

Rapprochement between Israel and the Arabs

Changes in the Balance of Power in the Middle East

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In March 2022, Israel hosted the Negev Summit, an unprecedented diplomatic conference under the aegis of Foreign Minister Yair Lapid. Participants included U.S. Secretary of State Anthony Blinken and the foreign ministers of Egypt, the United Arab Emirates (UAE), Morocco, and Bahrain. This ministerial conference represents the latest step of rapprochement between Israel and the Arab world. Although it has not reached the point of no return, the unfolding process is opening up new prospects for the Middle East and for the many countries beyond the region that hold close ties with that part of the world, including those located in the South Caucasus. At the same time, not all regional actors are optimistic or supportive regarding this new tendency. In particular, Iran and its allies have expressed concerns and indicated in various ways their unwillingness to abandon a bellicose posture against Israel.

This policy brief looks at how the ongoing rapprochement between Israel and the Arab world is changing the balance of power in the Middle East and how this may impact upon the policies of external actors like Azerbaijan.

New Partnerships, New Challenges

In August 2020, the UAE became the first Arab country in the Persian Gulf to normalize relations with Israel by establishing official diplomatic and trade ties with the Jewish State. Soon thereafter, Bahrain, Sudan, and Morocco followed suit. This series of events is quite rightly understood as historical, for it signals the formal end (for those countries) of a foreign policy doctrine denying Israel's right to exist—a constructive position that had until recently been limited to Egypt and Jordan.

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The main cause of this official hostility towards Israel has been, of course, Arab state support for the Palestinian movement. However, at the moment, given the growing weariness of Arab governments for the Palestinian issue coupled with a perception that Iran will become a greater threat in the event sanctions against the Islamic Republic are lifted or at least eased as part of a new nuclear deal, some Gulf states and other Arab countries began making sovereign choices to lean towards Israel.

Ironically, the tide began to shift when the Trump Administration recognized Jerusalem as the capital of Israel in December 2017. This gained further intensity in the aftermath of the Trump Administration's unveiling of the economic dimension of its peace plan in June 2019 in Bahrain, which was followed up in a January 2020 presentation at the White House of a political dimension. Officially titled "Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People," Israel's state leadership called the plan the "deal of the century" while the Palestinian leadership called it, variously, the "slap" or the "fraud" of the century on account of the fact that the political aspects of the plan would have established a probationary Palestinian state on about 60 percent of the West Bank and Gaza Strip, with Israel annexing the rest, in exchange for a compensation package in the form of a \$50 billion investment fund funded inter alia by Arab states and private investors (only \$27.7 billion would have been spent on projects in Palestine, with the rest divided between neighboring Egypt, Jordan, and Lebanon). This plan was neither accepted by the Palestinians nor implemented by Israel for various reasons.

The U.S.-led strategy evolved into something else and effectually left the Palestinian question to one side. By the summer of 2020, various documents were signed by Israel, the United States, the UAE, and Bahrain that amounted to peace treaties between the Jewish State and the two Gulf states. Collectively, these documents—negotiation on which had been mediated by the U.S.—came to be known as the Abraham Accords (named after the eponymous patriarch of both Jews and Arabs as depicted in the Jewish Bible and the Quran). In the fall of 2020, similar documents were signed by Sudan and then Morocco. This initiative was received much more warmly by the Arab world but has been condemned by Iran and its proxies.

This fact needs to be put alongside another one: support for Iran in the Arab world has greatly fallen in recent years (according to a recent poll, more than 60 percent of Arab respondents see this country as a threat, below only the U.S. and Israel). Nevertheless, Tehran has continued seeking to strengthen its position in the region through Hezbollah in Lebanon, Shia militias in Iraq, the Houthis in Yemen, pro-Assad paramilitaries in Syria, and so on.

Through the process of seeking a normalisation of relations with Israel, the Gulf states overcame internal divisions, found a way to pool their resources, and even began mulling over joint military cooperation. All this set the stage for the Negev Summit to take place.

Uncoincidentally, during the summit Lapid pointed out that the Jewish State, the GCC countries, and other Arab states faced common threats, starting with terrorism. “The purpose of the terrorists is to intimidate us so that we are afraid to meet and build relationships and agreements between us. They will not succeed,” the Israeli foreign minister stated, singling out Islamic Jihad and Hamas (the latter controls the Gaza Strip).

The answer of the Palestinian factions came as fast as expected. For instance, Yahya Sinwar, the eccentric leader of Hamas in the Gaza Strip, promised to fire 1,111 rockets (a symbolic number representing the date on which the late Palestinian leader Yasser Arafat died) at Israel “in defense of Jerusalem.”

Tehran, in turn, also reacted negatively, criticizing the Arab countries in attendance for their transformed attitude towards Israel. Saeed Khatibzadeh, spokesman for Iran’s Foreign Ministry, called the attempt at rapprochement with Israel “a dagger in the back of the oppressed Palestinian nation.” Along with this, top Iranian clerics put pressure on the country’s diplomats to slow down protracted negotiations in Vienna on renewing the Iranian nuclear deal. Generally speaking, Iran has so far limited its expression of outrage to making statements. This indirectly indicates Tehran’s limited resources, but the wide geographic scope of its presence in the region gives it significant room for maneuver and thus for unexpected actions.

Main Beneficiaries

These latest developments represent a major diplomatic victory for the United States, which has played a crucial role in the rapprochement between Israel and Arab states, starting with the Abraham Accords. In addition, like the American position on China, Washington’s position on these Middle East peace deals represents a rare example of policy continuity between the Trump and Biden administrations (in both cases, there are some differences, but these are relatively minor). The Arab states at issue also understand this, and have taken into consideration America’s (implicit) readiness to turn a blind eye to unsavory behavior at home in exchange for a strategic modification of their respective postures towards Israel. (Suffice it to say that after establishing diplomatic relations with Israel in 1979, Egypt became a strategic partner of the United States and the second-largest recipient of American economic and military assistance.)

As the Negev Summit took place in late March 2022—i.e., almost a month after the start of the war in Ukraine—Blinken used the occasion to prod his ministerial colleagues to boost their respective hydrocarbon outputs, join the Western-led sanctions regime against Russia, and generally downgrade their ties with the Kremlin. However, the Arab states in attendance did not succumb to such pressures, since they consider leaving the door ajar for Moscow to be in their respective national interests. Further-

more, some Arab Gulf countries still hold grudges against the United States due to various security issues (for instance, in January 2022, Houthi forces attacked Abu Dhabi by drones and Washington's response could at best be described as having been muted). Israel was also not particularly receptive to Blinken's entreaties, since it does not want to jeopardize its close military (and economic) ties with Russia, especially in the context of the Syrian theater.

Against all odds, the ongoing Arab-Israeli rapprochement has also opened a new window of opportunity for Turkey, which faces huge economic problems (e.g., in February 2022, the inflation rate exceeded 50 percent, a record for the last 20 years). Ankara seems to be seeking a return to its "zero problems with neighbors" foreign policy doctrine, which had been conceived and executed by Ahmet Davutoğlu during his government service, with mixed success. Thus, Turkey's aspirations to normalize relations with Egypt and Saudi Arabia—countries that President Recep Tayyip Erdoğan visited in late April 2022—are quite reasonable. Along with this, the trip by Israel's President Isaac Herzog to Ankara in early March 2022 also represented a u-turn. After the high-level talks had taken place, both Turkish and Israeli officials unequivocally confirmed in public their dedication to pursue rapprochement.

Saudi Arabia, which has traditionally built its foreign policy reputation in the region as a patron of oppressed Muslim populations, is also departing from existing patterns. In February 2022, Saudi Foreign Minister Prince Faisal bin Farhan said that any rapprochement with Israel would come after reaching a solution to the Palestinian problem. At the same time, the younger generation of Saudi leaders, led by Crown Prince Mohammed bin Salman, has given indications that the kingdom is in favor of seeking a rapprochement with Iran (at present, negotiations are taking place in the so-called "Baghdad format"—i.e., through the mediation of Iraq) and does not rule out normalizing relations with Israel.

Then, in early May 2022, *The Wall Street Journal* reported that a private investment fund called Affinity Partners—established by Jared Kushner, the chief architect of the Abraham Accords—was in the process of investing millions of U.S. dollars in Israeli start-up ventures. The same report indicated that the fund's total capital is three billion U.S. dollars, two-thirds of which belong to Saudi Arabia's sovereign wealth fund.

Alongside the United States, other major external actors like China, Russia, and the EU (together with its member states) have also hailed the Arab-Israeli rapprochement, seeing it as potentially lucrative for companies based in their respective jurisdictions.

Stumbling Blocks

For now, only 6 out of 22 Arab League states have established diplomatic relations with Israel. The rest may or may not follow, and this is largely dependent on the changing

geopolitical situation in the region and on their respective national interest assessments. Still, we can already observe that many countries in the region have been gradually changing their rhetoric towards Israel, based on pragmatism and the emerging new realities in the Middle East.

For instance, the foreign policy of Qatar—an important thread of which consisted of support for Islamist movements in Libya, Syria, Tunisia, and Egypt since the Arab Spring—has collapsed in all directions and its leadership is now looking for new options. Kuwait and Oman, both known for their respective mediating roles in the region, have also toned down their anti-Israeli rhetoric and are discussing the possibility of enhanced dialogue with the Jewish State.

A direct yet underreported indication of changes in attitudes towards Israel is the holding of Jewish culture festivals in various Arab countries, which have become both more numerous and more frequent in the past two years. Most of the Arab countries in question have not yet publicly announced a review of their relations with Israel, but they are evidently prone to do so in the time ahead.

In a nutshell, the new tendency towards forging a lasting peace in the Middle East is likely to lead to stabilization; but we should not discount the possibility that opponents to this trend may seek to instrumentalize longstanding problems—e.g., the Palestinian issue—to derail or at least delay the Arab-Israeli rapprochement. This last has not yet moved beyond the point of no return, which keeps spoiler hopes alive. The sooner these fundamental conflicts are resolved, the easier will be the process of reconciliation in all corners of the Middle East region.

Impact on the South Caucasus

A normalization of the situation in the Middle East gives good prospects for the South Caucasus, including Azerbaijan, which has closer ties with both Israel and the Arab world than either Armenia or Georgia. The process of reconciliation in swathes of the Middle East can help Baku continue to avoid the geopolitical trap of having to pick sides, a tightrope that it has successfully walked along for decades thanks to its agile foreign policy.

In addition, Azerbaijan could play the role of a bridge between Tel Aviv, Ankara, and the various Arab capitals—at least by providing a trusted platform for dialogue between former staunch opponents. The country has done this in various other contexts and is seen by all participants as a trusted and safe place to meet discretely.

At the same time, Baku should be very careful with its southern neighbor Iran, which is dissatisfied with the strengthening of Israel and its rapprochement with a number of Muslim countries. Tehran still has the wherewithal to arrange or trigger an artificial security crisis in any of the regions in which it has influence, including

the South Caucasus (e.g., via Yerevan). Baku should thus reinforce its messaging to Tehran that it neither seeks to be at loggerheads with the Islamic Republic nor that it will allow Iran to drag Azerbaijan into becoming involved in any destabilizing shenanigans.

Economic incentivization tends to work well in this regard. Thus, Azerbaijan's recent deal with Iran to build an alternative or supplement to the Zangezur corridor (the latter is foreseen in Article 9 of the 10 November 2020 tripartite statement that ended the Second Karabakh War) connecting mainland Azerbaijan with its exclave of Nakhchivan via the southern shore of the Aras River may be a good way forward. The envisioned multimodal corridor—plans indicate it will consist of road, rail, communications, and electricity connections—may be enough to limit potential negative reactions by Iran, but embracing this approach would be contingent on such a corridor actually being built and operationalized as a matter of priority. The same could be said with regards to the expeditious completion of the Azerbaijani portion of the long-planned North-South International Transport Corridor, which ultimately aims to optimize freight transportation connections using various ship, rail, and road routes between the Indian subcontinent to Europe via Iran, the South Caucasus, and Russia.

Synopsis

The following takeaways may be said to summarize the abovementioned considerations:

- Cooperation between Israel and the Arab countries opens up new prospects for those Middle East states whose governments are fed up with wars and instability.
- Rapprochement between Israel and the Arabs provides an impetus for external players to encourage an increase in investment.
- In taking steps towards reconciliation with Israel, the Arab countries in question are likely to enter further into the orbit of American influence, which may increase pressure on them to review their friendly ties with Russia.
- Given the dissatisfaction of the Palestinian resistance movement—especially its radicals elements (e.g., Hamas)—with the rapprochement of their fellow Arabs with Israel, it seems likely that it will periodically engage in actions (some involving violence) designed to remind all concerned that the Palestinian problem remains unresolved.
- Through its close ties with Hamas and other radical proxies and cronies, Iran can increase its disruptive presence in the region. It remains unclear whether guarantees to abandon such policies will be an explicit (and enforceable) part of the new nuclear deal.

- Turkey can make use of the rapprochement tendency to normalize relations with various Middle East states (including Israel), which could bolster the country's floundering economy.
- The position of other Middle East states on rapprochement with Israel, mainly Saudi Arabia, will largely depend on the prospective of a solution to the Palestinian issue.
- Azerbaijan, as one of the key players in the South Caucasus, has an opportunity to become a bridge between former rivals (e.g., its Trade and Tourism Representative Office, opened in July 2021 in Tel Aviv, could be transformed into an embassy). At the same time, Baku should become more engaged in regional security and stability questions and proactively contribute to the prevention of potential threats emanating from the Iran-Armenia axis.