



All Hands on Deck:

The Crisis in the Eastern Mediterranean
and the Need for US Leadership

Alexandros Zachariades



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Over the past few weeks, a new round of confrontation has manifested itself in the Eastern Mediterranean. Greek and Turkish naval forces were engaged in a military standoff in the waters of the Aegean Sea for almost two months. The standoff came after the Turkish survey ship *Oruc Reis*, accompanied by Turkish Navy vessels, sailed into waters the Greek government considers part of its continental shelf. The Greek response was to deploy warships on its own. In essence, Turkey was seeking to challenge the Exclusive Economic Zone demarcation agreement between Greece and Egypt, signed in August of 2020, which had, in turn, challenged a maritime rights memorandum signed by Turkey and the UN-backed Libyan Government of National Accord (GNA) in November 2019. The Turkish move signified a new level of contestation in the region. Turkey has utilised similar tactics in its dispute with Cyprus over the past two years, but it had never resorted to using them in its antagonisms with its NATO ally—until now.¹ For now, tensions have turned down a notch since Turkey has withdrawn its forces and *Oruc Reis* from the region with the two sides agreeing to exploratory talks. Talks of this kind have been on-and-off for almost twenty years, producing very little so far. Their prospects of success may be described as dim at best.

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Some have read the current confrontation as another chapter in the Greco-Turkish confrontation over the Aegean that dates back to the 1970s, and indeed to many centuries (and millennia) before that.² However, this confrontation is part of a broader power game in the region that has been going on for the past decade. Hydrocarbon discoveries, the Arab Spring, the withdrawal of the US from the region and the breakdown of Turkey's relations with Israel and Egypt created new fault lines in the Eastern Mediterranean while reinforcing old ones. Initially, these developments brought Israel and Egypt closer to Greece and Cyprus. Furthermore, the reignition of the Libyan conflict led to the active involvement of regional and extra-regional powers. Turkey provided military support to Libya's GNA while France, the UAE, Greece, Cyprus and Egypt have supported renegade military commander Khalifa Haftar. France has also come in strong on the side of Greece and Cyprus by condemning Turkey and committing military forces in the region “to better monitor the situation in this part of the Mediterranean and to ensure that international law is respected,” according to French President Emmanuel Macron.³ Therefore, the current conflict is not merely an issue between Greece and Turkey, but rather a much more complicated international affair.

Consequently, bilateral talks between Greece and Turkey, like the ones agreed recently, can only go so far. A return to tensions in the near future is more than likely. Greece, for its part, is preparing for it. Prime Minister Kyriakos Mitsotakis announced plans to boost the Greek airforce with French fighter jets while the navy will acquire at least four new frigates. A solution to this regional dispute can only come through a multilateral agreement across the Eastern Mediterranean regarding maritime borders and the exploitation of the region's hydrocarbons. The only party that has the capacity to push all affected parties to the table is the US. All major players in the region

are considered vital US allies. Greece and Turkey are NATO allies while Egypt and Israel have been vital pillars to US policy in the Middle East and the Eastern Mediterranean for decades. The first step for the US is mediation between Greece and Turkey to foster the conditions for a multilateral arrangement in the Eastern Mediterranean.

MEDIATION EFFORTS AND THE LACK OF US LEADERSHIP

The tensions between Greece and Turkey not only have significant implications for the bilateral ties of the two countries, they may also further complicate EU-Turkey relations and affect the integrity of NATO itself. The concerted attempts by Germany and Malta have so far helped to bring about this new round of exploratory talks. However, despite this positive development, it might be hard for the EU to remain impartial. Cyprus has made clear that it will continue to veto EU sanctions concerning Belarus unless similar sanctions are imposed on Turkey. If the EU does indeed follow through with sanctions against Turkey, then the capacity of its members to act as mediators in the unfolding Eastern Mediterranean dispute will be limited since the EU's impartiality will be damaged in Turkey's eyes. Greece and Cyprus, on the other hand, are expecting the EU to stand firmly by their side; if the EU fails to do so, i.e. by not approving sanctions against Turkey, public trust in the EU in both Greece and Cyprus, and possibly other European states, would be severely diminished. Already the shuttle diplomacy of German Foreign Minister Heiko Maas and Germany's stance in the Foreign Affairs

Councils has not been viewed in a positive eye by many in both Greece and Cyprus.

Mediation ought to come from either NATO or the US. In the case of NATO, General Secretary Jens Stoltenberg's attempt to bring the two sides to the table was met with a Greek rejection. Generally, the organisation's capacity has been hit by the Trump administration's stance since the US President assumed office in 2016. Both the US and many of its allies have grown disillusioned with the alliance. President Trump has publicly declared that he sees little use for the preservation of NATO, thereby encouraging some NATO member states to lessen their reliance on the organisation. The resulting policy trend and attitude shift has exacerbated NATO's vulnerability to internal quarrels and reflected the indifference of many of NATO's members to resolving them.

At the same time, the US, the power that both Turkey and Greece have relied upon for security since the days of the Truman Doctrine and their NATO induction in 1952, has played a minimal role so far. This is a first in contemporary Greco-Turkish relations as the US had stepped in to prevent hostilities between the two sides and safeguard the integrity of NATO on several occasions throughout the 20th century. The only case in which the US was unable to successfully mediate between the two sides ended in the disastrous 1974 invasion of Cyprus by Turkish troops which has divided the island in two. The Cyprus Problem remains a frozen conflict and a thorn complicating both EU-Turkey and EU-NATO relations, as well as Turkey's bilateral relations with the US. So far, the White House has shown

little interest in the matter. In the initial stages of the confrontation, Mike Pompeo held separate meetings with his Greek and Turkish counterparts, and President Trump held phone calls with Prime Minister Mitsotakis and President Erdogan. Most recently, Mike Pompeo visited Cyprus where he claimed that Turkey's actions are "deeply concerning". He was there signing a Memorandum of Understanding with the Cypriot government that will establish a joint training centre on the island to "provide expertise for the rest of the region on security and non-proliferation".

THE NEED FOR US LEADERSHIP

As things stand, the only party that has the weight to push both sides towards a solution is the US. President Trump enjoys a great personal relationship with President Erdogan, while Greece, especially with the present administration, views the US as a strategic ally. With these diplomatic strengths, the US must approach the matter in three steps. The first should aim to prolong the current de-escalation. The second should focus on bringing the two sides closer to a solution by illustrating the benefits of their cooperation. Third, given that considerable common ground has been found between the two sides, the US should also push for the expansion of their bilateral discussion to a multilateral level.

Maintaining the current de-escalation is vital. At this point, no other foreign leader seems to hold greater sway over Erdogan than Trump. This is something that could be exploited by the US' side by pushing

Erdogan to keep Turkish forces away from the disputed region. In the case of another standoff, the risk of an accident that could lead to open hostilities that neither side wanted will reappear. The collision between a Greek and a Turkish frigate in August illustrated this danger. The de-escalation will be short-lived if the two sides do not commit to a dialogue for the delimitation of their maritime boundaries. This effort can be aided if the two sides understand that the Eastern Mediterranean's hydrocarbon riches, central to the present quarrel, have a greater revenue potential if they are sold regionally.

Natural gas prices in European markets have been under \$4.50 per British Thermal Unit (BTU) since 2018 and are projected to remain below this level for the next decade or so.⁴ At the same time, the estimated cost of natural gas delivered to European Markets by the proposed EastMed pipeline supported by Greece, Israel, and Cyprus stands at around \$7 to \$8 per BTU, being far more expensive than the Russian gas option.⁵ The EastMed will also have minimal impact in lessening Europe's dependency on Russian gas since it can only provide 10 billion cubic meters (bcm) of natural gas to the EU market that consumed approximately 470 bcm in total during 2019, with roughly 40% being Russian gas. Additionally, the construction of the pipeline is a challenging feat both technically and politically since it will have to pass through maritime areas disputed by Turkey. Hence, it is unlikely that Eastern Mediterranean gas becomes vital to European gas markets and, more importantly, an alternative to Russian pipe gas.

This latter point is a critical factor in the strategising of US lawmakers in the Eastern Mediterranean. The proposed bipartisan Eastern Mediterranean Energy and Security Partnership Act states that one of its goals is to lessen the EU's dependency on Russian gas by further facilitating the trilateral partnership between Greece, Israel, and Cyprus. However, the region's gas will not have the impact US lawmakers hoped for as it is too expensive. It cannot significantly shift the EU's dependency on Russian gas. The EastMed pipeline, for the time being, lacks market support. This realisation will also help realign US strategy in the region on more pragmatic grounds.

Instead, the Eastern Mediterranean's gas could be sold regionally. Already Israel and Egypt are exploiting their gas assets for internal consumption, and plans have been made for the export of Cypriot gas to Egypt. In 2019 the East Mediterranean Gas Forum was established by Greece, Cyprus, Egypt, Israel, Jordan, Italy and Palestine to boost regional cooperation on hydrocarbon exploitation with a focus on promoting an Eastern Mediterranean market. Notably, Turkey is absent. Turkey's market has annual needs between 50-55 bcm of natural gas, importing 38 bcm per year. The Eastern Mediterranean's gas can be an option for Turkey, and it would make more sense market-wise for regional states to sell to Turkey than to Europe. The US would stand to benefit from this development since it would lessen Turkish dependency from Russia; thus, lessening Russian influence vis-à-vis Turkey.

There could be important benefits for Turkey too. Turkey has been heavily reliant on Russian gas with more than 40% of the country's imports coming from Gazprom.⁶ Furthermore, Turkey is paying more than two times the price Gazprom is selling to Europe according to Turkey's Petroleum Pipeline Corporation (BOTAŞ) during the second quarter of the year.⁷ Turkish officials are exploring different and cheaper options such as LNG exports. Moreover, President Erdogan recently announced a gas discovery in the Black Sea that could

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help Turkish efforts of energy diversification and independence. In this respect, the Eastern Mediterranean gas could help in Turkish efforts to diversify, but if tensions do not ease the gas-producing potential of the region could be hampered. The US should highlight these points in its discussions with Greece, Turkey and other regional players.

The current political impasse makes things difficult for gas developments or explorations in the Eastern Mediterranean. US policymakers should make this point clear to all parties. The standoff and the uneasiness that surrounds it will more likely scare off potential investors. A solution to the issue could be allowing Greece to develop its resources with Turkey becoming the leading buyer. The costs for transporting to Turkey would be minimal due to the distance, while there is also a gas pipeline that could be used for the transportation of gas between both sides. Turkey currently has a multiplicity of options for its gas imports, so even if things turn sour again, it can still move away to other options. In such a scenario, the East Med's gas could be a cheaper option than Russia's gas, and it may also be competitive with gas imports. A deal that would benefit Turkey would also allow Greece and Cyprus to exploit their hydrocarbon potential without the threat of a military escalation. In short, it is a win-win situation if the states can overcome the security dilemma and centuries of distrust.

For such a scenario to materialise, a Greco-Turkish agreement on demarcation of their economic zones would be a prerequisite before proceeding to any actual trading cooperation. There is a long-standing

debate on the matter in both countries with some analysts favouring the dispute to be solved in an international court. This pathway has been tried in the past, but the International Court of Justice in 1978 deemed itself unfit to provide a solution. Since then the introduction of the United Nations Convention of the Law of the Sea (UNCLOS) in 1982 has complicated matters even more by introducing the concept of the EEZ, with its demarcation becoming another point of contestation between the two sides.

Instead, the US could facilitate the dialogue by pressing hard on the mutual economic benefits of this solution. Parallel to this, the US should also try to foster a renewed dialogue on the Cyprus Problem from where it was left off in 2017. Any progress in those dialogues will allow Turkey to be incorporated in the nascent regional infrastructure surrounding hydrocarbon exploration. A solution to these issues or at least some progress will enable Turkey to become part of the process rather than an outlier.

The next move that US policymakers can make to bring Turkey to the table and facilitate dialogue is the carrot of financial help. The Turkish economy is in a dire position with the country's GDP projected to contract by approximately 10% this year. The Turkish lira has been destabilised, hitting record lows against the dollar in August 2020 with inflation soaring. Regional cooperation could ease things for Erdogan and his government. A protracted standoff and a hostile stance would mean billions spent on the military on both sides of the Aegean when they could have been used

elsewhere. Moreover, a de-escalation by Turkey and a commitment to dialogue could be accompanied by a financial support package supported by the US, the EU and the IMF. Such a development will also provide new life to the strenuous relationship of Turkey not only with Greece but with NATO in general.

It should be noted that offering financial support to Turkey will also reduce the danger of Turkey becoming a target for China's geoeconomic policy. Turkey has already used a \$400 million scheme to exchange liras with renminbi in recent months, and according to Chinese officials Turkey features prominently in the plans for China's Belt and Road Initiative (BRI).^{8 9} The current economic crisis could provide the right opportunity for China to offer a financial lifeline to Erdogan and bring Turkey within its sphere of influence, increasing China's foothold in the Eastern Mediterranean. Erdogan and the Turkish government tacitly seem to acknowledge the prospect of Chinese financial support, as they have conspicuously remained silent about China's treatment of the Uighur Muslim minority (an issue they are generally quite vocal about) in an apparent effort to stay in Beijing's good graces. Therefore, providing aid and financial assistance to Turkey in this hour of need would not only help resolve the crisis with Greece, but it would also help to minimise China's economic leverage over the country—allowing Istanbul to speak out about the grave abuses in Xinjiang.

CONCLUSION

US leadership is much needed to de-escalate tensions in the Eastern Mediterranean. As things stand, no other party has the clout to push Greece and Turkey towards a lasting diplomatic solution. The task at hand is by no measure an easy one. Greco-Turkish matters are considered 'national issues' on both sides of the Aegean building on deeply rooted nationalist sentiments and a troubled history spanning centuries. The present situation is also much more complicated since it is not merely a dispute between Greece and Turkey but the latest episode of a region-wide confrontation in the Eastern Mediterranean that encompasses additional, extra-regional powers, including France and the UAE. The question now is whether the US is willing to act when it is hamstrung by the effects of the pandemic at home, caught up in persistent internal strife, and diplomatically limited by the foreign policy whims of President Trump. Unfortunately, time is of the essence. A tragedy in the Eastern Mediterranean might cause irreparable damage to NATO, one that even a Biden victory and return to normalcy might not be able to salvage. ■

NOTES

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- 2 "A Row between Turkey and Greece over Gas Is Raising Tension in the Eastern Mediterranean," *The Economist*, 2020, accessed September 15, 2020, <https://www.economist.com/international/2020/08/20/a-row-between-turkey-and-greece-over-gas-is-raising-tension-in-the-eastern-mediterranean>.
- 3 "France Stokes Turkey Tensions by Sending Naval Vessels to Waters Off Cyprus," *Financial Times*, 2020, accessed September 15, 2020, <https://www.ft.com/content/465ba697-451f-4601-b1a7-02eca6680edc>.
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- 9 Riza Kadilar, and Erkin Ergüney, "'One Belt One Road' Initiative: Perks and Challenges for Turkey," *Turkish Policy Quarterly* 16, no. 2 (2017), http://turkishpolicy.com/files/articlepdf/one-belt-one-road-initiative-perks-and-challenges-for-turkey_en_7378.pdf.

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THE AUTHOR

Alexandros Zachariades holds a BA in History and Politics from the University of Exeter and an MSc in International Relations Theory from the LSE. His research focuses on the Foreign Policy of Greece and Cyprus in the Middle East, with a particular interest in the Eastern Mediterranean and the Persian Gulf. His work also explores the interconnection between Neoclassical Realism and small powers. He is conducting his research at the LSE with the support of an Onassis Foundation scholarship.



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lse.ac.uk/ideas/exec





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For general enquiries:

LSE IDEAS

Floor 9, Pankhurst House
1 Clement's Inn, London
WC2A 2AZ

 +44 (0)20 7955 6101

 ideas@lse.ac.uk

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Crisis has returned to the Eastern Mediterranean where Greek and Turkish economic interests, legal claims, and armed forces are squaring off. In this Strategic Update, Alexandros Zachariades explores how the two NATO powers arrived at the current confrontation, how the contest intersects with issues ranging from China to Libya, and how the international community can resolve the tension.

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