THE NEW NORMAL

Arab-Israeli Normalization and the Israeli-Palestinian Conflict

A report by
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One year ago, the foreign ministers of the United Arab Emirates and Bahrain joined Israel’s then-Prime Minister Benjamin Netanyahu and former President Donald Trump on the White House lawn to sign a set of normalization agreements collectively known as the Abraham Accords. Within months, Sudan acceded to the Accords and Morocco initiated a normalization process with Israel.

The Abraham Accords marked a historic shift in Israel-Arab state relations. For decades, Israel’s only formal relationships with any Arab states existed in the form of two rather cold peace agreements with its immediate neighbors, Egypt and Jordan. Although many Arab countries have never waged a war with Israel, and some even shared both clandestine business and defense ties to coordinate against shared enemies like Iran, nearly all lacked official relations with Israel. The prospect of Israel and other Arab governments opening official relations long appeared blocked by the absence of Israeli-Palestinian peace given the prominence of the Palestinian national cause in Arab state and societal discourse.

Some contend that the Abraham Accords removed regional acceptance as the main incentive for Israel to forge a compromise with the Palestinians, and therefore diminished the already low likelihood of resolving the Israeli-Palestinian conflict, while others have argued that normalization can reap rewards for Palestinians as well as Israelis and advance the peace process. Future normalization cannot be written off as easily as before, and additional countries may join the UAE, Bahrain, Sudan, and Morocco sooner rather than later. Yet the fact also remains that the majority of Arab countries, most notably Saudi Arabia, still do not share official ties with Israel. Regional normalization has not yet and is not inevitably going to result in progress on the Israeli-Palestinian front, but there are pathways forward by which Israeli-Arab normalization can result in successfully advancing Palestinian national interests along with Israel’s wider acceptance throughout the Middle East.

The objective of this report is to analyze to what extent, if at all, the recent series of Israel-Arab state normalization agreements could help advance a two-state outcome to the Israeli-Palestinian conflict. We explore broader regional trends that explain why the Abraham Accords would not automatically translate to Israeli-Palestinian peace. Nonetheless, we conclude with policy recommendations on how to leverage the normalization agreements to create tangible changes on the ground that could help preserve the two-state window until more fortuitous political circumstances arise.
Understand Saudi Arabia as the Big Prize

The U.S. should understand that any discussion of normalization inevitably turns to Saudi Arabia as the most influential actor among Arab states and as the country that would represent the largest success for Israel were it to normalize relations. Saudi Arabia is also the state that is historically most sensitive to the need for progress on Palestinian issues as they concern relations with Israel. Any hypothetical Israeli concessions could be more far-reaching in an effort to achieve Israeli-Saudi normalization than they would be with any other Arab state. These can include a demolition moratorium and improved access to building permits in Area C and East Jerusalem, consistent with an already approved yet still unimplemented Israeli government decision.

Focus on Gaza

Of the existing normalizers, the UAE is the only government capable of acting as a donor state to stabilize the situation in Gaza. However, the Emirates are averse to being in a position of funding the Palestinian Authority and Hamas. The UAE may be convinced to engage in Gaza under four conditions: first, it would be part of a coalition but not a sole contributor. Second, it would not lead the initiative but rather follow Egypt. Third, its involvement would come at the behest of the United States, which would explicitly ask for its help (in other words, it would not volunteer for the job). Finally, Abu Dhabi does not see itself as a “wallet,” an underwriter of the status quo. It would be willing to lend a hand to Gaza as part of a comprehensive strategy for dealing with the Strip. This, in turn, emphasizes the need for a U.S.-led holistic strategy.
Encourage Greater Involvement for Egypt and Jordan

While the focus has been on the new normalizing states, Egypt and Jordan have had relations with Israel for decades. The attention being paid to the UAE—and the obvious economic and reputational benefits for the UAE as a result of normalization—may spur Egypt and Jordan to be more involved. The Abraham Accords could be used to induce Egypt and Jordan, who do not want to be left out of the circle, to play a larger role in addressing Israeli security concerns while working to create better conditions for the Palestinians.

Urge Palestinian Involvement in Abraham Accords Initiatives

The normalization agreements have already produced deals on trade, scientific and environmental cooperation, and tourism. While these agreements can be confined to Israel and the Abraham Accords states, they should include the Palestinians wherever possible. The $3 billion Abraham Fund, set following the Accords to fund a variety of joint Israeli-Emirati projects with the hope that other countries would join later, excluded the Palestinians by design. While the fund was by some accounts “dead on arrival” and since then suspended by the Biden administration, it could still be a model for a real multilateral investment framework in regional projects that involve the Palestinians and benefit the private sector in the West Bank and Gaza.

Let Abraham Accords States Take Credit for Breakthroughs

Giving normalizing states credit for breakthroughs on the Israeli-Palestinian front will increase their willingness to be involved in the Israeli-Palestinian sphere and make Israeli concessions more politically palatable to the Israeli public. This is the dynamic that played out with regard to annexation, and it is replicable across the board. The popularity of normalization with the Israeli public far outstripped the popularity of West Bank annexation, and once the UAE clearly stated in no uncertain terms that the former could not advance unless plans for the latter were suspended, it created an incentive structure for Israeli decision-makers that pointed in only one direction. It also created space for normalization for the UAE by giving the Emirati government the credibility to claim that it had stood up for Palestinian rights as a condition of normalization. Using the popularity of normalization with the Israeli public can work in this sphere on other issues beyond annexation.
In September 2021, at a virtual event marking one year since Israel, the UAE, and Bahrain signed the normalization agreements on the White House lawn, U.S. Secretary of State Antony Blinken outlined a vision of the Abraham Accords that has been expressed many times previously by officials in Jerusalem, Abu Dhabi, Manama, and Washington, and by American pundits and think tank analysts: "We all must build on these relationships and growing normalization to make tangible improvements in the lives of Palestinians and to make progress toward the longstanding goal of advancing a negotiated peace between Israelis and Palestinians."

The notion that the Abraham Accords can benefit the Palestinians—and, by extension, advance the objective of resolving the Israeli-Palestinian conflict via a two-state outcome—is, in principle, correct. The addition of four, and possibly more, Arab states to Israel's roster of diplomatic partners could mean deeper engagement from Arab parties that both Israelis and Palestinians can theoretically trust on thorny issues like the status of East Jerusalem Palestinian neighborhoods, settlements, or Palestinian building in the West Bank's Area C. In the case of wealthier countries like the UAE, normalizers can facilitate and contribute humanitarian and development aid to the Palestinians, particularly in Gaza, reducing the immediate risk of conflict there. Normalization also has the potential to raise the profile of Egypt and Jordan, allowing those states, with decades-long ties with Israel, to take a more leading role on the Palestinian question.

The problem here, simply put, is that the normalizers have shown scant interest in taking these steps on their own. The record of the normalizing states before and especially after opening up relations with Israel has only reinforced the impression that they are not interested in taking on a wider portfolio when it comes to the Israeli-Palestinian issue. Here, some of the fault lies with the Trump administration, which executed the deals in a transactional manner deliberately aimed at separating Arab state-Israel relations from a resolution to the Israeli-Palestinian conflict. Ultimately, however, no one forced the normalizers to establish relations with Israel. While there have been myriad benefits to both Israelis and the normalizers, they already shared substantive covert ties; had the UAE or the other Abraham Accords parties not wanted to establish ties with Israel, it would have been a fairly easy choice. The fact remains that the normalizers simply no longer view their relations with Israel through the prism of its conflict with the Palestinians.

There is some room for optimism. The transition to a new American administration means new priorities in Washington. While the Trump administration was happy to bifurcate Israel-Arab state and Israeli-Palestinian ties in service of a pro-annexation agenda, the Biden administration is supportive of a two-state solution. This, along with partisan domestic politics, likely accounts for the relative tepidness the Biden administration has shown in addressing the Abraham Accords, despite supporting normalization in principle. Yet if the Trump administration's record shows anything, it is that normalizing Arab states can be incentivized to take big diplomatic steps in exchange for positive reinforcement from the United States. By this token, the Biden administration could try to induce greater participation on the part of the normalizers. There is no guarantee that it will be successful, but it is clear that the initiative must come from Washington. We recognize that this may not be the most inspiring readout of Israel-Arab state relations, but we believe it is realistic, and it is a far more favorable alternative than doing nothing at all.
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