

## The Interests of Eastern Mediterranean States and Israeli Policies

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

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**This paper scans the interests and activities of Greece, Cyprus, Turkey and Egypt in the Mediterranean Basin – their varying and competing interests, their points of convergence and cooperation, and the challenges and opportunities for Israel. The paper is based on the main points raised at the third meeting of the working group on Israel in the Mediterranean, held in September 2019 in the Herzliya offices of the Friedrich-Ebert-Stiftung at the initiative of the Mitvim Institute, the Hebrew University’s Leonard Davis Institute for International Relations and Haifa University’s National Security Studies Center. The paper shines a spotlight on key elements in regional relationships and significant activity taking place in the Mediterranean Basin, which Israel must consider in formulating and executing policy. It is based on the presentations and discussions conducted at the event and does not reflect agreement among all participants.**

### A. Cyprus

Cypriot activity in the Mediterranean Basin is affected by its size and power compared with other regional players, especially in light of the Turkish threat that shaped the island’s formative experiences of uncertainty, weakness and vulnerability. This innate disadvantage prompted Cyprus to seek allies among the powers and states in the region as guarantors of its security. Its role as a “playing field” of sorts for world powers serves Cypriot interests. Along with US activity on the island, a British military base is still in operation, and Cyprus continues to attract Russian investment, whilst benefitting from its European Union membership.

Its need and desire to maintain open gateways to various international players has led Cyprus to develop non-exclusive foreign relations, not only with the powers but also with other states and players in the region. For example, Cyprus works to maintain positive ties with both Iran and Israel and with both the US and Russia, in conjunction and accordance with the strategic choice it made to rely first and foremost on the West. The natural gas discoveries in Cypriot economic waters and elsewhere in the Mediterranean Basin provide the island with an opportunity for economic growth and raise its geopolitical standing, allowing it play a more significant regional role. It also allows Cyprus to shake off its dependence on Russian gas and thereby expand its political maneuverability.

*Link with Israel* – Cyprus values its links with Israel, which it regards as a regional power. The crisis in relations between Turkey and Israel, generated by the 2010 Mavi Marmara flotilla clash, proved to Cyprus that Israel was not afraid to stand up to Turkey and was also clearly able to do so. There is also a pervasive sense in Cyprus that Israel can serve as a

bridge to the US administration. These perceptions, along with the emerging opportunities for energy cooperation, supported its choice to seek closer relations with Israel. Bilateral ties are developing and strengthening. Trade is on an upward curve, as is tourism. During peak tourism season, 14 weekly flights connect the countries, and both sides are trying to deal with the sensitivity over Israeli tourism to the northern part of the island.

*Israeli interests* - Israel has a vested interest in strengthening its connection to Cyprus. Cyprus is a liberal democracy and an EU member, and relations with it offer highly significant economic opportunities, especially in the energy field. Despite the boost in relations, the pattern of Cypriot votes at the UN is still diametrically opposed to Israeli positions, and Israel is interested in and expecting to affect a change. Of course, the Cypriot relationship with Israel must be assessed in reference to Greece and to the trilateral relationship among these three states, which constitutes a strategic value multiplier.

## **B. Greece**

In light of the harsh economic crisis Greece experienced in 2009, its economic concerns top its list of priorities. Greece is interested in promoting investments in innovation and moving the Greek economy into the 21<sup>st</sup> century. It must create many jobs in order to fulfill its hopes of bringing home the young people who left during the economic crisis. While Cyprus feels itself under existential threat from Turkey, Greece believes Turkish activity in the Mediterranean Basin is inevitable and therefore must be accepted and contained. Greece aspires to partner with states that have a similar culture and politics, and thus its links with Cyprus are deep and identity-based, while its ties with Israel sit well with the shared identity of these states as Western democracies. Greece has a significant interest in strengthening relations with the US, and it also regards relations with Israel as a way to win over the US administration. Greece is happy to promote soft security cooperation with Israel and to jointly develop energy export infrastructure. Greece, an important member of the EU and player in the Mediterranean Basin, is a valuable ally for Israel and as such, investment is needed in developing and maintaining the relationship.

*The link with Israel* – Greek public opinion, media and politics were for years mobilized against Israel and supportive of Arab and Palestinian positions. In recent years, Greece has made a strategic change of direction, resulting in more favorable articles on Israel in its media, more cooperation, and more high visibility projects that contribute to a rapprochement between the people and impact public opinion. Indeed, despite recurring anti-Semitic events and positions, public opinion is slowly shifting and adopting a more positive view of Israel. Diplomatic relations, which began in a chilly climate, have warmed greatly over the past decade. The first visit by a Greek Prime Minister to Israel took place in July 2010, followed by the reciprocal visit of Prime Minister Netanyahu to Greece. Since then, the prime ministers have met several times and cooperation between their governments is expanding.

## **C. The Greece-Cyprus-Israel Triangle**

Greece and Cyprus are implementing a strategy of trilateral alliances throughout the Mediterranean Basin. The triangle with Israel is the most intimate and advanced. Israel's position as a regional power is reflected in the significance accorded to this relationship. Being a liberal democracy makes forging such connections easier, and the three states emphasize the democratic component in marketing their relationship to the public. Greek

and Cypriot interests in drawing closer to the US, along with their perception that Israel could serve as a bridge to Washington, provide the two states with additional motivation to advance the trilateral relationship.

While Greece and Cyprus have slightly distanced themselves from the Arab world, Israel is not an alternative to good relations with the Arab world and will not be in the future. Greece and Cyprus are promoting other trilateral pacts in the region – with the Lebanese, Palestinians, Jordanians and Egyptians. The triangle with Egypt, a key regional power which possesses significant gas reserves and facilities, constitutes competition for the Israeli triangle. Greece and Cyprus, like Israel, regard the consolidation of the Egyptian-led Middle East Gas Forum in a positive light, and are cooperating with the initiative, which they view as an opportunity to support regional cooperation and promote economic interests. However, they are doing so cautiously, uncertain whether it should be a decentralized forum or a more binding institution.

Israel's ties with the Hellenic states (Greece and Cyprus) have expanded beyond the political-diplomatic and energy realms. Important cooperation initiatives are under way in the fields of security, telecommunications, the environment, emergency response, and more. When their leaders meet at regular summits, businesspeople conduct parallel meetings. Parliamentary cooperation is also expanding, and the strengthening of diaspora relations is developing. Israel's Chambers of Commerce Association has signed agreements with counterpart organizations. Members of the pact have helped each other in putting out major fires – a form of assistance that is of public opinion value in Israel, Greece and Cyprus.

Opportunities and challenges are part and parcel of the burgeoning alliance. The three states are debating the extent to which their alliance should be institutionalized, with Cyprus advocating the formation of a secretariat (similar to those of other trilateral pacts of which it is a member). The three states were successful in mobilizing US involvement in their relationship, but while their goal was to solidify the alliance, US involvement could threaten the pact if it assumes an overly central role. The three must see how they can maneuver relations so that joint forums with the US do not damage the structure of the triangle and so that the trilateral structure does not damage bilateral relationships. Israel, Greece and Cyprus are taking care to highlight the civilian nature of their alliance and to formulate their joint agenda accordingly. In shaping the future of their ties, they must additionally take care not to be dragged into the dominant positions occupied by their defense establishments. While the EU does not directly relate to the trilateral pact, it is partnering with the three states to examine the feasibility of developing a gas pipeline from Israel to Europe. At the same time, though, it criticizes the way Israel is exploiting its ties with member states, including the Hellenic ones, to torpedo decisions and declarations by EU institutions critical of Israeli government policy. One of the key challenges facing the alliance are the tensions with Turkey, and the question of how Israel can advance and bolster relations within the pact without shutting the door in Turkey's face.

*Israeli interests vis-à-vis Greece and Cyprus* – Although Israeli discourse belittles the importance of the Union, the EU is nonetheless a central player for Israel, which could mobilize its ties with Greece and Cyprus to enhance relations with Brussels. Israel could, for example, take an interest in developing defense exports to Europe through Greece, and Cyprus could serve as a hub for Middle Eastern relations, a venue for clandestine meetings and site of regional institutions. The trilateral alliance can serve as the basis for the development of EU-led cooperation in the eastern Mediterranean Basin, along the lines of

the EU's 5+5 format in the western part of the Basin. Israel has an interest in advancing the establishment of institutions to encourage regional cooperation and to serve as a central and influential voice in their design. Israel also has defense-related interests in relations with Greece and Cyprus. From a geo-strategic standpoint, Cyprus is more important than Greece, mainly in providing strategic depth for Israel to use Cypriot infrastructure for aerial and ground platforms in case of war.

Environmental issues are also of potential value in encouraging cooperation between the states. Israel could portray itself as subjected to the Nile Delta, the Aswan Dam and the Suez Canal in environmental aspects, dealing with consequences regarding precipitation, sedimentation, intrusive species, etc. Israel has amassed significant knowledge about its coastal environment, and the environmental phenomena with which Israel is dealing will reach the northern part of the Mediterranean Basin within several years. Israel can also offer its expertise in water desalination to its regional allies. Student exchange and academic programs also have great potential to contribute to a long-term shift in mutual perceptions and to the grounding of the alliance in the three states. Israel must invest in such programs and encourage Greek and Cypriot students to study in Israel. The Foreign Ministry is instrumental in enhancing cultural, economic and technological relations, including seminars on regional innovation and high-tech projects. These fields must be expanded and developed as a firm basis for sustainable long-term ties, immune to changes stemming from political crises. There is also potential for peace organizations in the various states to help each other in their attempt to resolve regional conflicts, which undermine prospects for cooperation in the Mediterranean Basin.

## **D. Turkey**

Turkey's guiding interest in the Mediterranean Basin is of a strategic-defensive nature, an issue on which there is broad domestic consensus between the government coalition and the opposition (although the Kurds take a different view). Turkey fears diplomatic isolation in light of the trilateral alliances being promoted by Greece and Cyprus in the Mediterranean Basin and growing US involvement at their side. Turkey, Greece and Cyprus are deeply divided over the demarcation of their maritime borders around the Cypriot coast and in the Aegean Sea, and Turkey therefore refuses to sign international treaties relevant to the issue. Turkey views itself as responsible for the Turkish residents of northern Cyprus and as their defender and sponsor in the international arena. Despite repeated failures, Turkey seeks the renewal of peace negotiations over Cyprus, although that does not necessarily signal willingness to accept the compromises necessary to achieve a true resolution of the conflict.

For Turkey, the Mediterranean Basin energy issue is first and foremost one of geo-political and strategic importance, and less a matter of economics. The Turks are less interested in natural gas for domestic consumption, and more in reducing their dependence on transferring Russian gas and positioning themselves as the transit and distribution hub of natural gas to Europe. Egypt's attempts to establish itself as such a hub are generating competition between the two states, which are already divided by harsh political and ideological rivalries. Turkey's exploratory drilling off Cypriot territorial waters should also be understood in this political context.

To ensure its interests are taken into consideration, Turkey is seeking to impede regional cooperation in the Mediterranean Basin and to drive a wedge between the other states. Its recent actions are destabilizing the arena. In the past, Turkey was actually successful in

promoting cooperation in the Mediterranean Basin, supporting reconciliation efforts in Cyprus within the framework of the Anan Plan and signing an agreement to restore relations with Israel following the Mavi Marmara crisis. Turkey does not hesitate to deploy its security forces in order to display political power. It has intervened in Libya, conducted significant naval drills, used its advanced navy to underscore its presence in the Mediterranean Basin, and is active in northern Syria. At the same time, US-Turkey relations are continuously disrupted by tensions, which affect Turkey's conduct in the region and its relations with Israel. The Turks realize that they can benefit from the polarizing effect of superpower involvement in the Mediterranean Basin. Nonetheless, Turkish attempts to promote parallel arms deals with Russia and the US or to pressure the US over its Incirlik air base have not worked out so far.

*The link with Israel* – Israel's attitude toward Turkey has undergone a shift in recent years. Key politicians have adopted an oppositional and almost hostile approach toward Turkey, and calls have even been heard in Israel to demand Turkey's ouster from NATO. Israel has stopped showing restraint in response to Turkish verbal assaults, and instead aggressively responds to them. Israelis do not seem to believe that ties with Turkey can be improved as long as Erdoğan is in power. This attitude prevailed prior to the signing of the 2016 reconciliation agreement between Israel and Turkey, but failure of the agreement has resulted in greater doubts on this front. Turkey perceives the enhanced Israel-Greece-Cyprus alliance as a threat or at least as a counter-Turkish measure, even though Israel has been careful over the years to stress that its rapprochement with the Hellenic states is not directed against Turkey. Israel has expressed support for the Cypriot position on the controversial Turkish gas drilling, but also adopted a relatively cautious approach so as not to deepen the dispute with Ankara. Israel must avoid turning into a player in the Greek-Cypriot-Turkish conflict and strive for comprehensive cooperation in the Mediterranean Basin to the extent possible.

One of the difficulties in defusing Israeli-Turkish tensions stems from the fact that the United States is no longer involved in efforts to improve ties between the countries, as it was during the Obama Administration. The difficulties in Turkish-US relations do not help in this regard, nor does US backing for the trilateral Greek-Cypriot-Israeli pact. Israel is concerned that Turkey could turn from being a hostile state to a real enemy state, and steps must be taken to avert such a scenario (inter alia by reducing the sense of threat that Turkey feels from Israeli activity in the region). A change of leadership in Israel could create an opportunity to examine what can be done to improve relations with Turkey. The former army chiefs who comprise the leadership of the opposition Blue and White party hail from the military elite that recognizes the strategic value of the relationship with Turkey. A positive change in Israeli policy on the Palestinian issue and renewal of the peace process would distinctly improve relations with Turkey. And if Israel opts to try to defuse tensions with Turkey, it could enlist the services not only of the United States but also of states such as Russia, Qatar and Azerbaijan.

Turkey has an interest in the Gaza Strip and Jerusalem. It supports Hamas, but also works with Abbas (Abu Mazen), and has been moving between the rival Palestinian sides for a long time as the needs arise. Israel's decision to expel the Turkish consul from Jerusalem, in response to Turkish measures against Israeli representatives in Turkey, was significant given the great importance the Turks attribute to the city. Turkish regional activity on the issue of Jerusalem has been curtailed since it no longer heads the Organization of Islamic Cooperation (OIC), which Saudi Arabia currently leads. (Under Turkey's leadership,

Erdoğan could convene emergency sessions and use the Jerusalem issue to position himself as a regional leader.) Israel is concerned about Turkish activity in East Jerusalem and tries to restrict it, but also allows it to take place in some cases. There may be value in this activity, which could be exploited to strengthen relations (tourism, for example) and force out more radical actors. It is also worth assessing why the reconciliation agreement with Turkey failed. Insufficient weight was given to the main bones of contention – Jerusalem and Gaza – and the sides failed to create effective mechanisms to contain the crises that should have been expected given the recurring difficulties with the Palestinians in these two places. Israel also often exaggerates in portraying the Turkish-Iranian connection as an alliance. The two countries maintain close cooperation, for example on Syria and Qatar, but they have been regional rivals over many years of hegemonic and ideological disputes. Among other things, Turkey ultimately accepted a US dictate regarding a halt to trade with Iran.

Israeli-Turkish relations are not based only on political struggles in the Palestinian arena and in the Mediterranean Basin. They also have a productive civilian aspect. Trade between the two countries is extensive, which is important for the Turkish economy in the crisis it is experiencing. Tourism continues too and is even increasing, as are cultural ties. Academic experts and civil society organizations are also trying to improve the relationship.

## **E. Egypt**

Egypt is seeking to leverage its power, prestige and standing in order to lead processes in the Mediterranean Basin and the Arab world as a regional power. It makes use of its geo-political location in order to assume the role of mediator and become a regional economic, political and cultural hub. Al-Sisi has realized that along with the necessary improvement to his country's economy, he must also update Egypt's national security concepts. He defined new national goals, which include the struggle against terrorism as a key component, dealing with Iran, and a new definition of enemies and friends in the region.

Egypt is operating in the Mediterranean Basin to stabilize and boost its economy, and does so mainly in the energy field and through its willingness to import gas from other countries. Egypt needs outside technological help and cooperation in order to develop its energy market. This is the country's declared strategic interest, and it is being aided by Saudi Arabia, the UAE and Russia in realizing it. At the same time, its rivalry with Turkey also has a significant economic aspect. Beyond the energy sphere, Egypt is working to advance major projects – in the Suez Canal and the Mediterranean Basin – that will provide jobs for its citizens and fill the state coffers. To that end, Egypt is working to strengthen relations with the various powers. It is bolstering ties with Russia, while preserving and developing ties with the US and buying advanced military equipment and weaponry from France and Germany. Egypt is seeking to enter new economic niches, based on the Suez Canal, and to strengthen its ties with China and India. China, which has become a significant force in Africa in general, and along the Red Sea coast in particular, is investing in many cheap Egyptian projects in order to strengthen its hold in the Suez Canal environs.

Egypt regards the Palestinian problem as a central issue and seeks to play a leading role as mediator, sponsor and influencer. Absent negotiations it could broker between Israel and the Palestinian Authority, the Gaza issue is high on the joint strategic agenda of Israel and Egypt. The Egyptian administration takes a negative view of the Hamas movement, which it accuses of complicity with the Muslim Brotherhood. Egypt is imposing economic difficulties

on the Hamas regime in the Gaza Strip, and transferring responsibility for solving problems there to Israel. Egypt displays willingness to help residents of Gaza as long as it is not saddled with responsibility for the enclave, and it therefore agreed to host a conference on Gaza's economy in Cairo. Egypt is also trying to maintain its central position on the Palestinian issue by advancing internal Palestinian negotiations between Fatah and Hamas and sponsoring talks that take place mostly in Egypt. At the same time it is repeatedly involved in efforts to mediate between Israel and Hamas to avoid an escalation of violence between them.

*The link with Israel* – Israeli-Egyptian relations are maintained through daily efforts mostly behind the scenes. Al-Sisi understands that shifting Egyptian public opinion about Israel is a lengthy process, but that ongoing cooperation between the two states could help. He regards ties with Israel as a substantive contribution to strengthening Egyptian national security. In some of the drills conducted by the Egyptian military, Israel is targeted as the enemy, which is troubling. On the other hand, A-Sisi does not turn the Egyptian media against Israel, does not provoke Israel and is careful to emphasize the need for ongoing cooperation. The energy issue, which Egypt regards as strategic, constitutes a platform for economic cooperation between the states and enables visits by Israel's Energy Minister to Cairo for meetings of the Eastern Mediterranean Gas Forum. Nonetheless, generating cooperation between the two sides in other fields is very difficult. Egyptian discourse that rejects any normalization with Israel constitutes a significant hurdle, as does the relatively minor emphasis Israel places on developing non-defense related ties with Egypt.

*Israeli interests* – Israel is interested in a stable and well-developed Egypt governed by a regime with which it can advance mutual security interests. However, the longer Egypt is controlled by military elements, the harder it will be for Israel to realize its wishes for civilian normalization. The regime in Egypt and the Egyptian people have different attitudes toward Israel. While the regime these days is more willing to cooperate with Israel, the public continues to oppose cooperation. The open and significant Israeli government support for A-Sisi generated additional antagonism toward Israel on the Egyptian street. Israel must avoid interfering in domestic Egyptian tensions between the people and the regime, and it must work hard to open lines of communications to diverse segments of Egyptian society (without harming the current regime). Given the centrality of the Palestinian issue for the Egyptians, an Israeli government decision to move ahead with the Israeli-Palestinian peace process would have a positive effect on Israeli-Egyptian relations and provide Egypt with an important role in shepherding the entire process and helping it progress.

Meanwhile, Israel and Egypt are dealing with challenges emanating from the Gaza Strip. Neither state wants to administer Gaza, but the world still views Israel as responsible for the Strip. Events in Gaza affect Egypt too: regional threats caused by raw sewage flowing into the Mediterranean; terrorism and smuggling threats from Sinai; and political demands by regional players in light of the fact that Egypt does, after all, have a border with and passages to Gaza. Israel and Egypt share an interest in improving the quality of life in Gaza and averting a deeper humanitarian crisis there, which would have an impact on the entire area. Egypt is a partner in discussions and solutions to relevant issues, such as providing electricity and establishing additional energy infrastructure for Gaza. Israel has an interest in ongoing Egyptian involvement in Gaza.

Israeli and Egyptian interests also converge in their links with external powers involved in the region. For Egypt, Israel is an important advocate with the US administration. Over the

years, Israel has helped Egypt in Washington, and it must ensure that its ties with the administration can continue to be translated into influence on US policy in the region. To that end, speedy improvement in Israeli relations with the Democratic Party is a must in order to restore bipartisan support for Israel. In the Chinese context, both states are dealing with the effects of US-China tensions and are obliged to maneuver between their desire for Chinese economic and infrastructure investments and US pressure to avoid them. What is more, on the macro-economic level, China is seeking to open two new major trade routes – one through the Red Sea and Suez Canal and the other through the Arctic. Israel and Egypt have a joint interest in continued Chinese investment in the Suez Canal trade route. Also in terms of trade routes, the “Tracks for Regional Peace” initiative promoted by Foreign Minister Israel Katz could result in a conflict of interest with Egypt, which seeks to control the main trade route in the region. While advancing the plan and working to realize the regional potential it holds, Israel must also consider Egyptian interests and strive to integrate them into the project.

Regarding people-to-people ties between Israel and Egypt, Israel must initiate such moves and invest in them in order to remedy the current absence of such cooperation. Egypt wants progress in the fields of science and education, areas in which Israelis could help. However, there is no one to link relevant Israeli civilian elements to Egypt in order to examine the feasibility of such joint activity in light of the political restrictions on ties between them. Just as Egyptians were understanding of their country’s cooperation with Israel on natural gas, Israel should aspire to have the positive defense and energy aspects of the relationship trickle down to the civilian level. Israel and Egypt could, for example, cooperate on environmental issues – such as development of solar energy, food from the sea and water desalination – and deal together with the challenges of the climate crisis. However, there is still a wide gap between the potential and its realization.

Israel does not invest enough in developing civilian ties with Egypt, and the Israeli government has not even approved the appointment of the ambassador chosen by the Foreign Ministry over a year ago to serve in Cairo. As a result, Israel does not have an ambassador in Egypt, a disadvantage that it must quickly remedy.