

Israel's Regional Foreign Policies: An Annual Assessment

Summary of Mitvim's 3rd Annual Conference

December 2019

The Mitvim Institute 3rd annual conference provided an annual assessment of Israel's regional foreign policies. It was held in Tel Aviv on 14 November 2019, in cooperation with the Friedrich-Ebert-Stiftung. The conference included sessions on Israel's ties with its adjacent regions – moderated by Dr. Nimrod Goren, and participated by Amb. (ret.) Michael Harari, former Member of Knesset (MK) Ksenia Svetlova, Dr. Ido Zelkovitz and Dan Catarivas – and on the quest for Israeli-Palestinian peace in Israeli statesmanship – moderated by Yael Patir and participated by Dr. Lior Lehrs, Dr. Dahlia Scheindlin, Kamal Ali-Hassan and Nadav Tamir. MK Yair Lapid (Blue and White party) and EU Special Representative for the Middle East Peace Process Susanna Terstal delivered the keynote speeches. This document summarizes the main points covered by the speakers. The full conference can be viewed on Mitvim's [YouTube channel](#). Photos are [available here](#).

A. Opening Remarks

Dr. Roe Kibrik, Mitvim Institute

The latest round of violence in Gaza illustrated once again the limitation of military tools in the absence of significant diplomatic measures. Unfortunately, as reflected in Mitvim's annual survey, most Israelis think war with Gaza is inevitable or that it can only be averted by military means and enhanced Israeli deterrence, even though it was diplomacy that yielded understandings and prevented escalation in recent years. Gaza is not the only Israeli foreign policy challenge. Israel's integration into the Middle East cannot be taken for granted. The State of Israel does not conduct normalized ties with the countries around it, not even with Egypt and Jordan with which it has peace treaties. A comprehensive project conducted by Mitvim over the past two years indicates that a breakthrough towards normalization with Arab states will be feasible only after significant progress is achieved in the peace process with the Palestinians. Israel's affiliation with Europe is also not without challenges. According to the Mitvim survey, most Israelis regard the EU as a foe rather than a friend. Ties with the US are perceived as good, but the government's unprecedented warm embrace of the Republican Party and Trump undermines the bipartisan US support of Israel, which has been a major asset serving Israel in its foreign relations over the years. Israel faces many additional challenges and opportunities – shaping alliances in the Mediterranean in a way that advances cooperation and reduces conflicts, managing ties with Russia in the Syrian arena, skilled handling of Chinese investments, changing direction in relations with Turkey, dealing with anti-Semitism and a-liberal regimes without surrendering our democratic-liberal values, increasing Israel's involvement in international organizations, and more. These find Israel with its Foreign Service in disarray, with many of its tasks farmed out to other agencies, a deep budget shortfall and poor public image, excluded from decision-making processes and dogged by labor disputes.

Amb. (ret.) and former MK Colette Avital, Mitvim Institute

The Israeli-Palestinian conflict has always been at the center of Israel's foreign policy and foreign relations. Indeed, this issue should be our first priority. Two recent Israeli foreign policy debacles can be attributed to Israel's failure to progress in the peace process with the Palestinians – the crisis in relations with Jordan and failure to form a strategic alliance vis-à-vis Iran. The crisis with Jordan could have been avoided with different Israeli and US conduct. The dismissive attitude toward Jordan and its King, Prime Minister Netanyahu's declaration of intent to annex the Jordan Valley, the administrative detention of two Jordanian citizens, and, above all, absence of any progress in the peace process with the Palestinians, created a crisis in Israeli-Jordanian relations. By ignoring the King during its attempts to formulate a Middle East peace plan, the US also contributed to the crisis. Israel's policy failed, too, in the context of the regional strategic alliance vis-à-vis Iran. The US pullout from the nuclear agreement with Iran, under Israeli pressure, enabled the regime in Tehran to ignore the deal and move ahead with its nuclear program. The Iranian attack on the Saudi oil facilities, which did not trigger a fitting US response, only strengthened Iran's daring in the region and increased doubts among the countries of the region about the extent to which they could count on US backing in their hour of need. In any case, forging a regional alliance against Iran will not be possible without progress on the Palestinian issue. The Arab Peace Initiative, which calls for progress in the peace process in return for normalizing Arab ties with Israel, is still on the table and could have served as a sound basis for such an alliance. In light of these processes, it is no wonder that Saudi Arabia and other Gulf States have put out feelers on negotiations with Iran. Israel must consider and choose which threat is greater – Iran or a Palestinian state.

Dr. Paul Pasch, Director of the Friedrich-Ebert-Stiftung in Israel

The Mitvim Institute is an independent think tank that seeks to reshape Israel's relations in the Middle East, Europe and the Mediterranean. Its preferred methods include promoting fresh foreign policy paradigms, enhancing the country's regional belonging, and advancing Israeli-Arab peace. The Friedrich-Ebert-Stiftung enjoys a strategic partnership with Mitvim ever since its establishment in May 2011. We are proud of this partnership and are thankful to Mitvim's staff for the fruitful cooperation. Mitvim is ranked by the University of Pennsylvania's Global Go To Think Tank Index among the top think tanks in the Middle East and North Africa, and as one of the world's leading regional studies centers, think tanks with innovative policy proposals, and think tanks to watch. Mitvim aims to promote a paradigm shift in Israel's foreign policy. The Annual Foreign Policy Index, conducted since 2013, is a very important instrument in this regard. To promote regional-belonging for Israel, Mitvim undertakes, among the rest, regular policy dialogues with Turkish and Jordanian partners. Mitvim promotes Israeli-Palestinian, and broader Israeli-Arab, peace. For the past two years, Mitvim experts have been studying the changing relations between Israel and key Arab states – Egypt, Jordan, Saudi Arabia, Morocco, the United Arab Emirates and Iraq. They examined the history of Israel's ties with each of these states; the current level of Israel's diplomatic, security, economic and civilian cooperation with them; the potential for future cooperation and the impact of the Israeli-Palestinian conflict on Israel's ties in the Middle East. Furthermore, an Israeli-Palestinian team of experts is developing a proposal for an international package of incentives for peace. In a very short period of time Mitvim has been recognized as a progressive policy advisory institute and enjoys a trustworthy reputation in Israel, the region, Europe and the US.

B. Israeli Relations with the Middle East, Europe and the Mediterranean

Former MK Ksenia Svetlova, Mitvim Institute and IDC

Israel is moving ahead in terms of its integration in the Middle East, with several positive developments. Visits by the Prime Minister and his ministers to countries in the region, cooperation in the fields of security, sports and culture, Israeli delegations visiting Arab states, and even Arab delegations visiting Israel, under a cloak of secrecy, of course. Nonetheless, one cannot deny that the Palestinian issue is still key and an impediment to relations. Interlocutors in neighboring states, including Jordan and Egypt, repeatedly emphasize this point. Absent serious progress in peace negotiations with the Palestinians, we will not achieve normal ties with the Arab states. Meanwhile, Israel must make a strategic investment in strengthening relations with Egypt and Jordan. Its diplomatic staff in these states must be expanded and its Foreign Ministry must be given greater authority. The government has delayed approval of the appointment of an Israeli ambassador to Egypt for over a year, and Israel does not have an ambassador in Cairo. Israel must adapt its behavior in the region to changing circumstances and carry out projects it has promised its neighbors. Before building roads to peace with the Gulf States and Saudi Arabia, let us ensure that we can fly next door to Jordan for less than 700 USD. The peace treaty with Jordan is a strategic breakthrough, but it, too, is influenced by the absence of progress with the Palestinians. During Mitvim's recent policy dialogue in Amman, we heard bitter disappointment on the Jordanian side with the status of the peace process, despite sweeping support expressed by many, including in the opposition, to its very existence. Other than the Palestinian issue, there are no in-depth conflicts and significant issues in dispute between Israel and Jordan. The relationship between us can be restarted with relative ease. Jordan's firm insistence on taking back the Tzofar and Naharayim border enclaves it leased to Israel is not the central issue underlining the relationship, although it is an expression of its shaky condition. The peace with Jordan provided Israel with the security it sought for itself, but Jordan has yet to enjoy the economic development it wants. Forging relations based on more significant diplomatic ties and developed economic, social and civil society ties, rather than solely on meetings between security officials, is necessary and feasible.

Amb. (ret.) Michael Harari, Mitvim Institute and former Ambassador to Cyprus

Three central factors prompted the consolidation of the Eastern Mediterranean as a distinct region, in general, and of Israel's alliance with the Hellenic states of Greece and Cyprus, in particular: natural gas, developments generated by the Arab Spring and the Israel-Turkey crisis. Israel, Greece and Cyprus identified the emerging potential and started forging a regional triangle. In parallel to the success of this alliance, Greece and Cyprus advanced additional trilateral alliances in the region, first and foremost with Egypt. The Eastern Mediterranean Gas Forum, established in early 2019 in Cairo under Egyptian leadership, is an additional expression of the crystallization processes under way in the Eastern Mediterranean. This indigenous cooperation, born within the region rather than imposed from the outside, is based on concrete interests. To a large extent it constitutes a role model and draw for other states and organizations wishing to take part in the evolving events. While the alliance does not include Turkey, as far as Israel is concerned, it is not directed against the Turks. The congruence of interests between Israel and Turkey has declined on almost every issue, the tones have grown more strident and the rivalry has deepened. Nonetheless, the two states must find or create points of mutual interest. The civil and economic basis of the relationship has been maintained, the diplomats and Foreign Service are helping

preserve them despite the political disputes, and it is now the task of the political echelon to do all it can to detoxify the climate, even under ongoing diplomatic disputes. The government of Israel must remember that given the positive nature of Israel's current strategic standing, it can be more daring in an attempt to take advantage of opportunities and deal with challenges. Israel's conduct must not be born of fear. Israel's interests dictate restoring the diplomatic process with the Palestinians to the heart of public discourse. Even if prospects of success are dim given current circumstances, advancing peacemaking serves Israel's interests and preserves the options for progress in the future.

Dan Catarivas, Chair of the Israel-EU Chamber of Commerce

Tensions between Israel and Europe focus on the occupation, settlements and absence of a peace process with the Palestinians. Israel projects the criticism and tensions onto the EU institutions and prioritizes relations with specific EU member states instead. Israeli decision makers must realize the extent of Europe's importance and significance for Israel. Europe is Israel's biggest trading partner and the two are signatories to an abundant array of bilateral agreements, such as the Horizon 2020 research and development program and initiatives offering European experts' help in the governance of Israeli government agencies. The European "Open Skies" program has created an unprecedented link between Israel and Europe and promoted tourism. This is all happening without much of an echo or media exposure, and that is perhaps lamentable. Israel is facing a dilemma of values and practice – how to conduct itself within the complex European crisis, which has its expression in the rise of a-liberal, populist elements, with Brexit a key expression of these trends, but also how to deal with processes under way in other European states where the populist right is gaining strength. Practically speaking, the EU is a successful project that has resulted in peace and economic prosperity, and Israel should aspire to closer ties with it and with its open markets. Israel must not align itself with dark European forces out of purely opportunistic considerations and it must not stand by as human rights are being violated. Israel must promote democratic and liberal values and join those elements in Europe doing so. The same goes for domestic Israeli politics, which is breeding rotten apples that unite with rotten apples in other countries. Israel's next government must turn over a new leaf in relations with Europe. A new Commission has been chosen to head the EU, there is tremendous potential for cooperation and a new discourse must be attempted. Security cooperation with Europe is feasible and should be advanced, especially in light of the discussions on forming a European defense organization. Israel and Europe share many joint challenges and interests, for example vis-à-vis China's increased regional presence. These can and should be addressed together by those sharing joint values.

Dr. Ido Zelkowitz, Mitvim Institute and Max Stern Yezreel Valley College

Absent a solution to the intra-Palestinian Fatah-Hamas conflict, a breakthrough towards a final status Israeli-Palestinian peace agreement is not feasible. The existing instability in the Palestinian Authority (PA) precludes any support on the Palestinian street for the peace process with Israel. While Mahmoud Abbas is leading the national struggle along the path of peace and diplomacy, and working to obtain international recognition of a Palestinian state, it is the Hamas regime, under the auspices of the violence with Gaza, which has become Israel's Palestinian negotiating partner. The greater the legitimacy achieved by Hamas as a diplomatic player in the region, and the more it focuses on building the institutions of a future Palestinian state and advancing the Palestinian issue in the international arena, the greater its threat to the PLO leadership and the more the PA will

have to re-examine its policies. The rounds of violence with Gaza prove once again that the Palestinian issue is key in the regional arena. In Egypt, the Palestinian issue is alive and kicking in public discourse and has a great impact on the perception of Israel. However, in the Gulf States, a more pragmatic approach towards Israel is taking root, with less of a concern to the Palestinian issue. The Gulf States have had enough of financially supporting the PA. However, Arab support is crucial for the PA, and the Gulf State's emotional separation from the Palestinians, especially by the younger generation and the media, is forcing it to re-evaluate its thinking. This issue has become even more critical given the split between the Gaza Strip and the West Bank and the direct money transfers from the Gulf to Gaza, without the involvement of the PA and without its control. On the other hand, the Palestinians are encouraged by the fact that Israel's integration into the Middle East is still limited by the lack of progress in the peace process. Israel's next government and its leaders must go the short distance between Jerusalem and Ramallah and launch a renewed dialogue with the Palestinian leadership. It must shift from politics of fear to politics of hope.

C. The Quest for Israeli-Palestinian Peace in Israeli Statesmanship

Dr. Lior Lehrs, Mitvim Institute and Hebrew University

Israel tends to oppose international mediation that is not American, despite the benefits of UN and Egyptian mediation in preventing further escalation in Gaza and reaching understandings with Hamas. UN envoy Mladenov has successfully mediated between Israel and Hamas, whereas Trump's envoys have made almost every possible mistake and lost all credibility with the Palestinian side. Nonetheless, the prevailing view in Israel is that the US administration is the only legitimate broker. After awaiting the unveiling of the Trump plan for over two years, the sides can move on. The Palestinians have started seeking a new international mediation framework. The annual Mitvim survey indicates that Israelis are willing to involve Arab states as mediating elements in the peace process. The EU currently avoids mediation in the process, but engagement by Brussels and some of the EU member states within a new international framework, such as the group of countries that reached the nuclear deal with Iran, could be beneficial. Israel's next government must immediately set up a direct channel to Ramallah. The current Israeli-Jordanian crisis testifies to the impact of such a channel or its absence. Leaders have the ability to change the discourse and legitimize an Israeli-Palestinian peace process. It has been done in the past, and can and should be done again. Experience shows that progress in the peace process is not possible when wide swathes of the public on both sides, including radicals, are ignored. That means adaptations will be necessary in the manner future negotiations are handled. In recent years, Israel's most radical right-wing governments were the ones that conducted negotiations with Hamas – however, not for the sake of advancing peace but out of a joint interest in managing the conflict. Netanyahu's outgoing government wanted to preserve the Gaza-West Bank split and was not interested in a peace process that entails territorial concessions and harm to the settlements, whereas Hamas is mostly interested in maintaining its status and hold on power. The negotiations between the sides are conducted under wraps, and neither side has provided an accounting to its public. However, the very existence of such contacts prepares public opinion for future diplomatic negotiations including such elements. The intra-Palestinian rift places a significant obstacle on the road to the two-state solution, and efforts must be made to remove it from the road to future peace.

Dr. Dahlia Scheindlin, Mitvim Institute, public opinion expert and +972 Magazine

A stable majority of the Israeli public supports peace and the two-state solution, in principle, but does not believe they stand a high chance of success. Out of despair, the importance of the Israeli-Palestinian issue has been relegated to the sidelines of public discourse. The public prefers accustoming itself to the current state of affairs, which is not perceived as particularly bad for Israel. The feeling is that the economy is flourishing and foreign relations are prospering. The sense of personal safety, other than in communities along the Gaza border, is generally high and therefore there is no urgency in changing the status quo. However, the situation on the ground is changing and undermining the status quo. While managing the conflict, Israel is advancing creeping annexation, which enjoys significant public support. The international community's response has been measured, but the more the creeping annexation becomes obvious and public, the greater will be the pressure on the international community for a harsher response. Open and official annexation provide an opportunity for those who support a bi-national state from the Mediterranean to the Jordan River. Annexation forms one political unit, and in its wake, as evidenced by other conflicts, international pressure regarding creation of two states declines and the discourse shifts to ensuring human and civil rights. The demand for such rights generally generates greater involvement by the international community, and therefore pressure on Israel is expected to grow. However, most Israelis and Palestinians are not interested in living together in one single state. Comparative research shows that creeping annexation does not yield effective international opposition. Therefore, anyone seeking to stop the annexation should not count on the international community and should, instead, act from within Israeli society. Leadership has the power to legitimize the peace process. The public is rational and can also change its stance. The situation in Gaza can be alleviated, residents of the West Bank can be granted more freedom, support for an emerging Palestinian society can be boosted and its moderate political elements strengthened. These are some of the steps that Israel can take in cooperation with the Palestinians to strengthen Palestinian democracy as an important component in future peaceful relations between the two states.

Kamal Ali-Hassan, Mitvim Institute and Open University

Domestic events in Israel cannot be disconnected from the state's foreign relations. The state's conduct toward its Arab citizens – the lack of equality and democracy, as well as the discrimination, are reflected in its conduct in the international arena and constitute one of its greatest missed opportunities. The Arabs in Israel are being pushed out, and the Nationality Law exacerbated this trend. A broad campaign of de-legitimization of the Arab community is under way these days, too. However, the Palestinian population within Israel has proven its loyalty to the state over time, and the Joint (Arab) List made a historic move in 2019 in seeking full partnership in the political process. For now, this quest has not generated the desired response on the Jewish side, to the contrary. That must change, starting first of all with education – forging a common set of values and one state education system rather than perpetuating the current separation into schools for Arabs, for the religious, for the ultra-Orthodox and for secular Israelis, which only serve to distance these demographics from each other. The second essential component is a courageous Israeli leadership striving for peace with the Palestinians. Granting full equality and democratic rights to the Arab minority will enable the Arabs in Israel to undertake a highly significant role within the state and in shaping its relations with the region, also in advancing peace. Part of the Arab-Israeli identity is coexistence with the Jews in a state where the majority are Jews. Israel's Arab citizens know how to act at the same time both within the framework of their identification with the

Palestinian people and within the framework of the state and its laws. The early 1990s testify to the manner in which, under a leader as Rabin who strove for peace, an essential change took place in the status and perception of the Arab citizens, and an opportunity was created for them to fulfill a key role in public discourse within the State of Israel and between the state and its neighbors. The next government must take action to advance the Arab society in Israel. Israel's Arab citizens, in turn, will be able to play a role in developing and promoting important and unique partnerships between their State of Israel and the Palestinians, and between Israel and the countries of the region, and even to help other states in advancing regional peace processes as per their joint experience in the State of Israel.

Nadav Tamir, Mitvim Institute, former diplomat and adviser to President Peres

An unbearable gap exists in Israel between professionals who understand the importance of prioritizing peace and diplomacy and placing them at the forefront of the public agenda and discourse, and public opinion which regards these issues as marginal. The politicians are held hostage to public opinion, rather than displaying leadership, and distance themselves from handling these issues. Despite being a regional power, Israel is behaving like a country waging a battle for survival. While the state's central challenges lie in the realm of diplomacy and soft power, politicians present them mostly through the military prism even though there is no military solution for the fundamental issues on Israel's doorstep. Israeli politicians use fear tactics to amass political power, rather than generating a vision and hope. They also fail by ignoring Israel's ties with the Diaspora. Political considerations are given prominence at the expense of ties with Diaspora Jewry. In doing so, Israel is sinning against its role as the state of the Jewish people. The State of Israel must not view Diaspora Jews only as cash cows, a political lobby and a potential pool of immigrants. This is not the way to communicate with those whom Israel regards as an integral part of its national project. Israel should invite and welcome the involvement and interest that Diaspora Jews take in Israel. The politicians in Israel are distancing themselves from democratic and liberal values, which are shared by most Jews in the Diaspora, preferring instead alliances with populist leaders that are motivated by narrow, short-term considerations. In doing so, they sin against the values enshrined by the founders of the state in the Declaration of Independence and Israel's destiny as the state of the Jewish people. Domestic discussion of the links with American Jewry is intertwined with the discourse on the place of the Arab minority. For American Jewry, the demand for equal rights for the Arab population in Israel is a fundamental issue, identical to the demand for equal rights for Jews and others in the US. There is something two-faced in Israeli criticism of Arab citizens for their identification with their Palestinian brothers, while Israelis themselves demand that American Jews identify with Israel. Nonetheless, there is room for optimism. Many developments exist that could advance the two-state solution, such as the Arab Peace Initiative. A change of leadership is required; a new leader could lead Israel and the Palestinians toward a new path, which would also salvage the liberal Zionist vision.

D. Keynote Speeches

MK Yair Lapid, Blue and White and Chair of Yesh Atid

There is no agreement in Israel today regarding our history and its interpretation, nor on the basic facts of reality here. That, in turn, precludes a true economic, social or diplomatic discourse about the future. People reject views that do not conform to their political beliefs. The model of objective information and media is crumbling. Therefore, political power today

does not entail controlling the truth, but also controlling the lie. This trend has spread to the foreign policy arena. The outgoing government has given up on its relationship with those who do not support its policy, such as the EU, the US Democratic Party and international institutions. Instead, it has bolstered its ties only with those perceived as being on its side. Crushing the Foreign Ministry is an expression of this process. Lack of agreement on the facts and absence of discourse on Israel's next moves eventually undermines national security. For example, no discussion has been held on the question of whether the Iranian problem can be separated from the Palestinian one. If Israel's goal is to prevent Iran from achieving nuclear capability and regional hegemony, and to affect a regime change there, than a broad regional coalition is needed to exert persistent economic, diplomatic and military pressure on Iran. To that end, would it be possible to mobilize the Saudi public, the US Congress, American Jewry, the EU, the Gulf States and international institutions under the current circumstances? Israel's caretaker Prime Minister Netanyahu answers in the affirmative. I disagree, and so do most security experts. Netanyahu is avoiding negotiations with the Palestinians and pretending the two things are not linked. However, a breakthrough on the Iranian issue depends on the Palestinian issue. Progress on a diplomatic arrangement with the Palestinians is necessary, but only as part of a regional process. Currently such a discussion is not taking place. Israel has not defined goals for itself and is not asking where it wants to be in five or ten years. Defining goals entails some unpleasant actions, such as admitting past mistakes, recognizing the existence of current problems, explaining to the public what will be demanded of them. Making promises is not enough. There is also a need to spell out what should actually be done, present the complexities and compile a list of priorities that not everyone will like.

Susanna Terstal, EU Special Representative for the Middle East Peace Process

It is possible to achieve peace between Israelis and Palestinians. The EU continues to be committed to Israel's security, to advancing an end to the conflict and to supporting a peace agreement. Progress in peace efforts will lead to greater security, while a strategy of managing the conflict is not enough to achieve that goal. Israel and Europe are important trade partners, and Europe is also investing a lot in building the infrastructure for a democratic, law-abiding Palestinian state, one striving for peace and stability and able to exist sustainably alongside Israel. If establishing such a state is not feasible, the two-state solution collapses. Most of the Israeli and Palestinian public support this solution. European support prevents the collapse of the PA and the humanitarian crisis in Gaza, reduces violence and keeps the two-state solution alive. Back in 2013, the EU presented Israel and the Palestinians with an offer to establish a Special Privileged Partnership that would enhance access to markets and encourage multi-faceted cooperation once peace is made. That is an incentive for moving toward a permanent arrangement, and it is still on the table. The EU is awaiting presentation of the US peace proposal, stressing that such a proposal must be anchored in Security Council resolutions and international law. The European Court of Justice has approved the EU's policy of labeling products made in the settlements. As far as the EU is concerned, Israel exists within the 1967 borders, and the settlements have a different status. Agreements between Israel and the EU do not apply to goods originating outside Israel's 1967 borders. The Court's decision is not a boycott and not BDS, although some in Israel treat it that way. The EU commitment to Israel's security will not stop when the two-state solution is achieved. We know that Israel will continue to have security threats, but it will be better placed regionally and internationally to deal with these. We believe normalization with the Arab world is important for Israel, and we can assist in promoting regional ties. On your road to peace, you can count on the EU's commitment and solidarity.