

Israel in the Mediterranean: Policy Questions and Answers

Policy paper based on a meeting of the “Israel in the Mediterranean” working group

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This paper presents insights and recommendations from a policy workshop of the “Israel in the Mediterranean” group led by the Mitvim Institute, the Hebrew University’s Leonard Davis Institute for International Relations and Haifa University’s National Security Studies Center. The workshop, convened on 19 November 2020, focused on key diplomatic, economic, energetic, environmental and identity issues that Israel faces in the Mediterranean. The document does not necessarily reflect agreement by all participants.

The Mediterranean has become a central arena of Israel’s regional foreign policies in recent years. Developments in this region present Israel policymakers with questions regarding diplomatic, economic, energetic, environmental and identity issues. The separation and differentiation between these fields is largely artificial given that they are intertwined, with policy in each sphere derived from, and projecting on, activity in the others. This document sums up the insights and recommendations emerging from a discussion of specific issues that concern or should concern Israeli decisionmakers.

On issues of diplomacy, the discussion focused on the questions of how Israel can maintain open channels of communication with Turkey, expand its alliance with Greece and Cyprus beyond the energy field, and contribute to the successful conclusion of maritime border negotiations with Lebanon. The economic discussion centered on how normalization with the Gulf States can be leveraged to bolster relations with Egypt and Jordan, and how the Mediterranean can be mobilized to strengthen Israel’s circular economy. Discussion of energy issues dealt with the advantages and disadvantages of connecting Israel to regional power grids and with alternatives to the exploitation and export of Israel’s natural gas. On environmental issues, participants discussed how Israel could mobilize the help of the international community and states in the region to deal with the climate crisis, and the potential contribution of the Mediterranean to a zero-emissions Israeli economy. Participants also discussed the potential contribution of forging a Mediterranean identity to relationships in the region.

A. Diplomatic Questions and Answers

1. How to maintain open channels of communication between Israel and Turkey?

The working group’s previous discussions underscored the importance of maintaining open channels to Turkey despite the tensions between the two states, an issue that is increasingly germane given perceptions by some in Israel of Turkey as a hostile nation. The current level of ties between Israel and Turkey seems to be serving both sides. Israel’s partnership with

the counter-Turkey Mediterranean axis does not disrupt its relationship with Turkey to any significant extent and does not force it to choose between its alliance with Greece and Cyprus and its relations with Turkey. Nor does Turkey pay heavily for tensions with Israel. Its criticism of Israeli policy boosts Turkey's image in the Middle East. Although Turkey has de-facto downgraded diplomatic ties with Israel, trade has increased, tourism was on the rise in 2019, and Israeli artists and performers appear in Turkey.

Nonetheless, several factors could lead Turkey to try and ease tensions with Israel. Turkey's isolation in the Mediterranean is taking a heavy toll and of all the states in the region, Israel would be the easiest with which to rehabilitate ties. Another factor is concern about the UAE turning into an alternative tourism destination for Israelis and a transit point for connecting flights, hurting Turkish Airlines. Also at play is Turkey's desire to play an active role in the Israeli-Palestinian conflict under a Biden Administration that is expected to adopt a multilateral approach to the issue. Biden, who played a significant role in Israeli-Turkish reconciliation in 2016, could once again contribute to a warming of relations.

Israel and Turkey have shared interests in a number of arenas, which Israel could mobilize to advance relations with Ankara. For example, shared opposition to the decision by Belgium, Holland and Denmark to ban circumcision of minors could serve as the basis for cooperation at relevant international institutions. Members of the Turkish diaspora in Europe are seeking business opportunities with Israel. The Coronavirus pandemic has seen growing online interaction between Israeli and Turkish research and policy institutes. Israel must continue to convey the message that its alliance with Greece and Cyprus does not come at the expense of reconciliation with Turkey. The political power of both leaders, Netanyahu and Erdoğan, allows them to restore relations between their countries without paying a heavy public price or prompting domestic opposition.

2. How to expand Israel's alliance with Greece and Cyprus to non-energy issues?

Israel has a history of relationships that started out with a "honeymoon" but did not have a happy end. Israel must ensure that its alliance with Greece and Cyprus rests on firm foundations that can withstand shocks and challenges and continue to serve stability and Israel's long-term interests.

The main obstacles facing the alliance are the conflict between the Hellenic states and Turkey, and the gas pipeline to Europe. By its very nature, the conflict between Turkey and Greece and Cyprus endangers Israel's non-exclusive policy in the Mediterranean and challenges its ability to maintain good relations with both sides. There is concern that escalation of the conflict could force Israel to take sides and affect its relations with the other. The feasibility of the gas pipeline to Europe, which was expected to serve as a political and diplomatic tool to strengthen ties among the countries involved, is in doubt. Israel must act to prevent a gap in expectations with other countries involved that could eventually result in deteriorating ties and unnecessary tensions.

To confront these challenges and to take advantage of the opportunities that lie in strengthening ties with Greece and Cyprus, Israel must continue to imbue relations with concrete and varied content that goes beyond the fields of security and economy. Israel acted correctly in pooling government resources to build cooperation with Greece and Cyprus. It wisely took on the leadership and costs of advancing ties in the field of innovation with these two states. Cooperation has already been forged between chambers of

commerce, as well as on environmental issues, tourism, and communications. There are also many civilian initiatives, meetings, Diaspora-related activities led by the Jewish Agency, and more. The Coronavirus pandemic suspended many of these projects and cooperation ventures, but in itself provided a channel for cooperation with these states. Israel can and should take advantage of the European affiliation of Greece and Cyprus to promote cooperation with them through programs and frameworks of the EU, for example in research and development. Israel should continue underscoring the democratic character of all three states, as was done at the start of the warming relationship, in order to boost the democratic component of Israeli foreign policy.

Cyprus is interested in establishing a secretariat for the trilateral relationships that it and Greece maintain with states in the region. This plan is moving slowly despite its importance to the Cypriots, who view it as upgrading their role the region. Israel's ambassador to Cyprus has been named as the Israeli representative to the secretariat, and the Foreign Ministry has appointed a political coordinator to support and strengthen the move. An additional supplementary move that Israel must promote in light of its new agreements with Gulf states is the integration of the Gulf and Hellenic arenas to create synergy that would boost cooperation, without attention to the Gulf arena undermining attention to the Hellenic one.

3. How to achieve positive outcome of maritime negotiations with Lebanon?

The ongoing negotiations between Israel and Lebanon on marking their maritime border are important in themselves, even if no breakthrough has been achieved, yet. The talks have a "regularizing" effect that habituates the sides to talk with each other for the first time in many years, and create a model that could serve other conflicts in the region. The talks may end up serving an entirely different purpose, not necessarily agreement on the maritime border.

As a lesson of previous talks with Lebanon, Israel must lower its expectations and keep a low profile, focusing only on the technical aspects of the negotiations and avoiding boastful statements about peace and normalization that would likely undermine this move. While Israel's Ministry of Foreign Affairs must be involved in the negotiations in order to provide a diplomatic framework, the Ministry of Energy can continue playing a leading role, in order to assuage Lebanese concerns that Israel views the talks as diplomatic negotiations.

The Obama Administration and subsequently the Trump one were invested in efforts to promote an Israeli-Lebanese agreement, eventually bringing about the launch of negotiations. Israel must convey to the Biden Administration the value of continued US mediation. It is important that the Biden Administration not regard the talks as a political issue on which it must overturn Trump's policy, but rather an important professional and diplomatic issue that must be resolved.

B. Economic Questions and Answers

1. How to leverage normalization with Gulf States for stronger economic ties with Egypt and Jordan?

The UAE, especially Dubai, is a world-leading expert in air-sea connectivity and logistics capacity that has far reaching potential for Israel's supply and trade chain, as well as for regional tourism. The Emirates' logistics capacity and abilities could also help develop shared regional transportation routes, such as a shared Israeli-Egyptian maritime route and

a land route in which Jordan plays a significant role. Exploiting the potential of overland and air transport through Jordan largely depends on Saudi cooperation. Development of this route could provide Jordan with a significant and critically needed source of revenue and employment, especially with the declining importance of the Aqaba Port given its difficult access for large vessels. Completion of the overland route and a link of the Israeli and Jordanian rail networks would contribute greatly to the development of such a route. Regarding development of the route between the Gulf and the Mediterranean through Israel, Israel must ensure that Egypt is not harmed and that traffic through alternative routes does not reduce its Suez Canal income.

Israel's agreements with the UAE and Bahrain present an opportunity to advance significant economic projects. Israel would do well to promote projects with the UAE and third countries whose stability it seeks to strengthen and from which it stands to derive economic benefits. The assets Israel could bring to such regional partnerships include its technological abilities and expertise in confronting the challenges of desertification, healthcare, water, food security, agriculture, finances, and more. Israel should also consider promoting joint projects with the Emirates in Egypt, Jordan and even Sudan. In addition, energy is a standalone issue that encourages cooperation among Israel, the UAE, Egypt and Jordan (and perhaps even the Palestinian Authority, for example within the framework of the Cairo-based Eastern Mediterranean Gas Forum) and multinational cooperation between the Gulf, the Mediterranean and the Red Sea.

2. How can Israel leverage the Mediterranean to advance its circular economy?

Developed countries with a high-level of environmental awareness are turning increasingly to adoption of a circular economy that strives to end dependence on fossil fuels and treat waste as a reusable resource. Israel's potential for circular economy cooperation lies in Europe and the UAE, sharing with them its relevant technological and innovative edge. Various agencies in Israel are promoting circular economy projects, among them the Ministry of Economy, the Manufacturers Association of Israel and the Ministry of Environmental Protection. Israel must also strive to join the EU's Green Deal program. Intensification of a circular economy and regional cooperation on the issue could result in significant cost reductions. Nonetheless, the circular economy concept is still new to the region. Egypt and Jordan are very far from adopting the idea, nor does Israel do enough in this regard.

C. Energetic Questions and Answers

1. Should Israel hook up its power grid to those of Jordan, the Gulf and Europe?

Maintaining energy stability and security is one of the challenges posed by the shift from fossil fuel to renewable energies. A regional power grid hookup contributes to energy stability and enables daily electricity trade. The more such connections Israel has – to Jordan, Egypt, Europe and the Gulf – on separate and unconnected grids, the greater its energy security. The connections could be of significant value, but in themselves cannot guarantee energy stability. The EU, which is advancing renewable energy development and encouraging such connectivity, has set a target of hooking up Cyprus and eventually the Middle East to European grids. It therefore has an interest in promoting a connection between Cyprus and Israel, too, and might be willing to bear some of the cost with local governments making up the rest. Connection to a regional grid would also allow Israel to

sell its energy surplus, even if at a low price, as long as there is no effective energy storage system. Strategically speaking, Israel must maintain its energy independence, especially during times of crisis, and avoid dependence on an external energy source. Along with energy and economic considerations, connections to regional grids also involve diplomatic considerations. For example, Jordan has a surplus of renewable energy, but when Jordan does, Israel does too. Importing renewable energy from Jordan, along with the idea of combining it with water desalination for Jordan, could contribute to strengthening ties with Jordan and protecting Israel's gas export agreement with Jordan, which has generated opposition there. The decision to expand the electricity link between Jordan and Jericho is a positive political move.

2. What is the preferred gas export alternative for Israel, if any?

The world will shift from fossil fuels to renewable energy within the coming years. The transition period will likely last 15 to 30 years, depending on technological progress as well as the economic and political will to speed up this shift. During the transition period, Israel must enhance its production of natural gas rather than using more polluting fossil fuels in order to maximize the economic benefits for its citizens and utilize the gas to create regional interconnections. Potential connections for gas exports include cooperation with Egypt at its coastal gas liquefaction facilities, establishment of maritime liquefaction facilities, and the proposed gas pipeline from Israel to Cyprus and Greece, the option of which serves as an important diplomatic tool. Another potential connection for Israel is with Saudi Arabia, which has demand for natural gas. Under improved political circumstances, gas could be exported to Saudi Arabia easily through a pipeline from Israel transiting Jordan.

D. Environmental Questions and Answers

1. How can the international community mitigate regional climate change effects?

Israel should cooperate in this field first and foremost with the EU, which constitutes part of the region, is close by, knowledgeable and oriented toward the issue, and advances a well-defined environmental policy aided by generous budgets. Under a Biden Administration, the US is expected to be far more engaged in confronting the climate change crisis, and may be willing to intervene in such matters also in the Mediterranean. UN agencies are also relevant to the issue, whereas China and Russia are less so. Two important platforms that should be examined in terms of potential future cooperation are the Barcelona Treaty and the Union for the Mediterranean (UfM). Israel would do well to build regional and international cooperation centered on concrete action – for example, joint emergency drills by Mediterranean states together with world powers to prevent maritime pollution and contamination or collect and aggregate information in order to obtain a comprehensive overview of sea-rise levels (Israel does not have systematic, official and sufficient data collection on this issue).

2. How the Mediterranean can help achieve a zero-emissions goal?

A zero-emissions economy is energy efficient, relying largely on renewable energies and absorbing existing emissions by mechanical and other means. Israel has difficulty reaching a zero-emissions target on its own. Israel is an energy island, it lacks sufficiently varied sources of renewable energy (such as wind and water), other than the sun. Its land mass is small, limiting space for solar energy production. Regional cooperation in acquiring green

energy from states in the area and through an electricity cable from Europe, and eventually through cooperation with Gulf states once they become solar energy producers, could offer opportunities for Israel to achieve zero-emissions.

E. Identity Questions and Answers

1. How to harness the Mediterranean identity for the benefit of Israeli foreign policy?

The Mediterranean identity rests on a geographic and topographic space and includes shared elements and characteristics in terms of popular culture, music, food, agriculture, and more. However, the variety of religions, languages and nations, as well as political conflicts, challenge its formation. Some find in this variety the basis for an identity appropriate to the region. The existence of a shared identity, or at least of shared identity elements and a sense of affinity, has far-reaching impact on the ability to promote cooperation in the Mediterranean. Many projects have been carried out over the years in an attempt to form a Mediterranean identity, in a bottom-up manner that starts from the grassroots and would impact decisionmakers.

Activity in the opposite direction is also feasible and advisable – investing resources in building a Mediterranean identity from the top-down, under the leadership of decisionmakers, as a supplementary and necessary move for regional integration and cooperation. There is a fairly positive attitude in Israel toward the idea of the Mediterranean identity, which is easier for Israeli to accept than adopting either a European or Middle Eastern identity. In attempting to forge a Mediterranean identity, one must keep in mind all existing identities in the region and recognize that the EU could view such a process as competing with its efforts to consolidate a European identity. In the process of identity formation, there may be a more limited option, which does not encompass the entire Mediterranean, but rather focuses on the sub-region of the Eastern Mediterranean.