



Photo: Ariane Littman

*Insights from the third American-German-Israeli Dialogue; Berlin, June 2017*

## Progressive Policymaking in a Changing Region:

TRILATERAL STRATEGIC DIALOGUE BETWEEN POLICYMAKERS AND EXPERTS

### INTRODUCTION

Policymakers face a new reality in the Middle East, including post-Arab spring security challenges and the changing roles of Russia, the US, and other powers in the region. Trends, including rising populism and nationalism, pose new tests to the international order, and nations struggle to reach consensus on issues ranging from the Syrian war to Israeli-Palestinian conflict resolution. It is in this context that experts from the US, Israel, and Germany convened in Berlin on June 21-23 2017 for the third round of the dialogue hosted by the Friedrich-Ebert-Stiftung, Mitvim – The Israeli Institute for Regional Foreign Policies, and the Middle East Institute.

The dialogue provided a venue for increased strategic dialogue and cooperation between progressive experts from three countries. It was attended by diplomats, politicians, think tank representatives, scholars, and activists. Participants addressed specific policy challenges in the Middle East, German policies towards the region, and the new US administration. This round of talks focused on German perspectives, and it included briefings by members of the Bundestag and other policymakers. This paper summarizes the highlights of the presentations, discussions and insights of the dialogue. It does not necessarily reflect a consensus of the participants or hosting organizations. Summaries of the first two dialogue meetings, held in Washington and in Jerusalem, are available in the footnote.<sup>1</sup>

<sup>1</sup> The first round of the dialogue, titled "Israel's Strategic Outlook in a Disintegrating Region," took place in Washington, D.C., on November 20, 2015. [http://mitvim.org.il/images/Challenges\\_to\\_Democracy\\_and\\_Social\\_Cohesion\\_-\\_FES-Mitvim-MEI\\_2016\\_dialogue\\_summary\\_-\\_2.pdf](http://mitvim.org.il/images/Challenges_to_Democracy_and_Social_Cohesion_-_FES-Mitvim-MEI_2016_dialogue_summary_-_2.pdf)  
The second round of the dialogue, titled "Challenges to Democracy and Social Cohesion," took place in Jerusalem, on April 20-21, 2016. [http://www.fesdc.org/fileadmin/user\\_upload/publications/fes\\_mei\\_mitvim\\_first\\_summary.pdf](http://www.fesdc.org/fileadmin/user_upload/publications/fes_mei_mitvim_first_summary.pdf)

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### GERMANY'S MIDDLE EAST POLICY

Germany faces a question of identity: how should it shape and define its new role in the shifting international order? To answer this question, policymakers must resolve a disconnect between self-image and global expectation: as US global leadership diminishes under President Trump, many progressives view Germany as the country best equipped to fill the growing leadership vacuum. Germany is in the process of defining its diplomatic and military roles abroad, particularly in the Middle East, and resolving questions over the scope of an expected defense budget increase.

In the Middle East, Germany's engagement has three pillars. Political and diplomatic effort forms the core of its engagement, supplemented by humanitarian assistance and military engagement. Germany's primary focus is on the Syrian war, regional stability, and the fight against the Islamic State. Germany is also working to stabilize neighboring countries, particularly Jordan and Lebanon, through the provision of humanitarian aid; to address the crises in Yemen and Libya; and to engage in diplomacy towards the Israeli-Palestinian conflict, the Iran nuclear deal, and other regional issues. A comeback of power politics can be observed in the region, as evident in recent actions by Russia and Turkey. Germany does not view itself as a hard power in the region, and its influence is limited. It is strongest when acting in the context of the EU, but it struggles to attain EU consensus and engagement. The advantages of Germany's limited interests and power in the region are increased legitimacy and the ability to serve as an "honest partner" in disputes.

### ISRAEL-GERMANY RELATIONS AND THE ISRAELI-PALESTINIAN CONFLICT

Germany's longstanding policy is to make a distinction between bilateral relations with Israel and the Israeli-Palestinian conflict. But when the Israeli government is seen as moving away from the two-state model, this distinction becomes harder to maintain. Within Germany, there is consensus that the two-state solution is the only acceptable solution to the conflict. But even though the majority of the Israeli public supports the two-state solution, Germany sees little political will towards that goal on the Israeli governmental level. Policymakers caution that prolonging the "status quo" harms the possibility of a two-state solution and could lead to the Palestinian Authority's collapse, which would have the negative effect of strengthening more extreme elements of Palestinian society.

Germany has a historic, enduring, core commitment to Israel's security. That will not change. But recent political developments are straining the diplomatic element of Germany-Israel relations. Germany tries to support Israel and resolve any conflict privately, but experts see Israel's recent actions as inconsistent with the spirit of friendship and mutual trust. A recent example is Prime Minister Netanyahu's very public cancellation of a meeting with German Foreign Minister Sigmar Gabriel, over Gabriel's planned meetings with the Israeli NGOs B'Tselem and Breaking the Silence. Germany will not isolate Israel, but incidents like this are seen as examples of Israel isolating itself from its friends at an alarming rate. At the same time, there is a growing gap between German policy and public opinion: the majority of German citizens support recognition of a Palestinian state, and very strongly oppose Israel's settlement policy. In the future, this divide can increasingly affect diplomatic relations.

Germany is concerned by anti-democratic trends within Israel, including legislation like the "Regularization bill," which would retroactively legalize Jewish settlements on privately owned Palestinian land (the bill is currently frozen by Israel's Supreme Court). The legislation is seen within Germany as crossing a dangerous line, as is growing anti-democratic public discourse. While Germany is one of the only actors with the political leverage to voice concerns and urge Israel towards a "democratic" track, the absence of US leadership keeps it from voicing these concerns more directly. Germany feels that if the US cannot engage in hard pressure, it certainly cannot. Merkel introduced new language in her Knesset speech against settlements, but she has not followed with new policy. In any case, concerns about the future of Israeli democracy do not affect Germany's strong support for Israel's security interests.

Germany is unlikely to take independent action towards the Israeli-Palestinian conflict; it views action through the EU as more effective. But EU High Representative for Foreign Affairs and Security Policy Mogherini does not have a "Mandate of 27." Germany's efforts to build consensus within the EU are difficult, and member-states have many priorities outside of the conflict.



## The Transatlantic Partnership and the Middle East under New Political Realities

From alliance building to environmental protection, the Trump administration is retreating from global leadership. The administration has proposed significant cuts to the foreign policy budget, key positions remain unfilled, and Trump has taken steps to limit the effectiveness of the State Department. The transatlantic partnership remains strong, but it has faced challenges over NATO funding and the US security umbrella, Trump's withdrawal from the Paris Climate Accord, and refugee and immigration policies. American progressives assess that Trump prioritizes relationships that can yield favorable financial deals, such as those signed with Saudi Arabia during Trump's first foreign trip as head of state. Looking forward, two issues with the potential to further strain transatlantic relations are the Israeli-Palestinian

peace process (the EU feels cut out of the loop on the new American administration's planning) and Iran (discussed in the final section of this paper).

American progressives increasingly look to their European partnerships for policy leadership during this period. But it is not clear that any European country is willing and able to significantly increase its role. Regardless, there is a new space for the EU to show policy leadership. Many countries are waiting to see if the US will advance a new Israeli-Palestinian peace initiative, but the EU should accelerate efforts to build consensus and determine its own position.

### Civil Society and the Israeli-Palestinian Peace Process

The Trump administration's refusal to explicitly endorse the two-state solution has resonated throughout conservative American civil society organizations focused on this issue. Organizations like AIPAC continue to support the two-state solution, but many groups to its right espouse a hardline approach that conflates Israel and the settlements, including the Zionist Organization of America (ZOA), which won early access to Trump. Such organizations oppose use of the word occupation, and increasingly seek to impose a political cost for anyone who grants any legitimacy to Palestinian perspectives.

At the same time, there is a progressive shift, in several directions. Parts of the younger generations, including some Jewish college students, engage with J Street and other progressive organizations that present a new model for Israel advocacy. These organizations are gaining traction among younger American Jews who want to reconcile their strong support for Israel with their opposition to its policies towards the Palestinians. Others engage with new movements like Jewish Voices for Peace or Students for Justice in Palestine, while still others disengage.

There is also a legislative effort at the federal and state levels – supported by some right-wing civil society groups – to outlaw differentiation between Israel and the settlements. This legislation is framed against the global BDS movement, and it typically prohibits states from contracting with companies or individuals who boycott Israel or “Israel-controlled territory” (settlements). This legislation is increasingly challenged over its relationship to constitutionally-protected freedom of speech, and the fact that it breaks with the longstanding US policy of differentiation between Israel and settlements.



Photo: Ariane Littman

*Thousands of Israeli and Palestinian women marched along the Dead Sea, as part of more than two weeks of a “Journey to Peace” organized by the movement “Women Wage Peace” (October 2017).*

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## *The Role of the EU in the Middle East and Opportunities to Advance Peace*

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### INTERNATIONAL INITIATIVES TO ADVANCE PEACE

The EU has not reached consensus on a unified position towards Israeli-Palestinian peacemaking, or on the priority of engaging on this issue. This lack of consensus has led individual states to lead efforts, like the French Peace Initiative, that have not proven effective. Another impediment to effective EU action is the policy shift from a conflict resolution paradigm to a paradigm of resilience.<sup>2</sup> This strategy is productive in some cases, but ill-equipped to address the root causes of the longstanding Israeli-Palestinian conflict. It has given way to a perception that the conflict can be "managed" without major fallout for Europe, which reduces the sense of urgency to engage, and undercuts the concept of resilience.

In the absence of a credible US initiative or significant Israeli or Palestinian leadership towards peace, the EU must determine its own course of action to counter negative trends on the ground and set the stage for successful peacemaking. One course of action is to dedicate significantly more resources to stabilizing Gaza and resolving the urgent humanitarian crisis unfolding there. In addition, the EU's focus on Gaza should not be limited to security: it should be extended to development, civil rights, and on-the-ground needs. A new emphasis can also be placed on efforts to improve Palestinian governance at the local and national levels. Such capacity-building support is essential for the development of a viable Palestinian state, and as a major donor to the Palestinian Authority, the EU has the ability to address the issue. Policymakers can also assist in working towards a constructive power-sharing agreement and interim mechanisms for governmental stability.

The EU can also continue to formalize the international consensus that settlements are detrimental to peacemaking and do

not have the same legal status as Israel. As one step, the EU could agree to implement the section of UN Security Council Resolution 2334 that pertains to differentiation between Israel and the settlements. Most member-states have not implemented 2015 EU guidance on labeling settlement products; the EU could move forward with this effort by forming working groups to study and promote implementation.

### INCENTIVES AND DISINCENTIVES

The EU offer to establish a Special Privileged Partnership with Israel (and the future state of Palestine) after peace is achieved has not managed to change Israel's cost-benefit analysis of ending the occupation. No incentives for peace presented so far have been a game changer. Therefore, there are two options: first, to identify whether any combined incentives package could fundamentally change the calculation. Such a package could include the EU offer, together with the Arab Peace Initiative and US security guarantees, and would be in line with calls by the French Peace Initiative and the EU's Foreign Affairs Council for a global set of political and economic incentives for peace.

Alternatively, or in parallel, the second option is to alter the other half of the equation, and seek to make the "status quo" and continued settlement expansion more costly. The EU is Israel's largest trade partner, yet it has not used its leverage to impose a cost of settlement growth or occupation, either economic or in regard to visa reciprocity or another issue. But before this issue can be addressed, European leaders must clarify internally, and then convey to Israel, what it is ultimately working towards: full implementation of the two-state solution, an end to settlement growth, or another goal?

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## *Interests and Influence of Russia, Iran, and Turkey in the Middle East*

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### EU-IRAN RELATIONS

The Joint Comprehensive Plan of Action (JCPOA, or Iran nuclear deal) is the cornerstone of EU-Iran relations and renewed cooperation. The EU is committed to enforcing the deal and exploring opportunities for expanded cooperation. It has conveyed that it will continue to enforce the deal unless Iran commits a significant violation, and it is unlikely to follow any US exit that is not based on credible evidence of noncompliance.

European policymakers do not see the nuclear deal as the end of tension with Iran, as it addresses only one of four priorities that the EU identified in the 1990s. The others are Iran's position on Middle East peace and destabilizing actions in the region; Iran's support for terrorism; and the human rights situation within Iran. While the nuclear deal reduced the greatest threat from Iran, the other three priorities harm regional stability, particularly as Iran has increased its role in the Levant.

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<sup>2</sup> To read more on the EU's strategy of resilience, please see: [http://europa.eu/rapid/press-release\\_IP-17-1554\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1554_en.htm)

EU foreign policy is driven by mutually-agreed cooperation and the understanding that economic cooperation can serve as a "carrot," in contrast to the "stick" provided by the US emphasis on sanctions. As part of the effort to increase engagement, in 2016 Mogherini led an EU delegation to Iran to discuss trade, energy, the environment, scientific cooperation and other issues. Expanded cooperation is a goal in and of itself, but it also safeguards the stability of the nuclear deal. The EU will continue a three-pronged approach towards Iran: implementing the nuclear deal, expanded relations where possible and productive, and addressing issues of regional concern.

Trump's policy positions ushered in a new period of transatlantic disagreement on the future of the nuclear deal, and the most effective way to approach Iran's regional activities and support for terror groups. Transatlantic conversations should be used productively to address the challenge of countering Iran without destroying the nuclear deal. Some European experts see an opening, and an opportunity to address Iran's regional power projection, by drawing on leverage provided by a joint interest in defeating the Islamic State. European and American experts should identify a combination of "sticks" (a model of regional deterrence and red lines) and "carrots" (economic engagement) that allow for progress. The viability of increased economic engagement depends largely on how much access the US is willing to allow Iran to attain in international markets. Unity between the EU and the US proved decisive in nuclear negotiations with Iran. The transatlantic partners should seek to develop a similar model of cooperation directed at limiting Iran's regional destabilization.

## SYRIA AND RUSSIA

Germany's view is that a political solution to the Syrian war can only be found in cooperation with influential regional actors, and that the ongoing rivalry between Saudi Arabia and Iran lowers the chance of conflict resolution. The US and Western-backed Geneva process has faltered, while Russia's engagement and leverage in Syria has increased. Russia is a major military player in the war. Iran is also militarily engaged to protect Assad, in order to protect its relationship with Hezbollah and its own goal to establish a "Shia crescent" in the Levant. Russia is also engaged diplomatically: in cooperation with Turkey and Iran, it established the Astana talks, a parallel process to Geneva that benefits from more leverage over Assad's military campaign. German policymakers look unfavorably upon the parallel process, especially as Russia and Iran continue their bombing campaigns with Assad. In the German view, Russia's diplomatic statements are directly contradicted by its military action. More broadly, Germany sees Russia increasing its global engagement, and is aware that Moscow may seek to influence Germany's own upcoming elections.

The future of Russia's engagement in the Middle East is not entirely clear. Inside Syria, it is a dominant player. President Putin successfully constructed the image of a resurgent Russia, based largely on regional partners' dissatisfaction with the Obama administration's policies towards Syria, specifically on chemical weapons. In the broader region, Russia is involved in nuclear power plants in the Middle East, and has dabbled in Israeli-Palestinian conflict resolution by offering good offices. Russia is also building regional influence through increased engagement with Israel, Cyprus, Turkey, and Egypt. Still, Russia's resources for external action remain limited.

## QATAR

The crisis between Qatar and the alliance led by Saudi Arabia, the UAE, Egypt, and Bahrain has regional consequences: it decreases GCC unity, and diverts the attention of its members away from other priorities. In addition to weakening the GCC, it strengthens Iran. Since the crisis began, Iran has restored full diplomatic ties with Qatar and enjoyed positive publicity after providing fresh goods and use of its airspace for Qatari planes. Germany is concerned about Qatar's isolation, and is working to resolve the crisis, with the long-term goal of securing stability in the Gulf. Germany has economic interests in Qatar, and feels it unfair to punish Qatar or risk war over its relationship with Iran. It also sees the crisis as an excuse for the Gulf states to crack down on Al-Jazeera, a driving force of the revolutions that swept through the Middle East during the Arab spring.