

Dr. Ian O. Lesser
Senior Transatlantic Fellow, The German Marshall Fund of the United States
“Europe and Israel: Strengthening the Partnership”

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The opinions expressed in this statement are the author's and do not represent the views of the German Marshall Fund of the United States, its directors or staff.

Mr. Chairman, distinguished members of the Committee, thank you for the opportunity to be with you today and to share some thoughts on the future of relations between Israel and Europe from a transatlantic perspective.

In the current strategic environment, European and Israeli interests are increasingly interdependent, and this reality is reflected in the changing relationship between Israel, Europe and Euro-Atlantic institutions. A closer relationship between Europe and Israel supports America's interests across multiple regions, and can be further encouraged and reinforced in the years ahead.

My testimony focuses on recent developments, notes some of the key issues affecting relations between Europe and Israel, including the Mediterranean dimension, and looks ahead to next steps for US and NATO policy.

A Closer and More Strategic Relationship

The years following Israel's independence were characterized by the emergence of a close relationship between Israel and leading European states, notably France and, over time, with Germany. Affinity, proximity, and the legacy of the Holocaust drove this close relationship, reinforced by a shared geopolitical interest in the containment of Soviet power in Europe and the Middle East. From the late 1960s onward, the relationship acquired a more complex and sometimes troubled character, interwoven with transatlantic differences over Middle East policy. The limited European support for the American re-supply of Israeli in 1973 was emblematic of an increasingly difficult pattern of relations. Over the last three decades, European public perceptions of the

Palestinian-Israeli dispute, and Europe's stake in ties with Arab energy producers and Iran, have contributed to cooler relations – never amounting to strategic estrangement – but lacking a strong sense of affinity and shared security interests.

The recent improvement in European-Israeli relations has been driven by several factors. First, the economic dimension, always important, has become more central as the Israeli economy has expanded, and with the growing prominence of technology and services on a global basis. Progressively closer institutional ties between Israel and the European Union have allowed Israel more open access to the European market. Today, the EU is Israel's largest trading partner, accounting for roughly 40 percent of imports and 30 percent of the country's exports. The June 16, 2008 EU-Israel Association Council meeting endorsed a program of enhanced cooperation in the economic, technological and cultural spheres, and wider Israeli participation in EU agencies. Full Israeli integration in the European market is within reach over the next decade.

Second, Europe has changed in ways that strengthen the rationale and scope for relations. EU enlargement to central and Eastern Europe has created new opportunities for trade and investment, and perhaps more importantly, has enhanced Israel's status as a political and security partner for Europe. The first full-fledged EU-Israel summit could take place as early as the Czech presidency in 2009. To the extent that Europe looks to challenges and opportunities on its southern periphery, a wider Europe will have further reason to seek closer cooperation with key states in the EU neighborhood.

Third, the policies of key European actors now favor rather than hinder expanded cooperation. The trend toward closer ties and a more explicit strategic approach to relations has been led by the Sarkozy government in France. Italy, Germany and Britain are also active on the issue, and the European foreign policy chief, Javier Solana has been supportive of a strategic approach to relations. The 60th anniversary of the State of Israel may have provided the symbolic context for some of the recent high-profile visits and agreements on closer ties, but the confluence of political leadership and geopolitics has been the real engine of change over the past year. European public opinion is often cited as a constraint in the development of closer ties. While this factor should not be discounted, polling suggest that European "warmth" toward Israel, while lower than in the US, has not declined over the past few years.¹

¹ Measured on a 100 degree scale, European warmth toward Israel has held steady at around 40 degrees over the past four years (US "warmth" in this same period has also held fairly steady at roughly 60 degrees). These results are for ten European countries, including Turkey, where public

Fourth, changing security concerns underscore and encourage closer ties. The security environments facing Europe and Israel have always been interdependent. In the 1970s and 1980s, Palestinian terrorist groups made Europe an important theater for their operations. Today, leading jihadist networks regard both Israel and Europe (and the US) as the “far enemy.” Extremist networks on the fringes of Europe’s large and diverse Muslim communities have given Europe a direct stake in the prospects for a comprehensive Palestinian and broader Arab-Israeli settlement. With Israeli agreement, Europe has become a direct participant in the security equation on Israel’s borders through its leadership of peacekeeping operations in southern Lebanon. Since the Oslo accords, European mediators have quietly played an important role in Arab-Israeli negotiations – the ongoing Turkish facilitation of Syrian-Israeli talks is one example.

Over time, the WMD proliferation trends affecting Israel’s security have also led to the growing exposure of European territory. Southern Europe is particularly exposed to the spread of ballistic missiles of increasing range across the Middle East, including Syrian and Iranian missiles of trans-Mediterranean range. Israeli action – or inaction – on Iran’s nuclear program will have profound consequences for the strategic environment in and around Europe. Europe and Israel will have a shared stake in the development of new missile defense architectures oriented toward risks emanating from the south and the east.

The Mediterranean Dimension

EU efforts to develop a strategic approach to development and security on the periphery of the continent – the wider European neighborhood – will continue to have a southern as well as an eastern component. The Euro-Mediterranean Partnership (the “Barcelona Process”) was launched at a time of optimism in Arab-Israeli relations in the mid 1990s. The Barcelona Process is widely seen as troubled on both sides of the Mediterranean. But it remains one of the few frameworks for multilateral cooperation in which Israel participates alongside Arab states (NATO’s Mediterranean Dialogue is another). On July 13, 2008, France will host a Mediterranean summit to launch a new “Union for the Mediterranean.” The initiative, regarded with skepticism in many quarters in Europe and the southern Mediterranean, has been incorporated within the EU’s Barcelona Process. Without

warmth toward Israel has declined sharply. If Turkey is not included, attitudes toward Israel show a modest recent improvement. Source: German Marshall Fund of the United States, *Transatlantic Trends*, 2004-2007.

question, much of the transatlantic interest in the Union for the Mediterranean flows from the “Sarkozy effect,” rather than the promise of significant policy change.

Whatever its shortcomings, the launch of the Union for the Mediterranean is significant in the context of Israeli-European relations. The initiative will provide an additional framework in which Israel will participate with Arab states of North Africa and the Levant. The focus of the Union will be collaboration on specific projects, including cooperation on energy and the environment, rather than political dialogue. Above all, the initiative signals the French commitment to keeping Mediterranean interests and strategy at the forefront of EU policymaking for the period of the French presidency and beyond – an approach that reinforces the rationale for closer ties to Israel in the years ahead. It is significant that European leaderships have been willing to press ahead with new Mediterranean projects incorporating Israel, despite resistance from Arab partners around the southern Mediterranean.

The NATO Dimension

Israel will not become a member of the EU, but the prospect of Israeli membership in NATO, while very remote, cannot be dismissed as a long-term scenario given the flux in Alliance purpose and reach. The debate over a global NATO is in many ways the natural extension of a successful enlargement process, and a reflection of changes in the strategic environment. Today’s leading security challenges are not just transnational, but trans-regional, with Euro-Atlantic security ever more closely linked to developments in the Middle East.

Since its launch in 1994, Israel has been a leading (arguably *the* leading) partner in NATO’s Mediterranean Dialogue, a “multi-bilateral” initiative for security cooperation between NATO and seven participating countries in North Africa and the eastern Mediterranean.² Israel has been a good fit for the Dialogue in several respects. At the outset, the focal point of the initiative, and the core interest for key southern European members of NATO, was north-south cooperation in the western Mediterranean. Over time, however, the center of gravity of the Dialogue has shifted eastward, driven by more pressing security concerns in the Levant, and the willingness of partners in the eastern Mediterranean – above all Israel – to pursue closer defense ties. As the Dialogue has acquired a more operational flavor, increasingly akin to NATO’s Partnership for Peace program,

² Mauritania, Morocco, Algeria, Tunisia, Egypt, Israel and Jordan are members of NATO’s Mediterranean Dialogue. Activities within the initiative include training, exchanges, exercises and periodic meetings at the political and expert levels.

Israel's capabilities and interests have become more relevant. Dialogue activities are self funded and participants are free to engage with NATO at their own level and pace. Here, too, Israel is naturally at the forefront, and could pursue a much more active program of cooperation as political conditions allow. Beyond NATO's Mediterranean Dialogue, Israel also contributes to Operation Active Endeavor, an Alliance maritime security and counter-terrorism effort in place in the Mediterranean since 2001.

There is clearly further scope for Israeli cooperation with NATO through the Mediterranean Dialogue, especially if this initiative continues to acquire a more practical, operational flavor. The evolution of NATO security interests clearly emphasizes functional areas for cooperation, including air and missile defense, maritime surveillance, and counter-terrorism and irregular warfare – all areas where Israel has much to contribute in terms of technology, doctrine and experience. The leading obstacles to a closer relationship are political. In Europe, the barriers to closer, more operational NATO ties to Israel appear to be decreasing. On the Israeli side, the tension between the desire for unfettered freedom of action and autonomy in defense on the one hand, and the need for new forms of deterrence and strategic reassurance, on the other, will need to be resolved in a way that leaves the door open to closer cooperation. This, too, appears possible.

From an American perspective, closer NATO-Israel ties will pay dividends in terms of extended deterrence, the capacity to address regional risks, and greater interoperability. Even short of membership, closer ties to Israel would move the Alliance in the direction of greater attention to security beyond Europe and engagement with a wider set of like-minded security partners. As the EU enhances its ties to Israel, there are good reasons for NATO to do the same.

Implications for US Policy and Next Steps

Improved relations between Europe and Israel, including enhanced Israeli cooperation with the EU and NATO, are clearly supportive of American foreign policy interests across multiple regions. A more active role for Israel in the Euro-Atlantic community will contribute to addressing some of the leading challenges in the strategic environment, from rapidly evolving terrorism risks to the potential for a nuclear or “near nuclear” Iran, and possibly further nuclear proliferation across the Middle East and on Europe's periphery. New security “geometries” for Israel can contribute to deterrence and stability in a deteriorating strategic environment. So too, closer Israeli-European ties can bolster the prospects for a durable peace under more favorable conditions – to support a two-

state solution between Israel and the Palestinians, and to help guarantee a wider Arab-Israeli disengagement.

Over the next months and years, the US can and should do more to encourage closer Israeli ties to Europe, and deeper Israeli integration in transatlantic institutions. As next steps, the US should:

- ***Take a strong declaratory position on American support for enhanced EU-Israel cooperation.*** Many Europeans still assume that the US resists a larger role for Europe in the Middle East, including the question of Israeli security. The US should make clear that this is a transatlantic priority. A better climate in transatlantic relations will make it easier for the US to make this case with European leaderships and publics.
- ***Adopt a pro-active policy on the issue of enhanced cooperation with Israel within NATO.*** The US has rarely been in the forefront of the Mediterranean Dialogue, where southern European members have generally taken the lead. The potential for more operational engagement with Israel provides a further rationale for American initiative in this area. With greater US leadership (and with the prospective return of France to the NATO integrated command structure), there will also be new opportunities for NATO-Israel ties beyond the limitations of the Mediterranean Dialogue.
- ***Closer ties to Israel should be on the agenda for bilateral discussions with key leaderships in Europe, and incorporated in the broader debate over transatlantic security and a revised strategic concept for NATO.*** France will likely be the center of gravity in this regard, but important opportunities will exist elsewhere beyond the French EU presidency. The US cannot expect to play a formal role in new European initiatives in the Mediterranean, but we should make clear our interest in harmonizing our regional security and development policies for the region, including those relevant to Israel.