

Chapter 6: Israel, the EU, and the Mediterranean: Understanding the Perceptions of Israeli Elite Actors

This chapter aims to provide an in-depth analysis of the discourse and perceptions of the Israeli elite actors with regard to the EU's policy towards the Mediterranean and in particular *vis-à-vis* the state of Israel. The analysis is based on a series of in-depth interviews with selected senior-level Israeli experts, including both policy-makers and practitioners. Among the interviewees for this chapter are governmental officials, representatives of CSOs, leading scholars of Israeli academia and think-tanks, as well as media professionals coming from different age ranges and gender groups (see Methodology). The chapter provides a detailed understanding of and insight into current and future challenges to EU–Israel relations, and draws recommendations for policy areas of potential co-operation between the parties. It is imperative to mention that all of the 20 interviews were conducted during the first and second quarters of 2018, and thus the chapter reflects the developments at that time.

Forming a framework for interviewees' perception of the Mediterranean and Israel's policies towards the region, the common stance among Israeli elite is the concern that Israel's 'Mediterranean dialogues have been very political in the last decade' and 'North Africa has turned into a union of its own'. 'For this reason, Israel stands as a minority in the region and deliberately chooses not to seek political partnerships specific to the Mediterranean'.² Consequently, although all

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- 1 Nimrod Goren contributed to the background section on Israel. Eyal Ronen and Emir Bayburt were involved in carrying out in-depth interviews and contributed to the Elite Survey section. Goren and Ronen were commissioned by PODEM, as Work Package 3 leader for the MEDRESET Project.
 - 2 Interviewee 18: Senior official, male, Jerusalem, May 2018.

respondents described Israel's standpoint in the Mediterranean in detail, they could only provide limited insight on current and future policies of Israel, specifically focusing on the Mediterranean.

The mainstream discourse of the Israeli elite views the EU's relations with Israel as strong and stable, but interviewees expressed their concern that the 'desired expansion of the partnership and addressing mutual economic challenges is often "being taken hostage" due to discrepancies over political matters'.³ Moreover, some find it unwise that, in recent years, Israel has shifted its attention away from the EU and instead, to the member states—mainly those that are more supportive of its government policies. Lastly, among the interviewees who expressed their views in the elite survey, there are differences of opinion regarding the required extent of active involvement by the EU in Israel's domestic affairs. On the one hand, some advocate that the EU needs to solidify its partnership and interdependence with Israel to achieve a beneficial impact on what they frame as shared foundations and values, as well as political stability and economic development. Nevertheless, others assert that an excessive involvement may strengthen those within Israel who shape public opinion regarding 'an unacceptable EU foreign interference on Israel's internal policy'.⁴

The chapter, which is devoted to the perceptions of the Israeli elite on the EU's policy towards the Mediterranean and Israel in particular, is comprised of three main sections. The first one presents an overview country profile of Israel. The second section presents an overview of its historical relations with the EU. The third section begins with key perceptions of interviewees with regard to the EU's current foreign policies in the regional and local spheres. It further describes the main political and economic challenges and opportunities that lie ahead in Israel and the expected stance from the EU in that regard. The same section finally identifies the main areas for future co-operation between the EU and the region, with country-specific policy recommendations for the future.

3 Interviewee 6: Senior official, female, phone interview, February 2018.

4 Interviewee 11: Think-tank member, female, Tel-Aviv, February 2018.

1. Country profile of Israel

1.1 *Demographics*

Israel had a population of only 806,000 when it was established in 1948, and according to the data issued by Israel's Central Bureau of Statistics, its population was recorded as 8.9 million in 2017.⁵ Jews make up nearly three-quarters of the population (approximately 6.5 million), while Israel's almost 1.8 million Arab citizens make up just over one-fifth of the population. Druze, non-Arab Christians, and others comprise less than 4.5 percent of the population.

1.2 *Relevant stakeholders at the domestic, regional, and global levels*

Israel's system of government is a parliamentary democracy,⁶ based on nationwide proportional representation. The country is led by a prime minister and coalition government, while the president—who is the official head of state—holds a mostly symbolic role. In July 2018, the Israeli government passed a new Basic Law that would define Israel exclusively as 'the nation-state of the Jewish people', which is viewed as contentious since it would marginalize more than 2 million non-Jewish Israeli citizens.⁷

At the regional level, in the Middle East, Israel has formal diplomatic ties with Egypt and Jordan, following the peace agreements signed in 1979 and 1994 respectively. These ties were not cut off even at times of bilateral tensions, Israeli–Palestinian violence, and Muslim Brotherhood leadership in Egypt. But at times, the Arab ambassadors were recalled for consultations,

5 Central Bureau of Statistics, *Israel in Figures – Rosh Hashana: Selected Annual Data 2018*, 4 September 2018, http://cbs.gov.il/hodaot2018n/11_18_263e.pdf.

6 For a review on the current state of democracy in Israel, see: Yohanar Plesner, 'Israel 70 | Democracy against all odds, or at odds with democracy', in *Fathom*, March 2018, <http://fathomjournal.org/?p=5914>.

7 Jonathan Lis, 'Israel's Contentious Nation-state Law: Everything You Need to Know', in *Haaretz*, 19 July 2018.

and the Israeli embassies could not function effectively.⁸ Israel's relations with both Egypt and Jordan are mostly official, and do not include much engagement between the peoples. The countries share strategic, economic, and environmental interests on which their relations usually focus.

Israel's relation with the Palestinian Authority is based on the Oslo Accords, which it signed in September 1993 with the Palestine Liberation Organization (PLO). The Oslo Accords included mutual recognition and launched a series of interim agreements. A major attempt to reach a final-status deal failed at the Camp David summit in 2000, leading to the second *intifada*. Additional failed efforts were carried out in 2007–2008 and 2013–2014.⁹ Since 2014, no official peace negotiations have taken place, despite ongoing security and economic co-ordination. Israel has no official direct contact with Hamas, which is the political party that leads Gaza, either.

The US, China, India, Russia, and multilateral institutions are counted among the primary stakeholders at the global level. Israel's main ally in the international arena is the US, which provides it with financial, security, and diplomatic support. The special relations between the two countries have been in place since 1962,¹⁰ and in 1987 the US gave Israel the status of a major non-NATO ally.¹¹ Israel and the US have signed several Memorandums of Understanding but not a formal defence treaty.¹² In December 2017, the US President recognized Jerusalem as

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- 8 'Egypt to Recall Israel Envoy over Sinai Shootings', in *BBC*, 20 August 2011, <https://www.bbc.com/news/world-middle-east-14600357>; Nick Zieminski, 'Israel's Jordan Embassy to Resume Full Operations: Israeli PM's Office', in *Reuters*, 18 January 2018, <https://reut.rs/2DoxyVc>.
 - 9 Carol Migdalovitz, 'Israeli-Palestinian Peace Process: The Annapolis Conference', in *CRS Report for Congress*, No. RS22768 (7 December 2007), <https://fas.org/sgp/crs/mideast/RS22768.pdf>; Ben Birnbaum and Amir Tibon, 'The Explosive, Inside Story of How John Kerry Built an Israel-Palestine Peace Plan—and Watched It Crumble', in *The New Republic*, 21 July 2014, <https://newrepublic.com/article/118751>.
 - 10 Zach Levey, 'JFK and the U.S.-Israeli Relationship', in *Diplomatic History*, Vol. 29, No. 2 (2005), pp. 379-382, <https://doi.org/10.1111/j.1467-7709.2005.00487.x>.
 - 11 Dan Fisher, 'U.S. Is Granting Israel Non-NATO Ally Status...', in *Los Angeles Times*, 16 February 1987, http://articles.latimes.com/1987-02-16/news/mn-2391_1_egypt-non-nato-ally.
 - 12 Yair Evron, 'An Israel-United States Defense Pact?', in *INSS Strategic Assessment*, Vol. 1, No. 3 (November 1998), pp. 12-15, <http://www.inss.org.il/?p=58196>.

Israel's capital, and in May 2018 he moved the US Embassy from Tel Aviv to Jerusalem.¹³

Israel is a partner and member of a variety of multilateral organizations. Since 1957, it has been an observer to the Parliamentary Assembly of the Council of Europe (CoE); since 1975 it has been a Mediterranean Partner for Co-operation at the Organization for Security and Co-operation in Europe (OSCE); since 1994 it has been part of the NATO Mediterranean Dialogue; since 2010 it has been a full member of the Organization for Co-operation and Development (OECD); in 2013 it was admitted to the UN Western European and Others Group (WEOG); in 2014 Israel gained an observer status at the Pacific Alliance; and in late 2017, Israel announced that it plans to leave the United Nations Educational, Scientific, and Cultural Organization (UNESCO) due to what it perceives as the body's anti-Israel bias, and following a similar American move.

In order to diversify its foreign policy, Israel has been making increased efforts to improve ties with China and India. Both countries are seen to be major economic markets for Israel, while China is also seen as a growing political actor in the region. Mutual visits have taken place with both countries, leading to the signing of various agreements and economic deals.¹⁴ Russia's involvement in Syria led Israel to pursue security co-ordination with Russia, aimed at maintaining Israel's ability to protect its security interests and limiting Iran's influence and presence in Syria.¹⁵

Finally, the relevant stakeholders regarding Israel–EU relations are the prime minister, the ministry of Foreign Affairs, the National Security Council, the Knesset's Foreign Affairs and Defence Committee and the security establishment. Also of relevance are the ministry of Economy

13 White House, *Statement by President Trump on Jerusalem*, 6 December 2017, <https://www.whitehouse.gov/briefings-statements/statement-president-trump-jerusalem>.

14 China's Embassy in Singapore, *Xi Jinping Meets with Prime Minister Benjamin Netanyahu of Israel*, 21 March 2017, <http://www.chinaembassy.org.sg/eng/jrzg/t1448057.htm>.

15 Anna Borshchevskaya, 'The Maturing of Israel-Russia Relations', in *InFocus Quarterly*, Vol. 10, No. 1 (Spring 2016), <https://www.jewishpolicycenter.org/?p=16360>.

and Knesset delegations to the Parliamentary Assembly of the Council of Europe; and for relations with the European Parliament, the Knesset caucus for furthering relations between Israel and Europe as well as Inter-Parliamentary Friendship Groups with the EU member states.

1.3 Chronology of key events since the start of the Arab uprisings

2011: Negative framing of the Arab Spring. At the onset of the Arab Spring, the Israeli government framed it in a negative manner, focusing on potential threats for radicalization, destabilization and increased Iranian influence.

July 2011: Social justice protests. A broad protest movement emerged in Israel against the high cost of living. The protests mobilized a large number of Israelis to the streets, and two of their leaders currently serve as Knesset members.

October 2011: Gilad Shalit prisoner exchange. After five years of captivity in Gaza by Hamas, Israeli soldier Gilad Shalit was released in a deal including a release of 1,027 Palestinian prisoners from Israeli jails.

October 2012: Morsi's Egypt sends a new ambassador to Israel. Despite long-standing opposition by the Muslim Brotherhood movement in Egypt to the peace deal with Israel, when Morsi assumes power he appoints a new ambassador to Israel and sends a personal letter of friendship to Israel's then-President Peres.

November 2012: Operation Pillar of Defence. An Israeli military operation against Hamas in the Gaza Strip.

January 2013: General elections. Israel goes to the polls, and the Likud party wins and forms a coalition government, headed by Netanyahu.

March 2013: US President Obama visits Israel. Obama's first presidential visit to Israel includes a public speech calling on Israelis to support peace. During the visit, Netanyahu calls Turkey's President Erdoğan (in Obama's presence) and apologizes for the flotilla incident of May 2010.

2013–2014: Israeli–Palestinian peace talks. US Secretary of State John Kerry leads a series of intense negotiations between the sides, which eventually fails to bring a breakthrough.

July 2014: Operation Protective Edge. An Israeli military operation against Hamas in the Gaza Strip.

March 2015: General elections. Israel goes to the polls, and the Likud party once again wins and forms a coalition government, headed by Netanyahu.

June 2016: Israel–Turkey reconciliation agreement. After a long negotiations process, Israel and Turkey resolve the flotilla crisis and restore full diplomatic ties.

July 2017: Tensions around al-Aqsa Mosque in Jerusalem. Israeli–Palestinian tensions flare up around the holy sites in Jerusalem, leading to mass civilian protests of Palestinians in East Jerusalem.¹⁶

December 2017: US President Trump’s Jerusalem declaration. Trump recognizes Jerusalem as Israel’s capital and announces that the US Embassy will be relocated to the city, sparking a fierce reaction by the Palestinian leadership and a condemnation at the UN.

1.4 Main geopolitical challenges

The main geopolitical challenges and foreign policy priorities of Israel’s current government are: confronting Iran’s nuclear project and limiting its role in Syria; preventing Hezbollah and Hamas from obtaining advanced weaponry and threatening Israel’s civilian population; further consolidating the alliance with the US; countering the Boycott, Divestment and Sanctions (BDS) movement; seeking international recognition of Jerusalem as Israel’s capital and of Israel’s Jewish nature; developing ties with countries in South America, Africa, Asia, and the Middle East; and reducing international attention to the Palestinian issue.

As for the Israeli public, its top three foreign policy priorities in 2018 were: developing ties with moderate Arab countries, promoting the Israeli–

16 For a detailed account see Ofer Zalzburg, ‘Palestinian Activism Reawakens in Jerusalem after Holy Esplanade Attack’, in *ICG Commentaries*, 19 July 2017, <https://www.crisisgroup.org/node/5590>.

Palestinian peace process, and countering the BDS movement. In terms of bilateral relations, the Israeli public views the US as the most important country for Israel in the world, followed by Russia and then Germany.¹⁷

2. Overview of Israel–Europe relations

2.1 *Societal relations and views*

Israel–Europe relations draw from the long Jewish history in Europe. They are based on cultural affinity, on a major European component in the identity of a large number of Israelis, and on shared liberal values. However, the relations are also heavily influenced by a history of persecution against Jews in Europe, especially during the Holocaust. This creates ‘love/hate relations’ between Israel and Europe.

Israel has a broad set of relations with the EU and European countries, which includes diplomatic ties, security co-ordination, trade (Europe is Israel’s largest trade partner)¹⁸ and co-operation in culture, research and development, tourism, sports, education, civil society, and aviation. However, Israelis tend to believe that Europe has a pro-Palestinian bias, that it does not understand Israel’s unique security concerns, that it is too critical of Israel’s actions, and that anti-Semitism and delegitimization of Israel prevail in parts of Europe.¹⁹

17 Mitvim, *The 2018 Israeli Foreign Policy Index*, October 2018, <http://www.mitvim.org.il/en/10-news/284>.

18 European Commission DG Trade, *European Union, Trade in Goods with Israel*, 16 April 2018, <http://trade.ec.europa.eu/doclib/html/113402.htm>; Dan Catarivas, ‘Israel’s External Economic and Trade Policy’, in *InFocus Quarterly*, Vol. 9, No. 1 (Spring 2015), <https://www.jewishpolicycenter.org/?p=14847>.

19 Haim Yacobi and David Newman, ‘The EU and the Israel–Palestine conflict’, in Thomas Diez, Mathias Albert and Stephan Stetter (eds.), *The European Union and Border Conflicts. The Power of Integration and Association*, Cambridge, Cambridge University Press, 2008, pp. 173–202; Michael Borchard, ‘Israel’s View of Europe–Israeli Relations’, in *KAS Studies*, September 2017, <https://www.kas.de/wf/en/33.49967>.

The accession of Cyprus into the EU in 2004 led Israel and the EU to become geographic neighbours. This was formalized with the coming into force of the ENP.²⁰ Moreover, the enlargement shifted dynamics within the EU, and brought into the European project countries from central and eastern Europe which were closer to Israel. This has become evident recently, with the growing divide between EU member states on the Israeli–Palestinian conflict. In general, Israel is investing more in developing bilateral ties with specific European countries, than in its relations with the EU.

The 2004 enlargement also enabled those Israelis whose families originated in the new member states to apply for European citizenship. Large numbers of Israelis did so and became EU citizens.²¹ Public opinion polls conducted in Israel after the enlargement saw an Israeli aspiration for EU membership (75 percent in 2007; 69 percent in 2009).²² Consecutive public opinion polls carried out by the Mitvim Institute also show that Israelis are split on whether their country belongs more to Europe or to the Middle East. According to the 2017 poll carried out as part of the OPEN Neighbourhood Programme, most Israelis feel the EU is an important partner, and that the EU and Israel share sufficient common values to co-operate.²³

Recently, Israel has become increasingly worried about the rise of populist parties and movements across Europe that have anti-Semitic roots and ideology.²⁴ This, while developing closer political ties with the

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- 20 EU Delegation to Israel, 'The European Neighbourhood Policy and Israel', in *EUfocus*, Vol. 4 (2007), http://www.europarl.europa.eu/meetdocs/2004_2009/documents/dv/e/ENP.pdf; Lior Herman, 'An Action Plan or a Plan for Action? Israel and the European Neighbourhood Policy', in *Mediterranean Politics*, Vol. 11, No. 3 (2006), pp. 371-394.
- 21 Efrat Neuman, 'A Tale of Two Passports', in *Haaretz*, 15 April 2013.
- 22 Konrad Adenauer Stiftung, *Measuring the Attitudes of Israelis Towards the European Union and its Member States*, 22 February 2007, <https://www.kas.de/wf/en/33.10196>; *Measuring the Attitudes of Israelis Towards the European Union and its Member States*, April 2009, <https://www.kas.de/wf/en/33.16236>.
- 23 EU Neighbours South, *Opinion Poll 201 Israel (Factsheet)*, 14 December 2017, <https://www.euneighbours.eu/en/node/22911>.
- 24 Reuven Rivlin, *Address at the Holocaust Martyrs' and Heroes' Remembrance Day 2017*, Jerusalem, 23 April 2017, <https://www.yadvashem.org/yv/en/remembrance/2017/reuven-rivlin.asp>.

leaders of Visegrad countries, which are currently moving away from liberal democracy.²⁵

2.2 *The history and changing nature of Israel–EU political relations*

Israel was one of the first countries to establish full diplomatic relations with the European Economic Community, in 1959.²⁶ Over the years that followed, relations between the sides developed on a range of economic, political, and societal issues, eventually leading to the signing in 1975 of a Free Trade Zone agreement.²⁷

Alas, Israel and Europe had diverging views regarding the Israeli–Palestinian issue, and this became clearly evident in 1980. That year, the European Community issued the Venice Declaration, which outlined the European policy on the Israeli–Arab conflict following the signing of the Israel–Egypt peace treaty.²⁸

While criticizing Israeli policies on the Palestinian issue, especially during the first *intifada*, Europe was encouraged by the Israeli–Arab peace process of the 1990s and sought a way to contribute to its success. After the signing of the Oslo Accords (1993) and the Israel–Jordan peace agreement (1994), the Essen Summit of the European Council (1994) considered that ‘Israel, on account of its high level of economic development, should enjoy special status in its relations with the European

25 Noa Landau, ‘Netanyahu Pushes Hosting Visegrad Group in Israel in Talks with Senior Hungarian Official’, *Haaretz*, 13 February 2018, <https://www.haaretz.com/israel-news/1.5820476>.

26 Sharon Pardo and Joel Peters, *Israel and the European Union. A Documentary History*, Lanham, Lexington Books, 2012.

27 Alfred Tovias, ‘Relations between Israel and the European Union’, in Alain Dieckhoff (ed.), *Routledge Handbook of Modern Israel*, London, Routledge, 2013, pp. 240–245.

28 The Venice Declaration called for a recognition of the right to existence and to security of all countries in the Middle East including Israel, as well as the legitimate rights of the Palestinian people. It called for a comprehensive solution to the Palestinian problem, including the issues of refugees and Jerusalem, in line with UNSC Resolutions 242 and 338 and through negotiations (including with the PLO) that would end the Israeli occupation.

Union'.²⁹ Later, the EU would clarify that for Israel to enjoy such special status, it must resolve its conflict with the Palestinians (see below).

In 1995, in light of the ongoing peace process, the EU launched the Barcelona Process, which was a platform through which Israel could develop ties with European as well as Arab countries.³⁰ In the same year, the EU and Israel further tightened their relations by signing an Association Agreement. In 2002, in light of the stagnation in the Israeli–Palestinian peace process and the second *intifada*, the EU became part of a new international mechanism to advance peace, the Quartet.

The launching of the European Neighbourhood Policy led Israel and the EU to agree in 2004 on an Action Plan to further develop EU–Israel relations.³¹ The Action Plan identified mutual objectives and priorities for joint action. The signing of the Plan led to positive momentum in Israel–EU relations, which also included increased co-operation on security issues (i.e., EUBAM Rafah, the EU Border Assistance Mission at the Rafah crossing point). This momentum was positively influenced by Israel's disengagement from the Gaza Strip in the summer of 2005.

As a result of these developments, the EU announced in 2008 that it would upgrade relations with Israel,³² and the two sides negotiated regarding the content of such an upgrade. That same year, Israel also joined the newly established Union for the Mediterranean.³³ Six months after the EU announcement, Israel launched operation Cast Lead in Gaza against Hamas. This operation led to criticism from the EU towards Israel

29 European Council, *Presidency Conclusions*, Essen, 9-10 December 1994, <https://www.consilium.europa.eu/media/21198/essen-european-council.pdf>.

30 Fulvio Attinà, 'The Barcelona Process, the Role of the European Union and the Lesson of the Western Mediterranean', in *The Journal of North African Studies*, Vol. 9, No. 2 (2004), pp. 140-152.

31 For further details see European Commission, *EU/Israel Action Plan*, October 2004, <https://library.euneighbours.eu/content/eu-israel-enp-action-plan>.

32 Israel Ministry of Foreign Affairs, *The European Union Upgrades Its Relations with Israel*, 16 June 2008, <https://mfa.gov.il/MFA/PressRoom/2008/Pages/The%20EU%20and%20Israel%20upgrade%20relations%20%2016-June-2008.aspx>.

33 Raffaella A. Del Sarto, 'Plus ça change...? Israel, the EU and the Union for the Mediterranean', in *Mediterranean Politics*, Vol. 16, No. 1 (2011), pp. 117-134.

and a freeze in the process of upgrading relations.³⁴ The EU stressed that the upgrade is conditioned on Israel's conduct in the fields of democracy and human rights, as well as progress on Israeli–Palestinian peace, and cannot be implemented should Israel continue the policies it demonstrated at the time.³⁵

Israeli governments rejected the linkage between bilateral Israel–EU relations and the Israeli–Palestinian peace process, as well as EU policies of differentiation between Israel and settlements in the West Bank, but eventually had to accept it in practice.³⁶ The main example was the Horizon 2020 programme. In 2013, Israel had to agree that only institutions within the 1967 borders will be eligible to participate in the programme.³⁷ Additional agreements that exclude Israeli settlements were signed between Israel and the EU, including the recent cross-border co-operation agreement (ENI CBC Med).³⁸

Another aspect of EU conditionality was the European offer to Israel and the Palestinians to establish a Special Privileged Partnership with the EU following the signing of an Israeli–Palestinian peace agreement.³⁹ This was the first major incentive for peace issued by the EU. It was introduced in December 2013, in the midst of the Kerry-led Israeli–Palestinian talks. The offer did not achieve its desired impact, due to

34 Oded Eran, 'A Reversal in Israel–EU Relations?', in *INSS Strategic Assessment*, Vol. 12, No. 1 (June 2009), pp. 59–68, <http://www.inss.org.il/?p=58513>.

35 Council of the European Union, *Statement of European Union*, 11th Meeting of Israel and EU Association Council, Brussels, 24 July 2012, http://europa.eu/rapid/press-release_PRES-12-353_en.htm.

36 Differentiation refers to a variety of measures taken by the EU and its member states to exclude settlement-linked entities and activities from bilateral relations with Israel. See Hugh Lovatt, 'EU Differentiation and the Push for Peace in Israel–Palestine', in *ECFR Policy Briefs*, October 2016, https://www.ecfr.eu/publications/summary/eu_differentiation_and_the_push_for_peace_in_israel_palestine7163.

37 Barak Ravid, 'Israel and EU Compromise on Terms of Joint Initiative, Following Rift Over Settlement Funding Ban', in *Haaretz*, 26 November 2013.

38 Noa Landau, 'Netanyahu Agrees to Exclude Settlements from Economic Deal with European Union', in *Haaretz*, 14 December 2017.

39 Council of the European Union, *Council Conclusions on the Middle East Peace Process*, Brussels, 16 December 2013, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/140097.pdf.

objection in Israel to the notion of conditionality,⁴⁰ little public awareness of the offer's existence and lack of clarity regarding its actual content.⁴¹ The collapse of the peace talks in 2014 shelved the European offer, although the EU has repeatedly acknowledged that it is still relevant.⁴² In June 2016 the EU's Foreign Affairs Council also called for a 'global set of incentives for the parties to make peace',⁴³ an idea introduced that year as part of the French Peace Initiative.⁴⁴

The EU also tried to use 'sticks' to increase the price Israel pays for its continued control of the Palestinians. In 2015, it published guidelines on labelling products from Israeli settlements, as another step of differentiation. The EU presented these guidelines as a technical step that was taken to assure necessary compliance with international law and EU regulations, but in Israel it was perceived as a political move and it reacted harshly to this decision,⁴⁵ which the EU said is merely a technical—and not a political—one.⁴⁶ To date, the guidelines have not been implemented by most EU member states, some of which have openly rejected the EU's call for labelling products.⁴⁷ Nevertheless, the

40 Mitvim and Friedrich-Ebert-Stiftung, *A Special Privileged Partnership with the EU as an Incentive for Israeli-Palestinian Peace. Summary of a Policy-Planning Workshop*, June 2016, <http://library.fes.de/pdf-files/bueros/israel/13105.pdf>.

41 Mitvim, *84% of Israelis Have Never Heard of the New EU Incentive for Israeli-Palestinian Peace*, March 2014, http://mitvim.org.il/images/Poll_findings_-_EU_peace_incentive_-_March_2014.pdf.

42 Council of the European Union, *Council Conclusions on the Middle East Peace Process*, Brussels, 20 June 2016, <https://www.consilium.europa.eu/en/press/press-releases/2016/06/20/fac-conclusions-mepp>.

43 Nimrod Goren, 'The Unknown Incentives for Israeli-Palestinian Peace', in *Haaretz*, 13 December 2015.

44 Middle East Peace Initiative, *Joint communiqué*, Paris, 3 June 3 2016, <https://franceintheus.org/spip.php?article7605#03>.

45 Peter Beaumont, 'EU Issues Guidelines on Labelling Products from Israeli Settlements', in *The Guardian*, 11 November 2015, <https://gu.com/p/4e544>.

46 Melanie Lidman, 'EU Envoy Insists Settlement Labeling Purely "Technical"', in *The Times of Israel*, 11 November 2015, <https://www.timesofisrael.com/eu-envoy-insists-settlement-labeling-purely-technical>.

47 Daniel Koren, 'Greece Rejects EU's Call to Label Israeli Settlement Products', in *The Canadian Jewish News*, 4 December 2015, <https://www.cjnews.com/?p=154658>.

EU, much like other international actors, does make it clear that it does not view the settlements in the West Bank as part of Israel proper.⁴⁸

In 2017, the EU tried to promote a positive agenda with Israel. The EU and Israel were supposed to hold in February 2017 a meeting of the Association Council, for the first time since 2012.⁴⁹ However, the passing of a law in Israel that allows more land to be appropriated for settlements led the EU to delay the meeting.⁵⁰

Netanyahu voiced his discontent with the EU during a trip to Hungary in July 2017, where he said that the EU policy towards Israel is ‘crazy’.⁵¹ The gap between Israel and the EU was also clear following Trump’s recognition of Jerusalem as Israel’s capital, which the EU rejected.⁵² Mogherini repeatedly claims that the EU supports the two-state solution, with Jerusalem as the capital of both Israel and Palestine.⁵³ The EU also highlights the role that civil society can play in promoting Israeli–Palestinian peace, takes action in this regard⁵⁴ and makes efforts to reach out to the Israeli public, highlight the positive aspects of Israel–EU relations and dispel concerns regarding EU policies.⁵⁵

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- 48 Federica Bicchì and Benedetta Voltolini, ‘Europe, the Green Line and the Issue of the Israeli–Palestinian Border: Closing the Gap between Discourse and Practice?’, in *Geopolitics*, Vol. 23, No. 1 (2017), pp. 124–146.
- 49 Raphael Ahren, ‘After 5-year Hiatus, EU and Israel Reconvene High-level Forum’, in *The Times of Israel*, 31 January 2017, <https://www.timesofisrael.com/after-5-year-hiatus-eu-and-israel-reconvene-high-level-forum>.
- 50 Barak Ravid, ‘EU Delays Summit with Israel over Settlement Buildup and Land-grab Law’, in *Haaretz*, 7 February 2017.
- 51 Barak Ravid, ‘Netanyahu Launches Blistering Attack on EU: “Their Behavior toward Israel is Crazy”’, in *Haaretz*, 19 July 2017, <https://www.haaretz.com/israel-news/1.5431215>.
- 52 European External Action Service (EEAS), *Speech by HR/VP Federica Mogherini at the European Parliament Plenary Session on US President Trump’s Announcement to Recognise Jerusalem as Capital of Israel*, Strasbourg, 12 December 2017, <https://europa.eu/!gt64WP>.
- 53 EEAS, *Middle East Peace Process: ‘This Is Not the Time to Disengage’ Mogherini Tells Abbas*, 22 January 2018, <https://europa.eu/!pm47Xc>.
- 54 EEAS, *Speech by HR/VP Federica Mogherini at the European Parliament Plenary Session...*, cit.
- 55 Raphael Ahren, ‘New EU Envoy Vows to Take Seriously Israeli Feelings that Brussels Is Hostile’, in *The Times of Israel*, 29 December 2017, <https://www>.

Israel and the EU share a rich history of relations and co-operate on a wide range of issues. Nevertheless, the prolonged Israeli–Palestinian conflict prevents these relations from fulfilling their potential, and casts doubt on the ability to even maintain the current level of Israeli–European partnership.

3. Elite Survey: Research findings on Israel

3.1 *Methodology*

This chapter reflects the perceptions of Israeli actors at the elite level toward the EU and its policies in the Mediterranean region. A total of 20 elite actors (10 male and 10 female) from Israel were involved in the fieldwork in which a team of three researchers, including one of the authors and the two researchers from PODEM, conducted in-depth interviews. The interviews were held at intervals between February 2018 and May 2018 (see anonymized list of interviews in the Annex). Among the interviewed respondents were senior officials, CSO representatives, academics, researchers, and media and business professionals of varied ages.⁵⁶

The interviews lasted between 30 and 45 minutes and were conducted either in person in Israel—in the cities of Tel Aviv, Beer Sheba, and Jerusalem—or via phone as in four cases. All interviewees were informed by email about the project before the actual interviews took place. In line with MEDRESET’s data management plan, all interviews were anonymous and were not recorded. The researchers only took notes during the interviews.

[timesofisrael.com/new-eu-envoy-vows-to-take-seriously-israeli-feelings-that-brussels-is-hostile](https://www.timesofisrael.com/new-eu-envoy-vows-to-take-seriously-israeli-feelings-that-brussels-is-hostile).

56 The interviewees in Israel requested complete anonymity including their ethnic backgrounds and affiliations.

3.2 Perceptions of the EU and its policies in the Mediterranean

The Israeli society can be divided into four separate sections regarding its perceptions of the EU: (1) the general public, (2) the economic sector, (3) the academic sector, and (4) the political sector.

To begin with the *general public*, Israel has a close cultural affinity to the EU and the continent of Europe, since a large number of its population migrated from there in the first half of the 1900s. Tourism is highly vibrant due to this cultural connection.

Secondly, the *economic sector* views the Union as a natural partner as Israel lacks ‘complementary economies’ in the region. Israel’s main production and commercial good is its high-tech innovations and products which attract the EU. The economic sector also views the Union as a very uncomplicated partner for conducting business as Israeli businesspeople only have to develop relations with Brussels and can accomplish ‘28 free-trade agreements’ without further complications.

Thirdly, the *academic sector* has deep connections with the EU and its member states since Israel does not have a regional alternative to the EU. Israeli universities and think tanks work in the Horizon 2020 programme as well as having countless ‘study in Europe’ programmes.

On the other hand, relations between the EU and the *political sector* in Israel are very complex. A senior Israeli official asserts that the peace process of Israel and Palestine (the two-state solution) can be considered as the one and only issue on which the EU has a common stance.⁵⁷ The official stresses that with the enlargement programme, reaching consensus with the EU became even more challenging. The Israeli politicians are not content with the EU’s unchanging and what is seen as stubborn approach to the two-state solution. The respondent further claims that the EU is not ‘contributing’ by ‘repeating’ the decades-old version of the two-state solution and consequently, the Israeli bureaucracy constantly experiences frustration. Israeli officials welcome the monetary contributions of the EU to Gaza and the West Bank; however, they underline the fact that the EU needs to play a role in the peace process by bringing the Palestinians to the table and acting as a ‘player’ rather than a ‘payer’.

57 Interviewee 19: Senior official, male, Jerusalem, May 2018.

The survey reflects that Israel's relations with the EU are greatly influenced by the political and internal processes occurring within Israeli society. In contrast to the general public opinion in Israel which gives significant weight to the external threats to Israel's national security, the elite we interviewed perceive a greater potential risk to Israel's resilience and its international standing from the ongoing adverse domestic changes that might gradually weaken its inner power. Based on the survey responses, it is possible to list these trends under four items:

- (1) The deterioration of the political discourse and politicization of Israel's democratic governance fundamentals, alongside the rise in political corruption;⁵⁸
- (2) The polarization between citizens of different social classes, which undermine Israel's social solidarity and cohesion;⁵⁹
- (3) The gradual weakening of the social status of CSOs and public institutions that should provide the necessary checks and balances to the political system;⁶⁰ and
- (4) The absence of discussion regarding Israel's long-term vision and the lack of establishment of national and foreign priorities to achieve better prospects for its people.⁶¹

These internal processes, along with the adverse impact of the deadlock in the peace process to terminate the Israeli–Palestinian conflict, are perceived as having grave implications for Israel's international standing. Interviewees emphasized the need to find new diplomacy breakthroughs, possibly with the assistance of Europe.

Despite such a long and troubled history and differences in policies and opinions on regional conflicts, Europe and Israel's affairs are seen to be built on shared social and political values. The respondents acknowledge the co-operation between Israel and Europe as a whole, as well as with the individual EU member states; and see the EU an asset for Israel's existence in general, and particularly its economic

58 Interviewee 9: CSO, female, Jerusalem, February 2018.

59 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

60 I Interviewee 9: CSO, female, Jerusalem, February 2018.

61 Interviewee 11: Think-tank member, female, Tel-Aviv, February 2018.

development. Nevertheless, it is of great concern that Israel's desire to upgrade economic relations, in recent years, is being hampered by the EU's political institutions, due to political disagreements with Israel mainly over claims that Israel is in violation of international law in the Occupied Palestinian Territories.⁶²

The majority of interviewees from Israel agree that, over the past 25 years, Europe has increasingly expanded its involvement in the Mediterranean, which is often torn by political and economic instability, as well as security threats to itself and Europe.

'Europe's foreign policy towards the Mediterranean during this period has nevertheless consisted in searching for means that could provide genuine solutions to the region's political and social problems. This has demonstrated Europe's commitment to support a smooth transition towards stable democratic governance, better security, and prosperity for the region.'⁶³

The complexity of global and Near East geopolitical developments, as well as internal dynamics, are seen to influence Europe's identity and its political position. An Israeli academic⁶⁴ argued that 'these effects are even amplified when it comes to its foreign policy towards the Mediterranean region, which in recent years is viewed through the lens of the EU's self-interests, primarily regarding migration and refugees, energy security, and terrorism'.

According to the Israeli academic experts, the relations between the two sides of the Mediterranean are subject to at least two main conflicting factors. On the one hand, Europe and the Mediterranean countries enjoy geographic proximity and long historical as well as economic and trade ties. On the other hand, values and political interests reshape the relations within an atmosphere shaped by an incessant clash of cultures. While the latter pose a severe threat to the stability of the whole region, the EU often seeks to use soft power strategies to overcome these challenges and increase its positive influence.

Regarding the EU's realization of its foreign policy goals within the region, an Israeli official stated that 'Europe has taken a proactive

62 Interviewee 4: Israeli university, male, phone interview, February 2018.

63 Interviewee 1: Senior official, male, February 2018.

64 Interviewee 4: Israeli university, male, phone interview, February 2018.

geopolitical role towards the MENA region, with the aim of pursuing greater security and enhancing political and economic development, yet, this determined foreign policy has been implemented by employing diverse approaches'.⁶⁵ Since the revision of the ENP in 2015, the EU is seeking to construct, with each MENA country, a new Partnership Priorities (PP) compact, which will redefine areas of co-operation considering recent challenges such as migration, security, and instability. 'The process is rather slow and gradual, and while several ENP countries have already signed the new PP with the EU, the formation of the PP document with Israel is not yet in place'.⁶⁶

The delay in preparation of the PP document is explained by a senior official saying that,

'As the EU became more political, the relations went even more sour which is counterproductive to the ENP. Israel chose to be part of the EU, as it was never a political necessity for Israel. As the consensus against Israel became negative over the years, Israel decided to block and stall this association.'⁶⁷

Despite certain positive advancements, thanks to each of the initiatives and the progress made in most of the countries, it is widely perceived that the overall success in changing the reality in the region has been fairly limited. A senior official reflected on his experiences with the EU bureaucracy over the longstanding conflict in the region: 'Whenever there is an issue here, we go to Brussels, but Brussels directs us to member states and when we visit the member states, they direct us to Brussels'.⁶⁸ Thus, although all the approaches have demonstrated the EU's strong commitment, they have also 'underlined the insufficient effectiveness and lack of coherency of the different attitudes which are in the heart of the EU's foreign policy towards the region'.⁶⁹ According to a think-tank member, another imperative factor for the imperfect outcome of the Euro-Mediterranean co-operation is 'the large heterogeneity among

65 Interviewee 1: Senior official, male, February 2018.

66 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

67 Interviewee 18: Senior official, male, Jerusalem, May 2018.

68 Interviewee 19: Senior official, male, Jerusalem, May 2018.

69 Interviewee 4: Israeli university, male, phone interview, February 2018.

the Mediterranean countries, both from the economic development dimension, as well as the political structure of their regimes'.⁷⁰

3.3 From the outside in: Views on geopolitical developments and domestic policy issues

Based on the survey findings, the various political, economic, and social challenges that Israel currently faces could be categorized into three main themes: (1) the first theme deals with challenges related to Israel's strategic posture in light of the recent global developments, and the near geopolitical environment, including the Iranian threat and its involvement in the Syrian War, as well as the Israeli–Palestinian conflict and its derivatives; (2) the second theme discusses the multiple socioeconomic challenges, chiefly the profound urgency to improve Israel's social inclusion; (3) finally, the chapter depicts Israel's democratic governance challenges and the fragile status of its civil society. It is viewed that these challenges have a significant impact on Israel's long-term prospects and on its relations with the regional and international actors including the EU.

Geopolitical issues: The geopolitical developments of recent years, the intensification of threats, and shifting regional alliances have had a significant impact on the region. In particular, the power relations and emergence of Russia, Turkey, and Iran as potent stakeholders in the region, along with the aftermath of the Arab uprisings on traditional regimes—such as the unending war in Syria—pose additional challenges to the complexity of the troubled area.

The current geopolitical issues of Israel can be explained through the effects of this new power constellation on the dynamics of the region. A research institute member draws a comparison in which the turbulent atmosphere has led to an increase in security risks that have not only impacted countries of the region, but have also made their presence felt even on Europe's soil.⁷¹ It is nonetheless noted that the regional

70 Interviewee 11: Think-tank member, female, Tel-Aviv, February 2018.

71 Interviewee 12: Research institute, male, Beer Sheba, February 2018.

developments, and particularly the political aftermath of the Arab Spring, have had minor importance for the EU's foreign affairs with Israel.

The current developments in the Middle East have had a certain effect on the national security of Israel. However, it is perceived that 'the conventional threat to its existence from regular armies has significantly receded in recent years'.⁷² The respondents agree that this is mainly due to Israel's effective military deterrence, its technologically offensive, and defensive capabilities, but also thanks to the fact that it has successfully avoided being dragged into severe confrontations or full-scale war. However, it is important to note that the situation in Syria might lead Israel into a direct confrontation with Iran.

The domestic developments reveal that the Israeli–Palestinian conflict does not appear to be shifting from its deadlock position and there is no peaceful resolution in sight. On top of that, evidence of a humanitarian crisis in Gaza is accumulating, causing the Palestinian leadership and people to feel trapped, which may lead to a dangerous escalation. Unlike the general public opinion which refers to the Iranian threat as Israel's major problem, the majority of interviewees believe that reconciliation with the Palestinians should no longer be postponed. An academic underlines that

'it is crucial to Israel's national interest and to Israel's leadership to demonstrate its steadfast support for this objective, even when the prospects of peace seem slim. Such a commitment should be reflected not only in statements, but also in actions aimed at changing the reality on the ground.'⁷³

This particular policy could display a clear message to the world that Israel is committed to a real change in the status quo, and to accomplishing a peace agreement with the Palestinians, which experts highlight that it should be based on the two-state solution.

Furthermore, Israel's most substantial challenge is to establish a long-term foreign policy based on the identification of opportunities and strategies, and leverage them for creating new alliances and partnerships. Although collaborating with the EU has been a challenge for Israel in

72 Interviewee 6: Senior official, female, phone interview, February 2018.

73 Interviewee 3: Israeli university, female, Jerusalem, February 2018.

recent years, according to a senior official, ‘bilateral relations with the EU member states have never been better’.⁷⁴ On the other side, another senior official claims that ‘the new US administration is leading Israel to new achievements such as the transfer of the US embassy to Jerusalem, and the foreseen similar transfers by additional countries’.⁷⁵ However, a peace NGO representative asserts that,

‘Israel should define the regional belonging to which it desires to relate and strengthen the interdependence within this region. It should strive to accomplish an inclusive foreign policy and seize the moment to set out its outward-looking long-term regional strategic vision, based on proactive initiatives to promote peace and multidimensional partnerships.’⁷⁶

From the international standpoint, there is a widespread demand from Israel’s leadership to strengthen its foreign policy and improve Israel’s international stance. To that end, a senior official stresses that ‘Israel and the EU leadership in Brussels [should] enhance the direct dialogue and overcome the political controversies’.⁷⁷ Moreover, a strong emphasis should be made on forming new alliances and deepening Israel’s diplomatic, economic, and cultural relations with its traditional partners. While Iran and the hostilities in Syria are perceived as the major threat, there is no controversy among the respondents regarding the importance of realizing a peaceful reconciliation and a conclusive resolution to the Israeli–Palestinian conflict, based on the two-state solution with the necessary security arrangements. A senior official suggests that through international co-operation an agreement can be established and ‘such an accord should be designed to enable new, fresh relations with the Palestinians, and possibly provide the foundation for a sustainable coexistence with most Arab and Islamic countries’.⁷⁸

It is a matter of great urgency for Israel to set a novel and long-term strategic vision in place, with coherent national objectives. From the standpoint of an Israeli member of parliament, ‘such a roadmap should

74 Interviewee 18: Senior official, male, Jerusalem, May 2018.

75 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

76 Interviewee 8: Peace NGO, female, Tel-Aviv, March 2018.

77 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

78 Interviewee 1: Senior official, male, February 2018.

include not only new partnerships and signing co-operation agreements but doing so as a means to achieve larger international objectives'.⁷⁹

Economic and social challenges: Israel is known for its entrepreneurial spirit, whereas its economic competitive advantage is most prominently exhibited through its high-technology innovative industries and attractive investments in R&D. Yet, this has not been paired with similar convergence in productivity, resulting in income inequality as well as large performance gaps between the high-tech sector and the rest of the economy (the 'dual economy' problem). The gap becomes more apparent in some sections of the Israeli society and 'despite encouraging signs of increase in their participation in the labour market, the widespread poverty, due to unemployment, is visible among ultra-Orthodox men and Israeli Arab women'.⁸⁰

From the economic perspective, the interviewees express their desire to live in a country that expands its sustainable economic growth, yet 'acts decisively to improve the standard of living of its citizens and reduce the large internal social inequality and gender gaps'.⁸¹ An Israeli member of parliament underscores that 'high salary gaps for similar work should not be tolerated in a modern society'.⁸² A stronger commitment of policy-makers is expected to reduce the high cost of living and provide the social security network and adequate means for the basic needs of all citizens, regardless of their income and background. In that respect, it is expected that the Israeli government will act in a determined manner to ensure that the fruits of Israel's economic growth are shared more widely among its population. In addition, 'Israelis expect their bureaucracy to be reduced and that the advancement and successes of the high-tech sector be duplicated in various social and governmental domains that are central in the daily life of citizens'.⁸³

The interviewees expect public services such as the healthcare, education, and transportation sectors to be improved and properly adjusted to the standards of the twenty-first century. The financial

79 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

80 Interviewee 1: Senior official, male, February 2018.

81 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

82 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

83 Interviewee 2: Business organization, male, Tel-Aviv, February 2018.

resources to realize all these objectives could be allocated directly, from Israel's national budget, should the government decide to effectively prioritize these economic and social objectives. However, additional resources could come into play, such as a specific portion of the revenues from natural gas discoveries (a natural gas wealth fund) and tax incentives. A representative from a business organization suggests that the Israeli government should promote 'a new mechanism of social entrepreneurship incubators, which duplicate the successful model and the proven experience of the high-tech sector'.⁸⁴ To that end, it should assist the business sector with financial incentives which would leverage the establishment of these social initiatives.

In recent years, the cost of living in Israel has grown significantly and is 23 percent higher than the average of OECD members. This major struggle for most Israelis is predominantly evident in the housing market, food prices, and other daily domains. Numerous public services and infrastructures are lagging behind most of the Western world and call for significant improvement. Among these are the public transportation and roads, public health services, education, and social security systems. A business organization representative explains: 'The perceived determinants of these challenges are Israel's concentrated market and that the fiscal constraints are too tight to address all these problems'.⁸⁵

The discoveries of natural gas along the coasts of the Eastern Mediterranean have proven to be a challenge as well as an opportunity. A senior representative comments that they need to plan ahead for commercializing this resource as it is a risky and complex process. According to a senior official,

'There are two ways of trading gas: (1) building a pipeline, (2) LNG (liquefied natural gas). For us, building the pipeline to Turkey is the most efficient and cost-effective way but due to the volatile political environment, it does not look feasible at this moment. Thus, building a pipeline through Cyprus into Greece and then Italy would be more dependable. On the other hand, utilizing the LNG facilities in Egypt and marketing the natural gas there would be an option as well but the LNG is a very expensive method'.⁸⁶

84 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

85 Interviewee 2: Business organization, male, Tel-Aviv, February 2018.

86 Interviewee 17: Senior official, female, Jerusalem, May 2018.

Thus, the natural gas discoveries are another field of potential economic co-operation in the Mediterranean, which would help the Israeli government address some of the internal economic obstacles.

Nevertheless, the majority of interviewees underscore that the Israeli government has not yet taken the necessary political affirmative approach to reshuffle its traditional priorities and fully utilize its financial toolbox to address these urgent challenges genuinely; and ‘without the commitment to achieve an inclusive and sustainable growth, that increases the quality of life, Israelis’ social sense of solidarity will be in severe danger and [so will Israel’s] long-term economic resilience’.⁸⁷

Democratic governance: The majority of respondents acclaim the founding criteria of Israeli democracy, however an academic thinks that ‘Israel, which has always been a pluralist and democratic country, founded on socialist principles, faces a significant challenge as, in recent years, it gradually shifts from these universal values and becoming ever more nationalistic’.⁸⁸

‘Followed by anti-democratic currents and populist discourse, ‘this trend aims to gain a tighter grip on all parts of the country. Unconstructively, ideological and political differences are mischaracterized as risks to Israel’s democracy instead of reinforcing its strength’.⁸⁹

‘Additionally, ‘constant politicization efforts are directed towards the media and press, as well as the supreme court, aimed at jeopardizing their independence and objectivity’, which results in ‘a process of delegitimization and weakening of institutions and organizations, and disqualifying individuals who criticize the government’s policy’ to the extent of ‘deteriorating into signalling them as insufficiently loyal, or even as national threats’.⁹⁰

An Israeli member of parliament finds this situation concerning since, ‘Such intolerant rhetoric is actively led by senior politicians, predominantly of the right-wing. Similarly, the Israeli government’s

87 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

88 Interviewee 3: Israeli university, female, Jerusalem, February 2018.

89 Interviewee 8: Peace NGO, female, Tel-Aviv, March 2018.

90 Interviewee 9: CSO, female, Jerusalem, February 2018.

efforts to enhance its political ties with extreme right-wing governments and often non-democratic regimes place an additional challenge'.⁹¹

It would be worth noting that the respondents expect their elected leaders to fortify the country's democratic governance and demonstrate a stronger commitment to follow the highest ethical standards. Emphasis is expected to be put on transparency, accountability, and restoring the public faith in its governing institutions, predominantly the parliament and its legislative members. The interviewees expect that Israel's government should halt the divisive and populist discourse and remove the restrictive measures against critics of its policy, through the elimination of 'limitations on the space for organizations of the civil society' and the promotion of liberties for 'individuals that challenge the current Israeli government'.⁹² The respondents recognize that the independence of the media and justice systems must be maintained and that 'Israel should strive to complete its official constitutional framework in order to protect the democratic fundamental freedoms, which are so crucial in a modern society'.⁹³

There is a widespread concern among the interviewees over the radicalization of the discourse between the political right and left. It is seen not only as a threat to forces of moderation, but as a pressing challenge to Israel's current state of democratic governance. The controversy is amplified when issues such as peacebuilding, separating 'state' and 'religion', human rights or justice for migrants are on the table. In that regard, for an Israeli parliament member,

'Freedom of expression is under constant attack, which puts predominantly progressive CSO movement activists on the defensive. Propositions for anti-democratic legislative acts and restrictions on their activities, together with actions that are aimed at shrinking the space for civil society, are steadily expanding. While often these legislative initiatives fail to become laws, they contribute to reshaping Israel's public discourse regarding its national identity, but more importantly undermine the legitimacy of its democratic foundations and weaken its international stance.'⁹⁴

91 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

92 Ibid.

93 Interviewee 9: CSO, female, Jerusalem, February 2018.

94 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

On the other hand, a senior official asserts that ‘the deep roots of democracy in Israel and the firm democratic structure are facing all these challenges in a solid and stable manner, and so far, the democratic public sphere is able to contain these challenges’.⁹⁵

4. Co-operation areas with the EU in the Mediterranean and country-specific policy recommendations

There is a widespread consensus among the interviewees over Europe’s interests as well as the political and economic power to take a more pivotal role in influencing the regional dynamics compared to other global actors. Despite the apparent complexities, it is a shared belief of the interviewees that, ‘EU should implement a multi-dimensional approach that is based both on actions in the multilateral arena with international organizations, as well as on stronger partnerships on the ground with the region’s political leaderships, economic actors, and CSOs’.⁹⁶

Given a steadfast leadership and practical guidance, paired with the adequate financial resources, better regional co-operation can be achieved. ‘To some extent that could provide some relief and stability to the troubled region and possibly improve the political and economic prospects of its citizens’⁹⁷.

The most urgent issue should be to support the regional promotion of a humanitarian and political response strategy to Gaza’s humanitarian crisis. Israel’s rehabilitation plan for Gaza, which was presented beginning of 2018 could serve as a starting point to achieve such a goal.⁹⁸ Additionally, a regional development bank that provides the required

95 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

96 Interviewee 2: Business organization, male, Tel-Aviv, February 2018.

97 Interviewee 11: Think-tank member, female, Tel-Aviv, February 2018.

98 According to a senior official, the plan aims at renewing the infrastructure (sewage system, education, housing, etc.) of Gaza for ‘reigniting hope’ among the people living there (Senior Official, (Interviewee 16), May 2018).

collateral support for capacity building and the restoration of crucial infrastructures and funding of joint projects, should be considered.⁹⁹

To that end, if the EU decides to invest greater efforts in mediation and addressing the political deadlock, ‘it may want to initiate an international summit, which could hopefully lead to the expected breakthrough’.¹⁰⁰ The EU’s comparative advantages, capacities, and strengths should be further used to trigger a diplomatic process and initiate its own peace proposal. From the respondents’ perspective, the EU should be ready to use all the potential leverage and incentives at its disposal to achieve these goals; however, ‘the success of these initiatives depends on how the EU attracts broader coalition support both financially and politically’.¹⁰¹

Secondly, the interviewees highlight that the promotion of democratic governance values and practices in the region is a crucial determinant for the EU’s success. Therefore, it is necessary for the EU to explore new paths with all Mediterranean countries to strengthen education for democracy, ‘ensur[ing] that governments are committed to elections that are conducted freely, democratically, and in full compliance with international principles’¹⁰² and stressing the importance of an independent judiciary, respect for fundamental liberties and principles, and the substantive role of civil society. In that respect,

‘It is imperative that the political systems are tolerant to critics and should not pose restrictions on civil society and those individuals that oppose its policies. Increasing co-operation and sharing practices on how to push back against restrictions on civil society are essential. It is necessary to gradually improve the way to protect the values and work of many organizations and activists who are at risk.’¹⁰³

Thirdly, on the economic level, the recent discoveries of natural gas reserves in the east Mediterranean coasts are projected to yield substantial dividends for this region. Despite some uncertainty with regard to the exact financial viability, ‘these natural gas reserves have sizeable economic potential and could possibly serve as the next game-changer of the political landscape

99 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

100 Interviewee 3: Israeli university, female, Jerusalem, February 2018.

101 Ministry of Economy (Interviewee 13), March 2018.

102 Interviewee 12: Research institute, male, Beer Sheba, February 2018.

103 Interviewee 9: CSO, female, Jerusalem, February 2018.

of the region'.¹⁰⁴ The EU's objective to diversify its energy sources could use the discoveries of natural gas as an opportunity to leverage regional co-operation. Since it is agreed that individual countries could not afford to construct the necessary export infrastructure separately due to financial constraints, these projects must be carried out in the framework of regional co-operation. If such an opportunity is not fully seized, a business organization representative points out that 'there is a risk of motivating the parties to ignite a new source of future dispute'.¹⁰⁵

Fourthly, with regard to political relations between Israel and the EU, although interviewees from Israel can draw a framework for the EU's future in the region, in the last few years Israel and the EU have not made any substantial progress in their relations, mainly due to political dispute over the EU concerns on Israel's violations of international law. Thus, it has been several years since the two sides signed new agreements, such as the co-operation in Horizon 2020 programme, or the Open Sky agreement.

According to an Israeli member of parliament, 'the very positive and close bilateral relations between Israel and the majority of the EU member states are not being translated into a strong support of Israel on the EU level'.¹⁰⁶ Furthermore, the deadlock of the Israeli–Palestinian conflict and the European tendency to keep a 'politically correct' balanced approach in their attitude towards the Israelis and the Palestinians, is seen as continuously preventing progress in relations with Israel. If the EU is interested in enhancing its relations with Israel, it has to offer certain advancements in favour of mutual co-operation, notably implementation of the current Association framework—for example, by gathering of the Association Council—and enabling Israel to upgrade and update its existing agreements with the EU. Nevertheless, 'To realize a long-term vision for the potential relations, the EU has to clarify the content of the "Special Privileges Partnership" which was offered by the EU a few years ago, as an incentive to move forward on the peace process'.¹⁰⁷

With regard to potential economic and social relations with the EU, there is a great belief among the interviewees that Israel should deepen

104 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

105 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

106 Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018.

107 Interviewee 7: Senior official, female, Tel-Aviv, March 2018.

its collaboration with the EU using various governmental channels, ‘as well as business and CSOs’.¹⁰⁸ Among other aspects, such co-operation should include:

- (1) expansion of economic and trade agreements to additional themes;
- (2) enhancement of Israeli participation in European programmes and agencies;
- (3) promotion of regular exchange visits and dialogue meetings among experts;
- (4) trade agreements to enhance the removal of unnecessary barriers and trade-restrictive measures that adversely affect trade in goods and services; and
- (5) expanded mutual recognition procedures to include a much broader scope of industrial sectors.

These actions could contribute to Israel’s success on the economic and social level, and assist in reducing the cost of living, while ‘providing a significant source of competitive and qualitative products, along with enabling Israeli firms to export more to the EU’.¹⁰⁹

On academic, technological, and scientific areas, ‘the co-operation between Israel and the EU is not sufficiently felt at the ground level, and could be further expended in this direction’.¹¹⁰ An Israeli business organization representative stresses that,

‘Efforts should be made to extend the presence of multinational European companies in Israel, attract venture capital and foreign direct investments, and provide the suitable incentives to build their R&D centres in Israel. All these activities are relatively negligible compared to similar accomplishments made by US corporates, therefore they should undoubtedly be promoted’.¹¹¹

Additionally, another business community representative underscores that ‘Israel’s experience in supporting innovative businesses through technological incubators and accelerators could serve as a basis for stronger

108 Interviewee 2: Business organization, male, Tel-Aviv, February 2018.

109 Interviewee 13: Ministry of Economy, female, phone interview, March 2018.

110 Interviewee 1: Senior official, male, February 2018.

111 Interviewee 2: Business organization, male, Tel-Aviv, February 2018.

future co-operation between the parties'.¹¹² Ultimately, the experts provide a list of specific fields of mutual interest for potential business collaboration with the European Union that are not sufficiently developed. Among these opportunities, a strong emphasis is placed on environmental, energy, life sciences, and security-related sectors. Further collaboration should particularly be directed to the following industries: (1) biotechnology and pharmaceuticals, (2) renewable and alternative energy, (3) clean-tech, agrotechnology, (4) water and (5) cyber and homeland security sectors.

Conclusion

Although limited by the discrepancies within the political sphere, Israeli elites continue to perceive the relations with the EU as inherently durable and permanent. Even though there is continuous co-operation in the areas of commerce, technology, and education, their critical opinions remain intact. They believe that the EU, as a substantial global actor, should be more active and visible in the Mediterranean; its 'soft power' strategies prevent the Union from becoming an influential agent within the region's turbulent atmosphere.

Accordingly, it is necessary to highlight that the Israeli elite actors do not mainly focus on developing policies or opinions on the Mediterranean, except for forming hypotheses on the commercialization of natural gas discoveries. Israel does not feel welcome in the relevant organizations in the region, and consequently the Mediterranean as a region is not a primary concern or a source of expectation, since the ultimate focus is on immediate opportunities or internal and external threats.

For this reason, the fate of relations with the EU and the Mediterranean can be considered as intertwined elements. Israeli elites define this issue in accordance with ardent political challenges which discourage both parties from effective and expanded channels of co-operation. Due to the state of relations with the EU in recent years, Israel—as a country which focuses on immediate concerns rather than long-term political

112 Interviewee 5: Business organization, male, Tel-Aviv, February 2018.

struggles—has made the decision to collaborate separately with member states, especially those that are more positive about Israel’s government policies. The internal struggles of Israel regarding the extent of the EU’s active involvement in Israel’s politics develop another element of disagreement between the parties as well.

Consequently, Israeli elites agree that Israel and Europe, whether as a Union or separate member states, will continue to co-operate on non-political issues in the future. On the other hand, the third angle of this relationship, the Mediterranean, proves to be a distant and discouraging area of co-operation for the Israeli professional elite due to its present structure. Therefore, the volume of co-operation in political and non-political issues in this triangle will be defined by possible revisions in both parties’ approaches.

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Annex: List of Interviewees

Interviewee 1: Senior official, male, February 2018

Interviewee 2: Business organization, male, Tel-Aviv, February 2018

Interviewee 3: Israeli university, female, Jerusalem, February 2018

Interviewee 4: Israeli university, male, phone interview, February 2018

Interviewee 5: Business organization, male, Tel-Aviv, February 2018

Interviewee 6: Senior official, female, phone interview, February 2018

Interviewee 7: Senior official, female, Tel-Aviv, March 2018

Interviewee 8: Peace NGO, female, Tel-Aviv, March 2018

Interviewee 9: CSO, female, Jerusalem, February 2018

Interviewee 10: Israeli parliament member, male, Tel-Aviv, February 2018

Interviewee 11: Think-tank member, female, Tel-Aviv, February 2018

Interviewee 12: Research institute, male, Beer Sheba, February 2018

Interviewee 13: Ministry of Economy, female, phone interview, March 2018

Interviewee 14: Journalist, female, 19 February 2018, phone interview

Interviewee 15: Media, male, 5 March 2018, Tel-Aviv, phone interview

Interviewee 16: Senior official, female, Jerusalem, May 2018

Interviewee 17: Senior official, female, Jerusalem, May 2018

Interviewee 18: Senior official, male, Jerusalem, May 2018

Interviewee 19: Senior official, male, Jerusalem, May 2018

Interviewee 20: Israeli University, Tel-Aviv, May 2018