



Behind the Scenes of the Turkish-Israeli Breakthrough

Daniela Huber and Nathalie Tocci

Abstract

After almost three years of diplomatic stalemate, Israel apologized to Turkey for the killing by the Israel Defence Forces of eight Turkish nationals and one Turkish American during the Gaza Flotilla raid in May 2010. The apology was brokered by US Secretary of State John Kerry in the run-up to President Barack Obama's visit to Israel. Syria, regional geopolitics and US relations all converged to lead to a political alignment of the stars. Perhaps above all else Eastern Mediterranean energy contributed to the breakthrough. But the Turkish-Israeli rapprochement need not mean an end of the Israeli-Cypriot partnership. Were plans to construct an undersea Turkish-Israeli pipeline to go ahead, ideally this could be used to transport gas not only from Israel's Leviathan field, but from the entire Levant basin. Such an Israeli-Cypriot-Turkish partnership over natural gas would be possible only in the context of an agreement in Cyprus, foreseeing, inter alia a resource governance and revenue sharing component between the two Cypriot communities.

Keywords: *Turkey / Israel / Cyprus / Natural gas / Pipeline / Eastern Mediterranean / Syria*

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Introduction

After almost three years of diplomatic stalemate, Israel apologized to Turkey for the killing by the Israel Defence Forces of eight Turkish nationals and one Turkish American during the Gaza Flotilla raid in May 2010. The apology was brokered by US Secretary of State John Kerry in the run-up to President Barack Obama's visit to Israel, leaving the US President to bask in the diplomatic limelight at a time when the prospects for reviving a genuine Middle East Peace Process appear dim at best.

In Israel, the agreement, coming on the last day of Obama's first visit to Israel, was presented as a major foreign policy success for the newly established Netanyahu government. The most ardent criticism came from Avigdor Lieberman, who dubbed the apology a serious mistake and had been a major hurdle in the reconciliation process during his tenure as foreign minister in the previous coalition government. Prime Minister Netanyahu himself had long been hesitant to apologize to Turkey as well, fearing that an explicit apology might set a precedent complicating other Israeli military actions. In Turkey too, Prime Minister Recep Tayyip Erdoğan celebrated the agreement as a clear-cut diplomatic victory, since Israel caved in to the Turkish demand for an apology (rather than a mere expression of regret or sorrow) and promised financial compensation for the families of the victims, the concrete amount of which is under negotiation. An Israeli delegation, the first in three years, is visiting Turkey this week precisely to discuss the thorny question of compensation.

Beyond an apology and compensation, the third Turkish demand for normalizing relations with Israel - the lifting of the Gaza blockade - has not been met. For Israel the real red line was precisely this, with Israeli Prime Minister Benjamin Netanyahu skirting around the issue by declaring his intention to "ease the embargo". Whether Israeli actions will meet Turkish expectations remains to be seen, and will no doubt be a key issue in Erdoğan's planned visit to the Gaza Strip, now postponed to the end of May after his meeting with President Obama in Washington. The Gaza blockade, and more broadly the Israeli-Palestinian conflict, thus remains an ongoing determinant of the Turkish-Israeli relationship, which has periodically gone through ebbs and flows mirroring the broader trends in the Middle East conflict. A return to the heydays of the 1990s when the Turkish-Israeli partnership flourished against the backdrop of the Oslo peace process seems unlikely. Nonetheless, the bilateral Turkish-Israeli crisis gradually seems to be on the way to a resolution.

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What brought the two countries first to the deepest crisis in their bilateral history and now, suddenly, to the mending of fences? And what might the implications of a rapprochement be?

1. Israeli-Turkish relations and the Mavi Marmara crisis

Turkey historically enjoyed open relations with Israel. In 1949, it was the first predominantly Muslim state to recognize Israel. By doing so, Turkey provided Israel with a critical political, social and economic window on the Middle East and a bridge out of its regional isolation. Ties with Israel did not imply Turkish neglect of the Palestinians however.¹ The Palestine Liberation Organization (PLO) opened its office in Ankara in 1979, well before Turkey's NATO allies accepted the existence of the Palestinians as a people and the PLO as their legitimate representative. Despite this bedrock of constant relations, Turkey's ties to Israel alternated erratically over the years. Turkey on the one hand participated in the ill-fated 1955 Baghdad Pact, amassed troops on the Syrian (1957)² and Iraqi (1958) borders, and allowed the US to station troops in Adana during the 1958 Lebanon crisis.³ On the other hand, Turkey sided with Egypt on the eve of the 1967 war, participated in the 1969 deliberations of the Organization of the Islamic Conference in Rabat,⁴ denied the US use of its airbases to re-supply Israel in the 1973 war, while allowing the Soviet Union over-flight rights to support Syria, and expanded economic ties with the Gulf, Iraq and Iran in the 1980s.⁵ In other words, between the 1950s and 1980s, the Turkish-Israeli relationship oscillated against the backdrop of the dynamics of the broader Middle East conflict.⁶

1.1. The heydays of the 1990s

This seemed to change in the 1990s when Turkish-Israeli relations solidified into a strategic partnership.⁷ In 1992 the two countries signed a tourism agreement.⁸ This was followed by a framework agreement in 1993 comprising tourism, economic

¹ For a good overview on Turkish-Palestinian relations throughout the Cold War, see Mahmut Bali Aykan, "The Palestinian Question in Turkish Foreign Policy from the 1950s to the 1990s", in *International Journal of Middle East Studies*, Vol. 25, No. 1 (February 1993), p. 91-110.

² Turkish and Syrian border guards also exchanged fire on this occasion.

³ Mahmut Bali Aykan, "The Palestinian Question in Turkish Foreign Policy from the 1950s to the 1990s", cit.

⁴ Turkey however refused to vote in favour of the resolution calling states to sever diplomatic relations with Israel. See Bulent Aras and Salih Bicakci, "Europe, Turkey and the Middle East: Is Harmonisation Possible", in *East European Quarterly*, Vol. 40, No. 3 (September 2006), p. 367-381.

⁵ Kemal Kirişçi, "Turkey and the Muslim Middle East", in Alan Makovsky and Sabri Sayari (eds.), *Turkey's New World. Changing Dynamics in Turkish Foreign Policy*, Washington, Washington Institute for Near East Policy, 2000, p. 39-58, <http://www.washingtoninstitute.org/policy-analysis/view/turkeys-new-world-changing-dynamics-in-turkish-foreign-policy>.

⁶ For an overview of the fluctuations of Turkish-Israeli relations during the Cold War and beyond, see Ofra Bengio, *The Turkish-Israeli Relationship. Changing Ties of Middle Eastern Outsiders*, New York, Palgrave Macmillan, 2004.

⁷ Hakan Yavuz, "Turkish-Israeli Relations through the Lens of the Turkish Identity Debate", in *Journal of Palestine Studies*, Vol. 27, No. 1 (Autumn 1997), p. 22-37.

⁸ This led to a progressive increase in the number of Israeli tourists visiting Turkey over the 1990s, reaching 300,000 tourists per year. Hakan Yavuz, "Turkish-Israeli Relations through the Lens of the Turkish Identity Debate", cit.

cooperation and educational exchanges; an environmental cooperation agreement in 1994; a free trade agreement in 1996; a double-taxation prevention treaty (1997), and a bilateral investment treaty (1998), as well as cooperation in the fields of telecommunications, postal services and drug trafficking. The core of the relationship was military-strategic however. In February 1996, Turkey and Israel signed a Military Training and Cooperation Agreement, which outlined a set of joint training and intelligence-sharing activities, including Israeli access to the Konya airbase and Turkish airspace for training purposes, Israeli modernization of the Turkish air force and Israeli provision of military technology to Turkey. This agreement was followed in August 1996 by a further deal on military technology transfers, joint military research, intelligence-sharing, regular strategic policy planning dialogue and bilateral and multilateral military exercises. Largely due to this burgeoning military relationship, bilateral trade boomed from 100 million dollars in 1991 to 2 billion dollars in 2000. Turkey became a lucrative market for the Israeli defence industry,⁹ which provided Turkey with military technology that Western states refused to sell to Turkey due, *inter alia*, to its dismal human rights record and the state of Greek-Turkish relations at the time.

This intensification of relations took place in a “new Middle East” where dissolving Soviet power and the US “unipolar moment” embodied in its first military intervention in Iraq cemented an alliance of strategic states - Saudi Arabia, Egypt, Jordan, and Turkey - with the US. At the same time, the exiled PLO - weakened by the Iraq war, as well as by the first Palestinian *Intifada*¹⁰ - entered into peace talks with Israel. The Oslo peace process thus provided the Turkish architects of alliance with Israel - Ankara's military and bureaucratic establishments - the political umbrella to buffer against the harsh criticism of the relationship by Turkish public opinion and the Arab world. Hence, Turkey participated in the Arms Control and Regional Security Working Group of the Madrid multilateral process and in 1993 guided a workshop on military exchanges in that context. In 1997 Turkey joined the Temporary International Presence in Hebron. Also in the context of the Oslo peace process, Turkey contributed financially to the nascent Palestinian Authority in the Occupied Territories,¹¹ and proposed the (somewhat far-fetched) project of a “peace pipeline” to transport Turkish water to Syria, Israel and Jordan, an idea which dated back to the mid-1980s and was resurrected in the optimism of the 1990s. In short, the 1990s saw a crystallization of Ankara's policy into two tightly interwoven pillars: a strategic military relationship with Israel and solid diplomatic-economic support for the US-brokered Middle East Peace Process.

⁹ See Haim Malka, “Turkey and the Middle East: Rebalancing Interests”, in Stephen J. Flanagan (ed.), *Turkey's Evolving Dynamics. Strategic Choices for U.S.-Turkey Relations*, Washington, Center for Strategic and International Studies (CSIS), March 2009, p. 37-59, <http://csis.org/publication/turkeys-evolving-dynamics>.

¹⁰ During the first Intifada, new political elites emerged in the occupied Palestinian territories through the Palestinian student movements, as well as Hamas, founded in 1987. The PLO - the political elite from the Palestinian Diaspora - increasingly saw its entitlement as the leader of the Palestinian people endangered, as the resistance was now pursued by Fatah and Hamas directly within the occupied Palestinian territories, and thus had an internal political incentive to pursue peace talks with Israel. See Glenn E. Robinson, *Building a Palestinian State. The Incomplete Revolution*, Bloomington, Indiana University Press, 1997.

¹¹ Kemal Kirişçi, “The Future of Turkish Policy toward the Middle East”, in Barry Rubin and Kemal Kirişçi (eds.), *Turkey in World Politics. An Emerging Multiregional Power*, Boulder, Lynne Rienner, 2001, p.101.

1.2. *The end of the peace process and ... of the Turkish-Israeli strategic partnership*

In the 21st century, with the breakdown of the Middle East peace process, Turkey's relations with Israel underwent stark change. Some degree of cooperation continued.¹² In 2005 prime ministers Tayyip Erdoğan and Ariel Sharon agreed to establish a hotline for the exchange of intelligence on terrorism-related matters. The same year Erdoğan visited Israel, including the emotionally important visit to Israel's Holocaust memorial Yad Vashem. In 2007 Shimon Peres became the first Israeli President to address the Grand National Assembly of Turkey. The same year, Turkey and Israel concluded negotiations over the Med Stream project to connect Turkey and Israel across the Mediterranean through five subsea pipelines transporting oil, natural gas, water, electricity, and possibly also fiber optic cables. In 2008 they agreed on the construction of an oil pipeline from Ceyhan to Ashkelon. Turkish-Israeli military cooperation also continued apace, through joint military exercises,¹³ intelligence-sharing,¹⁴ and defence industry cooperation.¹⁵

Yet the collapse of the Oslo peace process and the outbreak of the second *intifada* brought about a visible deterioration of Turkish-Israeli political relations, which aggravated as the first decade of the 21st century came to a close. In 2002 Turkish Prime Minister Bülent Ecevit accused Israel of committing "genocide" in Jenin.¹⁶ In 2004 Prime Minister Erdoğan accused Israel of state terrorism for the killing of 60 Palestinians, including children and civilians, in Gaza. In 2006, when Hamas was denied its sweeping victory in the Palestinian parliamentary elections by Israel and the West, Turkey conferred political legitimacy on the isolated movement and invited Hamas leader-in-exile, Khaled Meshaal, to Turkey. Most notoriously, at the Davos World Economic Forum in January 2009, Erdoğan accused Israel (and his co-panelist Shimon Peres) of crimes against humanity during Operation Cast Lead in Gaza.

1.3. *The Mavi Marmara crisis and beyond*

Finally, tense relations escalated into a bilateral Turkish-Israeli crisis in June 2010, when the Israel Defence Forces entered international waters and killed eight Turkish citizens and one Turkish-American on board a Turkish vessel - the Mavi Marmara - ,

¹² Ofra Bengio, "Altercating Interests and Orientations between Israel and Turkey: A View from Israel", in *Insight Turkey*, Vol. 11, No. 2 (Spring 2009), p. 43-55, http://file.insightturkey.com/Files/Pdf/insight_turkey_vol_11_no_2_2009_bengio.pdf.

¹³ Including a search and rescue exercise off the Turkish coast in August 2007. See F. Stephen Larrabee, *Turkey as a U.S. Security Partner*, Santa Monica, RAND, 2008, p. 20, <http://www.rand.org/pubs/monographs/MG694.html>. See also Ian O. Lesser, I. and F. Stephen Larrabee, *Turkish Foreign Policy in an Age of Uncertainty*, Santa Monica, RAND, 2003, p. 141 and 155, http://www.rand.org/pubs/monograph_reports/MR1612.html.

¹⁴ Turkey allegedly benefitted from Israeli intelligence prior to its ground offensive against the PKK in Northern Iraq in February 2008. See Ofra Bengio, "Altercating Interests and Orientations between Israel and Turkey", cit.

¹⁵ Including a 141 million dollars contract between the Israeli Aerospace Industries (IAI), Elbit Systems and the Turkish manufacturer Aselsan in December 2008. See the IAI press release: *IAI and Elbit Systems Awarded \$141 Million Contract to Supply Combined Airborne Imagery Intelligence Systems to the Turkish Air Force*, 25 December 2008, http://www.iai.co.il/35344-39053-en/MediaRoom_NewsArchives_2009.aspx?PageNum=10.

¹⁶ Jonny Dymond, "Turkey accuses Israel of genocide", in *BBC News*, 4 April 2002, <http://news.bbc.co.uk/2/hi/europe/1911609.stm>.

which was part of an international flotilla carrying humanitarian goods to Gaza in defiance of Israel's closure of the Strip. Ankara recalled its Ambassador from Tel Aviv in June 2010. The crisis continued to simmer, as Turkey insisted on an apology from Israel, an international investigation on the flotilla incident and the lifting of the blockade on Gaza, while Israel only accepted, belatedly, an international investigation and a marginal easing the closure of the Strip. Several investigations were launched into the incident in 2011. Most importantly, the UN Palmer Report criticized Israeli force as excessive and unreasonable, but also questioned the motivations of the Turkish non-governmental Humanitarian Relief Foundation (IHH), confirmed Israeli reports of "organized and violent resistance from a group of passengers", and accepted Israel's naval blockade of Gaza as legal.¹⁷ When the report was leaked to the press in September 2011, Turkey expelled Israel's ambassador and froze military relations. The UK and US, alongside a host of track-two efforts, sought to reconcile the parties, but to no avail. For the first time in history, Turkish-Israeli ties had escalated into a deep bilateral crisis rather than simply being marked by fluctuating disagreement driven by the ups and downs in the Arab-Israeli conflict. The Turkish-Israeli relationship, far from being the solid military alliance of the 1990s, had undergone a structural downturn.

Between 2011 and 2013 the broader geopolitical context complicated this bilateral crisis further. The Arab uprisings found Turkey and Israel on opposite sides of the fence. The uprisings certainly put a spanner in the wheels of Foreign Minister Ahmet Davutoğlu's "zero problems with neighbours" policy, which had rested largely on cultivating close ties with regimes with whom Ankara had previously had tense, if not openly conflictual, relations. Yet after its initial zigzags, Ankara came out explicitly in favour of the anti-authoritarian drive characterizing the Arab revolts, implicitly presenting itself as one of the "sources of inspiration" for democratizing peoples in the region. Israel adopted a diametrically opposite stance, being conspicuously silent on the transformative change across its borders, concerned not only about the instability it could generate, but foremost about the Islamist turn the upheaval soon took. Unlike Turkey, in Israel the Arab Spring was typically portrayed as an "Arab Winter".¹⁸ More broadly, the uprisings - in Egypt and Syria specifically - have marked an end to the Camp David I division of the Middle East into "moderates" and "radicals", which had underpinned, *inter alia*, the Turkish-Israeli partnership.

The crisis was further aggravated through geopolitical dynamics emerging in the wake of the discovery of large gas fields in the Eastern Mediterranean. Israel discovered its largest natural gas reserve - the Leviathan field - in the Eastern Mediterranean in June 2010. Israel's Leviathan and Tamar fields lie close to the Cypriot-Israeli maritime border, inducing the two countries to sign a maritime border agreement in December 2010 to delimit their respective Exclusive Economic Zones (EEZ), negotiate joint exploration in the cross border area and agree on the Israeli company Delek Energy's participation in exploration - alongside its Texan partner Noble Energy - in Block 12. Turkey strongly contested these moves, claiming, above all, that gas exploration

¹⁷ United Nations, *Report of the Secretary-General's Panel of Inquiry on the 31 May 2010 Flotilla Incident*, 2 September 2011, http://www.un.org/News/dh/infocus/middle_east/Gaza_Flotilla_Panel_Report.pdf.

¹⁸ Haim Bresheeth, "The Arab Spring. A View from Israel", in *Middle East Journal of Culture and Communication*, Vol. 5, No. 1 (January 2012), p. 42-57, <http://www.haimbresheeth.com/publications/arab-spring-in-view-from-israel>; Amichai Magen, "On Political Order and the Arab Spring", in *Israel Journal of Foreign Affairs*, Vol. 6, No. 1 (2012), p. 9-21, <http://israelcfr.com/documents/6-1/6-1-2-Magen.pdf>.

should take place in the framework of a comprehensive settlement foreseeing effective Turkish Cypriot participation in decision-making and revenue-sharing. Tensions escalated when the Republic of Cyprus began exploratory drilling close to the Leviathan field. Turkey retaliated - countering its own argument that all decisions regarding Cyprus' energy policy ought to be taken jointly by the two communities - by signing a continental shelf delimitation agreement with northern Cyprus, engaging in gas exploration north, east and west of the island and threatening to scale up its military presence in the Eastern Mediterranean. A new zero-sum balance of power thus seemed to be in the making. Turkey and the Arab world aligned against an emerging Israeli-Greek Cypriot-Greek axis supported by major US and European energy companies: a division fuelled by Eastern Mediterranean gas finds and spiced by a banal "my enemy's enemy is my friend" rationale.

2. The breakthrough

In the midst of the Turkish-Israeli crisis, bilateral relations were never completely frozen. In December 2010, Turkey sent fire-fighting aircraft to Israel during the Mount Carmel forest fire, while Israel sent mobile homes to Turkey following an earthquake in 2011. Trade also continued to grow. While imports from Turkey to Israel amounted to 154.7 million dollars in May 2010 (before the Marmara crisis), they reached 210.7 million dollars in January 2013.¹⁹ In February 2013 the first signs of improving relations emerged, when Israel resumed the sale of electronic warfare systems to Turkey²⁰ and agreed to transfer materials from Turkey to Gaza for the purpose of building a new hospital. But despite on-going cooperation, under the surface the Mavi Marmara deadlock, the changing regional and energy panorama, and the lack of chemistry between Prime Ministers Erdoğan and Netanyahu all suggested that a political breakthrough was not in sight.

What, then, explains the sudden change of course? Syria, energy, regional geopolitics and US relations all converged to lead to a political alignment of the stars.

2.1. The Syrian glue in Turkish-Israeli relations

Syria has always been central to Turkish-Israeli relations. The first secret Turkish-Israeli "peripheral pact" was brokered in 1958, when Syria and Egypt established the United Arab Republic. Similarly, Turkish-Israeli ties in the 1990s rose from the ashes of the Turkish-Syrian fire. Tensions between Turkey and Syria at the time ran high due to Syria's support for the PKK, its claims over the Turkish province of Hatay, and its resentment over Turkey's management of the waters of the Euphrates River, culminating in a near war in October 1998. By aligning with Israel in the 1990s, Turkey aimed partly at encircling Damascus, a goal that Israel shared. In the early years of the 21st century, the conflict between Turkey and Syria dissipated. In response to the near

¹⁹ Arad Nir, "Israel Should Seek to Re-Establish Good Relations With Turkey", in *Al-Monitor*, 11 March 2013, <http://www.al-monitor.com/pulse/originals/2013/03/israel-should-seek-to-reestablish-good-relations-with-turkey.html>.

²⁰ Anshel Pfeffer, "Israel supplies Turkey with military equipment for first time since Gaza flotilla", in *Haaretz*, 18 February 2013, <http://www.haaretz.com/news/diplomacy-defense/israel-supplies-turkey-with-military-equipment-for-first-time-since-gaza-flotilla-1.504299>.

war in 1998, Damascus expelled PKK leader Abdullah Öcalan, progressively shelved the question of Hatay and negotiated arrangements with Turkey over the sharing of the Euphrates' waters.²¹ After that, relations continued to improve and in the context of Turkey's "zero problems with neighbours" policy, the two signed a visa-free agreement and established a Strategic Cooperation Council in October 2009. Part of the glue in the Turkish-Israeli partnership had thus evaporated, even though Turkey still sought to use its good offices with both Syria and Israel to try to broker an agreement between them.

With the aggravation of the civil war in 2012-13, Syria has once again become a uniting force in Turkish-Israeli relations. Turkey initially vacillated. In spring 2011, while allowing Syrian opposition groups to meet in Turkey, Ankara still hoped to capitalize on its warm ties with the Syrian regime to be able to press Bashar al-Assad to reform. But when Turkish calls fell upon deaf ears in Damascus, Ankara changed course. By the summer of 2011, Turkey began supporting the Syrian opposition and allowed the transfer of arms from the Gulf to the Syrian resistance through its territory. Being confronted with hundreds of thousands of refugees, Turkey has even backed the idea of an international intervention. As the conflict in Syria escalated, it also started spilling over into Israel. By the end of 2012, several shooting incidents in the Golan Heights were reported, heightening Israeli concerns about the destabilization of yet another border, in addition to the volatile situation on its borders with Lebanon, Gaza and the Sinai.

In light of this, Syria once again brought Israel and Turkey together. Since 2012, Turkey and Israel have increasingly seen eye-to-eye on Syria, exchanging military intelligence, specifically regarding the movement of chemical weapons in the country. Already in February 2013, Israel lifted its freeze on an advanced equipment deal with Turkey and supplied electronic warfare systems for Turkish AWAC aircraft, upgrading Turkish early-warning capacities.²² Turkish-Israeli cooperation in sharing early warning intelligence would be essential to control the movement of weapons of mass destruction especially in case of an eventual collapse of the Syrian regime. Furthermore, both Turkey and Israel fear a "Somalization" of the country and the increasing penetration of Syrian opposition forces by Jihadists. It is, therefore, in the interests of both governments to see a fast downfall of the Assad regime and the emergence of a new moderate government, which would cooperate closely with Turkey.

2.2. Regional geopolitics in a transatlantic perspective

Regional geopolitics and relations with the United States have also brought Turkey and Israel together. From an Israeli perspective, developments at the regional and global levels are deepening the country's isolation. At the regional level, in a pre-Arab spring Middle East, Israel could count on the tacit support of the "moderate" Arab front - Egypt, Jordan and Saudi Arabia. In a post-uprisings environment, the fluidity of the Middle Eastern system and the heightened sense of nationalism across the region

²¹ A trilateral working commission including Turkey, Iraq and Syria was established to work out pending differences over water sharing.

²² Anshel Pfeffer, "Israel supplies Turkey with military equipment for first time since Gaza flotilla", cit.

mean that Israel is facing new security challenges and may find itself more isolated than in the past. Mending fences with its former regional ally, precisely at a time when its relations with the only other non-Arab state in the Middle East - Iran - are firmly set on a collision course, has a clear rationale. The rapprochement indeed comes at a time when the Obama administration is intensifying the P5+1 negotiation with Teheran on its nuclear file. The Israeli apology to Turkey came on the heels of the technical talks in Istanbul and just before a high-level meeting in Kazakhstan in early April. Seen from an Israeli viewpoint, the apology could increase Israeli deterrence with respect to Iran: Israel's threat of a military attack on Iran's nuclear facilities could become more credible if Turkish opposition to it were to decrease and if Israel were eventually even given permission again to use Turkey's airspace to do it.²³

Also at the international level, Israel finds itself increasingly isolated, adding to the rationale of a reconciliation with Turkey. The mere fact that no less than 138 out of 188 member states of the United Nations backed Palestine's bid to be recognized as an observer state is a sheer indication of this fact. And such isolation regards not only the "Global South", but elements within the West too. As Israel moves inexorably towards the right and consolidates its grip on the occupied territories,²⁴ it progressively loses supporters in Europe (as well as, even if to a far lesser extent, in the United States). In this respect, reconciliation with Turkey has the double advantage of mending fences both with Ankara - a valuable goal in itself - and with Barack Obama's America, with whom the Netanyahu government had had notoriously tense relations.

For Turkey too, reconciliation with Israel has both regional and transatlantic dimensions. From a regional perspective, putting an end to the bilateral Turkish-Israeli crisis has meant regaining a place as a regional mediator. This is a role that Turkey cherished in the heyday of the "zero problems with neighbours" policy. Between 2004 and 2008, Ankara had successfully leveraged its strategic ties with Israel and improved relations with Syria to mediate between the two, coming close to restarting direct talks on the Golan Heights in December 2008. The progressive deterioration of Turkish-Israeli ties harmed Turkey's role as a regional pacifier. Its offer to mediate between Israel and Hamas during Israel's Pillar of Defence strike on Gaza in December 2012, for instance, was conspicuously ignored by Tel Aviv, as well as blocked by Egypt. By reconciling with Israel and capitalizing upon its improved relations with the Arab world and its own domestic peace process with the PKK, Ankara thus hopes to win back its seat at the peace table, particularly in view of the US's attempts to relaunch the Middle East peace process. It is no coincidence that US Secretary of State John Kerry made an open reference to Turkey's role in the Middle East peace process in his recent visit to Ankara and Turkey's links to Hamas are now increasingly viewed as a potentially important asset.²⁵

²³ Following the Mavi Marmara crisis, Turkey had closed its airspace to Israeli military flights and thus to Israel's preferred route for an attack on Iran's nuclear facilities: the Israeli air force had already trained in Turkey's airspace and had used it partially for its attack on an allegedly nuclear reactor in Syria in 2007.

²⁴ As Kamel convincingly argues, the 2013 Israeli elections vindicate rather than reverse this shift to the right. See Lorenzo Kamel, "Israel Remains on the Right. The Historical Reasons Behind a Long-established Political Supremacy", in *IAI Working Papers*, No. 1306 (February 2013), <http://www.iai.it/content.asp?langid=2&contentid=847>.

²⁵ Even though its relations with Hamas and attempt to play a role in the peace process complicate Turkey's relations with Egypt, as well as the Palestinian Authority.

Linked to this, at the international level, the Turkish-Israeli rapprochement has removed a major thorn in the side of Turkish-US relations. Washington openly manifested its displeasure at the Turkish-Israeli crisis, repeatedly seeking to reconcile its two regional allies. While Turkish-American cooperation deepened in recent years, particularly over Syria where Turkey would like to see more American engagement, not only did the US Congress turn its back on Turkey, but the US administration too increasingly criticized what it viewed as Turkish intransigence. The US's harsh reaction to Erdoğan's words regarding Zionism being a "crime against humanity" was an evident case in point. Immediately following the Israeli-Turkish agreement, Erdoğan cashed in with a meeting with President Obama in his May 2013 visit to Washington.²⁶ By reaching an agreement with Israel, Turkey has also removed one of the major irritants in relations with its principal strategic partner.²⁷

2.3. *The Eastern Mediterranean gas conundrum*

Lastly and possibly most importantly, the geopolitics of Eastern Mediterranean gas may have been the pivotal factor in turning the tide of Turkish-Israeli relations. As mentioned above, the convergence between the Republic of Cyprus and Israel over Mediterranean gas finds had added fuel to the fire of Turkish-Greek Cypriot as well as Turkish-Israeli relations. Yet as the prospects of an LNG liquefier in Cyprus faded,²⁸ those of an Israeli-Turkish gas pipeline to transport Israeli gas to Turkey and the EU dawned, adding a critical geostrategic as well as economic rationale to the Turkish-Israeli rapprochement.

Reserves in Israel's Leviathan basin amount to an estimated 480 bcm, thus allowing Israel - whose domestic needs over the next two decades could well be fully satisfied by its reserves in the Tamar field (with an estimated 254 bcm) - to become a net exporter of gas. As the option of liquefying natural gas in Cyprus waned, three alternatives came to the fore. One is an LNG plant in Jordan, an unlikely option in view of the Arab uprisings and their further potential unfolding in the future. Particularly after the recently severed gas relationship with post-Mubarak Egypt, Israel has become more reluctant to bank on a potentially fragile regime in Amman. Another option is an LNG plant in Israel itself, which would allow Israel to sell its gas to global markets. The idea of a plant in Israel sits well with the recommendations of the Tzemach committee, established by the Israeli government to give recommendations on national gas policy,

²⁶ Serkan Demirtaş, "Turkish PM Erdoğan set to embark on US visit on May 16", *Hurriyet Daily News*, 3 April 2013, <http://www.hurriyetdailynews.com/turkish-pm-erdogan-set-to-embark-on-us-visit-on-may-16.aspx?pageID=238&nid=44141>.

²⁷ The other irritant being Turkey's energy deals with North Iraq's Kurdish Regional Government, seen in Washington as undermining the sovereignty of the central government in Baghdad.

²⁸ Prospects for the Cyprus liquefier have faded in view of its excessively high costs as well as the fact that any eastward directed export infrastructure anchored in Cyprus would depend much on the free and safe passage of Israeli gas shipments through the Suez Canal, premised upon ongoing relations between Israel and Egypt. The Greek Cypriot government - and Noble Energy - insist that they will go ahead with the LNG plan, but the likelihood of this happening in the current Greek Cypriot economic predicament are doubtful at best. See Menelaos Hadjicostis, "Cyprus to build gas plant with or without Israel", in *AP The Big Story*, 3 April 2013, <http://bigstory.ap.org/article/cyprus-build-gas-plant-or-without-israel>.

whereby exports of natural gas should take place exclusively from Israeli territory.²⁹ A last option could be pursued too, namely that of transporting gas reserves via pipeline to Turkey, and then from the Turkish domestic network on to European markets via the southern corridor in the making. The commercial viability of a Turkish-Israeli pipeline as well as its geostrategic advantages for Israel suggest that this is an option which the Israeli establishment is seriously considering. Exporting Israeli gas via Turkey and on to Europe would enhance Israel's interdependence with Europe, while exporting gas to Turkey itself would not only provide an energy anchor to the political rapprochement, but also contribute to the diversification of Turkish gas sources (already underway through Turkey's consolidating energy cooperation with Azerbaijan and through its emerging energy relationship with North Iraq) and thus to reducing Turkish dependence on Iranian reserves. Israel and the West had eyed the improvement in Turkish-Iranian relations in the early 2000s suspiciously. Not only did Turkey become increasingly energy dependent on Iran and provide Teheran with a financial lifeline in light of ever tightening international sanctions, but Ankara also offered Teheran a political way out of its international isolation. It was just two weeks before the Mavi Marmara crisis broke out that Turkey and Brazil had brokered the 2010 Teheran Declaration on a nuclear fuel swap, which was overwhelmingly viewed in Israel as an overt subversion of the Western drive for tighter sanctions on Iran. While Turkish-Iranian relations did sour with the outbreak of the Syrian crisis, Turkey has remained, at least partially, energy dependent on Iran.³⁰ The geostrategic advantage for Israel of reducing such dependence in the long term speaks for itself.

The advantages of an Israeli-Turkish pipeline are as, if not more, evident for Turkey. It is no coincidence that the Zorlu Group, a major Turkish conglomerate which owns a 25 percent stake in the Israeli Dorad Energy company, is lobbying Israel precisely to approve a plan to lay an undersea pipeline from Israel's port of Haifa to Turkey's southern coast.³¹ For Turkey, such a pipeline has four key advantages. First, importing Israeli gas would serve Turkey's growing and thus increasingly energy hungry economy well. Second, importing Israeli gas would help in the long term to reduce Turkey's dependence on both Iran and Russia (from which Turkey imported 19 and 55 percent of its natural gas, respectively, in 2011³²). In both cases, relations have been complicated by the Syrian question. *Vis-à-vis* both, Turkish foreign policy ambitions yearn for more room for manoeuvre. Third, the pipeline would bolster Turkey's aims to act as an energy hub for Europe. In this respect, Ankara hopes to add a Northern Iraqi³³ and Israeli dimension to its consolidated energy relationship with Azerbaijan, making Turkey the hub for the transport of Azeri, Kurdish and Israeli gas to Europe.

²⁹ Israel, *The Recommendations of the Inter-Ministerial Committee to Examine the Government's Policy Regarding Natural Gas in Israel. Executive Summary*, September 2012, p. 16-17, <http://energy.gov.il/English/Subjects/Natural%20Gas/Pages/GxmsMniNGPolicyIsrael.aspx>.

³⁰ Behiye Taner, "Turkey gold exports to Iran resume despite tough US sanctions", in *Reuters*, 29 March 2013, <http://www.reuters.com/article/2013/03/29/turkey-iran-sanctions-idUSL5N0CLOUK20130329>.

³¹ Itai Trilnick and Avi Bar-Eli, "Turkish company lobbying Israel for gas exports to Turkey", in *Haaretz*, 14 February 2013.

³² US Energy Information Administration, *Turkey*, updated 1 February 2013, <http://www.eia.gov/countries/cab.cfm?fips=TU>.

³³ See Nathalie Tocci, "Turkey's Kurdish Gamble", in *IAI Working Papers*, No. 1310 (April 2013), <http://www.iai.it/content.asp?langid=2&contentid=888>.

Fourth and finally, a Turkish-Israeli pipeline would steal the thunder from the Cypriot-Israeli relationship. At a time when the Republic of Cyprus has been seriously weakened by the European Central Bank's bailout, hollowing out the strategic advantages that would have accrued to the Greek Cypriots from the Cypriot LNG plant³⁴ would strengthen Turkey's bargaining stance over the log-jammed Cyprus conflict. It is no coincidence that right after the Turkish-Israeli breakthrough, Turkey called for a new push to solve the Cyprus problem. A new peace initiative in the current predicament would, in Turkish eyes, be more favourable for the Turkish Cypriots, heightening the chances to revive an Annan Plan-like Cyprus solution (or alternatively an agreed partition of the island).

3. Casting the Turkish-Israeli reconciliation in a broader Eastern Mediterranean peace push

Need this be such a crude zero-sum game? Does the Turkish-Israeli rapprochement necessarily mean an end of the Israeli-Cypriot partnership? Arguably not. Were plans to construct an undersea Turkish-Israeli pipeline to go ahead, ideally this could be used to transport gas not only from Israel's Leviathan field, but from the entire Levant basin, including resources in Cypriot, Israeli, Lebanese as well as Syrian maritime waters,³⁵ that could allegedly hold as much as 122 tcf of recoverable gas. Needless to say, such an Israeli-Cypriot-Turkish partnership over natural gas would be possible only in the context of an agreement in Cyprus foreseeing, *inter alia* a resource governance and revenue sharing component between the two Cypriot communities.

What are the chances of reviving the Cyprus peace process and, above all, of it reaching a successful conclusion? It is difficult for any seasoned observer of the Cyprus conflict to feel upbeat. Yet an emerging alignment of the stars warrants cautious optimism. From a Greek Cypriot perspective, the gas finds in its Aphrodite field could raise revenue worth almost three times the size of the Republic of Cyprus' public debt, but its materialization is compromised by Turkey's dispute of Cyprus's EEZ.³⁶ An agreement on this matter with the Turkish Cypriots would make it possible to materialize those revenues far more rapidly. In addition, considerably more funds could be gained by piping Cypriot gas to Turkey. The recent election of President Nicos Anastasiades, who had backed the Annan Plan in 2004, adds a key political component to the essentially economic Greek Cypriot rationale for an agreement. The

³⁴ Stefanos Evripidou, "Turkey and Israel change gas game", in *Cyprus Mail*, 25 March 2013, <http://www.cyprus-mail.com/cyprus/turkey-and-israel-change-gas-game/20130325>.

³⁵ There are also two smaller gas fields in Palestinian territorial waters, off the coast of Gaza, Marine 1 and 2, discovered in 1999. Development of the fields has been blocked by Israel, even though discussions between Israel and the Palestinian Authority on the fields had commenced in 2012. Viktor Kattan, "The Gas Fields off Gaza: A Gift or a Curse?", in *Al-Shabaka Policy Brief*, 25 April 2012, <http://al-shabaka.org/node/390>; Israel, *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-Economic Structure*, New York, 23 September 2012, http://www.mfa.gov.il/MFA/HumanitarianAid/Palestinians/Israel_Report_AHLC_Sept_2012.htm; "Israel and PA discuss Gaza offshore gas plans", in *Al-Jazeera*, 23 September 2012, <http://www.aljazeera.com/news/middleeast/2012/09/201292316466184221.html>.

³⁶ In this respect, in March 2013 Turkey announced the suspension of several projects - including a planned oil pipeline from Samsun to Ceyhan - with the Italian energy company ENI, precisely because of ENI's plans to explore offshore in Cyprus.

Turkish Cypriots would also benefit substantially from the gas windfall under a resource management and revenue sharing deal within a federal Cyprus. Turkey, for its part, would not only gain economically if Eastern Mediterranean gas were transported to Europe via its territory, but would see a net improvement in its relations with the EU and the US if this were to include a triangulation with both Israel and Cyprus.

The United States and the European Union also have growing stakes in transforming gas into a force for unity in the Eastern Mediterranean, inducing them to dust off the Cyprus conflict dossier. Washington had previously supported the Israeli-Cypriot partnership, with the Texan company Noble Energy involved in exploration in the adjacent Cypriot and Israeli fields. Washington is also the principal mediator of the Turkish-Israeli rapprochement. Seeking a triangulation between Turkey, Israel and Cyprus is clearly a strategic American interest, the prerequisite for which is an agreement on the island. Finally, the European Union also has a key stake in making such triangulation possible and sealing an agreement on the divided island. Doing so would add a critical component to Europe's energy security (and diversification), place the Cypriot economy on the path of fiscal consolidation and economic sustainability and remove the major thorn in its troubled relations with Turkey. Above all else, a Cyprus solution embedded in a wider reconciliation in the Eastern Mediterranean would restore some of the gloss to the European peace project, so badly eroded by the Eurozone crisis and its political fallout.

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