

The EU and Israel: At Least on Speaking Terms

Shimon Stein and Oded Eran | No. 1500 | July 21, 2021

The European Union and the Israeli government are divided over the resolution of the Israeli-Palestinian conflict, and in the last decade disagreements have intensified to the point of a political rift between the senior echelons of EU institutions and Israel. This disconnect is reflected in the fact that the Association Council – the most senior forum for dialogue between EU members and institutions and countries that are not members but are considered important partners for the EU – has not met in the past decade, although it is supposed to convene every year. However, in their monthly meeting on July 12, 2021, the EU foreign ministers hosted Alternate Prime Minister and Foreign Minister Yair Lapid, thus signaling a willingness to examine a return to dialogue with Israel. Yet realizing these intentions depends to a large extent, though not exclusively, on a fundamental change in Israel's approach to the day-to-day problems of the Palestinian population in the West Bank and the Gaza Strip, and especially its avoidance of measures that would thwart future implementation of a two-state solution.

Inviting Israeli Alternate Prime Minister and Foreign Minister Yair Lapid to the monthly meeting of European Union foreign ministers on July 12, 2021 was an unusual event in EU-Israel relations, after a decade during which the Association Council – the senior political forum between Israel and EU institutions – did not convene. During this period, relations were characterized by mutual criticism and a lack of dialogue between Prime Minister Benjamin Netanyahu and the heads of EU institutions, and at the same time by Netanyahu's ongoing effort to cultivate relations with populist leaders in the EU, led by Hungarian President Viktor Orbán, who assisted him in his efforts to prevent the EU from reaching a consensus on issues related to Israel.

Against this background, statements by the new Israeli government regarding the opening of a new page in relations with Europe were received warmly. Lapid's acceptance of the invitation to meet with EU Foreign Ministers reflected, according to High Representative of the European Union for Foreign Affairs and

Security Policy Josep Borrell, that "there is a chance for a fresh start and for strengthening our bilateral relations." But in the same breath, he added: "[Bilateral relations] are conditioned to many issues in which we have differences. And the proof is that the Association Agreement meetings have been cancelled since." For clarification, Borrell added, "we expect Israel to offer a political perspective to end the conflict [with the Palestinians]." Indeed, the issue of the conflict between Israel and the Palestinians was central on the meeting's agenda. The second major topic was the Iranian nuclear issue.

The stated position of the European Union is that the political horizon for the Israeli-Palestinian conflict is a two-state solution, but Borrell's remarks signal the assessment that may be taking shape in the European Union that this solution is not achievable "tomorrow [as] we know the special composition of the Israeli government." Borrell noted Lapid's support for a two-state solution, and cited the interest he and his colleagues found in Lapid's willingness to improve the daily lives of Palestinians. The report on the meeting was signed by Borrell on the condition that the Association Council be convened if all EU members agree, and that Israel also contribute its share in this regard.

It can be concluded from reading between the lines and from the media reports on Lapid's remarks to European ministers that he succeeded in convincing most of his audience that the political reality in Israel and on the Palestinian side does not allow for progress toward a full political solution to the conflict, and certainly not for a solution to all the core issues at the same time – Jerusalem, borders, and refugees. Therefore, Lapid said, "What we need to do now is make sure that no steps are taken that will prevent the possibility of peace in the future, and we need to improve the lives of Palestinians. Whatever is humanitarian, I will be for it. Everything that builds the Palestinian economy, I am for it."

Progress in these contexts will be examined by the EU through the prism of human rights, activity related to the settlements in the West Bank and Jerusalem, and Israel's willingness to ease conditions in the economic realm in the Gaza Strip and the West Bank. In view of the firm opposition so far from a number of EU members to the convening of the Association Council, presumably they will require a careful examination of the legal and political aspects of each of Israel's steps in these areas. Worth noting in this context is the tweet of Ann Linde, Minister of Foreign Affairs of Sweden, a country known for harsh criticism of Israel: "Great to meet Israel's Foreign Minister at FAC today....We are united in

the fight against antisemitism globally. Clear EU message on the need for a negotiated two-state solution based on international law." In contrast, a tweet without any reservations was published by Dutch Foreign Minister Sigrid Kaag: "Had a good and productive conversation with Israeli Foreign Minister Yair Lapid...We discussed the importance of EU-Israeli and bilateral relations, as well as developments in the region. Look forward to welcoming him" to the Netherlands.

The Israeli government will have to translate Lapid's remarks into a series of concrete proposals if it wants a substantive improvement in Israeli-EU relations, and especially ahead of Prime Minister Naftali Bennett's expected meeting with President Biden. For some time Washington has also understood that there is no possibility of comprehensive negotiations between Israel and the Palestinians in the current circumstances. However, for ideological reasons – principles of human rights and freedom, international law – and out of an understanding that in Congress and in American public opinion, there are criticisms of the "soft" attitude toward Israel, even from the Democratic administration, there is a demand for a more aggressive approach to Israel's conduct in the context of the Israeli-Palestinian conflict. Consequently, and in particular on transatlantic cooperation on a number of issues, including the Israeli-Palestinian conflict, the Israeli government is advised to take the European angle into account when preparing the proposals and ideas that will be presented to the US administration in the meeting between President Biden and Prime Minister Bennett.

Much of the Palestinians' demands of the Biden administration deal with economic issues, on which there is a wide range of Israeli flexibility and within which EU involvement can be sought. The development of some of the infrastructure in the West Bank and Gaza Strip (water, energy, transportation, communications, tourism, environment) must be done on a regional basis, and should also include neighboring countries, including Egypt and Jordan. In the Eastern Mediterranean basin, there are opportunities for economic cooperation that will also involve EU member states. An action plan based on Israeli ideas and adopted by the international community may soften Palestinian opposition to the involvement of Arab states that established relations with Israel in the past year. Their involvement is important in building and strengthening the regional camp that advocates progress toward an Israeli-Palestinian agreement, albeit in measured and gradual fashion. The tougher Israeli approach to Qatar's

involvement in assisting Hamas in the Gaza Strip should be accompanied by Israel's readiness for an economic arrangement, which means the involvement of other donor countries from the Gulf and from the international community in general. This is a complex process, also significant for the political future of the current Palestinian leadership. For this reason alone, the involvement of international actors, including European, may help Israel along the way.

No details were provided about the content of the discussion on the Iranian nuclear issue, but presumably Lapid presented Israel's reservations about the original nuclear agreement and its demands for a stronger, improved version, in view of Iran's continuing violations of the terms of the agreement and its progress in its nuclear project. Brussels has likely welcomed the adoption of an approach that avoids public confrontation and shows willingness by the new Israeli government to engage in quiet dialogue with the US administration. Even if there is no consensus between the EU and Israel regarding the JCPOA, there is an understanding of the developments that took place in the nuclear program and the need to take them into account. And if the nuclear agreement is renewed, there will be a need for negotiations regarding Iran's missile program and regional conduct. On these issues, Israel is finding sympathetic ears in London and Paris.

In conclusion, the change in style and tone in the Israeli government's dealings with the EU, which was in the background of Lapid's invitation to a meeting with his colleagues, does not diffuse the disagreements on the Israeli-Palestinian conflict, which to this day has been the obstacle in enhancing relations. Alongside the understanding in the EU of the "special" nature of the Israeli government, the EU will expect steps from Israel that preserve the relevance of the two-state solution.

If the criterion for assessing the current rapprochement between the European Union and Israel is the convening of the Association Council, the jury is still out. One can expect exchanges of gestures, such as reciprocal visits by senior officials or opportunities for Israel to join European programs. However, any program in which Israel's participation will include the allocation of EU funds to Israeli entities may also include the implementation of the arrangement reached by the EU and Israel when Israel joined the European Horizon 2020 R&D Program: entities operating beyond the 1967 lines do not receive grants (and both parties declare in letters accompanying the agreement their policy principles on the

subject). Israel is about to join the CREATIVE EUROPE program on culture and communication. The European Union and Israel will need to show creativity if they choose to turn over a new leaf and end the political rift between them, a rift that has not benefited either side.

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