NATURAL GAS IN THE EASTERN MEDITERRANEAN: MEANS OF REGIONAL INTEGRATION OR DISINTEGRATION?

DOĞU AKDENİZ DOĞAL GAZI: BÖLGESEL BÜTÜNLEŞME VEYA ÇÖZÜLME ARACI?

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Abstract: The recent discoveries of hydrocarbon resources in the Eastern Mediterranean not only opens a great deal of opportunity for closer regional cooperation by providing channels of communication but also holds much potential to complicate further the region's conflict-prone geopolitical architecture. However, the latest developments have proved that realism is the only game in the town and guides the regional countries in their nationally controversial issues, i.e. energy, maritime borders, exclusive economic zones. The Eastern Mediterranean countries have, so far, preferred forming their policies in accordance with the zero-sum-game principles at the expense of the achievements with their near or far neighbors. Therefore, the competing interests, rival claims and distrust among the regional countries would highly be expected to jeopardize the potentially conciliatory role of natural gas as opposed to the role of coal and steel in triggering European integration in the 1950s.

Keywords: Eastern Mediterranean, natural gas, energy security, European Union, Russia

Öz: Doğu Akdeniz'de son zamanlarda bulunan hidrokarbon kaynakları sadece bölge ülkeleri arasında iletişim kanalları sağlayarak bölgesel işbirliği olanaklarını artırmamış aynı zamanda bölgenin çatışma eğilimli jeo-politik mimarisini daha da karmaşıklaştırmıştır. Son zamanlarda yaşanan gelişmeler realizmin bölge için tek seçenek ve enerji, deniz sınırları, münhasır ekonomik bölge gibi milli açıdan ihtilaflı konularda bölge ülkelerinin tek rehberi olduğunu ispatlamıştır. Doğu Akdeniz ülkeleri şimdiye kadar, yakın veya uzak komşularıyla olası kazanımlarının pahasına, kendi politikalarını sıfır toplamlı oyun ilkelerine göre oluşturmayı seçmişlerdir. Bu sebeple, 1950'lerde kömür ve çeliğin Avrupa entegrasyonu için oynadığı tetikleyici rolün aksine, Doğu Akdeniz ülkeleri arasındaki çatışan çıkarların, çakışan iddiaların ve güvensizlik eğilimlerinin bölgede bulunan doğal gazın potansiyel anlamdaki uzlaştırıcı rolünü tehlikeye atma olasılığı yüksektir.

Anahtar Kelimeler: Doğu Akdeniz, doğal gaz, enerji güvenliği, Avrupa Birliği, Rusya

INTRODUCTION

Energy, as a multifaceted and strategic concept, is closely related to geopolitics. The vast and fast-paced energy developments in the Eastern Mediterranean since late 2000s have proved the geopolitical and geo-strategic importance of the region, which is directly associated with its natural gas reserves. These discoveries have the potential to provide the necessary energy supply to meet growing regional demand and even to spur export. In that sense, the recently discovered rich hydrocarbon-energy resources of the Eastern Mediterranean with their game-changing effects on the geopolitics of the region have become strategically crucial asset for the region and put the Eastern Mediterranean at the map of the international energy geopolitics.

As a region, the Eastern Mediterranean is rapidly changing. The gas findings are flourishing there with the potential to change the regional geopolitical dynamics by offering new regional and global opportunities and challenges at the same time. The recent discoveries of hydrocarbon resources in the Eastern Mediterranean not only opens a great deal of opportunity for closer regional cooperation by opening channels of communication but also hold much potential to complicate further the region's conflict-prone geopolitical architecture. Depending on the geopolitical trends, the resources can act either as a vector of cooperation around the joint projects and common benefits or of conflict over the using and sharing of those resources. In this framework, the aim of this paper is to discuss the probable results of the Eastern Mediterranean gas findings and evaluate the feasibility of cooperation models through the lenses of natural gas geopolitics. Thus, after giving overview of the regional resources, this study tries to answer whether the resources of the Eastern Mediterranean can be used as an opportunity to make the region as a basin of stability, prosperity and cooperation leading to a comprehensive integration in an increasingly unstable and unpredictable geography. With this effort, it shows us that state preferences' either to follow realist or liberal understanding in their regional engagements will determine the future of the region.

To this end, the first section of the paper begins with an overview of natural gas outlook of the Eastern Mediterranean. The second section discusses the potential contribution of those resources to Europe's attempts to diversify its energy supply and, accordingly, to reduce its dependence on Russia. The third section tries to assess whether the resources of the region would pave the way for a new era of economic and political stability in the region. It would be interesting to try to answer whether the regional countries would be able to generate alliances for energy cooperation according to the functional understanding. The last section discusses whether the hydrocarbon activities and newfound resources can serve as a catalyst (Leigh, 2014: 1) towards a comprehensive and wider scheme of cooperation and stabilization in the region, as coal and steel did in the 20th century among the European countries. The paper ends with a summary and conclusions.

1. OVERVIEW OF THE EASTERN MEDITERRANEAN NATURAL GAS[1]

The Eastern Mediterranean's newly discovered and potential future hydrocarbon resources are of tremendous economic and geostrategic significance for the region. Those resources have the potential to redraw the economic map of the region by meeting growing regional energy demand and spurring exports (Bonafé, 2014: 77). Especially since 2009, the discovery of sizeable natural gas resources offshore Israel and Cyprus has significantly transformed the region's energy outlook, from a long-term importer of energy to a potential exporter of natural gas in the future (Dickel *et al*., 2014).

Offshore exploration in the waters of Eastern Mediterranean started in the late 1960s and early 1970s. Even if these early attempts were unsuccessful in terms of hydrocarbon production, they provided important information and established the initial geological model of the region (Tagliapietra, 2013: 7). A second exploration campaign, between the mid-1970s and mid-1980s, resulted in more success. Several wells were drilled offshore Sinai and light oil was found in several areas. However, commercial production could not be established even at that time. Exploration activity in the offshore Eastern Mediterranean experienced a significant renaissance since 1999-2000 when five modest natural gas fields were discovered at a shallow depth west of the coastal town of Ashqelon and the Gaza Strip (Tagliapietra, 2013: 7-8). These waves of discoveries speeded up exploration efforts and promoted the acquisition of geophysical data throughout the entire Eastern Mediterranean area, particularly in the Levant basin,[2] which has become the center of recent energy explorations in the region. The real turning point came in 2009 with the discovery of the Tamar field in offshore Israel, as it was announced by Noble Energy.

After its first major discovery, Noble Energy announced other two major findings in the Levant Basin, i.e. the Leviathan field in offshore Israel (2010) and the Aphrodite field off the southern coast of Cyprus (2011). Moreover, the exploration successes in both fields and to a lesser degree the Palestinian Territories have shown the potential for further offshore energy production, which is likely to be discovered especially in other parts of the Eastern Mediterranean, i.e. Lebanon and Gaza.

As result of the regional discoveries, the amount of the regional countries' gas sources is provided in Table 1. Israel's natural gas reserves include Tamar, Leviathan and a number of dispersed smaller fields. The gas reserves in Southern Cyprus were found in the Aphrodite field. Seismic surveys have led to further licenses being granted across the Exclusive Economic Zones of Cyprus and Israel, and exploration in the region will continue (Johnson *et al.,* 2015: 5). The other countries of the region have also attempted to start their own research. Syria already holds small, but essentially proven, natural gas as well as oil reserves which would allow Syria to be energy self-sufficient

[1] Considering that nearly all recent regional discoveries are of natural gas, this study evaluates the energy outlook from the natural gas perspective.

[2] This paper covers Israel, Cyprus, Syria, Lebanon, Jordan, the Palestinian Territories and the Mediterranean portion of Egypt.

for the first time in its modern history as well as moderately sized exports of oil to Turkey and Europe, although it is currently disrupted due to civil war in the country (El-Katiri and El-Katiri, 2014: 6). Currently, Syria's descent into civil war has since prevented any re-emergence of offshore exploration efforts. The country has to wait until the civil war would end and the domestic political environment would improve for the development of any potential offshore resources. Another interested neighbor with substantial geological prospects for offshore hydrocarbons is Lebanon. Lebanon's exploration work commenced during the 2000s, followed (after much haggling over political posts) by the institutionalization of exploration licensing. However, political and legal uncertainties prevent any progress in Lebanon. Jordan has poor levels of natural gas reserves. Moreover, the Palestinian offshore territories near Gaza are believed to hold substantial hydrocarbon potential. The UK's British Gas (BG) discovered the Gaza Marine gas field in 1999. Despite the approved plan to develop the field in 2002 and to begin the production in 2006, distrust between the two parties left the gas deposits underdeveloped. Israel refused to allow the field's development, unless the gas is first delivered to Ashkelon to meet its gas demands and part of it is sold at a discount to market prices. BG and its partners refused these conditions and the Palestinian discovery has been left inoperative for around a decade without development. Thus, the issue of the development of these resources has been left unaddressed until today (El-Katiri and El-Katiri, 2014: 7).

Table 1. Natural Gas Volumes in the Offshore Eastern Mediterranean

Country	**Billion Cubic Meters (bcm)**[3]
Israel	
Tamar	283 (proved reserves)
Leviathan	510-540 (estimated reserves)
A number of small fields	85 (estimated reserves)
Cyprus	
Aphrodite	85-140 (estimated reserves) – 198
Syria	240
Lebanon	850
Jordan	6
Gaza	
Gaza Marine	28 (estimated reserves)
Egypt	
Zohr	850 (discovered)
TOTAL EAST MED	**3022**

Source: Schaffer, B. (2014), "Can New Energy Supplies Bring Peace?", The German Marshall Fund of the US. http://www.gmfus.org/publications/can-new-energy-supplies-bring-peace (Retrieved: 17.08.2016); El-Katiri, L. and El-Katiri, M. (2014), "Regionalizing East Mediterranean Gas: Energy Security, Stability and the U.S. Role", Strategic Studies Institute. http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1243 (Retrieved: 30.05.2016).

Table 1 shows that the total of the natural gas reaches to 3.022 bcm even when the maximum amount of the estimations is taken. This amount could be reached by the help of the recent discovery in Zohr, which is located in the north of Egypt's Mediterranean coast. This discovery has the potential to change the regional gas outlook by contributing to the creation of an Eastern Mediterranean gas hub which would present both regional and beyond regional benefits.

However, the estimations about the gas export from the region cast a shadow on the availability of the regional reserves. The export amounts listed in Table 2 show that the export potential of the region would represent 1.7% of the EU's total natural gas consumption by 2020 and 3.7% by 2030 (Taliotis and de Boncourt, 2015: 7).

Table 2: Available gas for export (bcm)

	2020	**2025**	**2030**
Cyprus	1.1	1.7	2.7
Israel	8.7	22	18.8
Lebanon	-1.5	-3	-3.4

Source: Taliotis C. and de Boncourt, M. (2015), "East Mediterranean Gas Potential: Opportunities and Barriers", Insight_E. https://www.ifri.org/en/publications/ publications-ifri/articles-ifri/east-mediterranean-gas-potential-opportunities-and (Retrieved: 30.05.2016) p.3.

The following parts of the paper will discuss three different scenarios about the use of the Eastern Mediterranean natural gas, i.e. as source of supply diversification for

[3] Numbers are approximate.

Europe, as an instrument for energy cooperation in the Eastern Mediterranean and as an initiator for comprehensive regional cooperation.

2. EASTERN MEDITERRANEAN AS SOURCES OF SUPPLY DIVERSIFICATION FOR EUROPE

The EU imports 53% of the energy it consumes. Energy import dependency relates to crude oil (almost 90%), to natural gas (66%), and to a lesser extent to solid fuels (42%) as well as nuclear fuel (40%) (Table 4) (European Commission, 2014b: 2). In this framework, one of the most serious problems of the EU appears in the shape of its dependency on external suppliers to meet its energy demand.

Table 3: EU's Import of Natural Gas (bcm)

	1995	2000	2005	2010	2012	2013
Imported natural gas by the EU	200.0	269.1	359.6	406.6	383.7	378.2

Source: European Commission (2015), Energy in Figures – Statistical Pocketbook, Belgium p.55.

Table 4: EU Import Dependency (%)

	1995	2000	2005	2010	2012	2013	2020	2030
All Fuels	43.0	46.7	52.2	52.8	53.3	53.2		
Natural gas	43.4	48.9	57.1	62.2	65.8	65.3	75	80

Source: European Commission, 2015: 66, 72; European Commission, 2014b: 11.

The EU's 2020 Energy Strategy says that natural gas will continue to play a key role in the EU's energy mix in the coming years (European Commission, 2010: 10) and will be central for the transformation of the European energy system (European Commission, 2011: 11). Considering this role of natural gas and the decline in its production in the EU, it is estimated that in the next 10-20 years Europe would face considerable increases in its gas import leading to more than 80% in the middle of 2030s (European Commission, 2014a: 11). This increase in gas dependency and the energy security objective of the EU would inevitably force the member states to find new sources of energy and diversify their natural gas suppliers. Therefore, it remains important for the EU to find alternative sources, routes and suppliers to secure its energy supply.

Currently, Russia is the major supplier of natural gas to Europe, accounting for about one-third of the EU's natural gas supplies, which shows high dependence on Russia. When the EU imported 378.2 bcm natural gas in 2013, Russia accounted for around 33% of European natural gas imports as the lead supplier (European Commission, 2015: 6; Eurogas, 2015: 6). Other suppliers of natural gas to the EU can be seen in the Table 5.

Table 5: EU's Natural Gas Suppliers, 2014

	Imported natural gas (bcm)	**%**
Russia	120.7	31.9
Norway	103.4	27.3
Algeria	29.8	7.87
Qatar	22.4	5.92
Trinidad & Tobago	22.1	5.84
Libya	5.9	1.56
Nigeria	4.28	1.13
Peru	1.33	0.35

Source: "Imports of the Natural Gas into the European Union", Gas in Focus, 2015, http://www.gasinfocus.com/en/indicator/imports-of-natural-gas-into-the-european-union/

Although it is too early to tell for sure and will take years from production for export, natural gas discoveries in the Eastern Mediterranean have appeared as the potential new sources of diversification in the EU's struggle for gas diversification. However, there are serious concerns and doubts about the adequacy of the Eastern Mediterranean resources to meet the Europeans' future demand. Regardless of the amount of gas, the size of the joint gas projects of Russian Gazprom and the long term gas agreements of the most European countries with Russia indicate that Europe's dependence on Russia will last for decades (Dickel *et al*., 2014: 3-6).

Obviously, the recent discoveries in the Eastern Mediterranean would contribute to the EU's supply diversification efforts, but only modestly. The whole amount of natural gas discovered in the region constitutes around 2.172 bcm, if the recently discovered Zohr gas is excluded, which corresponds to 5.6 years of the current EU gas import (2172/378.2). Taking the Zohr's reserves into consideration the whole amount is estimated as 3022 (3022/378.2) bcm, which corresponds to 7.9 years of the EU's whole import level in natural gas. Moreover, it should not be forgotten that the amount of export beyond the region would be limited due to the domestic demand, governmental limitations and technical challenges (Schaffer, 2014: 2). Therefore, the volume of the natural gas reserves discovered in the Eastern Mediterranean is too modest to influence the major European gas markets. It is even more unlikely for the Eastern Mediterranean reserves to completely replace Russia as a major gas supplier to Europe.

The amounts in Table 2 show us that the quantities at stake are not sufficient to make a major impact on Europe's energy independence and the Eastern Mediterranean is far from being an easy option for the European market. They may make the Eastern Mediterranean a world-class natural gas province even if they are not enough to be world-changing. They provide huge opportunities for the countries concerned to strengthen their economic security, reinforce their economies and develop regional cooperation (Koehler, 2012: 3), although the volumes will hardly affect the European gas market. However, the discovered resources would contribute to the diversification of the EU's energy sources. As a consequence, the EU would become more relaxed in its foreign and security policy and resist Russian economic and political threats and blackmails. Thus even if Russia would not be excluded from the European gas market, Europe would weaken the hands of Russia in energy games.

3. EASTERN MEDITERRANEAN ENERGY COOPERATION

Energy is expected to serve as the tool for cooperation, stability, security and prosperity among the concerned countries. In that sense, Eastern Mediterranean energy can contribute to positive trends in the region as an opportunity to transform the conflictual relations among the regional countries into cooperative ones (Holland, 2015: 1). Not only would the wealth of the energy resources but also ancillary businesses associated with the advancement of those resources provide the basis to encourage the states in the region for common projects. More specifically, the need for new energy infrastructure, new investments in the region, joint development projects, new refineries, increased transportation channels are likely to contribute to diminish the on-going conflicts as peace dividends (Johnson *et al.*, 2015: 6). In other words, cooperation on technical issues linked to energy production, i.e. environmental protection, safety and security of energy installations, can help to build confidence and attenuate risks of confrontations among the related parties (Leigh, 2014: 2).

The prospect of joint developments and trade in natural gas has already resulted in unprecedented cooperation initiatives in the region. Israel and Southern Cyprus, which did not develop warm relations in the past, have become economically and politically more reliant on one another as the result of new common initiatives in such sectors as tourism, trade and health. Such kind of functional cooperation examples between Israel and Southern Cyprus, accompanied by Greece as well, gradually led to discussions and further initiatives in new and sometimes political-strategic issues. They agreed on the setting up of working groups to examine the feasibility of an Eastern Mediterranean Energy Corridor enabling gas exports from Southern Cyprus and Israel to Greece. If accomplished, such a corridor - the possible result of low-level, technical cooperation and negotiations - would connect Europe and the Middle East in a much broader sense. Greece and Southern Cyprus have already involved, with Egypt, in regional planning to develop and exploit natural gas fields. Referring to its partnership with Israel, Southern Cyprus has offered to mediate between Lebanon and Israel over their maritime border dispute. On the other hand, two of the regional countries, i.e. Egypt and Jordan, are facing their greatest energy crisis in decades. Natural gas from the Tamar and Leviathan fields has emerged as potential lifeline both for Jordan and Egypt. Thus it has become clear that their survival largely depends on the cooperative efforts and common initiatives in finding ways to solve their energy quandary.

The Eastern Mediterranean is a strategic region where zero-sum competition is the regional characteristic. More importantly, the gas findings may complicate relations further in this fragile and volatile region, placing efforts to encourage regional cooperation at the centre of any desirable policy response (El-Katiri and El-Katiri, 2014: 8). The above-mentioned examples show us that the Eastern Mediterranean countries, in line with the functionalist approach, have already formed small scale cooperation models basing on the energy sector.[4] However, they could not yet reach to an overarching

[4] Functionalism consists of adopting the psychological process by which the function creates the organ or political institutions. According to the 'form follows function' understanding of functionalism, a task-oriented organisation would be the means of overarching regional cooperation. For more detail on

regional framework. The question here is whether broader political and economic integration would be achieved as the inevitable result of bilateral or multilateral agreements in the Mediterranean. In other words, it is worth asking whether the limited cooperation in energy would be transformed into a formal, rules-based structure covering the whole region and other regional concerns as well. If this would be achieved, the gas of the Eastern Mediterranean would play the role of coal and steel in 1950s Europe. The following part will discuss this possibility while being aware of the fact that there is no precedent from other parts of the world of energy functioning as an incentive for peace between states in conflict (Schaffer, 2014: 2).

4. COMPREHENSIVE REGIONAL COOPERATION

Recent political and economic turmoil in the region has undermined existing geo-political dynamics of the Eastern Mediterranean and reshuffled the regional geopolitical arena (Tagliapietra, 2013: 1). The events of the Arab Spring have destabilized the region and created deep socio-political turbulence in the regional countries leading to uncertainty and instability throughout the whole region. To the southern, the developments left the states around the region without political stability and well-functioning, systems, i.e. Egypt and Libya. To the east, Syria destabilized into a civil war, which severely limited the country's ability to produce or to export natural gas. Syria and Lebanon remain in a technical state of war with Israel. Lebanon and Israel dispute their maritime borders in the Eastern Mediterranean. Israel, on the other hand, has been in a continuous fight against Hamas. The entrenched Arab-Israeli conflict makes it difficult to contemplate a workable Eastern Mediterranean economic and political collaboration. To the north, on the other hand, the economic crisis has already threatened the viability of the Euro and proved its potential to undermine the EU itself.

In such a chaotic region, any initiative for bridging the differences with the hope of peaceful and cooperative prospects for the future is undermined by several security, political, technical, administrative and commercial challenges, some of which are discussed below.

4.1. The General Security Environment

The energy issue has become hostage to the region's security and geopolitical hurdles. The historically tension-ridden setting of the Eastern Mediterranean makes political and geopolitical instabilities a constant and continuous characteristic of the region, which endangers the development of the hydrocarbon industry and causes lack of confidence in the region. As result, the chances for dialogue, stability and peace are decreasing along with its overall negative impacts on broader regional integration attempts.

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functionalism see David Mitrany (2006), "A Working Peace System: An Argument for the Functional Development of International Organization," in Mette Eilstrup-Sangiovanni (ed.), *Debates on European Integration*, Palgrave, New York, 43-67.

The Mediterranean is already in its "regionalization" process. However, at this stage, it is too early to expect "regional integration" among the countries in the Mediterranean.[5] This kind of a failure is mostly an inevitable result of the Arab-Israel conflicts**.** Long-standing fighting between Israelis and Palestinians and a series of wars fought between Israel and its Arab neighbors have severely strained relations between the two sides. These strained relations have prevented the Levant region from developing any fruitful economic and political cooperation since 1940s. More importantly, the territorial disputes between several eastern Mediterranean countries dilute any prospect of more comprehensive regional cooperation not only in the political and economic spheres but also in energy (U.S. Energy Information Administration, 2013: 25-26).

4.2. Maritime Borders

Similar to the effects of the territorial conflicts, maritime delimitation disputes are likely to weaken the possibility of broader regional cooperation. Maritime border conflicts between the states in the region are likely to arise from the fact those borders were not demarcated before the discoveries were made, or from the way these borders overlap (Khadduri, 2012: 111).

One of the most serious ones is the informally demarcated maritime border between Lebanon and Israel with unresolved border disputes due to the contested area where the Israeli and Lebanese EEZs overlap.[6] Israeli-Palestinian maritime borders are established under the Oslo Accords. Confirmed in 1995, Oslo Accords, specifically Gaza-Jericho Agreement, granted the Palestinian Authority maritime jurisdiction over waters of up to 20 nautical miles from the coast. Israel has incrementally reduced Gaza's maritime jurisdiction by 85%, with reductions in 2002 and 2008 (de Micco, 2014: 9). Maritime boundary which is not yet delimited between Israel and Egypt on an the basis of any agreement can also be a source of conflict soon due to Egyptian claims that Israel's gas finds lie partly within Egypt's maritime jurisdiction.

4.3. Cyprus Problem

Contrary to expectations that it would act as an incentive for solving the Cyprus problem, the discovery of natural gas offshore Southern Cyprus has so far made agreement on a solution more difficult. Rather, it triggers a new source of dispute between the Turkish Cypriots and Turkey, on the one side, and the Greek Cypriots, on the other, with their rivaling claims over the disputed boundaries on land and territorial waters, the ownership over hydrocarbon resources and the allocation of potential export revenues from offshore gas reserves. Despite the current peace talks which started in January 2017, the lack of any agreements raises questions over the use of Cyprus's hydrocarbon wealth and deteriorates already existing and long-lasting disagreements between the two parties (U.S. Energy Information Administration, 2013: 25-26). The

[5] For the difference between regional integration and regionalism please see Stefania Panebianco (2010), "Volatile Regionalism in the Mediterranean Area", paper presented at the ECPR Fifth Pan-European Conference, Porto.

[6] The disputed area covers 850km^2 and encroaches on drilling areas in the Tamar and Leviathan fields.

benefits of natural gas developments would depend on the willingness of the conflicting parties to solve their political differences. It would not be natural gas that would make peace a reality. Rather, the solution of Cyprus problem, under any likely scenario, would make it possible to reap all benefits of natural gas. Accordingly, what seems ideal for the parties involved in the current peace talks is to leave the gas issue for the time being and conceive of such developments in the wake of the settlement of the Cyprus problem (Roberts, 2017).

4.4. Macro-economic Environment

Sustainable and balanced economic development would be the basis for a comprehensive regional cooperation. In that sense, the new resources would represent a huge potential for the region in terms of its own development. However, most of the national economies in the region are facing economic difficulties which would, eventually, contribute to the economic deterioration at the regional level. For example, the macroeconomic crisis in Southern Cyprus threatens the feasibility of several proposed energy projects and even the use of the profits of the future exploitations of natural gas. Obviously these possibilities would negatively affect not only the national but also the regional economic and social developments. Moreover, turmoil in Syria creates difficulties in the country's macroeconomic circumstances which have already destabilised the regional economy and disrupted the previously arranged economic cooperation schemes. Thus, the current regional and national macroeconomic difficulties damage the economic cooperation which would form the basis of the regional integration (U.S. Energy Information Administration, 2013: 27).

In this geopolitical tension and security uncertainty what the Eastern Mediterranean needs is physical and institutional manifestations of cooperation as a proof of willingness for a regional economic and political cooperation which would also reinforce peace in the region. There appears two ways to do this, i.e. an exogenous or an endogenous way implying new and old regionalism respectively.[7] According to the former way, some external actors, i.e. the US and the EU, would contribute to regional energy development and institution-building with their financial and technical assistance. By doing this they can motivate the regional countries to follow their short term priorities, i.e. Israeli natural gas supply to Jordan and Egypt which are actively searching for new sources of energy, and not to abandon the long-term objectives, i.e. potential export options to Europe. According to the latter way, on the other hand, the regional countries can reach to this objective with their own determination by extending the area of cooperation on a single issue to other regional issues and by making energy cooperation as part of a wider scheme of cooperation on much more difficult issues including [politics and] defense (Tagliapietra, 2013: 22).

[7] For the difference between old and new regionalism, please see Fredrik Söderbaum and Alberta Sbragia, "EU Studies and the 'New Regionalism': What can be Gained from Dialogue", *Journal of European Integration*, Vol. 32, No. 6, November 2010, 568-578; *Ana Bojinović Fenko* "The Mediterranean Region as a Phenomenon and an Object of Analysis in the Field of International Relations", *IJEMS*, Vol. 8, No. 2, 2015, 78-83. 75-90.

However, it is highly questionable that such kind of technical cooperation in the Mediterranean area would trigger political cooperation in the near future or in the mid-term. Rather, it seems that existing challenges mostly jeopardize the geopolitical benefits of energy cooperation. Recently, the Eastern Mediterranean as a whole has entered a time of protracted conflict and insecurity, mostly, because of the continuing fallout of the Arab Spring and the deterioration of relations within and among the regional countries. In such a fragile region, where zero-sum relations have been dominant and political will lacks to realize the full cooperative potential, it seems extremely difficult to succeed in a comprehensive cooperation. Therefore, even if coal and steel, as energy sources, triggered cooperation among the Europeans in the 1950s and thus spread Europe into an unprecedented prosperity and development level, we are far from seeing similar results/impacts of the Eastern Mediterranean energy resources. Under current conditions, it is naïve to present natural gas of the 21st century as the coal and steel of the 20th century and to envision it as the instrument in transforming a region full of turmoil into an all-embracing and comprehensive integration scheme. To this end, what the region needs is the determination to solve the complicated regional puzzle and leave short-term political concerns in favor of the long-term vision for energy cooperation, which would also pave the way for further regional integration.

SUMMARY AND CONCLUSIONS

The Eastern Mediterranean is gaining importance in world geopolitics through exploration of hydrocarbon reserves. The recent discoveries of natural gas and a favorable location between major producers and major demand centers make the Eastern Mediterranean a frequent target of energy import and export project proposals. This makes regional economic and political integration and cooperation very attractive for the aim of reaping the benefits of energy trade. However, despite the potential of gas in developing regional cooperation and reinforcement, long-standing historical grievances, regional political rivalries and diplomatic quarrels cast a long shadow over any cooperative schemes. In other words, the volatility of the region with its complex geopolitical problems and geopolitical stakes makes regional integration almost impossible for the future.

The paper evaluated the possible future role of the Eastern Mediterranean gas with reference to the role of the coal and steel in Europe and argues that, unlike the idealism followed by the Europeans in the 1950s around coal and steel sectors, which later became the basis of the comprehensive Union, the recent discoveries in the Eastern Mediterranean could only prove the prevalence of realism in the region. When the liberal democracies of Europe followed a cooperative way and set up the European Coal and Steel Community (ECSC) in 1951, they also promised to find the ways of avoiding another continent-wide war. However, as opposed to this liberal understanding of the Europeans basing on non-zero-sum games and relative gains, the Eastern Mediterranean countries have, so far, adopted realist perceptions and formed their policies in accordance with the principles of zero-sum game and absolute gains at the expense of the achievements with their near or far neighbors. Their determination to follow national

interests and maximize national profits at the expense of regional interests has also prevented the realization of anything similar to the ECSC. This paper argues that the discovery of the natural resources would not be sufficient to overcome long-lasting conflicts in the region. Rather, rivalry over them makes balance of power politics return to the scene when nation states deal with the controversial issues related to their national sovereignty, i.e. energy, maritime borders, exclusive economic zones. Overall, the competing interests, rival claims and distrust among the regional countries would jeopardize the potentially conciliatory role of natural gas on the line of that played by the coal and steel sectors in the 1950s.

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