

INSS Insight No. 711, June 21, 2015 EU Foreign Policy: A Reflection of the Systemic Crisis Shimon Stein

The two visits to Israel and the Palestinian Authority by Federica Mogherini since she was appointed High Representative for Foreign Affairs and Security Policy of the European Union in November 2014 were designed to reflect her view of the importance and urgency of the Israeli-Palestinian issue and her intention to be involved in efforts to renew the dialogue between the two parties. These actions may appear to indicate business as usual within the EU, but these are not usual times. The European Union is currently facing a systemic crisis that threatens its very future. At the same time, the EU is contending with crises with its neighbors to the south and to the east. These challenges raise doubts regarding Mogherini's ability to project the authority necessary to contend with the Israeli-Palestinian conflict, as well as other issues relevant to the stability and security of Europe. Indeed, one may ask, what union does she actually represent?

The drama of the refugees and asylum seekers underway for months off the southern shores of the European Union has not deflected attention from the drama currently unfolding around the relationship between Greece and the euro bloc. Ever since the rise to power of the Syriza party (an anti-establishment coalition composed of a mixture of groups from the moderate to the Marxist-Leninist left wing), the confrontation between Greece and EU institutions has assumed an ideological dimension that has made it more difficult a to reach pragmatic solution to the crisis. Both sides are entrenched in in their positions: Greece rejects the approach dictated by Germany, which in return for provision of financial aid requires Greece to implement a series of socioeconomic reforms. The Greek government, which was voted into power based on promises to improve the position of the middle class and the weaker segments of society, which has declined in recent years, rejects demands that it continue pension reductions and reforms in the labor market and raise the value added tax. The general feeling among European government officials is that the Greek prime minister and finance minister have acted in arrogant and amateur fashion, and this has contributed to the deepening crisis.

Crises have, on occasion, been known to create leaders. However, the leadership landscape in the European Union remains fairly barren. Prominent against this

background has been Chancellor Angela Merkel, whose authority stems from the fact that Germany is a politically stable and economically thriving power. Nonetheless, Germany's effort to "Germanize" the European Union has sparked considerable resistance on the part of some EU member states. For her part, Merkel has attempted to dull these feelings through cooperation with France, though France's political and economic weakness has only highlighted Germany's relative power. Chancellor Merkel, who has spearheaded the efforts to address the crisis alongside French President François Hollande, has made it clear that if the euro bloc fails, Europe fails. These and other similarly minded remarks leave no doubts regarding her desire to prevent Greece from leaving the euro bloc, despite the increasing criticism of Merkel by members of her party (and other political elements within euro bloc countries), who are reluctant to provide yet more assistance to a country that they perceive as a bottomless pit.

As of this writing, it is unclear whether the parties will succeed in reaching a compromise that will prevent Greece from bankruptcy and simultaneously enable it to remain in the euro bloc. Uncertainties also exist regarding the implications of a Greek desertion from the bloc for both the future of the euro bloc and the European Union, as well as the economic and financial implications on the European and global level (prevalent views hold that the shock caused by a Greek desertion from the euro bloc would not be as intense as that caused by the bankruptcy of Lehman Brothers). In any event, before the EU is able to finish processing the results of the Greek crisis, it will be faced with a "British crisis," stemming from the referendum scheduled for 2017 in Britain regarding its continued membership in the European Union. Until then British Prime Minister David Cameron is determined to conduct negotiations that will encounter the opposition of a large number of EU members, who are unwilling to allow Britain any additional leeway, as in the case, for example, of the free movement of EU citizens, which would eat away at the principles of the Union.

The economic-financial crisis has not only exposed the birth defects of the euro bloc (which was supposed to lead to fiscal economic union and, ultimately, political union); it has also exposed the economic asymmetry between its economically well-established northern members and its southern members, whose economic weakness (lack of growth, heavy deficits, high unemployment rates, and lack of competition) has intensified. Even if countries such as Spain and Portugal attempt to extricate themselves from the crisis, and Italy and France continue to stay afloat economically, this asymmetry has the long term potential to threaten the future of the Union in its current form. Proposals to consider an expansion of solidarity through partnership in the debts, made against the background of the Greek crisis, have been rejected outright by Germany. Instead of the crisis serving as a catalyst for intensified integration, it has opened a Pandora's box that has generated renationalization and rising doubt regarding EU institutions in general and the European Commission in particular, and the drive to reduce Brussel's influence on

policy as much as possible. Dutch Prime Minister Mark Rutte has articulated this by advocating the position of "European where necessary, national where possible," and David Cameron has worked to remove from the agenda the goal of an "ever closer Union," which is a principle rooted in the treaties on European Union. Also relevant has been the rise of populist parties bearing messages of xenophobia, racism, and anti-Semitism, as well as the crumbling of political systems, in particular in Spain, Italy, and Greece. The most recent elections for the European parliament were characterized by high rates of non-participation, reflecting citizens' lack of confidence in the political systems' ability to find a solution to the problems they currently face.

These phenomena raise the question of whether European integration will rise and fall on the issue of economic prosperity – that is to say, whether the absence of prosperity and welfare will result in a national reflex, not to mention a nationalist one. After all, in addition to being a socioeconomic model, the EU has prided itself in being an ethical community. However, a challenge to this model has been advanced, for example, by Hungarian Prime Minister Viktor Orban, who has challenged the liberal model of the EU and regards Vladimir Putin as a paragon of leadership. The EU's manner of dealing with refugees and asylum seekers, which has a moral and ethical dimension as well, likewise does not reflect favorably on the Union.

The helplessness of the European Union has been visibly reflected in its foreign policy with regard to crises in neighboring countries to the east and the south. EU institutions are currently supposed to be concluding an updated situation assessment regarding the neighborhood policy, to serve as a basis for updated strategy in the region in light of the upheaval that has plagued the region in recent years. However, the EU presumably lacks the necessary resources to help stabilize the region and will continue to lack them for the foreseeable future. The EU is also hard pressed to formulate a response to the wave of refugees and political asylum seekers from the Mediterranean region and Africa. In an effort to curb this migration (which at times has ended in refugees drowning in the Mediterranean Sea), Mogherini launched a multi-level initiative, although it is doubtful it will succeed in deterring the migrants. Ostensibly the EU is supposed to address the issues that have caused many to abandon their homelands, but this is a hopeless effort. Moreover, most EU countries are also not willing to help Italy, France, Sweden, Germany, and Hungary, which have been forced to bear the brunt of the burden involved with absorbing the refugees.

The EU's helplessness has also been visible in its dealings with the countries to the east, whose chances of joining its ranks are slim. Due to the regional and global implications, a significant challenge to the Union is posed by Putin, following Russia's the annexation of Crimea and its involvement in undermining the stability in Eastern Ukraine and the post-Cold War European order in general. In the absence of a military option, EU members

are hoping that the sanctions imposed will prompt Russia to change its policy, but such hopes currently appear groundless. At the same time, voices are rising in Italy, Greece, Hungary, and Slovakia against the sanctions. In this instance as well, Merkel's leadership in contending with the crisis (for which she has also recruited the president of France), once again reflects that when national implications are at stake – and in this case it is a matter of German-Russian relations – the states themselves assume the burden of handling the situation, whereas the Union, at the most, remains only in the background. In this sense, the dynamic sidelines Mogherini; this was also the fate of Mogherini's predecessor, Catherine Ashton.

Against the background of the EU's internal and external crises, and with only limited internal European consensus regarding issues of foreign policy, at least on the strategic level, prominent in this context is the consensus regarding the Israeli-Palestinian conflict. This latter consensus, which is broader than what some elements within the Israeli political system would like to believe, is based on the all-encompassing European support of international law as a guiding principle in international relations. This principle constitutes the lowest common denominator unifying all member states, and is the basis for the sweeping opposition against the Israeli occupation and Israel's settlements policy in the West Bank, which are regarded as issues on which EU members can demonstrate broad agreement. Every concession on these fundamental issues will eat away at what still remains of the European consensus. For this reason, the Israeli government's current policy will continue to constitute an insurmountable point of contention with the European Union. Israeli claims regarding a decline in the centrality of the conflict in light of the Middle East's current vicissitudes and the need to contend with the Israeli-Palestinian conflict within the regional context have fallen on deaf ears.

Evidence that the EU has no intention of letting this issue lie can be found in the initiative, which is currently gaining momentum, to move beyond declarations and begin taking action that will reflect its position on the illegality of Israeli policy in the territories. In the absence of an EU strategy regarding how to extricate the Israeli-Palestinian negotiations from the its current deadlock, France has taken the initiative and announced its intention to work for the passage of a UN Security Council draft decision calling for the immediate resumption of negotiations, setting a timetable for reaching a final status agreement, and stipulating that if this does not occur, it will recognize a Palestinian state. It is difficult to estimate the initiative's prospects of success and the chances of its becoming EU policy, even if many of the member states demand it. Nonetheless, it is clear that the lack of consensus will continue to tie the hands of Mogherini, who will likely continue her efforts to involve the Union in an effort to actualize a two-state solution.