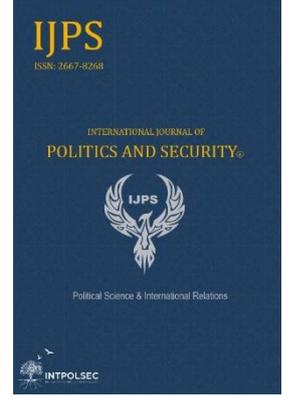


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The Shift in the Energy Policy of Greece after the 2008 Financial Crisis in the Context of Energy Security

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Abstract

Energy, which plays a fundamental role in the prosperity and development of the nations, has also become one of the strategic instruments of the states in the global context. In the short term, energy policies include stable accession of foreign markets for energy supplies and pricing issues. On the other hand, in the long term, it concerns the policy-making practices and policies of the governments, about energy issues. In this context, the discovery, development, and distribution of natural energy resources to consumers is at the heart of international relations. From the perspective of foreign policy, states seek to ensure the availability of natural energy resources, the production of energy, and the control over energy routes. Energy security is therefore one of the keys that form states' foreign policies at regional and global levels.

At this point, new energy policies have been introduced by Greece to revive its economy. Since the 2000s and persisted gradually after the 2008 financial crisis, Greece has begun to introduce policies to reduce its dependence on oil. Moreover, Greece has rediscovered its geographical position to be a bridge for energy security in Europe. In this study, we studied maritime jurisdictions in an energy security sense. Despite the rivalry with Turkey in the region, the strategy of becoming a bridge country in Europe, recently established by Greece, is evaluated as a practical policy. In this study, we argue that for both states, this rivalry may trigger security dilemmas in the region.

Keywords: Bridge Country, Eastern Mediterranean, Energy Security, Greece, Maritime Jurisdiction.

Enerji Güvenliği Bağlamında 2008 Mali Krizi Sonrası Yunanistan'ın Enerji Politikasındaki Değişim

Özet

Ulusların zenginliği ve kalınmasında önemli bir role haiz enerji küresel ölçekte devletlerin stratejik araçlarından biri halinde gelmiştir. Kısa vadede enerji politikaları yabancı enerji pazarlarına istikrarlı biçimde erişimi ve enerji fiyatı konularını içerir. Uzun vadede ise devletlerin enerji konularında devletlerin karar alma ve politika oluşturma konuları enerji politikası olarak değerlendirilir. Bu bağlamda doğal enerji kaynaklarının bulunması, geliştirilmesi ve dağıtımını uluslararası ilişkilerin merkezinde yer alan konulardandır. Dış politika açısından devletler doğal enerji kaynaklarına erişilebilmeye, enerji üretebilmeye ve enerji rotalarını kontrol edebilmeye çalışır. Enerji güvenliği bu açıdan devletlerin yerel ve küresel ölçekte belirledikleri dış politikanın anahtar bir ögesidir.

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Bu noktada Yunanistan ekonomisini canlandırabilmek için yeni enerji politikaları geliştirmeye başlamıştır. 2000'lerden başlayarak ve 2008 mali krizinden sonra artarak devam eden bir ivmeyle Yunanistan petrol bağımlılığını azaltmak yönünde politikalar geliştirmektedir. Yanı sıra Yunanistan kendi coğrafi pozisyonunu Avrupa için bir enerji güvenliği köprüsü biçiminde yeniden tanımlamaya çalışmaktadır. Bu çalışma Yunanistan'ın deniz hukukuna ilişkin girişimleri enerji güvenliği kapsamında incelemektedir. Ayrıca Yunanistan'ın Avrupa enerji güvenliği açısından bir köprü işlevi görme çabasında Türkiye ile yaşadığı rekabet de bu çalışmada tartışılan konulardan biridir. Çalışma bu iki ülkenin bölgedeki rekabetinin güvenlik ikilemini arttırma ihtimalini öne sürmektedir.

Anahtar Kelimeler: Enerji Güvenliği, Doğu Akdeniz, Deniz Hukuku, Köprü Ülke, Yunanistan.

1. Introduction

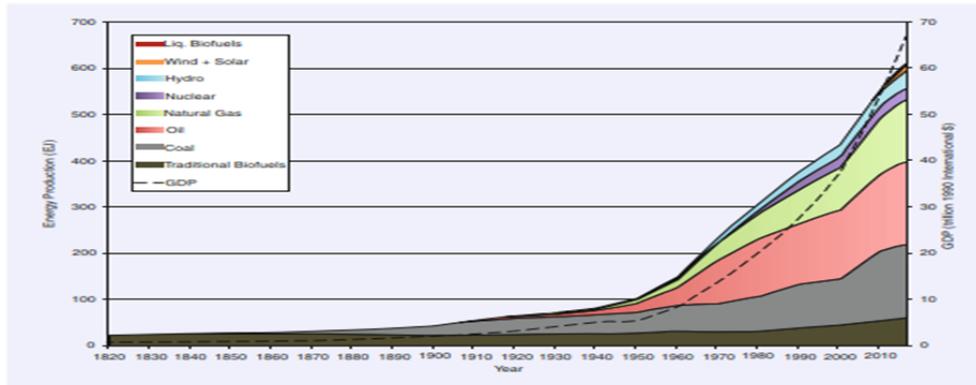
Security, after the Cold War, has been linked with altered sectors. Energy security is listed in this context at a point where environmental security and economic security intersect. Traditional security approaches claim that natural resources can be accessed by any state can obtain these resources without interruption to preserve their security. In other words, the energy security agenda has been added to the national security agenda because of the need for natural resources with regard to power.¹ The notion of national security is specified by conventional methods only within the limits of military security, but this notion is deepened and expanded as Buzan divides security into sectors. Economic security is the capacity of a state, in terms of its economy to access the resources it needs and to ensure that routes by which those resources are made available and secure. Ensuring the continuity of the flow of resources, a must for the economy is as curious as a state's military security.

For states, energy has become an unsolvable political issue. Along with the industrial revolution, the increase in the need for energy from states has led to crises in terms of energy sharing. The problem has grown into a security problem with energy shortages and shifts in conventional energy sources, and its reach has steadily increased. There has been an exponential growth in energy production in the world, especially since the beginning of the 19th century. This transformation has created a cycle that feeds each other the rise of global revenues has transformed the modern world with the growth in energy production.

¹ Barry Buzan, *People, States, Fear: An Agenda for International Security Studies in the Post-Cold War Era*, (Boulder: Lynne Rienner Pub, Colchester, 1991), 126.



Figure 1. Increase in the Global Revenue and Energy Production since 1820²



Considering the importance of energy security to Greece, it is well known that Greece, like all the countries of the European Union (EU), depends on the Russian Federation for natural gas in particular. So, we can argue that Greece, as a dependent and weak state in terms of energy security, is a net importer. Since the 2000s, Greece has led debates on its energy policies and propose innovative energy security policies. Greece explicitly indicates its intention to be a “Bridge Country” for energy transfer.³ The research question of this study is whether or not Greece’s energy security measures the steps taken by Greece regarding energy security, especially after the global financial crisis of 2008, have become a “Bridge Country”. First, we will examine the key energy security system in this context then comply with the policies developed by Greece to ensure energy security, and we will address Greece’s “Bridge Country” strategy.

2. Energy Security

To begin with, after the Oil Crisis of 1973 the concept of energy security was first used in literature.⁴ In this crisis, for the first time in history, the global energy supply has been disrupted, and the increase of oil prices has triggered economic crises. States have begun to develop new objectives to diversify their energy supplies and reduce their reliance on non-renewable energy resources in this climate of instability. Therefore the protection of energy sources and routes is also one of the aspects of energy security. For many reasons such as

² Charles A.S. Hall and Kent Klitgaard, *Energy and the Wealth of Nations: An Introduction to Biophysical Economics* (New York: Springer, 2018), 84.

³ T.C. Enerji ve Tabii Kaynaklar Bakanlığı, (2014).

<https://www.enerji.gov.tr/File/?path=ROOT%2f1%2fDocuments%2fE%c4%b0GM+Periyodik+Rapor%2fD%c3%9cNYA+ENERJ%c4%b0+G%c3%96R%c3%9cN%c3%9cM%c3%9c+111.pdf>, (27.05.2020)

⁴ Daniel Yergin, “Ensuring Energy Security”, *Foreign Affairs* 85, no. 2 (2006): 69-82.



war, such as war, piracy activities, and terrorist attacks, if the world's energy circulation is interrupted, it may cause irreparable damage to the world economy. It is vital that the energy supply is secure to sustain the global economy as it is and to temporarily grow the global economy. Actions taken against economic crises which would emerge as a result of rising energy prices are indeed within the framework of energy security.

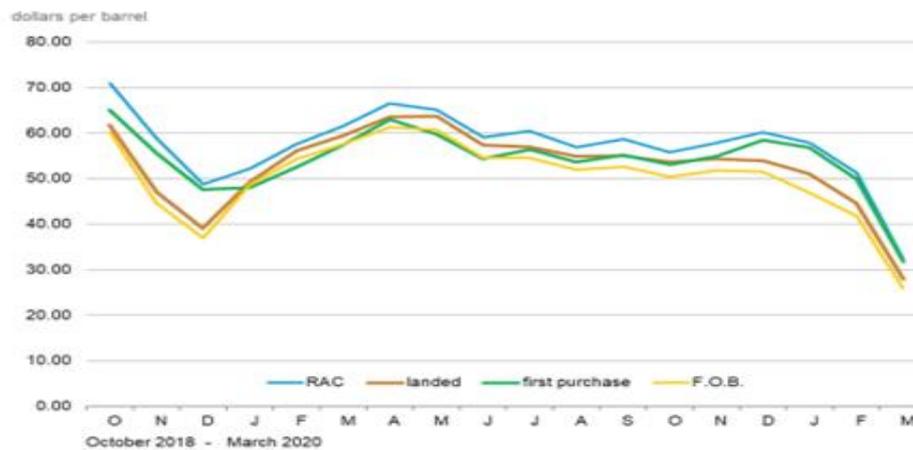
Considering the crude oil market, for example, the significant drop in oil demand due to the Covid-19 outbreak in 2020 was reflected in crude oil prices and there was a drastic fall in oil prices. So on April 19th, 2020, USA's West Texas (West Texas Intermediate/WTI) style crude oil prices were exchanged immediately below zero dollars. This has also shown us that global scaled-up energy and economic crises are triggered not only by an excessive rise in oil prices but also an excessive drop fall in oil demand, which could lead to several bankruptcies among producers and a failure to generate the output required for the global economic balance.

We assume that this situation warrants the conventional approaches to energy demand be updated. Correspondingly, as Michaelides pointed out it was expected that the energy demand would change for two reasons: global population growth and the transformation of agricultural societies into industrial societies that consume more energy.⁵ However, the example of Covid-19 indicates that changes in the human lifestyle due to environmental disasters (pandemic, earthquake, tsunami, etc.). As either a result, the most critical issue for policymakers is to determine the verge between energy security, economic efficiency, and sustainability.⁶

The chart below shows the direction course of oil prices from October 2018 to March 2020. The decline can be observed from the table in parallel with the spread of the pandemic in the world, beginning with the first cases detectable in China in the first days of 2020.

⁵ Efstathios E. Michaelides, *Alternative Energy Sources*, (Springer: Verlag Berlin Heidelberg, 2012).

⁶ Christian Winzer, "Conceptualizing energy security", *Energy Policy* 46, (2012): 41.

**Figure 2.** Oil Prices per Barrel between October 2018 and March 2020⁷

As the flowchart clearly shows us, energy security requires the development of a system capable can not only providing the consumer with energy resources, but also preventing interruptions due to technological, socio-political, geopolitical, and natural causes. Energy security contains two essential elements: the presence of energy and secure delivery of energy. If we interpret energy security more generally, we may conclude that energy security focuses on the security of supply, availability and competitiveness, supply-oriented sustainability, and reliability. Such meanings however are criticized for not integrating environmental and social values and ignoring importing countries (ACS, 2015). For instance, Asia Pacific Energy Research Centre (APERC) suggests that four fundamental elements should be included in the study of the idea of energy protection. These include availability, accessibility, affordability, and social acceptability.⁸ Concerning energy security, it is possible to apply the study by Podesta and Ogden of the key lines of US sustainable security strategy to all countries. As per this analysis, climate change should be tackled to ensure sustainable energy; oil dependency should be minimized without jeopardizing economic development; nuclear risks should be avoided; global energy infrastructure should be modernized and energy supply should be diversified.⁹

⁷ U.S. Energy Information Administration, “Petroleum Marketing Monthly, June 2020”, <https://www.eia.gov/petroleum/marketing/monthly/pdf/pmmall.pdf>, (28.09.2020).

⁸ Asia Pacific Energy Research Centre – APERC, Quest for Energy Security in the 21st Century: Resources and Constraints, (2007), https://aperc.or.jp/file/2010/9/26/APERC_2007_A_Quest_for_Energy_Security.pdf (27.05.2020).

⁹ John Podesta and Peter Ogden, “A Blueprint for Energy Security”, *The Global Politics of Energy*, eds. Kurt M. Campbell and Jonathon Price, (Washington: Aspen Institute, 2008), 225.



3. Energy Policies of Greece

For several years, Greece was unable to remove its reliance on hydrocarbon resources with the final blow of the global financial crisis that began in 2008, plunged into a debt crisis. In recent years, attempts to introduce the fiscal reform program in Greece have dominated debates within the EU and have formed the key basis of Greece's domestic policy. Since August 2015, three financial stability packages with a value of EUR 331 billion have been concluded as a result of the negotiations between the Greek government, EU institutions, and the International Monetary Fund (IMF). In this regard, the related institutions have demanded reforms from Greece. As a result of the economic crisis, in the line with the austerity measures needed by the IMF program, Greece has begun to produce new policies. Energy resources have also emerged as one of the fields in which new policies have begun to be established.¹⁰ As a positive result of the economic downturn, the country's CO₂ emissions fell significantly in the recession years of 2008-2013: -8.8 Mt.¹¹ Consequently, energy stability, one of the foundations of economic security has also been one of Greece's current security concerns. The most important step in this matter is the establishment of the Ministry of Environment, Energy and Climate Change (YPEKA) on October 7th, 2009.¹²

YPEKA, managing the quality of the environment and renewable energy resources; protecting biological diversity and water resources; ensuring proper management of non-renewable energy resources; making sustainable plans on vital issues such as combating climate change and protecting energy resources.¹³ To accomplish the objectives, they established strategic models based on four specialized columns. The first column aims to improve energy efficiency, ensure the availability of energy, and ensure that customers receive energy reliably and equitably. The second column deals with the conservation and management of natural resources based on sustainability, while the third column deals with the scheduling of the quality of life in a way that respects the environment, the last column

¹⁰ Utku Kırıldökme, "Enerji Köprüsü Ülke Olma Yolunda Yunanistan'ın Politikası", *Bilge Adamlar Stratejik Araştırma Merkezi* 2, (2014): 841.

¹¹ Argiro Roinioti and Cristopher Koroneos, "The decomposition of CO₂ emissions from energy use in Greece before and during the economic crisis and their decoupling from economic growth", *Renewable and Sustainable Energy Reviews* 76, (2017): 453.

¹² Çevre, Enerji ve İklim Bakanlığı (YKEPA), "Çevre ve Enerji", <http://www.ypeka.gr/elgr/%CE%A5%CF%80%CE%BF%CF%85%CF%81%CE%B3%CE%B5%CE%AF%CE%BF>, (28.05.2020)

¹³ Çevre, Enerji ve İklim Bakanlığı (YKEPA), "Çevre ve Enerji".



deals with the strengthening of environmental and energy-based structures and institutions.¹⁴ The priority of Greece's energy policy has been the secure, trouble-free, and uninterrupted acquisition of energy resources. The second objective is to establish energy preserve partnerships and alternative routes to meet the needs of the local energy market. The last objective is to ensure sustainable growth in the energy sector by considering the conservation of the environment.¹⁵ In Greece, energy production is connected to the Public Power Corporation (PPC). 12% of Greece's electricity output is supplied by hydroelectric power plants and 20% from natural gas, according to PPC data. Moreover, oil is another significant source in Greece, and the country has become dependent on oil. Energean Oil is the sole private oil producer in the country. In 2016, Greece, which is a poor country in terms of energy supplies and energy insecurity, hit 58%.¹⁶ Besides, Greece imports the largest amount of oil from Russia.¹⁷ Along with energy dependence, several initiatives have been launched by Greece to diversify its energy supply. Natural gas is the most relevant of these projects. After 1995, natural gas became a major source of energy in Greece. Its use, especially in the industrial sector increased at the end of the 1990s and later began to be used in residential and commercial sectors with small shares. Correlatively, The Greek government has provided significant incentives for quality improvement and liberalization in the gas industry.¹⁸ They do not have adequate natural resources, while Greece promotes the use of natural gas, and this situation has led it to become more dependent on foreign countries. When we look at the market data for natural gas, we may assume that Greece has three major sources of natural gas. These are: Gazprom, Sonatrach and BOTAS. And the table below shows the market shares of these suppliers in the Greek natural gas market as of 2020.

¹⁴ Çevre, Enerji ve İklim Bakanlığı (YKEPA), "Çevre ve Enerji".

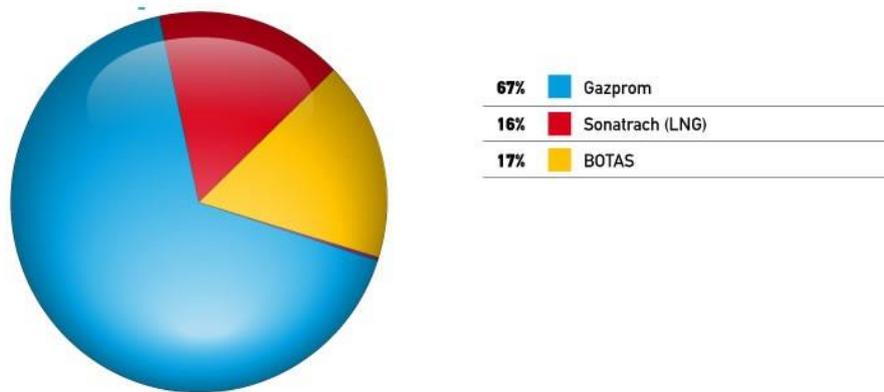
¹⁵ Çevre, Enerji ve İklim Bakanlığı (YKEPA), "Çevre ve Enerji".

¹⁶ Lefkothea Papada and Dimitris Kaliampakos, "Measuring energy poverty in Greece", *Energy Policy* 94, (2016): 164.

¹⁷ Energy Policies of IEA Countries, *Greece Review*, 2017,

<https://webstore.iea.org/download/direct/270?fileName=EnergyPoliciesofIEACountriesGreeceReview2017.pdf>

¹⁸ Energy Policies of IEA Countries, *Greece Review*.

**Figure 3.** Natural Gas Suppliers of Greece¹⁹

Since the early 2000s, the Greek Government has taken measures to produce new energy action plans to reduce the dependency rate and has introduced its strategy of being a transit country which projects such as Burgas-Alexandroupolis Pipeline and the Trans-Adriatic Pipeline (TAP). Hydrocarbon reserves have caused the Eastern Mediterranean to increase the region's valuation since the early 2000s, place transit energy resources at the forefront as a requirement, and decide the structure of ties between riparian states. In the East Mediterranean, when the equation was re-established, it became more important in terms of energy security and the players had to rethink their roles in this process.²⁰ Greece continues to struggle in the area to secure a position in this equation, too. Greece was encouraged to collaborate with Israel and substitute itself in the East Mediterranean equation due to the worsening ties between Turkey and Israel and in the cooperation between Israel and Greek Cypriot Administration (GCA). Furthermore, the region's hydrocarbon reserves have emerged as a significant incentive for Greece to oppose Turkey.²¹ The pipeline projects developed by Greece to become a “bridge country” and its role in the East Mediterranean will be evaluated as of this part of the study.

3.1. Burgas-Alexandroupolis Pipeline

The Burgas-Alexandroupolis Pipeline project was first built in 1993 to transport Russian oil from the Caspian region to Europe between Bulgaria, Russia, and Greece. The number of oil tankers passing through the Bosphorus reached a high level in the 1990s and

¹⁹ DEPA, “Natural Gas Commerce”, (2020), <https://www.depa.gr/natural-gas-commerce/?lang=en>, (28.05.2020).

²⁰ Burak Şakir Şeker, “Doğu Akdeniz’de Enerji Güvenliği Eksenli: Yunanistan- GKRY’nin Muhtemel Politikalarının Analizi ve Türkiye’nin Tutumu”, *Yeni Deniz Güvenliği Ekosistemi ve Doğu Akdeniz*, ed. Deniz Güler, Ahmet Yıldız, İzgi Savaş (İstanbul: Tasam Yayınları, 2019), 283.

²¹ Utku Kırıldökme, “Enerji Köprüsü Ülke Olma Yolunda Yunanistan’ın Politikası”, 842.



early 2000s and the passages were interrupted due to winter fog and storm, and oil tanker queues began to pile up. Negotiations for a new pipeline of approximately 300 km from the port of Burgas to the port of Alexandroupolis were undertaken in 2004 to reduce the number of tankers passing through Bosphorus.

Figure 4. Burgas - Alexandroupolis Pipeline²²



Russia will not only be connected to Turkey by this pipeline, but it will also build an alternate path. Within the scope of this pipeline, the objective is for Russian oil in the Caspian Sea to pass through the use of the port of Novorossiysk in Russia via tankers to the port of Burgas and to enter the port of Alexandroupolis in the region of Western Thrace in Greece. Approximately 35 million tons of oil per annum²³ are targeted to be transported from the pipeline which consists of two terminals in Burgas Port with a capacity of 600.000 tons and two terminals in Alexandroupolis with a potential of 1.2 million tons. The cooperation memorandum for the project was signed by Bulgaria, Russia, and Greece in Sofia on April 12th, 2005. With this project, it was planned that via the Black Sea port, Russian oil would enter markets such as the US, the EU, and Asia-Pacific, and an alternative route would be built. In this context, it was a desirable project for Russia to diversify export routes and for Greece to be an energy transit destination. Negotiations between three countries on the

²² Novinite, "Russia Determined to Build Trans-Balkan Pipe, Cut Cost", 2012, <https://www.novinite.com/articles/137911/Russia+Determined+to+Build+Trans-Balkan+Pipe,+Cut+Costs>, (28.05.2020).

²³ Nikolaos Deniozos, Charis Vladod and Dimos Chatzinikolaou, "Energy economy In the Era of 'New Globalization': the Case Of The Balkans and Greece", *SSRG International Journal of Economics and Management Studies* 6, no.9 (2019): 11.



construction of this pipeline concluded in 2007 and an official move was taken on 15 March 2007 to build the pipeline in Athens.²⁴

We can argue that Burgas-Alexandroupolis Pipeline Project was the first step towards Greece becoming an energy hub and a transit country. This agreement, which took place at a time when the economic crisis started, was an important issue for Greece. First, Greece aimed to attract foreign investors by sending signals to international markets due to the competition of the pipeline project, a good investment has been made in its country. Russian President Vladimir Putin, who participated in the signing ceremony of the pipeline in Athens, stressed that the pipeline would serve the economic interests of all three countries and will boost Greece and Bulgaria's geopolitical positions in the region. However, because of Bulgaria's political and environmental issues, the pipeline, which was supposed to be finished by the end of 2010, was canceled. Bulgaria, therefore, announced that it would withdraw from the Burgas-Alexandroupolis Pipeline Project in 2011, citing these concerns as a reason, and withdrew from the project in 2013. Thus, Greece came to an end with the concept of becoming an energy transit country in the region.

3.2. Trans-Adriatic Pipeline

As an important project for Europe, the South Gas Corridor (SGC) aims to pump natural gas from the Shah Deniz region of Azerbaijan and transport approximately 1.2 trillion m³ of natural gas from Turkey to Europe.²⁵ The Trans-Adriatic Pipeline (TAP), built as a part of SGC, was first founded in 2003 by a Swiss energy company, the ELG Group. With the agreement signed on 13 February 2013 by Albania, Italy, and Greece, TAP was formally enforced. Forth, Azerbaijani gas will be supplied to the EU by this initiative. Thus by developing new alternative energy routes, the EU reduces its energy dependence on Russia.

²⁴ Utku Kırıldökme, "Enerji Köprüsü Ülke Olma Yolunda Yunanistan'ın Politikası", 842

²⁵ Green Paper. "A European Strategy for Sustainable, Competitive and Secure Energy", Commission of the European Communities. (2006). Available online at: <https://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:52006DC0105&from=EN>, (29.05.2020).

**Figure 5.** The Route of TANAP and TAP²⁶

The length of TAP is 867 km and almost 545 km of it is planned to pass through Greece, in which 20 billion cubic meters of natural gas are expected to be transported annually wound up Greece.²⁷ Since the longest section of the pipeline will be situated on the territory of Greece, TAP also provides Greece with a serious source of revenue and will have the ability to adequately supply gas. Furthermore, this pipeline provides an opportunity for Greece to draw foreign investors to its country. For the first time, Greece was included in the global energy equation with TAP, which showed that Greece would be a transit country for energy production and transport. In this regard, TAP has increased Greece's prominence in the EU and has gained a central role in the Union.

3.3. LNG Terminal Project

By the use of hydrocarbons, the market for liquefied natural gas (LNG) terminals has increased considerably due to economic advantages.²⁸ Greece will take an important step towards becoming a regional energy hub with the LNG terminal project, which is expected to be constructed in Alexandroupolis, the port city of Greece. In particular, the project would switch US gas to Eastern Europe. This project, in collaboration with the Bulgarian public natural gas company Bulgartnrgaz, will play a key role in turning the two countries into energy hubs.²⁹ With the participation of Bulgaria, which bring LNG to Southeast Europe from

²⁶ BOTAŞ, "TANAP", (2020), <https://www.botas.gov.tr/pages/tanap/394#gallery-1> (16.08.2020).

²⁷ Utku Kırıldökme, "Enerji Köprüsü Ülke Olma Yolunda Yunanistan'ın Politikası", 847.

²⁸ Evangelos K. Boulougouris and Apostolos D. Papanikolaou, "Multi-objective optimisation of a floating LNG terminal" *Ocean Engineering* 35, no. 8-9, (2008): 787

²⁹ The Associated Press, Greece, Bulgaria hail deal targeting Russia gas dominance, August 24th, 2020, <https://apnews.com/article/europe974536974e771ad9970d76a1c4842ccf> (10.11.2020).



the beginning of 2023 onwards.³⁰ Thanks to this new route, these countries will reduce their dependency on natural gas transported from Turkey. Moreover, in this project, it is considered that a barrier will be set against Russia's influence in the Mediterranean, as well as China's expansion in the Balkans.

Figure 6: LNG Terminal Project³¹



The key challenge is that the LNG project would have major consequences for the EU countries which from Russia, in particular, Germany and France, meet most of their natural gas needs. Given the partnership relations, the US is in the context of the project, and LNG would have large economic and political impacts. As a result of the Nord Stream 2 pipeline project, which is intended to transport natural gas extracted in Russia from under the Baltic Sea to Europe, the strained relationship between Germany and the US reflects this challenge and can be considered as just a start. As a matter of fact, despite the US threats of sanctions, Germany has not withdrawn from the Nord Stream project and these international disputes would also make it possible for Greece to make an intense persuasive effort with the EU partners to achieve its strategic interests.

³⁰ South East Med Energy and Defense, "Big U.S. investments in strategic sectors of mutual interest", 2018: 2, 7. https://www.semedenergydefense.com/wp-content/uploads/2018/05/002_ENERGY-DEFENSE-.pdf (10.11.2020).

³¹ Gastrade, Alexandroupolis INGS Projects Location, 2020, <http://www.gastrade.gr/en/alexandroupolis-ings/project-location.aspx> (10.11.2020).



3.4. Maritime Jurisdictions as an Energy Security Tool

In addition to diversifying Greece's energy resources and suppliers within the scope of energy security, Greece has another strategy to have more authority in hydrocarbon reserves in Eastern Mediterranean by expanding the maritime jurisdiction in this region to the greatest extent possible. For this reason, Greece's right to have the widest possible maritime authority in the Mediterranean, Aegean, and Ionian Seas has become a national policy, either through multilateral agreements with regional states or through unilateral declarations. However, this approach has generated controversy between Turkey and Greece. We should comment on the topic of territorial waters at this stage.

Following the discovery of reserves of petroleum and natural gas in the Eastern Mediterranean in the 2000s, the region has drawn the attention of countries in the field of oil. Palestine, Albania, Bosnia and Herzegovina, Croatia, Israel, Italy, Montenegro, Turkish Republic of Northern Cyprus, Greek Cypriot Administration, Malta, Egypt, Lebanon, Libya, Slovenia, Syria, Greece, Tunisia, United Kingdom³², and Turkey are the states that have coasts in the Eastern Mediterranean. In the Eastern Mediterranean, the discovery of hydrocarbon reserves increased rivalry between states and produced problems with the determination of areas of maritime jurisdiction. On the other hand, another contentious problem has arisen as to which route would be used for the export to the international market of extracted resources. We may assume that these contradictory concerns are focused on the sharing of oil and natural gas. Thus this situation paved the way to resolve the disputes of both economic and security dimensions.

The US Geological Survey³³ reports that up to 122 trillion cubic meters of recoverable gas exist in the Levant Basin. At this point, the Eastern Mediterranean has become geography that is a major area of struggle for actors trying to take the share of the lion from energy resources. Greece to extend their maritime authority, the GCA cooperates in the area with a common line centered on borders of Crete, Karpathos, Kassos, Rhodes, and Kastellorizo Islands. Greece has therefore begun talks with other riparian states, such as Libya and Egypt,

³² The United Kingdom has military bases located on the Island of Cyprus as specified in the Zurich and London Treaties. For this reason, United Kingdom is among the riparian countries.

³³ U.S. Geological Survey (2010) Assessment of Undiscovered Oil and Gas Resources of the Levant Basin Province, Eastern Mediterranean, (Washington, DC: United States Department of the Interior), <http://energy.cr.usgs.gov/oilgas> (18.12.2020)



to legitimize its foreign policy of maritime jurisdiction. Greece's key objective in the area is to create a common line between the islands of Rhodes and Kastellerizo and to decide its southern exclusive economic zone in the light of the agreements conducted with Egypt and the GCA. So, Greece and the GCA would exclude Turkey from the Eastern Mediterranean and Turkey would only be confined into a continental shelf of the Gulf of Antalya.³⁴

The disagreements about maritime jurisdiction areas led to alliances in several ways. These alliances resulted in various projects such as the East-Med and Vasilikos which disabled Turkey from Eastern Mediterranean. However, because of the high cost of the projects and some conflicting issues between Greece and Turkey's continental shelf according to international law, the projects would not seem to be succeeded. On the other hand, these conflicts exacerbate the existing problems in the region, such as the Turkish-Greek conflict, the Cyprus issue, the Palestinian issue, and even the Syrian civil war.

The East-Med project which is going to be implemented by Greece, Italy, Israel, and Greek Cyprus Administration is estimated to be completed in 2025 and is aimed to deliver the gas extracted from the Eastern Mediterranean to the European market through a two thousand-kilometer pipeline to be established.³⁵ With receiving support from the EU and US, these states aimed to establish an energy route that disables Turkey despite the severe economic cost and endangering regional peace. Considering the Vasilikos project, it was a result of the Greek Cypriot Administration's desire to build an LNG terminal and become a trade center in the energy framework with the support of the US and the EU. Greek Cyprus Administration has given the US and France the authority to build military bases to guarantee all the agreements for this project. But East-Med Project is not likely to be completed because of the "Memorandum of Understanding Between Turkey and Libya on Delimitation of the Maritime Jurisdiction Areas in the Mediterranean" signed on November 27th, 2019. Because with this memorandum East-Med pipeline would pass Turkey's maritime jurisdiction and Turkey will not allow it.³⁶

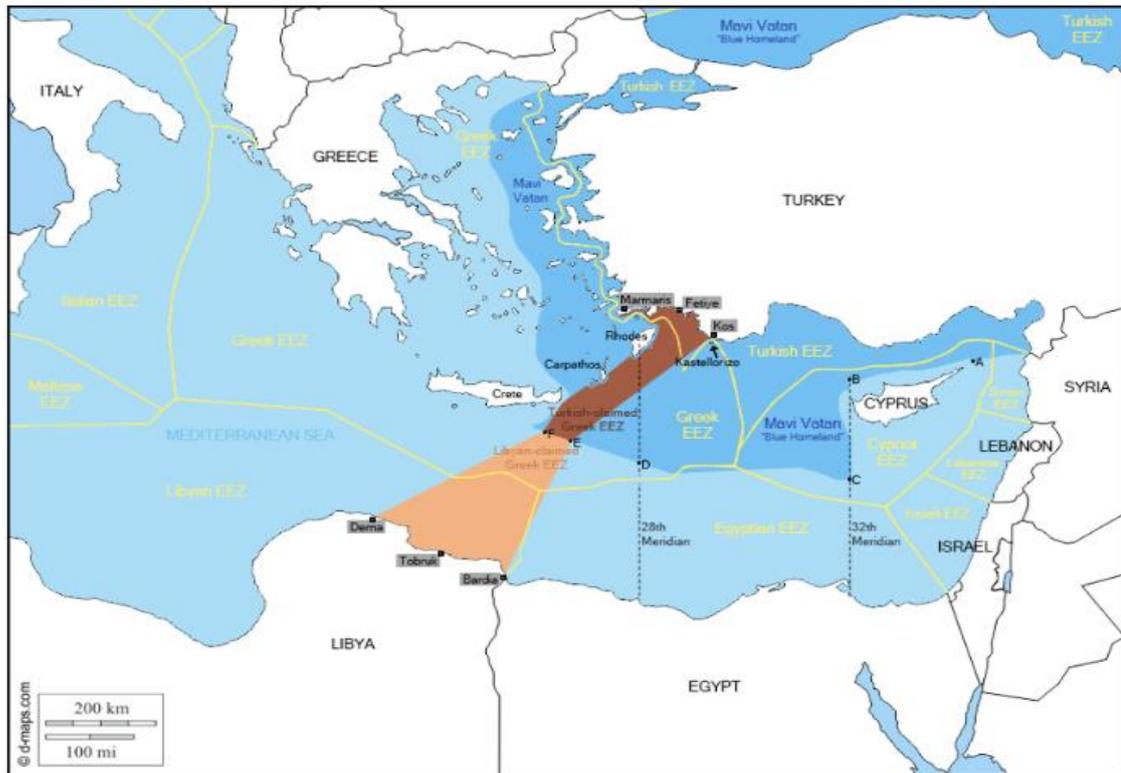
³⁴ Muhammed Kürşad Özekin, "Doğu Akdeniz'de Değişen Enerji Jeopolitiği ve Türkiye", *Güvenlik Stratejileri Dergisi* 16, sy. 33, (2020): 15.

³⁵ Energy Policies of IEA Countries (2017), Greece Rewiew.

³⁶ Muhammed Kürşad Özekin. "Doğu Akdeniz'de Değişen Enerji Jeopolitiği ve Türkiye", 43.



Figure 7. The Exclusive Economic Zone between Libya and Turkey according to Memorandum Signed on November 27th, 2019³⁷



Instead of using diplomatic channels to solve the problems with Turkey, Greece prefers to escalate the crisis and carries its problems to the EU level. For example, in July 2020, Turkey declared a NAVTEX that Turkey's seismic research vessel Oruç Reis will research the south and east of Kastellorizo Island immediately after that Greece declared anti-NAVTEX in the same coordinates. Greece tried to associate this declaration with the Lisbon Treaty's part of Common Defence and Security Policy Regulations article 28/a.

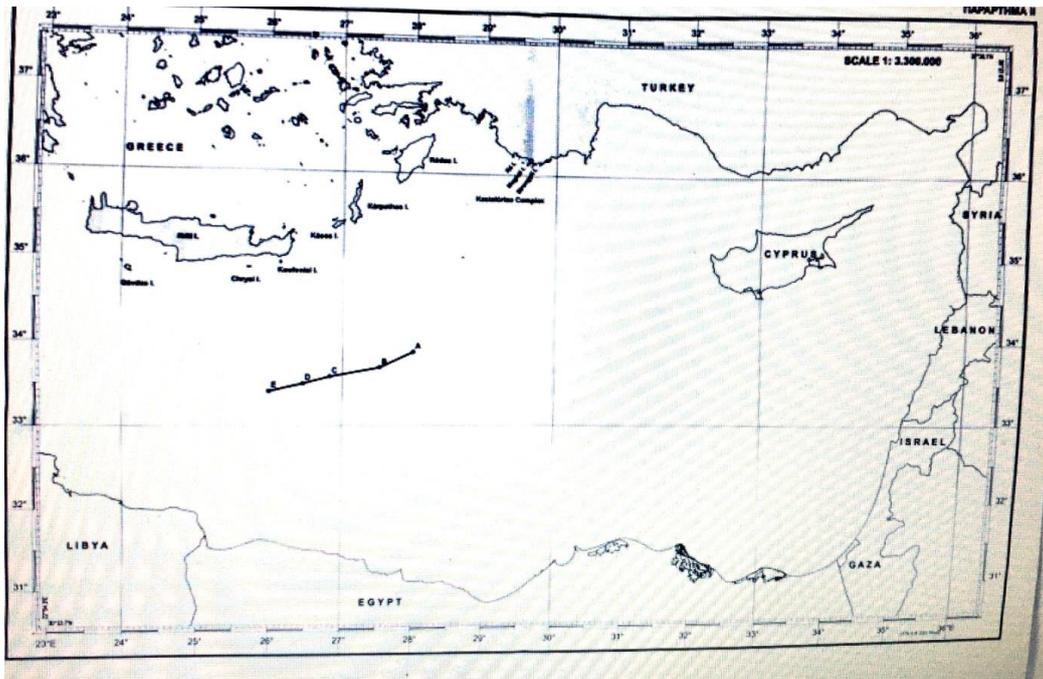
On the other hand, Greece signed a bilateral agreement with Egypt on the delimitation of maritime jurisdictions in the Eastern Mediterranean. This agreement extorts both Turkey's and Libya's exclusive economic zone and continental shelf rights. According to the map, Greece seems to ignore the memorandum signed by Turkey and Libya earlier this year while

³⁷ Giancarlo Elia Valori, "The Exclusive Economic Zone between Libya and Turkey", *Modern Diplomacy*, 2019, <https://moderndiplomacy.eu/2019/12/20/the-exclusive-economic-zone-between-libya-and-turkey/>, (10.11.2020).



trying to create a de facto situation in favor of its priorities and interests in the Eastern Mediterranean.

Figure 8. Map of the Exclusive Economic Zone between Greece and Egypt according to the Agreement Signed on August 6th, 2020³⁸



Despite Turkey's open dialogue approach on continental shelf issues, Greece paves the way to escalate problems and transform into an EU-Turkey crisis. Even though Turkey has called for dialogue and halted seismic research activities recently, Greece signed a bilateral agreement with Egypt on maritime jurisdiction in the Eastern Mediterranean that raised tensions again. In the short term, Greece's efforts to keep Turkey outside of the Eastern Mediterranean energy equation appears to be a political success; but in the long term, these efforts would harm Greece's ultimate aim of being a "Bridge Country" in the region.

4. Conclusion

As a result of the developments in the Trans-Adriatic Pipeline and the cooperation agreements with the Greek Cypriot Administration, Israel, Egypt, and Libya; Greece enriched its prestige in the international arena and provided economic relief after the 2008 economic crisis. Although Greece is a weak and dependent country in terms of energy reserves, it can be

³⁸ TOVIMA (2020), <https://www.tovima.gr/wp-content/uploads/2020/08/07/Symfwnia-el.pdf> (17.12.2020)



argued that some key steps have been taken towards the goal of becoming a transit country and an actor in the energy games. Even though Burgas-Alexandroupolis Pipeline Project was canceled, Greece managed to become one of the main actors of the EU's Southern Gas Corridor policy with TAP. The fact that the longest line of TAP passes over the territory of Greece proves this. On the other hand, the rivalry between Turkey and Greece about being a transit country constitutes a general framework for Greece's energy policy. In addition, together with TAP, the LNG terminal project could improve Greece's position in the energy landscape as an important player. The project involves the construction of an LNG regasification plant in Alexandroupolis as well as the construction of the Greece-Bulgaria Interconnector natural gas pipeline. This project will allow the import of American LNG and its transport through pipelines to the Balkan countries. The project is supported by Washington since it will reduce Russia's influence in the Balkans.

Since the beginning of the 2000s, hydrocarbon reserves have caused an exponential increase in the value of the Eastern Mediterranean Region, where Greece has taken its place as the key actor of the energy struggle over this geography. Within this context, the major debate on the region is about how maritime jurisdictions would be determined. In terms of maritime jurisdiction, Greece, cooperating with the Greek Cypriot Administration, has aimed to make agreements with neighboring countries such as Egypt, Israel, and Libya to determine the sharing area in its interests. However, Turkey's objections and counter policies such as signing a memorandum with Libya on maritime jurisdiction stand out as an obstruction factor for the East-Med projects of Greece. So, we can argue that disputes between Turkey and Greece over maritime jurisdiction issues in Eastern Mediterranean consist of several risks for Greece. Since Turkey has become a particularly important energy corridor in the region with the projects such as TANAP (Trans-Anatolian Natural Gas Pipeline), Blue Stream, Turkish Stream, Baku-Tbilisi-Ceyhan (BTC) pipeline, Baku-Tbilisi-Erzurum natural gas pipeline, and Kerkuk-Yumurtalik pipeline, so we can argue that Turkey is one step ahead from Greece on being an energy transit country. Also, considering TAP and TANAP have a length of 1850 km and connect Erzurum, where SCP ends, with Kipoi in Greece, that the TAP will begin³⁹, we can easily make an inference that a joint initiative for the European market can produce

³⁹ Ivan Smajla, Romana Crneković, Daria Karasalihović Sedlar and Filip Božić, "Potential of Croatian liquefied natural gas (LNG) terminal in supplying regional natural gas markets", *Rudarsko-geološko-naftni zbornik (The Mining-Geology-Petroleum Engineering Bulletin)* 35, no. 4 (2020), 95.



much more profitable results for both states. Eventually, transforming Eastern Mediterranean into an area of cooperation rather than the center of political tension would serve as a complete win-win situation for both states. Greece's policy of bringing Turkey-related problems to the EU agenda will not serve the benefits of Greece but create a security dilemma. The precise strategy for Greece would be finding a way to solve EU-Turkey problems as an EU member state, to establish the language of peace with Turkey, and to focus on the long-term benefits, and vice versa.

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