

Striving to become a player

**On the role of the peace process in the
relations between the EU and Israel
& the Palestinian Authority**

Gert Jan Geling

3286576

International Relations in Historical Perspective

30-06-2012

Index

	Page
Introduction	3
Chapter I: The context of the role of the peace process in the relations between the EU and Israel & the PA	10
I.I: Europe and the Mediterranean since 1945	10
I.II: The role of the European Union in the Peace Process between 1993 and 2000	17
I.III: The bilateral relations between the European Union and Israel & the Palestinian Authority	22
Chapter II: The role of the peace process in the bilateral European Neighborhood Policy Relations between the European Union and Israel and the Palestinian Authority	32
II.I: The EU and the PA	34
II.II: The EU and Israel	45
Conclusion	58
Bibliography and Sources	65

Introduction

“Israel, allow me to say, is member of the European Union without being a member of the institution. It's a member of all the programs, it participates in all the programs.”¹

Javier Solana

“The EU funds millions of pounds' worth of projects in Gaza. These are regularly destroyed by Israel's American-made weaponry. So it goes like this. European taxpayers fork out for the projects. US taxpayers fork out for the weapons which Israel uses to destroy them. Then EU taxpayers fork out for the whole lot to be rebuilt.”²

Robert Fisk

‘Europe can play a vital role in Mideast peace’ headlines the editorial of Israeli leading daily *Ha’Aretz* Christmas 2011.³ The editorial states the peace process has become an anchor in fostering relations with the international community, leading to sweeping criticism of the occupation’s injustices. The United States is, according to the editors, the only barrier between Israel and international isolation.⁴ This is due to the behavior of the Israeli government regarding the occupation and its relations with its European neighbors. The European neighbors stated in an announcement that a solution to the Middle East conflict was necessary, and pledged to play a ‘special role’ in the Venice Declaration in June 1980. Hopefully, the editorial writes, ‘the Israeli government's bizarre behavior will spur Israel's friends in Europe to fulfill this important obligation and be truly relevant.’⁵

And the EU has its reasons, obligations and instruments to be relevant. On November 20, 1995, Israel and the European Union (EU) signed an Association Agreement, which came into force in June 2000 following a lengthy ratifications process.

¹ Javier Solana: ‘EU has closer ties to Israel than potential member Croatia’ Javier Solana *Ha’aretz* 21-10-2009

² Robert Fisk: ‘Israel has crept into the EU without anyone noticing’ *The Independent* 31 July 2010

³ *Ha’Aretz* Editorial 25.12.11

⁴ *Ibidem*

⁵ *Ibidem*

On July 16, 1997 the European Union signed an Interim Association Agreement with the Palestinian Authority (PA). In 2004 an Action Plan for both EU-Israeli and EU-Palestinian cooperation was established. These treaties show the EU has a longstanding economic, political and cultural relation with both Israel and the PA. The association treaties and action plans marked a climax of EU-Israeli and EU-Palestinian cooperation.

It is common knowledge that Israel and the Palestinians are involved in a continuous conflict about land, security and statehood. The aim of the EU is to solve this conflict through the Middle East Peace Process. The Peace Process is one of the topics of the EU cooperation with its neighbors in the European Neighborhood Policy.

From reading the literature on the subject the fact emerges that that the Peace Process is not playing the large role that one might expect in the European Neighborhood Policy. It rather plays a small role in the relationship between the EU, Israel and the PA. The peace process is not even mentioned in the association treaty with Israel. Some authors argue that the EU is treating Israel in a different way than it is treating the PA.⁶ In an 2010 article in the *Jerusalem Post* the following was written about the EU Neighborhood Policy progress reports about the relationship with Israel:

“In an annual progress report on the action plan released on Wednesday in Brussels, the EU commended Israel for implementing many of the priorities set out in the plan.”...”But, it said, “deterioration in the overall political context, in particular as regards the Gaza conflict in December 2008-January 2009 and a lack of progress in 2009 on the Middle East peace process, affected the process of upgrading bilateral relations between the EU and Israel.”

...“The EU remains committed to upgrading relations with Israel, but the situation was not conducive to the resumption of the process, the 2009 progress report read.”⁷

If we take a look at how EU involvement in the Middle East Peace Process features in other media and journals we can see that there is a broad diversity in opinions regarding this question. Rory Miller, professor of Middle East and Mediterranean Studies at King’s College London stated in an article in *Foreign Affairs* that:

⁶ Bilal Benyaich, *Europa, Israël & de Palestijnen. Van politiek Deficit naar Normatieve Impasse* (Brussel 2010). David Cronin, *Europe’s Alliance with Israel. Aiding the Occupation* (New York 2011).

⁷ ‘Israel’s EU upgrade to be put off again’ *Jerusalem Post* 13-05-2010

“There is just one problem: neither the EU nor any of its member states are up to the task. Europe will always play second fiddle to the United States in the Middle East -- regardless of how effective or ineffective the U.S. president happens to be. Rather than attempt to influence the peace process, a futile practice that will only compound the stalemate, Europe should focus on doing what it does best: fully leveraging its role as the lead donor and key partner to the PA in its state-building process. In doing so, the EU will be in a far better position to promote economic development in the Palestinian territories and foster peace between the Israelis and the Palestinians.”⁸

Miller continues by stating that:

“The EU has a chance to play a more productive role in a conflict to which it is bound by geography, history, culture, and trade. By focusing on state building rather than negotiations, Europe would remove a major source of tension between the EU and the United States and reduce infighting inside the EU itself. Most important, this would allow the EU to redefine its relationship with Israel and the Palestinians. Europe can build on its outstanding economic relationship with Israel by healing mistrust and strengthening diplomatic ties. And it can enhance its support for the PA by funding projects that will have a lasting impact on a future Palestinian state.”⁹

Regarding the European relations with Israel, in an interview in *Ha’Aretz* the president of the European Parliament, Martin Schultz, gave the following answer to the question whether or not Israel could join the EU:

"As long as the Netanyahu-Lieberman government is in power, even those who theoretically favor Israel's membership have no chance of persuading others to back the move. Israel cannot become a member of the EU, but may certainly be granted maximal access to the European markets. The Europeans are aware of the fact that they must act in

⁸ Rory Miller, *Europe's Palestine Problem. Making sure the EU matters to Middle East Peace* Foreign affairs september/october 2011 1.

⁹ Miller, *Europe's Palestine Problem* 5.

favor of its maximal integration in the framework of the Association Agreement, to which Israel is a signatory.”¹⁰

Later on in the interview Schultz indicated that:

“Our biggest problem is that there is no consensus in the EU. As for Israel and Palestine, the EU is absolutely divided, as it always was”¹¹

The distinguished Middle East journalist Robert Fisk wrote in a column in *The Independent* that “Israel has crept into the EU without anyone noticing”¹² Regarding the EU relations with the Palestinians, David Cronin, author of *Europe’s Alliance with Israel* states that “The EU is training Palestinians to police people in their own occupation”.¹³

It is quite clear that the relationship between the EU and the Israeli’s and Palestinians stirs up a lot of dust. Therefore this topic deserves more attention and research. The aim of this thesis is first to describe the history of the relation between the EU and Israel and the PA, second to explore the depth of the EU-Israel, PA relationship and third to verify the hypothesis through the following research question: *to what extent does the Peace Process play a role in the European Neighborhood Policy cooperation between the EU and Israel & the PA between 2004-2010 and in what sense do these roles differ from each other?*

It is important to conduct further research about this subject because of several reasons. From an academic perspective this research is relevant because it is supportive to other research that has been conducted in the past decades about the relationship between the EU and the Israeli’s and Palestinians. This research highlights a particular section, the role of the peace process in the bilateral relations between the EU and Israel & the PA,

¹⁰ ‘Incoming EU president: Europe to block deals with Israel until peace process moves forward’ *Ha’Aretz* 18-12-2011.

¹¹ Ibidem.

¹² Robert Fisk: ‘Israel has crept into the EU without anyone noticing’ *The Independent* 31 July 2010

¹³ ‘The European Union And Israel or How Brussels Learned To Love The Occupation’ *The Palestine Monitor* 23 February 2011

of this research and contributes to it. Furthermore it is one of the few comparative studies that has been done on this subject.

From the perspective of social and political relevance this research could contribute to the debate that is still ongoing about the role of the EU in the greater Middle East region. The Arab Spring changed the circumstances and the EU will be forced to commit itself to a new role in the Middle East.

From a personal perspective this subject has always seemed to be extremely relevant to me. During my work as a trainee at the Embassy of the Kingdom of The Netherlands in Beirut, Lebanon, I witnessed during ENP subcommittee meetings with Lebanese government officials the problems the EU was facing while it was dealing with the difficulties concerning the peace process and the relations between Israel and its neighbors. The limits of EU delegations and European diplomats were determined by the politicians in the home countries, who were sometimes heavily influenced by foreign governments, namely the U.S. and Israel, and by organizations that were supported by such governments. These experiences inspired me to do further research on the relations between the EU and Israel and the PA, which eventually led to this thesis.

If we look at some of the literature we can see that the opinions about the nature and success of the EU relations with Israel and the Palestinians are divided.

In *Inglorious Disarray. Europe, Israel and the Palestinians since 1967* Rory Miller, a critic of anti-Zionists, professor of Middle East and Mediterranean Studies at King's College London and one of the world's most foremost experts in the fields of the relations between the EU and the Middle East, argues that the relationship between the EU and Israel and the Palestinians has been disarrayed. According to Miller the EU has failed to come up with a proper Middle East policy, mainly due to the fact that it has never been able to reach consensus over the issue. Europe's policy towards the Middle East peace process has been inglorious disarray.

The political scientist and journalist Bilal Benyaich argues in this book *Europa, Israel & de Palestijnen. Van Politiek Deficit naar Normatieve Impasse* that the EU's policy towards the Israeli-Palestinian conflict is a political deficit which is due to U.S. dominance in the region and institutional imperfections of the EU itself. According to the

author, the EU treats Israel and the PA unequally because it favors Israel above the PA in many cases.

In the Palgrave Studies in European Union Politics issue *European Union Policy Towards the Arab-Israeli Peace Process. The Quicksand of Politics* Constanza Musu, professor at the University of Ottawa, provides an excellent overview of EU-Israeli-Palestinian relations, an analysis about the development of European policy towards the conflict and an overview of the instruments available to the EU to interfere, while she tries to answer the question what the achievements, limits and failures of the EU's involvement in the conflict are. It is the authors argument that the EU does not fully utilize the instruments it has to play a major role in the Middle East. This is due to a divide between the European states what sort of role the EU should play.

In *Managing the Conflict between Palestine and Israel* the Saudi-Arabian Middle East expert Saad Abdulaziz Alaoudah pursues to find an effective role of the EU in the Middle East conflict. He concludes by stating that the EU is in a '*damned if you do; damned if you don't*' situation. But his does not mean that the EU is not able to exercise influence over the big issues. The EU is still able to play an important role in the conflict, but not without some major transformations.

Sharon Pardo, professor at Ben-Gurion University of the Negev, and Joel Peters, professor at Virginia Tech, are concerned with the relationship between Israel and the EU. In *Uneasy neighbors. Israel and the European Union* they discuss the relationship between the EU and Israel from the founding of Israel to 2010. Their book is particularly concerned with the question whether or not Israel could become a full member of the EU. In their conclusion they state that Israel cannot and will not become a member of the EU, but it will further integrate into the union without membership.

The journalist David Cronin, one of the most fierce critics of the EU's relations with Israel, argues in *Europe's Alliance with Israel. Aiding the Occupation* that by funding the Palestinian Authority and having a close relationship with Israel the EU is co-responsible for the occupation of Palestine. Because of the fact that Europe is funding the PA, which Cronin calls the instrument of the Israeli occupation, it is allowed to play a role in the Middle East peace process by the U.S. and Israel. According to Cronin, the EU

should stop legitimatizing Israel's actions and act tougher against the occupation of Palestine.

It is my hypothesis that the EU is only able to play a role in the Middle East peace process as long as it continues to fund the Palestinian Authority. The EU wants to become a major player in the Middle East, but the U.S. and Israel only enable Europe to play a role in the Peace Process as long as it keeps funding the PA, as long as it stays a 'payer'. Europe is too divided to play a major political role in the Peace Process and due to this it is not able to treat Israel like it treats its other Mediterranean neighbors. Because of the fact that the EU pays the PA, the PA is not able to bargain. Only Israel has this option. Financially, the EU is a player in the Peace Process, but politically only a payer. One of the main differences between the role of the peace process in the bilateral agreements and cooperation between the EU, Israel and the PA is that the EU is only able to pressurize the PA to commit to the agreements that have been made. Only in special cases it is able to put pressure on Israel to do the same.

To falsify this hypothesis we can state that the EU is perfectly able to choose its own role. It is not an instrument in the Middle East policy of the U.S. Of course, Europe is divided sometimes about the Israeli-Palestinian conflict. But in the past the EU has issued some strong declarations, like for instance the Venice declaration, in which it set forth its vision about the Israeli Palestinian conflict.

In the first chapter of this research I will place the role of the peace process in the relations between the EU and Israel & the PA in its context and provide an overview will be provided of the European Mediterranean policy since 1945 and examine the role of the EU in the Middle East Peace Process and the relations between the EU and Israeli & the Palestinian Authority. In the second chapter I will examine the EU Neighborhood Policy's Israeli and Palestinian association agreements, country reports, action plans, neighborhood reports and progress reports of the years 2005, 2007, 2008, 2009 and 2010. I will finish with a conclusion in which an answer to the research question will be provided.

Chapter I: The context of the role of the peace process in the relations between the EU and Israel & the PA

I.I: Europe and the Mediterranean since 1945

If we want to examine to what extent the Peace Process plays a role in the European relations between the EU and Israel & the Palestinian Authority we should first take a look at the European Mediterranean policy. Therefore, I will analyze the European relations with its southern neighbors in this chapter with a special focus on the European Mediterranean Policy and the European Neighborhood Policy. The European Neighborhood Policy has been an important outcome of the willingness of the EU to establish good relations with its southern neighbors. To provide an overview of these relations we should start at the very beginning of European involvement in the Mediterranean after World War II.

The European Union has been involved in the Mediterranean from the very beginning of the European Economic Community (EEC) until the present. Due to its geographical proximity and ancient economic relations Europe has been highly interested in stability through economic cooperation in the region.¹⁴ Thus, in the 1950s a link was established by trade relations between European countries and colonies and protectorates in the Middle East and North Africa.

During the 1960s the EC established special trade agreements with several Middle Eastern and North African states: Tunisia, Morocco, Egypt, Jordan, Syria and Lebanon. However, these agreements were not based on a specific European policy towards the Middle East and North Africa. This changed during the 1970s.¹⁵ In 1972 the Global Mediterranean Policy was founded. Free trade was the central axis of the policy and it was focused on association treaties with individual Mediterranean states.¹⁶

¹⁴ Stefan Ahlswede, *Israel's European Policy After the Cold War* (z.p. 2009). 41.

¹⁵ Stefan Schulz, *Payer or Player? The Role of the European Union in the Middle East Peace Process* (z.p.2001).

¹⁶ Benyaich, B., *Europa, Israël & de Palestijnen. Van politiek Deficit naar Normatieve Impasse* (Brussel 2010) 84.

The 1967 Six-Day War forced the EEC to develop a united Middle East policy. The EEC states pursued diverging approaches to the Six-Day War, which were in accordance with their national policies towards the Middle East.¹⁷ This cacophony of European proposals to settle the conflict made the EEC states realize that developing a joint policy towards the Arab-Israeli conflict was a necessary condition to become a major player in the Middle East. In 1971 the Schuman Declaration adopted by the EEG states, reaffirmed UN resolution 242 as the basis for peacemaking.¹⁸ It called for an Israeli withdrawal from the territories and the negotiation of a peace agreement.

The 1973 Yom Kippur War and the oil crisis made Europe realize that good relations with the Arab world were a strategic necessity. This crisis is often described as a tremendous test for the European Economic Community. The very possibility of a united position on the Middle East situation revealed how far Europe had come.¹⁹ But on the other hand it showed Europe's dependence on the Arab oil states. The EEC's only hope to increase its international influence was through cooperation and a new relationship with the Arab World.

Due to pressure from the North African states the EEC had to develop a coherent concept for EEC-Mediterranean trade. The treaties that were established resulted in free access to the European market for industrial and certain agricultural products for Mediterranean states. A ministerial bilateral Cooperation Council was part of the treaties. Until 1977 the EC signed treaties with all Mediterranean states except Albania and Yugoslavia.²⁰ During the 1980s new treaties were established which gave Mediterranean states better access to the European market.

In 1974 another element was added to the European-Mediterranean cooperation: the Euro-Arab Dialogue (EAD). The EAD was established to regulate the conflict between North and South by new cooperative and integrative elements.²¹ It was an initiative of Arab states to gain the EEC as a partner in the Israeli-Arab conflict. The

¹⁷ Isleyen, B., *The European Union in the Middle East Peace Process: A Civilian Power?* (Stuttgart 2008). 52.

¹⁸ Ibidem.

¹⁹ Miller 42

²⁰ Schultz 18

²¹ Schultz 19

Arab states realized that the 1973 oil crisis had been the decisive factor influencing the decision made by the EC to establish the EAD, but they were still interested in the development of economic relations.²² European states saw the EAD as an opportunity to strengthen the European impact in the Middle East and to establish good relations with oil producing states. But they made it very clear that the Israeli-Arab conflict would not be part of the EAD.²³ A major threat to the EAD was the Arab demand that the PLO would play a central role in the EAD. The EAD would remain torn during its whole existence about the role of the PLO.

In 1975, a trade agreement with Israel was signed. The agreement concentrated on a free trade area for industrial products with tariff reductions. It would be the first agreement of its type between the EC and a Mediterranean state.²⁴ The Arab states were furious about the agreement. Because they still tried to instrumentalize the EAD against Israel the dialogue never fully got off the ground. Also, European and Mediterranean countries were never able to bridge the development gap.²⁵

The EEC's Venice declaration, published in 1980, would add a new chapter to the relations between Europe and the Mediterranean. While acknowledging Israel's right to exist it contained severe criticism on the occupation of the Palestinian territories, the construction of the settlements and the violations of international law. It called for the right of the Palestinian people to fully exercise its rights to self-determination.²⁶ It even recognized the PLO as a legitimate political player.²⁷ The declaration received a cool response from the PLO, the PLO was on the one hand satisfied with the declaration, but on the other hand critical about the fact that the declaration would not lead to any action, and contributed to a serious worsening in Euro-Israeli relations.²⁸ It would mark a low-point in the relations between the EU and Israel and would eventually lead to Israeli opposition to European involvement in the peace process.²⁹ The EC's support for the

²² Miller 47

²³ Schultz 19

²⁴ Miller 60.

²⁵ Schultz 20

²⁶ Miller 60.

²⁷ Benyaich 67.

²⁸ Benyaich 67,68.

²⁹ Miller 30.

PLO would remain an obstacle for a serious role for the EEC in mediating in the Middle East conflict.

After the end of the Cold War the European Mediterranean Policy gained momentum for two reasons. First, due to the Oslo Accords, signed in 1993, Israel accepted the PLO as a legitimate partner and no longer needed the EEC's support for the PLO as a reason to exclude the EU from a political role in the Middle East conflict, as it has done before as a reaction to the EU support for an organization perceived by Israel as a terrorist organization. It offered the Community the opportunity to establish itself as a key external party in Middle East peacemaking.³⁰ Earlier, during the 1991 Madrid peace conference, Israel had vetoed a European peace plan. But now the main obstacle for European-Mediterranean cooperation was removed.³¹

Second, due to fear in the Southern European states that European relations with the Mediterranean would become subordinate to relations with Eastern Europe a new European Mediterranean policy was launched. This policy was mainly focused upon security and human rights. In the 1994 Essen summit the European Council decided to call a Euro-Mediterranean conference and identified three baskets for cooperation: political stability and security, economic cooperation and cooperation in humanitarian, social and cultural issues.³²

The result of this conference was the Euro-Mediterranean Partnership (EMP), commonly known as the Barcelona-Process. All Mediterranean states, except Libya, including Israel and the PA signed a declaration in which they stated to be convinced:

“That the general objective of turning the Mediterranean basin into an area of dialogue, exchange and cooperation guaranteeing peace, stability and prosperity requires 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, which are all essential aspects of partnership.”³³

³⁰ Miller 134,135.

³¹ Benyaich 81.

³² Schultz 21

³³ The Euro-Mediterranean Partnership Barcelona declaration adopted at the Euro-Mediterranean Conference, 27-28 November 1995

Furthermore, the Barcelona declaration stated the intentions of the partners to establish a multilateral framework of relations, solidarity and coordination.

The EMP was divided into three pillars: the first pillar was the security partnership, which aimed to create secure Mediterranean basin with respect of human rights, freedom, pluralism, sovereignty, territorial integrity, the development of the rule of law and democracy, the settlement of disputes by peaceful means and the fight against organized crime and drugs.³⁴ The second pillar was the economical and financial partnership. The aim of this partnership was the establishment of a free-trade area by 2010. The third pillar was a partnership in social, cultural and human affairs, which aimed to promote the dialogue between different cultures and religions in the region to combat racism, xenophobia and intolerance and to improve education.³⁵ Decisions in the Barcelona Process were made on the basis of consensus, every state had a veto. The main part of the process was the conference of foreign ministers.³⁶

The Barcelona declaration was not intended to replace the other activities and initiatives of the region, but merely to contribute to the success of other initiatives. The Peace Process was one of these initiatives. The declaration states the following about this initiative:

“The participants support the realization of a just, comprehensive and lasting peace settlement in the Middle East based on the relevant United Nations Security Council resolutions and principles mentioned in the letter of invitation to the Madrid Middle East Peace Conference, including the principle land for peace, with all that this implies.”³⁷

The efforts of the Barcelona-Process for the Middle East Peace Process would prove to be one of its main problems. The EU tried to ensure that the Middle East conflict would not interfere with the EMP. However, for many Arab states the Arab-Israeli conflict was

³⁴ Schultz 22

³⁵ Ibidem.

³⁶ Ibidem, 23.

³⁷ The Euro-Mediterranean Partnership Barcelona declaration adopted at the Euro-Mediterranean Conference, 27-28 November 1995

the issue that dominated their security agendas. And as security was one of the three pillars of the Barcelona Process, this resulted in difficulties.³⁸

One of the outcomes of the Barcelona Process was a series of Association Agreements with Morocco, Algeria, Tunisia, Egypt, Israel, The Palestinian Authority, Jordan and Syria. These bilateral agreements comprise the first dimension of the EMP. The second dimension was the regional dialogue, which covered the political, economic and cultural region cooperation.³⁹ The financial and technical support for the implementation of the EMP, the MEDA programme, was the third dimension of the EMP. The goal of the MEDA programme was to support the economic transition in the region and to implement free trade through the encouragement of a strong private sector.⁴⁰

The Barcelona declaration on the one hand affirmed the principle of separateness between the EMP and the Israeli-Arab conflict. It pointed out that the EMP is not intended to replace other initiatives undertaken in the interest of peace.⁴¹ On the other hand, the Barcelona Process attributed to the status of the Palestinian Authority of an equal Mediterranean partner, recognized by all other partners. It also played an important role in the acceptance of Israel as a partner in the process by Arab states, because from then on, the Arab states would have cooperate with Israel in the EMP.⁴²

But the process had failed to remove the economic gap between the Northern and the Southern Mediterranean. Despite the economic relations and the trade volume the objective to achieve sustainable economic growth never materialized. Also, little progress was made in strengthening the cross-cultural dialogue among the Mediterranean states. Additionally, the EU remained unable to tackle regional disputes, like the Israeli-Arab conflict.⁴³

The European Neighborhood Policy (ENP), founded in 2004, was the European answer to a number of geopolitical changes. Additionally, the EU needed a new policy

³⁸ Schultz 24

³⁹ Isleyen 70.

⁴⁰ Ibidem.

⁴¹ Ibidem, 71.

⁴² Ibidem.

⁴³ Ibidem, 72.

because of the consequences of the 2004 enlargement.⁴⁴ The main difference between the EMP and the ENP was that the latter, in contrast to the more regional and multilateral cooperation model of the EMP, was based on a bilateral approach between the EU and the Mediterranean partners in which action plans between the EU and all the individual member states played a central role.

The objectives of the ENP were the promotion of security and stability through cooperation with the neighboring countries, in accordance with the European Security Strategy, the promotion of democracy and freedom through deepening the political cooperation and the promotion of welfare in the neighboring countries.⁴⁵ The ENP consisted of three different groups: The Eastern European states Moldova, Belarus and Ukraine, the Caucasian states Georgia, Armenia and Azerbeidzjan and the ten members of the EMP.

The ENP did not replace the EMP. It was merely an additional bilateral component to the EMP.⁴⁶ The main instruments of the ENP were the action plans, written in accordance with every individual member state. These plans would normally last three to five years. Country reports were produced every year to examine the political and economic conditions of the member states. Progress reports indicated progress or decay. Although the action plans were written in accordance with the individual member states, the ENP remained a top down process. The EU determined the concrete change a member state had to undergo. The members needed to converge to EU standards. The EU used conditional financing and cooperation as carrots and sticks.⁴⁷

The European Union established trade relations with Mediterranean states in the 1950s, trade agreements in the 1960s and an association agreement with Israel in the 1970s. The Middle East conflict proved to be a catalyst to the development of a united European Mediterranean policy. This policy gained momentum after the end of the Cold War due to the Oslo Accords and fear of Southern European states that relations with the Mediterranean would become subordinate to relations with Eastern Europe. Thus, the EMP was established to create an area of dialogue, exchange and cooperation.

⁴⁴ Benyaich 83.

⁴⁵ Benyaich 105.

⁴⁶ Ibidem, 83.

⁴⁷ Ibidem, 106,107.

Association Agreements with Mediterranean states were one of the outcomes of the EMP. After 2004 the ENP became an extra bilateral component to the EMP to promote security and stability through cooperation.

One of the most important results of the ENP was that it paved the way for a special bond between the EU and Israel & the Palestinian Authority. The relations between the EU and Israel and the PA will be the subject of paragraph III. Let us first take a look at the role of the EU in the Middle East Peace Process.

I.II: The role of the European Union in the Peace Process between 1993 and 2000

It is important to examine the role of the EU in the peace process first, before we turn to the role of the peace process in the EU's foreign relations. In this chapter we will discuss the involvement of the EU in the Middle East peace process. The EU has often attempted to gain more influence on the Middle East conflict during the 60s, the 70s and the eighties, to ensure the establishment of peace. These attempts remained unsuccessful until the early 90s. In 1993 the Israelis and Palestinians had conducted secret talks under Norwegian auspices in Oslo. Eventually, these talks led to the Oslo Accords.

On September 13 1993 the Israeli Prime Minister Yitzhak Rabin and the Palestinian PLO Chair Yassir Arafat signed the *Declaration of Principles on Interim Self-Government* in Washington D.C. These agreements were an outgrowth of the 1991 Madrid conference. Both parties declared in the Oslo-Agreement:

“It is time to put an end to decades of confrontation and conflict, recognize their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process.”⁴⁸

This declaration was an agreement about the establishment of the Palestinian Authority and the withdrawal of Israeli troops from the Gaza strip and parts of the West-Bank. The

⁴⁸ Declaration of Principles on Interim Self-Government 'Oslo-Agreement' Washington 13 September 1993.

jurisdiction of these territories would be transferred to the PA. The agreement did not cover the so called permanent status negotiations, which included the status of Jerusalem, the return of Palestinian refugees, the Israeli settlements, borders and security arrangements.

The achievement of lasting peace in the Middle East is one of the central aims of the EU. The EU has called for a two-state solution in conformity with UN resolutions 242, 338 and 1402. A peace should include solutions to the issues of Jerusalem and Palestinian Refugees. The EU has called for a freeze to settlement activity in the occupied territories and voiced disapproval of extra-judicial killings and collective punishment imposed on the Palestinians. It also condemned terrorism and included Hamas and the Islamic Jihad in its list of terrorist organizations.⁴⁹

The EU did not play a role in the establishment of the Oslo-Accords. Norway, a non-EU state, acted as honest-broker and the accords were signed in Washington D.C. The U.S. wanted to restrict the role of the EU to economic and multilateral negotiations. The reason why the EU embraced the Oslo accords so enthusiastically was that the agreement offered a promise to create a new Europe in the Middle East: a border-free common area where peoples could come together.⁵⁰

However, the Accords were based on principles the EU had been advocating since the 1980 Venice Declaration. The agreements paved the way or a more tangible role of the European Union in the Middle East conflict. The reluctance of the U.S. to include the EU to the political part of the process motivated the EU to become engaged in the peace process by economically and financially supporting the two parties.⁵¹ This would allow the EU to play a role in the Middle East as the main donor of the Palestinian Authority.⁵²

Thus, the EU emerged as the largest donor of international aid to the Palestinian economy. It made available the largest international programme of economic assistance.⁵³ It paid hundreds of millions to the PA and to Palestinian refugees and funded dozens of projects in the West Bank and the Gaza Strip. As part of the bilateral regional agreements

⁴⁹ Uzer 137.

⁵⁰ Isleyen 66.

⁵¹ Ibidem.

⁵² Schultz 33,34.

⁵³ Miller 138.

the EU paid hundreds of millions to Israel's neighbors as well.⁵⁴ The billions of support paid by the EU made it the largest donor of non-military aid to the Middle East.

The EU pursued three objectives with the economic and financial support. First, it aimed to convince the Palestinians that economic development would eventually minimize the influence of radicalis, which was indispensable for the peace process. Second, the EU was convinced that the creation of a democratic Palestinian state would be in Israel's interest. Third, the EU sought to reduce the enmity between the two conflicting parties and encourage reconciliation.⁵⁵

The majority of the European funds were used to build and maintain a strong Palestinian economy and society. A large share of the money was committed to the establishment of democratic institutions for Palestinian self-government. But assistance for projects aiming at building up infrastructure, hospitals, schools, wells and pipelines was also generously provided.⁵⁶ This represented a reaffirmation the EU's support for the PLO and the Palestinian people. Europe also supported the peace process through increasing the purchase of Palestinian exports, increasing trade ties with Israel, finding and allocating international donors and promoting regional development.⁵⁷

Because of this support the EU had a strong interest in the peace process to move forward. After the peace process began to fall apart, in 1995, the EU expressed great concern and increased its efforts to get it back on track. But the EU was not able to come up with a united Middle East policy. Only when Israeli measures directly targeted the Palestinian economy, with a demand for more aid as a result, the EU took a clear stance. Because of its deep financial and economic involvement it was on the EU to deliver more aid.

One way to get the peace process to move forward was by putting it in a larger framework in the Barcelona Process, as discussed in Chapter 1. Another way to find a new path was by appointing the Spanish ambassador Miguel Moratinos as the special EU envoy to deal with the peace process in 1996.⁵⁸

⁵⁴ Schultz 34.

⁵⁵ Isleyen 67.

⁵⁶ Ibidem.

⁵⁷ Miller 138.

⁵⁸ Schultz 36, 37.

Moratinos' mandate stated that his tasks were to establish and maintain close contact with all parties to strengthen the peace process, to observe peace process negotiations between the parties, to contribute to the implementation of international agreements, to promote compliance with the basic norms of democracy and to monitor actions which might prejudice the outcome of the permanent status negotiations.⁵⁹ At first it was unclear what Moratinos' role would look like in practice and he was not welcomed in his new mission by the Israelis, who saw his appointment as an European attempt to support the Arabs. Nevertheless, gradually Moratinos managed to find a role for himself as a mediator between the two conflicting parties.⁶⁰

Israel was against European involvement in the peace process. The Israelis gave verbal support to certain European initiatives, but as an exception rather than rule. Israel had more confidence in American involvement in the Middle East.⁶¹

The Palestinian Authority on the other hand expected a more active policy from the EU. The PA often believed that the EU was more even-handed than the U.S., as manifested in the Venice-declaration. The PA was hoping that Europe could counterbalance the American pro-Israeli bias. But due to American pressure the EU was not always able to play a high-profiled role, to the disappointment of the Palestinians.⁶²

By the end of the 1990s two obstacles to playing the role it desired in the peace process remained for the EU. The first obstacle was the attitude of the Likud government, led by Benjamin Netanyahu. The Netanyahu government felt that the success of the peace process had to be judged on the basis of security of Israel and its citizens and the willingness of the PLO to take on the opponents of the peace process, notably Hamas and the Islamic Jihad. A solution which would run counter to these Israeli interests would face staunch Israeli opposition.⁶³ The Netanyahu government argued that the EU's role in the peace process would be economic. But Israel undermined this economic role willingly by closing off the West Bank and Gaza in response to terrorist attacks, which prevented Palestinians entering Israel to work.⁶⁴

⁵⁹ Schultz 37.

⁶⁰ Schultz 38.

⁶¹ Uzer 136.

⁶² Uzer 137.

⁶³ Miller 146.

⁶⁴ Ibidem.

The second obstacle was the ongoing U.S. dominance of the peace process. Although the EU was by far the largest donor to the Palestinian Authority, economic influence was not turned into political influence. By 1998 the EU accounted for 55 percent of the aid to the PA, totaling over 1.1. Billion between 1994 and 1999, compared to 11 percent from the U.S. But the PA ignored the EU's call for a political role and still chose the U.S. over the EU to play a political role in the peace process. This was a success of the Clinton administration's policy to keep the EU in a junior role as the funder of the PA and the payer in the peace process.⁶⁵

In March 1999 the EU supported the organization of the Berlin conference, a conference based on the same principles that underpinned the 1991 Madrid conference: the right to live within secure and recognized borders and the right of the Palestinians to self-determination.⁶⁶ The conference resulted in the Berlin Declaration which included an explicit commitment to the creation of a Palestinian state. On May 4 1999 the Oslo Accords' Interim Agreement between Israel and the Palestinian Authority had ended. Arafat wanted to declare the independence of a Palestinian state. But the reassurance received by the EU through the Berlin Declaration persuaded him to postpone this.⁶⁷ Once again, EU diplomacy was successful, despite the fact that the European support for an independent Palestine faced harsh criticism from the Israeli side.

In June 1999 a further effort was made to promote European political integration. Former NATO secretary-general Javier Solana was appointed as High Representative for the EU Common Foreign and Security Policy. During his time in office Solana had been highly involved in the peace process.⁶⁸ His task was to coordinate and improve the effectiveness of the EU's foreign policy. He cooperated with the special envoy to improve the EU's role in the negotiations and to convince the U.S., Israel, the PA and the Arab countries that the EU could be a reliable mediator that could contribute to brokering a deal between the Israelis and the Palestinians.⁶⁹

⁶⁵ Miller 147, 148.

⁶⁶ Alaoudah S.A., *Managing the Conflict between Palestine and Israel: The Role of the European Union* (Milton Keynes 2009). 86.

⁶⁷ Alouda 88.

⁶⁸ Constanza Musu, *European Union Policy Towards The Arab-Israeli Peace Process: The Quicksands of Politics* (New York 2010) 46.

⁶⁹ Musu 62.

The election of Ehud Barak as Prime Minister of Israel led to high expectations on the European side. Many believed that rapid progress in the peace process would take place, accompanied by greater EU involvement. Efforts were made to reach agreement of a 'Charter for Peace and Stability in the Mediterranean Region'. The EU also wanted to bring Prime Minister Barak together with the Syrian President Assad to make peace.⁷⁰

But in July 2000, shortly before the end of the Clinton presidency, the peace process broke down. The negotiations at Camp David, conducted under American auspices failed. Both parties were unable to reach an agreement. The visit of Member of Knesset Ariel Sharon to the Temple mount in September 2000 led to the second, Al Aqsa, intifada. The violence of the intifada, the violent reaction of the Israelis and the election of Ariel Sharon in 2001 as Prime Minister of Israel led to the collapse of the peace process, in spite of American and European pressure to resume negotiations.

Overall, the EU has played an active role in the implementation of the Oslo Accords and the support of the peace process. Despite the fact that the Oslo Accords were based on European principles, Europe was left out of the political part by the U.S. This forced Europe into playing an economic role as the main donor of the peace process. Thus, the EU emerged as the largest donor of international aid to the Palestinians aimed at further reconciliation and the building of a viable Palestinian state and economy. However, the EU did not succeed in this, mainly due to Israeli and American opposition. From their perspective, EU diplomacy had proven to be too pro-Palestinian. Eventually, the breakdown in the Camp David negotiations and the Al Aqsa intifada led to the collapse of the peace process. After this, all subsequent attempts to revive the peace process have failed.

If we look at the research question, to what extent does the Peace Process play a role in the European Neighborhood Policy cooperation between the EU and Israel & the PA between 2004-2010 and in what sense do these roles differ from each other we can already provide the answer that the European Union has pursued an important role in the peace process.

The EU had been involved in the Middle East peace process through multilateral as well as bilateral relations. In the third paragraph I will discuss these bilateral relations

⁷⁰ Alouda 89.

between the EU and the two main actors, Israel and the Palestinian Authority, with a special focus on how these relations are being judged in the literature.

I.III: The bilateral relations between the European Union and Israel & the Palestinian Authority

The EU has established and maintained bilateral relations with the state of Israel ever since the 1975 EEC-Israel Cooperation Agreement. With the Palestinian Authority it has established relations since its founding soon after the Oslo Accords. In this chapter I will examine the bilateral relations between the EU and both nations, with a special focus on how these relations are being judged in the literature. In Chapter II I will use some of these judgments to analyze the role of the peace process in the European Neighborhood Policy between 2004 and 2010. In this chapter I will first discuss the relations between the EU and Israel before I will continue with the relations between the EU and the PA.

I.III.I: On the relations between the European Union and Israel

Israel has always strived to maintain good relations with the EU. In the 1960s Israel already pursued an associate membership of the EEC.⁷¹ It established bilateral relations with the EU in 1975 and in 1995 it signed an Association Agreement with the EU. In this agreement the EU and Israel committed to regional cooperation, peaceful coexistence and economic and political stability.⁷² This agreement has given Europe a lever to put pressure on Israel, but the political will to do so is low. This is due, first, to the fact that because of the strong alliance between Israel and the U.S. this could cause tensions between the EU and the U.S. and second, to the policies of European member states.⁷³

Israel has a strong economic relationship with the EU. The EU is Israel's main trading partner and accounts for 44 percent of Israel's total trade volume. The Association Agreement includes free trade arrangements for industrial goods and concessionary

⁷¹ Demirtas-Coskun, B., *Neighborhood Challenge: The European Union and Its Neighbors* (Boca Raton 2009) 137.

⁷² Schulz 40.

⁷³ *Ibidem*.

arrangements for trade in agricultural products.⁷⁴ The economic relationship between the two is not balanced as there is a strong trading deficit on the Israeli side. It imports more than twice the worth of goods as it exports to the EU.⁷⁵ Next to economic ties, Israel and the EU have strong scientific, cultural and historical ties as well.

Within the framework of the European Neighborhood Policy the EU and Israel have together written an Action Plan to commit themselves in fields such as political dialogue, reform, trade, justice, counter-terrorism, non-proliferation of nuclear weapons, energy, transport, environmental issues, education, innovation and research. This Action Plan was drawn up in 2004.⁷⁶

Despite the good relations in the field of economy and trade, Israel perceives the EU as part of the problem, and not as part of the solution of the Middle East conflict.⁷⁷ Therefore, their relations are characterized by tensions. Israel is very sensitive to European involvement and dictates. It has the following objection to an EU mediatory role in the peace process: First, according to the Israelis, Europe take a pro-Arab position. Israel perceives Europe's pro-Arab bias as a result of a failure to come to terms with its Muslim immigrant communities' problems at home. Second, the U.S., as well as Israel, doesn't want Europe to play an independent role in the peace process. Third, Europe is not a superpower like the U.S., so in the eyes of the Israeli it can be ignored. Fourth, there is no large Jewish community in Europe which interests and influence must be taken into account by the EU member states. Fifth, in Israel's view, Europe ignores Israel's security concerns and is preoccupied with economic issues instead.⁷⁸

Finally, Israel doesn't find the European trustworthy; it doesn't believe that the faith of the Jewish people can be placed in the hands of Europeans.⁷⁹ Causes of these objections are the European focus on the observance of international laws and agreements and the European disunity; EU members like Germany, Denmark and the Netherlands tend to be more pro-Israel while Mediterranean countries like Spain, Italy and Portugal, sometimes joined by France, pursue a more pro-Arab position. Because of these reasons

⁷⁴ Isleyen 95.

⁷⁵ Schultz 40.

⁷⁶ Isleyen 96.

⁷⁷ Schulz 51.

⁷⁸ Schulz 52.

⁷⁹ Schulz 52.

Israel believes that only one country can be the negotiator in the Middle East Conflict: the U.S.

In the literature we can find different judgments on the relationship between the EU and Israel. Rory Miller (2006) argues that Israel is not only a burden but also an important (trading) partner in the Middle East. Europe profits from its trade and cooperation with Israel, especially in the field of hi-tech industries. The European Neighborhood Policy enables the EU to profit even more from its relations with the Israelis.⁸⁰

Israel profits from the ENP as well. It is the most advanced economical partner to the EU in the ENP and will benefit from an increase in qualitative economic ties with the EU and the free movement of workers and capital. According to Miller, Israel may also profit from the fact that the EU promotes democracy in the region, as it could possibly lead to an improvement of the attitudes towards Israel.⁸¹

Negative consequences of the ENP for the EU-Israeli relations could be an improvement in the relations between the EU and Arab countries which could lead to a situation in which the EU will be become 'hostage' to the Arabs, followed by European criticism of the Israelis. There is a danger that the EU will look to win over Arab support for its Neighborhood Policy by emphasizing its differences with Israel and siding with Arab political demands for greater Israeli concessions.⁸²

Miller is right in this, but he forgets that the EU profits only marginally from its relations with Israel. The costs of its relations with Israel, bad publicity in the Middle East for European companies, donations to the Palestinian Authority and the threat of terrorism in Europe, outweigh the benefits.

Stefan Ahlswede (2009) argues that Israel has achieved almost all its aims in its relations with the EU. It achieved much more favorable rules of origin in its trade relations and it obtained its will regarding prefabricated parts and products of Israeli-Arab joint-ventures. Cumulative rules of origin with Arab states however have remained unchanged. Israel also gained access to the EU's telecommunications market, but no

⁸⁰ Rory Miller 'Troubled Neighbours: The European Union and Israel', *Israel Affairs*, Vol. 12, No. 4 (October 2006), 658,659.

⁸¹ Miller 659.

⁸² Miller 659,660.

progress was made regarding the mutual recognition of degrees. Israel achieved better market access for agricultural products, and got an institutionalized political dialogue with the EU. Furthermore it got accepted in the EU's programme for research and development. Israel's goal in its relations with the EU was integration into the European Market. And for most parts, this aim was successful.⁸³

The reason for Israel's success according to Ahlswede is that Israel profited from the renewed European Mediterranean Policy in the 90s. It also took profit from the European funding of the peace process. A third reason behind Israel's success is the European policy to make Israel prosper. The idea behind this policy was that if Israel would prosper, it would feel more comfortable to blend into the European Mediterranean scenario.⁸⁴

This corresponds with the statement of Javier Solana that Israel is a member of the EU without being a member of its institutions. Ahlswede is right by stating that Israel profits maximally from its relations with the EU. Only EU interference in the process is a burden to the Israelis.

Sharon Pardo and Joel Peters (2010) paint a much more negative perspective on EU-Israeli relations. They conclude that a number of conflicting trends in Israeli-European relations have resulted in a highly problematic and volatile relationship. The Israelis have on the one hand displayed a genuine desire to strengthen their ties with Europe and to become part of the European project, but on the other hand they are deeply suspicious of European policies and untrusting of Europe's intentions towards the Middle East conflict.⁸⁵

The EU has displayed an equally ambivalent attitude towards Israel. It has promised Israel a special status as an EU partner in the Middle East but has failed to articulate what such a status might entail. On the one hand the EU wants to draw Israel closer to Europe wants Israel to embrace Europe's goals and principles, but on the other hand it has treated Israel as an outsider. The EU doesn't regard Israel as belonging fully to the EU, but to the Mediterranean and the Middle East.⁸⁶

⁸³ Ahlswede 215-217.

⁸⁴ Ahlswede 218,219.

⁸⁵ Peters, J., *Uneasy Neighbors: Israel and the European Union* (Plymouth 2010) 113.

⁸⁶ Pardo, Peters, 113, 114.

Pardo and Peters are wrong when they state that Israel aspired to become part of the European project. Israel has deliberately never aspired to become part of the EU. It has always cherished its full independence. But Pardo and Peters are right when they state that the EU has been ambivalent towards Israel. But this is due to the fact that Europe is politically divided about Israel, not because the EU wants to be ambivalent towards Israel.

In sum, the EU and Israel have always maintained good relations, especially in the fields of economy and trade. But despite these good relations there is some mutual distrust between the two. Israel is sensitive to European involvement in the peace process and its support for the Arab (Palestinian) cause. On the other hand Israel is able to profit from its relations with Europe and Europe's involvement in the peace process. It also profits from the ENP, which has the risk in in that to win over Arab support for its Neighborhood Policy the EU will emphasize its differences with Israel and side with Arab political demands for greater Israeli concessions. Both Israel and the EU have displayed ambivalent attitudes towards each other and therefore their relationship could be classified as problematic.

If we look at the role of the peace process in the relations between the EU and Israel we can conclude that the attempts of the EU to play a role in the peace process lead to tensions with Israel. Israel clearly doesn't want the EU to play a role in the peace process. It perceives the conflict with the Palestinians as an internal affair, and places its security concerns above the European concerns. Thus, the EU is only able to play a role either when the U.S. enables it to do so, or through economic sanctions. Because of the fact that the EU member states are to divided to sanction Israel the EU is only able to play a minor role in the peace process. Therefore, the peace process plays a minor role in the EU relations with Israel.

I.III.II: On the relations between the European Union and the Palestinian Authority

With the Palestinian Authority the EU signed the Interim Association Agreement on Trade and Cooperation (as there is no Palestinian state yet, this agreement is called 'interim' and is slightly different from the agreements with states) in 1997, in which it

stated that the major objectives of the agreement were the provision of an appropriate framework for a dialogue and an encouragement of regional cooperation to consolidate peaceful coexistence and economic and political stability.⁸⁷

Europe has always felt morally responsible for the creation of the state of Israel and the emergence of the Palestinian question and has therefore declared its commitment to the improvement of the humanitarian and economic situation of the Palestinian people.⁸⁸ In more recent years the EU has reorganized its budget support programme and focused on linking EU assistance more closely to progress in reform efforts. Certain conditions had to be fulfilled in order to achieve sustainable results.⁸⁹ The fact that the PA could hardly survive without European funding gave the EU a major tool to influence the Palestinians.

This imbalance in the relations is one of the reasons for tensions between the two. Another reason is the disparity between the Palestinian (Arab) and the European view of the role of Europe in the Middle East. The Arabs believe that Europe cannot substitute the U.S. in the Middle East, and prefer US rather than Europe as a broker in the peace process. The Arabs perceive the U.S. as the leader of the West and therefore as the main partner. Furthermore, there are also historic reasons for tensions, like the history of imperialism and colonialism.⁹⁰

Most recently, tensions arose in the relations between the two because of the electoral victory of Hamas in 2006. After the Hamas victory the EU immediately ended all political contacts with the PA and terminated the economic aid as Hamas is listed by the EU as a terrorist organization.⁹¹ After the intra-Palestinian conflict between Fatah and Hamas the relations and economic aid to the Fatah-dominated PA were resumed.

Nonetheless, the European financial support to the Palestinians has not achieved the intended results because of the Israeli occupation and the 2008 Gaza War, which resulted in damage inflicted on the Palestinian infrastructure and closure policies to prevent Palestinians from entering Israel. The EU has failed to come up with a diplomatic

⁸⁷ Schulz 40.

⁸⁸ Isleyen 89.

⁸⁹ Isleyen 92.

⁹⁰ Schulz 55, 56.

⁹¹ Coskun 138.

response to this destruction and human rights abuses in the Palestinian Territories and has not imposed any sanctions on Israel.⁹²

In the literature the relationship between the EU and the PA is being critically assessed. David Cronin (2011) calls the EU the PA's life-support machine and argues that the aid to the PA, the main instrument of the EU to end the occupation and establish a viable Palestinian state, actually benefits the occupation. In his opinion, the transition from aid with a long-term objective to that of an emergency nature already occurred before the Al Aqsa intifada, because the roadblocks and bureaucratic restrictions imposed by Israel hampered the delivery of aid and executed the long-term development plans.⁹³ But the Al Aqsa intifada speeded things up. Between 2000 and 2002 the amount of emergency help grew from less than 15 percent of the total amount of aid to more than 75 percent.⁹⁴ This lack of long-term focus has hurt the Palestinians badly.

Furthermore, Cronin argues that this aid benefits the Israeli occupation. He estimates that 45 percent of the EU aid finds its way back to the Israelis. Israeli industries flourish free from Palestinian competition and they are being paid for providing goods and services to donors. For example: Israeli truckers are unimpeded from driving across checkpoints to deliver aid, while Palestinians are not.⁹⁵ In Cronin's opinion, the EU needs to provide aid as an act of good faith, not to conform the wrongful acts of others. But the EU has failed to realize this.⁹⁶

Cronin's views are radical and biased, but he is right when he states that the Palestinians are economically fully dependent on the EU. And Israel manages to profit from this situation. Only when Israel provides the Palestinians with an opportunity to become economically independent, the PA will be able to survive without the EU. With the minimalization of European influence in the Middle East as a consequence.

Bilal Benyaich (2010) concludes that the EU's influence on the PA reaches much further than its influence on Israel. This is of course due to the economic and financial support that the EU delivers to the Palestinians. This support is the only way the EU is

⁹² Isleyen 93.

⁹³ David Cronin, *Europe's Alliance with Israel. Aiding the Occupation* (New York 2011) 78.

⁹⁴ Ibidem.

⁹⁵ Cronin 80.

⁹⁶ Ibidem.

able to play a substantial role in the peace process. The creation of a viable Palestinian state with strong institutions and infrastructure could lead to more European influence in the Middle East. However, the Israeli occupation and invasions have destroyed most of the institutions and infrastructure, prevented trade between the EU and the Palestinians and neutralized the enormous support of the EU to the PA.⁹⁷

Despite these setbacks, the EU is willing to continue delivering help to the Palestinians, as it wishes to remain a player in the peace process and to prevent the implosion of the Palestinian Authority. This also means that Israel will remain free of the burden of taking (financial and economic) care of the Palestinians, as the EU currently does.⁹⁸ It also means that the Palestinians have less freedom to bargain with the EU than Israel has, as they are fully dependent on the European support.

If Benyaich is right this means that the EU is willing to sacrifice peace and justice for the Palestinians in exchange for influence in the Middle East and good relations with Israel. The EU willing to carry the burden of financial and economic care for the Palestinians on its own rather than it is willing to force Israel to carry this burden.

In sum, the relations between the EU and the PA do not share the same characteristics as the EU-Israeli relations. The PA highly relies heavily on European funding. The imbalance in the relations between the two is the cause of tensions between the two, although the European support to the Palestinians has achieved some remarkable results. Another reason for tensions is the disparity between the Palestinian and the European view of the role of Europe in the Middle East. Some have argued that it is not only the PA, but also Israel that profits from the European support. This support has enabled Israel to use the PA as an instrument of the occupation. But despite tensions and setbacks the EU remains willing to continue delivering help to the Palestinians, as it is the only way for the EU to be a player in the peace process and to prevent the implosion of the Palestinian Authority.

And the EU clearly wants to be a player in the peace process. If we look to what extend the Peace Process plays a role in the relations between the EU and the PA we can see that this role is a central one. The PA fully depends on Europe for financial and

⁹⁷ Benyaich 165.

⁹⁸ Benyaich 166.

economic support. This support is part of the peace process. Thus, when the peace process would no longer play a role in European foreign policy it would mean the end of the PA. The PA needs the EU to remain a payer, and the EU needs the PA to remain a player in the Middle East.

Chapter II: The role of the peace process in the bilateral European Neighborhood Policy Relations between the European Union and Israel and the Palestinian Authority

After the collapse of the peace process in 2000 the EU tried to find a new role as a mediator in the Israeli-Palestinian conflict. The EMP was the ideal framework for such a role. In 2004 an extra component was added to the EMP: the European Neighborhood Policy. European influence in the peace process was not the main reason behind the establishment of the ENP. The ENP was established as an ‘effective enlargement of the EU’ and it allowed the EU to increase its trade ties with Eastern European and Mediterranean nations through integration into the single market.⁹⁹

According to the EU, the ENP was developed to avoid the emergence of new dividing lines between the enlarged EU and its neighbors. It was first outlined in a Commission Communication on Wider Europe 2003, followed by a Strategy Paper on the ENP in 2004. Other initiatives added to the ENP are the Eastern Partnership and the Black Sea Synergy.¹⁰⁰

The EU pursues to offer its neighbors a privileged relationship within the ENP, build upon democracy, human rights, rule of law, good governance, free markets and sustainable development. The ENP builds upon already existing agreements between the EU and the partner states: the Association Agreements. The implementation of the ENP is promoted and monitored through the Committees and sub-Committees that were established in the frame of the Association Agreements.¹⁰¹

The ENP operates through a number of instruments. At the outset of the process a Country Report is published by the European Commission. This report assesses the political and economic situation and when and how it is possible to deepen European relations with that country. The next stage is the development of Action Plans. These are the tailor-made outcomes of negotiations between the EU and the partner states. They are based on the EU’s interests and the partner states’ needs and capacities. The Action plans cover a range of political, economic and social issues. The incentives for progress on

⁹⁹ Miller, Israel Affairs 659.

¹⁰⁰ http://ec.europa.eu/world/enp/policy_en.htm

¹⁰¹ http://ec.europa.eu/world/enp/policy_en.htm

relevant reforms are greater integration into the European programmes and networks and increased market access. Following the expiration of the Action Plans succession documents are being adopted. As stated before, the implementation of the Action Plans is monitored through EU sub-committees. Progress reports are issued by the European Commission. Implementation of the reforms is supported through European Commission funded financial and technical assistance.¹⁰²

The peace process is one of the priorities in the ENP. According to the EU, until peace is achieved, there will be little chance of solving other problems in the Middle East.¹⁰³ The EU has the following objectives in its policy towards the peace process:

“The EU’s objective is a two-state solution with an independent, democratic, viable Palestinian state living side-by-side with Israel and its other neighbours.”¹⁰⁴

A solution must also address Israel’s legitimacy, security and concerns over violence and arms. Peace in the Middle East requires according to the EU a comprehensive, regional solution. Peace between Israel and Syria and Lebanon is part of that solution.¹⁰⁵

The EU takes the following positions on the so called ‘final status’ issues:

- On borders: the EU considers that a Palestinian state should be based on the 1967 borders, with minor modifications if mutually agreed.
- On settlements: the EU considers settlement building in Palestinian territory illegal.
- On Jerusalem: the EU considers that peace negotiations should include a resolution of the status of Jerusalem.

¹⁰² http://ec.europa.eu/world/enp/howitworks_en.htm

¹⁰³ http://eeas.europa.eu/mepp/index_en.htm

¹⁰⁴ http://eeas.europa.eu/mepp/index_en.htm

¹⁰⁵ http://eeas.europa.eu/mepp/index_en.htm

- On refugees: the EU supports a viable and agreed solution of the refugee question
- On security: the EU condemns all acts of violence and recognizes Israel's right to protect its citizens.¹⁰⁶

These EU positions play a central role in the EU's policy towards the peace process. But we will now examine whether the peace process plays a central role in the EU's Mediterranean policy. To verify the hypothesis and answer the research question we will examine the Association Agreements, Country Reports, Action Plans, Commission Proposals, Indicative Programs, Strategy Papers and Progress Reports of the ENP. In the first paragraph we will examine the ENP relations between the EU and the PA, and in the second the relations between the EU and Israel, to compare them and discover whether or not there are differences between the role of the peace process in the EU's relations with the PA and the EU's relations with Israel.

§ II.I: The EU and the PA

II.I.I: the Association Agreement

In the Euro-Mediterranean Interim Association Agreement between the European Community and the PLO, for the benefit of the PA, the peace process doesn't play a major role. Both parties agree in the first article to establish a trade and cooperation association to:

“Encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability.”¹⁰⁷

¹⁰⁶ http://eeas.europa.eu/mepp/eu-positions/eu_positions_en.htm

¹⁰⁷ Euro-Mediterranean Interim Association Agreement EU-PA Article 1

This is the only article that refers to ‘peaceful coexistence’. The second article states that the agreement shall be based on democratic principles and the universal declaration on human rights, but this doesn’t necessarily refer to the peace process. In the other chapters of the Agreement, the chapters on Free movement of Goods (1), Payments, Capital, Competition, Intellectual Property and Public Procurement (2), Cooperation on Audiovisual and Cultural Matters, Information and Communication (4), Financial Cooperation (5) and Institutional, General and Final Provisions (6) there are references to the peace process, political cooperation between the Palestinians and their neighbors and peaceful coexistence in the region.

Only in the third chapter, on Economic Cooperation and Social Development, we can find a select number of references to the peace process. Article 35, the article on the objectives, states that the aim of cooperation shall be the support of the PA’s efforts to achieve economic and social development, one of the aims of EU support in the peace process. Article 45, the article on social development, doesn’t even refer to the peace process. The last article, article 55 on regional cooperation, states that the parties will encourage operations to develop cooperation between the PA and other Mediterranean partners, who remain unnamed.¹⁰⁸

The reason behind the fact that the peace process doesn’t play a role at all, with only a small number of references, in the Interim Association Agreement, seems obvious. The Interim Agreement is an agreement on trade and cooperation, economic cooperation to be precisely. Political cooperation is not named nor referred to in the agreement. The agreement was signed in 1997, a year in which the peace process suffered difficulties due to the election of Prime Minister Netanyahu. In politically difficult times the EU probably believed it was the best thing to do to start with economic cooperation, and leave politics out of the agreement. Whether political cooperation and the peace process will play a role in the ENP we will see in the next chapters.

II.I.II: The Country Report

¹⁰⁸ Euro-Mediterranean Interim Association Agreement Title III, articles 35, 45 & 55.

The Country Report, issued in 2004, provides an overview of the political, economic and social situation in the member state. The report provides guidance for the preparation of a joint action plan and may also serve as a basis for assessing future progress in the relations between the EU and the PA.

In the report the relations between the EU and the PA are introduced by stating the fact that the EU is the most important financial donor to the PA. Some of the conditions attached to this aid are according to the report administrative and judicial reform, and financial accountability. Political issues are not mentioned.

Paragraph 2 of the report examines the Political situation in the Palestinian territories. It describes the peace process, and the developments between 1993 and 2004. In the analysis of the most recent developments in the peace process, since 2000, the report discusses the outbreak of the intifada, the Israeli response. The report states clearly the damage that the intifada and the Israeli response have inflicted on the daily life in Palestine:

“As a result, there have been regular Israeli incursions into and reoccupation of a large part of Palestinian controlled towns and villages, curfew and severe restrictions imposed on the movement of persons, in both the West Bank and the Gaza Strip.”¹⁰⁹

Furthermore, the report discusses the construction of the “separation barrier”, and the debate that has arisen about whether the barrier is a necessary measure or not. Peace initiatives, like the Roadmap, are also examined.

The paragraph (3) on the Economic and Social Situation further elaborates on the decline of the Palestinian economy since the beginning of the second Intifada: the collapse of tourism, the inability of Palestinian workers to work in Israel and the deteriorating financial situation of Palestinians.¹¹⁰

The report provides only a description of the situation, not an analysis of the state of the peace process nor a judgment. It examines the political situation in a neutral way

¹⁰⁹ Commission Staff Working Paper European Neighbourhood Policy Country Report Palestinian Authority of the West Bank and Gaza Strip Brussels, 12.5.2004, 5.

¹¹⁰ Commission Staff Working Paper European Neighbourhood Policy Country Report Palestinian Authority of the West Bank and Gaza Strip Brussels, 12.5.2004, 11.

and clearly tries not to use political sensitive terms. The description of the separation wall as a ‘separation barrier’ (the proper term preferred by Israel is security barrier) provides a clear example. The Country Report doesn’t provide a clear explanation on the role of the peace process in the relations between the EU and the PA. Clearly, we should look at the Action Plans and the Progress reports to discover this role.

II.I.III: The Action Plan

The EU-Palestinian Authority Action Plan, issued in 2004, is the first step in the process of fulfilling the implementation of the provisions in the Interim Agreement. It will encourage and support the PA’s national reform objectives and further Integrate the Occupied Palestinian Territories (oPt) into the European economic and social structures. In the introduction of the Action Plan it is stated that the EU and the PA will create the conditions for a close relationship in preparation for a future Palestinian State. This relationship goes according to the plan beyond co-operation and involves significant economic integration and deepening political cooperation.

The peace process features prominently in the introduction. According to the plan achieving Palestinian statehood requires implementation of the Roadmap to peace and an end to the violence and:

“allowing for the establishment of an independent, viable, sovereign and contiguous Palestinian state, living side by side with the state of Israel in peace and security.”¹¹¹

In the introduction it is furthermore stated that there are some constraints and limitations resulting from the Israeli-Palestinian conflict regarding the creation of a Palestinian state. The plan states that these must be taken into account and that joint action will be required to continue the preparation for statehood.¹¹²

¹¹¹ EU/Palestinian Authority Action Plan, 9.12.2004, 6.

¹¹² EU/Palestinian Authority Action Plan, 9.12.2004, 6.

In the second paragraph, on Political dialogue and reform, certain issues that should be included in the Political dialogue are named, the peace process being one of them:

“Developments in the region and prospects for cooperation to resolve the Middle East conflict, including intensified efforts to facilitate the peace process and bring about the implementation of the Quartet Roadmap to a permanent two-state solution to the Israeli-Palestinian conflict.”¹¹³

This issue is the first to be named in a list of many and features most prominently. Other sections, like the ones on trade relations (2.3) and education (2.5) call for a reinforcement of co-operation between the PA and Israel to facilitate the implementation of trade-related aspects of the Interim Association Agreement and enhanced regional cooperation in the field of education.¹¹⁴

The section on European Community-Palestinian Authority Cooperation (2.6) calls for the support of the implementation of PA reform programme, focused on the priorities set out in the Action Plan. These priorities are the following:

“- Participate in the Quartet Task Force on Palestinian Reform and the Ad Hoc Liaison Committee on Assistance to Palestinians.
-Provide targeted financial assistance and institution building support, focused on the priorities of the Action Plan and the overall objective of building the institutions of a Palestinian state living in peace and security with Israel.”¹¹⁵

In the Action Plan three issues are named that are of the utmost importance to ensure the success of EU-Palestinian cooperation: implementation of the peace process, as described in the Roadmap to peace, the establishment of a viable Palestinian state, and further regional, between the PA, Israel, its neighbors and the EU. Implementation of the Action Plan should enhance the chance of success of these issues. The peace process

¹¹³ EU/Palestinian Authority Action Plan, 9.12.2004, 9.

¹¹⁴ EU/Palestinian Authority Action Plan, 9.12.2004, 13,15.

¹¹⁵ EU/Palestinian Authority Action Plan, 9.12.2004, 16.

features prominently in the Action Plan. It is the first issue to be named in the introduction, and the paragraph on Political dialogue. Judging by the Action Plan the peace process plays a prominent role in EU-PA cooperation. Let us now take a look at the progress reports to see whether this assumption is true or not.

II.I.IV: the 2006 Progress Report

The 2006 Progress Report reports the progress that has been made in the implementation of the 2004 Action Plan. The report describes the reforms in the area of democracy and good governance, economic development and trade and the political situation the Palestinian territories.

The report emphasizes that bilateral relations in the context of the Action Plan cannot be thoroughly reported without reflecting the overall political situation in the Middle East.¹¹⁶ In the section on Political Dialogue and Reform the peace process features prominently. In bold letters it is stated that:

“The EU has been at the forefront of peace efforts in the Middle East... .. with the aim of reaching a comprehensive settlement of the Israeli/Palestinian conflict and a permanent two-state solution in accordance with the Roadmap, and the obligations of the parties set out in it.”¹¹⁷

The report recalls the European Council call on Israel to desist from action that threatens the viability of an agreed two-state solution. The report furthermore names agreements made between Israel and the PA regarding Movement and Access and the launch of a Border Assistance Mission, and recalls the European Council affirmation that the Hamas-led Palestinian government should meet and implement the principles of non-violence, recognition of Israel’s right to exist and acceptance of existing agreements and obligations.¹¹⁸

¹¹⁶ ENP Progress Report Palestinian Authority, 4 December 2006, 2.

¹¹⁷ ENP Progress Report Palestinian Authority, 4 December 2006, 4.

¹¹⁸ ENP Progress Report Palestinian Authority, 4 December 2006,4.

In this relatively short Progress Report the peace process again plays a prominent role in the section on Political Dialogue. Its role is however less dominant than in the Action Plan. Furthermore the Progress Report doesn't describe any real progress made in the implementation of the issues named in the Action Plan, like for instance the establishment of a viable Palestinian State. It only examines the intentions of the EU regarding the implementation of the peace process conditions and the EU support to some small agreements made between the PA and Israel. We will examine four more Progress reports to see whether this is an ongoing trend.

II.I.V: the 2008 Progress Report

In the 2008 progress report the security and political situation in the Palestinian Territories is examined. According to the report, the overall security and political context stalled the implementation of the Action Plan during 2006 and the first half of 2007.¹¹⁹ This was caused by (however unnamed in the report) the victory of Hamas in the 2006 elections. In June 2007 the EU resumed normal relations with the PA and re-established political dialogue. The report states that only the last months of 2007 are covered in this Progress Report calls for taking into account the continuing Israeli occupation under which the PA operates. Because of the relatively short period covered by the report the overall assessment of progress in Action plan implementation is not provided.¹²⁰

The section on Political Dialogue and Reform (2) the security situation features again prominently. The establishment of a new PA government is also discussed. The Israeli closures and incursions into the Palestinian territories are condemned and concerns are raised about the illegal smuggling of arms.¹²¹

In the section on Economic and Social reform (3) the role of International donors, is examined. Concerns are raised about the Israeli blockade of the Gaza Strip and the checkpoints in Palestinian territory. The report states that easing of the Israeli

¹¹⁹ ENP Progress Report Palestinian Authority, 3 April 2008, 2.

¹²⁰ ENP Progress Report Palestinian Authority, 3 April 2008, 2.

¹²¹ ENP Progress Report Palestinian Authority, 3 April 2008, 3.

restrictions in combination with the implementation of Palestinian reforms could lead to a 5% growth of the Palestinian economy.¹²²

This progress reports examines the security situation, the victory of Hamas and the impact of the conflict on the Palestinian economy. Not much room is left for discussing the advancement of the peace process. This is caused by the political situation by that time. The victory of Hamas and the EU and Israeli reaction led to a stallment in the peace process. It delayed reforms and temporarily freeze in EU-Palestinian relations. Therefore, the peace process played a subordinate role in the 2008 report.

II.I.VI: the 2009 Progress Report

The 2009 Progress Report addresses the concerns of the EU about the situation in Gaza and the West Bank and the split between Hamas and the PLO.. The report voices the concerns of the EU about the ongoing conflict and the limited progress that has been made in the peace process.

The section on Economic and Social Reform discusses the role of foreign aid, provided by the EU as part of the peace process. Again concern is voiced about the situation in the Gaza strip and its dependence on foreign aid. The Separation Barrier is also addressed, the negative effect it has on the economy.¹²³

In the section on Financial Cooperation the EU help to the Palestinians is addressed again. The report discusses the total amount of aid provided to the Palestinians, the role of the EU as motor behind other international donations, how the aid was used and how the Palestinians can benefit from other international cooperation activities.¹²⁴

Overall, the peace process plays only a minor role in the 2009 Progress Report. Only the European aid is addressed. The effects of the EU aid, as well as the effects of the Israeli occupation on the Palestinian economy are not discussed at all. Regarding the war situation, the 2008 Gaza War is not addressed in the 2009 report, but will be in the 2010 report.

¹²² ENP Progress Report Palestinian Authority, 3 April 2008, 6.

¹²³ ENP Progress Report Palestinian Authority, 23 April 2009, 7.

¹²⁴ ENP Progress Report Palestinian Authority, 23 April 2009, 14,15.

II.I.VII: the 2010 Progress Report

The 2010 Progress Report discusses the ENP as a means of the PA of underpinning its state-building activities and consolidating its political position on its future international status:

“Throughout the reporting period the EU and the PA took further steps towards enhancing political dialogue and reform within the framework of the ENP, most notably in the fields of rule of law and public financial management. The first round of subcommittee meetings enabled an implementation review of the Action Plan and set out the progress achieved and the way forward. The ability of the PA to implement reforms remained limited as a result of the ongoing Israeli occupation”.¹²⁵

According to the report, the EU fully supports the establishment of this Palestinian state and is willing to build strong state institutions within two years. The PA has already started working on a new plan for its state-building activities. However, their abilities were limited by the occupation: the occupation of the West Bank, the isolation of Gaza and the divide between Hamas and the PLO, and the following 2008 Gaza War.¹²⁶

In the final section, on Financial Cooperation, the peace process is again addressed. The significant EU aid to UNWRA, the UN relief and work agency for Palestine refugees, is of crucial importance to the Palestinian refugees. UNWRA benefited heavily from EU budgetary commitments.¹²⁷

Not only the refugees, but also the Palestinian people benefits heavily from EU help. According to the report, the EU invests millions in people, food and security programs. The EU is the largest single donor to the PA and UNWRA and thus plays a major role as a reliable provider of support.¹²⁸

This progress report addresses the key function of the EU support of the PA: the establishment of a viable Palestinian state. This support is of crucial importance to the

¹²⁵ ENP Progress Report Palestinian Authority, 12 May 2010, 2.

¹²⁶ ENP Progress Report Palestinian Authority, 12 May 2010, 2,3.

¹²⁷ ENP Progress Report Palestinian Authority, 12 May 2010, 17.

¹²⁸ ENP Progress Report Palestinian Authority, 12 May 2010, 17.

Palestinians, but the report doesn't address how the EU will be able to support the Palestinians to reach this goal in the near future. It only discusses the steps the PA has taken, and the financial support the EU has given. There is no notion of any political support of the EU to the Palestinians.

II.I.VIII: the 2011 Progress Report

In the final Progress Report that will be addressed in this chapter the success of meetings held between the EU subcommittees and the PA. According to the report, the success demonstrates the PA's institutional and coordination capacity. The PA has submitted a request to increase the number of subcommittees. According to the report, this increase is in line with existing practice in other ENP countries and would demonstrate the PA's increased institutional capacity.¹²⁹

In the section on Political Dialogue and Reform the peace process plays again an important role. According to the report, news negotiations were launched in September 2011, with the EU as one of the partners. The implementation of the Palestinian Reform and Development Plan progressed in 2010. Efforts to set up a national monitoring and evaluation mechanism have borne results. The PA aims to continue with structural reforms to increase efficiency in the public sector and reduce its dependency on international aid. A number of reforms are planned to reach this goal.¹³⁰

In the final section, on Financial Cooperation, the peace process is again addressed. Again the EU emphasizes that the Palestinian territories benefit from EU support, and that the EU has more assistance to offer. The EU is not only the largest donor to the PA and UNWRA, but is also willing to take the lead in raising donations from other donor countries.¹³¹

Again the EU shows in this progress report its role as mediator in the peace process talks, the development made by the PA towards statehood, and the importance of the role of the EU as donor to the PA and Palestinian refugees. But again, the progress reports lack the notion of political support of the EU in negotiations and state building.

¹²⁹ ENP Progress Report Palestinian Authority, 25 May 2011, 2.

¹³⁰ ENP Progress Report Palestinian Authority, 25 May 2011, 3.

¹³¹ ENP Progress Report Palestinian Authority, 25 May 2011, 15.

The report doesn't address the necessary steps to make by the EU, but only registers the steps the PA has already taken.

In the various documents discussed in this paragraph, the Association Agreement, Action Plan, Country and Progress Reports, we can find a number of issues playing a central role. These issues are political dialogue, economic and social reform, and financial cooperation. Other issues that feature in these documents are trade, education, human rights, energy. But the section on political dialogue plays a central role in almost all documents discussed above. It is in this section that the state of the peace process is assessed.

We can thus conclude that the peace process plays a central role in the ENP relations between the EU and the PA. But how prominent is this role exactly? The peace process plays a central role in three sections: political dialogue, economic and social reform and financial cooperation. In the section on political dialogue the peace process plays a crucial role. This section focuses mainly upon the Israeli-Palestinian conflict, peace negotiations and the implementation of the peace process. The EU clearly assigns a prominent role to the peace process in the section about the political dialogue. In the second section, on economic and social reform, the peace process is less prominent. But the European economic support is part of the peace process. Thus, the peace process features indirectly also in this section. The same goes for the third section, on financial cooperation. In this section the financial support of the EU to the PA, as part of the peace process, plays a central role.

It is interesting to see that the peace process is treated by the EU not only as a political subject, but also as an economic one. This is of course due to the financial support the EU provides to the PA. But instead of focusing on the development of Palestinian business and financial independence the 'progress' reports focus on development aid. One can wonder whether or not the EU wants the PA to become financially and economically independent. If this will happen a consequence will be that the EU will lose influence over the PA, and might not have any influence in the peace process left.

If we examine the attitude of the EU towards the PA we can conclude that the general tone of the documents is positive. With an exception for the boycott of the PA after the 2006 Hamas victory in the Palestinian elections the EU has not sanctioned the PA for misconduct, or for failure to meet the criteria. The EU even excuses the PA for not meeting criteria due to the Israeli occupation.

In the introduction I hypothesized that because of the fact that the EU pays the PA, the PA is not able to bargain. Although there are no clear signs of a bargaining process in these documents, I can state confidently that the EU is not trying to exercise any control over the PA through its neighborhood policy. The EU has made bilateral agreements with the PA, and asks the PA to meet the criteria set out in these agreements. The reports discuss whether or not the PA is meeting these criteria. The overall conclusion of these reports is that the PA is doing everything in its power to meet the criteria, and to behave like a trustable partner for the EU.

II.II: The EU and Israel

II.II.I: the Association Agreement

In the Association Agreement between the EU and the state of Israel, signed in 2000, the peace process only plays a minor role. In the first article, both the EU and Israel declare:

“to encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability”¹³²

Furthermore, both parties aim to provide a framework for political dialogue. In the first Title, on political dialogue, both parties declare to enhance regional security and stability. These are the only sections which indirectly refer to the peace process. Only by referring

¹³² Euro-Mediterranean Interim Association Agreement EU-Israel Article 1.

to regional cooperation to consolidate peaceful coexistence and stability the Association Agreement names the peace process.¹³³

If we compare this to the Association Agreement with the Palestinians we can conclude that the role of the peace process in the agreement is equal to the agreement between the EU and the PA. The only difference is that the section on Economic and Social Reform in the agreement with the PA refers to the peace process, while the same section in the agreement with the Israeli's there is no such reference.

II.II.II: the Strategy Paper

In the Country Strategy Paper, which sets out the EU strategy in its relations with Israel over the period 2007-2013, the EU states its cooperation objectives. One of the strategic objectives of the EU cooperation with Israel is:

“to contribute to a resolution of the Middle East conflict. The achievement of lasting peace in the Middle East is a central aim of the EU, whose main objective is a two-State solution leading to a final and comprehensive settlement of the Israeli-Palestinian conflict based on implementation of the Road Map, with Israel and a democratic, viable, peaceful and sovereign Palestinian State living side-by side, in peace within secure and recognized borders and enjoying normal relations with their neighbours.”¹³⁴

In the assessment of Israel's overall political and economic situation we can find more references to the peace process. This section refers to the continuing conflict with the Palestinians, the peace agreements, the second Intifada and the criticism of the EU of some measures taken by Israel, like the route of the separation barrier.¹³⁵ In other sections, including the economic and financial ones, there are no references to the peace process.

As there is not Strategy Paper for the relations between the EU and the PA we cannot compare both. But what we can say is that again the peace process only plays a

¹³³ Euro-Mediterranean Interim Association Agreement EU-Israel Title 1.

¹³⁴ European Neighbourhood and Partnership Instrument Israel. Strategy Paper 2007-2013, 3.

¹³⁵ European Neighbourhood and Partnership Instrument Israel. Strategy Paper 2007-2013, 4.

minor role in the strategy set out by the EU in its relations with Israel. We will now first examine the Country Report, followed by the Action Plan to verify whether this goes as well for other papers.

II.II.III: the Country Report

The 2004 Country Report refers to the peace process in its second paragraph (1.2) on the existing framework under the Association Agreement. According to the report, the agreement foresees in a political dialogue which aims to the goal of promoting peace, security and regional co-operation.¹³⁶

In the section on Political Issues, there is no reference to the peace process. Section 2.3, on Regional and Global Stability, is almost entirely dedicated to discussing the state of the peace process. This section refers to the Quartet Roadmap, as a solution for a permanent two-state solution. It calls upon the Israelis to dismantle the settlement outposts erected since March 2001 and freeze all settlement activities. Furthermore, the section stresses that the EU will not recognize any change in the pre-1967 borders other than those agreed by both parties. Other developments that are discussed are the separation barrier, which is again condemned, and the fight against terrorism. The EU applauds the Palestinian Authority for announcing plans to improving its security performance.¹³⁷

The Country Report shows a critical EU examination of the state of the Peace Process. Israel's settlement activities and the construction of the separation barrier are condemned by the EU. Compared to the PA Country Report, this report is less neutral and takes a more political stance. While the language is equally neutral Israel's policy towards the Palestinians is condemned, while in the PA report there are no such condemnations. Another difference is that, again, there are no references to the peace process in the sections on Economic and Social Reform and Finance. We will now turn to

¹³⁶ Commission Staff Working Paper European Neighbourhood Policy Country Report Israel, Brussels, 12.5.2004, 4.

¹³⁷ Commission Staff Working Paper European Neighbourhood Policy Country Report Israel, Brussels, 12.5.2004, 11.

the most important document, the Action Plan, to see whether it resembles the tone of previous documents.

II.II.IV: the Action Plan

In the 2004 Action Plan the priorities for Action are formulated. The first priority in the relations between the EU and Israel will be to:

“Enhance political dialogue and co-operation, based on shared values, including issues such as facilitating efforts to resolve the Middle East conflict, strengthening the fight against terrorism and proliferation of Weapons of Mass Destruction, promoting the protection of human rights, improving the dialogue between cultures and religions, co-operating in the fight against anti-Semitism, racism and xenophobia.”¹³⁸

The peace process is thus the number one priority according to the Action Plan. But when we look at the concrete Actions that shall be taken other issues like democracy and human rights, combating anti-Semitism and the fight against racism and xenophobia, including Islamophobia precede regional issues. Political dialogue, regional issues in the Middle East and peacekeeping are priorities for action, but are not named as the first actions that shall be undertaken.¹³⁹

The Action Plan does provide an overview of the situation in the Middle East, with an emphasis on strengthening political dialogue and identifying areas for further co-operation on:

“Progress towards a comprehensive settlement of the Middle East conflict”¹⁴⁰

Regarding how exactly this action should be undertaken the Action Plan provides the following directions:

¹³⁸ EU/Israel Action Plan, 9.12.2004, 9.

¹³⁹ EU/Israel Action Plan, 9.12.2004, 10,11.

¹⁴⁰ EU/Israel Action Plan, 9.12.2004, 12.

- Working together with the EU to reach a comprehensive settlement of the conflict, in accordance with the Roadmap.
- Supporting the PA to dismantle terrorist capabilities.
- Facilitating the secure movement of civilians and goods, while recognizing Israel's right of self-defense.
- Improving social and economic conditions for all populations.
- Improving the delivery of humanitarian aid.
- Facilitating reform.
- Taking action against violence and hatred.¹⁴¹

These are the main priorities to reach a comprehensive peace settlement according to the Action Plan. The outline of the EU-Israeli Action Plan is similar to the EU-PA Action Plan, but there are differences in the actions that should be undertaken. A first difference is of course the fact that the PA should work on state-building, and Israel not. But an important second difference is that Israel should assist the PA in dismantling terrorists, and should secure the free movement of civilians and goods, which will make the Palestinians prosper. A third important difference is Israel should not block the distribution of humanitarian aid, an important critique of the EU on Israel's policy towards the Palestinians.

We can thus conclude that compared to the EU-PA Action Plan this Action Plan is obviously more critical in its assessment of which action should be undertaken. While the EU pushes the PA to implement the necessary reform the EU demands from Israel that it should support and not obstruct the PA in this reform. Both plans are rather similar in the general outlines, but they are different in the elaboration on how to undertake this action. Let us now look at the Progress Reports to verify whether this is a continuing trend.

II.II.V: the 2006 Progress Report

¹⁴¹ EU/Israel Action Plan, 9.12.2004, 12.

“Nevertheless, it remains true that bilateral EU-Israel relations in the context of the ENP Action Plan cannot be thoroughly reported without reflecting the overall political situation in the Middle East.”¹⁴²

This quote in the Overall assessment of the 2006 Progress Report displays the important role the peace process plays in this report. According to the report, the EU has become more involved with Israel in the peace process:

“During the initial period of the Action Plan, the EU has been more closely involved with Israel in the peace process, in particular through a number of specific actions designed to assist certain aspects of Israeli-Palestinian relations”¹⁴³

These aspects include border facilitation and humanitarian and economic support to the Palestinian Territories. The report emphasizes that the mutual understanding between the EU and Israel of each other’s position in the conflict has increased. However, despite this progress, the report questions Israel’s respect for international law and human rights and the principles of the roadmap. According to the report, this questioning should be subject of continuing dialogue in the context of the Action Plan.¹⁴⁴

In the section on Political dialogue and co-operation the reports to the Action Plan regarding the situation in the Middle East. In the Action Plan Israel agreed to strengthen political dialogue and cooperate further towards a comprehensive settlement of the Israeli-Palestinian conflict. In this regard, Israel has according to the report taken some steps including providing more freedom of movement for Palestinian civilians and goods. The report calls on Israel to desist from action that threatens the two-state solution, like the construction of settlements and the construction of the separation barrier.¹⁴⁵

Overall, the report places the peace process in a central role. The report is also less critical than the documents discussed before, the Country Report and the Action Plan. It still calls on Israel to desist from peace-threatening activities, but also emphasizes

¹⁴² ENP Progress Report Israel, 29 November 2006, 2.

¹⁴³ ENP Progress Report Israel, 29 November 2006, 2.

¹⁴⁴ ENP Progress Report Israel, 29 November 2006, 2,3.

¹⁴⁵ ENP Progress Report Israel, 29 November 2006, 3,4.

that Israel is committed to work together with the EU on a viable agreement. Compared to the 2006 PA Progress Report, the peace process plays a much more dominant role. The question now is whether this is an ongoing trend.

II.II.VI: the 2008 Progress Report

Compared to the 2006 report the peace process plays only a minor role in the 2008 Progress Report. In the Overall Assessment the report states that:

“Any consideration of the bilateral EU-Israel relations in the contest of the ENP Action Plan must take into account the persisting Israeli-Arab conflict and the overall political developments in the Middle East”¹⁴⁶

According to the report, the lack of progress on a number of commitments undertaken in the framework of the Action Plan has had a negative impact on the Palestinian economy, for example the restrictions on access and the movement of goods and persons.¹⁴⁷ The report furthermore states that little progress has been achieved on issues like the restrictions mentioned above and the construction of settlements and the separation barrier.¹⁴⁸

Again, this report provides a quite critical assessment of the lack of progress made by Israel regarding its commitments in the peace process. This is a continuing trend in a series of Country and Progress Reports and the Action Plan. An important difference with the PA Progress Reports is the fact that there is no emphasis placed on the role of the peace process in Economic and Financial reform. Taking the fact that the EU is the main donor to the PA, and only a trading partner to Israel, in consideration this seems to be fairly logical.

II.II.VII: the 2009 Progress Report

¹⁴⁶ ENP Progress Report Israel, 3 April 2008, 2,3.

¹⁴⁷ ENP Progress Report Israel, 3 April 2008, 2,3.

¹⁴⁸ ENP Progress Report Israel, 3 April 2008, 5.

The assessment of the peace process in the 2009 Progress Report almost seems to be a copy of the 2008 Progress Report. Again, emphasis is placed on the negative impact of the restrictions placed on the access of movement of people and goods and the lack of progress on commitments made in the Action Plan.¹⁴⁹

In the section on Political Dialogue and Cooperation, the situation in the Middle East is assessed. Again, the report states that little progress has been made regarding the comprehensive settlement of the Israeli-Palestinian conflict. The report emphasizes the fact that there was a sharp increase in settlement and outpost construction in the past year. Furthermore the report states that no progress has been made regarding the implementation and delivery of humanitarian aid and other forms of assistance, and the free movement of civilians and goods, despite several requests of the European Commission to lift the Israeli sanctions on the Gaza Strip.¹⁵⁰

The report also focuses on the improvement of the economic and social situation in the Palestinian Territories. Again, despite Israeli agreement on improving this situation implementation of reform continues to be difficult. The same goes for the demolition of Palestinian houses.¹⁵¹

After assessing the third ENP Progress Report we can conclude that the EU takes a critical position towards the Israeli role in the peace process. The EU criticizes the Israeli restrictions on the free movement of people and goods, the failure to provide economic reform, the settlement and separation barrier construction and the housing demolitions. Compared to the PA progress reports discussed in the previous paragraph we can conclude that first, the peace process plays a larger role in the Israeli progress reports, second that the tone of the reports is much more negative, Israeli failures are condemned while Palestinian failures are not, and third that the EU calls on Israel to take concrete action, while it places no such calls on the PA.

¹⁴⁹ ENP Progress Report Israel, 23 April 2009, 2,3.

¹⁵⁰ ENP Progress Report Israel, 23 April 2009, 5.

¹⁵¹ ENP Progress Report Israel, 23 April 2009, 5.

II.II.VIII: the 2010 Progress Report

The report begins with an assessment of the 2008 Gaza War. The report voices the EU concern regarding human rights violations by both parties. It also assesses the Israeli moratorium on settlement construction in the West Bank as a positive development and a first step in the right direction, in spite of the exclusion of East Jerusalem. Furthermore Israel has eased restrictions on movement in the West Bank, which made a contribution to economic growth.¹⁵²

In the section on regional and international issues the situation in the Middle East is discussed: the Gaza conflict and the stallment of peace talks. According to the report, the new Israeli (Netanyahu) government at first resisted demands from the international community. However, in 2009 the government decided to freeze settlement activity. The EU took positive note of this decision, but continues to express concern regarding demolitions and evictions in East Jerusalem. The EU also expresses its concern about the refusal of the Israel to let humanitarian help enter the Gaza Strip, and violence by Israeli settlers against Palestinians.¹⁵³

Compared to the previous reports discussed in the chapter the 2010 Progress Report has a much more positive tone. The EU still voices its concern about settlement activity in East Jerusalem, and the siege of Gaza, but also shows that it is able to show gratitude when demands are met. Again, this report shows that there is much more political pressure on Israel than on the PA to take the necessary steps in the peace process. The EU keeps pressuring the partner state until its demands are met.

II.II.IX: the 2011 Progress Report

In the year 2010 there was no significant progress towards a comprehensive settlement of the Israeli-Palestinian conflict. According to the report:

¹⁵² ENP Progress Report Israel, 12 May 2010, 3.

¹⁵³ ENP Progress Report Israel, 12 May 2010, 3.

“Following the Israeli government’s decision to allow the ten-month moratorium on settlement construction in the West Bank to expire in September, direct negotiations between the two sides came to a halt. On expiry of the moratorium settlement activity resumed.”¹⁵⁴

The EU is critical about this decision, as well as about the demolition of houses that continued during the moratorium. And although Israel eased restrictions on the Gaza Strip, the EU still demands further efforts. Decisions to allow some more humanitarian goods to enter Gaza have not been enforced.¹⁵⁵

Against this background the EU has decided in 2009 to not resume the process of upgrading relations in 2010. The EU did offer Israel to explore opportunities offered but the 2005 Action Plan, but not to upgrade its relations. The validity of the Action Plan has been extended until 2011.¹⁵⁶

Regarding the comprehensive settlement of the Israeli-Palestinian conflict, Israel and the PA engaged in direct talks, supported by the U.S. and the EU. However, the Israeli government still refuses to extend the 10-month settlement moratorium on construction in the West Bank. Furthermore, demolition of Palestinian houses, orchards and other structures continues.¹⁵⁷

This Progress Report distinguishes itself from previous reports because the EU not only expresses its concern and critique about Israeli decisions, but the concern and critique is also followed by sanctions. The EU sanctions Israel by not resuming the process of upgrading its relations, a sanction that could have serious economic consequences for Israel. The EU has not sanctioned the PA directly in its bilateral relations, except for boycotting the PA after the Hamas victory in the 2006 elections.

¹⁵⁴ ENP Progress Report Israel, 25 May 2011, 2.

¹⁵⁵ ENP Progress Report Israel, 25 May 2011, 2,3.

¹⁵⁶ ENP Progress Report Israel, 25 May 2011, 3.

¹⁵⁷ ENP Progress Report Israel, 25 May 2011, 5,6.

II.II.X: the National Indicative Programme 2011-2013

In the last document that will be discussed in this chapter, the National Indicative Programme, the peace process plays only a minor role compared to other important issues, like the economic situation. In the main priorities and goals over the period 2011-2013 the peace process is not even named. In the section on political developments the EU only states that it is committed to a comprehensive settlement of the Israeli-Palestinian conflict.¹⁵⁸

A noteworthy fact is that the programme states that the EU has responded positively to Israel's request for a significant upgrade in its relations in 2008. This was followed by the presentation of concrete proposals for upgrading in 2008 and a statement of the importance the EU attaches to its relations with Israel in 2009. According to the report:

“The upgrade needs also to be seen in the context of the broad range of the common interests and objectives, including the resolution of the Israel-Palestinian conflict.”¹⁵⁹

Not one word is spilled on the 2010 sanction of not resuming the upgrading talks, as well as on lifting this sanction. We can thus conclude that unlike the Progress Reports, there is no criticism found in the National Indicative programme regarding the Israeli policy regarding the peace process: settlement building, house demolition, restrictions on the free movement of people and goods etc. The question remains whether the EU is serious in sanctioning Israel, or, in the case that the sanctions are only a temporary measure to show European discomfort, not.

In the Association Agreement, Action Plan, Country Report, Strategy Paper, Progress Reports and National Indicative Programme of the ENP bilateral relations with Israel the peace process plays an important role. More important than one would conclude after reading the previous chapter. In the previous chapter, I concluded that Israel was

¹⁵⁸ National Indicative Programme EU-Israel 2011-2013, 3.

¹⁵⁹ National Indicative Programme EU-Israel 2011-2013, 4.

unwilling to let the EU play a role in the peace process, and that the peace process would thus play only a minor role in the EU-Israeli relations.

But nothing is less true. The peace process plays a major role in the bilateral ENP relations between the EU and Israel. In the section on political dialogue a central role is reserved for the peace process. And the political dialogue plays a central role in the various ENP reports. Thus, the peace process is an important instrument for the EU in its bilateral relations with Israel.

If we look at the general tone of the documents assessed we can conclude that the EU is quite critical. It puts serious pressure upon Israel to meet the criteria set out in the various agreements, like the Oslo Declaration and the Action Plan. The EU is even willing to sanction Israel when Israel is not able to meet these criteria.

The fact that the EU is critical towards Israel, sometimes even more than to the PA, makes one wonder about *who* is critical inside the EU. Not the EU member states, because many of them are staunch pro-Israel supporters. The EU institutions, and especially the subcommittees that write the reports, are far more critical towards Israel than the member states. And in the documents studied in this research the EU institutions: the officials and bureaucracy, speak, and not the member states.

Compared to the PA, the role of the peace process in the relations between the EU and Israel is quite similar to the role of the peace process in the relations between the EU and the PA. One can even state the EU is more critical regarding the peace process towards Israel than to the PA. Except for boycotting the PA when Hamas won the 2006 elections the EU has not been critical against the PA in its bilateral relations. Previously I concluded that the peace process is an instrument for the EU to remain a player in the Middle East. The PA was the most important part of this instrument. But after assessing the ENP documents we can conclude that the EU also uses the peace process in its relation with Israel to remain a player. It puts pressure on Israel to meet the criteria of the peace process, and it uses sanctions when these criteria are not met. Therefore, the peace process plays a similar role in the relations between the EU and the PA and in the relations between the EU and Israel, with the exception that the EU is more critical towards Israel than towards the PA.

In the introduction I hypothesized that the PA was not able to bargain with the EU, because of the fact that the EU was its main donor. Israel was, due to various reasons, able to bargain with the EU as an almost equal partner. After assessing the ENP documents we now know that this is not entirely true. The EU clearly doesn't treat Israel as an equal partner, and is willing to put pressure on Israel when necessary. It uses sanctions as a measure of last resort, although it remains unclear whether these sanctions had the expected effect. But we can confidently state that Israel doesn't get a special treatment in the ENP, compared to the PA.

Conclusion

In this study I have assessed the literature and the sources to provide an answer to the following question: to what extent does the Peace Process play a role in the European Neighborhood Policy cooperation between the EU and Israel & the PA between 2004-2010 and in what sense do these roles differ from each other?

In the introduction I hypothesized that the EU is only able to play a role in the Middle East peace process as long as it continues to fund the Palestinian Authority. The U.S. and Israel only enable Europe to play a role in the Peace Process as long as it remains a payer. Europe is too divided to play a major political role in the Peace Process and due to this it is not able to treat Israel like it treats its other Mediterranean neighbors. Because of the fact that the EU pays the PA, the PA is not able to bargain. Only Israel has this option. The EU is a financially a player in the Peace Process, but politically only a payer. One of the main differences between the role of the peace process in the bilateral agreements and cooperation between the EU, Israel and the PA is that the EU is only able to pressurize the PA to commit to the agreements that have been made. Only in special cases it is able to put pressure on Israel to do the same.

If we look at the context of the role of the peace process in the relations between the EU and Israel and the PA we read that the European Union established trade relations with Mediterranean states in the 1950's, trade agreements in the 1960's and an association agreement with Israel in the 1970's. The Middle East conflict proved to be a catalyst to the development of a united European Mediterranean policy. This policy gained momentum after the end of the Cold War due to the Oslo Accords and fear of Southern European states that relations with the Mediterranean would become subordinate to relations with Eastern Europe. The EMP was established to create an area of dialogue, exchange and cooperation. Association Agreements with Mediterranean states were one of the outcomes of the EMP. After 2004 the ENP became an extra bilateral component to the EMP to promote security and stability through cooperation. One of the most important results of the ENP was that it paved the way for a special bond between the EU and Israel & the Palestinian Authority.

Looking at the role of the EU in the peace process we read that the EU has played an active role in the implementation of the Oslo Accords and the support of the peace process. Despite the fact that the Oslo Accords were based on European principles, Europe was left out of the political part by the U.S. This forced Europe into playing an economic role as the main donor of the peace process. Thus, the EU emerged as the largest donor of international aid to the Palestinians aimed at further reconciliation and the building of a viable Palestinian state and economy. However, the EU did not succeed in this, mainly due to Israeli and American opposition. From their perspective, EU diplomacy had proven to be too pro-Palestinian. Eventually, the breakdown in the Camp David negotiations and the Al Aqsa intifada led to the collapse of the peace process. After this, all subsequent attempts to revive the peace process have failed.

Regarding the relations between the EU and Israel & the PA we read that the EU and Israel have always maintained good relations, especially in the fields of economy and trade. But despite these good relations there is some mutual distrust between the two. On the one hand, Israel is sensitive to European involvement in the peace process and its support for the Arab (Palestinian) cause. On the other hand, Israel is able to profit from its relations with Europe and Europe's involvement in the peace process. It also profits from the ENP, which has the risk in it that to win over Arab support for its Neighborhood Policy the EU will emphasize its differences with Israel and side with Arab political demands for greater Israeli concessions. Both Israel and the EU have displayed ambivalent attitudes towards each other and therefore their relationship could be classified as problematic.

If we look at the role of the peace process in the relations between the EU and Israel we can conclude that the attempts of the EU to play a role in the peace process lead to tensions with Israel. Israel clearly doesn't want the EU to play a role in the peace process. It perceives the conflict with the Palestinians as an internal affair, and places its security concerns above the European concerns. Thus, the EU is only able to play a role either when the U.S. enables it to do so, or through economic sanctions. Because of the fact that the EU member states are too divided to sanction Israel the EU is only able to play a minor role in the peace process. Therefore, the peace process plays a minor role in the EU relations with Israel.

The relations between the EU and the PA do not share the same characteristics as the EU-Israeli relations. The PA relies heavily on European funding. The imbalance in the relations between the two is the cause of tensions between the two, although the European support to the Palestinians has achieved some remarkable results. Another reason for tensions is the disparity between the Palestinian and the European view of the role of Europe in the Middle East. Some have argued that it is not only the PA, but also Israel that profits from the European support. This support has enabled Israel to use the PA as an instrument of the occupation. But despite tensions and setbacks the EU remains willing to continue delivering help to the Palestinians, as it is the only way for the EU to be a player in the peace process and to prevent the implosion of the Palestinian Authority.

And the EU clearly wants to be a player in the peace process. If we look to what extend does the Peace Process play a role in the relations between the EU and the PA we can see that this role is a central one. The PA fully depends on Europe for financial and economic support. This support is part of the peace process. Thus, when the peace process would no longer play a role in European foreign policy it would mean the end of the PA. The PA needs the EU to remain a payer, and the EU needs the PA to remain a player in the Middle East.

In the various documents discussed in Chapter II, the Association Agreements, Action Plans, Country and Progress Reports, we can find a number of issues playing a central role. These issues are political dialogue, economic and social reform, and financial cooperation. Other issues that feature in these documents are trade, education, human rights, energy. But the section on political dialogue plays a central role in almost all documents discussed above. It is in this section that the state of the peace process is assessed.

Regarding the relations between the EU and the PA, we can conclude that the peace process plays a central role in the ENP relations between the EU and the PA. The peace process plays a central role in three sections: political dialogue, economic and social reform and financial cooperation. In the section on political dialogue the peace process plays a crucial role. This section focuses mainly upon the Israeli-Palestinian conflict, peace negotiations and the implementation of the peace process. The EU clearly assigns a prominent role for the peace process the political dialogue. In the second

section, on economic and social reform, the peace process is less prominent. But the European economic support is part of the peace process. Thus, the peace process features indirectly also in this section. The same goes for the third section, on financial cooperation. In this section the financial support of the EU to the PA, as part of the peace process, plays a central role.

If we examine the attitude of the EU towards the PA we can conclude that the general tone of the documents is positive. With an exception for the boycott of the PA after the 2006 Hamas victory in the Palestinian elections the EU has not sanctioned the PA for misconduct, or for failure to meet the criteria. The EU even excuses the PA for not meeting criteria due to the Israeli occupation.

In the introduction I hypothesized that because of the fact that the EU pays the PA, the PA is not able to bargain. Although there are no clear signs of a bargaining process in these documents, I can state confidently that the EU is not trying to exercise any control over the PA through its neighborhood policy. The EU has made bilateral agreements with the PA, and asks the PA to meet the criteria set out in these agreements. The reports discuss whether or not the PA is meeting these criteria. The overall conclusion of these reports is that the PA is doing everything in its power to meet the criteria, and to behave like a trustable partner for the EU.

In the EU documents discussed in this study on the bilateral relations with Israel the peace process plays an important role. A role much more important than one would conclude beforehand. In chapter I, I concluded that the Israel was unwilling to let the EU play a role in the peace process, and that the peace process would thus play only a minor role in the EU-Israeli relations.

But nothing is less true. The peace process plays a major role in the bilateral ENP relations between the EU and Israel. In the section on political dialogue a central role is reserved for the peace process. And the political dialogue plays a central role in the various ENP reports. Thus, the peace process is an important instrument for the EU in its bilateral relations with Israel.

If we look at the general tone of the documents assessed we can conclude that the EU is quite critical. It puts serious pressure upon Israel to meet the criteria set out in the

various agreements, like the Oslo Declaration and the Action Plan. The EU is even willing to sanction Israel when Israel is not able to meet these criteria.

The role of the peace process in the relations between the EU and Israel is quite similar to the role of the peace process in the relations between the EU and the PA. One can even state the EU is more critical regarding the peace process towards Israel than to the PA. Except for boycotting the PA when Hamas won the 2006 elections the EU has not been critical against the PA in its bilateral relations. Previously I concluded that the peace process is an instrument for the EU to remain a player in the Middle East. The PA was the most important part of this instrument. But after assessing the ENP documents we can conclude that the EU also uses the peace process in its relation with Israel to remain a player. It puts pressure on Israel to meet the criteria of the peace process, and it uses sanctions when these criteria are not met. Therefore, the peace process plays a similar role in the relations between the EU and the PA and in the relations between the EU and Israel, with the exception that the EU is more critical towards Israel than towards the PA.

I hypothesized that the PA was not able to bargain with the EU, because of the fact that the EU was its main donor. Israel was, due to various reasons, able to bargain with the EU as an almost equal partner. After assessing the ENP documents we now know that this is not entirely true. The EU clearly doesn't treat Israel as an equal partner, and is willing to put pressure on Israel when necessary. It uses sanctions as a measure of last resort, although it remains unclear whether these sanctions had the expected effect. But we can confidently state that Israel doesn't get a special treatment in the ENP, compared to the PA.

Thus, after studying the literature and assessing the ENP sources I conclude that my initial hypothesis was wrong. The EU is striving to become a player, and not only a payer. But the EU is able to pressurize the PA as well as Israel. It is even more critical towards Israel and is willing to sanction Israel if the criteria are not met. Of course the EU is only able to do this in a select number of cases. But the fact that the EU is willing to do this gives us an idea about how hard the EU is willing to become a player in the Middle East.

Two issues deserve some remarks here. First, the EU. In the literature discussed above the EU is talked about as a supranational organization as well as about the EU as a collection of individual member states. The individual member states were mostly divided, but on some issues, like the Venice Declaration, united. In the second chapter, in which I examined the various EU reports, I discussed the EU as a supranational bureaucracy with its own diplomats. During my work at the Dutch Embassy in Beirut I had the opportunity to work with these EU officials and noticed that they operate independent from EU member states. We can thus conclude that the EU diplomacy is not just an extension of the individual member states' diplomacy, but largely independent.

Second, the EU's critique. From the documents studied in chapter 2 the image arises that the EU is not critical at all towards the Palestinians, but quite critical towards Israel. If we compare this to the image that the EU has in the media, the Middle East and politics, we can conclude that the EU is more critical than some might believe. But we may ask ourselves the question whether this is just or not. Israel definitely has human rights issues, and should be held accountable for that. But the PA is not innocent either. The PA has more secret services and police forces than many (dictatorial) Arab neighbours, and its prisons are filled with innocent convicts. One can thus ask the question whether it is right that the EU does not criticize the PA for its human rights abuses.

The reason behind this lack of criticism might be a simple one. The EU seeks influence, and has influence, over the PA. Being too harsh on the Palestinians might lead to the loss of this cherished influence. Thus, the ENP might not be solely an instrument for the spread of democracy and human rights, but merely an instrument for the EU to seek influence. The EU realizes that the ENP is the only way in which it can become a true political player in the Middle East. In the relations between the EU and most other Mediterranean partners economic issues play a central role. In the relations between the EU and Israel & the PA an important role is reserved for economic issues, but in some cases political issues like the peace process trump the economic ones. And in the relations between the EU and the PA the economic and political issues overlap. Thus, because of its ambition to become a player in the Middle East the EU is able to contribute to the peace process. Therefore, the peace process is next to trade the main instrument of the EU in its strive to become a player in the Middle East. And in this process, the EU

might have lost its principles. It seems that the EU has sacrificed justice for power. In its ambition to become a player the EU follows the path of the US. And one can wonder if, in a time the Arab world is crying out for democracy, this is wise. A thorough reorientation of EU foreign policy towards the Arab world and Israel is needed. And this reorientation will hopefully lead to a more just foreign policy, and a more confident European Union which will sail its own course, independent from all others.

Bibliography and Sources

Books

Ahlswede, S., *Israel's European Policy After the Cold War* (w.p. 2009).

Alaoudah S.A., *Managing the Conflict between Palestine and Israel: The Role of the European Union* (Milton Keynes 2009).

Benyaich, B., *Europa, Israël & de Palestijnen. Van politiek Deficit naar Normatieve Impasse* (Brussel 2010).

Carmi, J., *The War of Western Europe Against Israel* (w.p. 2003).

Cronin, D., *Europe's Alliance with Israel. Aiding the Occupation* (New York 2011).

Demirtas-Coskun, B., *Neighborhood Challenge: The European Union and Its Neighbors* (Boca Raton 2009).

Isleyen, B., *The European Union in the Middle East Peace Process: A Civilian Power?* (Stuttgart 2008).

Miller, R., *Inglorious Disarray: Europe, Israel and the Palestinians Since 1967. Rory Miller* (London 2011).

Musu, C., *European Union Policy Towards The Arab-Israeli Peace Process: The Quicksands of Politics* (New York 2010).

Peters, J., *Uneasy Neighbors: Israel and the European Union* (Plymouth 2010).

Schulz, S., *Payer or Player? The Role of the European Union in the Middle East Peace Process* (z.p. 2001).

Shepherd, R.H.E., *A State Beyond the Pale: Europe's Problem with Israel* (London 2009).

Articles

‘EU has closer ties to Israel than potential member Croatia’ Javier Solana *Ha’aretz* 21-10-2009

Fisk, R., : ‘Israel has crept into the EU without anyone noticing’ *The Independent* 31 july 2010

Ha’Aretz Editorial 25.12.11.

‘Israel’s EU upgrade to be put off again’ *Jerusalem Post* 13-05-2010.

‘Incoming EU president: Europe to block deals with Israel until peace process moves forward’ *Ha’Aretz* 18-12-2011.

Miller, R., *Europe’s Palestine Problem. Making sure the EU matters to Middle East Peace* Foreign affairs september/october 2011.

Miller, R., ‘Troubled Neighbours: The European Union and Israel’, *Israel Affairs*, Vol. 12, No. 4 (October 2006).

‘The European Union And Israel or How Brussels Learned To Love The Occupation’ *The Palestine Monitor* 23 February 2011.

Websites

http://ec.europa.eu/world/enp/policy_en.htm

http://ec.europa.eu/world/enp/policy_en.htm

http://ec.europa.eu/world/enp/howitworks_en.htm

http://eeas.europa.eu/mepp/index_en.htm

http://eeas.europa.eu/mepp/index_en.htm

http://eeas.europa.eu/mepp/index_en.htm

http://eeas.europa.eu/mepp/eu-positions/eu_positions_en.htm

Sources

Euro-Mediterranean Interim Association Agreement EU-PA.

Euro-Mediterranean Interim Association Agreement.

Commission Staff Working Paper European Neighbourhood Policy Country Report
Palestinian Authority of the West Bank and Gaza Strip Brussels, 12.5.2004.

EU/Palestinian Authority Action Plan, 9.12.2004.

ENP Progress Report Palestinian Authority, 4 December 2006.

ENP Progress Report Palestinian Authority, 3 April 2008.

ENP Progress Report Palestinian Authority, 3 April 2008.

ENP Progress Report Palestinian Authority, 23 April 2009.

ENP Progress Report Palestinian Authority, 12 May 2010.

ENP Progress Report Palestinian Authority, 25 May 2011.

Euro-Mediterranean Interim Association Agreement EU-Israel.

European Neighbourhood and Partnership Instrument Israel. Strategy Paper 2007-2013.

Commission Staff Working Paper European Neighbourhood Policy Country Report
Israel, Brussels, 12.5.2004.

EU/Israel Action Plan, 9.12.2004.

ENP Progress Report Israel, 29 November 2006.

ENP Progress Report Israel, 3 April 2008.

ENP Progress Report Israel, 23 April 2009.

ENP Progress Report Israel, 12 May 2010.

ENP Progress Report Israel, 25 May 2011.

National Indicative Programme EU-Israel 2011-2013.