The 1956 Suez Crisis is generally credited with the introduction of the Cold War into the Middle East. The power vacuum left by the defeated former colonial Powers, Britain and France, was quickly filled by the United States and the USSR. Scholars have since debated the impact of the Cold War on the Middle East, looking at the relationship between local states and external Powers. The question at the centre of the debate with respect to the Arab–Israeli conflict is a simple one: to what extent did Israel, the Palestinians and the Arab states fight to a globalist superpower agenda and to what extent did regional leaders manipulate the superpowers for their own domestic and regional gains? In trying to answer this question, two broad schools of thought have emerged, the globalist or systemic school and the regionalist school. According to the globalist or systemic school, external forces played a decisive role. Some analysts, in fact, have gone as far as suggesting that local powers had no real will of their own, no freedom of action, no control over their own destiny. They were mere pawns in the superpower game.

Those who argue that the impact of the Cold War was the decisive dynamic in the Middle East and the Arab–Israeli conflict point to the post-Suez split in the Arab world between Western-supported reactionary states, which in the Arab–Israeli sphere included Lebanon and Jordan, and Soviet-supported revolutionary states such as Nasser’s Egypt, Ba’thist Syria, and many of the Palestinian guerrilla groups which had started to organize since 1957. Israel eventually joined the Western camp, despite the continued reservations by Britain and the United States that relations with Israel would jeopardize their relations with the Arab oil states. As a result Israel received its first American arms shipment in 1962 from the Kennedy administration, but it was not until after the 1967 Six-Day War that the American–Israeli special relationship developed.

Superpower manipulation of local players is evident in the issuing of the false intelligence report by the Soviets in May 1967, which put the region on the road to war. The Israeli–Syrian arms race in the 1970s and 1980s is also seen as a clear manifestation of the Cold War by proxy. Furthermore, the last phase of the 1973 war has been described as the most serious superpower confrontation in the Middle East. When the Egyptian Third Army was trapped by Israeli forces, Russia rallied to the aid of its Egyptian ally, threatening to take action in the Middle East if the United States did not curb Israel. Washington responded to the Russian threat by issuing a nuclear alert, Defcon III. Last but not least, it has been argued that the Cold War made the resolution of the Arab–Israeli conflict impossible, for the superpower rivalry led to both sides using their vetoes in the UN Security Council to maintain the status quo of 'no all out war and no peace'. Thus it was only in 1991, with Russia and the United
States pulling in the same direction, that a comprehensive Middle East peace conference could be convened.

According to the regionalist school of thought, local powers have not just been acted upon. Regionalists have assigned greater weight and more leverage to local forces. Some analysts have gone as far as to suggest that the external–local power relationship is, in fact, inverse and that more often than not local powers successfully manipulated the superpowers for their own ends and that the superpowers struggled with the complexities of the regional dynamics.

Those who argue that the impact of the Cold War was less significant point to the fact that the causes of the Arab–Israeli conflict as a whole, as well as each of the wars, were regional in nature, both pre-dating the Cold War and outliving it. They also point to the fact that while the United States and USSR were supplying their local allies with arms, they had no control over how or when these arms were used and repeatedly proved incapable of restraining their allies and stopping the descent into war. In 1967, the United States and the USSR each urged Israel and Egypt respectively not to appear to be the aggressor. Yet Israel launched a pre-emptive strike. Israel's decision was based on domestic economic and security considerations, such as the population's pressure for decisive action, the fact that it could not remain mobilized for an indefinite period of time, and that it did not have the strategic depth to absorb an attack and consequently needed to fight any war in enemy territory.

An example which clearly points to a case of the ‘tail wagging the dog’ is Egypt's expulsion of the Soviet advisers in 1972 and its subsequent realignment with the United States. This decision was not grounded in ideological conversion but in Egypt's desire to improve its economy and regain the Sinai. Courting the United States was a pragmatic choice as only the latter could put pressure on Israel and provide large amounts of economic aid. With respect to the Middle East peace process, regionalists argue that while the end of the Cold War made the international environment more conducive to negotiations, these would not have produced results if it had not been for the changes in attitude of Israel, the Palestinians and the Arab states, changes that were the direct product of years of confrontation and the realization of the limits of the use of force.