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THE CAUSALITY BETWEEN THE COURSE OF THE ISRAELI-PALESTINIAN PEACE PROCESS AND IRAN'S RESURGENCE IN THE INCREASINGLY ANTAGONISTIC MIDDLE EAST

Bachelor Thesis in International Relations

Supervisor: Vlad Vernygora

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I declare I have written the bachelor's thesis independently.

All works and major viewpoints of the other authors, data from other sources of literature and elsewhere used for writing this paper have been referenced.

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ABSTRACT

Iran gaining ascendancy in the Middle East and the course of the Israeli-Palestinian Peace Process have represented pressing issues to the study of International Relations (IR). Yet, research focusing on the causal nexus between these two decisive topics turns out to be scarce, although the essence of academic findings contributes to a better understanding of Middle Eastern dynamics that significantly, albeit covertly, influence the settlement of the Palestinian question. Accordingly, this work's intention is to test the validity of a specific conceptualized theory and hypothesized causal mechanism that are assumed to reflect the generative causality between the course of the Israeli-Palestinian Peace Process and Iran's resurgence in the increasingly antagonistic Middle East. The analysis is conducted on the macro level by applying process tracing as the research method and choosing offensive neorealism as a structural IR narrative and the established theoretical framework. In particular, this research's findings underline that the strong perception of a drastically increased threat created by a potential Iranian regional hegemony forces Iran's opponents to alter their behavior and prioritize this security issue, which reduces the urgency to adequately deal with the peace process. Additionally, Iran's foes' attempt to reestablish the balance of power in the system results in several actions that have an aggravating or inhibiting effect on the peace process. For instance, security enhancing strategies *vis-à-vis* Iran entail an intensified self-centered intrusion into Palestinian affairs, which has a negative impact on reviving peace talks. Essentially, this work offers an alternative stringent offensive neorealist explanation for the linkage between cause and effect and does furthermore allow the establishment of certain logical predictions regarding the future course of the peace process.

Key words: Israeli-Palestinian Peace Process, Iran, regional hegemony, Middle Eastern security environment, process tracing, offensive neorealism, generative causality

INTRODUCTION

Concerning the background of this study, the failure of the 2000 Camp David Summit marks the beginning of a less vivid and almost deadlocked phase of the Israeli-Palestinian Peace Process. Interestingly, at approximately the same time, the Middle Eastern security environment entered into a period of internal transformations, with the U.S. invasion of Iraq in 2003 paving the way for the emergence of the post-2003 unbalanced multipolar sub-system in the region, which is still operating today. Concomitantly, interstate relations have been significantly affected by the crumbling balance of power in the Middle East. One of the core ramifications represents Iran's continuous gain of influence and presence in the region on the expense of other states' power and security, which has a crucial impact on involved actors' interests and security related actions and priorities, also in regard of other regional security issues, such as the Palestinian question. In consequence, it is possible to argue that the implementation of the final status settlement that is supposed to replace the interim Palestinian self-government is caught up in the whirlwind of decisive Middle Eastern activity to which Iran largely contributes. Although a correlation between Iran's resurgence in the Middle East and the course of the Israeli-Palestinian Peace Process exists, present academic research remains scarce on the question why a relation between the two issues can be identified.

In consequence, this work attempts to solve the stated research problem and uncover the finegrained intermediate steps or parts that lead from Iran influencing other regional states' actions by threatening them as a potential regional hegemon to the affected actors' changed decisions and actions' impact on the peace process. Hence, the intention is to prove the validity or partial validity of a hypothesized causal sequence or mechanism that is supposed to serve as an explanation for the underlying causal relation between Iran's resurgence in the increasingly antagonistic Middle East and the course of the Israeli-Palestinian Peace Process. Therefore, answers will be found to the questions why Iran's potential regional hegemony has an influence on Israeli-Palestinian peace talks and what the causes' distinct facets are. Moreover, also the questions how and to which extent the peace process is exactly affected will be addressed. Besides, the essence of this work's analytical findings is supposed to stimulate further academic research in this issue area and contribute to both scholars and policymakers' understanding of the actual relevance of Iran's role in the Middle East to the settlement of the Palestinian question. In order to stimulate foreign policy changes that would have a positive effect on peace

negotiations, it necessitates to grasp why and how Iran is linked to the course of the peace process. Furthermore, from the methodological point of view, it is intended to prove that an assumed causality between cause and effect can be explained through the application of process tracing as the research method on the macro level, which portrays a rather uncommon procedure.

In regard of the scope of the analysis, it is important to note that although numerous factors exist that influence the course of the Israeli-Palestinian Peace Process, this research will only focus on a highly specific causality that presumably exists between Iran's actions, activities and their implications for the peace process, since firstly an assessment of the entire Middle Eastern dynamics in relation to the peace process would go beyond the constraints of the thesis. Secondly, choosing Iran as the concrete case study in this work is based on the fact that the state represents one of the regional actors that benefitted the most from the internal systemic transformations and has in turn been able to influence inter-state relations in the Middle East. In addition, especially now, after the UN sanctions imposed on Iran were lifted in the context of the conclusion of the Joint Comprehensive Plan of Action, or the Iran Deal for short, a new era looms ahead for the country on both a regional and international level, which will further affect regional dynamics and also the peace talks.

Essentially, this work's theoretical starting point rests on the offensive neorealist assumption that specific systemic peculiarities, such as high security competition or an extreme threat perception that are inherent in an unbalanced multipolar system, shape states' interests, and, thus, their behavior and actions. Therefore, also the causality between cause and effect must be determined by structural pressures within the system. Accordingly, the research's thesis lines out that an enhanced Iranian threat perception by the state's foes forces the latter to first and foremost focus on reestablishing the balance of power in the Middle East in order to increase chances of survival, which results in both decreased urgency and less favorable actions for reviving Israeli-Palestinian peace talks.

In the following, the research method, as well as the theoretical framework will be described and the causal mechanism will be hypothesized. Subsequently, a brief depiction of the structure of the unbalanced multipolar system, as well as the cause and the effect will be given. The works' following section deals with the analysis of and application of collected evidence to the intermediate parts of the causal mechanism. In the end, concluding remarks will be drawn.

1. METHODOLOGY

1.1. Research method: Process tracing

First of all, an explanation will be given on what exactly process tracing is and why it represents an efficient tool for scrutinizing the stated research issue. Subsequently, it will be commenced with a brief depiction of the theoretical application of the method. Afterwards, the chosen type of causality, as well as the type of process tracing deployed in this study will be described.

Process tracing belongs to the classic qualitative research methods focusing on within-case analysis in the academic study of IR and serves as "an analytic tool for drawing descriptive and causal inferences from diagnostic pieces of evidence — often understood as part of a temporal sequence of events or phenomena" (Collier 2011, 824). Essentially, the analytic essence of process tracing is based on its purpose to explain "how a given input (resource, activity) led to an observed effect" (Collier 2011 cited in Punton; Welle 2015, 1), by establishing and verifying the "presence [or] absence of [a] causal mechanism" (Beach 2012, 3). Considering this research's intention to reveal the causality between cause and effect and the method's abilities, it is possible to conclude that the tool qualifies particularly well for analyzing the given issue.

Traditionally, process tracing is deployed as an instrument for identifying social change on the micro level. However, in this study, the line of reasoning builds on the assumption that primarily structural pressures affect inter-state relations. Therefore, the tool will be transferred to the political array in international relations and focuses on the macro level of analysis. Although process tracing has increasingly become popular in the study of IR, a clearly defined framework for its application, as well as an unambiguous definition of the method's terminology have not been fully established yet. Thus, it is expedient for the researcher, who portrays the architect of the work's methodological framework, to touch on the academic freedom and make the attempt to explain the causality between Iran's resurgence in the Middle Eastern system and the Israeli-Palestinian Peace Process through a macro level mechanism, which significantly differs from the usual application of process tracing in social sciences.

Specifically, the mechanism's setup is formulated by a hypothesized sequence representing the causal chain of different so-called parts that consist of distinct entities and activities. On the theoretical level this implies that the intermediate steps are linked to one another by intervening variables (n_1, n_2, ... n_n). Importantly, the aggregate parts form the causal chain or process and determine the causal mechanism that could be regarded as a possible explanation for the causality and causal inference between the independent variable (X), representing Iran's resurgence in the increasingly antagonistic Middle East, and the dependent variable (Y), portraying the course of the Israeli-Palestinian Peace Process. On the empirical level, X presents the condition or cause and Y portrays the effect or outcome.

It also necessitates to theoretically define the concept of causality used in this work, since different perspectives on causality exist. The distinct views can differ by factors such as the researcher's intentions concerning impact evaluation or the number of causes. In this research, a generative perspective on causality is pursued, because the work strives to reveal *how* and *why* Iran's resurgence in the Middle East affects the Israeli-Palestinian Peace Process. Specifically, this approach offers a "detailed description of the causal relation / chain / process / arrow that generates the effect: e.g. that explains how the effect actually comes […] about" (Befani 2012, 19). Additionally, Befani (2012) states that "the causal explanation, in other words, is not a matter of one element (X), or a combination of elements (X1.X2) asserting influence on another (Y), rather it is the association as a whole that is explained" in the generative causal framework. As the outlined thesis statement reveals, it is not possible to clearly separate and isolate the different intermediate steps from one another, since they are all interlinked, which, finally, makes the mechanism operate. In fact, other approaches concerning causality are not applicable in this case, since both a configurational approach pursuing a necessity-sufficiency narrative and the regularity perspective on causality do not investigate why exactly a relation between cause and effect exists. Furthermore, also a "counterfactual causal inference does not explain [either] *how* a specific effect came about" (Punton; Welle 2015, 2), which implies that also this approach is not suitable in this case.

Another decisive methodological aspect that must be clarified is the specific type of process tracing that has to be chosen in relation to the research issue and the purpose of the research. In this case, theory-testing is employed. According to Beach (2012), theory-testing is based on the condition that the researcher is able to detect a certain correlation between X and Y, whilst, *ex ante*, it remains unclear whether or not a concrete causal mechanism does provide

the link between the independent and dependent variable and whether or not evidence validating that mechanism can be found. In particular, these conditions reflect the nature of the research issue, since a correlation between Iran's ascendancy in the Middle Eastern region and the course of the peace process can be recognized, as outlined in the introduction. Yet, the question remains whether a reasonable explanation for the occurring correlation can be found as well.

When it comes to the concrete procedure that follows from the specific theory-testing approach one can note three major steps that are illustrated in *Figure 1* of the *Appendix*. Firstly, the generative mechanism framework, which is the context or the current structure of the Middle Eastern system, will be described. After that the dependent and independent variable will be clarified. Secondly, the theoretical and empirical level will be fused by "operationaliz[ing]" the causal mechanism (Beach 2012, 20). Finally, the collection and evaluation of diagnostic and empirical evidence allow the researcher to deduce causal inferences from the validation of the operation of either parts of the mechanism, or from complete absence or presence of the aggregate causal mechanism (Beach 2012, 19). In order to successfully reach impact evaluation, a profound description of the dependent and independent variables, as well as the causal mechanism and the intervening variables, is crucial.

According to Beach (2012), causal inferences that are identified by process tracing and especially theory-testing are based on "Bayesian logic of subjective probability" that assumes a "mechanismic and deterministic [o]ntological understanding of causality", which implies that causal inferences are predominantly deduced from "the expected likelihood of finding specific evidence in the light of prior knowledge". In this research, Bayesian hypothesis testing replaces the common process tracing hypothesis testing methods, such as 'straw-in-the-wind test', 'hoop test' or 'smoking gun test', because these tests are based on calculations of "necessary and/or sufficient conditions that result in Y [in] [c]ross-case inferences" (Beach 2012, 25). Yet, in conformity with the principles of theory-testing, this research intends to evaluate the presence or absence of the causal mechanism in within-case inferences, in order to answer the question why the course of the peace process is affected by Iran's resurgence.

Substantially, it remains furthermore decisive to not only "show that some presumed cause is associated with the expected effect but that the hypothesized causal mechanisms are operating" (Lieberman 2009, 276). Hence, academic quality and stringency of results being derived from process tracing can only be guaranteed if "theories or models of causal mechanisms […] undergird each step of a hypothesized causal process for that process to

constitute a historical explanation of that case" (cited in Lieberman 2009, 276), as Alexander George and Andrew Bennett, crucial protagonists of process tracing, emphasize. Therefore, another condition needs to be fulfilled, as the two scholars underline: "process tracing provides a strong basis for causal inference only if it can establish an uninterrupted causal path linking the putative causes to the observed effects, at the appropriate level(s) of analysis as specified by the theory being tested" (Ibid).

Concerning the collection of data, this research is based on an eclectic approach towards searching for suitable empirical and diagnostic evidence, predominantly derived from secondary sources. Importantly, as a qualitative research method, process tracing mainly focuses on qualitative analysis. However, this does not exclude the use of statistics and other quantitative methods for the collection of data and drawing causal inferences in process tracing.

1.2. Theoretical framework: Offensive neorealism

Having described the research method, it is crucial to determine the IR paradigm and its relevance in regard of the research method. As both, the introduction and the section concerning the research method indicate, offensive neorealism, which was entrenched by John J. Mearsheimer as a separate paradigm of the neorealist school of thought, will serve as the pursued IR paradigm in this research. Essentially, the chosen paradigm formulates the theoretical framework in which the application of process tracing and the defined generative mechanism are embedded in. This implicates that the outlined thesis and analysis of the research issue are based on offensive neorealist tenets.

In fact, this specific paradigm was chosen because of four major reasons. Firstly, the research issue itself reveals a neorealist character, since referring to the case study of Iran resurging in the increasingly antagonistic Middle East implies that the state's status in the system plays a decisive role. Secondly, recent regional political developments in the Middle East have reflected increasingly aggressive, offensive and hostile tendencies, as for instance illustrated by the aggravation of the Shia-Sunni schism or the disintegration of several Middle Eastern states, which, *inter alia*, intensified the conflict potential and offensive behavior among regional actors. Thirdly, the inconclusive offensive-defensive debate in realism is usually dominated by scholars favoring the defensive paradigm. Therefore, analyzing the given research issue from an offensive perspective offers an interesting and different angle of analysis

that might contribute to the evolvement of the aforementioned academic debate, as well as a better understanding of the Israeli-Palestinian conflict and potential solutions to the Palestinian question. Fourthly, a possible explanation for the relation between cause and effect involves numerous events, actions and actors that are interlinked in the regional system and *de facto* create a process itself. Thus, an analysis conducted on the micro level would not serve the purpose of this study. In contrast, the macro level represents "the most comprehensive of the levels available, encompassing the totality of interactions which take place within the system and its environment" (Singer 1961, 80) and portrays the level of analysis that meets the ends of the research issue. In consequence, Beach and Pedersen (2013) point out that "macro level mechanisms are structural theories that cannot be reduced to the actions of individuals". Importantly, the referent object and unit of analysis remains, as in any other realist school of thought, the sovereign state as a rational and unitary actor in the system, whilst its actions and interests are predetermined by structural conditions.

After having explained the importance of the chosen paradigm in relation to the research issue and line of reasoning, it necessitates to specify its concrete connection to the research method. First of all, the generative causal mechanism operates within a certain theoretical context, which is determined by core offensive neorealist assumptions. In this work, the increasingly unbalanced and antagonistic multipolar structure of the anarchic Middle Eastern sub-system represents the theoretical context. Furthermore, tracing the sum of relevant states' interactions requires an analysis on the macro level. Hence, the causal mechanism that traces this specific process must operate on the macro level and have a structural focus. Accordingly, it is assumed that the causality between cause and effect can be explained through a structural and offensive causal mechanism, which will be tested in the work's analytical part.

In addition, Jeffrey T. Checkel (2008) notes that, "epistemologically, process tracing is compatible with a positivist [...] understanding of causation in linear terms" and is therefore suitable for an offensive neorealist framework. Moreover, also the Bayesian hypothesis testing principle is based on a scientific and positivist epistemological and methodological understanding in IR that does not contemplate to evaluate the cause or effect on a normative base, but solely explain the causality between the variables.

Finally yet importantly, one remaining observation concerning the relation between the application of process tracing and offensive neorealism needs to be addressed. Interestingly, Checkel (2008) states that "process tracing is strong on questions of interactions; it is much

weaker at establishing structural context". Yet, in this study, it is argued that pursuing process tracing as the research method does not portray an oxymoron in regard of the theoretical framework and chosen IR paradigm. In fact, this research intends to analyze the entirety of decisive inter-state actions that are determined by structural pressures, which is benefitted by conducting an analysis on the macro level. Moreover, it is assumed that the concrete structural context is preexisting and only needs to be described. Therefore, this work does not strive to establish or theorize a structural context from scratch, but rather focuses on identifying, analyzing and explaining the causal chain of dynamics and interactions among states within the given structural context that serves as a theoretical tool or starting point for the analysis.

1.3. The case-specific causal mechanism

Since the theoretical and methodological foundation of this research are determined, the actual causal mechanism has to be defined, customized to the specific individual case. As mentioned before, the independent variable X represents Iran's resurgence in the Middle East, whilst the dependent variable Y marks the course of the Israeli-Palestinian Peace Process. The increasingly unbalanced and antagonistic multipolar structure of the anarchic Middle Eastern system portrays the context of the study.

Due to the fact that the concrete issue under scrutiny and its structural analytical focus portray a niche in the academia, it is claimed that no established and reliable mechanism exactly addressing the aforementioned issue exists. However, the IR paradigm of offensive neorealism plays a noticeable role in the offensive-defensive debate in IR and can be applied to a broad range of issues. Hence, the general theoretical framework in terms of the chosen IR perspective already exists and only the actual content-related parts of the mechanism have to be hypothesized based on prior knowledge. Last but not least, it is important to note that the structural focus and the macro level of analysis demand the researcher to generate the parts of the mechanism in a much more general and broader way than on the micro level.

When it comes to the distinct parts that build the causal chain, this work will address three intermediate steps with two intervening variables that are visualized in *Figure 2* of the *Appendix*. Ensuing from variable X, Iran's resurgence in the Middle East, the first part represents Iran's foes perceiving an increased security threat. Essentially, this research will primarily focus on Israel and Saudi Arabia as Iran's main regional opponents, since these two

states portray influential powers in the Middle East and are more likely to affect the balance of power in the system. The security threat consists of Iran offensively taking advantage of the unbalanced multipolar structure of the system and functioning as a potential regional hegemon. In the work's main part the hypothesis will be tested by applying the collected data to the model.

Importantly, the intervening variable n_1 illustrates how and why part one and two are connected in the causal chain. The first intervening variable encompasses the following elements: enhanced fear and security competition among Iran and its opponents as a consequence of increased instability and uneven distribution of power in Iran's favor, which ultimately forces Iran's foes to pursue self-help in order to ensure survival.

Accordingly, part two implies that the involved actors firstly join external regional balancing efforts by forming balancing coalitions against Iran, and, secondly, engage in status quo revision by power maximization and military buildup, which is also known as internal balancing. In this context, Palestine can be regarded as a tool of states, such as Iran and Saudi Arabia, to expand power and their sphere of influence. As a matter of fact, Iran and Saudi Arabia's cooperation with Hamas and the Islamic Jihad Movement in Palestine (PIJ) can be considered as a continuation of the Iran-Saudi Arabia proxy conflict. Therefore, meddling in Palestinian affairs and enlarging influence and presence in the Gaza Strip remains decisive for Saudi Arabia and Iran in order to demonstrate and consolidate their power *vis-à-vis* each other. Furthermore, recent developments have indicated that Saudi Arabia's intensified cooperation with Hamas and its stronger foothold in the Gaza Strip caused Iran to enter into a phase of détente with Fatah, Hamas' ultimate enemy. Hence, the power struggle between Iran and Saudi Arabia proceeds on multiple levels. In contrast, Israel pursues greater internal balancing efforts, partially because it faces decisive challenges to establish reliant allies and is additionally increasingly wary of U.S. regional intentions and commitments.

Subsequently, intervening variable n_2 provides the causal liaison between part two and part three. In accordance, Israel, Saudi Arabia and other states' decisions and behavior are determined by the fact that they must prioritize security issues that might directly and immediately threaten their survival.

Firstly, part three highlights that the Arab world and Israel's priority for containing Iran's expansion reduces the urgency for reviving peace talks, since the Israeli-Palestinian conflict does not portray the primary security threat for most involved actors. Secondly, the aggravated Iran-Saudi Arabia proxy conflict in Palestine continues, because Saudi Arabia

would suffer a greater security threat if it withdrew from the region, which would automatically allow Iran to consolidate its power in the Gaza Strip through Hamas. Yet, support of Hamas either by Iran or Saudi Arabia enables Hamas to remain in control of the Gaza Strip. That entails that reaching a peace deal between Israel and Palestine is *de facto* impossible. Moreover, reconciliation between Fatah and Hamas is impeded, due to the aforementioned developments concerning the extension of the power struggle among Saudi Arabia and Iran to a rapprochement of Hamas and Fatah. Yet, reconciliation between Fatah and Hamas would be necessary in order to draw a line under Israeli-Palestinian peace talks.

Thirdly, the current nature of the security environment does not allow Israel to agree upon the final implementation of a two-state solution, since that step would demonstrate its weakness, lack of assertiveness and inability to project power and threat across its state borders, which would, then again, have a negative impact on Israel's security and survival. Besides, the conclusion of a final two-state agreement does also diminish Israel's ability to protect its territorial integrity, which is, according to offensive neorealism, considered as the supreme element of a state's *raison d'état*. If Israel agreed, it would put itself into an extremely dangerous situation, making itself even more vulnerable and attackable. In consequence, Israel's rational choice in the unbalanced multipolar Middle East stipulates to defect any peace talks. Nevertheless, if peace talks reach a promising stage, but still fail in the end, Israel will have to cope with an additional security threat, since Palestinian uprisings as a reaction to failed negotiations are very likely. Thus, Israel finds itself in a dilemma and profits the most by not prioritizing or even stimulating the peace process and rather trying to balance Iran's resurgence.

To conclude, the causality between variable X and Y is based on structural pressures that determine the involved actors' behavior and decisions. Importantly, the unbalanced multipolar Middle Eastern system is inherently conflict-prone and generates the highest level of fear among the states that oppose Iran. Hence, Iran's most important foes are too preoccupied with balancing the perceived threat emanating from Iran's expansion of power and choose to maximize their own power and security, which does not stimulate peace negotiations. Therefore, the peace process remains deadlocked and a secondary security issue concerning the current political circumstances and conditions in the Middle East.

2. DESCRIPTION OF THE THEORETICAL CONTEXT, CAUSE AND EFFECT

Robert Gilpin (1981), who has made seminal contribution to the development of the offensive branch in realism, pointed out in his book *War and Change in World Politics* that "until the statics of a field of inquiry are sufficiently well developed […], it is difficult if not impossible to proceed to the study of dynamics". Hence, this work starts off with an offensive neorealist depiction of the structure of the Middle Eastern system that serves as the context in which the generative mechanism operates. The next step deals with the description of, firstly, the independent variable, and, secondly, the dependent variable, both being embedded in the theoretical context, in order to subsequently proceed with analyzing the causal mechanism.

2.1. The increasingly antagonistic structure of the Middle Eastern system

Regarding the general offensive neorealist characteristics of the current Middle Eastern system, it is decisive to emphasize its invariable anarchic nature. Jeffrey Taliaferro (2000) considers anarchy, from the offensive neorealist perspective, as "the absence of a worldwide government or universal sovereign [that] provides strong incentives for expansion". In the empirical world, both Israel and Iran serve as an example for recording a significant number of incidents that included breaching international law. In fact, Iran is not reluctant to pursue power politics, and, for instance, unilaterally withdraw from international agreements, such as the Paris Agreement under Ahmadinejad in 2004.

As a matter of fact, the anarchic nature of the system automatically causes mistrust and uncertainty being defined as "states assum[ing] the worst about others' intentions", which motivates them to act upon "possibility" and not "probability" of threat (Hamilton, Rathbun 2013, 445-446). For example, in the context of the Iran Deal, Israel continues to enlarge its security cooperation with the USA in order to counter the enhanced perceived threat that is rooted in the possibility of Iran breaking the deal. At the same time, Israel is wary about U.S. intentions and interests in the region and has, therefore, unofficially and covertly strengthened its ties with Saudi Arabia, indicating first signs of a potential balancing coalition. Furthermore, also the Mearsheimerian (2001) assumption that the great powers in the system possess at least

some military capacity has a determining impact on state behavior, since states with offensive capacities must be regarded as potential aggressors. In the case of the Middle East this supposition holds true, as the ranking of military powers, with Israel occupying rank one, being followed by Turkey, Saudi Arabia, the United Arab Emirates and Iran, illustrates (Business Insider 2014).

Importantly, the anarchic rationale represents a common realist constant, which implicates that the system cannot be changed *per se*. Yet, internal changes indeed occur and find expression in, for example, shifting stability or polarity. As a matter of fact, the Middle East has faced a major transformation towards increased instability, antagonism and fluidity after the invasion of Iraq in 2003 by the USA and in the aftermath of the Arab Spring. The structural status quo ante in the region was based on a weak balance of power in the 1980s and 1990s, when, on the one hand, Syria with the support of Hezbollah acted as a deterrent to Israel's remarkable military strength and influence in Lebanon (Salem 2008, 10). On the other hand, Salem (2008) underlines that "Iraq had represented a buffer within the Middle East system — counterbalancing Iran [...], [whilst now] Iran has become a dominant player in the heart of the Middle East".

Another decisive ramification is the functioning of the system in what Kissinger (2014) calls a "disorder", whilst Danahar (2015) speaks of a "chaos [that] was always likely to be a strong force as the Middle East emerged from the ashes of the old", and, thirdly, Salem (2008) points out that "the events of the past few years have broken the precarious old Middle East order without replacing it with a new order". Interestingly, all three depictions intend to underline the chaotic and increasingly unstable nature of the system.

These crucial changes in the distribution and balance of power towards asymmetry pathed the way for an internal systemic transformation into an unbalanced multipolarity, where Iran increasingly gains power and influence, which might, eventually, lead to Iran claiming regional hegemony. In fact, Mearsheimer (2001) highlights that "the emergence of a potential hegemon […] makes the other great powers especially fearful, and they will search hard for ways to correct the imbalance of power and will be inclined to pursue riskier policies toward that end", which implies that security competition and the likelihood of emerging conflicts intensify. Furthermore, Iran's foes are forced to adopt foreign policy strategies that appropriately counter the threat.

Essentially, heightened antagonism and instability have severe ramifications for the Israeli-Palestinian Peace Process, since an unstable security environment does not invite states to engage in a revival of peace talks that might, eventually, coincide with or generate an additional security threat. Last but not least, also Turkey plays a noteworthy role in the security environment of the Middle East, since the disintegration of Iraq and further weakening of the latter's political power by the so called Islamic State (ISIS) or Daesh pathed the way for a possible future establishment of an independent Kurdish state in northern Iraq. In this context, it is crucial to mention that the post WWI Treaty of Sèvres did not only stipulate the establishment of the British Mandate of Palestine, but did also incorporate the provision for solving the Kurdish question, which was, however, nullified with the Treaty of Lausanne three years later. Apparently, the strengthened position of Iraqi Kurds does also slowly but surely spread to Kurdish minorities in Iran, Syria and Turkey. Importantly, in case of the construction of a Kurdish state, also Palestinian claims for "national self-determination – not necessarily formal self-determination through free elections, but the right of national groups to live independently in their traditional homeland" – could rapidly intensify and further upset the (dis)order in the Middle East (Fukuyama 2012, 274).

2.2. Variable X: Iran's resurgence in the Middle East

According to Mearsheimer (2001), four main conditions, namely the structure of the system including the distribution of power therein, military and latent power, as well as the state's geographic location, affect great powers' behavior in the system and their wish to reach regional hegemony. More specifically, it is important to emphasize that, on the state-level, exactly these terms determine whether a state engages in "strategies for gaining power" or "strategies for checking an aggressor" (Toft 9, 2003), of which Iran engages in the former.

After all, the nature of the Middle Eastern security environment could be equated with Hobbes' term *bellum omnium contra omnes*, since the concept can be transferred to the systemic level, where competition and power struggle are inherent. In order to attenuate the security threat "all great powers seek to maximize power (i.e., military strength) because every increment of power increases their chances of survival", as Glenn H. Snyder (2001) underlines. Hence, status quo powers exist only as regional hegemons. Under anarchy, this statement portrays a very rational response to and suitable tool for meeting the ends, namely the primary

goal of survival, expressed in territorial integrity, security and domestic autonomy. In this context, Mearsheimer (2001) highlights that "the principal motive behind great-power behavior is survival [and] in anarchy […] the desire to survive encourages states to behave aggressively".

Applying these theoretical assumption to the case of Iran, it is possible to state that the aforementioned increasingly anarchic unbalanced multipolar structure of the system both forces and motivates Iran to maximize its power as a response to the greater instability of the system. As a matter of fact, Iran faced the necessity of defending its sphere of influence and ensuring its survival after the USA invaded Iraq in 2003, which generated increased instability and a power vacuum, by offensively engaging in the conflict. Consequently, one can argue that the balance of power shifted for Iran's benefit and expedited its expansion in the Levant. Furthermore, it also catalyzed the empowerment of the 'Axis of Resistance', a strong Iran-Syria-Hezbollah ally that serves as a continuation of Iranian security policy and deterrence against Israel. In fact, the ally has primarily registered crucial successes in supporting Hezbollah's activities in Syria and especially Lebanon, where the proxy has taken up an armed struggle against Israeli influence. In addition, Hezbollah's affiliation with Hamas, as well as Iran funding Hamas and PIJ at one time or another have got a direct impact on Israeli-Palestinian relations and the course of the peace process, but also on relations with Saudi Arabia.

In regard of the Mearsheimerian view on the importance of power for regional hegemony it is decisive to highlight that power is "'largely [defined] in military terms because offensive realism emphasizes that force is the *ultima ratio* of international politics', [...] [although] in Mearsheimer's view, there is a clear hierarchy of military power [...], [which is] display[ed] [as] an unmistakable preference for the superiority of land power" (Schmidt 2004, 433). Interestingly, an analysis by the *Business Insider* (2014) illustrates that Iran's overall military power is ranked firth, only behind the United Arab Emirates, Saudi Arabia, Turkey and Israel as the strongest powers in the region. However, in terms of active frontline personnel Iran exceeds all mentioned military powers significantly, and a direct comparison of Israel and Iran highlights that although the former's amount of aircraft and tanks slightly surpasses Iran's arsenal and the defense budget exceeds Iran's by almost 250%, the latter's active frontline personnel is almost four times higher than Israel's (Ibid). Accordingly, Iran chalks up an advantage in this category and "is [...] *ipso facto* the most powerful state" in the area (Schmidt 2004, 433).

Nevertheless, it is possible to argue that Iran's military arsenal is quite outdated and not very efficient. However, the content of Iran's Sixth Development Plan for the timeframe of 2016-2021 emphasizes the "develop[ment] [of] ballistic missile capabilities, arms production and modern weaponry" (Al Arabiya English 2015), which implies a step towards modernization and military buildup. Moreover, this undertaking could largely benefit from recovering formerly frozen assets in the context of the Iran Deal. In fact, an increased military buildup and enlarged military budget can be considered as an Iranian security measure that is meant to compensate the loss of nuclear deterrence and projection of a possible nuclear threat to Israel, since the Iranian nuclear program was massively scaled down. The expansion of Iranian interests and power on the expense of Israeli security significantly fuels further exacerbation of the security dilemma for Israel.

Another important facet of power in offensive neorealist terms is latent power, which "'refers to the socio-economic ingredients that go into building military power [...] based on a state's wealth and the overall size of its population'" (Mearsheimer cited in Schmidt 2004, 433-434). Iran definitely benefits from its strong latent power, because the size of the Iranian population is approximately ten times larger than Israel's and its GDP, measured in purchasing power parity, exceeds Israel's by five times (Central Intelligence Agency 2016). Although the currently low oil price has negative effects on an increase of revenues, the lifted sanctions and the concomitant possibility to enter the global economy will have positive ramifications for Iran's economy in the long-run and might enable the state to use a greater percentage of the oil fund in order to strengthen the military.

Last but not least, Iran's geographical location in the Middle East is decisive because it does, on the one hand, limit Iran's power expansion to regional instead of global hegemony, since the state borders in the north with the Caspian Sea and in the South with the Persian Gulf and the Gulf of Oman. On the other hand, this geographical peculiarity has a profitable impact on Iran's security, since the state does not have to be concerned about any geostrategic encirclement by opponents and aggressors ashore. Hence, Iran can focus on enlarging its power across the Levant.

2.3. Variable Y: The course of the Israeli-Palestinian Peace Process

In accordance with the chosen paradigm, it is possible to conclude that the Israeli-Palestinian Peace Process is partially determined by the outlined structural pressures. Ironically, the course of the peace process does at the same time have a reciprocal effect on internal transformations in the Middle Eastern system. Accordingly, an amelioration of negotiations might ease the broader Israeli-Arab conflict, appease tensions concerning the Shia-Sunni schism and contribute to the stabilization of the system and balance of power. After all, the aim of the 1967 Security Council Resolution 242 emphasizes that the successful settlement of the Israeli-Palestinian conflict implies "the establishment of a just and lasting peace in the Middle East" (Danahar 2015, 153). Yet, the following analysis will demonstrate that specific circumstances and conditions existent in the post-2003 Middle Eastern security environment heavily influence the behavior and actions of involved states in a manner that prevents them from encouraging peace talks in the first place.

In general, peace negotiations have mostly been deadlocked since the 1993 and 1995 Oslo Accords, which can primarily be ascribed to the failure of implementing a final status settlement that was supposed to replace the interim regime and establish a sovereign Palestinian state. In fact, the 2000 Camp David Summit marked the abrupt end of the Oslo process. Approximately at the same time, the socio-economic situation in the Palestinian territories deteriorated, which was one of the dominant causes for the outbreak of the Second Intifada. This domino effect intensified further when Iraq ceased to function as a crucial element in the Middle Eastern balance of power, engendering an unbalanced multipolarity and ubiquitous instability, which forced involved actors to cautiously adjust their security priorities. In this context it is possible to conclude that such a conflict-prone and fear-generating security environment that automatically enhances security competition does not contribute to the settlement of the Israeli-Palestinian conflict.

Essentially, despite the many setbacks, the two-state solution has represented the most negotiated possible answer to the Palestinian question since the 1980s. Yet, the status quo of Palestinian statehood according to the criteria of the Westphalian system has not significantly changed since the signature of the Oslo Accords. Danahar (2015) notes that "the Palestinian people [are] still not much closer to a proper state of their own than they had been when the conflict over the land began in 1936". Nevertheless, Oslo established the framework for an

anticipated sovereign Palestinian state and created the Palestinian National Authority (PNA) that functions as a limited self-government with full civil and security control over Area A and partially also Area B of the West Bank, whilst Area C comprises the largest territory and remains fully under Israeli civil and security control. Importantly, Palestinian freedom, movement and self-determination continue to be massively restricted by the Israeli settlement policy in the West Bank and the construction of the West Bank barrier that enables Israel to annex territories that lie within the 1949 Armistice Line. Furthermore, the disputed status of Jerusalem, as well as the right of return of Palestinian refugees remain pressing issues.

Additionally, the 2006 Palestinian Parliamentary Elections caused Fatah to lose the majority in the parliament, fueled the Fatah-Hamas conflict, and, finally, resulted in Hamas taking over power in the Gaza Strip in 2007. In the aftermath, the national unity Palestinian government *de facto* ceased to effectively function and caused the construction of two separate administrations in the occupied territories: the Hamas-led government in the Gaza Strip and the PNA in the West Bank under Fatah, which portrays the sole legitimate representative of the Palestinian people. Importantly, the PNA applied for UN membership in 2011 and was granted a non-member observer status in 2012, remaining a partially recognized state since. Socio-economic conditions drastically deteriorated in the Gaza Strip, with Israel and Egypt controlling the access to the region. Moreover, radicalization and violence increased, finally mounting in the 2014 'Operation Protective Edge', which portrays a crucial event of the Gaza-Israel conflict. Currently, a new wave of violence and terror emanating from the Gaza Strip recurrently heightens Israeli security concerns.

Notably, Hamas' continued control over the Gaza Strip, as well as the unsuccessful attempts to stimulate reconciliation among Fatah and Hamas pose an inexpungable hurdle to the peace process. For instance, the 2013-2014 peace talks were suspended by Israel after the unity government that soon after collapsed again was created. Notably, Hamas and Hezbollah have a significant impact on the course of the peace process, since both entities are willing to sabotage peace negotiations by threatening with the use of massive violence, as it was annunciated during the 2010 direct peace talks. Consequently, as long as Hamas and Hezbollah are supported by Iran and Syria, but also Saudi Arabia, it is very difficult to settle an agreement. Finally, neither of the post-2003 peace negotiations brought about any significantly fruitful outcomes in the course of the Israeli-Palestinian conflict.

3. ANALYSIS OF THE PARTS OF THE CAUSAL MECHANISM

3.1. Part 1: Enhanced perception of an Iranian threat

As a consequence of the imbalance of power in the Middle East, which does also illustrate Iran's stronger influence in the region, part one of the causal mechanism reflects that Iran's foes perceive an increased security threat, which portrays an integral component of the underlying causality between variable X and Y from a structural point of view, since it determines states' choices in terms of choosing the most appropriate foreign policy strategy in part two of the mechanism. Therefore, this intermediate step is pivotal for the operation of the mechanism. In fact, the threat that Iran's most crucial opponents perceive has manifold facets, as the following statement (RAND Corporation 2011, 25) neatly summarizes:

> *Israelis have [...] become increasingly disturbed by what they view as rising Iranian influence tipping the regional balance of power in favor of "resistance" groups at the expense of the United States and its regional allies. Many Israeli analysts and officials view Iran as a radical, revolutionary force harboring hegemonic regional aspirations. As a Foreign Ministry strategic assessment suggests: 'The strategy of regional hegemony pursued by Iran is the primary strategic influence in the region. The Iranian threat with its [...] components – the nuclear project, the support for terrorism, [and] the attempts to undermine pragmatic Arab regimes [...] – remains at the core of Israel's foreign policy agenda'.*

In regard of the Israeli-Palestinian Peace Process, Israel can be defined as Iran's most decisive foe. Essentially, relations with Iran drastically deteriorated during the previous decade. The *RAND Corporation* stated in 2011 that "the U.S. overthrow of the Taliban in 2001 and Saddam Hussein in 2003 has left Iran with no other regional rivals, possibly with the exception of Saudi Arabia; [therefore,] Israel […] rises to the top of Iran's local enemies list, [whilst] the 2011 Arab uprisings, which have forced Arab regimes to focus on their internal turmoil, only reinforce such strategic trends, at least temporarily". In consequence, the internal transformations in the Middle Eastern system over the last decade have generated a security environment that is marked by a fear dominated regional battle arena where Israel's security,

and, potentially, survival might be at stake. Importantly, these developments have got far-reaching ramifications for the course of the Israeli-Palestinian Peace Process, because peace talks cannot be stimulated in a security environment that urges Israel to first and foremost fight off the perceived Iranian threat in order to survive.

In fact, one of the most decisive reasons for aggravating tensions between Israel and Iran in the changed security environment has been the nuclear program of the latter that plays a significant role when it comes to deterrence, and, more specifically, nuclear deterrence. Since security in realist international relations represents a 0-sum game, it is possible to come to the conclusion that, prior to the concluded Iran Deal, Israel automatically suffered security losses as Iran gained relative security by demonstrating potential nuclear capabilities as a result of expanding the nuclear program. This correlation is for instance highlighted by the fact that the Israeli Ministry of Defense was increasingly alarmed and suspicious about Iran's nuclear intentions in 2002 in the aftermath of discovering that a uranium enrichment facility in Natanz and a heavy water facility in Arak were under construction. Therefore, Iran did naturally come into the limelight of Israeli prime security concerns.

In this context it is crucial to note that, although Israel is widely considered as a nuclear weapon holder, and, hence, superior to Iran in nuclear terms, the threat being grounded in a possible Iranian nuclear attack has still been very prevalent and strong. According to the offensive neorealist assumption that states act upon the "possibility" and not "probability" of threat (Hamilton, Rathbun 2014, 446), Israel would indeed behave rationally in a world that is characterized by extreme security competition and scarce security by taking the possibility of a nuclear attack serious, since that foreign policy stance might be determining for Israel's survival.

Interestingly, one could raise the question to which extent the Iran Deal that was concluded in July 2015 has mitigated the hostile relations between Israel and Iran. In fact, the security environment of Israel and the Middle East has not improved yet. It is possible to argue that instability in the region will continue to grow, because Iran faces now the chance to expand its latent power in terms of wealth by entering the world economy, which, in turn, will most likely have positive effects on Iran's military capabilities, as explained before in the section concerning the state's resurgence in the Middle East. Essentially, the observation that Iran is gaining additional military power does ultimately increase the security dilemma for Israel, since growing latent and military power catapults Iran closer to regional hegemony.

Although the probability of an Iranian nuclear attack on Israel near-term is *prima facie* very low, because of the immensely scaled down nuclear program, the actual security threat posed on Israel has not diminished. In this context, the very same aforementioned offensive neorealist assumption can be applied once more. Since Israel cannot rule out the possibility of Iran breaching the deal and constructing a nuclear weapon, or resuming the nuclear program after the deal officially expires, it has to account with and prepare against such a threat. In fact, Israel's extreme mistrust in regard of Iran's actions is rationally and empirically grounded, since international agreements do not provide a safeguard in an anarchic environment that encourages great power politics. Additionally, Iran recorded a number of cases where it quashed international agreements, also in relation to the nuclear program, such as not complying with the Non-Proliferation Treaty in first place and breaching several resolutions of the International Atomic Energy Agency. The following statement of Michael Herzog (2015) illustrates why the possibility of Iran resuming its nuclear program is very realistic and what importance Iran's nuclear capability actually has for the state itself:

> *Iran's agreement to a deal would not represent a strategic decision to abandon its decades-long desire to ultimately become a nuclear armed state. Indeed, this is an ambition in which Iran has invested decades of development at enormous cost— both actual and in terms of sanctions and isolation. From an Iranian perspective, nuclear capabilities—whether fully realized or threshold capabilities—afford the regime an insurance policy for its survival as well as enhanced political standing and a magnified ability to project power.*

To conclude, Iran's nuclear activities portray a crucial element of the generative causal mechanism, because they represent one of the reasons for Israel to perceive its security and survival as being endangered. This observation entails that Israel prioritizes dealing with the Iranian threat over reviving peace talks with Palestine, since the Israeli-Palestinian conflict does not portray an imminent security threat, which partially explains the deadlocked course of the peace process.

Furthermore, as indicated above, Israeli concerns about Iran sponsoring its regionwide proxies and terrorist entities have intensified as well. It is a well-known fact that Iran has occasionally funded groups such as Hamas, PIJ and Hezbollah, also during times of Israeli-

Palestinian peace talks. In principle, these entities serve as a tool for the continuation of Iranian foreign policy, power and interests, especially in terms of deterring Israel. Interestingly, Naim Qassem, the Deputy Secretary General of Iran's most important proxy, Hezbollah, states that "'the resistance against Israel has been the core of our belief and that has never changed' since 'the struggle against Israel remains the central rationale of H[e]zb[o]llah's existence'" (cited in Alagha 2006, 53). Apart from the direct and aggressive security threat for Israel and the call for its destruction, this statement does also imply that Hezbollah would in fact never agree to a two-state solution or peace agreement, since that would automatically implicate the recognition of Israel as a sovereign state.

Besides, Matthew Levitt (2012) points out that Iran and Hezbollah have been able to "strengthen [...] their long-standing and intimate relationship, making their combined operational capabilities that much more dangerous", particularly for Israel, since Hezbollah operating in Lebanon poses a direct threat to Israel's security. As a matter of fact, Iran serves as the most essential benefactor of Hezbollah with a budget contribution of approximately $100 to $200 million per year (Ibid). However, Iran recently decreased its financial support, which can be considered as a result of the low oil price and economic hardship caused by international sanctions. Yet, a relief of sanctions and recovering frozen assets is likely to motivate Iran to increase financial support of Hezbollah again, since the sub-state entity marks one of Iran's most decisive proxies and promotes Iranian national interests consisting of the maximization and consolidation of power in the region by for instance engaging in aggressive acts *vis-à-vis* Israel.

It is furthermore decisive to note that Hezbollah does also align with Hamas and shares similar goals with the entity. In fact, Levitt (2012) emphasizes that "Hezbollah increased its support for Palestinian groups in the 1990s, invested in its own terrorist infrastructure in the West Bank, and went to great lengths to infiltrate operatives into Israel to collect intelligence and execute terror attacks". Thus, Hezbollah does likewise have a significant influence on the political dynamics of the occupied Palestinian territories. In contrast to Hezbollah, Hamas' relation to Iran is slightly more complicated and opaque. To begin with, the Hamas Covenant from 1988 declares that "there is no solution for the Palestinian question except through Jihad, [therefore,] initiatives, proposals and international conferences are all a waste of time and vain endeavors, [because] initiatives, and so-called peaceful solutions and international conferences, are in contradiction to the principles of the Islamic Resistance Movement". Hence, both

Hezbollah and Hamas play a crucial role in the Israeli-Palestinian conflict and have the ability and willingness to sabotage peace talks by using excessive violence and aggression, as it occurred for instance in the aftermath of the signed Oslo Accords.

Concerning Iran's concrete role in this context, it is decisive to highlight that financing Hamas significantly helps the militant group to remain in control of the Gaza Strip that has been facing economic hardship and socio-economic deterioration. However, this does also imply that the continued rivalry between Hamas and Fatah will most likely not be settled in the near future and complicates, as well as inhibits, the peace process immensely. Last but not least, there is no doubt that Hamas constitutes a significant threat to Israel's territorial integrity and security, as the Gaza War in 2008 and 2009 highlighted.

Apart from that, Iran has also intermittently sponsored the Syria-based PIJ and the Popular Front for the Liberation of Palestine–General Command (PFLP-GC) that represent Palestinian militant groups, of which the former portrays the most violent militant group that supported Iran during the war with Iraq, which created firm ties between the entities. In conclusion, funding radical Middle Eastern proxies enables Iran to consolidate its power *vis-à-vis* Israel, increase the projection of threat, remain active in the Palestinian question and undermine progress in the peace process. In the second part of the mechanism the reasons for the currently strained relation between Iran and Hamas, as well as PIJ, will be explained by taking into consideration the regional balance of power. Additionally, the concomitant influence on the settlement of the Israeli-Palestinian conflict will be scrutinized.

Another decisive aspect of Iran's expanding power and increasing threat projection is the empowerment of the 'Axis of Resistance', a strong Iran-Syria-Hezbollah-Hamas alliance that can be regarded as a deeply and widely intertwined network of proxies generally loyal to Iran that facilitate the state to strengthen its influence in the Levant and beyond. As a matter of fact, the internal collapse of Iraq and the shifting balance of power *inter alia* catalyzed the influence of the alliance in the region. For instance, the ally has registered crucial successes in supporting Hezbollah's activities in Syria and especially Lebanon, where the proxy has taken up an armed struggle against Israeli presence. Interestingly, the Lebanon War in 2006 can be considered as the starting point of the Iran-Israel proxy conflict, because Iran granted considerable military support to Hezbollah.

When it comes to the specific role of Syria, it is important to note that Iran's ally with Damascus is of utmost relevance, since Syria functions as a transit state for weapons

consignment to Lebanon. Hence, Iran is capable of advancing on Israel geographically, because it supersedes the emerged power vacuum in the fragile states of Syria and Iraq to a great extent by Iranian presence and military as well as financial support of its regional proxies. These activities are further facilitated by the instability and fluidity of the Middle Eastern system. Besides, Iran's support for al-Assad's regime is likely to increase with the implementation of the Iran Deal. Consequently, Israel faces further geographical encirclement by its enemies.

Moving on to the third threat component that the *RAND Corporation* identified, it necessitates to highlight that also the Arab world, and predominantly Saudi Arabia, perceives an increased security threat, since Iran seems to enlarge its sphere of influence at the expense of Arab interests. In regard of the role of Palestine in the Iran-Saudi Arabia proxy conflict, the *RAND Corporation* (2009) states that "both Riyadh and Tehran recognize that the symbolic stakes of the conflict in Palestine and the political struggle in Lebanon are enormous, as demonstrated by the ongoing fighting in Gaza and the 2006 Lebanon War". Since ties between Lebanon and Saudi Arabia are very strong, Iran's significant support of Hezbollah and its activities in Lebanon portray an aggressive interference in the Saudi sphere of interest. Furthermore, "from Riyadh's perspective, the 2006 war between Israel and H[e]zb[o]llah presented an almost seismic shift in the regional balance of power in Iran's favor" (RAND Corporation 2009, 81). In addition, the Battle of Gaza in 2007 that immensely strengthened Hamas, Hezbollah and other radical Palestinian groups' power and influence in Palestinian affairs and the management of the Gaza Strip, allowed Iran to win out over Saudi Arabia in terms of dominating Palestinian issues.

Importantly, the Arab world's ability to project power and threat to Iran has significantly diminished as a result of the immensely destabilizing effects of the Arab Spring that started in 2010. Therefore, it is possible to argue that Iran takes advantage of the tumultuous circumstances in the Persian Gulf and Arab world by attempting to gain a stronger foothold in Yemen for instance. Recent events highlight that the power struggle and proxy conflict between Saudi Arabia and Iran has intensified and exacerbated when the latter started backing the Houthi rebels in Yemen, whilst the Saudi Arabia led coalition supports Hadi. Given the background, Kenneth Katzman (2016) underlines that "Yemen does not appear to represent a core security interest of Iran, but Iranian leaders appear to perceive Yemen's instability as an opportunity to acquire additional leverage against Saudi Arabia and the GCC states, two of which border Yemen". In fact, Yemen offers Iran a favorable chance to enter into a direct power struggle

with Saudi Arabia and demonstrate its power, as well as its interests by engaging in conflicts outside the Levant.

At the end of the analysis of the first hypothesized and conceptualized part of the causal mechanism one can state that the probability of finding evidence that validates the generated mechanism in the light of theory-testing under the Bayesian logic is considerably high. Importantly, it can be verified that a strong perceived threat originating from Iran's resurgence in the increasingly antagonistic and unstable Middle East has been present during the entire time of the deadlocked peace process since the post-2003 security environment evolved. Especially in regard of secondary literature, scholars and Middle Eastern specialists have made great contributions to the study of Iran's growing influence in the Middle East and its impact on other regional powers. Essentially, the validated observations in the first part of the theoretical sequence mark a crucial intermediate step in the causal chain. In the end, if all three parts of the mechanism can be validated, the aggregate causal chain will represent the causality between Iran's resurgence and the course of the Israeli-Palestinian Peace Process. Consequently, each and every event or interaction pointed out above contributes to the explanation of the relation between variable X and Y.

In order to provide the link between part one and two of the mechanism, intervening variable n_1 has to be clarified. Since the analysis of part one illustrated what the actual threat originating from Iran consists of and how it is perceived by its main foes, part two will proceed with the resulting behavior of the actors being affected as a reaction to the threat. According to Mearsheimer (2001), "the emergence of a potential hegemon […] makes the other great powers especially fearful, and they will search hard for ways to correct the imbalance of power and will be inclined to pursue riskier policies toward that end". Hence, it is possible to conclude that enhanced fear due to the possibility of the emergence of a regional hegemon develops security competition to the maximum. Finally, self-help in terms of deploying appropriate foreign policy strategies naturally arises in order to efficiently increase security and ensure survival in the system.

3.2. Part 2: Reactions to the increased Iranian threat

To begin with, the second part in the causal sequence is significant, because it *inter alia* explains the role that Palestine and different Palestinian entities play in the balance of power in the region, and highlights their importance to Middle Eastern powers and their foreign policy strategy. In general, states choose between "strategies for checking aggressors" and "strategies for gaining power" based on "two independent and distinct variables: The distribution of power and the geographic location of the state" (Toft 2003, 9). Hence, offensive neorealism assumes that concrete structural circumstances predetermine the rational choice of states for a concrete foreign policy option that maximizes security and survival. Therefore, if the Mearsheimerian (2001) principles of "strategies for survival" are applied to the specific case of inter-state relations in the post-2003 Middle Eastern system, it will be possible to derive the rational policy choice of states, such as Israel and Saudi Arabia, *vis-à-vis* Iran.

Particularly, Mearsheimer (2001) underlines that "great powers facing powerful opponents will be less inclined to consider offensive action and more concerned with defending the existing balance of power from threats by their more powerful opponents". Consequently, the imbalance of power in the multipolar Middle East that benefits Iran stimulates Israel and Saudi Arabia to engage in balancing efforts, and, thus, pursue a strategy that contains the rival's expanding power. Due to the fact that security is regarded as a 0-sum game in offensive neorealism, states are also interested in preventing other states from gaining relative power, which portrays the "strategy for checking aggressors" (Toft 2003, 9).

After having defined the type of strategy that Iran's foes are mainly pursuing, it has to be clarified whether Saudi Arabia and Israel rather engage in balancing or buck-passing. In this context, the variable expressing the geographic location of a state has a determining function. Generally speaking, offensive neorealism presumes that the greater the proximity of the rival power is, the stronger the tendency towards balancing turns out. Despite the fact that neither Saudi Arabia nor Israel border with Iran, the previous section explained that a direct security threat to Israel exists by Iranian control of its proxies and threat projection to the Israeli border. Furthermore, also Saudi Arabia has increasingly feared aggressive Iranian power demonstration and expansion beyond the Levant that recently culminated in the transformation of the opaque Iran-Saudi Arabia proxy conflict into a direct confrontation in Yemen. In consequence, choosing buck-passing does not represent a rational option, because the

perceived threat remains too direct and severe for passively passing the responsibility of deterring Iran on to another state that, conceivably, might even fail to contain the security threat.

In regard of the Israeli-Palestinian Peace Process, a parallel can be drawn between states' interest to engage in reviving peace talks and the strategy they choose for deterring Iran and restoring the balance of power in the region. Essentially, reacting to the threat actively, hence, by balancing, consumes much more resources and capabilities in terms of latent and military power than passive behavior and implicates that states have to prioritize certain foreign policy issues over others. In the following the collected evidence will be applied to the aforementioned assumptions in order to demonstrate to which extent the second part of the causal mechanism can be validated and whether it operates.

First of all, the policy stance of Saudi Arabia is addressed. Regarding the state's external balancing behavior in terms of the establishment of anti-Iranian alliances, it is crucial to point out that the question of contemplable alliance partners cannot easily be answered. In fact, "apart from the positions of Kuwait and Bahrain [...] *vis-à-vis* Iran, which are close to Riyadh's position, the other GCC states — Oman, Qatar and the United Arab Emirates — have taken a much more independent stand" (Aarts; van Duijne 2009, 69), which makes it very challenging for Saudi Arabia to gain sufficient support from reliable ally members in the Persian Gulf in the long run in order to balance Iran's increasing power. Importantly, the non-existent consensus and considerable degree of dissension concerning a suitable foreign policy approach towards Iran are for instance reflected in the various Gulf States' participation in or absence from the Saudi led coalition against the Houthi rebels in Yemen. Whilst Bahrain and Kuwait as hardliners almost naturally support Saudi Arabia, the latter cannot count on the engagement of Oman that holds considerably close relations with Iran. Additionally, the following *Council on Foreign Relations'* (2011) assessment of Saudi Arabia's foreign policy strategy in Yemen concerning the concrete operation 'Scorched Earth' highlights the difficulties of diminishing the perceived Iranian threat, as well as its growing presence in the Arab sphere of influence:

The Saudis have pursued a policy of balancing against, and rolling back where possible, Iranian influence in the Arab world. The high-profile [...] Saudi military actions against the H[o]uthi rebels in Yemen in November 2009, with air and artillery attacks by Saudi forces across the Yemeni border aimed at clearing the H[o]uthis from the border area, were portrayed by Riyadh as an effort to curtail Iranian influence in Yemen. The Saudis claimed victory against Iran in Yemen, as tenuous as that claim may have been, because they had suffered so many setbacks recently in their competition with Iran elsewhere. The three major areas in which Riyadh confronted Tehran were Iraq, Lebanon, and Palestine, and in all three it came up short.

Due to its utmost necessity, Saudi Arabia made the attempt to incorporate Jordan and Egypt into common balancing efforts, since both states used to share security concerns about Hezbollah and Hamas with the Gulf State. Importantly, the *RAND Corporation* (2009) notes in this context that "Jordan shares a wide set of security concerns with Saudi Arabia regarding Iranian involvement in Gaza [and] [...] feels especially threatened by Hamas's empowerment, given the significance of the Palestinian population residing in Jordan and the residual memory of the 1970 Black September civil war". Accordingly, Saudi Arabia was noticeably interested in assisting Jordan, since it feared that a similar situation as in Lebanon could occur in Jordan as well, which would have ultimately implied an additional strengthening and expansion of Iranian power in the Levant. Importantly, such a scenario would have also portrayed a major direct security threat for Israel. Furthermore, also Egypt under Mubarak raised its concerns about Hamas at the same time, since the latter's growing activity in the Gaza Strip portrayed a clear security threat, which brought Egypt, Jordan and Saudi Arabia closer together in their stance against Iran and protection of their own interests. Hence, Saudi Arabia's endeavor to eliminate and decrease hot spots in order to increase its own security rapidly obtained ultimate priority, which does also imply that efforts to revive Israeli-Palestinian peace talks took a backseat.

Substantially, this tendency intensified further when Saudi Arabia's profound regional backing against Iran increasingly vanished in the aftermath of president Mubarak's succession by Morsi, whose strong ties with the Muslim Brotherhood caused appreciation for Hamas and its government in the Gaza Strip, as well as stronger ties with Iran. Essentially, this development implicated the dangerous notion and tendency that regional affairs and political dynamics were

in fact getting out of Saudi hand, which increased fear and uncertainty about Iran's intentions in the Middle Eastern system.

Although Saudi Arabia has maintained a strong, albeit not always unambiguous, ally with the USA as a non-regional actor, it is striking that also the U.S.-Saudi alliance has so far not been able to initiate a reestablishment of the Middle Eastern balance of power, since the net outcome of allied activities has not pushed Iran back in its attempt to gain supremacy over the region. As a matter of fact, both states share the common goal of curbing Iran's hegemonic ambitions in the Middle East. Yet, U.S. and Saudi foreign policy tools and actions have not always created a political synthesis, as it became for instance visible in the realm of the Israeli-Palestinian conflict, where approaches seemed to increasingly diverge and fuel an unpleasant cacophony among the allied states. Specifically, Saudi Arabia strived to encourage reconciliation between Fatah and Hamas at times, whilst the USA was eager about isolating Hamas in the Gaza Strip, which evidently caused further aggravation of relations between Israel and Gaza, as well as Hamas and Fatah. Considering the political background, it is however important to take into account that the USA is compelled to juggle between Saudi Arabia and Israel's interests, which complicates the transfer of outright loyalty to either of its two Middle Eastern allies.

Moreover, the U.S.-Saudi balancing alliance has recently experienced a slight reverse, mainly caused by thawing relations between Iran and the USA, as a result of the conclusion of the Iran Deal. Being naturally wary of U.S.-American intentions and ambitions, Saudi Arabia's mistrust regarding the former's commitment to its ally with the Gulf State increased even further in the light of the mentioned events. Hence, it is possible to conclude with the *Council on Foreign Relations'* (2011) statement: "Given the growing number of issues over which Washington and Riyadh have differing perspectives, it is time to recognize that the relationship is now more transactional than automatically cooperative". In consequence, taking the outlined developments into consideration, Riyadh cannot instinctively rely on its ally with the USA any longer. Yet, its role in the regional balancing act gains importance more than ever in the light of the high volatility and complicated nature of Middle Eastern alliances. However, a high degree of flexibility in regard of alliances is absolutely common in an unbalanced multipolar system and must be accounted with.

Due to the moderate balancing successes that Saudi Arabia has been able to score, observations and evidence indicate that the state has recently pursued riskier great power politics in addition to the common balancing strategy. Although Mearsheimer (2001) underlines that states are more inclined towards balancing a potential regional hegemon and renounce extreme offensive behavior, his following statement emphasizes that balancing can in fact feature various facets:

The emergence of a potential hegemon, however, makes the other great powers especially fearful, and they will search hard for ways to correct the imbalance of power and will be inclined to pursue riskier policies toward that end, [since] [...] the long-term value of remaining at peace declines and threatened states will be more willing to take chances to improve their security.

Recent regional Saudi activities reflect Mearsheimer's predictions about state behavior under the defined conditions. As a matter of fact, Saudi Arabia's "relationships in the Levant [...] [have been] more confrontational [...] [which] has mainly to do with Iran's more assertive, if not belligerent, attitude in the Arab-Israeli realm, which has provoked a more concerted rollback response from Saudi Arabia", as Aarts and van Duijne (2009) note. In particular, Saudi Arabia has recently intended to gain influence in Palestinian affairs, and, thus, transfer the power struggle with Iran to a new level and location. Apparently, Saudi Arabia has been introducing a phase of unexpected détente with Hamas and PIJ, as a result of the former and latter's diverging stances on Iran's support for the al-Assad regime in Syria and the Houthi rebels in Yemen. Since neither PIJ, nor Hamas denounced the Saudi led coalitions in both conflicts, Iran temporarily suspended or decreased its financial aid to the militant entities.

Accordingly, Saudi Arabia sought the opportunity to exploit PIJ and Hamas' extreme financial dependency and initiated its pivot to stronger presence in the Gaza Strip, which Iran interpreted as a political affront and provocation. Although these entities have represented decisive Iranian allies, Iran has indicated to give priority to the course of the Syrian conflict and supporting al-Assad, with the aim of securing its unlimited access to Syrian territory, and, therefore, ensuring future weapons shipment through the transit state to Hezbollah in Lebanon. For Saudi Arabia, these circumstances portray a favorable moment for the state to demonstrate its power in Palestine *vis-à-vis* Iran. Yet, Saudi Arabia's warming relations with Hamas and PIJ

do also bare a considerable security risk, since it might upset relations with Sisi's Egypt. Furthermore, this drastic foreign policy change has implied temporary Saudi renunciation from further reconciliation efforts concerning Fatah and Hamas, which contributes to an extension of the deadlocked peace process.

Yet, Saudi Arabia's strategic step that is supposed to alleviate, or at least balance, the security threat emanating from Hamas and PIJ, and reflect Saudi Arabia's assertiveness against Iran has significantly influenced Iran's shifting attitude towards Palestinian factions. In consequence, Iran has granted support to as-Sabirin, another radical Palestinian militants that represents an offshoot of PIJ. In addition, Iran also indicated to enhance its aid for the Syrian based Popular Front for the Liberation of Palestine – General Command (PFLP-GC). Surprisingly, Iran has also revived relations with Fatah and the PLO through Fatah's visit to Tehran in January 2014, as Al-Monitor (2014), a reliable media site on Middle Eastern affairs, comments. At the same time, Iran's omission of support for PIJ and Hamas does not represent a *fait accompli*, as the state has recently made the attempt to "rebuild the relationship with Hamas by providing missile technology that Hamas used to construct its own rockets and by helping it rebuild tunnels destroyed in the conflict with Israel" (Katzman 2016, 16). Last but not least, it is crucial to bear in mind that the Iranian sanctions relief might in fact add explosive potential to the complex situation in Palestine, as Iran is likely to increase its financial support for Palestinian militants. Finally, intensified and more offensive meddling in Palestinian affairs on the part of Iran and Saudi Arabia for the sake of power demonstration and gaining spheres of influence has created a covert Iran-Saudi Arabia battlefield, which ultimately complicates their relations, worsens the conditions for peace negotiations concerning the settlement of the Palestinian question, and, additionally, introduced a number of new security threats.

When it comes to the second most affected state by Iranian threat projection, namely Israel, it is crucial to emphasize that its approach towards external and internal balancing slightly differs from Saudi Arabia's. In this context it is decisive to take Mearsheimer's remark on the determining effect of a state's geographic location on its foreign and security policy into consideration. As mentioned before, Israel's political encirclement and geostrategic isolation by mostly Iranian proxies have increased in the light of Iran's resurgence in the Middle East, which implicates that its territorial integrity is directly threatened and calls for distinct foreign policy measures.

Since Israel remains largely isolated in the region, its balancing attempts are mostly based on security cooperation with its U.S.-American ally. However, it is crucial to note that internal and external balancing are *de facto* intertwined in the case of Israel. Specifically, this portends that the USA largely provides Israel with foreign military and financial aid in order to promote Israeli military buildup and development, so that the state will be capable of defending its territory and interests by itself in a solo-attack or –intervention, if a concrete incident requires such actions, as in the case of the 2006 Lebanon War for instance. Importantly, the USA and Israel do not form a direct military coalition and "do not have a mutual defense treaty or agreement that provides formal U.S. security guarantees" (Zanotti 2015, 33). Moreover, the USA has indicated that its military involvement is generally limited to major regional conflicts. This observation is crucial because it portrays two decisive implications: Firstly, Israel cannot necessarily rely on combined military strength, as it is common in balancing coalitions, which implies that Israel's concern about power maximization in military terms becomes a top priority of national interests, and, secondly, Israel is heavily dependent on U.S. security cooperation and aid in order to sustain its high-quality military arsenal that ensures Israeli deterrence, security, and, thus, survival.

The full scope of these problematic correlations surfaces at times when U.S.-Israeli relations are not all that cordial, as it has recently been the situation. In fact, Israel's national security concept has begun to totter in the context of the Iran Deal, which has negative ramifications for Israel's security, especially in a system where security competition is remarkably high. Essentially, Zanotti (2015) notes that "Israeli leaders appear to have some concerns about the U.S. commitment to regional issues implicating Israel's security, but at the same time overall bilateral cooperation has continued and even increased by many measures on a number of issues such as defense, trade, and energy". Furthermore, Israel's regional nuclear supremacy presents a clear milestone of its security capabilities and multiplies its ability to deter regional foes, and, predominantly, Iran after signing the nuclear deal. Yet, what might seem like a paradox is actually based on very rational offensive neorealist assumptions. Since Israeli mistrust and uncertainty about both U.S. and Iranian intentions and commitments naturally translate under unbalanced multipolar conditions into recurrent spirals of fear, Israel must react suspiciously and alarmed in order to ensure its survival, eminently as Iran portrays Israel's most aggressive regional foe and primary security threat. Importantly, these aforementioned developments do at the same time have a negative impact on the course of the

Israeli-Palestinian Peace Process, because Israel remains far too occupied with trying to find appropriate means that strengthen its security in a system that provides a potential regional hegemon.

Interestingly, predominantly Israel and Saudi Arabia's shared concerns about Iran's nuclear program and ambiguous U.S. intentions have caused the states to enter a covert phase of détente, resembling the ancient realist notion "the enemy of my enemy is my friend". Although tendencies towards greater united balancing efforts against Iran would definitely benefit both regional actors' security needs, neither of the states can actually rely on the other's assistance when it comes to deterring Iran. After all, Arab-Israeli relations have traditionally been extraordinarily antagonistic and even hostile. Moreover, Saudi Arabia's recent pivot to Hamas and PIJ could be interpreted as a clear affront against Israel and shifts Saudi Arabia's usually rather moderate foreign policy stance into a questionable light.

In contrast, Israel enforced a number of concrete security measures that were deployed in order to diminish the security threat perceived from Iran and the activities of its proxies and engaged less in alliance formation efforts, simply because most Middle Eastern states consider Israel as an enemy or rival. In fact, the following statement by Benedetta Berti (2015) summarizes Israel's security measures that are first and foremost focused on maintaining national security rather than interfering in regional conflicts and equal the predicted offensive neorealist patterns of behavior:

> *Since 2011, Israel has invested in sheltering itself militarily from the winds of regional change in [...] [two] ways. First, beefing-up the country's border defences. The rapid completion and upgrade of the massive border fence between Israel and Egypt is a powerful example of this trend. In addition to strengthening the 'Israeli fortress', the overall post-2011 strategy has focused on keeping a low profile and shying away from openly taking sides in regional upheavals, mindful of Israel's scarce to non-existent direct political influence in the region. [...] Second, Israel's government has continued to invest in military preparedness and boosting its deterrence against its main non-state challengers: the Palestinian Hamas and the Lebanon-based Hezbollah. [...] For example, since the beginning of the Syrian civil war, Israel has reportedly targeted transfers of advanced weapons to Hezbollah and, more recently, it has intervened against the Lebanese-Shiite group's attempts to increase its presence in the Syrian Golan heights.*

In fact, due to Israel's limited sphere of influence and lack of allies in the region, it is possible to argue that the state's internal balancing efforts in terms of resource mobilization and military buildup are determinative of its security in the Middle East. Importantly, with a figure of 5.9% Israel records one of the highest military budget expenditures of the entire region (The World Bank 2016). This notion underlines that Israel intends to significantly maximize its power, which is a typical characteristic of a status quo renouncing revisionist foreign policy approach. Hence, the offensive neorealist assumption that each gain in relative power automatically increases a state's security corresponds to Israel's foreign policy view.

As indicated above, the USA plays a key role in Israeli military upgrade and armament. Notably, Jeremy M. Sharp (2015) emphasizes that "almost all current U.S. aid to Israel is in the form of military assistance […] [and is] designed to maintain Israel's 'qualitative military edge' (QME) over neighboring militaries, since Israel must rely on better equipment and training to compensate for a manpower deficit in any potential regional conflict", which primarily comes to light concerning Israeli-Iranian relations, since Iran's active frontline personnel exceeds Israel's by approximately four times (Business Insider 2014). At this point, it is crucial to once more highlight Mearsheimer's strong emphasis on the outstanding supremacy of land power as a sub-element of general military power. Furthermore, maintaining Israel's 'qualitative military edge' requires vast sums of monetary assets, which represents a significant financial burden to Israel as a small state in the Middle East. Thus, Israel needs to allocate its financial means according to urgency and necessity of a specific matter that must be dealt with, which implies in this context, that the direct Iranian threat has to be prioritized over the peace process.

To conclude, the analysis of the second part of the causal mechanism has portrayed the behavior and activities of Iran's major foes in terms of different internal and external balancing efforts, achievements and difficulties in regard of the aforementioned Iranian threats. Importantly, state behavior and certain foreign policy actions do have a decisive and determining impact on the course of the Israeli-Palestinian Peace Process, which will be further scrutinized in part three of the mechanism. In particular, the analysis has also indicated that Iranian security threats do, firstly, represent a defining element in both Israel and Saudi Arabia's foreign policy, and, secondly, entail some challenges when it comes to successfully deterring and balancing Iran. Consequently, the analytical results reflect a decisive part of and contribute to understanding the overall generative causality between variable X and Y. As illustrated, also in this part of the analysis it was possible to verify the conceptualized and hypothesized

intermediate step by basing conclusions on evidence mainly derived from official reports or other secondary sources. Hence, the likelihood of finding applicable and reliable evidence is quite high and sufficient for validating the second part of the mechanism. Therefore, as an intermediate result, the first two parts of the mechanism have been proved to operate in the context of theory-testing.

In order to establish the synthesis between part two and the final part number three, intervening variable n_2 will be briefly elucidated. Due to the fact that the unbalanced multipolar conditions of the Middle Eastern system enhance Iran's foes' fear, security threats must be enfeebled, or, ideally, eliminated. This leads to the logical conclusions that states prioritize immediately dealing with some specific security threats in the realm of national interests over others in order to ensure security and survival. Accordingly, in this work it is argued that states favor a specific foreign policy behavior and choose those activities that enable them to most efficiently meet the concrete threats, which does ultimately have a decisive influence on the peace process, which will be further analyzed in the following final part of the mechanism.

3.3. Part 3: The diminished urgency to revive the peace process

To begin with, it is possible to argue that the Israeli-Palestinian Peace Process has lost its urgency. As portrayed in the analysis of part one and two of the mechanism, involved states in peace negotiations, such as Israel as the signatory party of a potential peace agreement and Saudi Arabia as a mediator, have recently been preoccupied with foreign policy issues that must be prioritized under the rationale of a state's *raison d'état*. In fact, the post-2003 security environment of the Middle East has not provided the stability that successful peace talks necessitate and has enabled Iran to rise as a potential regional hegemon au contraire. Concomitantly, regional and international attention has turned away from the peace process and shifted to Iran's activities and ambitions in the Middle East. Interestingly, the *RAND Corporation* (2011) comments the Israeli perception of a lack of urgency to deal with the Palestinian question in the context of transformed regional dynamics as follows:

Yitzhak Rabin and Shimon Peres's belief in the early 1990s that a successful peace process would put Israel in a better position to deal with Iran [...] no longer drove policy a decade later. Not only were Israelis more skeptical of the peace process in the wake of the second Intifada and the violence that followed Israeli withdrawals from southern Lebanon and Gaza, but Israeli analysts also viewed Iranian political and military support as having grown much closer to Syria and nonstate actors fighting Israel such as Hamas and H[e]zb[o]llah. [...] Such assessments thu[s] reversed the link between the peace process and Iran advocated by Rabin. Rather than viewing the peace process as important for addressing Iran, key Israeli leaders came to believe that it would be difficult to make peace with the Palestinians without first dealing with Iran.

As a matter of fact, plenty of evidence exists which highlights that political hotspots surrounding Israel's territory markedly increased. In addition, most of these conflicts feature Iran being either directly or indirectly involved. Essentially, the *RAND Corporation* (2011) states that "it was not until the early 2000s, and certainly after the 2003 Iraq war that removed Saddam Hussein as the common enemy of both Israel and Iran, that Iran unequivocally rose to the top of Israel's national security agenda". At this juncture, it is obvious that the Iranian threat projection has not diminished over time but in fact heightened, even after the conclusion of the Iran Deal, as the analysis in part one of the mechanism indicates. Hence, the Iranian security issue that does for instance also comprise the Golan Heights as a decisive area of conflict or the Mazraat Amal incident in 2015 has superseded the peace process in terms of urgency.

Moreover, possible violent acts and attacks originating from the West Bank as one part of the occupied territories do currently not represent an imminent security threat to Israel and its territorial integrity anymore, since the construction of the West Bank Barrier that began in 2002 has dammed back violence. In fact, Danahar (2015) notes that "the reason why many Israelis do not care much about the peace process with the Palestinians on the West Bank is that they do not have as much to fear from those Palestinians any more", whilst Zanotti (2015) adds that "some unconventional threats to Israel are seen to have been reduced because of factors such as heightened security measures *vis-à-vis* Palestinians; missile defense systems; and reported cyber capabilities". Particularly, these statements underline that a decrease in the perceived security threat originating from Palestine, and primarily the West Bank,

automatically leads to a reassignment of national security priorities that allows Israel to increase its chances of survival in the antagonistic security environment.

The other much in this work discussed Iranian foe, Saudi Arabia, has long functioned as a mediator in the Israeli-Palestinian Peace Process and usually attempted to expedite the process on the part of the PLO or Fatah. Interestingly, Saudi Arabia's stake in and actions concerning the settlement of the Palestinian question have usually been motivated by its own national, and, thus, security interests. Essentially, it has been striking that Saudi Arabia has been inclined towards supporting Palestinian factions that oppose Iran-backed Palestinian entities. This observation is furthermore stressed by Aarts and van Duijne's (2009) conclusion stating that "much to Riyadh's annoyance, and that of Cairo and Amman for that matter, Tehran had been able to get closer to Hamas, both politically and financially. In reaction, Saudi Arabia has been raising its profile on the Israeli-Palestinian issue. It provided the strategic motivation behind the Saudi-brokered 'Mecca agreement' between Hamas and Fatah in February 2007". Thus, it is possible to conclude that both Iran and Saudi Arabia *de facto* use Palestinian factions as a tool of foreign policy continuation and as decisive proxies regarding their internal power struggle. Thereby, Iran and Saudi Arabia's foreign policy strategies massively infringe the Israeli-Palestinian Peace Process.

As a matter of fact, neither the 2002 Arab Peace Initiative, 2007 Mecca Agreement, nor further attempts to stimulate reconciliation between Fatah and Hamas entered the history books as successful efforts to establish a unitary government. In the end, the aforementioned attempts did not thwart an increasing hardening of fronts between Israel, Fatah and Hamas, as the beginning of the Gaza-Israel conflict in 2006 indicates. At the same time, Iran's threatening resurgence in the Middle East has not been stoppable and the Arab Spring additionally heightened the level of instability in the Arab world. Accordingly, Saudi Arabia has been forced to adjust its foreign policy priorities to the enhanced security concern, which resulted in a foreign policy shift towards greater offensive power demonstration against Iran. For instance, Saudi Arabia and Iran's almost contemporaneous engagement in the Yemeni conflict, as well as Saudi Arabia's stronger foothold in the Gaza Strip can be considered as a product of strengthened Saudi efforts to roll back Iranian influence in the Arab sphere of influence. In this context, Henry Kissinger (2015) has made the following observation:

In the Arab world, the Palestinian issue has lost some of its urgency, though not its importance. The key participants of the peace process have diverted energies and reflection to dealing with the emergence of [...] Iran and its regional proxies. This affects the peace process in two ways: in the diplomatic role major countries like Egypt and Saudi Arabia can play in shaping the peace process; and, even more important, in their ability to act as guarantors of a resulting agreement. The Palestinian leaders cannot themselves sustain the result of the peace process unless it is endorsed not just in the toleration but in the active support of an agreement by other regional governments. [However,] [...] the major Arab states are either torn by civil war or preoccupied with the Sunni-Shia conflict and an increasingly powerful Iran. Nevertheless, the Palestinian issue will have to be faced sooner or later as an essential element of regional and, ultimately, world order.

In consequence, it is possible to conclude that Arab states, such as Saudi Arabia, have recently not had the ability to use their resources in favor of the peace process, since more pressing issues had to be prioritized. In addition, retaining the idea of mediating in the peace process in order to stimulate an agreement between Israel and Palestine seems counterproductive and maybe even security risk enhancing given the fact that the Iran-Saudi Arabia proxy conflict exacerbates, relations with the USA slightly deteriorate and ties to Egypt are volatile.

Furthermore, Saudi Arabia's shifted tactic and its concomitant rapprochement to Hamas and PIJ in the Gaza Strip can be interpreted as a significant and necessary step towards deterrence of and power demonstration against Iran. In particular, the Iran-Saudi Arabia power struggle in Palestine has now reversed, with Iran approaching Fatah and Saudi Arabia strengthening ties with Hamas and PIJ, as scrutinized in the analysis of part two of the causal mechanism. However, this rational decision has a restricting effect on the peace process, since Iran and Saudi Arabia are in fact not interested in acting in favor of reviving peace talks, but expanding their power by intervening in the sphere of influence of the opponent. Yet, as long as the two rival states intensively and self-interestedly meddle in Palestinian affairs, reconciliation between Fatah and Hamas that is indispensable for successful negotiations between Israel and Palestine, will be impossible.

For instance, the last round of official peace talks ended in 2014 and illustrates the importance of reconciliation and the establishment of a unity government to the peace process.

In fact, a few days after the conclusion of the 2014 Fatah–Hamas Gaza Agreement that served as the legal base for the establishment of the Palestinian Unity Government in June 2014, Israel suspended peace negotiations with Palestine. Importantly, as long as Fatah *de facto* acquiesces Hamas' participation and interests in the unity government, Israel will not be willing to engage in peace talks, since Hamas portrays a severe threat to Israel's security. Nevertheless, Hamas remains extremely determined and "has not given up its armed struggle because as far as it is concerned the situation in the Palestinian territories has not changed [and] […] refuses to recognize Israel's right to exist and it pours scorn on the idea that negotiations with Israel will ever win concessions" (Danahar 2015, 129). Moreover, intermittent Saudi and Iranian financial aid for Hamas enables the faction to remain in control of the Gaza Strip and will thus not renounce its goals and sphere of influence. Regarding this essential obstacle, Zanotti (2015) additionally notes that "though Netanyahu's remarks before and after the March 2015 elections have fueled debate and uncertainty over whether he still supports or ever supported a 'two-state solution', they have consistently indicated that Israel would only be willing to contemplate such a solution if the Abbas-led Palestinians recognize Israel as a Jewish state and curtail Hamas's role in governance".

Apart from the difficulty to reconcile Fatah and Hamas, as well as the absence of urgency to deal with the peace process, Israel has been very reserved in regard of the peace process, because invigorating negotiations between Israel and Palestine could even entail a negative impact on the former's security. Past events, such as the failure of the 2000 Camp David Summit and the concomitant outbreak of the Second Intifada, have indicated that unsuccessful peace talks stimulate the uprising of riots and increased violence in the occupied Palestinian territories. In fact, the current Israeli-Palestinian security environment is extremely heated up, with the likelihood of a third intifada being considerably high. Therefore, if renewed peace negotiations fail, Israel will *de novo* have to cope with an additional security threat in form of attacks originating from the Gaza Strip and also the West Bank, although Israel just succeeded in curbing massive West Bank violence by erecting the West Bank barrier. Consequently, reviving the Israeli-Palestinian Peace Process does not represent a strategically rational option for Israel.

Moreover, engaging in revived peace talks in view of the aforementioned correlations is too risky from the Israeli perspective, because its ties to the USA have recently been damped in the light of the Iran Deal. Importantly, Zanotti (2015) emphasizes that "many reports indicate

that President Obama and Prime Minister Netanyahu have differed on a number of issues, especially relating to Iran's nuclear program and to the Palestinians, since they both took office in 2009". Accordingly, Israel cannot run the risk and blindly rely on U.S. financial and military support in case new violence erupts as a result of failed peace talks. Besides, Israel's leeway in regard of its relation with the USA is generally very limited, since it is heavily dependent on U.S. security cooperation and diplomatic support when it comes to the implementation of the nuclear inspections regime in the case of Iran and must therefore eschew actions that provoke a further deterioration of the U.S.-Israel relations. In consequence, Israel acts rationally by remaining inactive in the peace process in order to avoid any additional security risks.

Furthermore, the immense security threat and geographical encirclement by Iranian proxies, as well as Israel's lack of regional allies highlight the importance of territorial integrity for the survival of the Israeli state in an increasingly antagonistic security environment. Mearsheimer (2001) underlines that a state's primary national interest reflects the safeguarding of territorial integrity, as well as domestic autonomy. However, agreeing upon the final implementation of a two-state solution ultimately leads to settling borders between Palestine and Israel and implies that Israel would lose control over certain territories that it claims, which would automatically portray a threat to its territorial integrity. In addition, the transfer of territories in the light of the two-state solution does not only threaten Israel's territorial integrity, but also its ability to demonstrate power and assertiveness *vis-à-vis* its opponents, and, predominantly, Iran. Conceivably, this development would encourage the 'Axis of Resistance' to increase its actions against Israel and since the latter is not equipped with a significant amount of allies, such a situation could turn into an imminent security threat.

Yet, the concept 'land for peace' that has dominated the Israeli-Palestinian peace process entails that Israel would need to give up certain territories and withdraw its forces in order to generate peace between Palestine and Israel. Therefore, Israel would need to transfer for instance the control of Area C of the West Bank to the PNA once a sovereign Palestinian state is created. Moreover, Israel would have to re-locate Israeli settlements in the West Bank, which have been used as a geostrategic Israeli leverage in order to gain control over specific areas in the West Bank. In consequence, Israel's attempt to ensure its territorial integrity and security in times of increased external security threat detains the peace process from making any progress. In this context, Zanotti (2015) emphasizes that "Palestinian leaders and Arab state rulers may find it harder to move toward formal peace with Israel if they become more

accountable to public opinion focused on Israel and its indicia of control in the West Bank, Gaza, and Jerusalem. Formally, the Arab League remains committed to 'land for peace', as reflected in the 2002 Arab Peace Initiative".

To sum up, the analysis of the final part of the causal mechanism has portrayed that the hypothesized third part of the mechanism can be validated. Importantly, the subjective probability of finding concrete evidence that is applicable to the conceptualized part is high, since various secondary sources that deal with the subject matter are easily and directly accessible. Having reached this last step in the causal sequence, it is possible to state that causal inferences can be deduced from the hypothesized mechanism, with the aggregate causal chain reflecting the underlying reasons or causes that determine the relation between variable X and Y.

CONCLUSION

In conclusion, this work has, based on the principles of process tracing, hypothesized, conceptualized and tested the validity of an established mechanism consisting of three parts and two intervening variables that explains the aggregate generative causality between Iran's resurgence in the Middle East and the course of the Israeli-Palestinian Peace Process in the context of the increasingly unbalanced and antagonistic multipolar structure of the anarchic Middle Eastern system and its post-2003 security environment. Furthermore, the theoretical framework pursuing an offensive neorealist perspective has provided a system-centric focus on the issue at the macro level of analysis. Hence, structural pressures generally serve as the base for generative causality between cause and effect. In accordance with the Bayesian hypothesis testing principles and the procedural guidelines of theory-testing, the main thesis and established mechanism could be validated.

Specifically, part one of the causal mechanism has demonstrated that Iran's main foes, namely Israel and Saudi Arabia, perceive an increased security threat due to Iran expanding its power and sphere of influence in the Middle East. Importantly, the structure of the Middle Eastern system where variable X and Y, as well as the causal mechanism are embedded in, indicates that Iran's resurgence is benefitted by the unbalanced multipolarity of the system, whilst its opponents' threat perception is enhanced by heightened mistrust and spirals of fear being created by the structural conditions. Consequently, the imbalance of power in the Middle East is for instance marked by Iran increasingly projecting power across the Levant on the expense of Arab interests and security, as the direct conflict with Saudi Arabia in Yemen demonstrates. Thus, the Iran-Saudi Arabia proxy conflict has exacerbated since the disintegration of Iraq in 2003. Besides, Iran-Israel relations have become more hostile as a result of Iran's nuclear ambitions, as well as its consolidation of power in Lebanon, the Gaza Strip, Syria and Iraq, mostly conducted by the 'Axis of Resistance' and the support of militant proxies, such as Hezbollah, PIJ and Hamas.

Accordingly, states' fear, enhanced security competition, as well as concomitant self-help result in ubiquitous internal and external balancing efforts by Israel and Saudi Arabia. Yet, part two reflects that successes have been rather moderate, which is why Saudi Arabia has for instance made the attempt to engage in a foreign policy strategy that features greater confrontation and offense against Iran, with the aim of intensifying Saudi power demonstration

and deterrence. This strategy particularly includes a greater enlargement of the Iran-Saudi Arabia proxy conflict to Palestine, with shifting support for Hamas, PIJ and Fatah, as well as the direct power struggle between the two states in Yemen. In fact, Saudi Arabia satisfies its security need by striving to gain relative power and secure its sphere of influence. In contrast, Israel's lack of regional allies motivates the state to engage in a foreign policy strategy that intertwines internal and external balancing. Therefore, especially military capabilities are a determining asset in Israel's battle against geographical isolation and encirclement by Iranian proxies. Furthermore, Israel heavily relies on U.S. foreign aid and security cooperation, which recently increased. Yet, ties have been less warm than usual and in combination with the inherent uncertainty and mistrust that the anarchic structure of the system fuels, Israel currently finds itself in a precarious state. As a result Israel has attempted to stronger secure its borders and pursue a strategy of non-involvement in major regional conflicts.

In consequence, Iran's status quo revisionism has forced Saudi Arabia and Israel to reconsider and readjust their foreign policy priorities in line with the concept of *raison d'état*, which primarily represents the protection of a state's security, territorial integrity and survival according to offensive neorealism. In this context, dealing with the Israeli-Palestinian Peace Process has recently lost its urgency in the Middle East, since both Israel and Saudi Arabia struggle to fight off the enhanced imminent Iranian security threat. In addition, Saudi Arabia's security-enhancing strategy of increasing its presence in the Gaza Strip *vis-à-vis* Iran undermines any attempt of reconciliation between Fatah and Hamas, which successful peace negotiations and Israeli approval of a Palestinian unity government necessitate. Nevertheless, as long as either Saudi Arabia or Iran financially back Hamas, the latter will not be willing to make any concessions. Finally, Israel's behavior in regard of mitigating any Iranian security threats has affected the Israeli-Palestinian Peace Process in three major ways. Firstly, Israel has focused on strong internal balancing that requires great financial and military resources. Moreover, the state has managed to alleviate violent attacks originating from the West Bank that do no longer represent a primary security threat to Israel due to the construction of the West Bank barrier. Secondly, Israel cannot risk reviving peace talks, since a failure would ultimately imply intensified violent attacks from the occupied territories, which is especially dangerous in times of deteriorating U.S.-Israel relations. Last but not least, agreeing upon the final implementation of the two-state solution would portray Israel's weakness and lack of

assertiveness, as well as the violation of Israel's territorial integrity, which has to be avoided at all hazards.

Importantly, whilst the collected and applied diagnostic and empirical evidence validates the existence and functioning of the causal mechanism, it remains decisive to point out that the theoretical and content-related framework are subject to a specifically defined scope, which implicates that alternative mechanisms that clarify the underlying causality between cause and effect in regard of the research issue might be applicable as well, if another distinct IR paradigm and level of analysis are chosen. Nevertheless, since the causal mechanism is based on universal offensive neorealist assumptions that are operating in the given framework, it is possible to formulate certain predictions for the future course of the Israeli-Palestinian Peace Process. Hence, the essence of the general inference concerning future occurrences emphasizes that the potential continuance of Iranian regional hegemonic ambitions in the Middle East will force rival states to persist with treating the Iranian threat as their primary security concern, which, in turn, prolongs the passive phase of the deadlocked peace process.

Apart from uncovering and validating the operation of the generative causality, this work has illustrated that pursuing process tracing as a classical qualitative research method in IR on the macro level does not portray an academic dichotomy or extreme departure from the traditional application of process tracing on the micro level of analysis, but an effective, albeit uncommon, means for conceiving processes that are predominantly stimulated by structural pressures. Therefore, the chosen IR paradigm, offensive neorealism, and the research method represent an academically and logically stringent equation. In consequence, this work also intends to encourage further research in the still understudied field of the application of process tracing on the macro level in IR.

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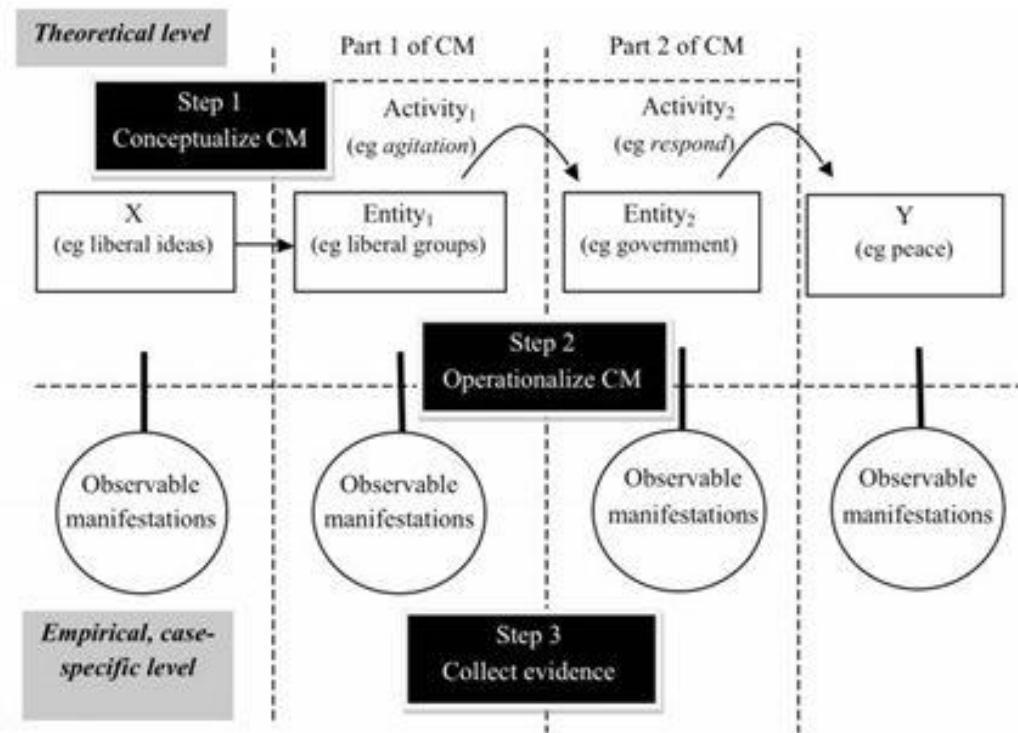
APPENDICES

Figure 1. Theory-testing – General Model.

Source: (Derek, Beach 2012, 20)

Theoretical level	CAUSAL MECHANISM			
	Part 1 of CM	Part 2 of CM	Part 3 of CM	
Step 1 Conceptualize CM **X (cause / condition) Independent variable** (Iran's resurgence in the Middle East)	*Entity$_1$* **Iran's foes** • Primarily Israel and Saudi Arabia	*Entity$_2$* **Iran's foes, different Palestinian entities and other influential powers in the region** • For instance the USA	*Entity$_3$* **Israel, its foes and different Palestinian entities**	**Y (effect / outcome) Dependent variable** (The course of the Israeli-Palestinian Peace Process)
	Activity$_1$ Iran's foes **perceive** an increased security threat	*Activity$_2$* Affected states **react** to the threat and changed security environment by either **joining balancing efforts**, or **expanding their own power** Saudi Arabia and Iran increasingly **meddle** in Palestinian affairs to **demonstrate their power** (e.g. support of Hamas)	*Activity$_3$* **Urgency** for reviving the peace process **is missing** Reviving the peace process could even **have negative effects** on Israel's security **Reconciliation** between Fatah and Hamas **not possible**	
	Intervening variable n_1 **Fear** **Increased security competition** **Self-help**	**Intervening variable n_2** **Prioritizing certain security threats** over others		
	Sequence / Causal chain			
	Step 2 Operationalize CM			
Observable manifestations	Observable manifestations	Observable manifestations	Observable manifestations	Observable manifestations
Empirical, case-specific level	Step 3 Collect evidence			
	Context Increasingly unbalanced and antagonistic multipolar structure of the anarchic Middle Eastern system			

Figure 2. The case-specific causal mechanism.