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## **BULLETIN**

## U.S., EU Sanction Israel's Far-Right

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Growing criticism of Israel over the Gaza war and its policies toward the Palestinians has prompted its foreign partners to impose sanctions on Israeli extreme right-wing circles. The restrictions are being placed on some of the radical Jewish settlers responsible for terrorising the Palestinian population in the West Bank and some of their organisations. The sanctions are limited for now but send a significant political signal and are likely to be expanded.

Context and Scope. The war with Hamas that started on 7 October followed by the launch of an Israeli ground operation in Gaza have forced most Western countries to become more diplomatically involved in the <u>Israeli-Palestinian conflict</u>. Although, <u>after more than half a year of military conflict</u>, foreign partners have seriously increased pressure on Israel (e.g., in the form of more significant support for international recognition of Palestine at the U.N.), they have only made limited moves to, among others, affect its ability to conduct military operations (e.g., in terms of armaments). An element of this intensified pressure and tightening of the existing position has been the targeting through sanctions of Israeli extremist circles active in the West Bank and hostile towards the Palestinian population.

In December 2023, the U.S. and the UK decided to introduce visa sanctions on more than a dozen radical Jewish settlers. The scope of the restrictions (including the freezing of funds) and the list of those sanctioned were expanded in the following months. France also introduced entry restrictions on 28 Israelis at that time. In April, the EU adopted for the first time, in coordination with the U.S., restrictions under the global sanctions regime for human rights violations. The EU sanctions regime includes bans on individuals entering the EU and financial restrictions (e.g., freezing funds). They targeted four activists of the extreme Jewish right, as well as two entities, the "Hilltop Youth" movement and the racist organization Lehava. In May, Britain also added them on the sanctions list. The U.S. did not put the two groups on a sanctions list, but State and Treasury did add entities raising funds to support the sanctioned settlers.

Israeli Far-Right. The activity of Jewish extremists who are part of the West Bank settlement movement is not a new phenomenon (e.g., the terrorist activity of the "Jewish Underground" in the 1980s or the 1994 massacre of Palestinians in Hebron by Baruch Goldstein). It has intensified in recent decades with the increase in the number of settlers (currently about a half million) and their radicalisation. A dominant role is played by the hardalim population (people who combine Orthodox Judaism with radical nationalism) and adherents of Kahanism, the extreme, anti-Arab right associated with the Kach party and the ideology of its founder, Meir Kahane. Although the Kach party itself was outlawed in Israel in the 1990s and was considered a terrorist group by the U.S. until 2022, organisations and individuals from this milieu remain active participants in Israeli public life and have strengthened their position and influence in recent years. A significant example is the political success of Itamar Ben-Gvir, an active Kahanist in the 1990s who is currently the head of the ultranationalist party The Jewish Power, which is part of the government coalition, and the Minister of Public Security in charge of the police, border guard, and other services. Also from Kahanist circles comes a sanctioned associate of Ben-Gvir, Bentzi Gopstein, along with his Lehava organisation, which preaches slogans of Jewish supremacy, calls for racial segregation, and attacks interfaith marriage. The "Hilltop Youth" (the leaders are the sanctioned Meir Ettinger and Elisha Yered) is made up of informal groups of extremely radical young Jewish settlers responsible for, among other things, setting up "outposts", which are usually small settlements created on Palestinian land in the West Bank,

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illegal not only under international law but also under Israeli law (without the consent of the authorities, some are dismantled, while others are protected by the Israeli military). Members of the "Hilltop Youth" are perpetrators of numerous attacks against the Palestinian population (harassment, assaults, destruction of crops, theft of property), including terrorist attacks (e.g., Duma arson attack in 2015) or organised violence on Palestinian villages (e.g., Huwara in 2023). These actions aim to drive out the local Palestinian population, and the impunity of the perpetrators promotes further radicalisation undermines the position of the unresponsive Palestinian Authority (PA) security forces. The scale of settlement violence targeting Palestinians and the Israelis who support them has been increasing for several years and has been met with limited counteraction from the Israeli authorities. The trend intensified after the return to power in 2022 by Benjamin Netanyahu and the entry of far-right politicians into the government. Amid the war between Israel and <u>Hamas</u>, acts of settler violence are—along with the activities of Palestinian terrorist groups—one of the main factors destabilising the situation in the West Bank (according to U.N. data, more than 800 settler attacks have occurred since 7 October).

Political Aspects. The Biden administration has repeatedly criticised Israel in the past for not doing enough to rein in radical settlers, intensifying pressure after the outbreak of the Gaza War and in the face of threats of broader destabilisation of the region. The initiation of sanctions by the U.S. and countries in Europe, in addition to imposing reprisals on the perpetrators or instigators of anti-Palestinian violence, is an attempt to respond to growing domestic and international criticism and allegations of unresponsiveness to Israeli policies toward the Palestinians. The restrictions are generating additional tensions within Netanyahu's government. Coalition members from the farright declare support for those subject to sanctions and are retaliating. Among them is Finance Minister Betzalel Smotrich, who announced steps targeting PA funding. To calm political friction within the coalition, the authorities are offering broader support for West Bank settlements, including increased funding for new settlements, decisions on expansion, and announcements that some "outposts" will be legalised.

Due to the sanctions limited and individual nature, those introduced so far are not that severe. In addition, the U.S. has not decided, despite announcements to the contrary, to extend sanctions under the Leahy Law prohibiting support for foreign security units that violate human rights to the Israeli army's Netzah Yehuda Battalion. Initially created to facilitate the service of the ultra-Orthodox population (as a male-only formation), the unit has, in recent years, been dominated mainly by *hardali* and settler recruits. Its soldiers are accused of numerous brutalities and violations of the rights of the Palestinian population in the West Bank and, in recent months, in the Gaza Strip. Also limiting the legal scope of U.S. sanctions is the significant percentage of American citizens among the settlers (about 15%).

**Conclusions and Perspectives**. The current measures targeting radical Jewish settlers will do little to calm the situation in the West Bank. Still, they send an important political signal that opens the way for further sanctions. Existing restrictions may be expanded, and the subject of additional packages could include, for example, groups responsible for the rise in ethnic tensions in Jerusalem or those calling for the reoccupation of Gaza and the restoration of Jewish settlements there. Changes may also extend to previously non-prioritised activities within the EU, such as <u>labelling</u> and a potential ban on imports of products from the occupied territories and cooperation with entities there. The Israeli government will fight such initiatives diplomatically, counting on the support of allied EU states (primarily Czechia and Hungary), which have already delayed the decision-making process at the EU level, as well as in the U.S. on Republicans. The possibility that further EU sanctions could be obstructed may prompt Member States to introduce new restrictions on their own or as part of groups of states (such as the Weimar Triangle).

It cannot be ruled out that if the situation in the West Bank and Gaza deteriorates further, Israel's partners will decide to formalise more informal restrictions (e.g., limiting visits) and impose sanctions on members of the Israeli government from the far-right party, which would be a significant change in relations with Israel to date. At the same time, if Donald Trump wins in November and returns as president, some of the U.S. sanctions are likely be withdrawn or significantly reduced.