

Relations between GCC countries and Israel are shaped by two opposing forces. One is encouraging deeper political and economic ties and cooperation on regional security matters; the other is working to prevent this from happening so that neither can realise their full potential. If the absence of a negotiated solution to the Israeli-Palestinian conflict and Palestinian self-determination is a major hindrance to closer relations, the perception of an existential threat from Iran is working to bring them closer together.

Gulf Monitor | Yossi Mekelberg | Israel

Since the establishment of the state of Israel, its relationship with the Arab Gulf states – at least formally – has tended to swing in line with the pendulum of the Israeli-Palestinian peace process. At the same time Iran's adventurism in the region, and especially its nuclear programme, has served as a catalyst for Gulf countries to cooperate with Israel on political and security matters.^[1]

Yet beneath the surface, and particularly since the Oslo Accords, there has been a significant upswing in economic cooperation. Due to the sensitivity of such relations there are no official records on the volume of trade between the Gulf and Israel, or what its main components are. However, according to some estimates Israeli exports to the GCC countries have topped \$1bn, though most of this indirectly.^[2] It is nevertheless generally agreed that, given a peace agreement and the resultant full diplomatic relations and normal trading conditions, such trade could be worth \$15bn-\$25bn.^[3]

Historical tensions

Relations between the GCC and Israel need to be understood in their wider Middle East historical and geo-political context. From a total rejection of the Jewish state as a foreign implant, Israel has been accepted by many countries in the region at least as a reality that is not going away – it has already signed peace agreements, even if at times shaky, with Egypt and Jordan. Within the GCC, there are close ties with Israel – though in many cases, these have been established tacitly to avoid rejection by those who sympathise with the Palestinian cause. For many in the political sphere and general population alike, overt relations with Israel are unthinkable unless a fair and just solution to the Israeli-Palestinian conflict is put in place.

To this effect, Saudi Crown Prince Abdullah bin Abdulaziz Al Saud in 2002 attempted to break the

deadlock between the Israelis and the Palestinians by floating the idea of a peace initiative. The Arab states, he proposed, would recognise Israel if it reached a peace agreement with the Palestine Liberation Organisation addressing all the core issues in the conflict between them, based on the pre-1967 borders.^[4] That peace initiative has never come to fruition, and consequently any improved relations between the Gulf states and Israel have tended to take place below the radar and at a slower pace.

An unlikely union

But over the past decade, the desire to contain Iran's adventurism has been taking precedence over discontent with the Israel-Palestinian conflict.^[5]

Though no GCC state will openly admit to opening ties, Israeli officials are taking every opportunity to hint at covert cooperation with Saudi Arabia, Bahrain and the UAE in the area of security and intelligence, as part of the joint efforts of all four countries to join forces against Iran.^[6] There are no official figures – and none are likely to come to light in the near future – but there is mounting evidence of such cooperation. A glimpse of it was given in a leaked video by Prime Minister Benjamin Netanyahu of his closed-door meetings last year in Warsaw with US Vice-President Mike Pence and the foreign ministers of Saudi Arabia, the UAE and other Gulf states.^[7] A year earlier Netanyahu also took a trip to Oman to meet with then-Sultan Qaboos bin Said Al Said. And just last month, Israel's Ministry of the Interior announced that it would now permit visits by Israelis to Saudi Arabia for religious rituals and business.^[8]

To a large extent the current arrangement serves both Israel and the Gulf well, as they are managing to continue and improve their cooperation without being forced to address the intractable Palestinian issue. However, Israel as consequence cannot collect the ultimate prize of full diplomatic recognition, which is a less important concern for the GCC countries.

As long as the peace process continues to stagnate, along with Trump's so-called "Deal of the Century," security will be the predominant issue of cooperation between Israel and the Gulf. However, should the present situation change for the better, there lie ahead a vast range of opportunities for the expansion of economic relations in cybersecurity, counterterrorism and counter-extremism activities, and other areas where Israel excels, like innovation, high-tech and sustainability. This could

include water sector management and agrotechnology, where oil-rich Gulf states could benefit from partnering with Israeli start-ups.

Moreover, the proximity of Israel to the Gulf region lends itself to tourism for religious and health purposes. Similarly, Israel's high-quality educational system could encourage more academic cooperation in the region, including in research, student, and academic exchanges, and even the creation of joint programmes.

For now, Iran, the threat of extremism and the current US administration with its vested interest in constructive relations between Israel and the GCC countries, are all factors promoting higher levels of security cooperation, while economic relations are showing a slow and steady growth. However, a genuine commitment by Israel to achieving a peace agreement with Palestine – which doesn't seem to be forthcoming any time soon – is necessary to release the full potential of economic, cultural and educational cooperation between Israel and the Gulf.

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