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The role of Israel's gas discoveries in shaping its foreign policy towards the actors in the Levant Security Subcomplex

The paper's main aim is assessing the impact of Israeli Eastern Mediterranean gas discoveries on the Levant Security Subcomplex (LSS). The research consists of three major parts that deal with: 1. the discoveries' impact on Israel's and the region's economy, 2. the prospects of gas trade between Israel and its partners in the region, 3. comparison of Israel's gas export strategies with the structure of the LSS. According to the hypothesis of the authors, Israel's strategy concerning recently discovered gas deposits is influenced mainly by political factors and economic ones play only a secondary role. Therefore, the discoveries don't have a decisive impact on the structure of the LSS.

Keywords: Arab-Israeli conflict, geoeconomics, natural gas, Israel, Eastern Mediterranean, Security Complex

Rola odkryć gazu ziemnego w Izraelu w kształtowaniu jego polityki zagranicznej wobec subkompleksu bezpieczeństwa Lewantu

Głównym celem artykułu jest ocena wpływu odkryć gazu ziemnego w wyłącznej strefie ekonomicznej Izraela na subkompleks bezpieczeństwa Lewantu. Praca składa się z trzech zasadniczych części poświęconych: 1. znaczeniu odkryć złóż gazu dla gospodarki Izraela i regionu, 2. perspektywie handlu gazem pomiędzy Izraelem a jego partnerami w regionie, 3. porównaniu strategii eksportowych Izraela ze strukturą subkompleksu bezpieczeństwa Lewantu. Zgodnie z hipotezą autorów strategię Izraela wobec nowo odkrytych złóż gazu kształtują głównie czynniki polityczne, a znaczenie gospodarczych jest mniejsze. Odkrycia nie mają więc decydującego wpływu na strukturę subkompleksu bezpieczeństwa Lewantu.

Słowa kluczowe: konflikt bliskowschodni, geoeconomia, gaz ziemny, Izrael, kompleks bezpieczeństwa, Morze Śródziemne

Research design

Currently, the Arab-Israeli conflict (this term will be used interchangeably with “Middle East conflict”) is not the most pronounced issue in public debates about the Middle East. Far-reaching consequences of the second Gulf War and Arab Spring, especially internal strife in Syria and Iraq, hold the attention of world leaders and the media. Nonetheless, the Israel-Arab conflict has been the most stable feature of the post-war Middle East. Relations between Israel and most of the Arab states are highly securitised. The lack of normalisation in relations between Israel and most Arab countries still threatens to destabilise the region.

The most prevalent perspective on the Middle East conflict is a classic realist one. The history of perennial, symmetrical and asymmetrical confrontations made political and security explanations tempting. Academics researching the conflict rarely deal with the potential economic mechanics of the rivalry between Israel and Arab states. A vast literature exists that focuses on the socio-economic outcomes of the conflict, especially for the Palestinian population. Contrariwise, there are not many studies of the economic factors influencing international actors’ behaviour. The paper is an attempt to at least partially fill this gap, by assessing the impact of Israeli Eastern Mediterranean (EastMed) gas discoveries on the Levant Security Subcomplex (LSS).¹ Its main aim is verification of the **hypothesis** that Israel’s strategy concerning recently discovered gas deposits is influenced mainly by political factors and that the economic ones play only a secondary role. Thus, they may be used in international relations research as dependent or intervening variables. In other words, the potential for energy cooperation in the region has a minor influence on the threat perceived by international actors in the Levant.

We can generalise by stating that the great majority of Arab-Israeli conflict studies take on a classic military-political perspective. Although there are some studies concentrating on the economic determinants, the need for additional research that would provide us with a broader view is also noticeable. Israeli gas discoveries in the EastMed provide us with an opportunity to analyse if the changing economic outlook impacts the security and political affairs in the region. There are several papers dealing with the “energy

1 More about the subcomplex and the Regional Security Complex Theory: B. Buzan, O. Wæver, *Regions and powers. The structure of international security*, Cambridge University Press, Cambridge 2003.

revolution” in the EastMed and the Levant states’ policies. They have significant descriptive value but generally don’t embed the data into a broader theoretical framework.

A volume edited by Angelos Giannakopoulos² is perhaps the most comprehensive enquiry into the strategic outcomes of the gas discoveries to the different Mediterranean states. Other works deal with selected countries’ bilateral and multilateral relations. Some of them³ suggest that the discoveries might trigger energy cooperation that would help stabilise the region. More studies point at the political determinants as a prerequisite for successful gas trade and not *vice versa*.⁴ Similarly, Gawdat Bahgat⁵ puts emphasis on the politics, but in the context of limited fuel export from Arab states to Israel. Athanasios Dagoumas and Floros Flouros⁶ interviewed energy experts from the region asking them about their considerations about Israel’s gas trade policy. They came to a conclusion that political and geopolitical factors are very important in this regard and were sceptical about the impact of gas trade on the Arab-Israeli conflict. David Wurmser⁷ goes even further, claiming that any energy cooperation may foment anti-Israeli sentiment among the Arab public

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- 2 *Energy cooperation and security in the Eastern Mediterranean. A seismic shift towards peace or conflict?*, ed. A. Giannakopoulos, Tel Aviv University, The S. Daniel Abraham Center for International and Regional Studies, Tel Aviv 2016 (Research Paper, 8), available at: <<https://dacenter.tau.ac.il/sites/abraham.tau.ac.il/files/Energy%20Cooperation%20and%20Security%20in%20the%20Eastern%20Mediterranean.pdf>> [accessed: 22.05.2018].
 - 3 O. Eran, *Political-strategic dimensions to Israel's natural gas debate*, “INSS Insight” 2013, No. 429; idem, *The gas framework: regional and international aspects*, “INSS Insight” 2015, No. 718; I. Grigoriadis, *Energy discoveries in the Eastern Mediterranean: conflict or cooperation?*, “Middle East Policy” 2014, vol. 21, No. 3; O. Winter, E. Razy-Yanuv, *Pipelines to normalization in the BDS era. The natural gas deals with Egypt and Jordan as a case study*, [in:] *The delegitimization phenomenon. Challenges and responses*, ed. E. Yogeve, G. Lindenstrauss, Institute for National Security Studies, Institute for National Security Studies, Tel Aviv 2017; A. Tziampiris, *The emergence of Israeli-Greek cooperation*, Springer, Cham 2015. A more mixed account of the discoveries’ impacts in: E. Cohen, *Development of Israel's natural gas resources. Political, security, and economic dimensions*, “Resources Policy” 2018, vol. 57.
 - 4 For example B. Shaffer, *Natural gas supply stability and foreign policy*, “Energy Policy” 2013, vol. 56.
 - 5 G. Bahgat, *Israel's energy security. The Caspian Sea and the Middle East*, “Israel Affairs” 2010, vol. 16, issue 3.
 - 6 A. Dagoumas, F. Flouros, *Energy policy formulation in Israel following its recent gas discoveries*, “International Journal of Energy Economics and Policy” 2017, vol. 7, issue 1.
 - 7 D. Wurmser, *The geopolitics of Israel's offshore gas reserves*, “Jerusalem Center of Public Affairs” [online], 4.04.2013 [accessed: 22.05.2018], available at: <<http://jcpa.org/article/the-geopolitics-of-israels-offshore-gas-reserves/>>.

and destabilise the situation. Also, Efraim Inbar⁸ notices the possible negative impact of the gas discoveries as they can intensify political rivalry over the resources.

Yet, none of these studies give the broad picture of Israel's actual gas strategy. And this seems to be the prerequisite to telling if the breakthrough in the energy sphere led to a change in the political relations in the Middle East. This paper will try to fill this gap by answering the question if Israel's gas strategy is a mere extension of the previous policies based on the perceived threats emerging from the political structure of the LSS or does it follow a new logic based on economic interests? The analysis' objective is to assess the role of economic factors in shaping Israel's foreign policy and cooperation with the countries of the region. The enquiry will also contribute to the broader debate on the influence of economic factors on the security complexes.

Israel's gas discoveries

Since the discovery of significant natural gas reserves off the coast of Israel, their economic and political significance has been the subject of a debate in Israel and abroad. In recent years, many plans to export energy raw materials to the countries of the region have emerged. This case study consists of two parts. First, Israel's efforts to find foreign markets for natural gas and prospective international cooperation in this area is presented. The second part is devoted to the impact of the discovery of raw material on Israeli relations with regional partners (Jordan, Egypt, Palestinian Authority, Lebanon, Cyprus, Turkey, EU).

Israel's economy has always been heavily dependent on fossil fuels. Apart from the period of Sinai occupation, the great bulk of the demand was satisfied by imports.⁹ This situation started to change at the turn of the century with the discovery of the natural gas fields in the Mediterranean off the Israeli coast – Noa North, Mari-B, Dolphin, Tanin, Karish, Dalit, and, most importantly Leviathan and Tamar.¹⁰ International bodies and companies conservatively estimate Israel's proven natural gas reserves at 0.2 trillion cubic metres (tcm) which account for 0.1% of world reserves.¹¹ Israel's estimation is more impressive at 1 tcm of gas.

8 E. Inbar, *The new strategic equation in the Eastern Mediterranean*, Begin-Sadat Center for Strategic Studies, Jerusalem 2014, p. 26–27.

9 G. Bahgat, *Israel's energy security...*, p. 407–408.

10 A. Dagoumas, F. Flouros, *Energy policy...*, p. 22.

11 *BP Statistical Review of World Energy*, June 2017, p. 26, available at: <https://www.bp.com/content/dam/bp-country/de_ch/PDF/bp-statistical-review-of-world-energy-2017-full-report.pdf> [accessed: 22.05.2018].

Over 90% of these reserves are located in the Leviathan and Tamar gas fields.¹² Some Israeli politicians say it is even about 3 tcm of gas reserves.

Natural gas consumption in Israel is about 11 billion cubic metres (bcm). Israel's Ministry of Infrastructure, Energy and Water forecasts that the national demand will reach 17.9 bcm in 2030 and 24.8 in 2040.¹³ This rise will be paralleled by the increase in gas production which is supposed to reach the peak of 30 bcm in 2030¹⁴ (Bar 2017, p. 7). From 2015, virtually the entire domestic gas consumption in Israel has been satisfied by the Tamar field. Gas production's growth leaves the Israeli economy with an increasing amount of fuel that can be earmarked for export. Most of the gas from the Leviathan field, which is scheduled to reach the market by 2019, is intended to be used outside the Israeli economy.¹⁵ According to the Knesset decision from 2013, 40% of Israeli gas reserves may be exported. This would amount to 400 bcm if the abovementioned reserves estimate is correct.

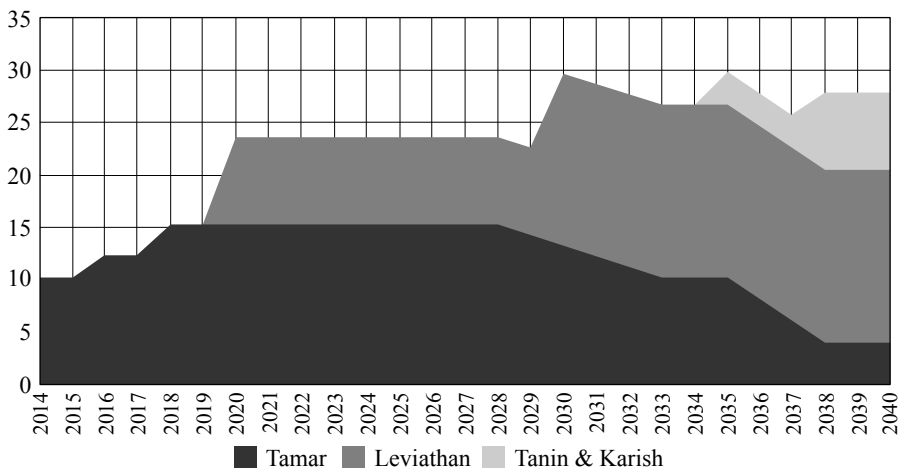


Diagram 1. Potential gas production in Israel, major gas fields, bcm/year

Source: Y. Bar, *The natural gas sector in Israel. An economic survey*, Bank Leumi 2017, p. 7, available at: <https://english.leumi.co.il/static-files/10/LeumiEnglish/Leumi_Review/NaturalGasInIsraelacc.pdf> [accessed: 22.05.2018]

- 12 S. Henderson, *Israel's Leviathan gas field. Politics and reality*, "The Washington Institute" [online], 23.06.2016 [accessed: 22.05.2018], available at: <<https://www.washingtoninstitute.org/policy-analysis/view/israels-leviathan-gas-field-politics-and-reality>>.
- 13 *Cricha be-foal u-wikuszim szel gaz tiwi*, "Israel Natural Gas Lines" [online, accessed: 22.05.2018], available at: <http://www.ingl.co.il/?page_id=200>.
- 14 Y. Bar, *The natural gas sector in Israel. An economic survey*, Bank Leumi 2017, p. 7, available at: <https://english.leumi.co.il/static-files/10/LeumiEnglish/Leumi_Review/NaturalGasInIsraelacc.pdf> [accessed: 22.05.2018].
- 15 *Ibidem*, p. 3–5.

Israel's gas export prospects

In recent years, Israel has considered and negotiated gas trade deals with a few foreign partners. First of them was the Palestine Power Generation Company (PPGC). The **West Bank and Gaza Strip** are almost entirely dependent on the Israeli electricity supply. This and geographical proximity made the deal quite natural. On January 2014, the PPGC agreed with the operators of the Leviathan field to import 4.75 bcm of natural gas for 20 years. The project envisaged also building two gas plants near Jenin and Hebron.¹⁶ The estimated \$1.2 billion contract was seen by USA and Israel as a step towards peace. Soon, after anti-Israel protests and legal hurdles from the regulatory body of Israel, the PPGC cancelled it. From time to time the media report about the potential deal to supply the West Bank or even Gaza power plants with Israeli gas, but none of these was ever officially confirmed. Nevertheless, the construction of the Jenin power plant started in 2016 and is scheduled to be concluded in 2019. Palestinian officials claim that it will be supplied by the Gaza Marine gas field.¹⁷

Yet, currently there are no perspectives for its development. The gas field was discovered in 2000 by BG Group (later acquired by Royal Dutch Shell). Negotiations between the company, Israel, the Palestinian Authority, Egypt and Quartet on the Middle East haven't born fruit.¹⁸ Gaza Marine is owned by the Palestine Investment Fund run by the Palestinian Authority. The simplest and cheapest way to use this field's resources would be to connect it to the nearby infrastructure of the almost depleted Israeli Mari-B gas field.¹⁹ But the political disputes and military clashes between Israel and Hamas sank the negotiations. Egypt saw Gaza Marine as competition to its own deals with Israel, Israel was afraid of transferring the returns from its development to terrorist organisations, the Palestinian Authority was afraid of Hamas profiting from the deal, and foreign investors were discouraged by the region's instability.²⁰

16 T. Boersma, N. Sachs, *Gaza Marine. Natural gas extraction in tumultuous times?*, Brookings, Washington 2015 (Policy Paper, 36), p. 7–8.

17 A. Melhem, *When will Gaza gas field start operating?*, "Al-Monitor" [online], 12.03.2017 [accessed: 22.05.2018], available at: <<https://www.al-monitor.com/pulse/originals/2017/03/palestine-gaza-gas-field-energy-power-crisis-talks.html>>.

18 A. Antreasyan, *Gas finds in the Eastern Mediterranean Gaza, Israel, and other conflicts*, "Journal of Palestine Studies" 2013, vol. 42, No. 3, p. 31–34; T. Boersma, N. Sachs, *Gaza Marine...*, p. 7–8.

19 S. Henderson, *Natural gas export options for Israel and Cyprus*, German Marshall Fund, Washington 2013 (Mediterranean Paper Series, 2013), p. 9.

20 D. Wurmser, *The geopolitics...*, p. 7.

Israeli-Jordanian talks proved to be more fruitful. Almost all of **Jordan's** demand for fuel is satisfied by imports and the great majority of its energy is produced from natural gas. Until 2011, most of it was imported from Egypt. When instability in Sinai disrupted the gas flow, the Jordanian economy entered a period of turbulence. Amman started to import more expensive fuels to make up for this loss. From the economic perspective, a more feasible substitute for Egyptian fuel were the new Israeli gas discoveries.²¹ Israeli gas pipelines run just a few miles away from the Jordanian border (in the area of Jezreel Valley and Sedom) which makes the energy infrastructure's costs relatively low.

And, in fact, Jordan became the first export destination for Israeli hydrocarbons. In February 2014, a 15-year contract worth \$500–700 million was signed between the Tamar group and Amman. Two and a half years later, an agreement for \$10 billion was finalised with the Jordanian Electricity Power Company. This time it envisaged pumping 45 bcm of the Leviathan field's gas for a period of 15 years. The fuel would be supplied from an exit point in the northern section of the Israeli gas grid. The delivery of Tamar gas commenced at the beginning of 2017. Leviathan fuel will supplement these deliveries from the end of 2019, after the gas field has been developed.²²

The main concern for the Israeli companies selling gas to the Jordanians are the strong anti-Israel sentiments in Arab society. Delegitimisation of Israel is a common approach in Jordanian society, Jordan was one of the first countries in which a Boycott Divestment Sanctions movement's branch was established.²³ Hashemite Kingdom authorities were harshly attacked about the gas deals. Thousands of Jordanians protested in the streets with rallies and sit-ins. The lower house of parliament also rejected the deal.²⁴ The king and his cabinet withstood the pressure, but it's not clear if their support will hold in the future. If opposition doesn't diminish and Jordan recovers from the economic crisis, the authorities may reevaluate the deals with Israel.

Another potential direction for future gas flows is **Egypt**. Israel has a recent history of importing natural gas from its western neighbour. In the years

21 Ibidem, p. 11–12.

22 Y. Bar, *The natural gas sector...*, p. 5; O. Winter, E. Razy-Yanuv, *Pipelines...*, p. 79.

23 Ibidem, p. 81.

24 B. Milton-Edwards, *Protests in Jordan over gas deal with Israel expose wider rifts*, "Brookings" [online], 26.10.2016 [accessed: 22.05.2018], available at: <<https://www.brookings.edu/blog/markaz/2016/10/26/protests-in-jordan-over-gas-deal-with-israel-expose-wider-rifts/>>.

2008–2012, up to 40% of its gas needs were satisfied by the pipeline running from Sinai's El-Arish to Ashkelon. With the discoveries of the Mediterranean gas fields and Egypt's growing energy demand, it appeared that Israel may reverse the flow and supply the Egyptian economy. The great impediment to this project is the instability of Sinai and jihadists constant attacks on the pipeline.²⁵ The Leviathan and Tamar operators signed a deal with an Egyptian company to export 6 bcm of natural gas a year to the Arab country. The agreements were shelved due to the dispute between the two countries over compensation for severing previous gas contracts.²⁶ Egypt was not satisfied with the arbitrator's ruling that its companies should pay \$2 billion to Israel Electric Corporation and blocked all new import deals. The legal barriers were lifted in August 2017 and negotiations on gas deals resumed. In February 2018, a new deal for natural gas exports of 64 bcm to Egypt over ten years was signed.²⁷ It is too early to anticipate if it is to be implemented.



Map 1. Egypt gas pipelines (Walker 2015)

Source: A. Walker, *FSRU set to relieve Jordan's gas-to-power sector*, "Interfax Global Energy" [online], 20.05.2015 [accessed: 22.05.2018], available at: <<http://interfaxenergy.com/gasdaily/article/16177/fsru-set-to-relieve-jordans-gas-to-power-sector>>

25 B. Shaffer, *Natural gas...*, p. 120–122; K. Siddig, H. Grethe, *No more gas from Egypt? Modelling offshore discoveries and import uncertainty of natural gas in Israel*, "Applied Energy" 2014, vol. 136.

26 O. Winter, E. Razy-Yanuv, *Pipelines...*, p. 79.

27 O. Eran, E. Rettig, O. Winter, *The gas deal with Egypt. Israel deepens its anchor in the Eastern Mediterranean*, "INSS Insight" 2018, No. 1033, p. 1.

There are three possible routes for gas exports. The cheapest option is using the El-Arish-Ashqelon pipeline. Some suggest that due to Sinai's instability, the new pipeline connecting Israel with the Nile Delta directly through the sea should be built. The third possibility is sending Israeli gas to Egypt via Jordan. This is more expensive than direct flow²⁸, but may partially appease anti-Israel opposition to the deal. Another plan under consideration is using Egyptian gas liquefaction plants to produce LNG for export outside the Middle East. It seems, though, that this won't be the preferable option as the security concerns make Israel very cautious about depending on infrastructure that is beyond its control.²⁹ In the long run, imports from Israel to Egypt will probably not be viable because of the discovery (in 2015) and future development of the major Zohr gas field off its coast. At the same time, Egypt needs foreign gas for at least a few more years.

Even if Israel succeeds in securing and realising the aforementioned deals it will still have almost 300 bcm of gas reserves at its disposal earmarked for export, according to the official estimate. For the last few years, Israel has also been conducting gas trade talks with **Turkey**. Turkey hasn't fallen into the energy crisis like Jordan and Egypt, but it has a substantial natural gas demand (about 50 bcm a year) and virtually no domestic production. Simultaneously, it desires to become a regional gas hub, capitalising on its geographical location. Israeli gas fields cannot be connected to the Turkish infrastructure as easily as to the Jordanian and Egyptian ones. At the same time, relative proximity makes Leviathan a competitive source of hydrocarbons. It is too small to satisfy Turkey's demand but it can diversify its imports in a significant way. Moreover, Israeli gas is supposed to be potentially less expensive than Russian or Iranian gas. The cost of building the 600-km pipeline connecting the Leviathan field with the southern coast of Turkey is estimated at \$2–4 billion. It could also be used to transfer Mediterranean gas further to Europe.³⁰

28 S. Gorodeisky, *Leviathan partners in Egypt gas export talks – report*, “Globes” [online], 10.08.2017 [accessed: 22.05.2018], available at: <<https://en.globes.co.il/en/article-leviathan-partners-in-egypt-gas-export-talks-report-1001200874>>; M. Hochberg, *Israel's natural gas sector. A regional perspective*, “Middle East Institute” [online] 24.04.2014 [accessed: 22.05.2018], available at: <<http://education.mei.edu/content/israel%E2%80-%99s-natural-gas-sector-regional-perspective>>.

29 S. Henderson, *Natural gas...*, p. 13.

30 O. Eran, D. Vardi, I. Cohen, *Political feasibility of Israeli natural gas exports to Turkey*, Institute for National Security Studies, Tel Aviv 2014 (Memorandum, 144), p. 11–12, 18–19; M. Hochberg, *Israel's natural gas sector...*; S. Henderson, *Israel's Leviathan...*

Nevertheless, the negotiations on a gas deal haven't produced any contract. In addition to tense relations between Turkey and Israel, there are also other political hurdles to the deal. The first is the maritime disputes between Turkey, the Turkish Republic of Northern Cyprus and the Republic of Cyprus. The economically most feasible route for the pipeline goes through these contentious territories.³¹ So, a future agreement would need to include actors that have perceived each other as a rival or an enemy for decades. Second is the political crisis in Turkey and authoritarian tendencies of the president, Recep Erdogan. The weakening of democracy doesn't help the plan to become a transfer country providing the EU with fuel. Nonetheless, one cannot rule out the future success of the negotiations.³²

Turkey is a big and developing gas market, but it does generate only 1/9th of the demand of European Union countries. The EU is a player of global importance and its economy would easily absorb any amount of gas that can possibly flow from the Eastern Mediterranean in the following decades. It's also one of the most stable partners. Mediterranean gas would enhance the EU's position vis-à-vis Russia and could support enhancing energy infrastructure and interconnectivity in south-eastern Europe which could also improve its economic situation.³³ This direction of diversification of European energy sources is even more appealing as an EU country would become one of the Mediterranean gas suppliers. The Aphrodite field located in the exclusive economic zone of Cyprus borders the Israeli Leviathan field. In this way, the common infrastructure may be used to pump the gas from the waters of Cyprus and EU partners (Israel and in the future possibly also Arab states).

Both Nicosia and Tel Aviv speedily jumped at this opportunity. In 2010, the agreement on delineating EEZs of both parties was signed.³⁴ Three years later ministers from Greece, Cyprus and Israel agreed on the memorandum of understanding on energy cooperation. It envisioned protecting the Mediterranean energy infrastructure and laying the EuroAsia Interconnector cable which will

31 S. Henderson, *Natural gas...*, p. 8, 10.

32 E. Sengul, M.B. Tiryakioglu, *Turkey, Israel discuss price, route of gas pipeline*, "Anadolu Agency" [online], 13.10.2017 [accessed: 22.05.2018], available at: <<https://www.aa.com.tr/en/economy/turkey-israel-discuss-price-route-of-gas-pipeline/934833>>.

33 I. Ruble, *European Union energy supply security. The benefits of natural gas imports from the Eastern Mediterranean*, "Energy Policy" 2017, vol. 106, p. 351–352.

34 J. Stocker, *No EEZ solution. The politics of oil and gas in the Eastern Mediterranean*, "Middle East Journal" 2012, vol. 66, No. 4, p. 586–587.

link the power grids of the countries.³⁵ The three EastMed countries started working on the project to connect the Levantine Basin with Europe. In 2015, the EastMed Pipeline plan became an EU “project of common interest”. Two years later Israel and the European countries announced the intention of laying a 1,900km (1,320km offshore, 570km onshore) pipeline that would connect the Leviathan field, through Cyprus and Crete, to continental Greece. If constructed, it would be able to transfer up to 15 bcm of natural gas a year.³⁶ This is in the preliminary research stage and will need several years to be completed after the final decision has been made. At the same time, this is the only gas project of this scale in the Mediterranean with clear support from Israel and other countries.

Cyprus and Israel swiftly delimited their maritime border aware that the stability will profit them both. This would also be the case with a potential delimitation of the Israel-**Lebanon** border. Nonetheless, there are no signs of reconciliation between the two states that have not yet established official diplomatic relations. The territorial maritime claims of the parties overlap in an area of roughly 855 km². Lebanon doesn't recognise Israel and refuses to negotiate with it and Israel isn't interested in negotiations through a third party. Politicians from both sides have used belligerent rhetoric claiming that their resources and claims would be protected also by military force.³⁷

Conclusions

The general conclusion from the analysis is that the political factors shaping Israel's policy on gas resources have precedence over the economic ones. The political Leviathan-state, from the metaphor of Thomas Hobbes, dwarfs the economic importance of the Leviathan gas field. The actual **decision-making of international actors in the Middle East usually doesn't follow economic logic**. The perception of threats in the LSS is strongly embedded in the political-military rivalries of the region. The most profitable scenario for eastern Mediterranean countries would be building common infrastructure

35 Y. Azulai, *Israel, Greece, Cyprus sign new energy MOU*, “Globes” [online], 8.08.2013 [accessed: 20.10.2017], available at: <<https://en.globes.co.il/en/article-1000870108>>.

36 European Commission, *Eastern Mediterranean natural gas pipeline – Pre-FEED studies*, Project of common interest 7.3.1, 2017, available at: <https://ec.europa.eu/inea/sites/inea/files/7.3.1-0025-elcy-s-m-15_action_fiche_final_3.pdf> [accessed: 22.05.2018].

37 B. Shaffer, *Israel – New natural gas producer in the Mediterranean*, “Energy Policy” 2011, vol. 39, p. 5385–5386; B. Stocker, *No EEZ solution...*, p. 586–587, 594.

connecting the gas fields of Israel, Cyprus, Egypt, Lebanon and Syria (the gas resources of the last two are not confirmed, but are at least possible) and then linking it to the EU gas system through Turkey. Another cost-effective project would be to build shared liquefaction plants. The different gas fields of Levant don't have to be seen as competitors. Acting together, the states would gain more importance in global markets, and the cost of laying infrastructure would be lower. This is also the least probable scenario. Perhaps only the Israel and Cyprus fields will be connected. Their gas may flow to Europe, but currently the most likely route will bypass Turkey and run through very deep and seismically active parts of the Mediterranean seabed. Also, the economically prudent project of connecting the pipelines and gas fields of Israel, Palestine and Jordan will be realised only in very limited form. The peace dividend doesn't seem to be taken into account as an important factor.

Economic factors don't play an autonomous role in the Middle Eastern energy policies. In fact, it seems that **gas trade policies and energy cooperation reinforce and petrify the political structure of the Middle Eastern conflict**. As we can see in the case of Israel's decisions, the prospects of gas trade with a partner are almost completely dependent on its political relations with the export country. Jordan has always been Israel's least hostile neighbour. Secret cooperation with the Hashemite dynasty goes back to the pre-state Zionism period. Thus, it hasn't come as a surprise that Jordan became the first recipient of Israeli gas. Israel's relations with Egypt since the '70s are often termed a cold peace. There is cooperation between the two states, but it is limited by mutual distrust and interrupted by periods of political tensions. Palestinian-Israeli relations from the moment of Oslo Agreements can be depicted in a very similar way. We can explain the difficult trade negotiations between the three parties as just an extension of this political relation. Turkey and Israel were once very close political partners, but their relationship had started to deteriorate in the 21st century and was shattered in 2010 by the Mavi Marmara incident. The reconciliation agreement in 2016 brought the two states closer, but their relations have remained tense. This has a clear reflection in the more open Israeli approach to the EastMed pipeline than to the less expensive alternative route through Turkey. Israeli solicitations towards the EU aren't new either. The country struggled to associate with the European Communities (Euratom, ECSC and EEC) since their establishment in the 1950s. Now it also follows this pro-Western direction on the energy cooperation plane.

Only Israel's relations with Greece and Cyprus might be partially explained by economic factors. The two Mediterranean states traditionally represented a pro-Arab stance. The situation changed dramatically after the Mavi Marmara incident in 2010 as they started to form a close cooperation with Israel. The main trigger of the transformation was the souring of Turkish-Israeli relations. At the same time, one may argue that the common economic interest influenced the situation in a significant way and is partially responsible for the scope and intensity of the Israel-Cyprus-Greece cooperation. Thus, one may claim that economic factors can also be treated as the **intervening variables**.

In the most cases, though, they are **dependent on the political variables**. In the case of the energy policy of Israel we can also see how economic instruments are used to achieve political means. Curbing production from the Gaza Marine field is just one example. On the one hand, it was a method of punishment for the Hamas ruling the Gaza Strip. On the other, preserving the Palestinian territories' (electricity or gas) energy dependency on Israel gives the latter a great political leverage to pressure Ramallah. Allowing Palestinians to produce electricity by themselves, from their own sources and without any concession from their side, wouldn't be politically rewarding. One might also see Israel's reservations about the Leviathan-Turkey-Europe pipeline project as an economic instrument intended to pressure Ankara into adopting a more pro-Israeli political approach.

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