



Israel and the Abraham Accords: A Failed Expansion

Israeli Prime Minister Benjamin Netanyahu's foreign policy has been oriented towards undermining Iran, expanding the Abraham Accords, and sidestepping the Palestine issue. Despite troubles faced at home over the reforms set to undermine the independence of the Israeli judiciary, there were indications that this foreign policy priority list was progressing. Iran was under heavy pressure and was isolated, while reports told of Saudi–Israeli discussions about closer security cooperation. The Saudi–Iran normalization agreement signed on 10 March 2023 shifted the landscape entirely.

Brief Points

- Israel's ambition to expand the Abraham Accords to include Saudi Arabia was thwarted when the Kingdom normalized its relations with Iran and Syria.
- The current far-right Israeli government primarily faces domestic challenges, but its policies also test its well-established relations with Jordan and even the USA.
- The Abraham Accords appear to be robust despite the ongoing troubling Israeli policies, but there is no expansion of the Accords on the horizon.

Introduction

Israel had high hopes for enlarging the Abraham Accords to include more states. Bahrain, the United Arab Emirates (UAE), Morocco, and Sudan signed agreements with Israel in 2020. These were all highly symbolic treaties, and in the case of the UAE, of large economic benefit since the possibilities for investment are so significant. While the Abraham Accords are referred to as peace agreements, none of the above states, however, had ever been at war with Israel nor were they actual heavyweights in global politics. The Abraham Accords nonetheless represented a dream come true for Israel. Israel became more integrated into the region from an economic and security point of view, without having to pay the price of making deep concessions to the Palestinians. Expanding the Accords beyond these four states was the real goal. The big prize, many Israelis hoped, would be Saudi Arabia. It is not to be, at least as of May 2023. While some Saudi actions indicated a willingness to normalize relations with Israel, especially the security cooperation discussions the two states were having, other developments pointed in the opposite direction. By April 2023 it was clear that other Saudi concerns, such as ending the war in Yemen or normalizing relations with Syria, trumped their engagement with Israel. It is hard to know if Saudi Arabia had seriously prioritized Israel, but the combined far-right policies of the Israeli government and regional developments pulling Saudi Arabia away from Israel have made the potential for such normalization less viable in the near future.

Developments in Israel

In the spring of 2023,¹ Israel was rocked by massive demonstrations on a scale never before seen in the country. Protesters tried to stop government-led reforms which were seen as a judicial coup by much of Israeli society. The reforms would undermine the balance of power between the judicial, legislative, and executive branches of power by grossly reducing the judiciary's independence and power. They would allow the Knesset, with a simple majority, to overrule court decisions, give the government the right to appoint judges, and offer ministers the option of ignoring legal advice as guided by the attorney general.² For now, Prime Minister Benjamin Netanyahu has averted the political crisis by delaying the reform process, but he has not shelved it. Netanyahu is in a squeeze. On

the one hand the protesters, supported by many high-ranking representatives from the security establishment, including his own defense minister, insist that the reforms must be stopped. On the other hand, the religious and far right-wing parties in his government insist that they progress. Overhanging this whole debate is the fact that Netanyahu is charged in three court cases. If his government falls, it is not unlikely that he will end up in prison.

At the same time, the far-right Israeli government launched a series of military attacks on Palestinian targets in the occupied West Bank, while also making legal changes tantamount to a de facto annexation of the occupied territories. Most significantly, this included transferring the legal authority of the West Bank from the Israel Defense Forces (IDF) to Minister of Finance Bezalel Smotrich. This was a transfer of the occupation to a civilian ministry, thereby treating the territories as part of Israel proper. Extreme Israeli settlers were also emboldened by the new government and increased their use of violence against Palestinians, with Israeli state reactions ranging from indifference to encouragement. The most blatant example of the latter was Minister of Finance Bezalel Smotrich's call for the Palestinian village of Hawara to be "wiped out" after a violent mob of settlers had attacked it, setting it ablaze.

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The Israeli government thus launched simultaneous attacks on the institutions of the state and destroyed any pretense of wanting to reach a settlement with the Palestinians. Critics of Israel have long claimed that between the river and the sea there had developed a one-state reality with democracy for only part of the population. This is the crux of the ongoing "apartheid debate." The actions and rhetoric of the current Israeli government both confirmed that accusation as well as moving to reduce the democratic character of the state for those who had previously benefited from that structure.

Consequences for Existing Relations

Beyond the streets of Tel Aviv, the drastic political changes made by the Israeli government

also created public fissures between the Netanyahu and Biden governments. US President Joe Biden was vocally critical of the judicial reforms Netanyahu was pushing. Some commentators went so far as to highlight that the very idea of shared values between the United States and Israel was at risk. This seems to be hyperbole but Biden–Netanyahu tensions were blatant. Over the years Netanyahu has proven his combined ability to rub US presidents the wrong way while strengthening the US–Israeli relationship. The spat with President Obama was illustrative of this point: During the Obama presidency, Netanyahu went out of his way to undermine Obama's position, especially regarding the Iran nuclear deal, yet Obama provided the largest aid package to Israel in all US history. It stood at \$3.8 billion per year over a ten-year period.

When the Abraham Accords were signed in 2020, one of the successes the Arab signatory states highlighted when promoting them was that as part of the negotiations, they had secured the assurance that Israel would not annex the West Bank. Although a core selling point to legitimize the Accords in the Arab world, this was always a dubious claim since there was no halt in the Israeli entrenchment of the occupation and the settlements continued expanding at a rapid pace, making the two-state solution non-viable.

While the Israeli government has yet to declare *de jure* annexation, the above-mentioned transfer of responsibility to the Minister of Finance amounts to de facto annexation. In all practical terms annexation is the ongoing policy, making it very hard to sell the blocking of such annexation as a success. Although this breach of the understanding from the signing did not lead to the Accords falling apart, it has made some of the relevant Arab states more critical of Israel. Abu Dhabi, for instance, has sponsored three UN Security Council resolutions calling for the condemnation of Israel over the settlements. Typically, though, the resolutions were cancelled before they were called to a vote.

The very signing of the Abraham Accords illustrated that the Arab signatory states do not put the Palestinian issue high on their agenda, since the traditional Arab position has been that normalization with Israel can only come in connection with the establishment of a Palestinian state. Yet, as the Abu Dhabi-sponsored resolutions

show, they do not completely ignore the Palestinian issue either. The developments in Israel illustrate that there are limits, albeit not very strict ones, to what can be tolerated. After the pogrom in Hawara, the UAE pledged \$3 million to the affected families. Obviously, this is a mere fraction of the money invested through the UAE free-trade agreement with Israel – currently \$2 billion annually. Such payment to the Palestinians is therefore only symbolic. What is more concerning to Israel is that the President of the UAE, Mohammed Bin Zayed, discussed his disquiet about the Israeli government with the USA, Egypt, Jordan, and Saudi Arabia. The UAE unease, however, seems to be less about the Palestinians and more about how the legal reforms can harm Emirati investments in Israel. This concern was not unfounded. The credit-rating agency Moody even downgraded Israel's credit rating in April. Despite all their misgivings, UAE's relations with Israel are progressing according to plan. The free-trade agreement between the two states came into effect on 26 March 2023.

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The UAE have the luxury of being distant and uninvolved in the Arab–Israeli conflict and thus the Palestinian issue does not affect them directly. Israel's neighboring states do not have that benefit. Jordan in particular, as custodian of the Haram al-Sharif (Temple Mount), cannot remain aloof from what goes on in Palestine. While the Israeli government's policies create some challenges for Israel's new Arab friends, they almost seem designed to burn old bridges. This is especially true vis-à-vis Jordan. Shortly after the formation of the government, the far-right National Security Minister Itamar Ben Gvir visited Haram al-Sharif. Such visits are a challenge both to Palestinians and to Jordan, especially at times of heightened tensions. Observers breathed a sigh of relief when this one did not lead to a serious outbreak of violence.

Finance Minister Bezalel Smotrich went the furthest in challenging Jordan when, during a presentation in Paris, he denied the existence of a Palestinian people. His podium was draped in a map of Greater Israel which included Jordan as part of Israel. Furthermore, the

Jordanian ambassador was also denied access to the Haram al-Sharif. The Jordanian parliament, for its part, voted to expel the Israeli ambassador from the Kingdom. The Jordanian–Israeli relationship is complicated, but it is a long time since it has been this cold. King Abdullah II is known to loath Benjamin Netanyahu and in the current Israeli government, a series of ministers, primarily Smotrich and Ben Gvir, represent extreme versions of what the King dislikes about Netanyahu. While Jordan is not a heavyweight, it is a close ally of the USA and serves as an important bridgebuilder in the region. Jordanian–Israeli tensions are therefore something the USA wants to avoid.

Saudi Arabia and Potential New Relations

The chance of adding Saudi Arabia to the Abraham Accords, considered the main prize for progress, has slipped for Israel. The core common interest that could have brought Israel and Saudi Arabia together was their collective enmity towards Iran. There were indications of a breakthrough in this regard. In February 2023, *Bloomberg News* reported that the two states had held talks on military and security cooperation. According to the report, the USA supported the initiative. *The New York Times* also reported that Saudi Arabia was leveraging a potential normalization with Israel vis-à-vis the United States in return for significant gains. These included assistance with a civilian nuclear program, fewer arms sales restrictions, and security guarantees from the USA.³ The fact that such discussions became known was part of a process described to me by one analyst as “normalizing normalization” – preparing the Saudi public in case there was a serious breakthrough in relations with Israel.

The reason such discussions were taking place between Israel and Saudi Arabia was their common concern over Iran. That impetus was removed when Iran and Saudi Arabia suddenly declared on 10 March that their relations were renormalizing. That final breakthrough came through Chinese mediation, and surprised many. Those following things closely, however, knew that Iran and Saudi Arabia had been holding talks since 2020/2021, facilitated by Iraq and Oman. China's role seems primarily to have been as the superpower putting its weight behind the talks at the last minute, securing the signing of the agreement.⁴

This highlights the obvious but often forgotten lesson that Saudi interests are primarily Saudi and not necessarily aligned with US interests, much less Israeli ones. Given that Saudi Arabia has a longstanding relationship with the USA, the leverage Israel has in promising to deliver a better relationship with the USA is very limited. For Saudi Arabia, finding a way out of the costly war in Yemen is much more important than the utility of having a formal relationship with Israel. As a means to finding an exit from Yemen, Iran is obviously a much more important player than Israel. Iran supports Ansar Allah, commonly referred to as the Houthis Movement, which is the de facto government of Yemen against which the Saudi-led coalition has been fighting since 2015.

The combined timing of the agreement with Iran and the communications with the USA over a Saudi–US–Israeli bargain illustrates that Saudi Arabia is a rather flexible political actor, able to maneuver in the region and the world in ways that Israel cannot.

The Saudis, unlike the UAE, formally put a Palestinian state as a precondition for full normalization with Israel. Prime Minister Netanyahu, on the other hand, insists that it must be the other way around: that normalization with Saudi Arabia will lead to peace with the Palestinians. It is not a given that the Saudis will stick to this position forever, but for the foreseeable future Saudi Arabia is likely to maintain that stance. Looking at other fronts in current Saudi policy, it is difficult to imagine that Saudi Arabia can make progress in deepening relations with Israel if it simultaneously sidesteps the Palestinian issue. The reason has less to do with the Palestinians themselves than with the regimes Saudi Arabia seeks to work with, all of which have a more ideological position on Palestine.

In March 2023, Saudi Arabia started a process of renormalizing relations with Syria. The two states agreed to reopen embassies in their respective countries. On 12 April, Riyadh then hosted a delegation from Iran and Syria. It was especially noteworthy that the Syrian Foreign Minister led the Syrian delegation. Syria is of particular security concern for Israel since the regime is so dependent on military support from Iran and Hezbollah, as well as from Russia. Syria also houses radical Palestinian groups. Since early in the Syrian civil war,

there has been a series of Israeli bombings in Syria, especially of Iranian or Iranian-affiliated targets, and there have been examples of various groups firing from Syria into Israel, most recently in April 2023.

Moving back to the Palestinians, in mid-April Saudi Arabia initiated talks with senior representatives of Hamas in Riyadh. These, much like the talks with Iran, are typically seen as concerning to Israel. Hamas is the largest Palestinian group engaged in a militant struggle against Israel. It seemed that in the short span of one month Israel went from working with Saudi Arabia to undermine Iran to becoming a passive witness to Saudi Arabia's reengagement with the entire "Axis of Resistance."

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Some analysts, however, argue that both the Saudi–Hamas and the Iran–Saudi contacts are beneficial for Israel. The argument for the former is that such contacts undermine the Iran-leaning hardliners in the Palestinian movement. The argument for the latter is that Iran–Saudi normalization can lead to a peace in Yemen, thus removing a US–Saudi bone of contention which could then lead to improved Israeli–Saudi ties with the blessing of the USA.³ These arguments might be partially true, but Israel's preferred option has always been that both Hamas and Iran remain as isolated as possible. If Saudi efforts to normalize relations with Hamas and Iran succeed, this will strengthen them both as it will allow them to circumvent their current isolation.

Conclusion

After the signing of the Abraham Accords in 2020, a false impression emerged that Israel could sidestep the Palestinian issue and integrate into the broader Middle East in a way that would also undermine demands for concessions to the Palestinians. This would have been Netanyahu's ideal scenario. His optimism was unfounded as Saudi Arabia shifted towards prioritizing relations with other regional counterparts such as Iran, Syria, and Hamas. Saudi Arabia was in the position of being able to choose between Israel and these other neighbors, while Israel was in no position to make Saudi Arabia give it precedence.

In foreign policy terms, undermining Iran has been Netanyahu's primary concern. That policy is taking some hard hits.

Nevertheless, the agreements that have already been signed as part of the Abraham Accords are resilient. The UAE have made symbolic statements against Israeli policies, but their main concern is with the economic effects of the Accords. On that front the Accords have progressed and deepened, but they have not expanded. In the current political climate, it appears that there is no room for such expansion either. Israel also has far more immediate concerns at home. In foreign policy terms, undermining Iran has been Netanyahu's primary concern. That policy is taking some hard hits. ■

Notes

1. These are fast moving developments and the analysis in this report was finalized on 25 April, 2023.
2. This overview is based on Raffi Berg (2023) Israel judicial reform: Why is there a crisis? BBC,

27 March. Available at: www.bbc.com/news/world-middle-east-65086871.

3. Michael Crowley; Vivian Nereim & Patrick Kingsley (2023) Saudi Arabia offers its price to normalize relations with Israel, *The New York Times*, 9 March. Available at: www.nytimes.com/2023/03/09/us/politics/saudi-arabia-israel-united-states.html; Sam Dagher & Fiona MacDonald (2023) Israel steps up talks with Saudi Arabia over ties to combat Iran, *Bloomberg*, 17 February. Available at: www.bloomberg.com/news/articles/2023-02-17/israel-steps-up-talks-with-saudi-arabia-over-ties-to-combat-iran.
4. Some commentators call this "quasi-mediation." See Guy Burton (2023) What the Iran-Saudi agreement reveals about China's approach to conflict management, *The Diplomat*, 15 March. Available at: thediplomat.com/2023/03/what-the-iran-saudi-agreement-reveals-about-chinas-approach-to-conflict-management.
5. For the former point see Arash Azizi on Twitter: twitter.com/arash_tehran/status/1647613306721501187. For the latter point see Barak Ravid (2023) Scoop: Israel sees opportunity in Iran–Saudi deal, Israeli official says, *Axios*, 22 March. Available at: www.axios.com/2023/03/22/iran-saudi-deal-israel-opportunity.

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