

Israel, Saudi Arabia and the Art of Managing Expectations

by **Caroline D. Rose** - August 9, 2023

Last month, Israeli spy chief David Barnea quietly met with Biden administration officials at the White House. The brief meeting reportedly centered on Israeli-Saudi relations – specifically, how the two traditional rivals, with U.S. support, could proceed toward normalization. Soon after Barnea’s rendezvous in Washington, U.S. National Security Adviser Jake Sullivan and White House Coordinator for the Middle East Brett McGurk traveled to Riyadh for talks.

It’s clear that serious efforts are underway for a U.S.-brokered normalization between Israel and Saudi Arabia. The incentives for all parties are clear. Rapprochement would present a unique opportunity to counterbalance Saudi-Iranian normalization in the region, hedge against Iranian nuclear ambitions and escalation through proxy militias, and exact political or security concessions from each party to achieve their respective goals. However, there are strict limits to just how far rapprochement can go.

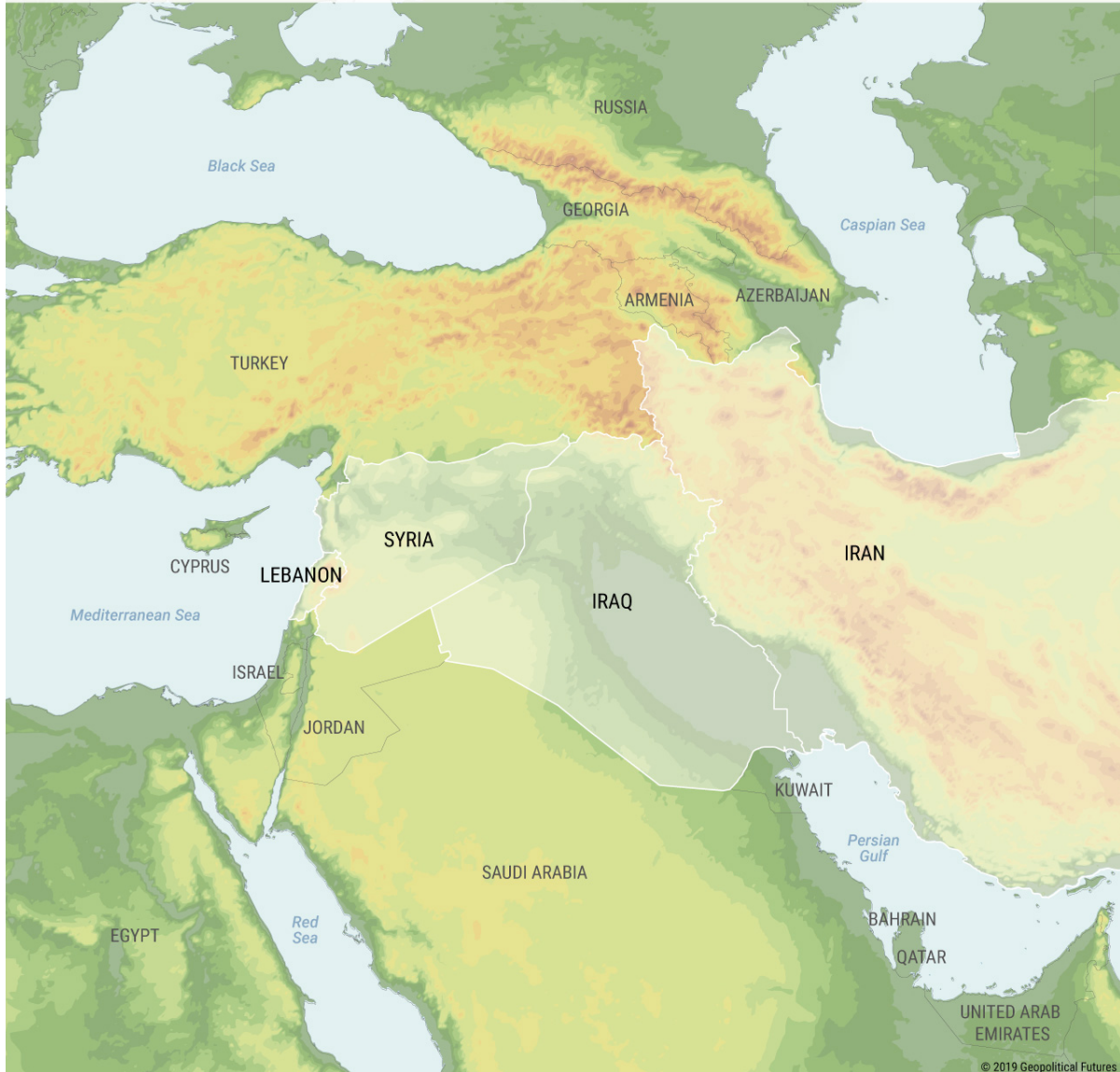
Arduous Path to a Deal

Relations between Israel and Saudi Arabia have always been fraught. In fact, the countries never established diplomatic relations. From the start, Saudi Arabia was a vocal opponent of the United Nation’s 1947 proposal to partition British Palestine into an Arab and a Jewish state. Following Israel’s creation in 1948, the kingdom supported Arab Palestinian aspirations for statehood and continually called for Israel’s withdrawal. It also opposed Arab neighbors’ engagement in direct negotiations with the Israelis. For instance, it criticized Egypt and suspended ties over Cairo’s role in the 1978 Camp David Accords.

But over time, Israel developed into a formidable security actor in the region, Israeli-Palestinian peace talks continued to fail, and Iran doubled down on its forward-leaning militant posture after the 1979 Islamic Revolution – focusing on Israel and Saudi Arabia as potential targets. As a result, the Israelis and the Saudis adjusted their positions, entertaining backdoor discussions and even engaging in limited cooperation over shared interests. Iran’s escalation through its extensive proxy network, stretching from the Zagros Mountains to the Mediterranean Sea, and its expanding nuclear program became a shared concern. And as Saudi Arabia seeks to diversify its economy away from

oil and promote regional infrastructural and commercial integration, Israel – a rising hub for energy connectivity projects and high technology – is a potential partner, capable of offering lucrative commercial, infrastructural and financial opportunities.

Iran's Path to the Mediterranean



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However, Saudi Arabia did not want to be the first Gulf country to take the dive with Israel. Though it behaves as the de facto leader of the region via the Gulf Cooperation Council, Riyadh has a habit of leading from behind. The first to take the plunge were instead the Arab signatories to the U.S.-

brokered 2020 Abraham Accords. In a series of pathbreaking agreements, the United Arab Emirates, Morocco, Bahrain and Sudan reached agreements with Israel concerning banking, infrastructure, the environment, tourism and security.

Arab Countries That Recognize Israel



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Enter Saudi Arabia. Although the details of a tentative Israeli-Saudi normalization deal are murky, the broad demands are clear. Having kept its distance from Israel for decades over the Palestinian issue, Saudi Arabia has demanded Israeli concessions regarding settlements as well as the ability to offer aid packages in the West Bank. Saudi Arabia also seeks Israeli and U.S. approval to build a civilian nuclear program, which Israel has long opposed but which could help counterbalance Iran’s uranium enrichment. Finally, Riyadh wants a defense and security pact with Washington that would enable it to purchase advanced U.S. weapons, such as the THAAD ballistic missile defense system, and would assure U.S. protection in the event of an attack on Saudi territory. This last element reflects Saudi Arabia’s continued distrust of Iran despite their ongoing normalization discussions and gives the U.S. and Israel an opportunity to drive a wedge into China-brokered talks.

For its part, Israel has had a strong imperative to normalize with Saudi Arabia for years. Rapprochement would present a chance to build a regional coalition that could coordinate against Iranian activity in the region. The Saudi-Iranian normalization deal announced in March gave Israel a renewed sense of urgency, even if it has yielded limited results.

Overwhelming Complexity

Despite the fresh momentum for normalization, several factors could limit just how far the two sides can go. One constraint is the Israeli-Palestinian issue. Any potential step by Israel – freezing the construction of Israeli settlements, pledging never to annex the occupied West Bank, or hinting at revived Israeli-Palestinian peace negotiations – would be a major political concession for Israeli Prime Minister Benjamin Netanyahu’s government. Having just enacted a controversial judicial reform that sparked nationwide protests, boycotts and even backlash from military reserve units, Netanyahu and his ministers are wary of doing anything that could aggravate their base or that domestic critics might interpret as weakness. If a deal means concessions on the Palestinian issue, the government may put its political survival over the country’s broader aim of achieving an anti-Iran coalition.

Another constraint – the elephant in the room – is the parallel Saudi-Iranian normalization discussions brokered by China. Riyadh will find it extremely difficult to balance simultaneous diplomatic tracks with two regional rivals. If one track drifts into a lane that Iran or Israel is uncomfortable with – for example, a military cooperation agreement – then it could derail both discussions. Saudi Arabia contends that the parallel dialogues reflect its diversifying foreign policy agenda, but the complexity could slow the pace of progress or even backfire.

This summer’s shuttle diplomacy among U.S., Saudi and Israeli officials would have been unthinkable not so long ago. Nevertheless, even if the Saudi-Israeli backdoor talks lead to direct negotiations, a complete breakthrough on normalization is unlikely. With Israel unable to make significant political concessions and Saudi Arabia juggling simultaneous talks with Iran, any agreement between them could lack the teeth to fully counter Iranian activity in the region.

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