Israeli-Egyptian Peace: Forty Years After the 1973 War and Holding

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Brief Analysis

After surviving four decades of challenges, the peace treaty is gaining new life as Israel quietly forges closer relations with the post-Morsi authorities in Cairo.

As the anniversary of the 1973 Yom Kippur War approaches, recently declassified U.S. documents and archival material released in Israel confirm that the Arab military offensive was intended to serve as a prelude to intensive diplomacy that would transform the political landscape of the Middle East. Known to many Arabs as the October or Ramadan War, the watershed confrontation was conceived by Egyptian leader Anwar Sadat as a necessary breakthrough in the region's longstanding diplomatic deadlock. Indeed, after costing some 15,000 lives, the war inaugurated a procession of agreements between Egypt and Israel leading up to the March 1979 peace treaty. It also proved to be the last war waged by any Arab state against Israel, despite the fact that other players -- particularly Syria, Egypt's main partner in the conflict -- did not share Sadat's postwar peace strategy. As the late president was fond of saying, there could be "no war without Egypt, and no peace without Egypt."

How has this state of relative peace endured for four decades despite numerous regional challenges and Egypt's refusal to fully normalize relations with Israel? As more revelations emerge, it is important to assess the treaty's track record thus far, as well as its future prospects in the chaotic strategic environment that has unfolded following the ouster of two Egyptian presidents.

THE COLD PEACE

Over the past forty years, Egypt has sought to manage its relations with Israel using a restrictive format often referred to as "cold peace." Thus, during the reigns of Sadat and Hosni Mubarak, Egypt's huge public sector initiated a comprehensive boycott, preventing Israeli firms from winning tenders while various syndicates and antinormalization committees imposed strict limits on the development of bilateral ties.

Indeed, Egypt has always stuck to its traditional anti-Zionist stance while maintaining the peace. Efforts to widen

various forms of nonmilitary cooperation have invariably met with failure, including the clearly unrealistic idea of bringing Nile water to Israel via canal, the plan to connect the two countries' electrical grids, and the 2005 deal for exporting Egyptian natural gas to Israel. The latter initiative was scrapped in 2011 after years of often-interrupted supply -- the pipeline was sabotaged fourteen times by Sinai Bedouins, and Egypt lacked sufficient gas reserves to maintain a steady flow. The one field that seemed to gather momentum early on -- Israeli assistance with modernizing Egyptian agriculture, sponsored by visionary politician Yousef Wali -- was gradually abandoned in the face of strong anti-Israeli sentiment. Similarly, Israeli tourism to Egypt dramatically declined after the first few years of peace, and terrorism-related travel warnings have since slowed it to a trickle of mainly Arab Israelis vacationing at Red Sea resorts.

On the economic front, Israel's annual volume of trade to Egypt has never exceeded $150 million of exports, mainly chemicals. The two economies are simply not complementary. The lone success is the Qualifying Industrial Zones (QIZ) initiative, which provides Egyptian plants in seven designated locations with duty-free export privileges to the United States as long as their products contain at least 10 percent Israeli-made components. Several large Israeli textile factories have moved their lines of production to these zones, and their annual income now exceeds $1.5 billion.

On the people-to-people front, Cairo has implemented only limited portions of the eleven normalization agreements signed in quick succession after the peace treaty, and not as envisaged at the time. For example, cooperation between national radio and television networks came to an end after only one joint program was produced to celebrate the Israeli withdrawal from the Sinai in April 1982. Today, Israeli journalists cannot obtain visas to Egypt, and Egyptian reporters do not come to Israel because of a ban by their union. The Israeli airline El Al has stopped flying to Cairo due to business and security concerns. The Israeli Academic Center in Cairo is still open but mainly serves local students studying Hebrew. And the Egyptian government discourages citizens from seeking the required permit to visit Israel -- most of the 15,000 Egyptians now residing in Israel are job-seekers who took advantage of the arrangement allowing them to enter southern Israel at the Taba border crossing without a visa, in the same way that Israelis can visit the hotel strip along the Red Sea coast without obtaining a visa in advance.

ENDURING STRATEGIC BENEFITS

Although the treaty has failed to produce closer socioeconomic ties between the two nations, it has survived several potent challenges, including two Lebanon wars, two rounds of fighting between Israel and Hamas in the Gaza Strip, two Palestinian intifadas, and an endless series of bilateral disagreements, most notably during the Muslim Brotherhood's recent reign in Cairo. The document's impressive resilience no doubt contributed greatly to Israel's 1994 peace treaty with Jordan and its past negotiations with the Palestinians (particularly the first Oslo Accord of 1993, which was assisted behind the scenes by top Egyptian diplomat Taher al-Shash). Cairo has also quietly facilitated informal Israeli ties with Oman, Saudi Arabia, and certain other Persian Gulf states.

Yet the treaty's most salient benefit is the mostly unpublicized military and intelligence cooperation between the two countries, which reached unprecedented levels this year. Today, Israeli and Egyptian officers hold almost daily meetings and have established an efficient system of communications. This cooperation stems from a mutual interest in curbing the terrorist factions that have emerged in Sinai over the past decade, threatening both the Israeli border and Egyptian control over the peninsula. And now that Muhammad Morsi and the Muslim Brotherhood have been ousted, both governments view the Hamas administration in Gaza as an adversary to be contained.

In light of these threats, Egypt has requested and received Israeli consent to temporarily deploy its forces into portions of the eastern Sinai normally prohibited by the treaty's military annex. This change was achieved through the Agreed Activities Mechanism coordinated by the Multinational Force of Observers (MFO), which allows for ad hoc temporary troop movements in restricted areas. Egypt now has the equivalent of two mechanized brigades in Zones

B and C of the peninsula, including tanks and Apache helicopters. In addition to uprooting terrorist safe havens in the Sinai, these forces have sought to block infiltration and smuggling from Gaza by shutting down some 800 tunnels running under the border, establishing a half-kilometer-wide barren strip along the fourteen-kilometer frontier.

This close security cooperation has also spurred Cairo to delegate responsibility for maintaining relations with Israel to the General Intelligence Directorate (GID) and, to a lesser extent, the military. The Foreign Ministry is much less involved. For example, the go-to official at the Egyptian embassy in Tel Aviv is the GID representative, who is usually granted the modest title of consul. Meanwhile, the Israeli embassy in Cairo lost its premises after a 2011 attack by angry demonstrators, and no new offices have been leased. The Israeli ambassador now operates out of a hotel room, spending only a few days a week in his post and meeting with very few Egyptian officials.

THE FUTURE OF ISRAELI-EGYPTIAN PEACE

In the wake of Morsi's removal, Egypt and Israel share a fairly similar interpretation of their strategic environment, regardless of their differences over the Palestinian issue. Both governments are uneasy with the direction of U.S. policy in the region; both are interested in cementing closer Israeli cooperation with Sunni Arab states in order to counterbalance Iran; both perceive the Muslim Brotherhood as a major threat and view Hamas as the Palestinian extension of this movement; and both are concerned about the potential ascendency of extreme Islamists in Syria, despite their mutual delight at the prospect of Bashar al-Assad's ouster. Thus, even as Cairo carefully restricts the scope of its contacts with Israel, it has a growing interest in enhancing cooperation on Sinai, Gaza, and wider regional issues.

If the Obama administration and the U.S. Congress encourage this trend, they could help buttress perhaps the only solid cornerstone of stability in a highly volatile area. Whoever is elected president in Egypt next year -- perhaps commander-in-chief Gen. Abdul Fattah al-Sisi himself -- may be willing to go beyond the cold peace formulated by the 1973 war heroes Sadat and Mubarak, especially in view of the strong anti-Hamas sentiment that is now widespread in Egypt. Maintaining current levels of U.S. aid could facilitate such a shift, helping the new president sidestep public calls to pursue a neo-Nasserite approach that would result in anti-American and anti-Israeli policies.

Finally, the unprecedented deployment of Egyptian troops in central and eastern Sinai has shown that the two countries do not need to resort to the highly risky exercise of revising the peace treaty or the military annex. As Egyptian presidential candidate Amr Mousa has noted on several occasions, removing one "brick" in those agreements would cause the whole wall to collapse. Instead, the two governments have been able to work out a new semipermanent arrangement in the peninsula that enhances security efforts while allowing Egyptian officials to reassure their people that past "restrictions on sovereignty" in the Sinai are no longer in place. As a result, the peace treaty brought about by the 1973 war has a good chance of surviving the upheaval still playing out on the Nile.

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