

***The European Union's involvement in the Israeli-Palestinian conflict:
an active paradigm of European foreign policy?***

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Introduction

The geopolitical turbulences in the Mediterranean region have widely preoccupied the European continent, which primary strategic objective is the achievement of a secure and stable environment in its immediate neighbourhood.

Undoubtedly, the Israeli-Palestinian conflict, a source of instability, occupies a high-ranking position in the agenda of the European officials. Historically and morally responsible for the emergence of the Israeli State and the Palestinian question, Europe could never permit itself to stay in the margins of the Middle Eastern affairs. On the other hand, the geographical proximity imposes, as well as favours, the development of economic, commercial, social, political and religious ties between the two shores of the Mediterranean Sea.

Europe, throughout the years, has managed to develop a solid position towards the Israeli-Palestinian conflict. Its involvement in the region can be traced back in the beginning of the seventies, where the then six member States agreed on the importance of the centrality of the conflict by introducing it in the program of the newborn European Political Cooperation (EPC).

The first official declaration within the framework of the EPC was published in November 1973, following the Yom Kippur War. Since then, the EC/EU has elaborated a coherent and consistent European policy towards the conflict based on three fundamental parameters: the development of substantial principles by means of a declaratory diplomacy; the encouragement of commercial association and financial assistance; and the promotion of development and indispensable political reform.

The objective of this paper is to offer an integral analysis of these parameters. Consequently, two central questions will be posed: how is the European action perceived by the interested parties? Is the European involvement in the efforts for the resolution of the conflict effective? The answers to these enquiries will reveal the degree of the European engagement towards the settlement of the conflict as well as the ability of Europe to act – and to be recognised – as an international political actor.

The evolution of the European policy towards the conflict: the choice of a declaratory diplomacy.

Declarations constitute by far the most popular diplomatic instrument used by the European officials. It is mainly due to this practice, politically anodyne, that Europe has been often criticised of contenting itself with pure rhetoric instead of engaging itself on the ground through precise and distinct actions. This assumption results from two complementary realities: the lack of capacities and the lack of political will.

It is within this framework that the European approach to the Israeli-Palestinian conflict is being developed throughout the years. In 1971 the Europeans agree, for the first time, to a common document, the Schumann document, which reaffirmed the central character of Resolution 242¹ of the UN Security Council as a basis for the settlement of the conflict². But, the truly important European reaction came in November 1973, a month after the breakout of the Yom Kippur War. The EPC declaration, published on November the 6th, was a direct response to the war and to the Arab oil producer States' intention to impose an embargo on the exportations towards Europe³. The text called on the respect of the Resolutions 242 and 338 on the UNSC and practically transformed the Palestinian question from a refugee problem to a political issue: henceforth the Six spoke of the “*legitimate rights*” of the Palestinian people⁴.

Undoubtedly, the European declaration was perceived, especially by the Israelis, as a means to appease the Arabs. We could never deny that this first attempt towards a European common approach to the conflict was engendered by a primary economic

¹ For an analysis of the Resolution see NEFF Donald, « The differing interpretations of Resolution 242 », in *Middle East International*, 13 septembre 1991.

² For the content of the document see « Deuxième conférence des ministres des affaires étrangères sur la coopération politique », in *Bulletin-CE*, N°6, 1971, pp.30-32, « La consultation politique semestrielle a eu lieu à Paris », in *Europe. Bulletin quotidien*, Agence Europe, Bruxelles-Luxembourg, N°808, 14 mai 1971, p.2, « Les Six déclarent favoriser tous les efforts conduisant à une solution au Proche-Orient », in *Le Monde*, 15 mai 1971.

³ For the European response to the embargo see, *inter alia*, CABBELL C. John, « Les Etats-Unis et l'Europe au Moyen-Orient : intérêts communs et politiques divergentes », in *Politique Internationale*, N°7, printemps 1980, DOLAN B. Michael et CAPORASO A. James, « The External Relations of the European Community », in *The Annals of the American Academy*, 440, novembre 1978, KOHL L. Wilfrid, « Energy Policy in the Communities », in *Journal of International Affairs*, Vol.30, N°1, printemps-été 1976, TURNER Louis, « The European Community : Factors of Disintegration. Politics of the Energy Crisis », in *International Affairs*, Vol.50, N°3, 1974.

⁴ For the text see *Bulletin-CE*, N°10, point 2502, 1973. For a first European reaction to the war see SUS Ibrahim, « Western Europe and the October War », in *Journal of Palestine Studies*, Vol.3, N°2, hiver 1974, pp.65-83. For an analysis of the November EPC declaration see DIECKHOFF Alain, « Europe and the Arab World : The Difficult Dialogue », in GREILSAMMER Ilan et WEILER H.H. Joseph, *Europe and Israel: Troubled Neighbours*, Walter de Gruyter, Berlin, Institut Universitaire Européen, 1988.

interest. Nevertheless, it gave Europe the chance to enhance its system of political cooperation and to affirm its international identity.

During the seventies, the European position was further elaborated and strengthened. The energy crisis incited the European partners to launch a dialogue with the Arab countries, the Euro-Arab dialogue, with the clear-cut ambition to ensure a reasonably priced and stable oil supply to European countries. The dialogue, although intended – by the European side - to be a forum for the cooperation on economic and technical issues, was quickly politicised by the Arab States, who wished to transform it into an arena for debating the Palestinian question. From the outset the divergence on the objectives of both sides was more than evident. The political aspect of the dialogue and the delicate question of the participation of the Palestinian Liberation Organization (PLO) rendered fragile the whole enterprise. Yet, continuous Arab pressure, as well as the will to avoid the collapse of the dialogue, actively contributed to the evolution of the official European position towards the conflict. It is in the texts emanating from the Euro-Arab dialogue that the Nine pointed out their opposition to the construction of Israeli settlements in the occupied territories and to unilateral initiatives intended to modify the status of Jerusalem⁵.

These stipulations appeared also in the declarations made in the name of the Nine during several sessions of the UN General Assembly. The right of the Palestinian people “*to express a national identity*” soon became the *leitmotiv* of the European texts concerning the conflict. The degree of understanding between the member States was so elevated, that they managed not only to promote a single European voice but also to further develop their position vis-à-vis the Israeli-Palestinian conflict. Consequently, in September 1976 the Nine spoke of the need of a “*territorial base within the framework of a negotiated settlement*”⁶.

⁵ For an in depth analysis of the Euro-Arab Dialogue see, *inter alia*, BOURRINET Jacques, *Le dialogue euro-arabe*, Economica, Paris, 1979, KHADER Bichara (dir.), *Coopération euro-arabe : diagnostic et prospective*, Vol.II, Actes du Colloque organisé à Louvain-la-Neuve, 2-4 décembre 1982, LAU Rainer, « Le dialogue euro-arabe et sa place dans la politique méditerranéenne des Neuf », in *Revue du Marché Commun*, N°193, février 1976, TAYLOR R. Alan, « The Euro-Arab dialogue : Quest for and Interregional Partnership », in *Middle East Journal*, Vol.32, N°4, automne 1978. For the European position on the participation of the PLO see GIANNIOU Maria, *Les interventions de la CE et de l'UE dans le conflit israélo-palestinien depuis la crise de 1973 jusqu'aux développements contemporains*, PhD, 2006, Université Paris III Sorbonne Nouvelle (unpublished), pp.118-128.

⁶ UNGA Plenary Meeting, A/31/PV.71, § 133, 18 novembre 1976, 31th session, official records, NY, in <http://domino.un.org/UNISPAL.NSF/9a798adbf322aff38525617b006d88d7/bf2c3e6c8250304a85256f5f007166a6!OpenDocument>.

A few months later, in the June 1977 London European Council, the Nine appealed for the need of a “*homeland*” for the Palestinian people, which should participate in the negotiations in an appropriate manner⁷. Two years later, in spite of Israeli objections and American reservations, the Europeans mentioned, for the first time, the PLO in a text emanating from the European political cooperation system⁸.

The accumulation of a decade of practice within the framework of the EPC, the relevant maturity of the European position towards the conflict as well as the international circumstances of the time, contributed to the emergence of the most revealing and perspicacious document ever published by the member States of the Community: the Venice declaration. This document clearly confirmed the basic principles of the European policy: the right of the Palestinian people to self-determination; the application of Resolutions 242 and 338 as a basis of a settlement; the right to existence and to security of all States in the region, including Israel; the need to associate the PLO with the negotiations; the refusal of any unilateral initiative designed to alter the status of Jerusalem; the need for Israel to put an end to the territorial occupation which it has maintained since 1967; the fact that the Israeli settlements are an obstacle to peace and illegal in the eyes of international law⁹.

Certainly, the objective of the Venice declaration was to contribute towards the imposition of a just, global and lasting peace for the Middle East region. Unequivocally, the document constituted an absolute success for the system of European political cooperation and contributed to the upgrading of the European role as a diplomatic actor in the international scene. Yet, even though its intentions were sincere, the Venice declaration did not manage to actively incite the Europeans to undertake a common initiative for the peace in the Middle East.

Following its publication the member States decided to undertake two missions in the region, hoping that a positive answer from the interested parties could contribute to the elaboration of a European initiative. But, the categorical reject of the Israelis to grant any political role to the Europeans certainly minimised the chances

⁷ For the text of the declaration see « Déclaration sur le Moyen-Orient », Conseil européen de Londres, 29 et 30 juin 1977, in *Bulletin-CE*, N°6, point 2.2.3., 1977. Initially, the declaration was to be published in the beginning of 1977, but was not due to American objections. On this issue see GIANNIOU Maria, *Op. Cit.* 5, pp.166-170.

⁸ « Discours de Michael O’Kennedy, ministre irlandais des Affaires étrangères, Président en exercice du Conseil des ministres de la Communauté européenne », New York, 25 septembre 1979, in *Documents d’Actualité Internationale*, N°42, 21 octobre 1979, p.829.

⁹ For the text see *Bulletin-C.E.*, N°6, point 1.1.6., 1980.

for an active and productive European involvement in the conflict. On the other hand, the European participation in the Sinai multinational force in April 1982¹⁰, which affirmed more or less the backing of the Ten member States to the diplomatic efforts of Washington, as well as the war in Lebanon in June 1982¹¹, which highlighted the national voices within the European continent, further hindered the attempts of Europe to be perceived as a coherent and independent actor vis-à-vis the Israeli-Palestinian conflict. During the second half of the eighties Europe did not register any particular success regarding its involvement in the conflict.

The nineties witnessed one major geopolitical metamorphosis, the end of the Cold War, which had multiple consequences not only in the European continent but also throughout the world. Yet, Europe did not manage to ameliorate its presence in the Middle East. After their remarkable diplomatic failure during the Gulf crisis in 1990¹², the Europeans were not in a position to demand a political role in the region. Falling in a period of inertia, in its external relations with the Middle East, while elaborating a new Treaty for its political union, Europe found itself pushed aside from the 1991 Madrid peace conference, which materialized thanks to the active involvement of the US Secretary of state, James Baker.

It is not until the signature of the Declaration of Principles between Israel and the PLO in 1993, which stigmatised the beginning of the Oslo process, that Europe actually translated its willingness to be a part of the political Middle Eastern scene through its engagement to financial assistance. Its declarations within the framework of the Common Foreign and Security Policy (CFSP) – the successor of EPC – reiterated the well known principles published more than a decade ago in Venice.

Yet, the breakthrough came about in March 1999 with the Berlin declaration which introduced the notion of a viable Palestinian state as the “*best guarantee of*

¹⁰ For an analysis see PIJPERS Alfred, « European Participation in the Sinai Peace-Keeping Force (MFO) », in ALLEN David et PIJPERS Alfred, *European Foreign Policy-Making and the Arab-Israeli Conflict*, Martinus Nijhoff Publishers, The Hague, 1984, SICHERMAN Harvey, « Europe's role in the Middle East : illusions and realities », in *Orbis*, Vol.28, N°4, hiver 1985.

¹¹ See, *inter alia*, DIECKHOFF Alain, *L'Europe politique et le conflit israélo-arabe*, European University Institute Working Paper N°85/177, Badia Fiesolana, San Domenico di Fiesole, juin 1985, GREILSAMMER Ilan et WEILER Joseph, *Europe's Middle East Dilemma: The Quest for a Unified Stance*, Westview Press, Boulder and London, 1987, GREILSAMMER Ilan, « Reflections on the Capability of the European Community to Play an Active Role in an International Crisis: The Case of the Israeli Action in Lebanon », in GREILSAMMER Ilan et WEILER H. Joseph, *Europe and Israel: Troubled Neighbours*, Walter de Gruyter, Berlin, 1988.

¹² For a general analysis see GNESOTTO Nicole et ROPER John (dir.), *L'Europe occidentale et le Golfe*, Institut d'études de sécurité, Union de l'Europe occidentale, Paris, 1992.

Israel's security and Israel's acceptance as an equal partner in the region"¹³. After the outbreak of the second *Intifada* (September 2000) the European Union published a document, the Seville declaration of June 2002, which was explicit on the expected solution to the conflict: *"A settlement can be achieved through negotiation, and only through negotiation. The objective is an end to the occupation and the early 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. The end result should be two States living side by side within secure and recognised borders enjoying normal relations with their neighbours"*¹⁴.

Since the creation of the Quartet and the publication of the Road map, the EU clearly supports a two-state solution and the convening of an international conference while staying faithful to its basic principles regarding the Israeli-Palestinian conflict (condemns terror, extrajudicial killings, the building of settlements and the separation barrier, restrictions on the freedom of movement, etc.).

The last European call for peace in the Middle East takes into account the recent developments after the January 2006 elections and the formation of the Hamas-led Palestinian government. Consequently, without altering its fundamental approach it calls the new government *"to meet and implement the three principles of non-violence, recognition of Israel's right to exist and acceptance of existing agreements and obligations"*¹⁵.

Europe's financial contribution to the Middle East peace process : a substitute for policy?

During the seventies and the eighties Europe's approach to the Israeli-Palestinian conflict was primarily based on the elaboration of a declaratory policy.

¹³ « Berlin European Council. Presidency Conclusions », 24 and 25 March 1999, in http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/ACFB2.html, site accessed in September 2006.

¹⁴ « Seville European Council. Presidency Conclusions », 21 and 22 June 2002, in http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/72638.pdf, site accessed in September 2006.

¹⁵ « Brussels European Council. Presidency Conclusions », 15 and 16 June 2006, in http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/90111.pdf, site accessed in September 2006.

That is due to two major reasons. Firstly, the European Communities did not have a coherent instrument of foreign policy capable of combining both the intergovernmental as well as the common aspects of European cooperation. EPC was dependent on the degree of agreement between the member states, which all had the right to veto any decision. Secondly, the member states did not always share the same point of view on how to address the conflict. This differentiation on appreciation certainly entailed an incontestable lack of political will.

Even though the semantic evolution on EPC declarations did contribute to the development of a European policy towards the conflict, it soon became evident that Europe could not aspire to an active role in the region on the mere basis of its declarations. The first attempts to present a more complementary policy were made in the seventies with the elaboration of the Euro-Arab dialogue and with the commercial association between Europe and the state of Israel in 1975¹⁶. In the meantime, the Community engaged itself in offering financial assistance to the Palestinian people. Its first interventions were based on assisting the refugees through the UNRWA; on co-financing NGO activities and on directing minimal aid to the occupied territories following the Venice declaration¹⁷.

Yet, it was not until the nineties that Europe actually engaged itself in a more concrete policy focusing on financial assistance. Politically overridden from the Madrid conference, Europe had to find an alternative way to stay active in the Middle East peace process. Its economic involvement was materialized through its participation in the multilateral track of the peace process and the resumption of the presidency of the regional economic development working group (REDWG). Via its undertakings in the REDWG, Europe managed not only to be present in the peace process but also to contribute to the normalization of Israel and to its acceptance as a state in the region¹⁸.

Meanwhile, Europe began to consolidate its strategy concerning the financial aid towards the Palestinians. Conscious of the limits of their diplomatic interventions, the Europeans chose to assume the responsibility of economic assistance. But, this role

¹⁶ See for instance COHEN Yaacov, « Implications of a Free Trade Area Between the EEC and Israel », in, *Journal of World Trade Law*, Vol.10, N°3, mai-juin 1976.

¹⁷ KHADER Bichara, *L'Europe et la Palestine : des croisades à nos jours*, L'Harmattan, Paris, 1999, pp.452-456.

¹⁸ On the multilateral track see KAYE Dalia Dassa, *Beyond the Handshake. Multilateral Cooperation in the Arab-Israeli Peace Process, 1991-1996*, Columbia University Press, New York, 2001, PETERS Joel, *Pathways to Peace : the Multilateral Arab-Israeli Talks*, RIIA, Londres, 1996.

was not accidental: not only they have been demanding it since the end of the eighties, but the parties in conflict were eager to attribute to them this task. After the signing of the Oslo accord in September 1993, Europe's economic role in the peace process was outstandingly boosted. Certainly the Palestinians needed all the assistance they could get from their European counterparts in order to enhance their stagnated economic activity. Then again, the Israelis and the Americans could never wish for more: the economic role of Europe would not only contribute to financially support the peace process, but would also alienate the Old Continent from any further political and diplomatic aspirations.

On the 29th of September 1993 the European Commission presented its communication to the Council concerning its support to the Middle East peace process. In total the Commission proposed an amount of Ecus 500 million to be defrayed to the Palestinian people from 1994 to 1998¹⁹.

Throughout the nineties, Europe became the most important aid contributor to the Palestinian territories. Its financial assistance was based on different budget lines and on the MEDA program, the financial instrument of the Barcelona process, which engaged Ecus 3.424,5 million for the period 1995-1999²⁰. For the same period in time, the total amount of EC aid towards the occupied territories including the support to the peace process, the MEDA program and other budget lines, accounted for approximately € 88 million per year in the form of non-reimbursable loans²¹.

In general terms, the European aid towards the Palestinians corresponded to the basic needs of the population. According to the Palestinian Development Plan 1998-2000 four priorities were underlined: the development of infrastructures, the creation of solid institutions, the development of social and human resources and the development of the economic sector²². The principal projects that the EU undertook entirely respond to the wants expressed by the Palestinian administration. They basically focalise on the field of infrastructure, education, private sector and institutional development.

¹⁹ « EC Support to the Middle East Peace Process », Communication from the Commission to the Council and the European Parliament, COM(93) 458 final, Bruxelles, 29 September 1993.

²⁰ See *Journal officiel des Communautés européennes*, L 189, 30 juillet 1996, p.1 and *Bulletin-U.E.*, point 1.4.105., N°7/8, 1996, in <http://europa.eu/bulletin/fr/9607/p104105.htm#anch0362>, site accessed in September 2006.

²¹ « Le processus de Barcelone. Cinq ans après. 1995-2000 », Partenariat euro-méditerranéen, Commission européenne, 2000, p.35.

²² « Evaluation of the EC programme of Assistance to the West bank and Gaza strip », EuropeAid Evaluation Unit, Réf. 951403, 1999, p.7.

Yet, even though the EU managed to answer the basic needs of the territories, its financial policy did not have the expected result: the Palestinian economy remained largely stagnant while even registering negative indicators. From 1992 to 1996 the unemployment rate rose up to 30% while the income *per capita* in the West bank and the Gaza strip fell down to 35%²³. Multiple factors were responsible for this situation. Undoubtedly, the Israeli security policies towards the territories had grave consequences on the Palestinian economy: continuous blocking of the territories, lack of safe passages for Palestinian products, interdiction of free circulation of the labour force, upholding of tax revenues to the Palestinian Authority as well as other restrictive measures and an important Israeli control over the Palestinian territories, contributed to the deterioration of the living standards in the West bank and the Gaza strip. With no guaranteed access on natural resources, no income from taxes and custom duties, no sufficient territorial control, nor control of external borders, it was rather impossible to achieve a substantial economic development accompanied by an institutional reform²⁴.

On the other hand, the insufficiencies of the Palestinian administration further accentuated the gravity of the situation: the absence of transparency, the allegations concerning a high degree of corruption, the lack of a satisfactory legal and regulatory framework, the ignorance of democratic practices as well as the concentration of presidential power, certainly underlined the need for a system of good governance.

Furthermore, the perpetuation of the conflict accompanied by a high degree of violence minimised the chances of economic development. Even worse, since the breaking of the second *Intifada*, in September 2000, the EU's financial aid undertook a major shift in order to focus on emergency assistance. From long-term institution-building, Europe had to contribute to prevent humanitarian crisis and the collapse of the Palestinian Authority (PA). As such, assistance was directed towards humanitarian programs²⁵, support to refugees, development as well as direct budget assistance to

²³ ASSEBURG Muriel, « The EU and the Middle East Conflict : Tackling the Main Obstacle to Euro-Mediterranean Partnership », in *Mediterranean Politics*, Vol.8, N°2-3, été-automne 2003, p.176.

²⁴ For an analysis see « Independent Task Force Report. Strengthening Palestinian Public Institutions », juin 1999, in «The Middle East Peace Process and the European Union », European Parliament, Directorate-General for Research, Working Paper, POLI 115 EN/rev1, octobre 2000.

²⁵ Since 2000, the Commission's total humanitarian response to the Israeli-Palestinian conflict has reached € 191 million. See « Middle East : Commission allocates € 34 million in humanitarian aid to vulnerable Palestinian populations in the West Bank and Gaza and in Lebanon », European Commission, IP/06/959, 7 July 2006, in <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/959&>, site accessed in July 2006.

the PA (public service salaries, social, educational, health and other core functions of the PA)²⁶.

The 2006 January elections contributed to another major shift of the European assistance in the region. Unwillingly to comply with the conditions set by the Quartet, the Hamas-led Palestinian government had to endure the freezing of its direct budget support. The assistance focused primary on humanitarian needs while a temporary international mechanism (TIM), the objective of which is direct delivery and supervision of assistance to the Palestinian people, was put in place²⁷. The first Commission action through the TIM has already taken place in July 2006 by providing fuel for hospitals in Gaza²⁸.

Europe's attachment to the promotion of development and indispensable political reform.

Europe's attachment to the promotion of development and political reform constitutes the third element of its policy towards the Israeli-Palestinian conflict. It is also the most recent one, for only since the last few years Europe managed to acquire a substantial political leverage allowing it to demand and to promote a concrete and serious engagement towards – basically - Palestinian reform.

During the seventies and the eighties Europe did not have a strong and coherent foreign policy system and could not, consequently, acquire international credibility. In the nineties the elaboration of the CFSP system – although imperfect and insufficient – and the economic assistance provided in the Palestinian territories did offer to the EU a concrete and important role. Basically, through its financial aid Europe managed to become a necessary and serious *player* – and not only a *payer* - in the Middle Eastern conflict. During the Oslo period it was more than evident that without the European financial contribution the peace process could and would collapse. The

²⁶ « The EU's relations with West Bank and Gaza Strip », European Commission, in *Europa*, http://ec.europa.eu/comm/external_relations/gaza/intro/index.htm, site accessed in September 2006.

²⁷ The TIM, developed by the EU at the request of the Quartet, has three “windows” covering the health sector, utilities and social allowances (since the 1st of September all three “windows” are operational). The Commission has allocated € 105 million to the TIM bringing the total made available from the Community Budget so far this year (2006) to the Palestinian Territory to € 259 million. See « Fuel for Palestinian Hospitals : first Commission action through the Temporary International Mechanism », European Commission, IP/06/973, 11 July 2006, in <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/973&>, site accessed in July 2006.

²⁸ *Ibid.*

Palestinian Authority was completely dependent on international aid, while Israel could content herself to watch Europe dispense her from her economic and social obligations vis-à-vis the Palestinian population of the territories. In any case, Europe, through its financial support, obtained a high degree of political saying regarding the Israeli-Palestinian conflict.

The first clear-cut attempts that Europe made towards development and reform programs can be traced back at 1995 with the inauguration of the Barcelona process. The Euro-Mediterranean partnership was initially conceived as a means to assure the stability and the prosperity of the southern neighbourhood of Europe. In order to achieve this objective the EU uses two instruments: economic development and democratic reform. Even though the transition towards democracy constitutes a risky challenge, it undoubtedly augments the chances for a long-term stabilisation, as long as the process is accompanied by a program of substantial financial aid as well as an important economic and commercial cooperation²⁹.

The notions of development and democracy are inherent to the Barcelona declaration. In order to achieve peace, stability and prosperity the Euro-Mediterranean partners agreed on the importance of a strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty and promotion of greater understanding between cultures. The whole process was divided in three baskets: one focusing on the political and security partnership; one on the economic and financial partnership and one on the social, cultural and Human affairs³⁰.

Both Israelis and Palestinians benefited from the establishment of the Euro-Mediterranean partnership. They both concluded Association agreements with the Community³¹, in which was inserted a clause calling on a political dialogue between the parties based on the respect for democracy and human rights³². Yet, throughout the years, continuous violations of human rights and non-respect for democratic

²⁹ JÜNEMANN Annette, « Six Years After : Reinvigorating the Euro-Mediterranean Partnership », in HANELT Christian-Peter, NEUGART Felix et PEITZ Mathias (éd.), *Europe's emerging Foreign Policy and the Middle Eastern Challenge*, Bertelsmann Foundation, Munich/Guetersloh, 2002, p.70.

³⁰ « Barcelona declaration », adopted at the Euro-Mediterranean Conference, 27-28 November 1995, in http://ec.europa.eu/comm/external_relations/euomed/bd.htm, site accessed in September 2006.

³¹ Contrary to all other Association agreements, the one concluded with the State of Israel does not predict the dissolution of tariff barriers and the installation of a free-trade area. Such a mechanism exists since the 1975 accord.

³² For an analysis of the Agreements concluded see GIANNIOU Maria, *Les interventions de la CE et de l'UE dans le conflit israélo-palestinien depuis la crise de 1973 jusqu'aux développements contemporains*, PhD, 2006, Université Paris III Sorbonne Nouvelle (unpublished), pp.602-610.

principles never incited Europe to freeze an Association agreement as a means of direct sanction for intolerable practices³³.

Yet, the element of conditionality began to emerge through the financial instrument of the Barcelona process. From 1994 to 1998 financial aid to Palestinian was never conditioned by the development of democratic institutions or financial transparency. The MEDA program managed to introduce the element of conditionality by arguing that any violation of human rights or of democratic principles would immediately entail a suspension of the aid. Following the same line, the Commission introduced a separate budget line for the development of democracy, MEDA democracy, with the objective of promoting the respect of human rights in the Mediterranean countries.

When after the breaking of the *Intifada*, in 2000, Israel refused to transfer the Palestinian Authority the custom duties and taxes that it collected on its behalf (withheld revenue amounted to some 60% of the PA budget), the EU stepped in to avert an economic collapse of the Palestinian territories with direct budgetary support. The objective of Europe was to secure the basic expenditures of the PA with respect to public service salaries, social, educational, health and core functions. It is noteworthy to underline the fact that the disbursements were made upon compliance of conditions (monitored by the IMF) mainly relating to the reinforcement of transparency in PA's public finances, the strengthening of the viable management of the budget and progress in financial and administrative reform and legal reform.

Following the announcement of the PA in June 2002 of a 100-day plan for reform and the speech given by US president G.W.Bush outlining his vision for a peace in the Middle East³⁴, the importance of Palestinian reform was further recognised. The EU actively participated in the Task Force on Reform, which role is to monitor and support implementation of Palestinian civil reforms and guide the international donor community in its support for the Palestinian's reform agenda.

Through its financial assistance the EU continues to support Palestinian reform in order to place the PA to a level of fiscal responsibility, control, transparency, strengthen the rule of law, the respect of democratic principles (i.e. supporting the

³³ On the use of sanctions in European foreign policy see TERPAN Fabien, *La politique étrangère et de sécurité commune de l'Union européenne*, Bruylant, Bruxelles, 2003.

³⁴ For the speech see « President Bush calls for a new Palestinian leadership », 24 June 2002, The White House, in <http://www.whitehouse.gov/news/releases/2002/06/20020624-3.html>, site accessed in September 2006.

preparation of elections in the territories) and the modernisation of the judicial system. These reforms have a unique objective: the establishment of an economically and politically viable Palestinian state³⁵. In general, the conditions attached to EU assistance have produced numerous positive results. The Ad Hoc Liaison Committee recognised in its meeting in Rome in December 2003 that « *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* »³⁶.

The elements of conditional reform and development are also present in the EU's Neighbourhood Policy (ENP), developed in the context of the 2004 enlargement³⁷. The objective of this new policy is to avoid the emergence of new dividing lines between the enlarged EU and its neighbours and instead strengthening stability, security and well-being for all concerned. For each partner country a set of priorities – whose fulfilment will bring them closer to the EU – is defined through the elaboration of Action Plans. Both Israel and the Palestinian Authority are members of the ENP and they both have already elaborated separate Action Plans, which clearly state that « *the level of ambition of the EU-PA/EU-Israel relationship will depend on the degree of commitment to common values...as well as the capacity to implement jointly agreed priorities* »³⁸.

Certainly, the EU and Israel share the common values of democracy, respect for human rights and the rule of law and basic freedoms, so there is no mentioning in the EU-Israel Action Plan of reform needing. On the contrary, the EU-PA Action Plan indicates that the ENP is part of the EU's response to the PA's political and economic reform agenda. It calls the PA to continue to undertake reforms in order to enhance political dialogue and cooperation, respect democracy and the rule of law, respect human rights and basic freedoms and establish financial accountability and sound management of public finances.

³⁵ In October 2005 the Commission presented a communication to the Council and the European Parliament defining a medium-term strategy for supporting progress towards a two-state solution, see « EU-Palestinian cooperation beyond disengagement – towards a two-state solution », COM(2005) 458 final, Brussels, 5 October 2005.

³⁶ « The EU's relations with West Bank and Gaza Strip », European Commission, in *Europa*, http://ec.europa.eu/comm/external_relations/gaza/intro/index.htm, site accessed in September 2006.

³⁷ For basic documents on the matter see « Wider Europe— Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours », COM(2003) 104 final, Brussels, 11 March 2003, « European Neighbourhood Policy. Strategy Paper », COM(2004) 272 final, Brussels, 12 May 2004.

³⁸ See « EU-Israel Action Plan » and « EU-Palestinian Authority Action Plan », in European Commission, ENP, http://ec.europa.eu/world/enp/documents_en.htm, site accessed in September 2006.

Since January 2006 the EU-Palestinian relations are experiencing a whole new climate. On the 10th of April, Europe decided to freeze its direct aid to the PA³⁹, conditioning its continuation on three basic demands towards the new Hamas-led Palestinian government: non-violence, recognition of Israel's right to exist and acceptance of existing agreements. Europe, for the first time, made a complete use of its economic instrument in order to incite not only political reform but also a change in the diplomatic and political perception of the conflict by one interested party. Even though this decision entails a series of challenges, it nevertheless proves the ascending role of Europe as an international actor in the Israeli-Palestinian conflict.

Europe's recognition as an international actor in the Israeli-Palestinian conflict.

In order for Europe to have a saying in the Israeli-Palestinian conflict, it is essential that its diplomatic *puissance* is recognised by all interested parties, that is, the Israelis and the Palestinians but also the Americans, indispensable actor in the Middle Eastern affairs.

Even though Europe was always eager to be perceived as a potential mediator to the conflict, this aspiration had never constituted an easy task. That was basically due to two major reasons: the inability of Europe to always present a coherent image and to speak with one voice; and the level of acceptance of the interested parties to attribute to Europe a stronger diplomatic role in the efforts towards the resolution of the conflict.

The question of speaking with one single voice in international affairs in general and in the Israeli-Palestinian conflict in particular is one of a particularly high importance, as it reveals the degree of political will that exists between the member states concerning their form of diplomatic cooperation. It could be argued that the nature of the foreign policy system of the EC/EU (EPC/CFSP) indicates a rather feeble level of political will. The fact that all decisions must be made following the rule of unanimity accentuates one of the essential weaknesses of European foreign

³⁹ « 2723^{ème} session du Conseil Affaires générales et relations extérieures », Bruxelles, 10 et 11 avril 2006, Conseil de l'Union européenne, Communiqué de Presse, 7939/06 (Presse 95), p.13, « EU halts Palestinian aid », in *Aljazeera.net*, 10 avril 2006, *Jerusalem Post*, 10 avril 2006, *Haaretz*, 11 avril 2006.

policy: inevitably, Council resolutions are based on the lowest common denominator⁴⁰.

Needless to say that, in a subject as delicate as the Israeli-Palestinian conflict, this was often the case. In fact, the elaboration of a *common* European approach towards the conflict was the consequence of a constant debate between – most of the times – divergent national opinions on the question. At times, the member states were capable of promoting a *single* point of view and managed to publish a series of declarations in order to back it up. Yet, throughout the years abundant examples testify the persistence of European divergences.

From the outset an atypical division emerged between the member states according to their position vis-à-vis the conflict: consequently, France, Ireland, Italy or Greece were more willing to concede to Palestinian demands (such as the association of the PLO or the creation of a homeland, and later on a state) than were Holland, Denmark or Germany⁴¹. On the other hand, some states clearly distinguished themselves from their partners in many occasions: the French unilateral action towards the Lebanese war in 1982; the Greek insistence to recognise the PLO as the representative of the Palestinian people in the beginning of the eighties (whereas Europe only called for its association with the negotiations); the proposal of Jacques Chirac in October 1996 to co-sponsor – with the US – the peace process; the remarkable division of the member states during the Iraq war on 2003; etc, constitute some of the examples of European divisions. Undoubtedly, they contribute to raise tension between partners, to harm the European efforts to promote a single image and to minimise the chances that Europe has to be perceived as a coherent international actor in the peace process⁴².

⁴⁰ To this it should be added that it does not exist a clause obliging member states to follow the commonly decided policy. For analysis on the EPC/CFSP see, *inter alia*, ALLEN D., RUMMEL R., WESSELS W., *European Political Cooperation: Towards a foreign policy for Western Europe*, Butterworth Scientific, Londres, 1982, PETERSON John et SJURSEN Helene, *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, Routledge, London, 1998, HILL Christopher (éd.), *National Foreign Policies and European Political Cooperation*, George Allen & Unwin, Londres, 1983, DE SCHOUTHEETE P., *La Coopération politique européenne*, Labors, 2^{ème} éd., Bruxelles, 1986, DURAND M-F. et VASCONCELOS de A., (éd.), *La PESC : ouvrir l'Europe au monde*, Pesses de Sciences Po, Paris, 1998.

⁴¹ For an analysis of national attitudes see ALLEN David et PIJPERS Alfred, *European Foreign Policy-Making and the Arab-Israeli Conflict*, Martinus Nijhoff Publishers, The Hague, 1984.

⁴² It should however be added that the far-reached position of some member states actually contributed to the advancement of the European position as a whole. The Netherlands or Denmark, for example, finally accepted both the association of the PLO and its later recognition, as well as the inevitable establishment of a future Palestinian state (even though this recognition arrived as late as in 1999, that is, almost twenty years after the French or the Greeks have been demanding it).

Notwithstanding the difficulties encountered throughout the years concerning the promotion of a coherent image, Europe had to find a way to persuade the interested parties of its capability of being an international actor. From the beginning of its intervention in the conflict, back in 1973, only the Palestinians pushed for a stronger European presence in the efforts concerning the resolution of the conflict (especially by politicising the Euro-Arab dialogue). On the contrary, the Israelis were very negative towards European involvement and did not aspire to any political role for Europe. Washington, on the other hand, was always reluctant to see its ally develop an independent – and probably – competing approach to the Israeli-Palestinian conflict. This was the general trend of the seventies and the eighties.

During the nineties, Europe managed to acquire a more important role in the region. Its financial engagement as well as the elaboration and development of the Common Foreign and Security Policy, both maximised its chances to offer its mediation to the parties. The Palestinians were more than attached to an EU presence, since their survival – and that of the peace process – largely depended on European funds. The Israelis came to terms with the idea of a European political role in the conflict, even though there continue to be some crucial points of divergence between the two partners: European condemnation of Israeli colonisation in the Palestinian territories, of the building of the separation barrier, of extra-judicial killings, of withholding of tax and custom duties transfers, etc⁴³.

As far as it concerns the US, Europe succeeded in finding a complementary role to that of Washington. The creation of the Euro-Mediterranean partnership in 1995 was perceived as an alternative, albeit complementary, process to that already established by the Madrid conference. After the outbreak of the *Intifada* Europe was for the first time fully associated in the international mediation efforts through its participation, as an equal member, to the Quartet (EU, US, Russia, UN).

The political leverage of the EU in the region augments in a constant basis. After more than thirty years of actively elaborating a common policy towards the

⁴³ These points of friction certainly render EU mediation more difficult. It is worth noting the fact the EU officials, although eager to be present on the ground on an often basis, sometimes have to cope with the reject of the Israeli authorities. This was the case, for instance, when, on April 2002, Ariel Sharon refused the access to Ramallah (where Y. Arafat was under siege) to the High representative of the EU, Javier Solana and to the Spanish Foreign Minister Pique or when he declared that Marc Otte (EU's representative in the peace process) was not a "political figure". See, *Bulletin Quotidien. Europe*, n°8532, 2 September 2003, p.5 and n°8587, 19 November 2003, p.7.

conflict, Europe has managed to be perceived as a political player and an indispensable actor to the Middle East peace process.

The effectiveness of the European interventions to the Israeli-Palestinian conflict.

After having outlined the basic guidelines of the European policy towards the Israeli-Palestinian conflict, it would be necessary to answer the following question: is the EU action effective and does it contribute positively to the efforts for the resolution of the conflict?

The institutional evolution of the diplomatic system of Europe suffers from one primordial flaw, constant and unchangeable critique of all the analysts focusing on the European integration process: the lack of an external and coherent action, primarily due to the absence of a foreign policy system pooling both the common and the intergovernmental elements of the external activity of Europe.

It is fundamental to know which are the means that the EPC/CFSP offers to the European officials and how they have managed to use them for the benefit of the stabilisation of the Middle Eastern region. The only instrument that the European Political Cooperation has to offer during the seventies and the eighties is the declaration. In fact, it is via its use – excessive at times – that the Europeans elaborate their policy towards the Israeli-Palestinian conflict. Loyal to this practice up to now, Europe has managed to stress a set of principles on the basis of which a solution should be found to the conflict. It is rather comforting to notice that the EU approach towards a two-state solution now constitutes an acceptable principle from the interested parties⁴⁴.

In the nineties, the creation of the CFSP was accompanied by certain instruments, such as the common position and the joint action, which offered to the European officials the possibility to present a more concrete action. The treaty of Amsterdam in 1997 added a new instrument, the common strategy⁴⁵.

⁴⁴ Since the January 2006 elections and the formation of the Hamas-led government, an internal Palestinian debate exists concerning the conflict. It is worth noting that Hamas does not recognize the state of Israel. At the time of the writing negotiations were under way between the PA and the Hamas government in order to form a national unity government, which could eventually oblige the latter to proceed to a form of recognition of the state of Israel.

⁴⁵ For a general analysis see EDWARDS G. et PIJPERS A. (éd.), *The Politics of the European Treaty Reform. The 1996 Intergovernmental Conference and Beyond*, Pinter, London, 1997, DUMON Jean-

Without ignoring the art of declaration, the Twelve/Fifteen and now Twenty-five, have already proposed a series of joint actions concerning the conflict: support of the Palestinian elections and of the police force in the territories (1994); designation of a special representative of the EU for the peace process (1996); support of the Palestinian Authority in its combat of terrorism (1997); creation of an EU police mission in the Palestinian territories (EUPOL-COPPS) (2005); creation of an EU border assistance mission at Rafah crossing point in the Palestinian territories (EU BAM Rafah) (2005). On 2000 the EU also adopted a common strategy on the Mediterranean region.

All these actions constitute facts on the ground, which effects are visible by the interested parties. Besides, the declarations and the joint actions, Europe has used in a rather intelligent way its economic leverage to the peace process. As shown before, conditional aid has been quite effective in inciting social and political reforms, necessary to the viability of a future Palestinian state. The last example is the freeze of direct budget aid to the Palestinian government as a consequence of its non-compliance with the three conditions posed by the EU and the Quartet (non-violence, recognition of Israel's right to exist and acceptance of existing agreements). By installing a Temporary International Mechanism in order to avoid the outbreak of a humanitarian crisis in the territories, the EU acted as a political and diplomatic power and used, maybe for the first time clearly, economic sanctions in view of political aims. This constitutes a successful example of a coherent foreign policy, combining both elements from the 1st and the 2^d pillar of the external relations EU system.

Conclusion

The study of Europe's action towards the Israeli-Palestinian conflict highlights two pertinent observations: the affirmation of the European edifice as an international actor and its contribution to the conflict as a political actor. Throughout the years Europe has managed to successfully develop a European policy vis-à-vis the conflict, notably via the progressive elaboration of a set of basic principles, expressed within the framework of EPC/CFSP, and later on applied on the ground through concrete and tangible actions.

Michel et SETTON Philippe, *La politique étrangère et de sécurité commune (PESC)*, La Documentation française, Paris, 1999.

It would be erroneous to argue that Europe limited itself in the publication of a series of politically harmless declarations. Undoubtedly, the lack of a coherent foreign policy system, the absence of a certain degree of political will and common diplomatic maturity as well as the international and geopolitical circumstances of every period, obliged Europe to content itself with issuing declarations. Yet, it was through these declarations that the *common European policy* towards the Israeli-Palestinian conflict was born. It was a rather slow process (it took almost thirty years for European officials to commonly admit the necessity of a Palestinian state), but it was gradually developed in parallel with the evolution of the European foreign policy system.

The latter's affirmation, through the institutionalisation of CFSP, granted to Europe a more solid and well-defined international image. Furthermore, it offered to European officials a series of instruments, the application of which contributed to better interpret Europe's engagement on the ground.

Nowadays, the clear-cut objective of Europe remains the resolution of the conflict by peaceful means and negotiation who should inevitably lead to a two-state solution. Europe has arrived to this conclusion after thirty years of actively elaborating its stance towards the conflict. It could be argued that Europe, by its declarations and actions, obtained some concrete results: it contributed to the legitimization process of the Palestinian people and the PLO; it supported Israel's integration in the Middle Eastern region; it offered an alternative yet complementary diplomatic track to that of the United States.

Europe's presence and influence in the Israeli-Palestinian conflict and in the Middle East region in general, is increasingly augmenting. Its recent action towards the Lebanese war and the crisis in the Palestinian territories confirm that assumption. In Lebanon, Europe assured its military presence through the participation of European forces in the FINUL. In the West bank and Gaza strip, the EU has been unceasingly pushing the Israeli authorities to renounce to violence (the operation *Summer rains* had serious humanitarian consequences⁴⁶) and to contribute to the economic relief of the territories.

⁴⁶ Even before the Israeli attacks it was estimated that there would be a 30% fall in income, a 40% in unemployment and a 67% in poverty levels. See Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy « The situation in the Palestinian Territories », European Parliament, Plenary Session, Strasbourg, 5 July 2006, SPEECH/06/434, in

Europe, nowadays, has a strategic doctrine, the European Security Strategy (ESS), in which the resolution of the Israeli-Palestinian conflict occupies a primordial place. In order for Europe to acquire a solid saying in the Middle Eastern affairs, it is essential to promote a decisive, strong and unique image towards its immediate neighbours and its allies. Certainly, the institutional crisis underway, due to the rejection by the French and the Dutch of the constitutional treaty, could not but harm the desire of Europe to evolve towards political unity. Paradoxically, the internal European crisis did not influence in a negative way the position of Europe towards the conflict and its perception by the parties. During the last months, Europe has been more active than ever in the Middle East, presenting a rather unified front in the Iranian dossier, in Lebanon, in Iraq and of course in the Israeli-Palestinian conflict.

Up until now, Europe has managed to acquire an important role in the conflict by cleverly combining its declarations to its actions. Nevertheless, the internal institutional evolution, specifically in the foreign policy domain, will constitute the only solid guarantee for the development of a truly European foreign policy towards the Israeli-Palestinian conflict. Needless to say that what Europe requires now is a high degree of political will, unique assurance to a more discernible presence and a larger diplomatic role in the Middle East.