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Energy Sources in the Eastern Mediterranean: Contributor to Solve the Problems in Cyprus, Turkey, and Israel Triangle?

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Abstract

For many years Turkey has had balanced relations with Israel and Arabs. In 2007, Israel and Turkey made a big move in military cooperation and after that period Ankara sought to be an honest broker between Arab countries and Israel because of its good relations in the region. However, the Gaza flotilla crisis changed the situation and Turkey-Israel relations were damaged dramatically. According to the agreements that gave birth to the Republic of Cyprus (Cyprus) in 1960, Turkey was one of the guarantor powers. However, after the 1974 events in the island, the official relations between Turkey and Cyprus stopped in many areas. The discoveries of gas fields in the Eastern Mediterranean have produced cooperation between Cyprus and Israel. In the beginning, Turkey perceived this as a challenge to its national interests. Yet, the intercommunal negotiations in Cyprus to reunite the island again and rapprochement between Turkey and Israel increased optimism to make a trilateral deal on the gas issue. In this paper, the possibility of a gas deal that might be a contributor to solving the problems of the relevant parties will be discussed within historical and political contexts.

Keywords: Cyprus, Israel, Natural gas, regional cooperation, Turkey.
Introduction

Turkey and Israel relations usually had been close, especially during the 1990s when they could be described as almost perfect. The crisis between Turkey and Israel started with the Mavi Marmara incident in 2010. In 2012 it culminated with the oil exploration of Israel and Cyprus in the Eastern Mediterranean. In the realist perspective, the oil exploration can be considered to be against Turkey. However, contrary to the realist view that during a conflict period the relations between states cannot improve, the economic relations between the two countries continued and trade increased. The optimist liberals expect that cooperation, such as trade between states, increases interdependence between parties. The prediction of the liberals came true at the end of 2015 when Israel and Turkey made a deal to ease their relations and cooperate on the energy issue (Birgün 2015).

It will be enlightening to understand the realist and liberal arguments regarding cooperation. Realists view the state as the main actor in the international system, and they focus on the survival issue with the view that the state must practice "self-help". According to this understanding, cooperation between states is not easy (Dunne & Schmidt 2014a). On the other hand, liberals claim that states can shape their interests at different levels in international relations. Like the realists, the liberals also stress the importance of states and accept the anarchy in the international system. However, liberals do not believe that anarchy is an obstacle to the relations of states. The liberals view the interest groups, transnational corporations, and non-governmental organizations also as important actors in international relations. For them, all "diverse actors [are] linked through multiple channels into interaction" (Dunne & Schmidt 2014b). While the realists generally perceive energy as a national security issue, liberals believe that energy can create a path towards cooperation, instead of conflict, between interested parties.

It is a general view that the hydrocarbon resources in the eastern Mediterranean are not big enough to be a global game-changer, but it is nevertheless much more than the consumption of the producer states, and they can sell gas to the global market. The investment in energy is not cheap and it necessitates collaboration between the relevant states for their own benefit. If the states in the Eastern Mediterranean will act according to the liberal concept, gas can become a positive factor in terms of conflict resolution and economic support. However, if they fail to cooperate, they can lose this chance. Clearly, gas can be an instrument of cooperation or a source of conflict and clash in the Eastern Mediterranean.

After the Cold War, the United States of America (the USA) remained the only superpower, although its power has decreased relatively. The USA, being the leader of the West, used to have a responsibility to guarantee the flow of energy to the global market safely. Now, the energy cooperation of Cyprus, Egypt, Israel, and Lebanon has become one part of the USA’s security strategy in the Eastern Mediterranean. The USA has planned to coordinate states with gas resources to work together and transfer the natural gas via Turkey to the
global market. Clearly, in order to put this plan into practice the region must be stable and for this, the Cyprus problem has to be solved.

In this context, the paper will discuss the previous actions of Turkey, Israel, and Cyprus in order to evaluate the possibility of cooperation between the parties. Clearly, the future of the region will be based either on realist or liberal perspectives and acts of the respective states. The national preferences and acts of the states on hydrocarbon issues will be the determinants of stability, prosperity, and cooperation or vice versa.

Relations of the Parties in the Eastern Mediterranean

The relations between the states can be changed in a region over time. For example, during the Cold War period in 1955 Iraq and Iran became the two founding members of Baghdad Pact. However, with the regime changes in 1957 and 1979 respectively their positions changed in the regional arena. Today, Turkey, Israel, and Cyprus are not at the same position during the Cold War and seek to have new partners to cooperate. During the Cold War, Turkey and Israel had good relations. However, after 2010, their relations have had ups and downs. On the other hand, Cyprus and Israel who did not have any cooperation have developed good relations. As it is explained below, the souring of relations between Turkey and Israel was one of the main reasons for better relations between Cyprus and Israel.

Relations between Turkey and Israel

The relations between Turkey and Israel go back to the year 1948, Israel’s formation year. Turkey was one of the first countries that recognized the new state. The Turkish foreign policy in the 1960s shifted towards the Arab world because of Ankara’s continued setbacks in the United Nations concerning the Cyprus problem, but Turkey did not change its policy with Israel, choosing instead to balance it. However, when Israel-Arab relations became problematic, Turkey’s relations with Israel also became soured. However, the ups and downs in Turkish-Israeli relations did not hamper a deepening collaboration. Throughout the 1990s Turkish-Israeli cooperation extended to military, economic, and other areas. In 2007, Israel and Turkey made a big move on military collaboration, and Israel’s companies have modernized Turkey’s aircraft and upgraded its tanks. They also cooperate on land, air, and sea as well as in other security areas. Moreover, they agreed to share intelligence and organize common military training (Oran 2010). More importantly, during this period Turkey sought to be an honest broker between Arabs and Israelis.

However, the Turkish Government’s condemnation of 2008-2009 Israel-Gaza conflict strained their relations. The Gaza flotilla crisis in 2010 was the most severe crisis between Israel and Turkey. During the Mavi Marmara crisis, nine Turkish citizens were killed by Israeli soldiers, and Turkish ex-Prime
Minister Recep Tayyip Erdoğan described the attack of Israel as "state terrorism" (BBC 2010). After this Turkish declaration of Turkey Prime Minister Benjamin Netanyahu rejected Ankara’s mediation stating that it could not be an honest broker between Israel and Syria (Zenebiye Com 2009). After recalling the Turkish ambassador from Israel in September 2011, Turkey also expelled the ambassador of Israel (Arsu & Cowellsept 2011). Turkey also stopped military cooperation with Israel during that period (BBC 2011). During this period Defense Minister of Israel, Ehud Barak tried to calm the situation and expressed his optimistic view that the two countries would overcome the existing problems (Y net news 2011). Also, the United States as a mediator began "applying significant pressure on both Israel and Turkey to rebuild their relations" (Eran & Lindenstrauss 2011).

In June 2010, Israel discovered a major hydrocarbon field namely Leviathan, off its Mediterranean coast. After Israel-Turkey relations soured, Israel saw use the route via Cyprus as its best option to export its gas to Europe, the region that sought to decrease its energy dependency on Russia (Theodoulou 2012). During the first period, Turkey was critical on Tel Aviv because of its perception that Delek Group, the leading energy company of Israel which explores natural gas in the Eastern Mediterranean, has assisted Cyprus. Turkey also claimed that the Republic of Cyprus could not have an exclusive economic zone (EEZ). Cyprus could also not sign deals with Israel, which could be detrimental to the Turkish Cypriot population in Northern Cyprus. Thus, in order to prevent collaboration between Cyprus and Israel, Turkey claiming to secure the Turkish Cypriot’s rights signed an agreement with the "Turkish Republic of Northern Cyprus" to explore gas in the Eastern Mediterranean. In spite of the existing political problems, Israel and Turkey developed their economic ties in many areas (Eran & Lindenstrauss 2011). According to the Federation of Israeli Chambers of Commerce report, there was a major rise in their trade. Israel-Turkey trade rose 26% to $3.1 billion in 2010 from $2.5 billion in 2009. Israel’s exports to Turkey rose 21% to $1.31 billion from $1.08 billion, and imports from Turkey rose 30% to $ 1.8 billion from $1.4 billion (Katsovitch 2011). This increment can be seen as the will of business classes to continue the cooperation between two states, i.e. one of the premises of liberal theory.

The easing of the problems between Israel and Turkey became obvious when Turkey lifted its veto on NATO cooperation with Israel in the end of December 2012 (Daily Star 2012). Israel immediately responded with a positive sign and Israel’s defense firm Elta sold electronics equipment for Airborne Warning and Control System (AWACS) to Turkey (Solaker 2013). President Barack Obama also convinced Israel to apologize and to pay compensation to Turkey in March 2013 (The Guardian 2013). Yet, on top of Israel’s apology, restoring the relations of the parties needed more time.

By the end of 2015, Turkey’s ruling Justice and Development Party Deputy Chairperson, Ömer Çelik, indicated rapprochement with Israel. He said that Turkish and Israeli people have been friends (Israel National News 2015). Six years after the Mavi Marmara incident, the energy ministers of Turkey and
Israel met in 2016 for the first time and made a deal to explore possibilities of carrying gas from Leviathan to Turkey via a submarine pipeline (Sezer 2016). On April 26, 2017, a delegation from Israel chaired by Yaffa Be-Ari, head of the Economic Affair Division of the Foreign Ministry visited Ankara for more economic cooperation between their countries (Valansi 2017a).

Eitan Na’eh, the new Israeli ambassador to Turkey explained that Israel and Turkey began to normalize their relations and re-identify their common interests. He said that Israel used to be a friend of Turkey, and they have to work together for the benefit of both peoples. For the ambassador "energy is one issue that will not [become solved] by words merely" and he hoped the energy project "will open up the entire business community [mutually] and it won’t be limited to energy." For him, energy would be the "locomotive and the catalyzer for these renewed relations or booming of the relations" (Valansi 2017b). At the eighth annual Atlantic Council İstanbul Summit, Shaul Meridor, the director general at Israel’s Ministry of National Infrastructures, Energy and Water Resources, announced that they could carry Israel’s gas to Turkey within three or four years (Nasi 2017). For Meridor, the supply could be up to a fifth of Turkey’s natural needs (TRT World 2017). Of course, Israel would not have only one limited option. It considered several scenarios to export its gas: The first one to ship it via LNG terminals in Egypt; the second one to export it through a pipeline via Cyprus; and the last one to send it via Turkey. On some speculations, Meridor strongly emphasized that the alternative pipeline projects "are not mutually exclusive and they should be interpreted not as competing but complementary to each other" (Nasi 2017). Recently, Yuval Steinitz, the Energy Minister of Israel declared the determination of Turkey and Israel to sign an agreement on building agas pipeline to EU by 2018 (Sputnik News 2017). For the minister, Israel has been working on two different projects, one via Turkey to Europe, the other from Cyprus to Greece and Italy. Clearly, Israel’s aim is to collaborate with the relevant parties to end its isolation in the Eastern Mediterranean. Since the Islamic revolution in Iran, Israel-Turkey cooperation became vital for them and also for the USA. In this case, Israel and Turkey tried to contain Iran’s sphere of influence in the region. Iran’s active participation in the Syrian war "strategic cooperation between Israel and Turkey" became a necessity (Tanchum 2015). As it is seen, geography has become a determinant of the cooperation between Turkey and Israel.

Relations between Cyprus and Israel

During the Cold War period, Israel was in the Western bloc, while Cyprus ran a non-aligned policy. This policy sometimes let Cyprus use the Moscow card against the USA and sometimes Washington card against the Soviet Union. Cyprus also pursued a pro-Arab policy and this issue prevented Nicosia-Tel Aviv cooperation (Aslım 2010). On the other hand, Israel saw its future in having close relations with the USA and during the Israel-Arab wars, Jews received strong support from Washington.
In the beginning, the Cypriot government was cautious in developing its relations with Israel because of its traditional relations and military cooperation with Turkey. Yet, when Cyprus realized problematic relations between Turkey and Israel, it tried to develop its connection with Tel Aviv and gas was the main motivator of Israel-Cyprus relations. The amount of gas in the Levant Basin in the eastern part of the Mediterranean was encouraging. This amount can make Cyprus self-sufficient and Israel an energy exporter and they can sell the gas to Europe and Asia (Zaman 2012).

The hydrocarbon discoveries in the region developed economic and political cooperation between Israel and Cyprus. The cooperation between Cyprus and Israel extended and Greece also accompanied them. This trilateral relation has given the opportunity to work on the feasibility of constructing an energy corridor from Cyprus and Israel to Greece. If this scenario could be workable, other potential producers like Egypt can also be partners with its recent discoveries in Tamar area. It is rational to think that cooperation of the relevant states in the region may end the regional conflicts and the Eastern Mediterranean can be an area of cooperation. David Mitrany has tried to explain the models of cooperation after the World War II (Mitrany 1948). Clearly, the model of 1950s Europe based on energy can be useful for the region.

Israel-Cyprus relations continued after its rapprochement with Turkey. However, while Cyprus and Israel are planning common gas investments, Turkey’s declaration on pipeline possibility shocked the Cypriot representatives. For Turkey, a gas pipeline could be constructed in Cyprus’ economic waters because Ankara believes that "international maritime laws allow the pipeline to be laid without Nicosia’s consent." While Cyprus’s government spokesman opposed this argument, Israel explained that it was holding "parallel talks with Cyprus about different pipelines (Wainer 2017). The success of negotiations that have aimed to solve the Cyprus problem could assist the regional cooperation. If the Cyprus problem becomes unsolvable, Israel will have to select either Cyprus or Turkey as the partner and probably will choose Turkey because of its greater importance.

**Relations between Turkey and Cyprus**

Turkey-Cyprus relations have been problematic since the beginning of 1964 when the bi-communal Republic of Cyprus collapsed. After that, the Greek Cypriots ruled the island alone. In 1974 because of the coup of the Greek junta in Cyprus, Turkey found the opportunity to act militarily, as it was expected to do for many years. Consequently, Turkey began to control one-third of the island. Although the leaders of the two communities have been trying to solve the problem in Cyprus since 1968, no success came out to unite the island again. In the north part of Cyprus, Turkish Cypriots formed a state in 1983, which only Turkey has recognized, namely, the "Turkish Republic of Northern Cyprus".
Today, the Greek Cypriots continue as the sole ruler of the Republic. According to them, they are representing the Republic of Cyprus and only Nicosia can "explore and exploit its natural resources within its EEZ" (Mullen 2014). For the Turkish Cypriots, "there is no constitutional government" in the island after the collapse of the bicomunal Republic of Cyprus. They claim "the natural resources belong to all Cypriots" and "should be jointly explored for and exploited." As the Greek Cypriots are acting unilaterally, Turkish Cypriots can do the same thing. Since then, Turkish Cypriots licensed "their own blocks." The eight blocks licensed to the Turkish Petroleum Company (TPAO) overlap with about 40% of the 13 blocks delineated by the Republic of Cyprus (Mullen 2014).

The expectation of the optimist circles has been to find a political solution to the Cyprus problem where it will ease the relations between Turkey and Cyprus. A united Cyprus would be a friendly state with Turkey and together they would cooperate with Israel on the energy issue. However, the President of the Republic of Cyprus Nikos Anastasiades has been critical of Turkey's attitudes on the Eastern Mediterranean. In a letter, the President accused Turkey issuing several navtexs and "illegal seismic vessel Barbaros set to conduct 3D research in Cyprus exclusive economic zone" and preventing "Cyprus from exercising its sovereign rights in its EEZ" (Anastasiou 2017b). For the Greek Cypriot leader, the acts of Turkey would not ease finding the solution.

Recently, the negotiations between the parties failed to reach a conclusion. General Antonio Guterres announced the collapse of the Cyprus Conference at Crans-Montana on 7 July 2017. Although Guterres declared that the parties could not find a solution to the Cyprus problem, he did not announce that there would not be any new initiatives of the United Nations (Cyprus Mail 2017). There were different explanations of the reasons for the end of the talks, but it seemed that the main reason was security and guarantees. Clearly, the parties could not find a way to solve trust problems between themselves, and this could prevent regional cooperation on energy.

The Path to Impasse!

Alternative models of gas transformation have been presented to get the support of international investors. The first model was to plant a pipeline from Cyprus to Greece, and the second was from the island to Turkey. The cost of a pipeline to Greece is high and technically difficult. The cost of the pipeline to Turkey is less than $1 billion and it is 20% cheaper compared with a single LNG project (Lomas 2014). Ankara has offered to build a pipeline to transport Cypriot gas to European markets via Turkish territory. According to the Turkish Minister of Energy Taner Yıldız, Israel and Greek Cypriots and Turkish Cypriots "have all agreed on one reality: The natural gas to be produced from this region will get its utmost feasibility by a pipeline that will pass through Turkey". However, the Greek Cypriots firstly would like to solve
the Cyprus problem and see the withdrawal of the Turkish troops from the island (Demirtas 2013). Clearly, at the moment both sides have not aimed at common gain but to maximize their own benefits.

The Israel ambassador Eitan Na’eh said "the solution of the Cyprus problem can speed up the project." He hoped that "all sides will realize the win-win situation." For him, when Israel and Turkey "sorted out the politics, people are already seeing the advantages of the win-win situation that lies in the East-Med" (Valansi 2017b). Also, Thonas Dokos advised that all relevant sides move away from the zero-sum game mentality and instead focus on a win-win situation (Dokos 2014).

Turkey’s preference has also been getting some advantages from the solution of Cyprus problem. On energy issue, Turkey would like to be energy transit state and not to be excluded from the game. Matthew Bryza, former US Deputy Secretary of State, proposed a model "building an Israel-Turkey pipeline connected to a Cyprus LNG terminal" that would give economic and political gain for both parties. In this context, Israel and Turkey would restore their strategic partnership and Cyprus problem would end (Bloomberg (2014). The liberal perspective argues that the economic benefits deriving from energy transportation could help resolve political conflicts.

However, both Cyprus and Turkey have aimed to continue the zero-sum game. While Cyprus has aimed to share gas income after the solution, Turkey rejected this proposal by asking that they end the exploration. Its position is to put Nicosia under pressure for a compromise. In this context, when Cyprus declared that it would issue more licenses to the international companies for hydrocarbon exploration, Turkey’s foreign ministry spokesman, Hüseyin Müftüoğlu, asked the Greek Cypriots to stop issuing licenses for gas (Kıbrıs 2017). In order to increase its leverage, Turkey sent a letter to the UN general assembly on April 12, 2017, and announced that it would not permit the international companies "to conduct hydrocarbon exploration and exploitation activities on the continental shelf" that Greek Cypriots claimed it was in its sovereign area and fell block 6 (Anastasiou 2017a). The reason for Turkey’s opposition was that block 6 partially falls within the outer limits of its continental shelf in the Eastern Mediterranean.

Conclusion

As it is discussed above, the hydrocarbon resources in the Eastern Mediterranean could assist the economic development of the states in the region. In order to reach that goal, there is a need for cooperation between the states. The states in the region have to think on a regional basis. If they continue to see energy as a source of national interest, conflicts and wars in the Eastern Mediterranean are inescapable. In this context, the Eastern Mediterranean area can be seen as an area of losing opportunities. If the parties in Cyprus refrain from cooperating, they cannot live in peace. Turkey and Greece, "the motherlands of Cypriots", cannot even make research in the
Aegean because they could not make a deal regarding how to share the richness of the sea. Then the only possible situation is one where Israel separately cooperates with Turkey and Cyprus. However, this model is costly and not peace promising. Moreover, if tension increases in the region the international investors will refrain from investing and look for new areas to conduct business. Consequently, it is not a surprise if Turkey-Israel cooperation produces a pipeline for their own benefit and the Cypriots embedded themselves to the two regional powers in the energy game. There have been many examples that the states in the region have not acted in a rational way and the Cypriot example will not be the last one.

References


