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Europe's Lopsided Foreign Policy

Israel, Lebanon and the Palestinians

Stuart Reigeluth

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by **Stuart Reigeluth**

The United Nations in the Arab World Program is dedicated to exploring and analyzing the role of the United Nations (UN) in the Arab World and the impact it has had on regional politics and societies. By organizing research studies, lectures, discussions, and workshops, the Program brings together scholars and decision-makers to discuss salient issues that fall under the spectrum of the UN's operations in the Arab World.

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I. Introduction

Europe is in the process of creating a common foreign policy. This is a difficult task since, as a supra-national entity, the European Union must take into consideration the different interests of its 27 member states. These interests usually coincide more than they diverge and thus European member states contribute resources and personnel to new EU mechanisms for both external and internal conflict management and rule of law efforts. Externally, these efforts have translated into EU civilian and military missions that aim to reform police and judicial systems, as well as to professionalize border management, such as in the Palestinian territories. However, beneath the umbrella of another supra-national body, the United Nations, European nation states also participate in peacekeeping missions, such as UN Interim Force in Lebanon (UNIFIL), where they do not officially represent the EU. European states send national military contingents to NATO missions as well, such as the International Security Assistance Force (ISAF) in Afghanistan. An EU civilian mission is present in Kabul for the reform of the Afghan police, and in Baghdad for the reform of the Iraqi judicial system. Europe's nascent foreign policy therefore provides a 'soft' buttress to the overarching foreign policy of the United States. This is also evident in the eastern Mediterranean where the European Union is part of the U.S.-led Middle East Quartet (along with the UN and Russia) that strives to advance the Israeli-Palestinian peace process. Behind these efforts to promote peace, Brussels has created its closest ties with Tel Aviv, while being engaged in conflict management and reform missions in Lebanon and the Palestinian territories. This has created a lopsided European foreign policy in Israel's favor.

II. Europe's Common Foreign and Security Policy (CFSP)

The socio-economic patchwork of the European Union (EU) fabric is becoming increasing multicultural and pluralistic. This pluralism is accompanied by similar internal political concerns about immigration and employment that are manifested most malignantly by xenophobia and racism. Simultaneously, domestic politics are most often determined by these national concerns – and election campaigns – than by foreign policy. In a rapidly evolving work, the center of the EU in Brussels is unsure of its external relations, and looks most often across the Atlantic to Washington for direction as it tries to forge a common foreign policy. This is due to historical ties that have been consolidated by economic trade and political alliances with the United States since the conception of the EU.

The EU emanated from the European Economic Community (EEC) that was created with the Treaty of Rome in 1957. The EEC was an innovative answer to addressing the violent competition among European neighbors for natural resources. Established in the aftermath of the carnage of the World Wars, the EEC effectively created an incentive for cooperation that appealed to mutual national interests with shared economic benefits for the two power-houses of the Continent – France and Germany. The EEC created institutions and then merged with the European Coal and Steel Community (ECSC) and the European Atomic Energy Community (EUROATOM) with the Treaty of Brussels in 1965. Thirty years later, in 1993, the pivotal Treaty of Maastricht created the famous three pillars of Europe. The largest pillar consisted of the three institutional bodies mentioned and addressed economic, social, and environmental issues. Pillar 2 addressed Europe's nascent foreign policy which focused almost exclusively on preparing eastern enlargement in the wake of the 1989 fall of the Berlin wall and the 1991 fragmentation of the former Soviet Union. Pillar 3 dealt with crime and enhanced police and judicial cooperation. The three pillars were abandoned with the Treaty of Lisbon in December 2009 when Europe became a single legal entity.¹

Many in Europe claim this has led to an over-institutionalized and extra-bureaucratic system based in Brussels and Strasbourg, but Eurocrats maintain that even though the process may be slow, the European integration and enlargement project is an example of socio-political "evolution, rather than revolution." The European integration project is about gradual steps to create cohesion. Europe remains founded on economic cooperation premised on creating a strong currency that could be self-dependent and compete internationally. In the post-World War world, Europe's future became tied to Washington's foreign policy.² The Marshal Plan or European Recovery Program (1947-51) created a strong dependence on the United States both economically and by extension politically, not to mention the military presence of U.S. armed forces on the Continent

1 For a history and evolution of the European Union from the conception of cooperation to present-day, see: http://europa.eu/abc/history/index_en.htm For the integral text plus protocols of the Treaty of Lisbon, visit: http://europa.eu/lisbon_treaty/full_text/index_en.htm

2 See David P. Calleo, *Europe's Future, The Grand Alternatives*, New York: W.W.Norton & Company, 1967; and David P. Calleo, *Rethinking Europe's Future*, Princeton: Princeton University Press, 2001.

throughout the Cold War until present day. The coalescence of the military-political-economic dimensions helped maintain the 1949 North-Atlantic Treaty Organization (NATO), which still largely defines the more intense European foreign policy efforts and military interventions as exemplified by the Balkans and Afghanistan in the 1990's and early 2000's.³ With the 2009 Lisbon Treaty, EU foreign policy and military missions would fall beneath the new Common Foreign and Security Policy (CFSP).

CFSP emanates from what was previously known as, and now includes, the European Security and Defense Policy (ESDP).⁴ The ESDP mechanism was initiated by former High Representative of the Council of the European Union, Javier Solana, to buttress and propel Europe's role in conflict management. Solana quickly moved to deploy rapid response teams and 'battle groups' in the form of relatively small civilian and military missions sent to turbulent places such as the Democratic Republic of Congo, the Palestinian territories, Kosovo, and Afghanistan.⁵ These missions were accompanied by the creation of a plethora of Special Representatives to wherever the EU felt compelled to intervene.⁶ Though Solana wished to be the first 'foreign minister' of Europe, the position was given to Baroness Catherine Ashton from the United Kingdom. One of the reasons that Ashton was chosen is because she could double-hat as Vice-President of the European Commission and thus help create greater coherence between the different EU institutions involved in promoting Europe's 'external policy.' It is generally known that the Commission proposes, the Council proposes, and the Parliament with the Lisbon Treaty now has greater power of decision.⁷

To assist the EU High Representative in her double role and to advance Europe's foreign policy, the European External Action Service (EEAS) is another new institutional apparatus emanating from the Lisbon Treaty. Coming into being in 2010, the EEAS operates directly under the authority of the High Representative. In her role as European 'foreign minister', Ashton relies on the knowledge and experience of the 27 foreign ministers of the member states, which in return each have national diplomatic delegates seconded to the EEAS team, which initially includes some 4,000 staff.⁸ While this may seem like a fancy mechanism to short-wiring the complicated bureaucratic system, the EEAS does not seem poised to bring much more to the table than more logistical arrangements for high-level meetings. One of the most worrying facets of early EEAS developments has been the initial emphasis on conflict management over conflict prevention and peace-building.⁹ This was illustrated most clearly in the eastern Mediterranean where Ashton carried out her first official trips as Europe's foreign minister, which is not surprising in itself since the sea is an important basin for Europe to project its Neighborhood Policy and the Union for the Mediterranean, but the implications for the broader Middle East are more worrisome. Demonstrating the divergent views on foreign policy, Ashton would be sharply criticized by European leaders for merely endorsing the "U.S.'s long-standing view of the EU's role in the region."¹⁰

In her first tour of the Middle East, Ashton stopped in Cairo in mid-March 2010 to announce that pursuing Arab-Israeli peace is a "vital European interest." Three days later, on March 18, Ashton declared in Ramallah that Israel's "annexation of East Jerusalem is not recognized by the international community" and urged the "Government of Israel to freeze all settlement activity." The following day, Ashton was in Moscow to participate in the statement made by the Middle East Quartet (US, UN, EU and Russia), once again "recalling that the annexation of East Jerusalem is not recognized by the international community" and emphasizing "the need to assist the Palestinian Authority in building its law enforcement capacity [...] to improve law and order,

3 For U.S.-led NATO intervention in the Balkans, see David Halberstam, *War in the Time of Peace*, New York: Scribner, 2001.

4 CFSP includes ESDP that «aims to strengthen the EU's external ability to act through the development of civilian and military capabilities in conflict prevention and crisis management», as well as Instrument for Stability, to counter the proliferation of small arms and to promote human rights. For more details: http://ec.europa.eu/external_relations/cfsp/index_en.htm.

5 The European Union Rule of Law mission in Kosovo (EULEX) is the largest civilian mission ever launched under the CSDP with currently 1,700 international police officers, judges, prosecutors and customs officers, plus around 1,100 local staff. For more on what the EU is doing in Kosovo, visit: www.euinkosovo.eu South-east Kosovo also hosts the largest U.S. military base in Europe at Camp Bondsteel, comprising approximately 1,000 acres of land near Urosevic, housing 4,000 of the 7,000 U.S. service staff in the NATO KFOR military mission. For more details on the U.S. presence in Kosovo, see: www.globalsecurity.org/military/facility/camp-bondsteel.htm.

On 'battle groups', see Gustav Lindstrom, *Enter the EU Battlegroups*, Chaillot Paper, No. 97, Paris: Institute for Security Studies, February 2007.

6 Giovanni Grevi, *Pioneering foreign policy, The EU Special Representatives*, Chaillot Paper, No. 106, Paris: Institute for Security Studies, October 2007.

7 On how the EU functions, see Dick Leonard, *Guide to the European Union*, 10th edition, London: Profile Books / The Economist, 2010. On how Germany and France proposed to renegotiate the Lisbon treaty to create a financial safety-net to avoid another Greek crisis, see: «The treat of treaties», *The Economist*, October 23, 2010.

8 Projected enlargement is estimated to reach 6,000-8,000 staff members from around Europe. For more details on the EEAS, see www.eeas.europa.eu.

9 See «Towards a Peacebuilding Strategy for the European External Action Service», European Peacebuilding Liaison Office (EPLO), Brussels, September 2010: www.eplo.org.

10 Andrew Rettman, «Former EU leaders challenge Ashton on Israel», *EUobserver*, December 10, 2010.

to fight violent extremism, and to end incitement.”¹¹ Europe’s support for the Palestinians has revolved most intensely around implementing security sector reform and providing humanitarian aid, both of which have further divided the Palestinian factions. Similar to support for the pro-Western Palestinian Authority despite its lack of democratic credibility, European capitals endorse pro-Western parties in Lebanon at donor meetings aimed mostly at reconstruction and recovery, while also participating nationally in multinational missions such as UNIFIL. The greatest receiver of European economic support, however, is Israel, that enjoys the most beneficial trade agreements with Brussels: all other relations with neighboring Arab nations pale in comparison.

III. Lebanon

After the 2006 Israel-Lebanon War, Europe became increasingly involved in South Lebanon. According to veteran European politicians, such as Joschka Fischer, the deployment of larger military battalions to the United Nations Interim Force in Lebanon (UNIFIL) marked a point of no return.¹² Spain rapidly joined France and Italy as the leading EU member states contributing the largest number of troops to the reinforced UN force, known after the summer of 2006 as the ‘robust’ UNIFIL-II. Due in part to a perpetual Continental competition between Germany and France, as well as the historical footprint of France in Lebanon, Germany chose to stay at sea and led the first tour for the new European Maritime Force (EUROMARFOR) off the coast of Lebanon.¹³ Indicative of the influence Israel exerts on EU member states, German Chancellor, Angela Merkel, announced that German sailors and boats were monitoring Lebanese and international waters for the ‘security of Israel’. The insinuation was that the smuggling of weapons destined for Israel’s enemy – the Lebanese Party of God (Hezbollah) – would be stopped by these vessels; when it is widely assumed that all smuggling occurs by land across the porous Lebanese-Syrian border.¹⁴ Germany will come back later as an instrumental player in enhancing border management. In this initial phase of increased European involvement, it is important to notice that these are EU member states acting nationally within a multinational framework, rather than the Brussels headquarters acting for all with a common foreign policy.

The emphasis on European national contributions reveals both the EU’s unpreparedness to implement a common foreign policy and continual competition amongst the member states to lead within the European system and on the international stage. This inter-member state competition is also indicative of a reluctance to release foreign policy decision-making to a supra-national body such as the EU, while being stuck in a patriotic nation-state mindset is illustrated most clearly by the politics behind the rotating lead-nation status of UNIFIL. Due to the long ties between Paris and Beirut throughout the twentieth century and the large French battalion in South Lebanon, France assumed the leadership of UNIFIL during the 2006 Israel-Lebanon War. A ‘gentleman’s agreement’ was reached between France, Italy and Spain regarding rotation: Italy would have the honors next because of its long presence in UNIFIL, and then Spain would follow suit because of its large troop contribution, particularly in the more complicated Sector East of the area of operations. Both high politics and different personalities delayed the transition from Italy to Spain by over a year. Major General Claudio Graziano (Italy) was Force Commander for three years and was replaced by Major General Asarta Cuevas (Spain) in January 2010.

Besides the politics inherent in all forms of foreign intervention from peacekeeping to invasions, no less important is the financial contributions of individual countries. Europe does not speak with a single voice regarding their donations to the multinational force and to the reconstruction of Lebanon after the Israeli bombardment in the summer of 2006. As UNIFIL enlarged to become the biggest peacekeeping force on the planet with nearly 12,000 active troops deployed as well as hundreds of local staff, UN members also made incremental contributions. The approved budget for UNIFIL operation between July 2010 and July 2011 overshadows other UN peacekeeping missions by hundreds of millions of US dollars for maintaining military personnel alone. This seems a high cost to pay for contributing countries considering that UNIFIL has lost the most personnel – nearly

11 For the full speech given by Baroness Ashton at the League of Arab States in Cairo on March 15, 2010, see: www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/113352.pdf
For the Press Releases on EU activities in the West Bank, see EUPOL-COPPS: www.eupolcopps.eu/view/press_releases
For the full Middle East Quartet statement on March 19, 2010, in Moscow, read: www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/113436.pdf

12 Joschka Fischer, «Europe Crosses the Rubicon», Project Syndicate, August 2006.

13 EUROMARFOR was established in 1995 by Spain, Italy, France and Portugal. This was the same year as the launching of the Barcelona Process for the North-South integration of the Mediterranean shores. For more on EUROMARFOR, see www.euromarfor.org.

14 See Pierre Heumann, «Israel’s Criticism of UNIFIL: No One Will be Able to Stop Hezbollah», Der Spiegel International Online, November 2, 2006, for an example of the arguments used regarding drugs and arms smuggling, and the challenges of naval patrols.

300 – since beginning activities after the first Israeli invasion of Lebanon in 1978¹⁵ As the peacekeeping industry has expanded with the proliferation of 'humanitarian' intervention in conflict areas, rich countries and European member states in particular are apt to pay and thus acquire certain status of prestige in international politics.

Regardless of actual respect acquired, another facet of political posturing by European member states, rather than the EU, is the donation of foreign aid. This was revealed by the repeated Paris conferences to help with the reconstruction of Lebanon. In January 2007, Paris hosted the third conference of this kind and participants pledged \$7.6 billion of the \$8 billion requested by the Fouad Siniora government. Some donors were hesitant about the recovery plan proposed by the Sunni Prime Minister Siniora, which involved privatization, cutting state spending and increasing taxes, but Saudi Arabia went ahead and contributed \$1.1 billion, the U.S. pledged \$770 million and the World Bank and Arab Monetary Fund \$700 million each. Many may see these figures as indicative of global capitalism in action, while others such as Hezbollah see the contributions as buying off the Lebanese leadership. In effect, in many parts of Beirut and South Lebanon in particular, the Lebanese government was either slow or unable to provide relief or rapid reconstruction despite these massive pledges of foreign aid. The previous Paris donor conference in 2002 had pledged some \$4.2 billion, but was equally ineffective in altering facts on the ground. Hezbollah filled the gap and gained larger political power.

Playing host on these numerous occasions to bolster aid for Lebanon, Paris committed to contributing some \$650 million to Beirut at "very advantageous" rates – most donations are in the form of long-term loans which creates a certain economic dependence over the years. The European Commission committed to contribute some \$500 million. An indication of this dependence is demonstrated by the overall trade balance between Lebanon and the European Union: of a total trade amount of approximately €4.4 billion, the EU imports €0.25 billion from Lebanon while exporting €4.2 billion (FYI 2009). Lebanon is the third largest market for EU exports in the Middle East after Syria and the United Arab Emirates. At these rates, it is therefore not surprising that "EU-Lebanon co-operation is an important part of the European Neighborhood Policy." Furthermore, the "progressive elimination of tariffs on EU imports into Lebanon will take place between 2008 and 2014", according to the EU-Lebanon Association Agreement.¹⁶ This should further imbalance trade between Lebanon and Europe as more and more restrictions are placed on goods entering the European Union.

Besides the macro-economic dominance over Lebanon, the European Union is also involved in more micro projects, such as the Criminal Investigation Project. The European Commission provided €3 million to assist the Lebanese Internal Security Forces (ISF) bolster the technical capacity and performance of their personnel in order to enhance the rule of law. This project was initiated shortly after the hostilities in May 2007 between the ISF and the extremist Sunni group, Fatah al-Islam, in the northern Palestinian camp of Nahr al-Bared. ISF had engaged the Islamist group without informing the Lebanese Army, which then fought long battles that eventually routed Fatah al-Islam in early September 2007. The ISF lacks proper training and discipline regarding unruly driving in SUVs paid for by Canada with sirens blaring and rather dubious human rights practices in detention and interrogation methods. The EU's espousal of the ISF will hopefully professionalize the Lebanese security system, such as the European Security and Rule of Law (SAROL) in September 2009. This second European Commission project aims to "train the trainers in order to sustain the skills acquired during the first project and to promote the fullest co-operation between the Ministry of Interior and the Ministry of Justice in criminal investigation."¹⁷ SAROL has a budget of €4 million, and will follow-up on the training courses financed by the United Arab Emirates (UAE) at the Aaramoun simulation platform just south of Beirut for ISF personnel in May 2009.

Another exemplary project of low-profile and more individual European member state involvement is the bilateral agreement reached between Germany and Lebanon regarding border management. The German pilot project is restricted to a 24 x 44 km section of Lebanon, north of Tripoli, and aims to secure Lebanon's official "green" border with Syria. Along the 100 km north and north-eastern border with Syria, the project assists in equipping and training around 800 Lebanese border police to operate four border crossings: namely, from west to east, 1) Ar-Rida, 2) Abu Diyeh, 3) Bukayyah, and 4) Qa'a, as well as to monitor the border from key observation points. Mobile units, comprising of two vehicles with four personnel each, also cover the northern hinterland of Lebanon. Funded by Great Britain and assisted by a British expert, a Common Operation Centre has been created to build a common border force, including all four Lebanese security branches. Denmark sent two police experts and pledged

15 For more details on UNIFIL, see <http://www.un.org/en/peacekeeping/missions/unifil/>

16 For more details on the EU-Lebanon Agreement: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/lebanon/> and other European Commission activities in Lebanon: http://ec.europa.eu/delegations/lebanon/index_en.htm

17 Criminal Investigation Project Newsletter, Issue 4, 2009, p. 4.

€700,000 to refurbish Camp Aramar near Tripoli, where training of the Lebanese border police began in October 2007.¹⁸ The United States acts as a “silent” partner in assisting with basic communication material, such as radios, as well as vehicles for the ISF within Beirut proper. In accordance with the “integrated border management” concept, the pilot project thus aims to restructure and institutionalize a cohesive Lebanese civil police border force – something Europe tries to do with the Palestinians as well.

IV. The Palestinians

Europe takes great pride in being the largest international donor to the Palestinians, contributing an annual €500 million to maintaining the infrastructure of the Palestinian ‘National’ Authority (PA). The physical infrastructure of the PA, including official buildings such as the President’s office and the Parliament in Gaza as well as police stations in the West Bank are repeatedly destroyed by Israel. European member states paid for the initial construction and Brussels is ready to cover the subsequent reconstruction when and where that is possible beneath the Israeli military occupation. Brussels also covers the paychecks of the civil servants working for the Ramallah-based PA, which further maintains the Palestinian National Liberation Movement (Fatah) and the Palestine Liberation Organization (PLO).¹⁹ Fatah and the PLO overlap in all political respects and both lost terribly to the Palestinian Islamic Resistance Movement (Hamas) in the January 2006 elections that a European monitoring mission declared as “free and fair”: Hamas won 76 of 132 legislative seats, while Fatah won only 43 but the PLO Old Guard refused to admit defeat. Power in politics may be contagious and Europe’s effective U-turn in support of Fatah proved fatal for its legitimacy as an impartial third party in the Arab-Israeli conflict and broader Middle East.

Within the framework of the international Quartet, the EU did try to play a significant role in promoting peaceful resolution of the conflict by the parties. Where other members of the Quartet failed to make an impact, Brussels pushed to monitor the first phases of the Agreement on Movement and Access (AMA) signed between the PA and Israel in November 2005; which led to the immediate deployment of the EU border assistance mission at the Rafah crossing point between Gaza and Egypt (EUBAM-Rafah). By December 2005, a team was in Ashkelon, carrying out daily visits to the Rafah crossing to monitor the passage of people to and from Gaza. The mission was hailed as an initial success for the rapidity with which Brussels was able to mobilize the resources with such short notice. During the first full month of activity, which coincided with the Palestinian electoral campaign, EUBAM-Rafah was effective in monitoring the crossing point. The PA ran with the “One Gun, One Vote” slogan, whereas Hamas chose the “Change and Reform” platform. In the meantime, EU member states had been preparing to launch a complimentary CFSP ‘police reform mission’. In early January 2006, EUPOL-COPPS officially began to train and equip the Palestinian police, but the mission was quickly downsized and put on hold when Hamas won the legislative elections at the end of January 2006.²⁰

The *Palestinian Spring* did not last long and the EU was complicit in belittling the Hamas-led Palestinian Authority in Gaza. Israel imposed three conditions on the new government: recognize Israel, renounce violence, and respect all previous agreements with the PA. Hamas may not have been entirely adverse to any of these requests, but Brussels felt compelled to implement a Temporary International Mechanism (TIM) to circumvent financially the Islamist group. Complex security checks on civil servants found to have no connection to Hamas were allocated TIM salaries, which helped ensure the survival of the floundering Fatah party. As TIM went into effect, EUPOL-COPPS was placed on stand-by, pending the political climate, and EUBAM-Rafah continued to operate until Hamas militants carried out a cross-border operation killing two and sequestering another Israeli soldier at the Kerem Shalom crossing. The Gilad Shalit kidnapping instigated the 2006 Israeli Operation Summer Rains that in turn triggered the Hezbollah incursion across the northern Israeli border setting off the large-scale Israeli bombardment and invasion of Lebanon. In both cases, EU member states may have been torn about the magnitude of Israel’s responses, but Brussels still paid lip-service to the perennial peace process as an integral part of the international Quartet.

Israel bombarded and invaded Gaza once again throughout the summer and fall of 2006. In early 2007, the Palestinians had nearly reached a coalition agreement under the patronage of Saudi Arabia with the Mecca Accord, but the U.S. was busy training forces to overthrow Hamas in Gaza. When the U.S.-trained Presidential Guards and National Security Forces (NSF) tried to

18 For more on European member states’ participation in UNIFIL and Lebanon, see Karim Makdisi et al. «UNIFIL II: Emerging and Evolving European Engagement in Lebanon and the Middle East», EuroMeSCo Paper N° 76, January 2009.

19 See the on-line series of articles: «If the Palestinian Authority collapses», Bitterlemons, Vol. 40, June 1, 2006; and Benjamin Barthe, «Les perfusions européennes maintiennent le régime palestinien en vie», Eurojar, August 2009.

20 For more details about EUBAM-Rafah, see: www.eubam-rafah.eu
For further information on EUPOL-COPPS, see: www.eupolcopps.eu

take over the Israel-Gaza crossing points, Hamas beat them back and retaliated by routing the rest of Fatah affiliates in Gaza.²¹ The self-proclaimed Western 'international community' condemned Hamas' "take-over" of Gaza and allowed Israel to further tighten the tourniquet around the 1.5 million Palestinians residing in the Strip. A few benevolent European states, such as Norway, did try to talk to Hamas – but Norway is not part of the European Union. EUBAM-Rafah officially suspended operations at the Rafah crossing and downsized to a minimum of personnel at the Dan Gardens beach resort in Ashkelon, Israel. By the winter of 2008, the situation in Gaza was untenable and Hamas broke down the steel wall erected by Israel in 1982 along the Philadephi Corridor bordering Egypt. Thousands of Palestinians flooded into the Sinai Peninsula, and when they returned to their 'iron cage', the black market of the tunnel business flourished in the "golden ghetto".²²

European foreign policy at this point was about trying to pressure Hamas into rendition. The EU civilian missions had no effect on the popular Islamic group, so Brussels tried blackmail: as an extension of TIM, in February 2008, the EU launched the French "Palestino-Europeen de Gestion et d'Aide Socio-Economique" (PEGASE) to enable continuous funding of \$5.6 billion for the three years of the Palestinian Reform and Development Plan (PRDP) presented by the new and technically illegitimate Prime Minister Salam Fayyad in December 2007. As redeemable as his Western credentials may be, Fayyad was not elected and did not even participate in the 2006 elections that Hamas won easily. The PRDP focused on governance, social and economic development, and infrastructure. Pro-Western-style Palestinian governance translates into security sector reform which received the largest portion of foreign aid: €258 million allocated via PEGASE. As EUBAM-Rafah waited to re-engage, EUPOL-COPPS activities were picking up again in the West Bank. In June 2008, at the Berlin Conference to enhance "Palestinian civil security and rule of law", around \$250 million were pledged by "the international community to support the development of the police force and judicial system in Palestine." The only problem was that "Palestine" was now only the West Bank for the Europeans, regardless of statements from Brussels about the future Palestinian capital being in Jerusalem. European foreign policy has helped further widen the political, economic, and social divisions between the Palestinians of Jerusalem, the West Bank and Gaza Strip. This has complicated the creation of a national coalition government and further delayed the two-state solution and Palestinian statehood.

This exacerbation of the Palestinian rift is further demonstrated by European funding to international and local Non-Governmental Organizations: no projects associated with the leading Islamist group in Gaza would be supported. Moreover, EU and member state money, when not flushed into the NGO industry, is directed to multinational institution, like the UN. In the Palestinian territories, UNRWA acts as a proto-state structure, providing everything from schooling to health care to jobs. Maintaining this system continues to undermine Palestinian sovereignty and effectively perpetuates the Israeli military occupation.²³ Due to Israeli restrictions on Palestinian movement and access, the EU-Palestinian trade balance is €59 million: the EU exports €52 million to the Palestinian territories, and imports €7 million worth of Palestinian goods (FYI 2009).²⁴ Israel maintains a monopoly on the Palestinian economy with additional taxes and actually makes business off of the occupation. The EU may spend hundreds of millions of its European tax-payer money on sending electoral missions to monitor voting and to help reconstruct Lebanon and the Palestinian territories, but these are just drops in the bucket compared to European trade benefits for Israel.

V. Israel

Israel is at the center of the EU's lopsided foreign policy in the eastern Mediterranean. The EU is Israel's largest trading partner and "Israel is a privileged partner of the EU". Total bilateral trade amounts to about €20.2 billion which is substantially larger and more balanced than with Lebanon and the Palestinians: the EU exports €11.4 billion to Israel, and imports €8.8 billion (FYI 2009). Trade includes machinery, transport and technological equipment from Israel. Unlike its Arab neighbors, Israel also enjoys trade in services: the EU exports €3.7 billion of services to Israel, and imports €3 billion of services from Israel (FYI 2008).

21 David Rose, «The Gaza Bombshell», *Vanity Fair*, April 2008.

22 Interviews by the author with Gazan residents in June 2008 and March 2009. See Rashid Khalidi, *The Iron Cage, The Story of the Palestinian Struggle for Statehood*, Boston: Beacon Press, 2006.

23 See Michael Keating, Anne Le More, and Robert Lower (eds.), *Aid, Diplomacy and Facts on the Ground, The Case of Palestine*, London: Royal Institute of International Affairs / Chatham House, 2005.

24 For more details on the EU relations with the West Bank Palestinians see: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/palestine/> and for more on «EU Assistance to the Palestinians»: <http://ec.europa.eu/delegations/westbank/>

Moreover, foreign direct investment (FDI) between Israel and the EU has reached far into the billions of euros. FDI in Israel doubled between 2002 and 2008 – while former Prime Minister Ariel Sharon was constructing the ‘security fence/separation wall’ and re-invading the West Bank.²⁵ By 2007, EU investment in Israel amounted to €3.7 billion while Israel invested €6.3 billion in the EU. This may help explain Europe’s posture towards the peace process. “Israel is a privileged neighbor for the EU” within the European Neighborhood Policy (ENP) and receives €6 million from Brussels for the National Indicative Programme (2011-2013) to support: 1) justice, freedom and security; 2) higher education; and 3) disseminating information on the regulatory approximation between Israel and the EU.²⁶

Israel adroitly entered the European orbit at the beginning of the Barcelona Process with an EU-Israel Association Agreement in 1995 “establishing a partnership which provides for close and mutually beneficial trade and investment relations together with economic, social, financial, civil scientific, technological and cultural cooperation.” Furthermore: European “cooperation with Israel is shaped by a combination and country-specific, regional and global strategic objectives”. Israeli and European objectives coincide in the Middle East and are in line with the “European Security Strategy of December 2003,”²⁷ namely to bolster security in the EU neighborhood. Within the framework of the 2004 ENP, the EU-Israel Action Plan went into effect in April 2005 and was extended again in June 2010 to “increase trade economic integration particularly with the EU, inter alia, by developing trade and investment flows, by liberalizing trade in services [...] promote cooperation in transport, energy and telecom networks.”²⁸ Israel’s status with Europe is of a different caliber than Lebanon and the Palestinians and its forays into supranational institutions are impressive and continue:

Having become a member of the World Trade Organization (WTO) in 1995, Israel would further capitalize on the reinforced security paradigm at the turn of the twenty-first century with the U.S.-led wars in the Middle East and Central Asia by lending its experience in combating Islamist terrorism. Providing training in counter-insurgency tactics to U.S. troops in Iraq and Afghanistan, as well to the Columbian army against the FARC for instance, was a source of tremendous revenue and a source of solidarity that solidified alliances by official state powers. As European capitals were hit repeatedly for endorsing Washington’s wars, in Madrid (2004) and London (2005) for example, the European Union increasingly looked to develop its security infrastructure, particularly with training and technology around its borders. Israel’s experience and know-how would prove exemplary and would receive compensation. According to the Israeli government, revenues from the export of counter-terrorism products now surpass €1 billion annually. Moreover, when the EU agreed to incorporate Israel in the “European Security Research Programme”, Israel quickly gained the largest portion of the latest FP7 framework budget of €53 billion for the next seven years and became the biggest non-EU beneficiary of funds: Israeli companies such as Israel Aerospace Industries (the state-owned manufacturer of drones), Motorola Israel (producer of ‘virtual-fences’ around Jewish settlements) and the security intelligence company, Verint Systems, enjoy 12 out of the 58 EU “security research” projects.²⁹

Apart from capitalizing on the security paradigm, Israel also crystallized its ties with Europe by becoming a member of the Organization for Economic Cooperation and Development (OECD) in May 2010, despite copyright violations and corruption charges. The OECD accession is indicative of European favoritism for Israel: European decision-makers chose to overlook the lack of statistical differentiation between Israel and the West Bank, East Jerusalem and the Golan Heights, and allowed Israel to join without separate financial data for these occupied Arab territories, thereby indirectly legitimizing Israel’s illegal annexation of both the Golan Heights and East Jerusalem, not to mention swaths of the West Bank also known as Judea and Samaria for more orthodox Jews. Israel also claimed the Dome of the Rock and the Holy Sepulcher as Israeli tourist sites according to the Tourism Ministry in preparation for the October 2010 OECD tourism meeting hosted in Jerusalem. Many EU countries attended, including more critical member states such as Spain and Belgium – and even Turkey would be present, perhaps to mend the Mavi Marmara flotilla fiasco in eastern Mediterranean waters, perhaps also to help re-launch Turkey’s accession process to the European Union.³⁰ Despite public diplomatic declarations, EU member states continue to overlook the Israeli annexation of Arab territories captured during the blitz June 1967 War.

25 For an analysis of the effects of 9/11 on European policies in other parts of the Arab-Muslim world, see Richard Youngs, *Europe in the Middle East, In the Shadow of September 11*, Boulder: Lynne Rienner, 2006.

26 For more details on the EU-Israel Association Agreement, see: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/israel/>

27 See «A Secure Europe in a Better World – the European Security Strategy», Brussels: European Union, December 12, 2003: <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

28 See European Neighborhood and Partnership Instrument (ENPI) Strategy Paper for Israel 2007-2013: http://ec.europa.eu/world/enp/pdf/country/enpi_csp_nip_israel_en.pdf

29 Ben Hayes, «Should the EU subsidise Israeli security?», *European Voice*, March 18, 2010, p. 9: «Verint is now effectively being subsidised by the EU to develop surveillance and communication systems that may ultimately be sold back to the member states.»

30 Sam Bahour and Charles Shammās, «Can the OECD stand up to Israel?», *The Guardian*, October 12, 2010.

"Israel is a member of the EU without being part of the institutions," Solana famously stated³¹ The OECD membership is a chronic European symptom of disregarding the continual illegal Israeli occupation of Arab territories while repeatedly destroying efforts to build-up Lebanese and Palestinian infrastructure for the growth of their respective economies. The economic facet is just as important as the military facet: Israel chooses war rather than peace as a venue for economic progress precisely because it has become a business; as the U.S and Europe encouraged Israel to keep bombing in the summer of 2006 in response to the deadly cross-border incursions by Hamas and Hezbollah, the political implications of Western support became obvious and as the infrastructure destruction of Gaza and Lebanon became apparent, the business of war continued unabated. Then U.S. Secretary of State, Condoleezza Rice, calmly asked for a few more days of bombardments to oust Hezbollah, while Hamas was also being hammered in Gaza. Neither succumbed, but as bombs are dropped, new bombs must be sold and bought, stocks have to be replenished, so Israel and the U.S. signed further arms deals, the most recent being the U.S. sale of 20 Lockheed Martin Corps F-35s to Israel for \$2.75 billion delivered between 2015 and 2017.³² This does not include the hundreds of millions of U.S. military aid to Israel in the meantime.

VI. Conclusion

In the early phases of creating a common European foreign policy, Brussels has looked to the United States for direction after the 1989-91 fall of Communism. And previously, in the post-World War era, throughout the Cold War, Western Europe was largely directed by the U.S. competition with the Soviet Union. It is therefore not surprising that European 'external' actions in conflict prevention and crisis management provide a 'soft' power component to the violent U.S. adventures in the Middle East. This 'soft' power may offer a slower capacity-building balance to Washington's jingoism in Iraq and Afghanistan, and potentially have long-term benefits for development in the eastern Mediterranean. However, as illustrated by the lagging economic trade with Lebanon and the Palestinians, EU external relations remain incredibly lopsided in Israel's favor. What is equally worrisome is that the EU external mechanisms now focus solely on crisis management, as demonstrated with European member states participation in UN multinational military mission in Lebanon and the two European civilian missions in the Palestinian territories. These missions offer respite to the opposing sides to regroup for the next round of hostilities, and actually assist in pitting the different Palestinian factions against each other, thus further delaying conflict resolution. Moreover, as part of the Middle East Quartet, European engagement in the eastern Mediterranean gives additional diplomatic lip-service to the perennial peace process and the economic support for Israel just postpones any viable breakthrough. This may all seem contradictory to solidifying a viable European neighborhood policy around the Mediterranean, but Brussels is simply not prepared to move away from its transatlantic alliance with Washington and chart its own course.

31 Hayes, op.cit.

32 Shlomo Shamir, «Israel, U.S. finalize F-35 stealth fighter purchase,» Haaretz, July 10, 2010.

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