

Israel and the Barcelona Process: The First Five Years⁴

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3.1. Introduction

The purpose of this contribution is to analyze Israel's evolving thinking in relation to the Euro-Mediterranean initiative launched in 1994 by the European Commission, leading later to the Barcelona Conference of November 1995, where 27 EU and Mediterranean Non-EU Member Countries (MNMCS) adopted a Declaration of the same name, which became the basis of what is commonly called the Barcelona Process, much inspired by its successful predecessor, the so-called Helsinki Process.

Israel had a long history of almost exclusively dealing bilaterally with the EU (3.2.) and was caught in the mid of negotiations with the EU when the idea was launched (3.3.). Its input in the Barcelona Declaration was minor and in order to prevent that it would include items unacceptable to Israel (3.4.). After two years of skepticism, Israel started to play a more active role (3.5.), in view of the efforts made by the EU to keep the Process on track according to the EU's objectives as understood in Israel (3.6.). In terms of time and thought devoted to different issues, the one on "cumulation of origin" has attracted Israel's attention since the launch of the Partnership and deserves a separate section in this chapter (3.7.). Because of its long-term implications, another section is devoted to Israel's toying with the idea of becoming part of the Mediterranean world (3.8.). All these elements in a complex picture allow drawing some concluding remarks regarding the Partnership's added value, as seen from an Israeli perspective.

The chapter is based on in-depth interviews held with public officials, newspaper clippings, the few scattered bibliographical references on this rather esoteric subject, conferences and seminars attended by the author and foremost his own understanding and analysis of the issues at stake, for which he takes entire responsibility. Some opinions collated by the author originate from officials that have preferred to remain anonymous.

4 This report is an extended version of a short working paper prepared for *Euromesco*, the network of institutes of strategic studies created in the context of the Euro-Mediterranean Partnership (see *EuroMeSCo Papers*, No.3, October 1998). I wish to thank *Euromesco* for supporting my research and to Yaffa Ben Ari of the Israeli Foreign Ministry, to Eyal Inbar of the Hebrew University, and to Joel Peters of Ben Gurion University for their comments on an earlier draft of this report.

3.2. Before Barcelona

Well before the Middle East Peace Process started in Madrid in the autumn of 1991, Israel tried to revise its institutional relations with the EC based on the industrial Free Trade Agreement (FTA) of 1975. Until the Second Gulf War in early 1991, the EC refused to consider Israeli requests for political reasons, basically a total rejection of Israeli policies in the territories, be it regarding the settlements or the *intifada*. After the Second Gulf War, the Italian Foreign Minister De Michelis, and president of the Troika at the time, proposed that Israel became part of the European family by entering the then planned European Economic Area and giving the former the economic security needed to take bold steps towards peace. The idea was launched for the first time and by the European side, on top of it, that Israel should be anchored institutionally in Europe. Israel should be treated as an EFTA country rather than as an MNMC. De Michelis' approach was a departure from the past in that it tried to exert pressure on Israel by using the carrot rather than the stick. But it didn't carry the day. In fact, the Commission, made public that what the Troika said in June 1991 did not have legal standing and therefore was not binding. It insisted it needed a mandate to negotiate, stressing that Israel could not be singled out for special treatment, given the repercussions this would have for EC relations with other MNMCs. From then on, the EC Commission would insist that for the EC Israel was part of the Mediterranean group of countries, well before thinking eventually about creating a Euro-Med Partnership.

It is only at the 1992 Israel-EC Cooperation Council that matters began to take shape. The EC spoke of ameliorating the existing agreement on the basis of its evolutionary clause (article 23 of the 1975 agreement), while Israel stood by its former position of desiring anchorage in the European Economic Association (EEA). Note that all this was happening already after the 1991 Madrid Conference starting officially a peace process between Israel and its neighbors. Thus, the EC insisted on a double track-approach. Israel had to deepen first its relations with the latter and only then with the EC. Anchoring Israel only in the EC would do a disservice to Israel if it brought with it being detached economically from its region.

Given the EC Commission's frontal opposition to Israel's membership in the EEA and Israel's own interpretation of the desired "anchorage" in the EC, the government of the late Yitzhak Rabin, issued from the Knesset in 1992, decided that the best would be for Israel to improve the 1975 agreement (e.g., in the realm of agriculture and origin rules) and add new chapters dealing with subjects not well covered or not covered at all by the 1975 agreement such as rights of establishment or supply of services.

Exploratory talks were conducted from December 1992 until the summer of 1993. The Commission received a formal mandate from the Council of Ministers in late December 1993. This was the EU's response to the Oslo process for peace initiated sev-