
Leaving Illiberalism Behind: An Opportunity to Establish a New Liberal Foundation in EU-Israel Relations?

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Introduction

The global surge of illiberal trends, that has affected also Israel and several EU member states, has harmed the framework of shared liberal values that was an enabler of EU-Israel cooperation in the past. It caused EU-Israel relations to fall short of potential. Yet recent changes, including the displacement of Netanyahu and Trump, provide opportunities for reigniting EU-Israel relations.

However, the threatened erosion of multilateral institutions based on international law and human rights and liberal democratic principles at home is neither inevitable nor irreversible. At this moment of opportunity, EU-Israel relations should be strengthened not only on the basis of shared interests. They should be more firmly based on a dialogue on how liberalism should inform domestic and international politics, informed by past experiences.

Liberalism and its contestations: shaping EU-Israel relations

In the post-Cold War period, the EU's eastern expansion (based on enlargement) was remarkably successful in spreading liberal democratic norms in a multilateral framework, but the EU's policies towards its southern neighborhood proved less successful.

The goal of the EU's Euro-Mediterranean Partnership, initiated in 1995, was a rules-based multilateral regional order, with a strong role for civil society, human rights, and conflict resolution. This vision failed for various reasons. Arab states proved resistant to democratization, as well as to normalizing relations with Israel in the context of the unresolved Palestinian issue. The EU's way forward from the early 2000s was the bilateral and less values-oriented European Neighborhood Policy.

Despite tensions over the Palestinian issue, EU-Israeli relations reached unprecedented levels of integration in trade and other fields in the decade after Oslo. The engine was Israel's strong economic development and capacity for integration, whilst the brake was

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the Palestinian issue, with the EU remaining deeply committed to the Palestinian cause. An Action Plan for deepening EU-Israel relations was signed in 2005, following the end of the Second Intifada and the launch of Israel's Gaza Disengagement Plan. The 2007-8 Annapolis negotiations provided a context for a new announcement of upgraded EU-Israeli relations in June 2008.

Developments during the 2000s showed that the international dimension in which EU-Israel relations are embedded was not, as liberals might have hoped, based on an inevitable spread of liberal democracy and regional integration. Rather it was based on the interests and capacity of Israel and the EU to deepen relations, a joint enunciation of democratic principles such as rule of law, and a minimal overlap in their vision of a two-state solution.

The Netanyahu period: challenging EU-Israeli relations with new illiberal alliances

Israeli policies during the Netanyahu years (2009-2021) – resisting territorial compromises with the Palestinians, emphasizing the Jewish over the democratic character of the state, and marginalizing the Arab minority – exacerbated divides between Israel and the mostly liberal EU leaders and public.

The upgrade in EU-Israel relations announced in June 2008 was shelved in 2009 following Operation Cast Lead and the subsequent election of Netanyahu, pending progress on the Israeli-Palestinian issue. Annual meetings of the EU-Israel Association Council were suspended in 2012, halting further integration.

However, the same period saw Europe's political scene increasingly impacted by populist-nationalist illiberal movements, overlapping from 2016 to 2020 with the Trump presidency. Strong ties developed between Netanyahu and right-wing, illiberal leaders, including in Poland and Hungary, were based on shared ethnonationalism, interest in keeping the EU out of national politics (for Israel limiting pressure over the Palestinian issue), and anti-Muslim sentiments. At the same time, the escalating political assault by Netanyahu's camp on civil society, minorities, the independence of the judiciary, and the press, echoed those of populist nationalists in

Europe. Netanyahu sought through his relations with illiberal governments in Central and Eastern Europe to divide the EU – which requires unanimity on most foreign policy issues – thereby hampering its ability to effectively pressure Israel.

Israel also developed stronger relations with Greece and Cyprus based on shared energy and security interests and retained traditional support from Germany. With so many EU Council members having dense bilateral relations with Israel, criticism of Netanyahu government policies, especially settlement policies, were not backed by strong measures.² Moves to 'differentiate' between EU dealings with Israel and the Occupied Territories – including insisting that EU agreements with Israel explicitly state their inadmissibility in the Occupied Territories, and mandating that Israeli settlement produce be labelled as such – did not significantly harm Israel's integration with the EU, but also prevented any further deepening.

The main negative impacts have thus been twofold: the failure to capitalize on the opportunity created by increasing shared interests to advance relations further; and the impression promoted in Israel by Netanyahu's camp that the EU is hostile to Israel or even anti-Semitic.³

The Trump-Netanyahu axis added to the diplomatic chasm between the Netanyahu government and the EU. This included the dismantling of the JCPOA and the economic and political assault on the PA. The US-brokered normalization agreements between Israel and four Arab states appeared to further illustrate the EU's marginalization.

New opportunities: Converging interests or shared liberal perspectives?

Several developments are creating new opportunities for EU-Israel relations. These include a new, pluralistic Israeli government; the normalized relations between Israel and several Arab states; the replacement of

2 Muriel Asseburg and Nimrod Goren eds., *Divided and Divisive: Europeans, Israel and Israeli-Palestinian Peacemaking* (Mitvim, PAX & SWP, 2019), www.paxforpeace.nl.

3 See for example https://mitvim.org.il/wp-content/uploads/English_Report_-_The_2019_Israeli_Foreign_Policy_Index_of_the_Mitvim_Institute.docx.pdf.

Trump with Biden; but also, various policy issues that call for intensified cooperation. These include security threats, climate change, and the pandemic. Though these developments widen the potential for cooperation, the degree to which this is informed by converging liberal perspectives – fostering democratic institutions and cultures at home and rule-based multilateralism and human rights internationally – remains unclear.

Israel's diverse political coalition – including for the first time an Arab party – was formed by a shared desire to re-establish functioning government after four elections in two years, caused by Netanyahu's inability to form a majority coalition whilst under indictment.

This Israeli government is more attractive to liberal Europeans than its predecessor, holding back the escalating assault on Israeli institutions and NGOs and bringing a more pragmatic approach to the Palestinian issue, even if there is an internal 'agreement to disagree' on the two-state solution. For liberals in Poland, Hungary and elsewhere this coalition might be an asset in identifying mechanisms to unseat populist leaders.

Moreover, taken together with the Abraham Accords, the participation of an Islamic party challenges the perception in populist right-wing circles of Israel as a bulwark of an inevitable clash between Judeo-Christian and Islamic civilizations. Instead, it opens the potential for dialogue between Israel and EU states on the comparable challenges in building inclusive societies with large Muslim minorities.

The new Israeli government also brings a change in mindset regarding the EU, made explicit by Foreign Minister and Alternating Prime Minister Yair Lapid, who on entering office called for improving relations with the EU, and backed this with several early visits to European capitals.⁴ The previous Foreign Minister Gabi Ashkenazi had embraced a similar approach, but had lacked the support of then-prime minister Netanyahu.

Meanwhile the flowering of Arab-Israel relations (driven to a considerable extent by shared concerns

over Iran) increases the potential for Israel and the EU to build on overlapping interests that stem from two parallel developments. The first is the maturing of Israel into a medium-sized economic power with outsized security, intelligence and technology assets. The second is the multiplication of European economic and strategic challenges – including the spillover of instability from the Middle East – which increases European interest in cooperation with Israel.

Given that climate change and population growth will further exacerbate Middle East social, economic and environmental challenges, Israel has growing significance as a strategic ally for Western aligned states in the region, and as a partner in regional energy transition and sustainability.

In this context, aspects of the multilateral and regional cooperation unattainable in the 1990s now look more realistic, aligning to some extent the EU's security and value-based discourses; today addressing sustainability, and maybe tomorrow human rights. A more liberal and pragmatic Israeli government, combined with Arab-Israeli normalization, provides a favorable atmosphere for Arab-EU-Israeli cooperation and for promoting such values.

Nonetheless, insecurity in the Middle East will continue to expose the old European democracy-stability dilemma. Thus, the EU supports human rights and civil rights groups, but fearing spillover effects of revolutions and unrest, including migration, also deepens relations with autocratic leaders. Therefore, the security discourse, rather than a liberal agenda, looks to be the most potent driver of EU-Israel relations and wider regional integration in the coming years.

The Palestinian question cannot be ignored

That said, strategic cooperation between the EU and Israel will likely still be shaped by European concerns over Israel's liberal credentials, and especially the Palestinian question.

Most European leaders, welcoming Netanyahu's departure, have refrained from confronting the Bennett-Lapid government with demands for steps towards a two-state solution. There is wide recognition that progress is unrealistic not only due to Israeli

⁴ For an example of Lapid's remarks on this see: "Ministry of Foreign Affairs Hand-over Ceremony 14 June 2021," *Israel Ministry of Foreign Affairs*, 14 June 2021, <https://mfa.gov.il/MFA/PressRoom/2021/Pages/Ministry-of-Foreign-Affairs-hand-over-ceremony-14-June-2021.aspx>.

politics but Palestinian divisions. This convergence has created a new hope for ending the freeze of the Association Council.⁵

However, it would be a mistake to think that the linkage between the Palestinian issue and EU-Israel relations can be severed. The EU and its members (but also many civil society actors) remain deeply invested, financially and politically, in the Palestinian cause, and human rights are likely to remain a central prism for EU perspectives on international conflicts. While generally speaking the EU and its member states perceive themselves as friendly to both Israel and Palestine, anti-Israeli and anti-Semitic sentiments and actions within sections of European societies are regularly exacerbated by outbreaks of violence and the lack of any meaningful diplomatic horizon.

Seizing a moment of opportunity

Israelis and Europeans seeking to reinforce liberal values and strengthen their relations face a moment of opportunity. Whilst many underlying drivers for greater cooperation are strategic, the new Israeli government increases the overlap of shared liberal perspectives.

Whilst Israel's government has agreed to disagree on the two-state solution, there is a growing consensus on pragmatic steps to improve the Palestinian economy. For Europeans this may be an opportunity to push forward infrastructure projects that require Israeli cooperation and international donor commitment. It is also an opportunity to re-engage with Israeli and Palestinian civil society on issues of human rights and democracy. In turn, Palestinian development has the potential to reduce risks of violent escalation that ultimately benefit illiberal actors.

Meanwhile, liberal politicians now represented in the Israeli coalition, and European counterparts, have an opportunity to strengthen their cooperation. This is a moment to underline that the values of liberal democracy have historically tied Israel to a transatlantic Western alliance broadly supportive of Israel and its interests.

A deepened dialogue between Israeli and European liberals should also address the vulnerabilities and tensions that liberal-democratic societies face in a globalized world, which have been exploited by illiberal politicians. This includes a focus on how to strengthen the pluralist underpinnings of political order within liberal societies and internationally and how to bring a liberal (not just strategic) spirit into cooperation with Arab states.

The issue of shared identity in democratic states with large Arab/Muslim minorities is another potentially fruitful topic for Israeli-European dialogue, in which Arab/Muslim leaders from Europe and Israel can play an important role.

Reducing security threats and extremism in the Middle East – which drive security-based political discourses in the West and in Israel – depends on social, economic and political development in the face of challenges likely to be exacerbated by population growth and climate change.

The EU, Israel and Arab states should exploit opportunities created by the Abraham Accords to deepen multilateral regional cooperation, whilst identify ways of including human rights and the role of civil society as part of this regional agenda.

Stronger regional cooperation may improve the basis for future diplomatic initiatives in the Israeli-Palestinian arena, and disincentivise future Israeli governments from foreclosing the possibility of a Palestinian state, for fear of disrupting valuable regional cooperation.

The lack of progress on the Palestinian issue remains a major obstacle to fulfilling the potential of EU-Israel relations, and Middle East integration. But this should not deter efforts to promote EU-Israel and wider regional cooperation, not only on geostrategic and economic interests, but on liberal values. If reconvened, the EU-Israel Association Council should make the identification of such shared liberal ideals in bilateral and regional affairs a central topic of conversation, alongside the many important areas of economic and strategic cooperation.

⁵ Alfred Tovias, "EU Foreign Policy on the Israeli-Palestinian Conflict: A Reevaluation," *Israel Journal of Foreign Affairs* (2021) 1–16, <https://doi.org/10.1080/23739770.2021.1964900>.