Gas in the maritime Exclusive Economic Zone of Israel and the transformation of the Regional Security Complex Levant

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“Developing the gas fields, bringing natural gas to factories and transport and developing export pipelines all these things are a huge engine of growth. What might save us from recession and bring us back to a reasonable level of growth is natural gas.”

Yuval Steinitz, Minister of National Infrastructure, Energy and Water Resources of Israel, June 2016

Security and resources are closely linked together. To broaden the category of security from strictly military and defense issues to include energy and resource

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1 This article based on the paper: Security and resources: amity and enmity in the Regional Security Complex Levant, presented at the Centre for Military, Security and Strategic Studies (CMSS) Summer Workshop in Grand Strategy, Energy, Power and Strategy, July 14th 2016, University of Calgary, Calgary, AB, Canada.

security is not a new idea. Ultimately, “security is what actors make it.” This definition of security is a wide ranging one and includes political and military aspects as well as societies and their developments including many actors and different levels and sectors – so called ‘units’. This wide definition is also useful for analysing the Levant region, which is currently undergoing a period of transformation. On the one hand, developments since 2010 have applied increasing pressure on the actors of the so called sub-Regional Security Complex (RSC) Levant. On the other hand, new development can be observed in the level of interdependence in the substitution of natural resources like water, gas and oil. Internal transformation of the region has occurred and will lead to a transition of the region. The impact on security dynamics with regard to energy and resources will have consequences for the entire Levant and beyond.

“The region refers to the level where units link together sufficiently closely that their securities cannot be considered separate from each other” – this definition is also true with regard to natural resources. “One threat is interpreted in the light of other threats, we get an integrated field of security, not separate issues or […] separate sectors of say ‘economic security.’ This is especially true after 1999 when vast natural gas reservoirs were discovered in Israel’s maritime Exclusive Economic Zone (EEZ) in the Eastern Mediterranean. The gas discovered so far could satisfy Israel’s domestic demand for 20 years, according to the Oslo Institute for Energy Studies and these gas field might be even larger. The Ministry of Energy estimates the amount of gas still to

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5 Ibid.
6 Ibid.
7 Ibid., p. 43
8 Ibid., p. 49
be extracted from Israeli territorial waters could total about 2,200 billion cubic meters and with the planned extra production, Israel will have enough natural gas for export.9

Transforming the Levant – theoretical basis

After the end of the Cold War, regional security architecture became both, increasingly independent and more prominent in International Politics.10 Buzan and Waever named these security architectures or clusters on a regional level Regional Security Complexes (RSC). These RSC are determined by the intensity of the interdependences on the security level.

The authors definition of security is a wide one and includes political and military aspects as well as societies and the developments of societies including a lot of actors and different levels and sectors.11 These so called “units”12 differ from the traditional International Relations explanation put forward by Waltz.13 The units in the Levant are Egypt, Israel, Palestine, Jordan, Syria, Lebanon and Cyprus. However, Turkey and Greece are active players, as well. Turkey is neither part of the Levant nor of the other sub-complexes mentioned by Buzan and Waever in their definition of the Middle East14 but like Greece it does play a role. Both units are linked to the Levant RSC in terms of their history, geography and culture.

Focussing on the central aspects of security through the lens of Buzan and Waever and the RSC Theory (RSCT), it is clear that the main variable is the strong interdependence within a security complex. This interdependence forms the essential structure of a RSC. The four variables for analysing and explaining the essential structure of a RSC are: (1) boundary, which differentiates the RSC from its neighbours; (2) anarchic structure, which means that the RSC must be composed of 2 or more autonomous units;

10 Buzan and Waever, p. 3.
11 Ibid., pp. 70-71.
12 Ibid., p. 53.
14 Ibid.
(3) polarity, the distribution of power among the units and (4) social construction, the patterns of amity and enmity among the units.\textsuperscript{15}

The Levant that includes Israel and its neighbours is a mixture of states and non-state actors.\textsuperscript{16} “But the sub – RSC Levant is not only based on the Arab – Israeli enmity, but also on inter-Arab rivalry, religious and ideological differences, disputes of status and leadership, as well as ethnic, territorial and water rights disputes.”\textsuperscript{17} “In sum, the regional security dynamics [...] were exceptionally strong, and deeply rooted in the character of local politics and history.”\textsuperscript{18}

Transformation in the Middle East and especially in the sub – RSC Levant indicates development within the regional security architecture. This occurs when changes in the dynamics take place. The RSCT states that when a RSC like the Middle East remains in status quo, changes by internal or external transformation will be overlaid.\textsuperscript{19}

Watching the current developments related to natural resources in the Levant, it is undeniable that the Levant is changing internally.\textsuperscript{20} Change through internal transformation occurs within the context of its existing outer boundary. This includes changes to the anarchic structure (because of regional integration); to polarity (because of disintegration, merger, conquest, differential growth rates etc.); or to the dominant patterns of amity / enmity (because of ideological shifts, war-weariness, changes of leadership etc.).\textsuperscript{21}

Looking at the Levant as a conflict formation, the “variations in amity and enmity”\textsuperscript{22} is one of the main variables for the essential structure of a Regional Security Complex (RSC). The specific pattern of who fears or likes whom is generally not imported from the system level, but is generated internally in the region by a mixture of

\textsuperscript{15} Ibid., p. 53.
\textsuperscript{16} Ibid., p. 191.
\textsuperscript{17} Ibid., p. 216.
\textsuperscript{18} Ibid., p. 201.
\textsuperscript{19} Ibid., p. 53.
\textsuperscript{20} Overlaid might be a fruitful variable for analysing, too. With regard to the developments in the region, internal and external transformation seems to be the most prominent form of change.
\textsuperscript{21} Buzan and Waever, p. 53.
\textsuperscript{22} Ibid., p. 53.
history, politics, and material conditions. These patterns of amity and enmity are influenced by various background factors including history, culture, religion, and geography, but to a large extent they are path-dependent and thus become their own best explanation. It is related to the kind of roles dominate the system – the question of enemy, rival or friend.

Closely linked to this variable is the issue of polarity which covers the distribution of power among the units. “The potential for internal transformation can be monitored by checking material condition for possible changes (or not) of polarity and [...] possible changes (or not) of amity / enmity relations.” Changes of polarity due to changing material conditions (e.g. because of differential growth rates) and the impact on amity and enmity relations are relevant for the analysis of resources in the Levant region and their impact on security questions.

How do the differential growth rates and changes of material conditions affect the polarity among the units? How do polarity and amity/ enmity relationships influence the resource relationships in the Levant and vice versa? Where will this transition lead? The leading assumptions with regard to the current developments in the RSC Levant are that the RSC Levant is undergoing a process of transformation and that this transformation is related to energy resources. The transformation is (besides other issues) related to changes of polarity due to material conditions and changes of amity / enmity relations linked to the mentioned background factors like history, culture, religion, and geography.

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23 Ibid., p. 47.
24 Ibid., p. 50.
26 Buzan and Waever, p. 67.
27 Ibid., p. 67.
Gas in the Eastern Mediterranean: The Legal Background and the Reality on the Ground

In 1999 vast natural gas reservoirs were discovered in the Eastern Mediterranean. Since then, the above mentioned units have struggled for their right to use the gas in their maritime Exclusive Economic Zones (EEZ). The most active players are Israel, Egypt, Palestine, Lebanon, Cyprus and Turkey. Syria might have a role to play once the war ends. Gas from the Eastern Mediterranean is also important for the Kingdom of Jordan as it is facing its own economic crisis.

The EEZ is based on the most important international maritime agreement, the United Nations Convention on the Law of the Sea (UNCLOS). UNCLOS defines where countries can exploit natural resources according to their EEZs or continental shelves. UNCLOS reflects therefore customary international law. The primary issue in the Eastern Mediterranean are numerous unresolved territorial disputes as countries have to agree on their maritime borders. The various maritime zones often overlap and the borders are mostly undefined. Due to these unresolved border issues, the units of the Levant perceive a need to increase their military presence in order to protect their gas facilities. Israel, for example, has already allocated a large budget for security.

Cyprus may be the unit which knows the true promise of legal certainty best. Therefore, it is the unit with the most signed treaties with regard to the gas in the region. The first agreement on the delimitation of the EEZ was signed between Cyprus and Egypt in February 2003. In 2004, Cyprus declared its EEZ in legislation. Egypt and Cyprus also signed a confidentiality agreement in 2006 and exchanged seismic data on the region. An agreement between Cyprus and Lebanon was signed in January 2007. The agreement was ratified in Cyprus and the country is basing its activity on it, but Lebanon’s parliament has not ratified it.

Cyprus also signed an agreement with Israel. After brief negotiations in 2010, both units signed the third delimitation agreement. The agreement meshed with the

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previous Cyprus-Egypt and Cyprus-Lebanon agreements and states specifically that the Cyprus-Israel-Egypt border and the Cyprus-Israel-Lebanon border could be modified in the future if all three states agree on a change.\(^{30}\)

Despite these positive developments, Cyprus is involved in a dispute with Turkey. Officially, the Republic of Cyprus has sovereignty over the entire island of Cyprus and its surrounding waters, but in reality the island is split into two. Turkey prefers that the issues between the Turkish Cypriots and Greek Cypriots be resolved in a political agreement. It argues that the disputes should be resolved through negotiation, while Greece understands the dispute to be of a legal nature and therefore requires a judicial solution. The legal dispute between Cyprus and Turkey stems from Turkey’s reliance on the continental shelf (on which the hydrocarbons are located) to define its Mediterranean borders while Cyprus relies on its Exclusive Economic Zone. Turkey did not join UNCLOS. In September 2011, after Cyprus started drilling for resources in the region, Turkey signed a continental shelf delimitation agreement with the Turkish Republic of Northern Cyprus. Cyprus claimed that some of the territories fall within its Exclusive Economic Zone and argues that, therefore, the license granted has no legal validity.\(^{31}\) Turkey argues that the resources of the island belong to all its residents no matter where they are found. It calls on the Greek Cypriots to stop drilling or to set up a joint committee, with the UN’s participation, which will decide on licenses and revenue sharing. Unsurprisingly, the Republic of Cyprus argues that the Turkish legal arguments are not accepted in international law.\(^{32}\)

Somehow, Lebanon is still in a waiting position following its submission of a chart of geographical coordinates defining the western, northern and southern limits of its EEZ to the UN in 2010. The charter unilaterally delimits the Lebanon-Israel maritime border and extends the Lebanon-Cyprus maritime boundary southwards, such that it differs from the 2007 Lebanon-Cyprus bilateral agreement which was not ratified by Lebanon. In June 2011, Lebanon protested against the agreement between Israel and Cyprus, arguing that it conflicts with Lebanon’s EEZ.

\(^{30}\) Ibid.
\(^{31}\) Ibid.
\(^{32}\) Ibid.
Israel objected to Lebanon’s 2010 unilateral positions on both legal and cartographic grounds and wanted to present its own professional calculation of the maritime border, thereby avoiding tacit acceptance of the line set by Lebanon.\textsuperscript{33} Israel and Lebanon still do not agree on the maritime border between their countries which means Israel’s sea borders with Lebanon are disputed.

The potential windfall for the Palestinian Authority has not materialised because the small scale of the deposit makes it unprofitable to develop for electricity production purposes.\textsuperscript{34}

Source: East Med, Oil and Gas, accessed August 11, 2016

\textsuperscript{33} Ibid.
Temporary analysis: Theory meets Reality

The following analysis gives a gist of the findings so far.\textsuperscript{35} The polarity which covers the distribution of power among the units changed with the discovery of the gas due to the material conditions and therefore, for example, for different growth rates.

Israel seems to be the unit which wins the most by discovering several gas fields since 2009. Israel has 6.4 trillion cubic feet (tcf) of proven reserves, which are the second largest in the Eastern Mediterranean region behind Egypt.\textsuperscript{36} These reserves could increase Israel’s energy security in the long term by creating the potential for Israel to become an exporter of natural gas. There also potential changes due to the exploration of new technologies like floating vessels such as floating production storage facilities. Israel could become a market leader and, by doing so, become more independent by overcoming the scarcity of resources.

Israel now has the potential to become a gas exporter and this new reality is changing the amity/enmity relation in the Levant. There are a number of potential buyers for Israeli gas. Egypt, currently facing an energy crisis, will need to import gas to cover domestic demand in the near future – but Israeli gas imports are politically unpopular in Egypt. Jordan is another possible destination for Israeli gas.\textsuperscript{37} Repeated attacks on Egypt’s Arab Gas Pipeline have decreased Jordan’s energy security and increased the need for it to find alternate, reliable sources of gas. Finally, recent progress on improving diplomatic relations has opened the possibility of Israeli gas exports to Turkey. These exports could either be shipped by the construction of a direct pipeline or by liquefied natural gas (LNG) tankers crossing the Mediterranean.\textsuperscript{38}

\textsuperscript{35} The aspect of energy and security and therefore these presented findings are included in a larger project about the RSC Levant to be developed by the author.
\textsuperscript{38} Ratner.
Israel and Turkey agreed to fully normalize diplomatic relations the prospects of a natural gas pipeline between Israel and Turkey in June 2016.\(^{39}\) This, in part, contributed to the improvement in relations, although discussions remain in preliminary stages and any project would likely take years to complete.\(^{40}\) Exporting gas to Turkey via pipeline could allow Israeli gas to reach the European market and supply markets in Turkey. The same goes for Greece and Cyprus.\(^{41}\)

A deal signed with Jordan on 19 February 2014 could be seen as a first step towards exporting gas to Asia. According to the deal, around 2 billion cubic meters (bcm) of gas will be supplied annually for 15 years via a pipeline to Jordanian facilities on the Dead Sea.\(^{42}\)

With regard to the amity/enmity relations there are a number of possible partners and destinations in the region for Israeli natural gas exports, which may have geopolitical benefits. Private Egyptian firms have already begun to negotiate agreements to import Israeli gas.

According to Pepper,\(^{43}\) the Palestinian Authority (PA) and the Leviathan consortium including Israel reached an agreement in January 2014 on a 20-year supply of gas for a proposed power plant in the West Bank city of Jenin when gas field Leviathan comes online. However, political and security concerns still exist and the presence of the ruling Hamas in Gaza has complicated this issue.\(^{44}\)

The unsolved border issue between Lebanon and Israel is still one of the main problems in the region. The situation stresses the amity/enmity relations between both units.\(^{45}\) However, it is still unclear to what extent political difficulties with neighbours...


\(^{40}\) Ratner.

\(^{41}\) Ibid.

\(^{42}\) De Micco.


\(^{44}\) Ratner.

might be mitigated by the potential material benefits of energy cooperation or by other considerations, and how satisfactory logistical and transportation frameworks and security measures might be implemented. But the possibility for changes in the amity/enmity relations is obvious.

Despite political animosity, oil and gas companies are showing considerable commercial interest in constructing a gas pipeline from Israel to Turkey. A tripartite pipeline carrying Israeli gas (preferably with part Cypriot gas) to Turkey via Cyprus could be an important part. What is needed to help turn controversies into possible cooperation is for all the players and stakeholders to get into a balanced but pragmatic cooperative approach through a constructive dialogue on the most burning issue – namely, the unresolved maritime delimitation. The main obstacle besides the border problems is the absence of diplomatic relations between the Republic of Cyprus and Turkey.

In either case the changes in the Levant region are leading to the internal transformation about which Buzan and Waever theorized.

Where will this transition leads? Resources as a chance for cooperation.

Is there a chance for more cooperation between the units due to the changes of polarity and of amity/enmity relations? The developing of the gas fields in the Eastern Mediterranean leads to new friends and new foes. In June 2016, Cyprus and Israel have a friendly relationship and are closely coordinated and Turkey and Israel have restored ties in deal a spurred by energy prospects. In 2016 a small amount of gas was due to start flowing to two Jordanian industrial plants near the Dead Sea. Plans were also being discussed for Israeli gas to supply Jordan’s main electricity power network, as well as a cooperation with Egypt, either for local domestic use or for conversion into

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46 Ratner.
liquefied natural gas, which can then be exported anywhere in the world on specially-built tankers. In January 2016 the leaders of Israel, Cyprus and Greece met to sign cooperation accords.

As shown resources can be used as a tension reduction mechanism and help building confidence by signing an agreement. Such an agreement would clarify intentions. To make sure that such an agreement would work, all states of the Eastern Mediterranean should be invited to participate: Egypt, Israel, Lebanon, Syria, Turkey, Cyprus, Greece, and the great the powers operate in the Mediterranean like the US, Russia, EU, too. To solve the disagreements between the units in the region a broader UN framework would be needed. How to manage and contain the disputes remains a challenge, but what is clear is that energy resources offer a vehicle for regional dialogue between the countries involved.

The RSC Levant is currently in a period of transition which is (besides other issues) related to energy resources. This transition is based on the discovery of the gas field in the Eastern Mediterranean. The huge findings activated changes in the polarity and also in the amity and enmity relations of the units of the RSC Levant. The main aspect are new alliances which can be observed (e.g. Turkey and Israel). The gas resources are therefore a chance for more cooperation in the RSC Levant and this cooperation can be used as confidence-building measures.

48 Nathanson.
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