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Tomasz Bielecki  
EU struggling  
with Netanyahu

*Divisions between EU countries continue to hamper a joint response to the Israel-Palestine conflict. Yet Netanyahu's recent decision to abandon the annexation of part of the West Bank saved Brussels from a difficult test, which it was set to fail.*

For decades, Israel's relations with Europe have been more complicated than those with the United States, its main, strongest and most steadfast ally. The US is a key global player, whereas the EU even struggles to unequivocally formulate a joint position on the Palestinian question. Like Washington, all the EU's members are – at least officially – sticking to the “two-state solution” (with an independent Israel and Palestine), but their reactions to the expansion of Israeli settlements on the occupied West Bank or to the violation of human rights vary considerably. France takes a fairly firm line, Germany continues to restrict itself in its policy towards Israel for historical reasons, and Prime Minister Benjamin Netanyahu is quite adept at making allies, especially in Central and Eastern Europe.

According to his critics, the Israeli prime minister shows a strong tendency towards „illiberal democracy”, which has supposedly helped him tighten relations with the Visegrád Group, among others. Viktor Orbán’s government has probably opposed the EU’s “anti-Israel” statements the most often in recent years. Netanyahu’s supporters in the EU also include – despite disputes with the Law and Justice (PiS) government over Poles’ behaviour during the Holocaust – Warsaw, Sofia, Bucharest and the Baltic States, but also Austria, Cyprus and Greece. In Israel, Prime Minister Netanyahu is sometimes accused of lifting the pressure off difficult settlements relating to the history of the Holocaust; for instance, in the Baltic States or when he ended the dispute with the Polish government over history in 2018 to build his tactical alliances within the EU. Meanwhile, good relations with Israel serve as a tool for Orbán’s propaganda. They are used to counter some domestic and foreign critics’ allegations that the campaigns against George Soros have anti-Semitic undertones.

When an announcement that Israel would annex part of the West Bank appeared in the current Netanyahu government’s coalition agreement in spring 2020, it prompted speculation in Brussels regarding possible EU sanctions on people, institutions and companies directly involved in disrupting the peace process (modelled on the restrictions for the annexation of Crimea). According to leaks, this option was not ruled out by Josep Borrell, the EU’s high representative for foreign affairs and security policy (who perhaps treated the discussions themselves as a deterrent). However, the silence or very distant declarations concerning Israel’s plans in some member states indicated that the EU would struggle to react categorically to an annexation (let alone introduce sanctions). Fortunately, the Netanyahu government abandoned its annexation plans in August when, thanks to the US’s efforts, it achieved a diplomatic victory, normalising Israel’s relations with the United Arab Emirates and then Bahrain.

For years, Israel and the US have been putting pressure on the EU (the member states and the institutions) to deem Hezbollah a terrorist organ-

isation. France, with its sense of special responsibility for Lebanon, where Hezbollah remains one of the key political forces, is against this. In 2013, the Council of the EU unanimously made Hezbollah's armed wing subject to the EU's sanction regime. The attack in Burgas, which the Bulgarians accused Hezbollah of organising, and the war in Syria contributed to this. Yet, as a "political movement", Hezbollah is only banned by individual countries, rather than by the EU as a whole. In 2019, the Bundestag called for this kind of ban, citing – in addition to security concerns – Germany's special relations with Israel, which had requested it. As a result, the German foreign ministry took steps that, in practice, mean a ban on Hezbollah, which has around a thousand members in Germany.

### **Imports from Israel, Palestine or the settlements?**

The legal basis for tightening relations between the EU and Israel, especially economic ones, is the association agreement that entered into force in 2000. Yet since 2005, the EU has clearly chosen to differentiate, in terms of customs, between goods produced within Israel's 1967 borders and those from the occupied territories (the West Bank, the Gaza Strip, East Jerusalem and the Golan Heights). In 2013, it extended this policy of "differentiation" to other areas of cooperation. This led to a dispute over the Israelis' access to the Horizon 2020 programme. It was settled thanks to Berlin's efforts; for example, universities with branches in the occupied territories were allowed to continue participating in the programme on the condition that EU funds will not be spent on the other side of the Green Line, the 1967 border.

The 2015 decision – officially just a "European Commission interpretative notice" – on the labelling of goods imported from Israel, another example of "differentiation", caused a diplomatic storm. The EU ordered that goods from the occupied territories (with the label "produced on the West Bank", for instance) also be labelled as a product from the "Israeli settlements" or a Palestinian product (this interpretation of the EU rules was

upheld in 2019 by the Court of Justice of the European Union). Although the US also has rules on the separate labelling of goods produced beyond the 1967 borders, at least in theory, it does not single out the “settlements”. This EU regulation concerns just 1.5% of goods exported to the EU, but a sizeable share of the public in Israel – out of ignorance or under the influence of political disinformation – decided that the EU’s decisions are starting to fit in with the anti-Israeli “BDS” (Boycott, Disinvestment, Sanction) movement’s actions. Although Brussels denied this categorically, in 2015 Netanyahu evoked “dark memories” of the labelling of Jewish products in Europe. To make his point, he suspended contacts with the EU institutions (albeit briefly).

### **Should Palestine be recognised?**

Donald Trump’s decision to officially recognise Jerusalem as the capital of Israel in 2017 (and move the US embassy there in 2018) triggered the expected protests by the EU institutions. Yet it was mainly Hungary that opposed EU countries’ joint declaration (which required unanimity) dissociating them from the breaching of the European consensus that the issue of Jerusalem’s status should only be settled in the Israeli-Palestinian peace negotiations. In 2019, to the Netanyahu government’s joy, the Hungarians opened a trade office in Jerusalem. However, it remains a branch of the Hungarian embassy in Tel Aviv. Moreover, the US has not tried seriously to pressure the EU into following Trump’s lead when it comes to Jerusalem.

In Brussels, the subject of the unilateral recognition of Palestine by the EU resurfaces quite regularly in response to Israel disregarding or sabotaging the peace process (formally, this is a decision for individual member states). Divisions within the EU play a strong role here. Paradoxically, a few countries in Central and Eastern Europe (including Poland), which Netanyahu has been courting, remain outside this debate due to the Soviet legacy. As the ministry of foreign affairs puts it, Poland recognised the

“proclamation of the independent Palestinian state” in 1988, a decision that remains in force to this day.

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