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A Broker, Not a Banker: How the EU Can Help the Middle East Peace Process

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The peace process in the Middle East is about to collapse. When at the beginning of 2009 it seemed that the major force – the United States – was coming back into play, expectations rose. However, 11 months into Barack Obama's presidency there is little, if any, hope left that the strategy of the new American administration can wield any positive results. This diplomatic standstill is detrimental to the international community's interests because it serves extremists and, if sustained, could soon lead to an escalation of tensions. The US, weakened by the economic crisis and intensely engaged in Afghanistan, would benefit from renewed involvement by the European Union. The way forward in the Middle East peace process is to bring additional mediators onto the field to act in concert with the US. There are no guarantees of success, but so far the EU's potential to impact the Middle Eastern situation has never been seriously tested.

At the outset of the Obama administration's engagement, the US wanted to base the resumption of peace talks upon the Arab Peace Initiative (API). The prevailing idea was that the Arab states would first make a goodwill gesture towards Israel, which would in turn agree to a total settlement freeze in the occupied territories. However, the plan only brought a sequence of failures. During Obama's visit to Saudi Arabia and Egypt, the two most prominent advocates of the API, he failed to convince these countries to follow the plan and become the first to make concessions in the Arab-Israeli dispute. Likewise, it was an error in judgment to expect the Netanyahu government – the most right-leaning in Israel's history – to freeze all settlement activity.

After five months of intense shuttle diplomacy by Special Envoy for Middle East Peace, Senator George Mitchell, it became clear that the US would not be able to pressure Israel to freeze all settlement expansion. In November, the Israeli government made a decision to partially and temporarily freeze settlements in the West Bank. Politically it was a cunning ploy that could not facilitate a restart of negotiations, but at the same time it allowed Israel to accuse the Palestinian side of obstructing the peace process.

The current dire condition of the peace process cannot be blamed solely on obstacles put up by the conflicted parties. For a smart mediator, one that can avoid the mistakes that the US has made, there is much ground yet to be gained given the current state of affairs in Israel and Palestine.

While Netanyahu's government is openly peace-averse and Israeli society remains radicalized, an outside broker can capitalize on the dependence of Israel's foreign policy on the support of the US and the EU. For Netanyahu, Israel's first threat comes not from its neighbours but, luckily for the peace process, from Iran. Israeli political and military strategists are fixated on Iran, while diplomatic efforts are directed towards imposing strict international sanctions on the regime. To offset its second threat – possible missile and rocket attacks from Gaza and Lebanon – Israel needs to put into place an even more advanced and costly system of border control, a more effective and vigilant interception of shipments and a reliable system of missile defence. Finally, the image of Israel as the notorious international law-violating country – outside of the exclusive club of world powers that have achieved impunity in this regard – should be mitigated if Israel's security needs are to be taken seriously. In all three respects, therefore – Iran, security systems and image – Israel becomes ever more dependent on the US. It is up to Washington to decide if it is time to impose new sanctions on Iran, to convince Russia and China to come onboard, to support Israel against Hamas and Hezbollah, to assist in the

development of a missile defence system and to work in concert with Israeli diplomacy to improve the country's image. In each of these instances, however, Israel also needs the EU.

On the Palestinian side, the paramount obstacle to negotiations is the division between Fatah and Hamas. However, national reconciliation is not unimaginable as the two were close to sealing a deal a few times in the past. What damaged the latest reconciliation effort was most notably the so-called "Goldstone Report" affair. While the report concluded that both Israel and Hamas violated international law during the Israeli Cast Lead operation in the Gaza Strip, a significantly larger portion of the report was devoted to IDF misconduct than to that of Hamas. The US, convinced by Israel that the report was unjust and would further rally the international public against Israel, pressured Abbas to withdraw support for the report at the UN as a gesture towards Israel. Abbas's deference not only did not bring any benefits for the PA, but it caused such an uproar that Abbas's reputation was significantly tarnished and Hamas's standing bolstered. The PA's frustration with its own mistakes and those of the US lead to Abbas's decision not to seek reelection in 2010.

The US has so far failed to achieve any progress towards negotiations – in fact the gap between the negotiating parties' relative strengths has widened further, with Israel strengthened and the PA weakened. Circumstances being what they are, a diplomatic void needs to be filled by another mediator, one with similar goals but a different image, experience and additional leverage: the European Union. Undoubtedly, the stakes in the Middle East peace process are much higher for the EU than for the US. The region is in the EU's vicinity, making it crucial for EU security. The major terrorist attacks of the 21st century have originated from the broader Middle East. The region is also a transfer point for immigration flows to the EU. Economically, at least 35 percent of the EU's oil imports come from the region. Also, more than a billion Euros each year are allocated as aid for the Palestinians. Therefore, continued conflict in the Middle East presents a significant threat to the EU's security and stability.

The current diplomatic vacuum poses a rare opportunity for the EU to play a more substantial role in the peace process, an opportunity missed many times in the past. Such a chance was last disregarded at the very beginning of 2009, at the outbreak of the Israeli Cast Lead operation in the Gaza Strip. The EU appeared to send numerous delegations to the region, each with a different agenda, while the EU Czech presidency – confronted with the lone wolf activism of the French president – was anxiously waiting for the US to take the lead.

Resuscitate the Quartet and modify the Roadmap

The Quartet, comprised of the US, the EU, Russia and the UN, has been mysteriously invisible since the onset of its existence. The US does not coordinate its peace process plans with any member of the Quartet. The Middle East is absent in US-European talks at both Union and national levels. At the same time, however, Washington expects the EU to offer significant financial and political support for its agenda, as demonstrated by the American diplomatic effort vis-à-vis several EU members to reject the Goldstone Report at the UN level.

The Quartet, then, remains the single body which implicitly requires cooperation between the US and the EU on Middle Eastern matters. It is supposed to meet regularly at senior levels but it rarely does so. The Quartet seems to be working *ad hoc*, and its Special Representative's Office financing and staffing is shrouded in mystery – although it is known that the EU provides it with some financial and human resources. The Web site for Tony Blair's office is focused on self-promotion rather than the Quartet's affairs. When Blair was appointed, the Quartet members failed to provide him with significant prerogatives because they were split over the appointment, with Russia and the EU voicing reservations about Blair. Tony Blair himself now seems rather willing to take up other activities. It is therefore high time to rethink the Quartet's mission and to choose a representative on which all members of the Quartet can easily agree. The post should then be equipped with additional – even if informal – powers, such as the right to accompany George Mitchell during his travels. The EU should also consider eliminating the post of the Quartet representative if it reaches the conclusion that the EU Special Representative for the Middle East Peace Process can handle these matters equally well. Russia would most likely back the idea to scratch the Quartet's Special Representative post. With Russia as a partner, the EU would be better positioned to promote more frequent meetings of the

Quartet and thereby increase its diplomatic influence. Russia would be additionally satisfied if the EU agreed to advocate for the next major international conference on the Middle East to be held in Moscow rather than in one of the European capitals.

Secondly, it is in the EU's best interest to re-visit the official peace plan of the Quartet, the Roadmap, and invalidate its Bush-era name. The plan has proven impossible to implement because of its unrealistic three-stage, performance-based construction, its lack of an enforcement mechanism and its deficiency in final-status parameters. In particular, the failure of the US to bring about even the pre-phase I conditions – first, after a year of Israeli-Palestinian talks initiated at the Annapolis Conference, followed by 11 months of Obama administration efforts – demonstrates the inapplicability of the Roadmap. By amending the Roadmap, the Quartet would be forced to rethink its policies vis-à-vis organizations with massive popular support in the region, such as Hamas and Hezbollah. The Quartet's principles as expressed in UN SC Resolution 1850 must not obfuscate realist policies of the EU, such as recognition of democratically elected governments. These principles are interpreted differently throughout the Quartet (Hezbollah is recognized as a terrorist organization by the US, but not by the EU; France and the UK have established contacts with the non-military wing of the party) and are becoming outdated (German officials mediate between Hamas and Israel). With Palestinian elections approaching, this issue is gaining particular significance for the EU, which has backed the Palestinian reconciliation talks, implying it would recognize a future government with Hamas ministers.

It is equally important that the EU advocate for changes in the Roadmap along the lines of the Arab Peace Initiative framework. The EU is advantageously positioned to cooperate with Saudi Arabia, Egypt and Jordan, and to convince Syria to join the API fore by leveraging the Association Agreement together with the recent thaw in relations between the Syrian regime and Saudi Arabia. Since Syria wants to make peace with the US above all, the EU needs to convince both Syria and the US that, by virtue of its own uninterrupted diplomatic ties with Damascus and intense European involvement in Lebanon, the EU might become a facilitator of change in Syria-US relations. This engagement is all the more urgent that both Syria and Israel have recently signaled the possibility of restarting bilateral negotiations.

Use leverage on the parties and actors

The EU possesses substantial leverage over all parties to the Arab-Israeli conflict. It is the main trading partner of Israel, the Palestinian Authority, Syria, Lebanon, Egypt and Saudi Arabia. It is also the most generous donor to the Palestinians. Through Association Agreements, it grants South Mediterranean countries privileged access to the EU market. Within the European Neighbourhood Policy framework the EU gives ENP countries significant financial assistance as agreed upon in an Action Plan. On a bilateral basis, each EU country wields additional power to pressure the parties to the Arab-Israeli conflict, usually relative to the country's historical involvement with the region. The EU can therefore suspend or postpone Action Plans and Association Agreements, offer or withdraw additional financial support or influence political decisions in the UN (particularly those concerning the Iranian threat). The EU's clout with the Palestinians and the Israelis is in fact similar to that of the US. If peace in the Middle East is indeed the EU's strategic regional priority, the Commission and the member states must make their relations with parties to the conflict conditional upon individual progress in the peace process.

The recent Swedish proposal, in which the EU called for a future Palestinian state with East Jerusalem as its capital, is a good example of how the EU can mitigate regional circumstances adverse to the peace process while complementing American strategies in the Middle East. The current state of relations between Israel and the Palestinians is a disproportionate one; the Palestinians feel disillusioned and abandoned; Fatah, even though it retains a good level of popularity among the people, is going through a leadership crisis. By explicitly mentioning East Jerusalem, the EU tried to boost Fatah's credentials among the Palestinians and acted in opposition to the Israeli policy of gradually incorporating the eastern part of Jerusalem into an unequivocally Israeli sphere of dominance.

In the final text of the Conclusions, which represents the carefully-worded and long-negotiated common position of the EU, the 27 countries recognize Jerusalem as the capital of both Israel and the future state of Palestine. Even though eventually the text has been altered in line with Israeli diplomatic efforts and can in fact change very little, the level of objection that it raised with the Israelis is worth noting. It also demonstrates the powers that the EU wields with regard to the parties to the conflict. The financial leverage it uses to motivate the Palestinians (Fatah) is obvious. But it also has some incentives for Israel: the threat of trade restrictions (a possible formal ban on goods originating from the occupied territories), a decision on the upgrade of relations, the EU stance on the Iranian nuclear issue or all sorts of possible assistance measures in the event of an agreement with the Palestinians.

GAERC Conclusions will not restart the negotiations. But with such political measures in hand, the EU can soon move on and try to convince the Palestinians to finally engage in talks with Israel, paving the way for the next stage of American mediation efforts. With the negotiations restarted, the EU should again offer concrete actions on security arrangements (with existing EUBAM and EUCOPPS missions expanded or new ones initiated), economic solutions (international fund for the refugees) and institution-building in the future Palestinian state. The EU could become the largest financial guarantor of a peace agreement between Israel and Palestine.

Currently, the meetings of the Union for the Mediterranean serve as a rare forum where the parties to the conflict can interact with one another. These, if expanded, could become an important confidence-building measure. Similarly, another such measure would entail convening simultaneous or consecutive EU-Israel and EU-PA summits. The most suitable timing for such summitry would come after the talks have restarted and the parties have made their first concessions.

Avoid disunity

The US and the parties to the conflict must know that the EU will mobilize and reach an agreement when the stakes are particularly high. It remains to be seen whether the High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, will be able to unite 27 nations. On the Middle East issue, however, she should continue the line of policy crafted by her predecessor, Javier Solana, who frequently managed to convince many European countries that the EU Middle East policy was their own. If Ashton makes the Middle East peace process a priority she can achieve visible results – such as improving the functionality of the Quartet – in a relatively short time, with the added bonus of being able to advertise them as EU foreign policy successes and thereby improving her low-key image.

Considering Europe's image in the Muslim world and Israel as being historically responsible for much of Middle Eastern miseries (identifying 19th- and 20th-century European anti-Semitism and imperialism as the source of both the current conflict as well as Islamic and Jewish extremism), it is also of considerable significance that by intense political and financial involvement in the Middle East peace process the EU may figuratively 'repay its debts'. Additionally, through the EU's insistence on revising the Roadmap, a plan predominantly associated with the Bush administration, the Union might further bolster its reputation as a just entity with Middle Eastern societies. These actions could have a direct bearing on the views and behavior of Muslim minorities in Europe.

A lot of diplomatic work needs to be done if the EU is to play a more substantial role in the region, but it is well worth the effort. The stalled peace process plays into the hands of radicals and could lead to an escalation of tensions in the West Bank, Gaza, Israel and Lebanon, further antagonizing European Muslims and deepening divisions within the EU.