

WHARTON STUDENTS ENGAGE THE ABRAHAM ACCORDS: IS REGIONAL PEACE POSSIBLE THROUGH ECONOMIC PARTNERSHIPS?

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On August 13, 2020, the United States announced that it would broker a normalization agreement between two Middle Eastern countries that never had diplomatic ties and were considered historic adversaries—Israel and the United Arab Emirates.¹ One month later, Bahrain, a gulf country bordering the UAE, announced similar aspirations, and by the end of the year, Morocco was interested too. The Abraham Accords, named after the three Abrahamic faiths (Christianity, Judaism, and Islam), became a set of diplomatic agreements between Israel and Arab countries in the Middle East in hopes of rejuvenating political, economic, and cultural relations. For decades, Israel was considered a pain point in the Middle East for achieving regional peace and stability from the perspective of many Arab countries. As a result of rising regional tensions with Iran, a decrease in global demand for Middle East oil, and an interest in modernizing and diversifying economies for the future, however, more and more Arab countries have turned to Israel to foster a relationship. The reasons for this are vast—Israel offers a strategic benefit to these countries with strong capabilities in technology, innovation, defense, agribusiness, and investment opportunities; even beyond the financial incentive, Israel's powerful military can extend support to countries like the UAE and Bahrain, both Sunni-majority nations who are fearful of an increasingly more aggressive and hegemonic-aspiring Iran.

This past winter break, I had the opportunity to participate in a trip to Dubai and Israel to explore these complicated dynamics firsthand. Penn Hillel, a Jewish student organization on Penn's campus, took Wharton undergraduates to meet with leaders across the political, business, and nonprofit landscape working to implement the vision and possibilities afforded by the Abraham Accords.

Our trip began in Dubai where we were guided by Dana Al-Marashi, the Head of Cultural Diplomacy who is based out of the UAE Embassy in Washington. For four days, our group attended meetings with various Emirati leaders from across both public and private sectors. Some of these leaders included Dr. Thani bin Ahmed Al-Zeyoudi, the Minister of State for Foreign Trade, Dr. Ali Al-Nuaimi, leader of Hedayah, a non-profit committed to tolerance, coexistence, and global peace, government officials from the Abu Dhabi Department of Economic Development, and the Israeli Ambassador to the UAE, Amir Hayek.

The UAE, a country of 10 million people that gained independence from British rule in 1972, has recently moved to diversify its economy away from oil to other industries such as tourism, infrastructure, real estate, and professional services.² The country boasts a 3.4% unemployment rate and an annual GDP of \$519 billion, ranked fifth only to Iran, Saudi Arabia, Turkey, and Israel in the Middle East; in 1990, their GDP was roughly \$50 billion.^{3,4} Economic

“Free Trade Zones” in the country create ideal conditions for foreign investors who are granted 100% ownership of their investments and are permitted to pay zero taxes on these investments or their profits.^{5, 6} Additionally, a 0% personal income tax further promotes a culture of prosperity and wealth in order to attract businesses looking for ripe opportunities.⁷ Emirates are the minority, where the majority of its inhabitants—a staggering 90%—are made up of expatriates from Pakistan, India, Bangladesh, and Egypt.⁸

Our group also had the opportunity to meet with students and young professionals from Zayed University in Abu Dhabi and tour cultural sites like the Louvre Abu Dhabi, the Museum of the Future, and the Etihad Museum. It was clear from our many interactions with Emirates that they were proud of their country's robust economic development and newfound place on the world stage. Dubai is an eight-hour flight away from 80% of the world's population, making it an ideal location for business and a regional hub for trade, much like Singapore. The culture of prosperity, innovation, and growth contributes to a willingness to create new ties, take risks, and look for future partnership. With total trade between Israel and the UAE reaching over \$2 billion in 2022 and plans to reach over \$10 billion within five years, this economic partnership has already become one of the largest in the region.⁹ While 500,000 Israeli tourists have visited the UAE since the signing of the Accords, however,

only 1,600 Emirati citizens have visited the Jewish state.¹⁰

When we arrived in Israel, we similarly met with Israeli political and business leaders at the intersection of the Abraham Accords. Some of these people included Asher Fredman, the Director of the Israel-Abraham Accords Peace Institute, Gilad Carni, the founder and CEO of the UAE-Israel Joint Innovation Office, Fleur Hassan Nachum, deputy mayor of Jerusalem and founder of the UAE Israel Business Council, and Aryeh Lightstone, former Senior Advisor to the U.S. Ambassador to Israel who was instrumental in creating the Accords. It became clear throughout our meetings with these various officials that the prospect of Israel joining the rest of the Arab world as a business partner would not only reap economic benefits but could pave the path for future cultural and political peace.

Many of the representatives were pleased with

the progress of the Abraham Accords, particularly the increase in trade between the UAE and Israel and the growing tourist rates of Israelis to the UAE, but questions remained about future partnerships with countries like Saudi Arabia and what the Accords would mean for Palestinians. Recently, the Negev Forum was established, consisting of countries like the U.S., Israel, and all Arab countries with diplomatic ties to Israel besides Jordan; in addition to the economic, diplomatic, and regional benefits of the Abraham Accords, a main goal of the initiative was “to create momentum in Israeli-Palestinian relations. . . . a negotiated resolution of the Israeli-Palestinian conflict, and . . . achieve a just, lasting and comprehensive peace.” Whether Palestinian leadership will foster conditions to allow for these benefits of economic activity to materialize remains an important question. The move to create the Negev Forum shows a willingness and interest to share some of the benefits felt

by new interregional relations with Palestinians, however.

Throughout the trip, the Abraham Accords were compared to the treaties signed between Israel and its closer neighbors, Jordan and Egypt, in 1994 and 1979 respectively. Many on the Israeli and Emirati sides emphasized that while those treaties were “government to government,” the Abraham Accords are intended to go beyond political and economic pursuits in order to bridge ties from “people to people.” With the UAE and Israel on opposite sides of the Arabian Peninsula, it seems that the greatest potential for cultural and social bridging could come through travel to each other’s countries. The stigma of Arabs traveling to Israel remains a challenge, but with diplomatic avenues open for travel, time will tell how these relationships can grow. Additionally, because countries like the UAE, Bahrain, and Morocco are far

removed from the heat of the Israeli-Palestinian conflict, these subtle diplomatic changes are potentially more palatable for their citizens. Whether these sentiments can be bolstered in Egypt, Jordan, or even the Palestinian territories is a core consideration.

Some argue that the Abraham Accords distract from the real problem of solving the Israeli-Palestinian conflict; others say that it is the first step in making this reality more feasible. Regardless, this monumental event concretized a sentiment that has been brewing for years to create an inclusive, dynamic, and efficient region built on political alliance and economic opportunity. The Accords will hopefully bring a new era of peace to the region. Ultimately, a spirit of openness, curiosity, and risk-taking could create the conditions for solving problems that were once considered hopeless but are perhaps soluble.

