Testing the Resilience of Egyptian-Israeli Peace

Dr. Abdel Monem Said Aly and Prof. Shai Feldman

In the immediate aftermath of the revolution in Egypt that began on January 25, 2011, a conventional wisdom developed to the effect that the so-called Arab Spring would further complicate Arab-Israeli interactions and might result in their complete deterioration. Yet Egypt’s role in the release of the Israeli soldier Gilad Shalit by Hamas in Gaza in exchange for the release of 1,027 Palestinian prisoners by Israel; Egypt’s release of the alleged Israeli spy Ilan Grapel in exchange for Israel’s release of some twenty-five Egyptians; and the Egyptian-Israeli understanding reached regarding the securing of northern Sinai all reflect the possibility of positive steps in the Arab-Israeli realm.

This Brief analyzes the effects of the Egyptian revolution on the country’s relations with Israel. After reviewing the nature of these relations up to the beginning of the dramatic developments that have engulfed Egypt since January 2011, the Brief will identify the constants that have affected these relations over the past three decades as well as the particular challenges that these dramatic developments pose for future Egyptian-Israeli interactions. The argument here is not that the revolution will not impact Egyptian-Israeli relations, but rather that those relations until now have manifested a high degree of continuity.

Creating a Resilient Relationship

The signing of the Israeli-Egyptian peace treaty in March 1979 created high expectations for warm relations between Israel and the largest, most populous,
and arguably most important of the Arab states. Israelis were euphoric, hoping that the agreement would bring a complete transformation in their relations with the Arab world—this despite the fact that the treaty entailed Israel's withdrawal from every square inch of Egyptian territory. Israel had refused to consider such a withdrawal until the 1973 war, prior to which Israel insisted that even in the framework of a peace treaty it would not withdraw from Arab lands except to “defensible borders.”

The Egyptian street in the immediate aftermath of the signing of the 1978 Camp David Accords was no less exultant. Israel's then defense minister Ezer Weizmann, seen as the true Israeli architect of the Accords, was greeted in Khan al-Khalili, Cairo's colorful market and tourist haven, with great warmth. Moreover, the two countries' 1979 peace treaty was followed by the signing of a large number of agreements stipulating a wide range of interactions in the realms of trade, cultural exchange, tourism, and agriculture in addition to the establishment of diplomatic missions and consular offices.

The relations between the two countries soon cooled significantly, however, thereby eliminating most of the people-to-people interactions envisaged in the agreements. That cooling seems to have resulted from a number of realities: some Egyptian, others Israeli. To begin with, from the outset there was significant opposition by many members of the Egyptian elite to warming the relations with Israel beyond the minimum level required by President Anwar Sadat’s commitment to the strategic choice of “no more war.” Many among Egypt’s more conservative pan-Arab, Nasserite-leaning intellectual circles were ideologically opposed to reconciliation with Israel. They were particularly uncomfortable with the Arab world’s wall-to-wall condemnation of President Sadat’s peace overture.

Indeed, the discomfort in these circles regarding Egypt's stepping “ahead of the curve” seems to have continued notwithstanding that a number of key Arab states came around to implicitly accepting the logic of Sadat’s approach, even if they did not endorse its unilateral nature. Thus, as early as 1982, the League of Arab States, which had reacted to Sadat’s dramatic move by expelling Egypt from its ranks and relocating its headquarters away from Cairo, now adopted the Fez Plan (a follow-up to the earlier Fahd Plan), the essence of which was that under certain conditions the Arab world would be prepared to accommodate Israel.

From the outset, Egypt also seemed to be sending conflicting messages as to whether it viewed the treaty with Israel as a so-called “separate peace” or whether, instead, it was truly committed to the “comprehensive peace” that Sadat had highlighted in his speech to the Knesset in November 1977. On the one hand, Egyptian leaders and officials repeatedly emphasized that they regarded the 1978 Camp David Accords as a comprehensive agreement—implying that Egypt was as committed to the Palestinian part of the accords as it was to the stipulations they contained regarding future Israeli-Egyptian relations. On many other occasions, however, these same leaders expressed to their Israeli counterparts deep reservations about the Palestinians' conduct of their affairs, with PLO chairman Arafat in particular being a frequent target of their verbal abuse. What Israelis perceived as a gap between Egyptian public rhetoric and private language with regard to the Palestinians confused them as to the possible consequences of their own problematic relations with the Palestinians for their peaceful relations with Egypt.

At the same time, Israel from the outset undermined its relations with Egypt by its senseless and failed effort to avoid withdrawing from a small area close to the
city of Eilat known as Taba. As has been recently disclosed, this even included the sending of a small Israeli military unit in the middle of the night to move border stones in an attempt to deceptively buttress Israel's arguments about the precise location of its international border with Egypt. Having withdrawn from more than 99 percent of the Sinai, Israel now engaged Cairo in a three-year legal battle, the costs of which far exceeded the value of the tiny tract of land involved: mostly a single resort hotel.

Israel also took a number of steps that weakened Egypt's regional position in the face of broad Arab criticism that by signing the 1979 peace treaty Egypt had become an accomplice to Israel's perceived expansionist aims. Some of these involved tactical choices, as when Israel attacked Iraq's Osirak nuclear reactor in June 1981 only days after a summit meeting held by Prime Minister Menachem Begin and President Sadat in Sharm al-Sheikh. Israel's invasion of Lebanon a year later was even more consequential. Now Egypt was exposed to the argument that had the peace treaty not secured Israel's southern flank, Israel would not have felt free to invade its northern Arab neighbor. Arabs who criticized Egypt in 1979 for its signing of the treaty, arguing that it would allow Israel to pursue its aggressive designs on the region, could now say, "We told you so."

Aside from the behavior of both parties, it was inevitable that, as two of the region's most powerful countries, Egypt and Israel would see one another as posing significant threats to their national security. From Israel's standpoint, there were concerns about the modernization of Egypt's armed forces, as the latter relied increasingly on advanced Western weapons technologies. Conversely, Egypt remained worried about Israel's perceived nuclear monopoly. It argued that it could not exclude the possibility that what Israel was said to have developed solely for deterrent purposes might be put in the future to offensive use. It also rejected the one-sided approach of the Western world, which was seen as accepting Israel's nuclear monopoly while assuming that Arab possession of the same weapons would lead to a catastrophe of global proportions.

Despite the cooling of relations, however, these relations have survived the bombing of Osirak, Israel's invasion of and subsequent eighteen-year presence in south Lebanon, and two Palestinian Intifadas. Over the past thirty-two years, Egypt and Israel have proven their commitment to the strategic choice they made in 1978.

Post-Revolution Realities

In the immediate aftermath of the revolution in Egypt, a number of speculations morphed into a new conventional wisdom about the manner in which relations with Israeli were likely to be affected by the revolution as well as by the broader changes in the Arab world. The first of these concerned the identity and number of Egyptians involved in interactions with Israel. For years Israel had been accustomed to dealing with only a very small number of Egyptian leaders: Presidents Sadat and Mubarak along with the foreign minister, the minister of defense and the head of the directorate of general intelligence. These individuals had held ultimate decision-making authority with respect to all matters involving Egyptian-Israeli relations, with the president acting as the sole decision maker in all truly consequential instances. And the very limited turnover in these positions over the past three decades had provided a measure of continuity and stability to these relations.

Yet, if present projections regarding imminent political developments in Egypt materialize, Israel will soon need to deal with a far larger number of Egyptian political actors. These will probably include members of newly empowered legislative bodies and leaders of new political parties, as well as other individuals who will emerge as having influence on Egypt's foreign policy. And it is likely that, owing to current tensions in Egyptian-Israeli relations, Israel will find it difficult to communicate effectively with some of these new players.

Furthermore, whatever the outcome of Egypt's current debate about its future governance, no Egyptian leader is likely to possess the near-absolute power that Presidents Sadat and Mubarak enjoyed, particularly in the realms of foreign policy and national security. In the new Egypt, other political forces—opposition parties, the media, and civil society groups—are likely to play a role. And given the positions that some of these new players have held in the past regarding Arab-Israeli issues, it will not be easy for Israel to engage them.

Finally, public opinion can be expected to play a far greater role in affecting the day-to-day conduct of foreign policy. This role will be institutionalized in the coming legislative and presidential elections, as foreign policy issues—despite being absent in the slogans that were associated with the revolution—come to play a role in the campaigns of various candidates.

The Constants in Egyptian-Israeli Relations

These expected changes notwithstanding, certain constants will provide continuity with respect to Egyptian-Israeli interactions. The most important of these is a geostrategic reality: The two countries are neighbors, and as such have common interests that relate

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to the neighborhood they share. In particular, Egypt and Israel are both affected by the Israeli-Palestinian conflict, particularly as regards Gaza. In geostrategic terms, Gaza potentially affects the northern Sinai as well as the entire length of the Egyptian-Israeli border. Yet Gaza is ruled by Hamas—a movement that emerged from Egypt's Muslim Brotherhood, which has gained considerable ground as a result of the revolution. But Hamas is a wild card: It is part of the Palestinian power structure and can be flexible, act as a spoiler—or, as it often does, attempt to do both.

In truth, Egypt and Israel have been involved with one another in the framework of the Arab-Israeli conflict for over six decades. They have fought one another and have also made peace, and these very different experiences yielded lessons they cannot ignore. Most importantly, they learned that peace is rewarding even when its full potential is not realized. This is the case in the strategic and political realms, but it is especially so in the economic realm. Thus, the establishment of the Qualified Industrial Zones (QIZs) provided a significant boost to Egypt's exports and gave Israel a foothold in a number of Egyptian industries, particularly textiles. As David Makovsky and Mark Donig recently pointed out:

Immediately after the Egyptian-Israeli zones were enacted, exports from Egypt to the United States boomed, jumping from $1.2 billion to $2.1 billion in a single year. Today, products created in Egypt's QIZs in partnership with Israel account for fully one-third of all Egyptian exports, earning Egypt nearly $2.5 billion in annual revenue.

The QIZs also help alleviate Egypt's chronic and debilitating unemployment problem. The at least 10 QIZ regions in Egypt currently support jobs for between 130,000 to 150,000 Egyptians in the textile and apparel sectors—including a vast number of young people who might otherwise be unemployed.1

Similarly, Egypt is the “second source of natural gas for the Israeli economy,” fulfilling 37% of Israel's demands in 2009.4 The sale of natural gas to Israel also provides Egypt with a valuable source of hard currency.

Finally, despite the “cold peace” character of Egyptian-Israeli relations, the aforementioned common political, security, and economic interests have resulted in Egyptians involved in these interactions acquiring a high degree of familiarity with Israel. This has been particularly true for the business community and the employees of firms participating in the QIZs. The number of these firms had expanded from 471 at the end of 2005 to 507 by May 20115, and the geographic reach of the QIZs has expanded to now include the entire Greater Cairo region, the governorates of Ismailia and Suez in the Suez Canal region, and the governorates of Monofeya, Gharbeya, Dakahleya, and Damietta in the Delta.6

The Crisis That Almost Was

Israel's initial reaction to the revolution in Egypt reflected bewilderment and anxiety. Though Hosni Mubarak had previously been held responsible for the “cold” temperature of Egyptian-Israeli relations, Egypt's fallen president was now referred to as a lost strategic asset. In addition, while foreign policy issues were not a central focus of the Egyptian revolutionaries, alarm was now expressed regarding the fact that “ignoring basic Arab and Palestinian interests” and “following the lead of the U.S. and Israel” were now among the allegations made against the Mubarak regime.

These initial anxieties were soon reinforced by a number of issues that now confronted Egyptian-Israeli relations. The first was the arrest of Ilan Grapel, a dual American-Israeli citizen, while he was participating in demonstrations in Tahrir Square. Grapel was accused of spying for Israel and of urging demonstrators to attack military personnel present in the Square, and photos of him allegedly inciting and agitating at Al-Azhar Mosque were distributed to the Cairo press. Israel denied these allegations, and the U.S. and Israeli embassies interfered on his behalf.7

Second, the revolution seems to have been accompanied by a growing security vacuum in the northern Sinai and especially along the Egyptian-Israeli border. Egypt was accused of losing control over the Sinai Peninsula—an allegation supported by the sudden appearance of Al Qaeda cells that called for the establishment of an Islamic emirate in the Sinai. In the first seven months after the revolution, these cells launched seven attacks against the gas pipeline and distribution station supplying natural gas to Israel, Jordan, and Syria—attacks which succeeded in interrupting these supplies for weeks at a time. On July 30, 2011, these cells also launched a lethal attack on an Al-Arish police station, killing eleven Egyptian officers and soldiers.

Third, taking advantage of the security vacuum in the northern Sinai, on August 18, 2011, a terrorist group from Gaza used the tunnels underneath the Egyptian-Gaza border to travel to an area north of Taba and the Israeli port of Eilat, where they staged a terrorist attack against Israeli civilians. Eight Israelis were killed and some thirty were wounded in the attack. Five Egyptian military
personnel—an officer and four soldiers—were then killed by Israeli fire in the process of pursuing the terrorists. The incident led to an outcry in Egypt, with different political forces as well as demonstrators in Tahrir Square demanding that diplomatic relations with Israel be cut off. Softer voices limited their demand to an Israeli apology.

Fourth, despite Egypt’s basic economic interest in exporting gas to Israel, the general perception among revolutionary activists was that the Egyptian-Israeli gas deal was marred by corruption. President Mubarak and members of his family were accused of exploiting the deal for personal gain.

On August 21, 2011, in the context of the protests following the clash in the Sinai, one of the demonstrators who had gathered outside of the Israeli Embassy managed to climb the multi-story building and bring down the Israeli flag to be burned. Ahmed Ashahat, who brought down the flag, was considered a hero—notwithstanding that another individual claimed that he was the one who climbed to the top of the building—and was received as such by Egypt’s prime minister and awarded an apartment by the governor of Sharkia. Although Egyptian police and army units protected the Embassy, these official acts sent a confusing message to Israelis with regard to Egypt’s commitment to its treaty with Israel.

A much more serious incident took place on September 9–10, 2011. First, protesters broke down a wall erected earlier around the Israeli embassy building by Egyptian security forces. Then a number of protesters broke into the Embassy itself and looted an archive room, forcing the few Embassy personnel who were at work into a small area which the perpetrators could not penetrate. After hours of siege and following the personal appeal of President Barak Obama and Secretary of Defense Leon Panetta, an elite Egyptian commando unit was deployed to rescue the besieged Israeli embassy personnel, following which all Israeli diplomats serving in Cairo, with the exception of the deputy ambassador, were evacuated to Israel.

The clashes between the Egyptian security forces and the demonstrators in this incident resulted in three demonstrators killed, over one thousand wounded, and some two hundred arrested. A large number of political parties, including the Muslim Brotherhood, denounced the attacks as violating the traditions of diplomatic immunity and the protection of diplomatic missions by a host country. The discourse that followed regarding Egyptian-Israeli relations and the peace treaty soon cooled passions.

Although these events spread anger among the Israeli media and the Israeli public, the Israeli government’s response was generally measured and controlled. It displayed patience regarding the disruptions in natural gas supplies and was prepared to explain the developments that led to the killing of the Egyptian military personnel; it also initiated a joint Egyptian-Israeli investigation of the incident. Of equal importance was President Shimon Peres’ offer of condolences on August 21, 2011 and Defense Minister Ehud Barak’s contribution of a formal apology on October 11, 2011. The Israeli government meanwhile left it to the Egyptian authorities to deal with the perpetrators of the Embassy incident and have been negotiating the return of their Embassy staff to Egypt. Finally, Israel consented to Egypt’s increasing its forces deployed in the area close to its border with Israel (designated as “Area C” in the security protocol of the two countries’ peace treaty) so as to restore security in the region.

Lessons in Crisis Abatement

The circumstances described above could have led to an acute crisis in Egyptian-Israeli relations. The resilience of the peace treaty was now facing a serious test, with public passions running high. Indeed, the test was at least as severe as that presented in 1981 by the assassination of President Anwar Sadat. At that time, Israelis questioned the willingness and ability of Sadat’s successor, Hosni Mubarak, to maintain Egypt’s commitment to peace. Egypt stood the test then and it has so far stood the test again now.

In fact, despite the various pressures associated with the transitional period in Cairo, Egyptian-Israeli relations have actually, in some respects, improved. Having earlier relaunched the process of reconciliation between Hamas and the PA (on April 27, 2011), senior Egyptian officials helped Israel and Hamas close a deal for the release of Israeli soldier Gilad Shalit in exchange for Israel’s release of 1,027 Palestinian prisoners. A separate Egyptian-Israeli deal, implemented on October 27, 2011, provided for the release of Ilan Grapel in exchange for some 25 Egyptians in Israeli detention.

The abatement of the crisis constituted a victory of sorts for the geopolitical realities surrounding the two countries’ relations over the transitory realities imposed by the revolution. This was the case even at the personal level. The crisis was managed on the Egyptian side by the Directorate of General Intelligence, now headed by General Murad Muwafi, a professional officer known to his Israeli counterparts in his previous capacities as head of military intelligence and governor of the Northern Sinai Governorate, and as a person with thorough familiarity and understanding regarding the developmental and security
Other individuals who were now involved in the process—whether members of the Supreme Council of the Armed Forces (SCAF) or of the Egyptian Ministry of Foreign Affairs—were also largely similar to those with whom Israelis had interacted regarding such matters during the three decades of the Mubarak regime.

On the Israeli side, in addition to staying calm and keeping communications with the Egyptian side open, the Netanyahu government refrained from inflammatory comments. Ordering his ministers to avoid any public statements, the Israeli prime minister displayed understanding for the sensitivity of the situation in Cairo and the complexity of the transition process. He kept the management of the potential crisis under the tight control of his office, limiting and closely coordinating the involvement of senior IDF officers and of intelligence and Ministry of Defense officials. Equally important, in contrast to the crisis in Israel’s relations with Turkey following the Mavi Marmara affair, when Israel refused to issue an official apology, in the aftermath of the killing of Egyptian soldiers in the Sinai, Israel did not hesitate to issue such an apology.

Another important factor that enabled the abatement of the crisis was Egyptian public opinion, which rejected the idea of renewing the conflict by abrogating the peace treaty with Israel. This signaled to SCAF that it had the maneuvering room necessary to defuse the crisis.

When Egyptians were asked, in a poll conducted by the Al-Ahram Center for Political and Strategic Studies in Cairo and published in September 2011, about the preferable course of action following the killing of Egyptian military personnel in the Sinai, only 7 percent favored terminating the peace treaty with Israel. Twelve percent called for expelling the Israeli ambassador and 11 percent for recalling the Egyptian ambassador to Israel; 70 percent called for an investigation and demanded an apology from Israel. When asked about solving the Palestinian question, only 4 percent demanded preparing for war, whereas 41 percent favored the Egyptian government’s using diplomatic, political, and economic means and 55 percent called for negotiations to solve the problem. In response to questions about their attitude toward the peace treaty with Israel, 23 percent said that the treaty was necessary for Egypt and 62 percent said it was necessary for Egypt but in need of amendment, while 11 percent called for its gradual abrogation, and only 4 percent demanded that the treaty be terminated immediately.

The poll concluded that “Egyptians favor a measured response to the crisis with Israel using diplomatic channels. The population wants to keep the peace treaty with Israel, but favors a renegotiation. Following the killing of Egyptian soldiers on the Israeli-Egyptian border, the stance is that the response should be an apology from Israel. The people moreover want to put pressure on Israel in relation to the question of Palestine.”

### Dealing with Future Challenges

The issues that have confronted Egyptian-Israeli relations in the immediate post-revolution environment could have resulted in much worse outcomes than has been the case. These more negative outcomes were averted by a combination of the “constants” affecting the two countries’ relations and the wisdom with which the two countries’ top leaders dealt with these issues. Yet, neither of the two parties can afford to be complacent. In the future, the resilience of Egyptian-Israeli relations will likely face new and possibly tougher challenges, which will require Egyptian and Israeli leaders to exercise even more finesse in nurturing their relations.

One such crisis could result from another major escalation of violence between Israel and Hamas in Gaza. In post-revolution Egypt, as we noted earlier, public opinion is expected to have a much greater role in affecting foreign policy. Hence, Israeli leaders need to take into account that destruction of the magnitude executed by the IDF in Gaza in the framework of the December 2008–January 2009 “Operation Cast Lead”—and producing television pictures similar to those broadcast then—will likely inflame Egyptian opinion and trigger a major public outcry. Israel can no longer expect to be able to implement such measures without causing great harm to Egyptian-Israeli ties.

At the same time, Egypt needs to acknowledge that its possible role in fostering internal Palestinian reconciliation may prove more problematic than its previous brokering of the Gilad Shalit prisoner exchange deal. This will remain the case unless Hamas is prepared to accompany such reconciliation with a basic change in its stance toward Israel.

In all such cases, both sides will need to keep their cool and avoid “jumping the gun.” Egypt’s more diffuse leadership will need to resist the efforts of Hamas and Hezbollah to embroil it in a new conflict with Israel. Israeli leaders will need to avoid reacting prematurely in the event that Islamic parties, notably the Muslim Brotherhood, do well in the coming Egyptian parliamentary elections. The Brotherhood is a grassroots popular movement, and it is fully aware that most Egyptians are opposed to abrogating their country’s peace treaty with Israel.
Whatever happens, in order to avoid much worse outcomes, Egypt and Israel will need to keep channels of communication open, in order to share information and assessments regarding regional developments and to consult with one another regarding those developments. In the immediate future, this pertains particularly to the relations between the Israeli defense community and SCAF, since at least in the months ahead the latter will most likely continue to hold primary responsibility for security in Egypt. Within this context, both sides will need to be flexible regarding the implementation of the security protocol of the Egyptian-Israeli peace treaty. Western support for Egyptian plans for the development and reconstruction of the Sinai will also be important, because economic prosperity in the Sinai will provide the best shield against terror. Finally, the expansion of the QIZs and the creation of an Egypt–U.S. free trade area may moderate revolutionary tendencies and channel them in the direction of development and peace.

### Endnotes

1. The Camp David Accords, signed on September 17, 1978, stipulated that elections should be held for a self-governing Palestinian authority in the West Bank and Gaza to replace the Israeli military government, at which point a 5-year transitional period would begin, during which Israel would negotiate a final status agreement with the Palestinian authority, Jordan, and Egypt based on UNSCR 242. See “Camp David Accords: September 17, 1978,” [Israeli Ministry of Foreign Affairs website](http://www.ambassy.org/) (accessed November 7, 2011).

2. Arafat at the time put himself at the heart of the ‘rejection front’ which opposed not only the Egyptian peace with Israel but also attacked frequently President Sadat accusing him of treason.


6. The international economic and financial crisis has negatively impacted the further growth of the QIZs. Its potential for further expansion, however, is possible once the current situation in Egypt and the world change.


15. This survey was conducted with a national sample of 2400 people over the age of 18, with a margin of error +/- 4%.

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