topics, Saudi officials maintain that the Arab Peace Initiative led by Saudi Arabia remains "the only game in town". In 2013, the Arab League agreed to the notion of a "land swap" to overcome the challenge of Israeli settlements in the border area between the West Bank and Israel. The Arab league never received an official response from Israel regarding the initiative.

Following Arafat's fall from grace in the eyes of the US and Israel due to his lackadaisical efforts in stopping the second *Intifada*, a number of Arab governments including Gulf Cooperation Council (GCC) states and Egypt helped bring Israelis and Palestinians closer by convincing Arafat to create a prime minister's office⁹ to bypass Arafat and re-legitimize the Palestinian authority in the eyes of Israel and the US.¹⁰ Under Arab pressure, the post was given to the dovish Palestinian politician Mahmoud Abbas, who in effect took control of the Palestinian Authority's foreign policy in 2003. Following Arafat's death in 2004, the Arab League helped facilitate and legitimize the first Palestinian presidential election to replace Arafat in nine years. In 2007, Saudi Arabia played a crucial role in reaching the Mecca agreement between Fatah and Hamas in hopes of preventing a civil war. The agreement survived for only a few months but nonetheless showed Israel and the international community the crucial role the Kingdom played in regional affairs. While the Mecca Agreement failed at reconciliation between Fatah and Hamas, which took full control of the Gaza Strip in July 2007, the Palestinian divide allowed Palestinian President and de-facto leader of the West Bank Abbas to conduct direct negotiations with Israel.

Jordan, in many ways, is seen as the natural candidate to advance peace between Israel and Palestine. Unlike the Egyptian-Israeli peace agreement, born out of cold war calculations and American shuttle diplomacy and leading to a "cold peace", the Jordanian peace agreement was supposed to serve as an alternate form of a "warm" peace deal. Jordan and Israel held tacit understandings of one another dating to pre-statehood and had been on the same side during the cold war.¹¹ Above all, Jordan's King of nearly half a century, King Hussein, enjoyed strong relations with most Israeli prime ministers.¹² At the signing of the Wadi Araba peace treaty in 1994, the leaders of both Jordan and Israel expressed intentions for a warm peace. Both sides insisted that they intend for the relationship to develop from just the security realm into additional vital economic, social, environmental, educational and strategic realms.¹³

⁹ From 2003-2013, the office was known as Palestinian National Authority (PNA) Prime Minister. From 2013 onwards, the title is "Prime Minister of Palestine".

¹⁰ Alaa Tartir, "Securitizing Peace: the Eu's Aiding and Abetting Authoritarianism," in Roland Friedrich and Arnold Luethold (eds.), *Entry-Points to Palestinian Security Sector Reform*, (Geneva, Switzerland: DCAF, 2007).

¹¹ Russell E. Lucas, "The Death of Normalization in Jordan with Israel," *Middle East Journal* 58(4), 2004, pp. 93-112.

¹² Shai Nir, "[22 years of peace](#)," *Davar* 1, 26 October 2016 [Hebrew].

¹³ Asher Susser, "*The Jordanian-Israeli Peace Negotiations: The Geographical Rationale of a Bilateral Relationship*," (Jerusalem: Leonard Davis Institute for International Relations, The Hebrew University of Jerusalem, 1999).

However, today, some 26 years after the Wadi Araba agreement, warm peace seems to both sides to be an illusion that is far from fulfillment. As a sign of the deteriorating relations between both countries, Jordan refused in November 2018 to further extend a 25 year lease of the Tzofar and Naharayim enclaves on the Israel-Jordan border, extending its sovereignty to the areas the following year. King Abdullah and Prime minister Netanyahu have not held a public meeting since 2018, a meeting that itself was the first public one since 2014. Recently, the Jordanian monarch characterized the bilateral relations between both countries as being at “an all-time low”.¹⁴ By the summer of 2020, reports of Israeli intentions to annex the Jordan valley in the West Bank led to threats of Jordanian termination of the Wadi Araba peace deal.¹⁵ Jordan considers the Israeli-Palestinian political deadlock and Israel’s continued control over the West Bank as a substantive strategic threat. As long as the status quo continues and no progress is made toward the establishment of a Palestinian state, Jordan remains concerned about the expulsion of Palestinians into Jordanian territory.¹⁶ The lack of Israeli-Palestinian peace has been seen as not only the main obstacle to fortifying Jordanian-Israeli strategic ties, but also as preventing vital cooperation in areas necessary to both countries such as their economies, tourism, infrastructure and environmental cooperation.

Advancing Peace over the Last Decade

The Annapolis Peace Conference of November 2007 was the Bush administration’s main attempt to produce a peace deal between Israelis and Palestinians. The Bush Administration saw the Arab states as a vital element in achieving peace. Especially following the failure of the Oslo peace process and the Camp David (2000) negotiations, many in Israel and the West felt that Arab legitimacy for Palestinian compromises would be pivotal. This led to the invitation of 16 Arab states, including Syria, which was considered by the US as a spoiling element of the peace process. The Annapolis conference concluded with a joint statement by both Israelis and Palestinians declaring that they will continue negotiations based on the Road Map for peace, devised in 2003. While negotiations had reached their most advanced stage, which included an initial agreement on borders, both President Bush and Israeli Prime minister Olmert lost power within a year. The rise of Netanyahu and the 2008-9 Gaza War stalled negotiations.

The Bush administration’s successor, the Obama administration, had a strategy in the region that led to divergent outcomes in regional relations. On the one hand, the instability of the Arab Spring, the rise of Iran and the US intentions to pivot strategic focus away from the Middle East led to increasingly close ties between Israel and a number of Arab states, particularly Saudi Arabia, the UAE and Bahrain. The inability of Israelis and Palestinians to reach an agreement over the last decade, however, prevented these Arab states from forming an official alliance to counter mutual threats and take advantage of mutual opportunities. The rise of Iran in the region has alarmed both Israel and most of the wealthy oil-producing states of the Persian Gulf. Iran has declared on numerous occasions that it aims to eradicate Israel and considers the Arab regimes of the Persian Gulf as colonial tools that prevent Iranian expansion in the region. The Iraq war of 2003 ironically allowed Iran to break from the isolation imposed on it by Saddam Hussein’s former Iraqi regime and pursue

¹⁴ Adam Rasgon, “[King Abdullah: Israeli-Jordanian relations are at ‘an all-time low,’](#)” *Times of Israel*, 22 November 2019.

¹⁵ Gal et.al., “[Israel’s Relations with Key Arab States in 2019,](#)” *Mitvim - The Israeli Institute for Regional Foreign Policies*, May 2020.

¹⁶ Gilead Sher and Mor Ben-Khalifa, “[Challenge to the Israel-Jordan Peace Treaty,](#)” *Institute for National Security Studies*, 29 October 2018.

regional hegemony. Both Israel and the Arab Gulf states shared a mutual frustration towards the Obama administration's attempt to solve the Iranian challenge diplomatically. Yet without a Palestinian-Israeli deal, both sides were unable to pursue a joint strategy to counter Iran publicly.

In 2013, following Obama's second election victory, Secretary of State John Kerry launched a diplomatic initiative for the drafting of a peace deal between Israel and Palestine. Arab states wishing to cooperate on regional issues with Israel held high hopes for the initiative's success. Spearheaded by former US Ambassador to Israel Martin Indyk, the initiative largely relied on parameters set during the previous Democratic administration under Bill Clinton. Unknown to the public at the time, the initiative included a regional dimension; Arab countries had secretly taken part in advocating for the initiative and provided guarantees to Israeli interests. In February 2016, Netanyahu took part in a secret summit that Secretary Kerry organized in the southern Jordanian port city of Aqaba. The summit included Jordan's King Abdullah and Egyptian President Abdel Fattah al-Sisi. Per reports, "Kerry proposed regional recognition of Israel as a Jewish state (a key Netanyahu demand) alongside a renewal of peace talks with the Palestinians with the support of the Arab countries. Netanyahu rejected the offer, which would have required a significant pull-out from occupied land, saying he would not be able to garner enough support for it in his hardline coalition government."¹⁷

The offer also appeared to be the basis of negotiations with the moderate leader of the opposition leader Yitzhak Herzog of the Labor Party in an effort to woo him into joining the Likud-led government. The plan called for Herzog to be appointed foreign minister, lead the negotiations on Israel's behalf and provide Netanyahu much needed internal legitimacy. Eventually, Netanyahu preferred to enter a coalition with right wing leader Avigdor Lieberman of the Yisrael Beiteinu party instead. The Kerry attempt would be the last effort at peace during the Obama administration.

Donald Trump's surprise victory in 2016 reintroduced the notion of Arab-Israeli peace as a precursor to solving the Palestinian issue. From the early days of the administration, the Trump team spoke of a "deal of the century" that would solve the Israeli-Palestinian conflict through the involvement of Arab Gulf states. The administration believed that the Palestinian issue was of relatively minimal importance to regional challenges and that Arab-Israeli cooperation could be achieved without first solving the Palestinian issue.

The administration's logic was partially based on the de-facto ruler of the UAE prince Mohammed Bin Zayed's (MBZ) assessment that the Arab Gulf states main strategic aim is to roll back Iran's influence and that Israeli help would be welcome. The Emirati prince was quoted as saying, "Iran is the problem, not Israel."¹⁸ Yet, to legitimize cooperation between the Arab Gulf states and Israel and to deter Iranian ambitions, the Arab Gulf states needed Israeli-Palestinian negotiations to restart. Without demonstrating to the Arab public that cooperation with Israel would also lead to Palestinian independence and, more specifically, to Muslim sovereignty of al-Haram a-Sharif (known as Temple Mount to Jews), the Arab regimes risk losing legitimacy internally through negotiations with Israel.

To accommodate MBZ's demands without being forced to pay a price, Netanyahu outlined a plan calling for the Arab states to take steps toward recognizing Israel in exchange for

¹⁷ Aron Heller and Matthew Lee, "[Ex-officials: Israeli leader spurned secret peace offer](#)," *Associated Press*, 9 February 2017.

¹⁸ *Ibid.*

Israel improving the lives of Palestinians. After a series of confidence-building trades, the Arab states were to pressure the Palestinians to accept a full deal with the Israelis.¹⁹ In 2018, Netanyahu visited Oman, the first visit of an Israeli premier to the country in over 20 years in what was seen as an attempt to garner Arab support for his plan.²⁰ Netanyahu's plan fell short of Arab Gulf demands, however, and did not take effect. Disappointed with the Israeli Prime Minister's inability to begin negotiations for Israeli-Palestinian peace, the Arab Gulf states called for greater American intervention on the issue in the hopes that an American plan would allow the Gulf Arabs and Israel to focus their efforts on Iran.

To kick start the "deal of the century," the Trump administration began its public advertisement of the plan in hopes of gaining regional grassroots support for it. In the summer of 2019, Bahrain hosted the Peace to Prosperity Conference, giving the Trump administration a platform to present the economic portion of the plan to an Arab and Middle Eastern audience. Per the Trump plan, wealthy Arab countries would financially contribute hefty sums to the Palestinian and Jordanian economies. In January 2020, the Trump Administration finally presented the political portion of the "Peace to Prosperity" program. Many Arab countries publicly supported the American efforts, overlooking unprecedented American gestures to Israel such as relocating the US embassy to Jerusalem in May of 2018 and recognizing Israeli sovereignty over the Golan Heights in March of 2019 in order to align themselves with the US administration. They further hoped that gestures towards the Palestinians would also be provided, laying the foundation for a final peace treaty. While the motives of Arab countries for supporting the plan are debated, support was strong. The UAE, Oman and Bahrain each sent representatives to the announcement of the plan in the White House and expressed their hope that a peace deal will be reached. Despite initial support, however, Palestinian and Jordanian rejection of the political and military portions of the plan, particularly the annexation of parts of the West Bank to Israel, led the same Arab states that initially supported the Trump administration to call for revisions.²¹

Despite the mutual interests of the Gulf Arabs and Israel on Iran and the normalization of Israeli relations with two Gulf states, Emirati and Bahraini leaders remain somewhat cautious. The leaders of the UAE and Bahrain refused to take part in the official normalization ceremony with Israel held in the White House in September 2020, sending their foreign ministers instead, to avoid public disapproval at home and reinforce to Israeli policy makers the continued Arab interest in negotiations with the Palestinians. The inability of the Israeli government to proceed in negotiations with the Palestinians and present a workable, acceptable path to peace, particularly over the issue of Jerusalem, continues to prevent full cooperation between Arab states and Israel during Trump's presidency.

D. Israel and Arab Countries Managing the Conflict

While the Palestinian cause for independence legitimizes cooperation between Israel and the Arab states, the failure of the peace process led Arab states and Israel to revert to the course of managing the conflict and hoping for a diplomatic opening instead of proactively engaging in peace negotiations to reach a final deal. Instead of directly advancing peace, Arab states found themselves playing a role in managing the conflict with Israel in the hopes

¹⁹ *Ibid.*

²⁰ "[Israeli Sources: Netanyahu Did Not Heed Oman's Proposal to Meet Abbas in Muscat](#)," *Asharq Al-Awsat*, 27 February 2020.

²¹ David Halbfinger and Ben Hubbard, "[Arab Envoy Warns Israelis That Annexation Threatens Warming Ties](#)," *The New York Times*, 12 June 2020.

of finding an opening towards peace and maintaining stability in a volatile region. The only path to publicly legitimizing Arab-Israeli cooperation remained through the Palestinian issue, however. Even issues of cooperation that do not directly affect the status of the Palestinian territories, such as regional hegemony, natural resources, economic development and combating global phenomena such as global warming and desertification are in need of the veneer of legitimacy the resolution of the conflict would provide.

This section describes attempts by Arab countries and Israel, particularly over the last decade, to manage the conflict in an environment that lacks the necessary conditions to finalize a peace deal between Israel and Palestine. Managing the conflict includes strengthening the Palestinian Authority through international economic investments, enhancing the rule of law, the institutionalization of the Palestinian Authority and the prevention of escalation between Israel and Hamas, the de-facto sovereign of the Gaza Strip. Additionally, Arab states aim to bring an end to the internal Palestinian political division between the Fatah-led West Bank and Hamas-led Gaza Strip, a division that the Israeli government has strategically invested in, hoping to prevent external pressure to resume peace negotiations.

While Israel has had low-profile relations with several Arab states in the past, the peace process has allowed for such relations to become public. The economic development of the Palestinian Territories and the institutionalization of the Palestinian Authority have been the ventures that allowed Arab states and Israel to legitimize their relationship. Unsurprisingly, the main regional actors investing in Israeli-Palestinian peace are the Arab Gulf states, with Egypt and Jordan playing a significant regional security role. Following the Palestinian Authority's loss of control to Hamas in the Gaza Strip in 2007, regional forces have helped the Palestinian Authority develop a modern security force to combat violence and terrorism by non-state actors. In 2009, the US provided over 20 million dollars to aid and establish the new Palestinian security force led by retired American Lieutenant General Keith Dayton.²² The new security force was trained and supported by Jordan, as Jordan considers West Bank instability a direct existential threat to the Kingdom. The Israelis were strong supporters of the joint American-Jordanian program and supported the lobbying efforts to continue to fund and support the reformed Palestinian security force.²³

Regional forces have played (with Israel's tacit support) a central role in the economic development of the Palestinian Authority. In the summer of 2020, the UAE became the first country in the Gulf to fully and publicly normalize their bilateral relationship with Israel under the guise of preventing Israeli annexation of the West Bank, which would have further deteriorated the peace process. According to Saudi Royal court advisor Dr. Abdullah Al-Rabeeah, Saudi Arabia has provided "ongoing and extensive support" to the people of Palestine, adding that between 2000 and 2018, Saudi aid and development support has exceeded 6 billion USD. He added that Saudi Arabia has provided aid to the Palestinian people in several assistance categories, which included development aid, exceeding 4.5 billion USD, humanitarian aid, reaching nearly 1.1 billion USD, and philanthropic assistance, which amounted to 17.3 million USD. An amount of 200 million USD was also pledged by the Kingdom, including 50 million USD to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and 150 million USD to support the

²² Ethan Bronner, "[US helps Palestinians Build Force for Security](#)," *The New York Times*, 26 February 2009.

²³ Alaa Tartir. "The Evolution and Reform of Palestinian Security Forces 1993-2013," *Stability: International Journal of Security and Development*, 4(1), 2015, pp. 1-20.

Palestinian Waqf Program in Jerusalem.²⁴ While such investments do not entail direct Israeli involvement, tacit Israeli support is required since Israel controls the inflow of investments and the Israeli security apparatus overlooks the Palestinian market. The Israeli government controls a large portion of the import/export revenues of the Palestinian market, as outlined in the Paris Protocol of 1994.

Kuwait began investing in the Palestinian Authority following the death of Arafat and the rise of Abbas. Arafat was unpopular with the Kuwaitis due to his support of Iraq's occupation of the small Arab Gulf state in the summer of 1990. Among its different schemes, Kuwait developed cellular phone infrastructure in the West Bank and is a main contributor of Foreign Direct Investments (FDI).²⁵ Kuwait aimed to support the Palestinian Authority following its rift with the Hamas-led Gazan government. Even though Kuwait does not have a formal relationship with Israel, the fact it opened a trade office in Ramallah is a testament to the existence of some sort of ties, as no country can establish state institutions in the West Bank without Israel's approval. Kuwaiti presence in the West Bank shows that the easiest way for Arab-Israeli cooperation to advance is through the Palestinian Authority.

Qatar was among the first countries in the region to develop a relationship with Israel, and since the 1990s the Qataris have sent delegations to Israel and allowed an Israeli trade office to open in Doha. In 2006, a highly publicized visit to Qatar of Israeli Deputy Prime Minister Shimon Peres took place. The meeting in Qatar was followed by meetings between the Emir of Qatar with Foreign Minister Tzipi Livni and Prime Minister Ehud Olmert. The official purpose of the meetings was the promotion of the Israeli-Palestinian peace process.²⁶

The failure of the peace process and the start of the Second *Intifada* stopped the flow of aid to the Palestinian Authority. By 2006, however, Arab states were able to assist the Palestinian Authority once more. In June 2007, after a brief civil war that split the Palestinian Authority in two between the West Bank and Gaza, Abbas appointed Salam Fayyad as the leader of a technocratic cabinet. Supported by the international community and the Arab League, Prime Minister Fayyad was successful in developing a sound public administration and a culture of "rule of law," two values that many donors believe were not adhered to enough during the Arafat years. Despite important achievements during Fayyad's tenure, the Palestinian Authority's inability to bring an end to the occupation and Fayyad's lack of popularity among many in the Palestinian political elite led to his political demise.²⁷

Despite the growing tensions between Israel and Jordan, Jordan remains Israel's most crucial partner in maintaining stability in the West Bank and preventing the collapse of the Palestinian Authority. Jordan's worries for its own security, if threats to West Bank stability play out, cause it to play a covert mediating role between the Palestinian Authority and the Israeli security establishment in times of crisis.²⁸ As the country is legally responsible for Muslim holy sites in Jerusalem, Jordan also diffuses tensions between Israel and Palestine

²⁴ "[Saudi Aid to Palestine Amounts to \\$6 Billion in 17 Years](#)," *Asharq Al-Awsat*, 29 May 2018.

²⁵ Sofia Tulupova, "[Investment Opportunities in Palestine](#)," *Symbiotics Analysis Group*, 28 August 2017.

²⁶ Uzi Rabi, "Qatar's Relations with Israel: Challenging Arab and Gulf Norms," *Middle East Journal* 63(3), 2009, pp. 443-459.

²⁷ Nathan Brown, [Are Palestinians Building a State?](#), (Halle: Universitäts- und Landesbibliothek Sachsen-Anhalt, 2010).

²⁸ Netanal Govhari, "[The Paradox of Israeli Palestinian Security Perceptions](#)," *International Center for the Study of Radicalization*, 2018.

to prevent escalation in conflict related to those sites.²⁹ Historically, Jordan has been the biggest investor in the West Bank economy and the largest source of regional remittance. Due to geography, Palestinian imports from Jordan are second only to those from Israel. Jordan's airports and other national institutions serve West Bank citizens as well. Without Jordanian cooperation in maintaining stability in the West Bank, most experts argue that Israeli-Palestinian relations would be much worse than they are at present.³⁰

The Gaza Strip is seen as another hotspot for Arab-Israeli cooperation, particularly between Israel and Egypt, the Arab country that shares a border with the besieged strip. Despite Egypt's pivotal role in mediation between Israel and Hamas, it has been unable to grow its relationship with Israel from just the security and natural resources realms to other fields of cooperation due to the continued conflict between Israel and Palestine. Since the Egyptian revolution in 2011, Israeli Prime Minister Netanyahu has conducted only two public meetings with the Egyptian President. Both took place in New York on the sidelines of the annual UN General Assembly. Israeli President Reuven Rivlin is expected to leave office in 2021, probably without conducting an official visit to Egypt, despite reports of strengthening ties between the states. The lack of progress on the Israeli-Palestinian front has discouraged the Egyptian government from publicizing their relationship with Israel.

After Sisi's rise to power in 2014, many reports about potential economic cooperation between Egypt and Israel began to circulate. Yet six years after Sisi's election victory, Israeli-Egyptian economic ties remain small and those that do exist mainly focus on economic development inside Egypt and reducing unemployment in the cheap labor sectors of the Egyptian economy, such as the Qualifying Industrial Zone (QIZ) program.³¹ In 2019, Israel and Egypt signed a 15-billion-dollar deal to export Israeli gas to the Egyptian market.³² It is speculated that the gas deal is the first part of a greater regional deal that could lead to Palestinian extraction of offshore gas to compensate for electricity shortages in the Gaza Strip.³³ To strengthen regional cooperation on offshore gas, Egypt inaugurated in 2019 the Eastern Mediterranean Gas Forum, which includes Israel, the Palestinian Authority, Egypt, Jordan, Italy, Cyprus and Greece. Egypt also hosted Hamas-Israel indirect negotiations on a long-term ceasefire as well as negotiations on a potential deal between Hamas and Israel that would lead to the release of Palestinian prisoners from Israeli jails in return for two Israeli civilians currently being held in the Gaza Strip and the bodies of two deceased Israeli soldiers that have been in Gaza since the 2014 war.³⁴ Egypt and Israel also cooperate to prevent arms smuggling from the Sinai Peninsula to the Gaza Strip.

Since the Israeli blockade of Gaza following the 2007 takeover of the strip by Hamas, Egypt has played a role in closing the gap between Israel and Hamas. As a matter of fact, one of the only consistent Egyptian policies spanning the three administrations in Cairo over the last decade (Mubarak 2007-2011, Morsi 2012-2013 and Sisi 2014-present) was Egypt's attempts to bring Israel and Hamas to a mutual agreement. While Egypt's motives in a

²⁹ Ofer Zalberg, "[The Regional Stakes of Soured Israeli-Jordanian Relations](#)," *International Crisis Group*, 23 March 2020.

³⁰ Gal et.al., *ibid.*

³¹ Yitzhak Gal and Bader Rock, "[Israeli-Egyptian Trade: In-Depth Analysis](#)," *Tony Blair Institute for Global Change*, 15 October 2018.

³² Noa Landau, "[Israeli Natural Gas Giant Signs \\$15 Billion Export Deal With Egypt](#)," *Haaretz*, 19 February 2018.

³³ "[Israel pushes forward with plans for new gas pipeline to Gaza](#)," *Times of Israel*, 13 January 2020.

³⁴ Elior Levy, "[Egypt said pushing Hamas, Israel on five-year Gaza cease-fire](#)," *Ynetnews*, 12 April 2019.

ceasefire between the warring sides are clear – regional stability – and stem from geographical proximity, their mediating role is positively received by both Hamas and Israel.

In recent years, Qatar has also played a central role in maintaining stability in Gaza. It is a good example of how Arab-Israeli cooperation can take place under the guise of cooperation benefiting the Palestinian cause. Qatar has been playing an important role in the Gaza Strip since 2012, when the Hamas leadership moved its headquarters from Damascus to Doha after criticizing Bashar al-Assad's suppression of Syria's Arab Spring. The gas-rich state has morphed into a high-profile intermediary between Hamas and Israel. Its involvement appeared instrumental in preventing serious escalation between the two following the 2014 Gaza war.³⁵ It raised its profile with the start of the Saudi and Emirati-led blockade in the summer of 2017, seeking to influence the US administration and American Jewish opinion by highlighting their relationship and cooperation with Israel. In 2018, Qatar became the de-facto financier of the Hamas government with Israel's blessing and its active participation in preparing list of bureaucrats and other non-military personnel that run the Gaza Strip to receive monthly stipends totaling at least 15 million USD.³⁶

After the 2014 Gaza war, Doha established the Qatari Committee for the Reconstruction of Gaza. Its chairman Mohammed al-Emadi has visited Israel regularly since then, developing a good relationship with his Israeli counterpart, the head of the Coordinator of Government Activities in the Territories (COGAT).³⁷ Emadi has played a central role in coordinating between Israel and Hamas regarding financial support for the Gaza Strip and strengthening the ceasefire between the two sides.³⁸ Qatar also decided to spearhead reconstruction efforts following Trump's decision to defund UNRWA, USAID and other American institutions working in the occupied Palestinian territories, but reconstruction has not kicked off.³⁹

Palestinian efforts to counter the Covid-19 pandemic and Israeli threats to annex significant portions of the West Bank have played a central role in shaping Arab states' relationships with Israel recently. The cooperation between some Arab states and Israel regarding Covid-19 and attempts to stop Israeli annexation culminated in a breakthrough in Israel-UAE relations. In August 2020, the countries announced their intentions to fully normalize their bilateral relations. While the normalization deal was hailed as a grand achievement, it would have been very hard for the Emirati leaders to legitimize it without providing at least a perceived benefit to the Palestinian cause.

First, the pandemic led the UAE to send two planes carrying a shipment of medical supplies to assist Palestinians in coping with the health crisis. While reports indicated, already in March 2020, that the UAE and Israel had been cooperating regarding the pandemic, the public gesture of Emirati planes landing in Ben Gurion Airport for the first time could be legitimized only by means of aid to the Palestinians. The Palestinian Authority refused to accept the aid, considering it to be a public relations stunt aimed at legitimizing Israeli-Emirati normalization at the expense of themselves. By June, the UAE had used once again the Palestinian issue as a platform to influence the status of its relations with Israel. Emirati Ambassador to the US Yousef al-Otaiba published an article in the Israeli daily *Yediot Aharonot* warning Israeli citizens that any attempt at annexing land from the West Bank

³⁵ Michal Yaari, "[Israel and Qatar Relations nurtured by the Palestinian issue](#)," *Mitvim - The Israeli Institute for Regional Foreign Policies*, March 2020.

³⁶ *Ibid.*

³⁷ Simon Henderson, "[Qatar's architect of a new life for Gazans](#)," *The Hill*, 5 November 2018.

³⁸ *Ibid.*

³⁹ Elior Levy, "[Israel and Qatar discuss Gaza reconstruction](#)," *Ynetnews*, 13 March 2015.

would lead to jeopardizing relations with Arab states it had been cooperating with over the last few years. On 13 August 2020, both countries announced the conclusion of a normalization deal in return for an Israeli freeze on annexing any part of the West Bank. Three weeks later, Bahrain joined the UAE and became the second Arab Gulf state to normalize relations with Israel.

E. Conclusion

The normalization deals that Israel signed with the UAE and Bahrain in September 2020 are an important symbolic achievement for Israeli diplomacy. Yet they do not overcome the main challenges Israel faces in reaching full cooperation with the Arab world. Despite the decline in influence of Arab states largely considered to be spoilers of peace, such as Syria and Libya, the continued economic growth in Israel and the rise of an extremely Israel-friendly right-wing populist government in the US that has “showered” it with unprecedented strategic-policy advantages, the continued occupation of Palestinian territory and lack of development in the peace process, have all prevented Israel from achieving peace deals with the majority of Arab states. The path to effective cooperation with multiple Arab states remains through cooperation on Palestinian-related efforts.

The Palestinian issue remains a central issue to both Arab national security and the collective public conscious in Arab states. The failure to achieve any breakthrough between Israel and the broader Arab world can be attributed to the lack of progress towards Israeli-Palestinian peacemaking. The centrality of the Palestinian cause has been and continues to be a pillar of modern pan-Arab political identity, especially given that the status of Jerusalem remains an integral part of national identity in each Arab state. The UAE’s inability to sign a normalization deal without presenting perceived Palestinian gains as a price for normalization is a testament to that centrality.

While the UAE and Bahrain were each able to sign ad-hoc deals with Israel, other Arab states have so far publicly refused to follow in the Emirati path. The historical inability to end the Israeli occupation in the West Bank stagnates the ability of Arab states to proceed in their public bilateral relationship with Israel. Managing the conflict without seriously attempting to achieve Palestinian statehood therefore becomes complicated, often leading to the weakening of regional incentives for peace. While some Arab states may change their policy in the future, history proves that any Israeli-Arab deal will include demands to reignite the peace process and improve the political status of the Palestinian. Arab states and Israel understand that the path to cooperation and strengthening bilateral ties runs through solving the Palestinian issue. As long as the occupation continues, the Palestinian issue will remain the floor and ceiling for regional cooperation between Israel and the Arab states.