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The Role of the EU in the
Israel\Palestine Conflict

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A. Introduction

The aim of this working paper is to analyse whether, and under what conditions, the EU’s involvement in the Israel / Palestine (IP) arena has had any direct impact on the process of conflict resolution. The paper examines the different pathways, namely compulsory impact, enabling impact, connective impact and constructive impact that the EU have applied in relation to the Israel\Palestine conflict (Diez, Stetter & Albert, 2003). The analysis is based on a study of Israeli, Palestinian and European interviews, media coverage and documents. Additionally, we will point to the impact of these pathways and their effect on the development of the conflict, changes in conflict intensity over time, and the wider regional conditions within which change is taking place.

Based on Working Paper 1 (Newman and Yacobi, 2004) we will present the development of EU role and patterns of intervention, coupled with an analysis of the costs and benefits of this intervention, especially as they are perceived by the actors themselves in terms of the potential role of the EU as a third party who can play the role of 'honest broker' in the conflict resolution process. In this context we argue that Europe’s role in general, and that of the EU in particular, is of major significance. However, despite the long historical relationship between Europe and Israel/Palestine, and despite the substantial economic involvement in both Israel (in terms of trade and cultural relations) and the Palestinian Authority (in terms of major financial assistance and aid packages) both actors perceive the EU’s role as limited in the process of conflict resolution.

This is particularly the case with respect to Israel, where there is a deep-rooted and, in recent years, growing mistrust of European intentions towards the region. Israeli attitudes towards Europe, as we will detail later, have always been harsher and more critical than attitudes towards the USA, even when the respective USA and EU leaders make similar statements about the
need to establish a Palestinian State, end the occupation of the West Bank and Gaza and bring an end to settlement activity.

B. Europe and Israel / Palestine: A Historical Overview

Ever since the establishment of the State of Israel in 1948 and the parallel creation of the Palestinian refugee problem, Europe has attempted to maintain its influence as a power broker and mediator in the region. During much of this period, there was not a single European policy towards the region, with different countries changing their stances according to specific political and time contexts. In recent years however, the EU has come close to adopting a single policy towards the conflict.

Following the establishment of the State of Israel, it was Germany and Britain who were the bete noir for most Israelis, the former because of the holocaust, the latter because of their attempts to prevent the establishment of the State and refuse entry to refugees and immigrants in the period between 1945-1948. During the first decade of statehood, France was an important ally of Israel and was seen by foreign policy makers as being the closest European ally. By the time of the 1956 Sinai campaign, France and Britain were working together with Israel against the Egyptian nationalization of the Suez Canal, while Germany remained beyond the pale of normal diplomatic relations.

This situation changed by the 1960’s, when Germany had began to develop relations with the State of Israel. During the past forty years, it has been Germany which gradually taken on the role of being Israel’s closest European ally, although Israeli leaders never lose the opportunity of exerting the guilt complex on German governments when their leaders utter statements which may be interpreted as being too pro-Palestinian and not sufficiently pro-Israeli.
The Six Day war in 1967 can be seen as a turning point not only in the IP conflict (Newman and Yacobi, 2004), but also in the European approach to the region. This period is characterized by European policies aimed at directly addressing the political leadership of the conflict participants. Such compulsory forms of intervention are often seen as constituting the 'carrot' and 'stick' at the disposal of a wealthy and powerful third party (Dorussen 2001 in Diez, Stetter and Albert, 2003). European support for Israel became more tenuous, while the continuation of the occupation switched much European support for the pre-1967 underdogs (Israel) to the post-1967 underdogs (the Palestinians).

The tension between Israel and the European states continued throughout the 1970s. This was expressed mainly after the 1973 war and the Arab oil embargo, which was used as a tool by some Middle Eastern oil rich States to put pressure on the Europeans. Some analysts conceive this 'panicking' on the part of the EEC as the basis for understanding the re-shaping of European policy in the area (Ye'or, 2003:2). Adopting this critical (though simplistic) perspective led Ye’or to conclude that the Arab world exploited the economy 'as a radical means to make the EEC an instrument in a long-term political strategy targeting Israel, Europe and America' (2003:11). This attitude was also expressed by Dr. Ibrahim A. Obaid, Director-General, Ministry of Petroleum and Mineral Resources in Riyadh, at a meeting of the Euro-Arab cooperation organization in Amsterdam in 1975:

"Together and as equals, the Europeans and the Arabs can through a "strategy of inter-dependence" forge ahead to remove the thorn from their sides – the Israeli problem – and attend to the Herculean task ahead of them" (cited in Bat Ye'or, 2003:11).

In the thirty years since the oil crisis, European countries have attempted to maintain a balance between their support for Israel's security and right to existence on the one hand, and the Palestinian right to self determination and independence on the other. For as long as European countries acted independently in terms of their foreign policy, both Israel and the Palestinian
leadership were able to exploit the internal cracks and different foreign policies of the various European States, with support shifting as a result of change in governments, the response to changing situations in IP itself, and also - more recently – as a result of changing internal constituencies and domestic lobbies within the European States themselves.

As the EU underwent expansion, IP became one of the foreign policy areas within which the constituent countries began to act as a single voice. This was particularly the case with respect to economic and cultural assistance. In Israel, it was initially believed that the EU as a single unit would adopt, what was perceived, as a more friendly policy towards Israel (as contrasted with the specific policies of some European countries) but, as will be discussed below, the reality has proved to be different – at least as far as Israeli public opinion and official governmental positions are concerned. In March 1999, the EU published its "Berlin Declaration" which supports the establishment of a independent Palestinian state. These changes in the EU positions were seen as constituting a form of reward paid by the West to the Palestinian leadership for having postponed the intended unilateral declaration of a Palestinian State on May 4, 1999.

C. EU Political Discourse and the Israel / Palestine Conflict

"A lasting peace settlement can only be based on respect for international law, including resolutions 242 and 338 of the Security Council of the United Nations. As the European Council has declared, such a settlement requires full recognition of the right of Israel to live in peace and safely inside internationally recognised borders, as well as the creation of a viable, independent and democratic Palestinian state and the end of the occupation of Palestinian Territories" (http://europa.eu.int/comm/external_relations).

The EU is interested in having a direct political role in the management and resolution of the IP conflict. Overall, the EU has adopted a consistent policy in which it calls for an end to Israeli occupation, a dismantlement of Israeli
settlements, the establishment of an independent Palestinian State, in return for a guarantee of Israel’s security and existence as a sovereign State within the pre-1967 boundaries. The EU sees its role, both because of its geographic proximity and also because of the historic role played by some European countries in the Middle East, as paramount. To a certain extent it represents the political hegemony displayed by the USA in the region while, at the same time, accepting that the EU will, at the most, have a complementary role to play in bringing peace and stability to this region.

Much of the political discourse can be discerned with respect to four recent political initiatives to have taken place: the Road Map; the Geneva Initiative; the construction of the Separation Barrier; and the Israeli plan for unilateral disengagement from the Gaza Strip.

1. The Road Map:
The compulsory impact of EU intervention in the IP conflict is limited as reflected in its role in the initiation of the 'road map' initiative that was prepared by the EU as a single member of the Quartet (the other members being the USA, the UN and Russia) (http://europa.eu.int/comm/external_relations/med). The objectives of the 'road map' were intended to present phases, timelines, target dates and benchmarks for progress through reciprocal steps by the two parties in the political, security, economic, humanitarian, and institution-building fields. The idea is that, with the help of the Quartet, Israel and the Palestinians should agree on a final and comprehensive settlement of the Israel-Palestinian conflict by 2005 in the form of two-state solution. The Road Map demands that the PA undertake actions to prevent the continuation of terror and to create a working democracy based on tolerance and liberty. For their part, Israel is obligated to do whatever is necessary to ensure the establishment of democratic Palestinian state and to end its occupation of the West Bank and Gaza Strip (WBGS). Both sides must accept the principle of a bilateral negotiation process. Both the Israeli government and the PA formally
accepted the principles of the Road Map, following its presentation in 2003 (shortly after the American invasion of Iraq), although – at the time of writing – it has not been implemented.

2. The Geneva Initiative:
Unlike the Road Map, the Geneva Initiative, negotiated between Israeli and Palestinian political figures in the autumn of 2003, was not formally sponsored or supported by the EU (or the USA). At the most, it had the sponsorship of Switzerland, one of only two major Western European countries who are not a member of the EU. Unlike the Gaza Disengagement Plan (see below) which presented a minimalist plan, the Geneva Initiative took the proposed resolution of the conflict a step further, attempting to deal with such problematic issues as the status of Jerusalem and the issue of refugee return. At an informal, non-governmental, level many European leaders expressed their private support for the Geneva Initiative, if only because it was not associated with a USA backed plan – the Bush Administration opposed the far reaching concessions in this document – and, as such, it became more associated with Europe. Some European funding has gone towards the major PRO campaign disseminating the details of the Geneva Initiative to almost every household in the country, as well as large and expensive media adverts aimed at persuading people to support the Initiative.

3. The Separation Barrier:
The recently constructed separation barrier, unilaterally constructed by the Sharon government, has resulted in a great deal of criticism of Israeli policy, even in the face of the Israeli government justification of the project on the grounds that it constituted a legitimate act of self defence against terror and suicide bombings. The recent ICJ (International Court of Justice) judgement strongly condemned the construction of the separation fence on Palestinian land in the occupied territories.
The fact that all European judges supported this Advisory Opinion (while the American judge was the only dissenting opinion) was emphasized in Israeli media as another example of European anti-Israel bias. Minister of Foreign Affairs Bernard Bot, speaking as President of the Council of the European Union, stated that the Advisory Opinion of the Court on the legal consequences of the construction of a wall in the occupied Palestinian territory would need to be studied carefully. He also recalled that the EU, while recognizing Israel's right to protect its citizens from terrorist attacks, demanded that Israel ceases the construction of the Barrier inside occupied Palestinian territory. The EU position was further exacerbated when, following the subsequent debate within the United Nations general Assembly, the EU adopted a united position supporting the condemnation of the Israeli action. Given the fact that some of the individual EU members had announced the intention of abstaining from the vote, but had subsequently been persuaded to vote in favour of the resolution as a sign of internal EU harmony (even more important given the internal differences of opinion over the war in Iraq), Israeli officials immediately interpreted this as one more sign of a pro-Palestinian position on the part of the EU.

4. The Gaza Disengagement Plan:
In its initial reaction to the Gaza Disengagement Plan, proposed by Israeli Prime Minister Sharon and publically supported by USA President George Bush, the EU initially expressed grave criticism. The intention is to withdraw all Israeli troops and evacuate Israeli settlements in the Gaza Strip and a small area in the north of the West Bank, by the end of December 2005.

The Plan was approved by the Bush Administration, who also signed letters to Sharon supporting his retention of some settlement blocs in the West Bank under a future peace agreement. This was seen by the other members of the Quartet (EU, UN and Russia) as a departure from the principles of the Road Map, the plan which had been formally supported by both the Israeli and Palestinian governments and which worked towards the eventual
establishment of two States in the region. Eventually, the EU declared its support for the principles of the Disengagement Plan but only to the extent that they see it as a part of the implementation of the Road Map:

"The EU is ready to support and to be actively engaged in the withdrawal plan, provided it meets the five conditions set out by the EU and that the withdrawal plan is in line with the road map," a spokesman for EU foreign policy chief Javier Solana said. "Our understanding is that the Israeli government agreed in principle to a withdrawal and now has to set out, through the work of a commission, the modalities of the implementation. The withdrawal should be done with the full support of the EU and the international community" (www.eu-del.org.il)

This partial recognition of the plan is also due to the fact that none of the broader comprehensive peace plans have ever been implemented and that the Gaza Disengagement Plan may prove to be an important precedent for the physical implementation of withdrawal, even if at this stage it is no more than minimalist.

The EU limited approach is also due to the fact that there are different interests of the members in the EU concerning what happens in the Middle East. One argument is that as a result of Euro-American relations in the fields of politics, economy and security, Europe is limited to playing no more than a complementary role. As a result, it could not be neutral, and can not force the Americans to reconsider their policy towards those parties whose role is more balanced, so that no side would have to compromise its rights for the other. It is important to note that announcements in this spirit are often published in the Palestinian media (Palestine Media Center, 8.1.2004, http://english.people.com.cn).

Prof. Salim Tamari (21.7.2004), a Palestinian sociologist, presents a different view vis a vis the Palestinian dependency on the EU:

"We want the EU to implement the theoretical announcements it has been supporting, to try and act practically about it. We don't have an accurate idea about the EU. We believe that the EU is one big country that can act and influence as one... this is a fault in our media, but the
fact is that the EU has its own internal problems, conflicts and contrasts that restrict its influence in this matter. Nevertheless we will achieve nothing if WE don’t do something to help ourselves instead of waiting for the EU to do all the work for us”.

A similar view is put forward by Lilly Habash (Interview, 21.2.2004) who accentuated the fact that the EU nowadays is a great power 'that can compete with the USA which is trying to control the world through what they call globalization'. A stronger and more severe critic and demand to an EU clear intervention is critically expressed by Dr. Mahdi Abdel Hadi, Head of Passia who states that 'Europe accepted to play a very marginal role at the very beginning and be in the wagon drove by the Americans' (Interview, 17.8.2004, Jerusalem).

Despite the emergent single European voice concerning IP, Israel continues to pay careful attention to the statements of the three big players – Britain, Germany and France. Statements emanating from other countries, such as the Belgium attempt to put Ariel Sharon on trial as a war criminal, or the Norwegian discussion concerning a boycott on Israeli goods, are seen as being part of a wider European anti-Israel policy, but are not considered as being of importance in the wider picture. It is the policies of the three key European players which determines Israel’s attitude towards Europe in general. In this respect, Israel has displayed a hot-cold relationship with each of the big three, changing over time in line with the political realities and the change in respective governments.

An example of these dynamics is the visit of former Deputy Foreign Minister David Mellor, during the 1990’s, to the Gaza Strip and his harsh comments towards Israeli policy brought relations between Britain and Israel to a new low, while the unquestioned support of British prime Minister Tony Blair for the war in Iraq in 2003 (a war which was supported throughout Israel) was an important factor bringing the two countries closer to each other. Sharon’s decision to visit London in July 2003 was, partly, an attempt to say 'thank you' to Blair for supporting American policy in the global war against terror
and in the downfall of Saddam Hussein.

D. Carrots and Sticks: EU Economic and Cultural Involvement in the IP Arena

In some cases of EU intervention in conflict situations, they are able to exercise a clear carrot and stick policy, most notably holding out the benefits of future membership in an enlarged EU in a post-conflict situation. In terms of the EUBorders project, this carrot and stick policy has been relevant with regard to the cases of Cyprus and the Balkans, while in the case of Turkey it has clearly been linked to the resolution of political issues, such as the self determination status of the Kurds and the continued occupation of Northern Cyprus. The possibility of Israel’s accession to the EU has occasionally been raised by Israeli politicians, such as Finance Minister (and former prime Minister) Benjamin Netanyahu’s statement to the effect that 'Israel will be interested in full integration' (Maariv, 20.6.2003), or the policy statement issued by the Friedrich Ebert Stiftung examining the potential for full EU membership on the part of Israel (Veit, 2003). However, this is seen as a highly unlikely scenario (Tovias 2003; Matern, 1997 in Stetter, 2003).

1. vis a vis Israel: the Connective Approach

"In the last decade, our relationship consists of a combined use of carrot and stick... At the beginning of the Intifada there was a kind of freeze ... the cooperation, like a sort of stick. In the latest 12 months, I can say ... there is a tendency to return to cooperation... And, in fact, a new research and technology agreement was signed. Now, to which extent does this swing between carrot and stick will be influenced by the wall is not very clear. But there are some recent Israeli actions which are pushing European public opinion, also the situation makes us become more and more inclined to use the stick again ... to freeze the cooperation. I want to be very clear on that. The only stick we use is to freeze the cooperation which is in the utmost interest of Israel. The use of sanctions is much more serious, and much more damaging ... sanctions have been discussed but never taken into serious consideration" (Ambassador J.C. Chevallard, Interview, Ramat Gan, 24.4.2004)
According to Avi Primor, (former Israeli Ambassador in Germany and the EU), the potential for collaboration with the EU is mainly economic. From a security point of view Primor argues that the partnership with the EU will enable 'security and flexibility'. Yet as he argues, if Israel were to become a full member of the EU, it would be required to “give” in proportion to its benefits. Israel would have to agree to the freedom of movement, capital, goods and services with all other EU member countries. Membership would enable the entrance of European migrants to Israel, foreign capital and so on (Maariv, 20.6.2003).

A similar argument was put forward by the foreign news editor of Haaretz (central-left daily newspaper) who notes that Israel is unable or not interested in meeting as much as 60 percent of the commitments required before joining the EU. The example he gives relates to the need to annul the law granting Jews the Right of Return, which contradicts the EU's principle of freedom of movement within the union (www.haaretz.co.il, 23.7.2003). Nelli Monin shares a similar approach in her book "The EU and Israel" (2003), in which she also argues that joining the EU will force Israel to have a set of norms including the concession on the law of return. She concludes that deepening the economic relations with Europe is the best way to maintain good relations in the future.

Israel already enjoys associate member status in the EU and benefits from a Preferred Trading Agreement. This can be seen as an indirect path of intervention which is closer to what has been defined as a connective impact (Diez et al.2003) that often takes the form of support measures, which are not directly related to conflict transformation. Seen from that perspective, financial or organisational support for economic or scientific actors in conflict regions has the potential of providing a counterweight to the domination of the securitization discourse pertaining to this, or for that matter any other, specific border conflict. Through this linkage with wider societal actors, the
EU can attempt to pursue its own political objectives, which might lead to the transformation of a border conflict, by way of bypassing often unwilling political leaderships.

Contextually, the EU's policy regarding Israel is formally based on 'partnership and cooperation, and not exclusion'. The EU declares that maintaining relations with Israel 'is an important contribution to the Middle East peace process and that the Association Agreement, is not only the basis for EU-Israeli trade relations but also the basis for the EU-Israel political dialogue' (http://europa.eu.int/comm/external_relations). Based on figures for 2001, Israeli exports to the EU represented 31% ($6.9 billion) of total Israeli exports and Israeli imports from the EU 41% ($11.4 billion) of total Israeli imports. The breakdown of trade flows by main sectors, excluding diamonds, is the following: Israel's main exports to the EU are electrical machinery and equipment (39%); chemical products (17%), plastics and rubber (9%) and optical measuring and medical instruments (8%). Its major imports from the EU are electrical machinery and equipment (35%), chemicals (13%) and base metals (6%). Indeed, EU-Israel trade is increasing in importance as a share of the EU's trade (http://europa.eu.int/comm/trade/bilateral/israel/index).

The economic collaboration between the EU and Israel is also expressed through enabling the European Investment Bank (EIB) to grant loans for Israeli projects related to the Barcelona Process, including infrastructure and environmental projects. The Agreement thus institutionalized the ties between Israel and the EIB.

To what extent has this form of intervention had any impact on Israel? Israel refused until November 2003 to distinguish between goods made in Israel and goods made in the territories. The argument, which stands behind it, is that since the EU recognized the Paris Agreement that created a customs union between Israel and the Palestinian Authority, there are no grounds for
treating products made in the territories differently from products made in Israel. Israel subsequently agreed to adopt a compromise solution of including the city of origin on the label. Yet, Ehud Olmert, the Industry Minister, stressed that the agreement in no way implies a change in Israel's political positions or a willingness to concede those parts of the territories that the government insists must remain part of Israel under any future agreement (www.haaretz.com, November 25, 2003).

In addition to the obvious economic linkages, Israel is also a member of many other European cultural, educational and sports organizations, not least because of the refusal of the Asian and Middle Eastern countries to allow Israel to become a full regional participant. The European connection is also reflected in the geopolitical self images of many Israelis who see themselves as belonging to a western and European ecumene, as contrasted with a Middle Eastern milieu, and who are not prepared to give up these regional affiliations even if the conflict was to be resolved and Israel were to be invited to participate in the Middle Eastern and Asian cultural and sporting associations (Newman, 2000).

Another context is that provided by the Euro-Mediterranean Partnership. The Euro-Mediterranean Partnership was established at a Conference of Ministers of Foreign Affairs held in Barcelona on November 27-28, 1995. Its final Declaration - the Barcelona Declaration - is a far-reaching document, reflecting the joint initiative by 27 partners:

"a) 15 EU Member States: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, the United Kingdom, Spain and Sweden.
b) 12 Mediterranean Partners: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey. This partnership aims "to create peace, stability and development in a region, which is of vital strategic importance for Europe" (http://europa.eu.int/comm/external_relations/israel)

Following the logic of the connective path, it is also important to note the
recently established European Neighbourhood Policy (ENP), the Strategic Partnership with the Mediterranean and the Middle East, and the Middle East Peace Process. The ENP policy involves 'a significant degree of economic integration and a deepening of political co-operation, with the aim of preventing the emergence of new dividing lines between the enlarged EU and its neighbours'. The Council invited the European Commission 'to finalise exploratory talks with Jordan, Morocco, Tunisia, Israel and the Palestinian Authority' and to begin preparations for action plans with Egypt and Lebanon. The Policy Agenda for the Strategic Partnership includes a vast array of subjects, notably Political and Security Dialogue, Human Rights, Counter-Terrorism, Migration, Economic Reforms, Social Development and Cultural Dialogue (Euromed Reports No 77, 78 and 79 in http://www.eu-del.org.il).

But beyond these general declarations the EU continually reiterates its position concerning IP conflict resolution, focusing on three objectives. 'Basket I' - the political and security partnership, is concerned with the creation of 'an area of peace and stability based on the principle of human rights and democracy. 'Basket II' - the economic and financial partnership – concerns the creation of 'an area of shared prosperity through the progressive establishment of free trade between the EU and its Mediterranean partners and amongst the partners themselves'. 'Basket III' - which deals with cultural, social and human partnership, focuses on the improvement of 'mutual understanding among the peoples of the region and the development of a free and flourishing civil society' (http://europa.eu.int/comm/external_relations).

Though this is probably the most obvious path through which the EU attempts to exert influence on conflict parties, there are more extreme positions. Writing in the Guardian newspaper, a former foreign affairs spokesman of the British Labour Party (then in opposition), Gerald Kaufman, called for economic sanctions and an arms ban against Israel, arguing that this is the only way of breaking the impasse. Such a policy brought down
apartheid in South Africa, which was similarly condemned by the world court in 1971 for its illegal occupation of South West Africa. It was sanctions imposed by a President Bush (the incumbent's markedly more sensible and principled father) that forced a rightwing Israeli prime minister, Yitzhak Shamir, to peace talks in Madrid after Bush suspended the loan guarantees for resettling Russian immigrants in Israel. The case for sanctions against Israel that worked with apartheid can bring peace to the Middle East. Yet, a spokeswoman for European Union foreign policy chief Javier Solana suggested the EU was not in favour of imposing sanctions on Israel in case the latter refused to implement the International Court of Justice advisory ruling on the issue of the security barrier: 'this is not the type of language we use on a political issue' she said (www.jerusalem-times.net)

Commenting from the other end of the political spectrum, Steinberg argues that:

"Europeans have only few sticks against Israel, they push forward sanctions in the UN. Britain tried to lead objection against the fence and lost it. There are no military sanctions and on the other hand there is no significant financial support as the USA has. The only sanction they have is the money they give to Arafat. Of course they can hurt the economic relations between Israel and the EU but some questions are raised which are economic, ethics, political. They also have no better agenda!" (Prof. Gerald Steinberg, Jerusalem, 26.2.2004).

This argument is further posited by Adar Primor:

"The Italians are pro-Israelis, and for the Germans it is not that convenient to put sanctions on Israel. Beyond that, we are acting in an international arena and we [the Israelis] say: do you [the EU] want to be involved? If so sticks are not the way to do it. Of course we have the American pressure and support. Only if there will be something dramatic will they impose sanctions" (Adar Primor, The Haaretz Editor of Foreign News, Jerusalem, 9.3.2004).

A more cynical, but perhaps realistic, expression of the view vis a vis European pressure was published in 'Nekudah', a popular journal among the Israeli settlers, reflecting the anti-European and anti-external interventionist positions of the Israeli right:

"International pressure - if at all occurs - will be expressed in two
dimensions: the denial of American financial support, and economic embargo from the Europeans countries and some others... Apparently, a European economic embargo is more problematic... but economic interests will always be stronger than political interests. Belgium already called to excommunicate commercial relations with Israel. France, on the other hand, avoids calling an embargo on Israel from the European Common Market side. What is the different between the two? The French like us more? - Definitely not. They just sell us more; Israelis like driving Peugeot, Renault, Citroen and the French people will not give up such a serious market. On the other hand, our commercial relations with Belgium are negligible (Belgian chocolate is good, but "Elit" chocolate [an Israeli chocolate firm] is not bad), and hence the Belgians can state such declarations. Israel imports from the European twice that it exports, and economically speaking - Europe has no interest to cancel its agreements with Israel" (Feiglin 2003: 34-35)

That does not mean to say that relevant Israeli interest groups ignore the importance of this economic cooperation. This is expressed, for example, in the case of a group of Israeli industrialists that went on a mission to Europe to counter any attempts at minimize relations with Israel or boycotting its goods. As one of the participants said: 'In all the meetings we had we explained Israel's position and that business with us should continue... people in Europe are brainwashed by the media'. Another member of the industrialist delegation acknowledged the power of the EU stating that 'the power of the EU is not always expressed. But when we were there we felt it. Europe and the EU have power that we must be consider" (Maariv, 28.5.2002). Israeli Foreign Ministry officials also expressed their recent disappointment that the EU had only authorised a small portion of Israeli requests for upgraded agreements with the EU.

Thus, beyond this cooperation and unlike other conflicts in which the EU plays a third party role, neither Israel or the future Palestinian State are perceived as being future members of the EU and, as such, the EU 'carrot or stick' policy is limited in this region to little more than a reward for bringing violence to an end and implementing a conflict resolution agreement (for a wider discussion of these themes see: Dessus et al, 2000). The ability of the EU to use its leverage as a means of influencing the process of conflict resolution is limited. Given the USA support of Israel, the fact that Israel is
not a candidate for full membership of the EU, and the significant trade between the two, the EU has as much to lose from downgrading its current level of trading and cultural relations, as Israel does. Neither side will benefit, while Israeli antagonism towards Europe would only increase.

2. vis a vis the Palestinians: the Enabling Approach

"When we started to work with the [Palestinian] Minister of Finance, it was really a mess. It was bank accounts everywhere, every bank in Jerusalem, Tel-Aviv, Ramallah – no one was sure of the expenses, nor the management of the funds. So we decided to give Palestine some budgetary support.... But we made some clear conditions up front... As a result, we succeeded in having a very capable management of the finances. So capable that the Americans and the Israelis, even, use the system that we have been enforcing with the Minister of Finance"

(Interview, Jean Breteche, EU Ambassador to the West Bank and Gaza Strip)

The nature of the trade and cultural relationships between the EU and Israel are different to those between the EU and the PA. While EU relations with Israel are based on trade cooperation between two highly developed first world and modern economies (Ahiram and Tovias 1995), its relations with the Palestinian Authority are mainly based on the provision of significant financial assistance and aid packages. This, according to Stetter (2003) is an attempt to stabilize the weak economic and political structures of this nascent state. This policy is expressed in the fact that the EU has been the biggest donor to the PA, and there is no other country in the world which has received as large an amount of assistance from the EU as Palestine (Brynen 2000 in Stetter, 2003:57). The political and cultural institutions of the PA benefited from the substantial European funding and financial assistance, especially in the post-Oslo period beginning in 1993.

The available data shows that from June 2001 to 2002 the EU provided 10 million Euro per month in direct budgetary assistance to the PA. The support is directed towards the budget of the PA helping to secure expenditures such as public service salaries, social, educational, health and core functions of the PA. An additional 10 million Euro has been allocated to the World Bank.
Emergency Services Support Programme to support operational costs in the health sector; and a further 10 million Euro was implemented in a special programme to support services at the level of the municipalities (http://europa.eu.int/comm/external_relations). The EU also transferred 29 million EURO to the Palestinians for humanitarian reasons (Haaretz, 28.10.2002)

There is a basic difference in terms of the type of intervention and influence which the EU can exercise over Israel and the Palestinian Authority. In respect to Israel, the EU has to deal with a sovereign State and can, at the very most, increase or decrease the extent to which it promotes cultural, economic and sporting ties. The potential influence of the EU is far greater with respect to the Palestinian Authority who depend on substantial EU economic assistance for the daily existence and management of its fledgling institutional structure. This takes place in a number of areas, such as assistance for Palestinian refugees; shaping the Palestinian educational curriculum; and, the issue of Palestinian governmental reforms.

- **Assistance to Palestinian refugees:**

The European Community’s assistance to the Palestinians began in 1971 with its first financial contribution to the regular budget of the United Nations Relief and Works Agency for Palestine Refugees (UNWRA). The Venice Declaration in 1980, expressing European Community support for Palestinian self-determination, marks the beginning of European relations with the Palestinians. As officially stated:

"The European Union’s strategic objective in its relations with the West Bank and Gaza Strip is to contribute to the creation of an independent, democratic and viable Palestinian state living side by side in peace and security with Israel At the same time, ongoing efforts to alleviate the humanitarian situation and the hardship of the Palestinian population should continue" (http://europa.eu.int/comm/external_relations).

The EU’s main instruments to achieve these objectives consist of the Interim Association Agreement on Trade and Cooperation and the Commission’s
financial assistance programme. The financial assistance to the Palestinians aims to advance the implementation of the road map 'in accordance with its policy of long-standing, the fundamental objective of creating a democratic and viable Palestinian State, living side by side and in peace with Israel' (http://europa.eu.int/comm/external_relations).

Allocating resources to refugee camps is a very significant path of intervention for the EU countries since it highlights their interest in dealing with basic issues of human security and welfare, an act which is considered as having universal importance (Wall Street Journal, 18.4.2002). In its declaration the EU emphasises the fact that the money is allocated directly to projects which aim to improve the refugees’ life conditions. An example of this is the European Commission decision to provide its annual contribution of €55 million to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) from the year 2002 to 2005. In this declaration it is mentioned that 'the proposed EU-funded operations directly address the problems in the refugee camps' including education, health, relief and social services (http://europa-eu-un.org/articles).

This approach dominates the European public discourse, as demonstrated in the 'Frequently Asked Questions' section at the CABBU (The Council for the Advancement of Arab-British Understanding) website:

"What can the EU and Britain do [in relation to the refugee problem]? The EU, of which Britain is a leading player, has a major stake in the future of the Middle East Peace Process, politically, geographically and economically. By virtue of being the largest donor to the Palestinian Authority, the EU needs to play a more active political role" (http://www.caabu.org/about/index.html).

During the last few years, following the Intifada, the support for the refugees' issue embodies a critique of Israel's behaviour as noted by the Commissioner for Development and Humanitarian aid Paul Nilson: 'as
stability in the region is jeopardised by an upsurge of violence and political tensions, Europe must continue to address the humanitarian consequences of the conflict and protect those who are most vulnerable'. Furthermore he added:

"Deteriorating living conditions in the occupied Palestinian territories, resulting from lack of access to food, water, basic services and economic opportunities, are the direct consequences of the escalation of violence. Only a lifting of the closure policy and of the constraints faced in implementing aid programmes can help reverse the situation" (www.eurunion.org/News/press/2004).

The refugee assistance programme includes not only food aid, water and sanitation and health care, but also deals with psychological support that is directly linked to the escalating violence in the region. Assistance is provided for recreational activities in schools and in refugee camps in the West Bank and the Gaza Strip, potentially benefiting 45,000 children aged six to fourteen, many of them traumatized from the ongoing conflict. Additional support is also provided for the financing of protection: 'actions aimed at facilitating movement of ambulances within the occupied Palestinian territories and the monitoring of the humanitarian situation, particularly in areas under closures and curfews, will be supported, as well as visits to detainees and communication with their families' (www.eurunion.org/News/press/2004).

Yet, here again we can see the gap between the way in which the EU defines its role and the way in which some of the Palestinian actors perceive it. Dr. Sami Musallam, Director of the PA President's Office states that the EU 'does not officially have a position on refugees, hiding behind vague rhetoric'. The financial assistance programmes are no more than a way of avoiding the root political issues of the refugee problem. Musallam argues that:

"The Venice Declaration states that the Palestinian question is more than a refugee problem. The EU formerly referred to UN Resolution 194, but no longer does so, deferring to the results of ongoing Israeli-Palestinian negotiations. Shawki Armany, Palestinian ambassador to Brussels, presses the EU to adhere to resolution 194 as the only resolution dealing with refugees. The EU has given significant aid to refugees through
UNRWA and is the largest single donor to the organisation, providing 38% of the budget" (www.passia.org/seminars/95).

- **Shaping the Palestinian Education System:**
Another path of intervention is via the Palestinian Education system, aimed at promoting 'reconciliation and peace, both in Israeli and Palestinian society' ([http://europa.eu.int/comm/external_relations](http://europa.eu.int/comm/external_relations)). This is of particular importance given the generalised and ongoing Israeli critique that the PA has not done enough to change the structural conditions of socialization through which Palestinian children are taught about Israel and Judaism in their schools (Brown, 2001; 2002; IPCRI, 2004a; 2004b). Although the European Commission has not recently committed funding for education 'it is fully supportive of individual EU Member State and other donor efforts to develop a modern system of Palestinian education':

"This is one of the essential building blocks of a future democratic Palestinian state living in peace with Israel. Rather than ignoring Palestinian education, international donors should be encouraged to support these efforts and do all it can to generate a culture of tolerance and mutual understanding between peoples. Withdrawal of donor support to the Education sector would have severe repercussions on these early efforts of the Palestinian Authority to introduce a more balanced education curriculum".

The European Commission has called on the PA and President Arafat to speak out against incitement to hatred and violence, particularly in schools. In this context the Commission was encouraged by the Palestinian Authority's 100-day plan of 25 June 2002 in which it declared its intention to ‘renounce fanaticism in the educational curricula and spread the spirit of democracy, enlightenment and openness on a wide scale’.

- **Influencing Palestinian Governmental Reform:**
The EU has also been active in exerting pressure on the PA to undertake significant governmental and administrative reforms ([http://europa.eu.int/comm/external_relations/gaza/intro](http://europa.eu.int/comm/external_relations/gaza/intro)). In June 2002, the PA, in response to domestic and international pressure, adopted a wide-
ranging programme of reform. A number of important measures were taken, such as the adoption and entry into force of the Basic Law, and legislation on the independence of the judiciary. In February 2003, the Palestinian Legislative Council (PLC) adopted the 2003 budget which was for the first time, made public and posted on the Internet. Significant progress has been made with regard to the management of the PA's public finances, and, in particular the strengthening of financial control.

During the recent Intifada, EU assistance was aimed at maintaining the daily existence of the PA and, at the same time, using their aid packages to demand internal economic and democratic reform on the part of the Palestinian leadership. Often in the face of sharp criticism at home and abroad, the EU supported the PA with direct budgetary assistance at a time when its revenues were withheld by the government of Israel. According to Chris Patten, External Relations Commissioner, without the EU assistance 'there would have been no Palestinian interlocutor for the negotiations now under way' and he also added that 'at every step, the EU's help was made conditional on reforms that would make a viable Palestinian state a reality one day and in the short term make the Palestinian territories a better, safer neighbour for Israel' (The Financial Times, 17.7.2003).

In March 2003 the Palestinian Legislative revised the Basic Law establishing a post of Prime Minister of the PA. Work is currently underway on the preparation of a Palestinian Constitution and the holding of elections. Nevertheless, the reform measures which have been undertaken need to be consolidated, with far greater attention given to effective enforcement, most notably as concerns the rule of law.

EU efforts in support of these reforms are mainly via financial assistance. Reform conditions have been attached to EU assistance to the PA from the outset. As recognised by the international community at the last Ad Hoc Liaison Committee in Rome in December 2003, 'EU budgetary support and its
conditions as well as US support, has over the past years been successful in advancing key reform measures such as financial accountability'. According to an IMF report, the conditionalities attached to EU assistance to the PA have contributed to a transformation of 'the Palestinian Authority to a level of fiscal responsibility, control, and transparency which rivals the most fiscally advanced countries in the region'.

In order to strengthen the rule of law in the West Bank and Gaza, the European Commission supports the modernisation of the Palestinian judicial system with a programme launched at the end of 2003. The 7 million Euro judiciary programme seeks to reinforce the judicial institutions created in the Basic Law, provides training to judges and prosecutors, and funds the refurbishment of selected courts. The EU also provides extensive support to the preparation of Palestinian elections as it did in 1996.

In addition to these programmes specifically addressing reform issues, the Commission ensures that part of the financial assistance programmes are devoted to capacity-building for the beneficiaries (e.g. private sector institutions, civil society, municipalities). Notwithstanding, the international Quartet of Middle East mediators argued that the Palestinians are failing to carry out reforms, and told them to act soon or risk losing international support and aid.

All of these programmes reflect the nature of the enabling impact in terms of EU – PA relations, namely, the ability of the EU to influence the socialisation of policy-makers in conflict regions into a 'European' discourse.

The EU does try to use its influence on the PA to push for internal reforms but, at the same time, is aware that any significant reduction in the amount of assistance afforded to the Palestinian Authority will only serve to make a bad situation even worse. The EU perceives its future role as an institution builder in a Palestinian State as of prime importance and does not desire to
lose this foothold, however precarious it may seem at present, especially as they are able to counterbalance the American influence amongst the Palestinians, something which will not happen with respect to Israel. In an interview with Jean Breteche, the EU Representative in East Jerusalem (Jerusalem, 28.4.2004) the carrot and stick approach was denied stating that 'one should not use carrot and stick. One must stick to the legality of things'.

E. Israeli and Palestinian Attitudes Towards the EU

"Normally, when we go abroad, we are respected, here, it is exactly the contrary." "There is a sentiment of humiliation," he adds, referring to an episode earlier this year when Israel refused to allow EU foreign policy chief Javier Solana visit Palestinian Authority Yasser Arafat (Ambassador Chevellard, Jerusalem Post, May 13, 2002).

"They say they expect more from Israel, well, we expect more from the EU... We expect a much more balanced and unbiased approach." "What can Israel do when confronted with continuous negative statements from the EU?" (Victor Harel, Israel Foreign Ministry, Jerusalem Post, May 14, 2002).

Overall, there is a strong critique of the role of the EU in IP While the Palestinian Authority welcome direct EU intervention as a means of balancing what they see as pro-Israel bias from the USA, Israel has developed an ambivalent relationship towards the EU and, in recent years, have become quite antagonistic towards Europe for what they perceive as a pro-Palestinian bias. This is reflected in anti-European statements from political leaders and anti-European articles in then main media. Leading the way in recent years has been the right wing newspaper, the Jerusalem Post, in continual editorial and leader articles, which demonstrate a strong anti-European bias and polemic (Stephens, 2004).

EU policy does not differ greatly from the USA policy in terms of their demand for a two state solution, a complete freeze on all settlement activity, the cessation of violence, the cessation of unilateral construction of the separation fence, and the need for internal economic and democratic reforms
in the PA. The EU and the USA are equal partners in the quartet (the other two being Russia and Nato) which drew up the Road Map plan for peace and which was formally presented to both the Israeli and Palestinian leaderships immediately following the Iraq war. The EU has stated its preference for the establishment of a 'democratic, viable, peaceful and sovereign State of Palestine, on the basis of the 1967 borders, if necessary with minor adjustments agreed by the parties' (Euromed Report, June 25, 2002).

In this context Steinberg (2004:1) further argues that Europe’s policies towards Israel, in the Middle East peace efforts, and in the broader EU Barcelona/Euromed framework have produced few, if any successes. Moreover, he proposes that 'the evidence demonstrates that Europe’s approaches and initiatives have been highly unrealistic, and relations with Israel are marked by sharp confrontation, including politically and ideologically motivated boycotts'. Such arguments are familiar within the Palestinian public discourse and thus Dr. Majdalani emphasized in an interview that indeed 'Europe is a main partner in the peace process, a partner of the Palestinian Authority, and a main financial supporter' yet he stresses, 'We are not asking from the EU to be biased towards us!' (Dr. Ahmed Majdalani, Birzeit University, 15.5.2004).

Realising that the government had taken their anti-European sentiment too far, current Foreign Minister Silvan Shalom stated, in his first public statement on assuming office in February 2003, that he would make an effort to improve relations between Israel and the EU, while Prime Minister Sharon made a number of pro-European remarks on his visit to British Prime Minister Tony Blair in July 2003, although at the same time castigating European leaders for continuing to make official visits to PA President Yasser Arafat even after the new (already previous) Prime Minister Abu Mazen had been appointed it take charge of peace negotiations. Sharon warned the European leaders that by continuing to visit Arafat they were undermining the status of Abu Mazen and, by association, undermining the continuation of the peace
Criticism of EU Involvement in Israel / Palestine.

The major issue to have aroused the anti-Europeanism concerns the use of some of the EU assistance to the PA for the purchase of arms, which were then used in terrorist attacks against Israeli citizens. The EU denied this, although they did admit that not all the funds were used in the way intended and that there had not been an adequate system of control over the use of these funds. An article in the daily newspaper, Maariv (11.5.2003) makes this point strongly:

"I expect some cynical reactions of some of the readers: "paranoid", "xenophobe"... however, unfortunately I can prove my arguments with facts... The EU, consciously or sub-consciously, transfers money to the PA that is used by terror organizations. Actually the EU knows about it and refuses to investigate... The EU prevents Israel from protecting its citizens from the terror attacks of the enemy, it prevents political support to Israel and boycotts it economically and militarily... The EU supports Yasser Arafat, its forever "darling", despite of its involvement in terror attacks"

The EU 'carrots' to the Palestinians are perceived negatively inside Israel, best expressed in a recent paper by Bar Ilan University political scientist, Gerald Steinberg who, in his criticism of the large budgets provided by the EU, as well as by individual member states, to the PA and to Palestinian NGOs, argues that:

"... EU officials spoke repeatedly of “Palestinian state-building” while the funds went to the corrupt and anti-democratic elite. In the absence of any controls, the money provided by the EU’s taxpayers was diverted into the pockets of and bank accounts of officials and for the purchase of weapons" (Steinberg, 2004:6-7).

This argument is reiterated by the security agencies in Israel. Avi Dichter, the head of the General Security Services, argues that 8 million U.S dollar from the PA budget goes to Arafat who transfers it for financing terror (Ynet, 23.11.2003). Such atmosphere is the background for the prosecution of the EU by two families that lost their relatives in a terror attack. More
specifically, the lawyers of the families argue that the EU transferred 230 million Euro in 2002 and that the 'European tax payer must know that he gives money to the PA that instigates to murder'.

The matter could have been resolved if the EU Commission agreed to set up a Committee to examine the accusations but this was initially turned down by EU Commissioner for External Affairs, Chris Patten. It took a formal request on the part of a large group of EU members of Parliament for the committee to eventually be set up. Patten himself did not succeed in endearing himself to the Israeli public by his continuous refusal to visit Israel, despite invitations on the part of the Foreign Ministry and a number of Israeli universities which would have provided him with a stage for delivering a statement on EU – Israel relations and ironing out some of the differences and misunderstandings which have developed over the past few years. Many Israelis viewed Patten as the most anti-Israel of the EU Commissioners, contributing to the poor relations between the two (Pardo, 2004).

Israeli critics of the EU have also argued that EU money has been used to promote 'offensive political pamphlets that reflect a extremist 'post-Zionist agenda', an expression which is used in a derogatory sense to describe any pro-peace groups of the left as well as 'radical NGOs in the Israeli-Arab sector, which disseminate false allegations of discrimination and Israeli human rights abuses, are also funded by the EU and the EMHRN" (Steinberg, 2004:8-9). The fact that the EU sponsors other pro-peace initiatives, be they grass roots such as the People to People programs, or the Partnership for Peace programs, or such groups as Bereaved parents or Rabbis for Human Rights, is only seen by the right wing government and media as an expression of European pro-Palestinian sentiment.

1 The criticism of the way in which EU money is used by the Palestinian leadership is not limited to Israel. Arab criticism of the misuse of funding has also been aired, such as the report in the Kuwaiti newspaper Al-Watan (7.6. 2002, in: memri.org/bin/articles). These attitudes will be discussed in a separate working paper.
These arguments have been rejected by the EU Representative in East Jerusalem:

"I would accept this critiques if we were financing NGOs in Israel who are fighting against the government. We are supporting NGOs that are trying to find a solution for peace. That's it. These NGOs should be free to develop some ideas. I don't see anything bad in it... It is not a political tool, it is intended mainly to support associations which are trying to cope with problems on the ground. I don't think it's bad for the government in Israel, to have some people who are supporting peace. (Jean Breteche, the EU Representative in East Jerusalem, 28.4.2004).

His counterpart, the head of the EU delegation in Israel, Ambassador Chevellard also shares this point of view, emphasising the EU efforts to create a civil society in both Israel and Palestine:

"What we are trying to achieve is basically two things. To keep alive some sort of dialogue, a variation of exchanges ... Israeli-Palestinian civil society ... people-to-people ... And secondly, what we are trying to achieve is a peace camp in Israel which support a non-military solution... So we support the groups which are the NGOs... we are talking about centre and left ... even though there are some religious groups and some that we support, basically, most of the NGOs are situated on the centre left" (Ambassador Chevallard, Ramat Gan, 24.4.2004).

Indeed, one of the paths of involvement of the EU in the conflict is via the direct approaches of 'societal actors and activities in a conflict region, in particular those actors which are regarded as possible agents of successful conflict transformation, thereby connecting conflict societies with the institutional and discursive framework of the EU. Connective impact often takes the form of financial or organizational support for peace-oriented non-governmental organizations' (Diez et al, 2003). This connective impact approach is perceived as being problematic not only in the eyes of the 'anti-Europeans' but also by Israeli NGOs funded by the EU who points to the unclear agenda of the EU:

"From my contact with the EU I can say the 90 percent is a passive financial resource – they did not have a specific coherent agenda that
reflects their interests; they do not use us. We have a technical contact with them and they do not even use our reports. The only thing that started this month is that they took someone to work with the NGOs that are supported by them – mainly on marketing their agendas" (Dr. Jeff Halper, ICHAD, Jerusalem, 4.3.2004).

In a more 'centre-right' popular daily newspaper, the Israeli attitude towards the EU is presented in a more 'tactical' and sophisticated way, aimed at differentiating between the different European voices:

"Israel must clearly define its objectives with respect to its relations to the EU... Jerusalem must not hesitate to use divide and rule tactics (between the different European countries) as well as the carrot and stick. If Europe is not united [in its approach to Israel], Israel must use this split reality between Rome, Paris, Berlin and Athens for its own interests. Hence, the supportive European countries are welcomed to help in the peace process. The hostile countries... must stay out of the game" (Maariv, 11.8.2003)

But this approach is not limited to the centre or centre-right of the Israeli political spectrum. Interestingly enough, recognizing the different approaches towards Israel within the European countries is identified by Jeff Halper, the head of ICHAD - a left wing NGO funded by the EU:

"Europe is not one state – there is no one clear policy. Chris Patten is like a Minister of Foreign Affairs and there is no consensus. You have Germany, Holland and Britain – they are quite conservative in relation to Israel. Despite their critic they support Israel. There is a new Right circle: Denmark, Italy, Spain, Austria. East European countries are much more pro-Israel that west European countries, they are also pro-American in a way they by-pass Europe. Hence there is no critical policy and sanctions, it is also not a central issue in Europe, it is still in the margins of their agenda... The EU prefers to leave the job to the Americans" (Dr. Jeff Halper, ICHAD, Jerusalem, 4.3.2004).

The divide and rule policy sometimes pays off, as in the following example. During her official two-day stay in Israel this week, Swedish Foreign Minister Laila Freivalds said she avoided meeting with Palestinian leaders in accordance with the Israeli government's request; 'these were the conditions of the Israeli government and we had to respect them because we decided that it is most important to have a dialogue with Israel' she stated.
Recognizing the different European voices was also mentioned by Dr. Samih Shbeib, a Palestinian Academic from Birzeit University, who stated that 'there is always difference. The EU is a union of different members with different interests and visions' (Interview, 22.5.2004)

A different EU vision which is closer to the constructive impact is suggested by Breteche, the EU representative in East Jerusalem.\(^2\) This path, which is indirect, is based on the assumption that the EU can put in place completely new discursive frameworks in which novel ways of constructing and expressing identities are created within conflict regions:

"It's very clear. You have a policy, which may be simplistic, but it is very clear for us. We consider that what we want in this region, or what we would like to see in this region, which is neighboring on Europe, is peace. Not only between Israel and Palestine, but also with Lebanon and Syria and, it's done more or less with Jordan, Egypt... Without this state of Palestine, side by side with Israel, without that peace couldn't be achieved. So if we want to do that... we need a state. So if we need a state, we need a strong transparent, well managed, peaceful state" (Jean Breteche, the EU Representative in East Jerusalem, 28.4.2004).

The Historical Roots of Israeli Criticism of the EU

We would suggest that the critique of EU involvement in the IP arena reflects much deeper-rooted sentiments amongst the Israeli (Jewish) public vis a vis Europe in general. The deep-rooted anti-Europeanism stems from the historical and emotional associations of most Israelis with the experiences of persecution and holocaust which we have discussed elsewhere (Newman and Yacobi, 2004). Europe is perceived as being anti-Semitic, an attitude which has been strengthened in recent years with the growth of anti-Semitic incidents against Jewish communities and synagogues throughout Europe, especially France. This is expressed clearly in the right wing settler magazine "Nekudah" in relation to the war in Iraq and the difference between American

\(^2\) The EU has separate delegations to Israel and the Occupied Territories. The Israeli delegation is located in Tel Aviv (Ramat Gan), and the Palestinian delegation is located in East Jerusalem.
and EU pressure on Israel:

"Before the war with Iraq started, the Americans, the British (and the Spanish) explained the meaning of this war to Israel. Since Israel is perceived as a central element in the conflict between the Islamic-Arabic terror and the US and the West, the West tries to moderate the anger it faces, by means of scarifying Israel's interests. In the case of the US we are talking about simple preference... of its interests; in the European case, anti-Semitism is integrated in its whole package of interest" (Feiglin, 2003:31).

All policy statements on the part of European leaders, which are deemed as being anti-Israel, or pro-Palestinian, are immediately translated into the rhetoric of anti-Semitism. A recent example is the EU condemnation of the Israeli law that prevents Palestinians married to Israelis from obtaining residency permits in Israel as discriminatory. Ambassador Chevellard charged that the bill 'establishes a discriminatory regime to the detriment of Palestinians in the highly sensitive area of family rights'. The statement also said that the Commission would check whether the law contradicts international law and basic human rights, to the extent that Israel's relations with the EU might be affected (Jerusalem Times newspaper, 8.7.2003, in: http://www.jerusalem-times.net). These perceptions of an anti-Semitic Europe have strongly infiltrated the public image of Europe, as can be seen in the questions\answers column in Haaretz daily 'leftish' newspaper where Adar Primor, the Foreign Editor, answered readers' questions on Israel's relationship with Europe: (www.haaretz.co.il, 23.7.2003):

"Question: "I deeply distrust the EU, but even more their press that reflects the anti-Semitism of the European population. How can this persistent trend be changed?" Jorge Gross MD San Antonio, Texas

Answer by Primor: "To the best of my knowledge, the European media, or at least the serious media, do not support anti-Semitic propaganda, not directly or indirectly. It sometimes even illustrates greater sensitivity to instances of anti-Semitism than the Israeli media. In addition, when it needs to cover dark scandals in which Jews are involved, the European media does so with kid gloves and with great caution, due to the fear of offending Jews..."

And:
"The Europeans are pushing themselves and that all they want is either to disturb the process or to damage it. Here [in Israel] they are also perceived as those that feel guilty because of the holocaust - in this view they try to say that we repeat these same crimes against other people. Generally speaking, this is how the average Israeli views Europe, which is the basis for demanding the Europeans to be as little involved in the conflict as possible." (Adar Primor, The Haaretz Editor of Foreign News, Jerusalem, 9.3.2004).

But, as though to undermine all efforts at Israeli-European rapprochement, the EU published the findings of a poll take in October 2003, in which the majority of respondents stated that they saw Israel as the single greatest threat to global stability, closely followed by an Italian poll which underlined some strong anti-Israel sentiment on the part of the country’s population. No amount of public statements to the contrary on the part of both French President Jacques Chirac and Italian Prime Minister Berlusconi, was helpful in resolving the growing emotional antagonism between Israel and the EU. For most Israelis, the findings of these two polls demonstrated that anti-Israeli policies were akin to anti-Semitism and that Europe was not to be trusted as a serious third party player in the peace process. In the diplomatic level this approach is also stated yet in a softer manner. An example is the meeting of the Israeli Minister of Foreign Affairs, Silvan Shalom, with the 25 European Ministers in which he requested a more balanced approach from the EU to the conflict since he assumes that the EU can have a central role in the peace process.

The discourse of anti-Semitism is also expressed through other channels. Following the publication of the EU survey, The President of the Jewish Congress, and the President of the European Jewish Congress charged that the EU delegation encourages anti-Semitism (Ynet, 3.1.2004). International Jewish organizations have often fuelled the flames of tensions and misunderstanding between Israel and other countries, when the Government of Israel would have preferred more diplomatic solutions.
F. Does the EU have a Role to Play?

Given the negative press that the EU receives, especially in Israel, it is pertinent to ask what, if any, role can the EU play in the long term process of conflict resolution in this region. To address this issue, we turn, in the final section of this paper, to two issues. The first of these addresses the questions to whether the EU should be actively changing its agenda as a means of gaining support amongst some groups who are, at the best, apathetic to, and at the worst, antagonistic towards, the EU intervention in the region. The second question addresses the broader geopolitical locationing of the EU vis-a-vis other interested third party actors, especially the USA. We ask whether, even if the EU were to change its agenda in order to gain more support from power elites in the region, would it make any difference given the USA hegemony in determining the course of political events.

Creating a New Agenda

Opinions are divided as to whether, and how, the EU should change its approach if it is to attract more sympathy for its attempts to be actively involved in, and accepted as part of, the political process. The French writer Dominique Moisi argues that the primary responsibility of the international community, and particularly the Europeans is to re-establish trust between Europe, Israel and Palestine:

"... Europe needs to hold out a more tempting carrot - and wield a tougher stick. It should offer the Palestinians better-planned and properly delivered economic aid. For the Israelis, Europe should hold out the prospect of a "privileged partnership", which would create stronger ties with the European Union" (The Financial Times, 2 July 2001, in: www.sfcg.org).

More specifically, Moisi details what must be demanded from both sides. On the Palestinian side, he proposes, beyond the calculated manipulation of violence, what is unacceptable is the absence of the rule of law, the
corruption, if not stopped, and the continuing use of educational texts filled with hatred'. As for the Israeli side, he stresses that 'continued building of settlements on disputed land is unacceptable and should lead to trade sanctions, implemented by the EU'.

According to Jeff Halper, director of a left wing NGO which benefits from EU funding, it would be preferable if the EU were to ask the different organizations funded by it 'to have a better dialogue between Israelis and Palestinians'. According to him it is important to see the conflict beyond the Israeli-Palestinian arena and thus to support regional cooperation in the whole Middle. Also, from Halper's critical point of view, the connective path of the EU intervention demands the definition of sharper objectives:

"I would propose the following: to focus on human rights and to use language which is "neutral" To strength the civil society in both sides as well as in the Middle East to use the tools they have and not to try and intervene directly in peace issues (Dr. Jeff Halper, ICHAD, Jerusalem, 4.3.2004).

In a similar vein, Adar Primor, the editor of Haaretz foreign news, sees the connective path as the relevant role of the EU:

"They should invest in civil society, to organize conferences is the right thing to do, yet it is a minor channel for change. At the end of the day it will have an effect. On the Palestinian side it is more significant than here (in Israel), and it can play a central role to help in establishing a Palestinian state" (Adar Primor, The Haaretz Editor of Foreign News, Jerusalem, 9.3.2004).

Interestingly enough, a similar position is put forward by Dr. Mahdi Abdel Hadi who criticizes the results of the connective path by saying that 'there has been trials of implementation of people to people projects between Palestinians and Israelis which ended disastrously! They [the EU] tried to make links between the two people on different levels but after the project ended, or most times finished incomplete, no body would know anybody' (Interview, 17.8.2004, Jerusalem).
Steinberg further argues that pushing a universal human right and civil society discourse by the Europeans is problematic since they 'mix interests and ethics – they use ethical arguments in order to justify their policy that reflect economic and political interests'. The historical explanation for this is that Europe needs these values: 'post WW2 Europe emphasized human rights, they need it from a social point of view. But they use it ironically against Israel in order to preserve their relations with the Arab world (Gerald Steinberg, Jerusalem, 26.2.2004). From the Palestinian side this path is appreciated:

"The cultural path, financial support, economic and social relations between Palestinian and European institutions and between youth organizations, women organizations as well as supporting communications and educational exchange programs, these are all important" (Dr. Samih Shbeib, an Academic in Birzeit University, 22.05.2004).

Dr. Shbeid highlights the interrelation between the EU and the Palestinians stating that 'the stronger we are the better European support we’ll get'. Also he argues that 'the Arab attitude is also important for us and can help in a better European attitude and support. Boycotting the USA goods and economic deals and making deals for European goods, helps in directing and changing the attitude of both the USA and Europe (Dr. Samih Shbeib, an Academic in Birzeit University, 22.05.2004). This point of view is further expressed by another Palestinian academic:

"The EU intervention in this conflict is always needed and always good. It is wanted and positive. Europe is a historical partner of the Arab world and we share with Europe the Mediterranean Sea, so we have with Europe much more in common than we do with the USA. There are also commercial and economic relationships with Europe, and this supports our relationship with it... Europe has an effective role; it has been the main partner for the Palestinian Authority as well as the main 'fund supporter' for the Palestinians so it can play a more effective role when there is will" (Dr. Ahmed Majdalani, Birzeit University, 15.5.2004)

Yet, Samir Hazboun, a Palestinian professor at Al-Quds University and the
Executive Director at DATA, Research and Consulting Institution in Bethlehem (Interview, 19.7.2004) criticized this over reliance on the EU arguing that 'what we [the Palestinians] want from the EU is to be more Palestinian than we are, to resist the occupation and get us a state! We should recognize that the EU is an ally of the PA not a replacement'.

From the interview with Lilly Habash, a senior Special Assistant to the Bureau Chief / Cabinet Secretary / Palestinian National Authority, 'Europe nowadays is a great power that can compete with the USA which is trying to control the world through what they call globalization'. Her analysis of the EU internal policy points on the 'ten countries that joined the Union' and on their influence the EU role: 'fortunately' she says 'these countries are not yet active on the foreign political level of the EU, and we see that the EU still supported the decision of the general council about the wall which is a very good indicator' (Interview, 21.7.04, Ramallah).

For their part, the EU sometimes demonstrates a greater sensitivity to the complexity of the situation and the need to satisfy both sides with their public statements. The EU has carefully phrased its position on the current situation in the IP conflict in an attempt to emphasis both sides' interests and responsibility:

"Israel is currently heavily affected by the Middle East conflict, including acts of terrorism against Israeli citizens as well as a very serious situation in the Palestinian territories. The EU firmly believes in Israel’s right to live in peace and security. It has condemned, in the clearest terms, terrorism and all acts of violence. In this respect, the EU has pointed out the Palestinian Authority’s responsibilities in fighting terrorism" (http://europa.eu.int/comm/external_relations/israel).

According to Rosemary Hollis of the Royal Institute of International Affairs (Chatham House), the relations between Israel and Europe are deteriorating. This, she argues, is due both to the rising anti-Semitism in Europe as well as to the European tendency to solve the conflict while focusing mainly on the need of Israel to change its policy. Further she states that 'little thought has been devoted to how to reframe Israeli thinking by inducements rather than
pressure, and certainly not as an incentive to detach from the region’ (Hollis et al, 2004:192).

For their part, the Arab countries argue that the EU should be more effective in giving the peace process 'a new dimension’. It should be a more active participant in the decision-making process, instead of leaving the lion’s share of decision-making to one member (the U.S.A). The EU should also exert pressure on Israel to abide by the agreements made'. The Arab states are also critical of what they perceive as the narrow intervention of the EU in the form of financial support:

"Being the main financial supporter to the peace process in the Middle East, it could play a real political role if the will power was present. It (the EU) could also help in determining a standard foreign policy towards the peace process. Until now, the EU countries have not developed their role in the peace process into a political role that could push the sides of the conflict into taking actions according to the agreements made" (www.azzaman.com/azzaman/articles/2002/03/03-21/395.htm).

The EU vis a vis Other Third Party Actors

As we have shown, the role of third parties in the IP arena is a complex one; Europe, because of its historical involvement in the region mentioned above, and the USA, because of its geopolitical interests and its feelings of responsibility towards the Jewish State, have continued to play a major role in the region. This is reflected in generous packages of aid and assistance on the one hand, and attempts to influence domestic and foreign policy on the other.

Since the onset of the Oslo Peace process in 1993, there has been greater international harmony and agreement over the perceived resolution of the conflict – a two-state solution – than ostensibly over any other major foreign policy issue. This has become even clearer in the immediate post-Iraq war situation, where Europe and the USA have come together over the
implementation of the Road Map aimed at bringing peace to the Middle East.

Israel has always played a double game with respect to third party intervention in the IP conflict. It readily accepts the vast amounts of assistance which come its way – especially from the United States – but is adamant in its determination that its foreign and defence policies must be independently decided and implemented without any external pressures or influence. Israel also views third party active intervention in the conflict as peace keepers with great suspicion, arguing that Israel must determine its own policies and that it cannot rely on third party presence. In particular, as we noted in the previous section, Israel rejects both United Nations and European active intervention, perceiving both as 'non honest' brokers.

The failed role of past United Nations peacekeeping forces – in Sinai prior to 1967, and the UNIFIL forces in South Lebanon – make Israel highly suspicious of the ability of a new United Nations force to actually fulfil its role over and beyond any questions concerning perceived political bias towards the Palestinians. Much more acceptable, in Israeli eyes, is United States troops or, at the least, an international force headed and controlled by the United States, as has been active in the Sinai since the implementation of the Camp David Peace Accords between Israel and Egypt since the early 1980’s (Chopra & Hohe, 2004).

A public opinion survey carried out by the Steinmetz Centre for Peace (http://spirit.tau.ac.il) research in the spring of 2002 questioned Israeli attitudes towards the role of third party intervention in the conflict. Surprisingly, over 30 percent of the Israeli Jewish population (the Arab-Palestinian citizens of the country, who make up 20 percent of the population, have always favoured greater international intervention on the ground) expressed some support for third party intervention. This ranged from direct peace keeping activities, aimed at keeping Israelis and Palestinians away from each other, preventing acts of violence and terrorism,
and acting as a physical buffer between the two sides, to a more active monitoring role which would oversee the implementation of a peace process and ensure that each side is fulfilling its signed commitments. This relatively high support for third party intervention can only be explained against the backdrop of the breakdown of the Oslo process and the return to levels of violence which had not been experienced during thirty years of Occupation. It was an implicit understanding that the bilateral path of implementation had failed, that mutual trust between the two sides had broken down altogether, and that it would not be possible to implement a new round of negotiations without some serious third party intervention, even as active peacekeepers, on the ground (Hermann & Yuchtman-Yaar, 2002).

When, as part of the same survey, the respondents were asked who they would be prepared to see as active peacekeepers, the USA achieved first place, followed by Britain – but a long way behind. France was positioned at the bottom of the list of countries. Although this could partially be explained by the fact that the survey was carried out just a few weeks after there had been some major incidents of anti-Semitic attacks against Jewish targets in France and this was uppermost in most Israeli associations with France at that time.

Oded Eran, the current Israeli Ambassador to the EU, points out the differences between the US and the EU attitude towards the conflict. Eran argues that the Europeans are looking for a dialogue, and the use of power, even partial, has just began to enter their consciousness. He sees the gap between them and the Americans: 'almost everything takes more time in Europe to react, but at the end they come to the same conclusion... What happened to Europe's image in Israel is amazing. If we will compare the positions of the EU and the USA in the central three issues of the conflict: territories, refugees, Jerusalem – their positions are almost similar... However, we refer to the USA as a friend and to Europe as an enemy, or at least dormant enemy' (Maariv, 17.7.2003)
In this context it is interesting to present Steinberg's view on the potential involvement of the EU, exposing its 'hidden' agenda:

"Europe must ask itself what it can get. Europe needs a quiet Middle East with stable regimes, not very corrupt but also not democratic in this stage. Europe can not tolerate massive migration and it depends on the Arab oil. It also does not want conflict with countries that have the ability to send missiles. Europe is not strong enough to face these difficulties. The other possibility is to get closer to the American approach; to face these threats and to use power if necessary. Even to penetrate into existing regimes and to change it. But Europe always criticizes USA that it implements this kind of policy. If some one would ask me – Europe must get closer to the American policy, to stop the artificial balance and to act strategically, to acknowledge Israeli democracy and to work on our common interests which are almost forgotten" (Prof. Gerald Steinberg, Jerusalem, 26.2.2004).

On the Palestinian side there is also acknowledgement of the American role, as expressed by Dr. Samih Shbeib:

"It is currently positive but not enough. Europe is in conflict with American foreign policy. The USA is aiming for a "larger" Middle East. This means that Europe would be expelled from the Middle East. The European attitude is positive but weak. There is now something against globalization. It is supposed to be able to put an end/limit to the American foreign policy. (Dr. Samih Shbeib, an Academic in Birzeit University, 22.05.2004).

From their own documentation, it would also appear that the EU policy makers are aware of their limited ability to shape and mediate the conflict without American support (Euromed Report, June 25, 2002).

It would thus appear that the main third party role is reserved for the USA, or a USA led group of international monitors/peace keepers (Bar Yaakov, 2003), or representatives from third party countries which are not perceived by either Israel or the Palestinians as being biased one way or another. At the most, the European role in a third party set up would be more limited, focusing on the development of governmental, military and civil society institutions as part of the new Palestinian State, as an advisory body or even
as a transition administration filling the vacuum between Israeli withdrawal and full Palestinian statehood (such as happened in East Timor) (Newman, 2002; Newman & Peters, 2002; Indyk, 2003). Given the fact that they would also probably be the main donors to a new State, this would also be more acceptable to the Palestinians, particularly given the criticism on the part of some European leaders concerning the way in which past assistance has been used. Thus, the Americans are perceived more in the role of peacekeepers and implementers, while the EU is seen more in the role of institution and government builders in the new State of Palestine. This would follow well the active participation of EU funded projects during the past decade in which they have focused on Track II negotiations, people to people grassroots activities, and the funding of bilateral and trilateral research projects between Israelis, Palestinians and Europeans aimed at creating new models of cooperation and other peace related activities.

**G. Conclusion**

Our discussion has focused on the reticence on the part of Israel in allowing the EU to play a greater role in the region. But this should not detract from the EU itself and its inability to make itself clearly understood within the region. This is reflected in the fact that EU countries do not always speak in one voice, while it is never clear whether policy should be coming from the Commissioner for External Affairs, from the special envoy to the region, or from foreign ministers of constituent countries. Neither does the EU benefit from good public relations in the region, with no clear public statement of its intentions, even when it argues that it has been misunderstood or misconstrued by the interested parties – especially Israel.

However, it must be emphasised that there have always been efforts at transforming the conflict via civil society agents in Israel and Palestine. As our analysis of the relevant source material and interviews has shown, this
form of intervention has not helped in reaching the goal. One obvious reason is the fact that IP relations can best be described as constituting an escalating power conflict; it is based on violence as the main form of communication; physical force was an acceptable means of “dealing” with the other side. Another reason raised by both Israeli and Palestinian interviewees points to the vague aims and objectives of the EU:

"The role of the EU is positive, but should be more proactive politically, and should push towards the implementation of the UN decisions concerning this process and this matter. They should also stop coming out with new creative things and ideas every time they fail in revitalizing the peace process; coming with something totally new is a problem. I think that they should discuss and assess where they failed in the past, find the real reasons and build new ideas upon the results of the assessment" (Interview with Lilly Habash, 21.7.04, Ramallah).

The ability to transform the IP conflict via the compulsory path is limited. On the Israeli side there is a clear denial as well as manipulation of the EU carrot and stick approach; the economic relations are perceived as too important to the Europeans for a boycott to be implemented, while it would also be self defeating in that it would turn Israel even more anti-European and even further into the arms of their American ally. The connective path on the other hand seems to be the main form of EU intervention in both Israel and the PA. However, while on the Palestinian side it is often perceived positively and to some extent it paves the road to independence (the establishment of civil society etc) on the Israeli side it is perceived by many critics as another way of supporting 'post Zionist' agendas. Even Israelis who are supportive of the EU, point to what they see as the unfocussed aims of the EU, making it all the more difficult for them to play a greater role in the political process.
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2. Samir Hazboun, Associate Professor in Economics and Commerce at Al-Quds University, 19.7.2004
3. Lilly Habash, Senior Special Assistant to the Bureau Chief / Cabinet Secretary / Palestinian National Authority, 21.7.2004
4. Dr. Mahdi Abdel Hadi: the Head of Passia, 17.8.2004
5. Ambassador Giancarlo Chevallard head of the EU Delegation to Israel,
6. Jean Breteche, EU Representative for the West Bank and Gaza Strip, 28.4.2004
7. Dr. Ahmed Majdalani, Birzeit University, 15.5.2004
8. Dr. Jeff Halper, Director of ICHAD,
9. Professor Gerald Steinberg. Bar Ilan University, 26.2.2004
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