Chapter Two

GREECE’S NEW STRATEGIC ENVIRONMENT

At the start of the 21st century, Greece’s foreign and security policy horizons have expanded, and the country is more firmly in the European mainstream than ever before. Greece is actively engaged in the stabilization and reconstruction of southeastern Europe, relations with Turkey are much improved, and the bilateral relationship with the United States has been normalized in key respects. The continued evolution of Greek society and the country’s foreign policy debate will exert a strong influence on Greece’s international policies and potential in the coming years.¹ At the same time, the regions surrounding Greece, as well as the international system, are undergoing rapid change. New, nontraditional issues, including spillovers of political violence, refugee movements, and the spread of highly destructive longer-range weapons, have come to the fore.² These changes in the geopolitical environment will have pronounced implications for the types of challenges and opportunities that Greece will confront in the coming years. The effect of developments in adjacent regions, such as the Balkans and Aegean, is especially clear. But the area of strategic consequence for Greece—the Greek strategic “space”—is far wider, encompassing Europe, Eurasia, the Middle East, and the Mediterranean, as well as transatlantic rela-

¹See, for example, Keridis (2000). The domestic factor in Greek foreign policy is treated from differing perspectives, and from a “pre-Helsinki” environment, in contributions by George Papandreou, Kostas Karamanlis, Dimitri Constas, and Ioannis Tzounis, in Pfaltzgraff and Dimitris (1997). For an analysis of the role of personality, public opinion, and bureaucracy in Greek policymaking, see Ioakimidis (1999).

²The effect of more comprehensive definitions of security on Greek perceptions is addressed in Prodromou (1997).
tions. At the broadest level, Greece will also be affected by the complex of trends described as “globalization.”

This chapter assesses the leading areas of change in Greece’s geopolitical environment and their meaning for Greek and international policy. Regional developments are explored, but the emphasis is on new functional issues, from energy to proliferation, many of which cut across traditional regional lines. The analysis concludes with a discussion of overall observations and policy approaches for Greece and its partners.

The picture that emerges is one of growing complexity, diverse risks, and equally diverse opportunities. The new strategic environment also suggests that some traditional measures of Greek interest need to be reassessed, with new attention on areas of comparative advantage for Athens in its international policy. Overall, the evolution of the geopolitical environment, in the widest sense, will help determine what Greece will want and be able to achieve on the international scene in the coming years.

A TRANSREGIONAL ENVIRONMENT

Western strategists have tended to draw sharp geographic distinctions between regions in security terms. Europe, Eurasia, and the Middle East have been intellectually and bureaucratically separate spheres for analysis and policymaking. In fact, this tradition of regional definition and separation is very old and has had many adjustments. Before the term “Middle East” became popular, observers spoke of the Near East and the Orient, and in popular conception, the Orient began in the Balkans. Indeed, for almost a millennium, regional definitions, especially the perceived line between “east” and “west,” were driven by the ebb and flow of the Ottoman Empire. As the debates over EU enlargement and the role of Turkey make clear, these questions of regional definition are still very much alive—and in flux.

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3On the intellectual debate over regional dividing lines in perceptions and policies, see Hentsch (1992), Lewis (1982), Lewis and Wigen (1997), Demko and Wood (1994), and Taylor (1994). The classic statement of the Mediterranean as an example of regional interdependence, with much modern relevance, is Braudel (1972), which was first published in 1949.
Beyond questions of identity and perception, the contemporary strategic environment is characterized by a series of functional issues that cut across traditional geographic lines and make rigid definitions of regional security less and less relevant. The result is not necessarily the “end of geography” but, at a minimum, a much greater degree of regional interdependence. Given the nature of developments spanning Europe, the Middle East, and Eurasia, Greece is at the center of this phenomenon and will be strongly affected by it. A number of political, economic, and security issues are emblematic of this new transregional environment.

The Political Dimension

At the political level, regional policies and perceptions are increasingly interdependent. Successive crises affecting Muslim communities in the Balkans, whether in Bosnia, Kosovo, or elsewhere, have had a strong influence on perceptions in the Arab world, including parts of the eastern Mediterranean. In these cases, perceived Western inaction had a very negative effect on Middle Eastern attitudes, especially toward Europe. A similar effect on public opinion could be seen as a result of the conflicts in Chechnya. Greece and its partners are thus exposed to the potentially damaging consequences of policies pursued in quite disparate regions.

These linkages and interactions have been reinforced by the emergence of new political relationships around the eastern Mediterranean, including expanded cooperation among Israel, Jordan, and Turkey. The Turkish-Israeli relationship, in particular, is an example of the sort of new strategic geometry that has arisen in the post–Cold War era. This relationship has diplomatic, commercial, and defense dimensions. To the extent that the relationship is “strategic,” it has affected, above all, the Syrian position vis-à-vis both countries. The relationship has given Ankara additional weight in dealing with Damascus and probably contributed to the credibility of Turkish pressure over Syrian support for the Kurdish Workers’ Party.

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4Trends in these areas are surveyed in National Intelligence Council (2000).
5I am grateful to Alvaro Vasconcelos of the Institute for International and Strategic Studies in Lisbon for this intriguing variation on Francis Fukuyama’s formulation.
More broadly, Turkish relations with Israel (and Jordan) provide an indirect but important link to Euro-Atlantic security arrangements, a link that is likely to gain in significance as NATO takes greater account of Mediterranean and Middle Eastern issues. At the same time, initiatives that span the European and Middle Eastern environments can be interrupted by adverse developments in either sphere. This risk exists in the case of Turkish-Israeli relations against a background of renewed Arab-Israeli tension over Palestinian issues. This changed environment may not directly affect bilateral defense cooperation, but public opinion and public diplomacy in the context of the relationship could become more difficult. If the deterioration in Arab-Israeli relations continues, and with Turkish-Syrian relations generally improved, the relationship between Israel and Turkey could well stall. Economic stringency in Turkey could also play a role in this regard in Turkish-Israeli relations, given the weight of economic cooperation, including defense-industrial trade.

Cyprus offers another example of transregional political linkage, with more direct implications for Greece. It is arguable that the rapid deterioration of intercommunal relations in Bosnia and elsewhere in the Balkans in the early to mid-1990s had a chilling effect on the views of moderates on both sides of the island. Although the possible parameters of a settlement were understood and heavily debated, the example of Bosnia renewed concerns about security arrangements and offered a discouraging example of how international involvement might not be enough to guarantee the stability of a settlement. Similarly, the idea (sometimes expressed in Washington) that a comprehensive peace in the Middle East could show the way for a Cyprus settlement takes on new and more negative implications if a Middle East settlement proves illusive. Moreover, an atmosphere of tension in the Levant could have unpredictable consequences for European and transatlantic approaches to Cyprus and perhaps even for Greek-Turkish relations. Regional instability might increase the Western stake in a stable eastern Mediterranean but could also encourage a more arms-length approach to a difficult region and could dilute the energy available for new diplomatic initiatives. In general, Greek policymakers will need to take account of a much broader range of influences on issues that have traditionally absorbed attention.
The Economic Dimension

Important transregional developments are no less evident in the economic arena. Two issues are of special significance for Greece. First, the EU stands at a crossroads in its policy toward nonmember partners in the Mediterranean and the Middle East. Along with the rest of southern Europe, Greece has a strong stake in the stability and prosperity of societies along the southern shores of the Mediterranean and in the viability of the EU’s Barcelona Process—indeed, an attempt to subsidize stability in the poor and increasingly populous states on Europe’s southern periphery.\(^6\) The Greek stake in this regard is underscored by the tendency of the Schengen agreement to shift the burden of immigration and other border-control responsibilities to southern European members. In the perception of many observers, the Barcelona process is proving ineffective. The resources devoted to aid and investment in the Euro-Mediterranean Partnership are small relative to allocations elsewhere (e.g., for Eastern Europe and the Balkans), certainly relative to the scale of requirements in the south. In any case, very little of the funds available have actually been distributed, a result of cumbersome procedures in Brussels and a lack of promising project proposals.

The evolution of economic relations between such countries as Egypt, Libya, and Algeria (not to mention Turkey) and the EU will be critical in the future development of these societies and will have a marked effect on the outlook for stability in the region as a whole. In this context, Athens faces an especially difficult dilemma, given Greece’s natural interest in southeastern European reconstruction, an expensive project that will likely further constrain the resources available to support the Barcelona process. On balance, Greece has a stronger and more direct interest in the stability and prosperity of the Balkans, but Athens will retain a significant, secondary stake in the progress of EU policy to the south.

Second, and more dramatically, the strategic environment around Greece is being shaped by the development of new lines of commu-

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communication for energy and for nonenergy infrastructure projects. Since the 1940s, transregional communications have faced important structural restrictions imposed by Cold War realities, the Arab-Israeli conflict, and lack of development—and more recently, conflict—in key transit regions, such as the Balkans and the Caucasus. Many, but by no means all, of these constraints have fallen away in recent years, and it is now possible to envision a far more complex and interdependent network of transport and communications from the Adriatic to Central Asia and across the Mediterranean. If even a fraction of the new road, rail, pipeline, and electric power transmission schemes currently proposed actually come to fruition, the geopolitical scene around Greece will be transformed in important ways.

Greek businesses can be important players in regional infrastructure projects, and these commercial stakes can affect political relationships around the Balkans, the Black Sea, and elsewhere. A more diverse road, rail, and port network could reduce Greek exposure to disruptions in transport to Europe. Greece itself could become a more significant conduit and entrepot between Europe, Eurasia, and the Middle East. Perhaps most important, major new infrastructure projects (and the choices they represent) can influence the propensity for conflict and cooperation in adjacent regions. The debate over competing routes for Caspian oil has encouraged a “great game” view of infrastructure developments. But in reality, new pipelines—regardless of the route—will foster a more interdependent set of relationships, spanning regions. These links are just as likely to be focal points for cooperation rather than the stakes of conflict. Supply and transit relationships, once established, will be difficult to break, and the degree of shared economic interest will be high.

The proliferation of transport routes for natural gas around Eurasia, the Middle East, and the Mediterranean, although less fashionable than the debate surrounding Caspian oil, could prove even more important for the longer-term evolution of the strategic environment. Unlike oil, gas is a regional rather than a global commodity, often with an expensive and fixed infrastructure for supply. As a result, the dependence on specific producer-consumer relationships

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7These issues are treated in detail in Chapter Four.
8See Chapter Four.
is more structural and pronounced. Gas is also an increasingly popular fuel and is not amenable to substitution, at least in the short term. The European dependence on gas imports from North Africa has grown substantially in the past decade, encouraged by the construction of new pipelines across the Mediterranean. Greece, too, is set to import significant amounts of liquefied natural gas from Algeria, and a pipeline across the Adriatic linking Greece to existing North African gas networks is under discussion.

Europe has long imported large quantities of gas from Russia. Over the next decade, southeastern Europe and the eastern Mediterranean are expected to emerge as an important new avenue for importing gas into Europe, and such countries as Egypt and Syria will be important producers in their own right. Commercially viable petroleum deposits have also been found off of Israel and Gaza, although their exploitation would depend on favorable political conditions (Orme, 2000). These developments are likely to influence the way the West thinks about energy security. Europe, in particular, may focus more on the Caspian, the Black Sea, and North Africa and less on the Gulf. Coupled with a more active European foreign and security policy, this could mean that energy security questions in Greece’s neighborhood will receive greater attention from government and the private sector.

The Security Dimension

Third, nontraditional security issues are characteristic of the new strategic environment, and many of these issues are strongly trans-regional: They cross regional lines, and many can only be addressed effectively on a transnational basis. Increased energy flows of all sorts through the Aegean, the eastern Mediterranean, and the Adriatic could raise important environmental issues for Greece and other regional states. No single state alone can easily address the costly planning and crisis-management issues associated with heightened environmental risks, increasing the incentive for regional cooperation, coordination, and funding.

Alarmist predictions about large-scale migration from south to north across the Mediterranean, common in analyses of the strategic environment in the 1980s and 1990s, have proven unfounded. In the western Mediterranean, southern Europe does face a stressful social
problem from migration from Africa and elsewhere, but the scale has been limited. At the same time, more serious migration issues have arisen in the eastern Mediterranean and southeastern Europe, affecting Greece, Turkey, and the Adriatic region. Indeed, Greece offers the most dramatic example of the challenges economic migration within the region has posed. Greece alone has absorbed perhaps 300,000 Albanian immigrants in recent years, as well as large numbers of migrants and asylum seekers from elsewhere in the region and from the Middle East.9 Estimates of the net increase in Greece’s population as a result of these movements range from 500,000 to nearly 1 million people. This influx has strained the country’s social welfare system and has emerged as a leading factor in popular perceptions about security. In general, Greece has avoided the very highly charged debate about immigration evident in other EU states, but the issue is clearly part of today’s security perceptions and the security agenda as seen from Athens.

Beyond the accommodation of economic migration, societies around the Balkans and the eastern Mediterranean are experiencing rapid, sometimes violent, change, with the potential for sudden and disastrous refugee movements. The last 10 to 15 years have seen dramatic examples of this phenomenon, including the massive exodus of ethnic Turks from Bulgaria (many have since returned), sporadic large-scale movements from Albania to Italy, the flow of Kurds from southeastern Turkey and northern Iraq, and the exodus from Bosnia and, more recently, Kosovo. Turmoil in Egypt might also generate large refugee flows affecting Greece and the region, although the failure of such migration to materialize from the Algerian crisis suggests that neighboring countries in North Africa, rather than southern Europe, would face a larger refugee burden than Europe.

Partly as a result of growing crime rates, often linked to migration in the public debate, personal security has emerged as an important issue in Greece’s region. The cross-border challenges in this area range from problems of petty crime to drug trafficking, refugee smuggling, and such more-exotic activities as the smuggling of arms.

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9At points during the 1990s, this number may have been as high as 500,000 (Ministry of Press and Mass Media, 1999, p. 3).
and nuclear material, with direct security implications (see Politi, 1997). The growth of a transregional illegal sector around the Adriatic, in the Balkans, in the Caucasus, and in the Middle East is also having serious consequences for diplomatic and security relations.\footnote{The inherently transnational nature of these problems is highlighted in Chrysochoidis (2000).} As an example, the fact that a very large percentage of the drugs entering Europe arrive via Turkey inevitably affects the discourse between Ankara and key European states, and this issue is likely to become even more prominent to the extent that Turkey’s EU candidacy progresses. Money laundering linked to transnational organized crime is another facet of this problem affecting Greece, Turkey, Cyprus, Israel, and other states in the eastern Mediterranean.

Regional conflicts, as in Bosnia, Kosovo, and southeastern Turkey, can create conditions of “war economy” that encourage the spread of organized crime and violence and may defy political resolution.\footnote{The propensity for illegal activity to interact with political crises is discussed in Politi (1999), pp. 49–58.} Economic sanctions, imposed unilaterally or by the international community, can also have the unintended consequence of fueling black markets and the illegal sector, even beyond the borders of the targeted state. The international sanctions on Serbia, together with the disruption of normal transport routes, clearly had this effect on neighboring countries in the 1990s. Further afield, in the Caucasus and Central Asia and in parts of the Middle East and Africa, persistent “zones of chaos” (e.g., Chechnya, Afghanistan, Sudan) can affect global security by providing a congenial environment for illegal and terrorist networks.

In the realm of “hard security” issues, Greece and its international partners face the challenges of terrorism, spillovers of political violence, and the proliferation of weapons of mass destruction (WMD) and the means for their delivery at long ranges. These inherently transregional problems will require transregional approaches.

The question of terrorism has remained a neuralgic issue, especially in Greek-U.S. relations, because of the persistence of left-wing terrorism in Greece. The activities of the November 17 group have been especially controversial. This group has killed some 23 people since
1975, including five U.S. embassy employees. In all likelihood, November 17 is a very small network of individuals—perhaps a dozen activists—and the organization represents a type of violence that is an anachronism given the changing face of modern terrorism. Some features of international terrorism as it has evolved over the last decade, often described as the “new terrorism,” are at variance with the actions of November 17. The new terrorism tends to be characterized by increased lethality (e.g., large-scale bombings), anonymous actions, network forms of organization (rather than hierarchies), and systemic or religious rather than political motivations.¹² In this context, November 17 is very much an example of an older pattern of terrorism common across Europe in the 1970s (e.g., the Red Brigades in Italy, the Bader-Meinhoff group in Germany, Action Direct in France). Greece is not alone in facing residual traditional terrorism, although other European examples such as ETA in Spain and the “Real IRA,” tend to have separatist agendas.

The June 2000 assassination of Brigadier Stephen Saunders, the British military attaché in Athens, against a background of criticism by Washington of perceived shortcomings in Greece’s counterterrorism efforts, brought the issue of November 17 to the fore. By all accounts, counterterrorism cooperation between Greece and its European and American partners has become more active and effective in 2000.

Left-wing terrorism, and the potential for spillovers of terrorism centered elsewhere (as with the actions of Palestinian groups in the 1980s), may not pose a serious threat to Greek democracy and the stability of society as a whole but does effect the country’s strategic interests in important ways. Terrorist activity, and even the perception of heightened risk, can affect tourism and investment and can distort key foreign relationships that should be focused on other matters. As Greece has moved more firmly into the European mainstream and as the EU has focused more heavily on “third pillar” issues, counterterrorism is increasingly a question of European, as well as national, policy. With the Athens Olympics in 2004 and the possibility of further deterioration in the political environment in the Middle East, terrorist risks have acquired additional significance.

¹²These elements are discussed in Lesser et al. (1999).
The combination of a high-visibility international event; violent political movements with active grievances in adjacent regions, whether the Middle East or the Balkans; and the relatively unrestricted flow of people across borders suggests that this is a challenge Athens must take seriously. The changing nature of terrorism, in which the rise of loose networks makes intelligence-gathering and counterterrorism more difficult, also reinforces the need for a multi-lateral approach to the problem.

Greeks are often puzzled by the strength of the American reaction to international terrorism and the prominence given to the issue in bilateral relations as seen from Washington. American concern about the November 17 problem reflects the history of attacks on American citizens and property in Greece but also reflects post–Cold War American strategic culture. Few adversaries are capable of confronting the United States directly, and the United States enjoys a relatively high degree of security. The American security debate therefore increasingly focuses on the problem of “asymmetrical threats,” those to U.S. territory (witness the debate over national missile defense) and to American interests abroad. Moreover, Europe, with its long experience of terrorism and counterterrorism, arguably has a higher tolerance for such risks. American policymakers and analysts generally perceive the Greek response to left-wing terrorism over the last two decades as inadequate. For example, there have, to date, been no convictions related to November 17 assassinations in Greece.

In short, for a variety of reasons, the issue of terrorism is likely to remain on the agenda in bilateral relations, and Greece should have a growing stake in more effective counterterrorism cooperation. Indeed, many more Greeks have been victims of terrorism in Greece than Americans, and Athens has much to lose even from the perception of being “soft” on this problem. The growth of counterterrorism cooperation between Greece and its EU partners can offer a useful and, in some cases, less politically charged vehicle for improving the Greece’s ability to deal with terrorist challenges. But, with the generally positive evolution of Greek-U.S. relations in most areas, there is every reason to expect better bilateral cooperation against a wide range of terrorist risks.

Finally, the eastern Mediterranean region is exposed to risks associated with the spread of WMD—nuclear, chemical, biological, and
radiological—and the means for their delivery at long range. Indeed, proliferation, especially the proliferation of ballistic missiles, is likely to be one of the defining security challenges for Greece, Europe, and the United States over the next decade. Most of the world’s leading proliferators are arrayed along an arc from South Asia to North Africa. Over the next decade, it is possible that one or more new nuclear weapon states may emerge in the Middle East. In the same period, Europe will be increasingly exposed to ballistic missile systems with ranges over 1,000 km deployed in the Gulf, the Levant, and possibly North Africa.

Even without the use of WMD, the presence of missile systems, as well as sophisticated aircraft, of trans-Mediterranean range can have a transforming effect on the strategic environment. The ability of Middle Eastern states to reach European population centers means that Europe will be increasingly exposed to the retaliatory consequences of Western action anywhere in the region. Decisions about defense cooperation in crises will need to reflect issues of national vulnerability and may impose new costs for missile defense. To the extent that Europe as a whole becomes more active in the region through the EU Common Foreign and Security Policy (CFSP), this issue could arise even without American involvement. Political developments, including the deterioration in the Middle East peace process, and uncertainties regarding the future of Western relations with Russia, China, or North Korea could quicken the pace of regional proliferation.

For Greece, two issues associated with this climate of proliferation are worthy of special attention. First, there has been a tendency to view missile and WMD proliferation as essentially, “an American issue,” a fashionable debate spurred by the fear that states in confrontations with the United States but unable to compete conven-

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13A recent report, citing Central Intelligence Agency assessments, does not rule out the possibility that Iran already possesses a nuclear capability. See Cambone (2000), p. 9.

14For recent assessments of missile and other proliferation risks, see Office of the Secretary of Defense (2001), National Intelligence Council (1999), and Steinberg (2000). See also Boyer et al. (1996) and Lesser and Tellis (1996).

15The use of ballistic missiles is not just a theoretical issue for the region, as the use of such systems in the Iran-Iraq war, the Gulf War, and the conflict in Yemen demonstrates.
tionally will turn to asymmetric strategies, using nontraditional means. There has also been a fear that the adversaries may, in some instances, be “crazy states,” or even nonstate actors, who might use unconventional weapons irrationally.\textsuperscript{16} The spread of technologies allowing longer-range missiles is already transforming this from an issue of concern for a limited number of front line states (e.g., Turkey, Israel) to one of concern for a larger number of southern European states (including Greece). It will, in short order, be a Europe-wide issue when Paris, Berlin, and London come within range of systems deployed in the Gulf and elsewhere. Proliferation is introducing new variables in relations between Europe and the Middle East, with the security of both regions now more closely linked, and in relations between Washington and European allies.

Second, although Greece clearly is not the target of regional proliferators (indeed, proliferation dynamics are largely south-south rather than north-south), Athens still needs to be concerned about the indirect effects of proliferation. Some implications for European and transatlantic policy have already been mentioned. Beyond these, there could be negative consequences for regional balances of obvious concern to Greece. For example, if Turkey were to face a nuclear-armed Iran, Iraq, or Syria on its borders, perhaps against a background of reduced confidence in the NATO security guarantee and greater instability in the Gulf, Turkey would have strong and understandable incentives to explore retaliatory capabilities of its own (these need not be nuclear). Even conventional missile proliferation introduces incentives for response. This would be important for the military equation in the Aegean, the eastern Mediterranean, and the Balkans—further evidence of the transregional character of the new strategic environment surrounding Greece.

A feature common to most of the transregional challenges noted here is the imperative of using multilateral approaches to shape the strategic environment and respond to risks, from the almost inevitable problems of migration in southeastern Europe to the very low probability but high consequence risks that WMD proliferation and “superterrorism” pose. The costs of addressing these challenges on a national basis are high and perhaps unsupportable in the Greek

\textsuperscript{16}This is actually an old concern. See Dror (1980), which was originally published 1971.
case. The problem of theater ballistic missile defense provides a striking example of a challenge that probably can only be approached effectively on a Euro-Atlantic basis. In other areas, from terrorism to drug smuggling, the continued Europeanization of Greek policy is essential, driven on the one hand by the need to multilateralize policy problems and, on the other, by requirements emanating from Brussels in an era of increasing European integration.

GREEK-TURKISH DÉTENTE AND REGIONAL GEOPOLITICS

The perception of a threat from Turkey has traditionally dominated Greek thinking about the strategic environment, including defense planning. This perception has also shaped and perhaps distorted Western analyses of Greece’s regional role. Unquestionably, strategic uncertainty regarding Turkey has absorbed enormous energy and resources on the Greek side. In broader political terms, conflict with Ottoman and modern Turkey has been central to the development of Greek nationalism and the evolution of the modern state (see Blinkhorn and Veremis, 1990).17 The recent détente with Ankara, however tentative, and the future of the relationship with Turkey will have a crucial effect on Greece’s foreign and security policy options.

Since the Cyprus crisis of 1974, the potential for a major clash between Greece and Turkey has been important for the security equation in southeastern Europe and the eastern Mediterranean, albeit overshadowed for decades by the East-West competition. Since the breakup of the Soviet Union, relations between Athens and Ankara have been one of Europe’s most dangerous flashpoints. Even with tangible conflicts in the Balkans, Western observers, especially in the United States, worried about the prospect of a wider confrontation pulling in Greece and Turkey. This concern was a consistent theme of arguments for American intervention in Bosnia and even Kosovo, despite the fact that Athens and Ankara have pursued distinctly moderate and multilateral policies in the Balkans—perhaps in acknowledgment of the risks of doing otherwise but also out of shared interest.

17Conflict with Greece has also had an effect, if less pronounced, on the development of modern Turkish nationalism, especially in the early years of the republic.
The dangers of Greek-Turkish confrontation, apart from the obvious human costs, are truly strategic. Conflict would undermine stability across southeastern Europe and further complicate the settlement of disputes elsewhere in the Balkans, jeopardize the broader Western strategy of enlargement (both NATO and EU) in the east, and introduce new and damaging variables in relations with Russia and the Muslim world. At a minimum, the environment of brinkmanship that almost led to war over Imia-Kardak in 1996 could have led to the permanent estrangement of Turkey and permanent foreign and security policy costs for Greece. NATO adaptation, especially in the Mediterranean region, would have been difficult or impossible, and the EU’s nascent common foreign and security policy would have been mired in Aegean problems.

The current détente is the product of several developments, some proximate and others of a strategic, even grand strategic, nature. On the Greek side, the adoption of a more restrained and “European” foreign policy in the latter years of the Papandreou government provided the groundwork for a new approach. Indeed, some elements of the current rapprochement, especially in the areas of confidence-building and risk-reduction date from this period (e.g., the Papoulias-Yilmaz agreements). The Greek decision to support the offer of EU candidacy to Turkey at the December 1999 Helsinki summit reflects a new, strategic approach to the future of relations with Ankara. Helsinki reversed the deterioration in Turkish relations with Europe that had followed the Luxembourg and Cardiff summits and offered a path toward closer Turkish integration in Europe. Progress along this path would “anchor” Turkey ever more closely to Western institutions, make nationalist approaches less attractive to Ankara, and lend greater stability to Greek-Turkish relations. The Helsinki strategy compels Europe to pay closer attention to areas and issues (including Cyprus) of concern to Athens and, not least, multilateralizes—or more accurately, Europeanizes—the question of policy toward Turkey.

From the Turkish perspective, Helsinki was an enormous symbolic achievement, even if the end state of Turkey’s candidacy remains uncertain. In the context of Turkey’s own debate about the identity and evolution of the country, this takes on considerable importance. Moreover, the Helsinki agreement was seen—accurately—as reflecting a new and more strategic European approach toward Turkey as
an increasingly capable and assertive regional actor. The EU candidacy is attractive across the Turkish political spectrum. Reformers see it as an opportunity to move the country into the mainstream of the European liberal order. Conservatives and the security establishment see an opportunity to reinforce the country’s Western vocation and to secure a place in new European security arrangements (the latter expectation has not, however, been fulfilled). Even Turkey’s Islamists find the prospect of greater European pressure on democratization and human rights issues attractive.

These strategic motivations for the Helsinki agreement and Greek-Turkish rapprochement were facilitated by a series of proximate factors. There was a perception on both sides in the wake of the Imia-Kardak crisis, and the subsequent tension over the planned deployment of S-300 surface-to-air missiles on Cyprus, that brinkmanship had reached very dangerous levels, especially against the background of ongoing crises in southeastern Europe (a view EU and NATO allies clearly shared). An accident or miscalculation in the Aegean could easily escalate and lead to a military conflict that would harm the interests of both countries. This sense of peering over the brink, palpable in 1996, was arguably not unlike the effect of the Cuban missile on U.S.-Soviet relations more than 30 years earlier.

A measure of political stability in Athens and Ankara, coupled with a good working relationship between key officials on both sides, offered a positive context for pursuing more-active bilateral diplomacy in a sphere that engages some of the most sensitive nationalist issues. Finally, the disastrous earthquakes of 1999 evoked a sense of sympathy and solidarity on both sides and created a favorable public opinion “space” for new initiatives. The result has been a marked reduction in Greek-Turkish tensions; the conclusion of practical agreements for cooperation in relatively noncontroversial areas, such as public order, trade, and tourism; and most recently, discussions on the implementation of confidence-building and risk-reduction measures. At the same time, the private sectors in both

\[18\text{The measures tabled for discussion reportedly include both operational and non-operational steps, e.g., limitations on exercises and armed flights, exchanges of military information and observers, high-level military dialogue, and cooperation in the context of NATO Partnership for Peace and Mediterranean initiatives (Athens News Agency, 2000).}\]
countries have embarked on numerous joint initiatives, embracing businesses and nongovernmental organizations (see Kalaycioglu, 2000). The private-sector dimension is especially significant because it reflects a wider constituency for Greek-Turkish détente and offers vehicles for practical cooperation in areas of shared interest, including economic development in the Balkan and Black Sea regions. For the moment, bilateral contacts have become fashionable among commercial and nongovernmental elites on both sides of the Aegean.19

Despite very significant change in the Greek-Turkish relationship, supported by strong strategic motivations on both sides, the détente remains fragile and subject to interruption or even reversals. The October 2000 dispute over air operations in the context of a major NATO exercise in the eastern Mediterranean offered clear evidence of this fragility, particularly in the military sphere. There are a number of challenges to the consolidation of Greek-Turkish détente.

First, there is the question of public perception with regard to symmetry and the desire for reciprocity. Many Greek observers feel that it is now “Ankara’s move” in the post-Helsinki climate (many Turks would obviously dispute this) and look to Turkey for overtures on the reopening of the Halki theological seminary or other symbolic steps, such as the withdrawal of the Turkish parliament’s “causus belli” resolution regarding territorial waters in the Aegean.

Second, there is the substantive question of when and how to progress from relatively noncontroversial matters to the central issues in the bilateral dispute—the Aegean and Cyprus.20 A more positive climate might endure without addressing these problems but would almost certainly remain a fragile undertaking. Most observers believe that the dialogue must eventually move toward the resolution of the central issues for the détente to be durable. That said, dialogue and agreement in other areas can create a climate of confidence and pave the way for more serious negotiations—as long

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19 As a prominent Turkish observer told the author in the fall of 2000, “if one has not been to a meeting with Greeks in the past week, one is not ‘in’ in Istanbul.”

20 This analysis does not attempt to assess in detail the complex of Aegean and Cyprus issues that have plagued Greek-Turkish relations for decades. There have been many excellent analyses in this area, including Stearns (1992); see also recent analyses by Theodore Coulomby and, for a Turkish perspective, Tozun Bahcheli.
as adequate attention is paid to risk reduction in the interim. In this context, a tentative debate is emerging on both sides (as well as in Washington and Brussels) about the extent to which the toughest issues (e.g., Cyprus) can be decoupled from this process without losing public support.

Third, the prospects for détente will be influenced by the longer-term evolution of foreign and security policy priorities on both sides, as well as such exogenous factors as the evolution of the EU and NATO and stability in southeastern Europe, the eastern Mediterranean, and the Middle East. Without positive regional and institutional settings, Greek-Turkish rapprochement will be harder to sustain. There may also be a tension between the desire for military disengagement and a “peace dividend” on the one hand and the possible continuation of Turkey’s large-scale military modernization plans—in the region of $90 billion through 2020—on the other. In short, can the military aspects of détente be sustained in the face of a changing military balance, even if this change is driven largely by Middle Eastern and Eurasian requirements?21

Fourth, and most seriously, the current détente is intimately linked to the evolution of the broader Turkish-European relationship. Stagnation or deterioration in relations between Brussels and Ankara would complicate and perhaps threaten the improvement in Greek-Turkish relations. This connection is especially close in the context of Cyprus and with the likelihood of its accession to the EU with or without a settlement, as the Helsinki agreement implies. For this reason, Athens and Ankara have a shared stake in ensuring that Turkey’s EU candidacy does not prove “hollow.” As the EU’s recently released Accession Partnership Document makes clear, Turkey has a difficult road ahead if it is to meet the “Copenhagen Criteria,” not to mention the myriad harmonization requirements surrounding the accession process itself.22 There is also the very serious and largely neglected political question of whether key EU members are actually prepared to envision full Turkish membership. The most promising factor in this regard is the possibility that the EU itself will change fundamentally over the next decade, offering new possibilities for

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22 For a recent discussion of key challenges and approaches, see Barchard (2000).
Turkish integration. Ideally, accelerated Turkish political and economic convergence with Europe will emerge as the key objective for all sides, without prejudging the likelihood of membership as an end state. Indeed, this convergence may be more important to the stability of Greek-Turkish relations over the longer term than the question of Turkish membership *per se*.

Turkey’s economic and political travails and the financial crisis of 2001 may affect the outlook for Turkish integration, and relations with Greece, in unpredictable ways. On the one hand, the crisis may reinforce the view of some within the EU that Turkey’s problems are beyond the union’s capability to manage. At a minimum, the crisis will offer further, difficult tests for both Ankara and Brussels, and the result could be a weakening of Turkish-EU relations. This could interact with a more nationalistic mood in Turkey and might cloud the outlook for Aegean détente. On the other hand, a Turkey that manages to undertake the economic and political reforms that recovery requires might also be in a stronger position to meet EU requirements on many fronts. Greece has a clear geopolitical interest in Turkish economic recovery, because prolonged turmoil is likely to impede the resolution of key issues in the bilateral relationship and could lend greater unpredictability to Turkish policy.

Despite evident challenges to the consolidation of Greek-Turkish détente, it is clear that the progress that has been made since 1999 represents a critical change in the strategic environment, affecting both Euro-Atlantic and regional interests. The détente has greatly facilitated the EU’s enlargement strategy and NATO adaptation in the Mediterranean. It has contributed to the normalization of both countries’ relations with key allies and institutions and enhances the prospects for effective multilateral approaches to stabilization, reconstruction, and crisis management in the Balkans. The new climate, if it can be sustained, is a potentially transforming development in Greece’s strategic environment.

**THE MEDITERRANEAN, THE BLACK SEA, AND THE MIDDLE EAST**

Most analyses of Greece’s strategic situation in recent years have focused on the country’s role in southeastern Europe. This approach
is understandable—and justified—in light of recent conflicts and Greece’s role in regional stability and reconstruction. In all likelihood, southeastern Europe will continue to be a central focus of Greek strategy, as well as European and American policy toward Greece. Yet, as the earlier discussion of new transregional issues suggests, developments across a wider region—in particular, the Mediterranean, the Black Sea, and the Middle East—are likely to have an important influence on the strategic environment Athens faces and will offer new opportunities for Greek policy.

The Greek worldview and strategic tradition have been heavily influenced by the country’s relationship to the sea and the existence of a large Greek diaspora. Greek shipping is among the most prominent worldwide and remains an important part of the Greek economy. This maritime outlook continues to shape the way Greeks see the country’s national interests, including the relationship with Turkey in the Aegean. In this context, it is worth noting an important asymmetry with the Turkish strategic orientation which, despite significant interests in the Mediterranean and the Black Sea, is essentially continental rather than maritime.

Changes across the region can effect Greek interests in several dimensions. Stability around the Black Sea will be shaped by the prospects for political and economic development in Russia, Ukraine, and the southern Caucasus. Ethnic animosities, economic crises, and regional competition cloud the outlook (see Valinakis, 1999). Black Sea developments can in turn influence the evolution of the Balkans and the eastern Mediterranean, where Greek interests are more directly engaged. The effects of turmoil around the Black Sea and its hinterlands can, for example, influence the viability of energy and nonenergy infrastructure projects, including those linking the Caspian and southeastern Europe. The importance of the Black Sea region to the West and to Europe in particular is likely to increase in the coming decades, as a result of the interest in Central Asian resources and the need to develop a stable and cooperative

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23The specific outlook for southeastern Europe and Greek policy is discussed at length in the next chapter.

24Between the 1890s and the 1990s, the Greek shipping fleet emerged as the world’s largest, accounting for some 16 percent of world tonnage by 1994. For an excellent analysis of this history, see Harlaftis (1996).
relationship with Russia (or to limit the consequences of a more competitive relationship). The Black Sea Economic Cooperation project (BSEC), established in 1992, began as a vehicle for Turkish engagement in the region but has since evolved into a genuinely multilateral framework in which Greece has been an active participant. Athens will have a particular stake in reinforcing the European aspirations of Black Sea states and the development of BSEC to include political cooperation and “soft security” matters (Valinakis, 1999, pp. 42, 54).

The evolution of the Middle East, including the Arab-Israeli dispute and the strategic equation in the Gulf, can have a direct influence on Greek security interests. The persistence of Israeli-Palestinian conflict, and reversals in the peace process, can lead to regional spillovers of terrorism and political violence affecting a range of interests, from tourism to maritime security. In the wake of the October 2000 terrorist attack on a U.S. destroyer in Aden, and with ongoing violence in the West Bank and Gaza, governments have become concerned about the possibility of terrorist attacks on the Suez Canal, a risk with implications for both commercial and naval transits (Becker, 2000). Further deterioration in the peace process could even reintroduce the possibility of a wider Arab-Israeli confrontation. Overall, the ever-closer linkage between security in the Middle East and security in Europe means that Greece will wish to take a more active role in European and Western policies that can have direct consequences for Greek security and prosperity. In a narrower sense, the crisis in the Middle East peace process limits Greek freedom of action in the region. In particular, it will be difficult to extend the recent improvement in Greek-Israeli relations, or to set these relations in the context of Turkish-Israeli-Greek cooperation, against the background of continued violence.

25Turkey, Greece, Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russia, and Ukraine are members of BSEC. The organization has established, among other initiatives, a Black Sea Trade and Development Bank in Thessaloniki. For a discussion of BSEC and useful next steps, see Rizopoulos (2000).

26Middle Eastern terrorism in Greece can be ascribed to the existence of local support networks, proximity to conflict areas and relatively unrestricted travel, and the presence of international targets, among other factors (Kaminaris, 1999).

27For a survey of the evolution of these relations, see Nachmani (1987).
Tensions in the Middle East may also lead to a search for new approaches to the peace process in which Europe may play a larger role (see Peters, 1999, and Steinberg, 1999). The United States and Israel have traditionally resisted an active European role in Middle Eastern diplomacy, but this too could change under the pressure of circumstances. The Middle East is also a likely sphere for activism within the EU’s CFSP and is a natural vehicle for Greece’s increasingly European foreign policy. In the Gulf, the continuing Western confrontation with Iraq holds the potential for renewed American intervention and, perhaps, requests for Greek participation in coalition military operations. Under conditions of increased Greek exposure to retaliation, the debate over access to facilities, overflight, etc., may be more contentious than during the Gulf War. In this case, the critical variable for Greece, as in 1990, may be the extent of European consensus on cooperation with the United States. To the extent that Europe itself develops greater capability and willingness to intervene in crises outside Europe, future pressures along these lines may come from Brussels rather than Washington.

Relations between Iran and the West may also evolve in ways that would affect Greece. There is no reason to assume, for example, that U.S.-Iranian friction is a permanently operating factor, even barring change in Iran’s regime or orientation. The uneven pace of reform in Iran has not allowed the relaxation in relations between Washington and Tehran that some had anticipated in the near term. But, despite its revolutionary legacy, Iran is arguably a status quo rather than a revisionist power in regional terms. The prospect exists for further democratization and moderation. An accommodation with American power is possible, and this would allow Europe, including Greece, to move more rapidly in the direction of economic and diplomatic engagement. The reintegration of Iran might improve the outlook for stability in the Gulf, open new lines for the export of Caspian oil (which might, however, have negative implications for the Baku-Ceyhan pipeline via Turkey), create better conditions for Arab-Israeli peace, and reduce proliferation dynamics across the Middle East and the eastern Mediterranean.

Greece shares a southern European interest in promoting Mediterranean issues and Mediterranean initiatives within European and Atlantic institutions. This interest has emerged as part of a general trend toward increasing diplomatic activism among southern Euro-
Spain and Italy have been in the vanguard of this movement, but Greece also has a keen interest in these activities, because its interests are engaged in the region, but also as part of an increasingly European approach. Europe has evolved a complex and reasonably effective security architecture. Across the Mediterranean, and in the Middle East, there is essentially no functioning security architecture. Although a comprehensive Arab-Israeli settlement could facilitate the creation of regional security arrangements, there is also an interest, not limited to Israel, in building ties to Euro-Atlantic institutions—"borrowed security"—as an alternative approach.

The Mediterranean has acquired greater prominence in EU and NATO strategies, and the initiatives these institutions have sponsored have become focal points for dialogue across the region.28 Whereas the Euro-Mediterranean Partnership (the "Barcelona Process") dominates the economic and social dialogue between north and south in the region, the security dimension is treated in several forums, including the political and security basket of the Barcelona Process. All Mediterranean dialogues in the security area have suffered from a high degree of suspicion among southern Mediterranean states, as well as from the Arab-Israeli tensions. Indeed, the Arab-Israeli dispute imposes the leading, enduring constraint on the development of an effective multilateral approach to security in the region.

In NATO’s seven-member Mediterranean Initiative, some participants have expressed a desire to move from dialogue to more-active cooperation, focused on region-specific interests (e.g., maritime search and rescue, energy security, and proliferation issues). Whether this interest can survive the current deterioration in relations with Israel remains to be seen. From a Greek perspective, the evolution of the NATO dialogue is notable for its increasing focus on the eastern Mediterranean and issues of more direct concern to Athens. When the initiative was launched in 1994, at the height of

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28The Mediterranean dialogue agenda includes initiatives in the framework of the Organization for Security and Cooperation in Europe, Western European Union, NATO, the EU, the Mediterranean Forum, and the multilateral track of the Middle East Peace Process. Several of these initiatives embrace nongovernmental as well as official dialogues.
the crisis in Algeria and in the midst of the debate over “civilizational” clashes, the focus was very much on north-south relations in the western Mediterranean. Over time, however, the center of gravity of the initiative has shifted eastward, with Israel, Egypt, and Jordan emerging as the most active participants.29

The Mediterranean is also likely to acquire even greater prominence in both EU and NATO strategy as both institutions seek to adapt to a new political and security environment in which risks and opportunities have shifted from the center of Europe to the southern periphery. This shift is clearly reflected in the functional challenges highlighted in NATO’s new Strategic Concept and in the likelihood that any further enlargement of the Alliance will include one or more Balkan states (Lesser, 2000).30 Athens, with Ankara, has a strong stake in the early enlargement of NATO southward to further integrate and stabilize southeastern Europe. In addition to the obvious implications of Middle Eastern developments for CFSP, in the defense realm, European Security and Defense Policy/European Security and Defense Identity are also likely to be felt first and foremost in the southeastern Europe and the Mediterranean, that is, in Europe’s backyard. A deployable European force along the lines of the “headline goals” announced in Helsinki is far more likely to be employed around the Mediterranean than on the Polish border.

Greek forces will almost certainly be part of these new European arrangements, and the most likely uses of these forces will be in Greece’s neighborhood. Finding an acceptable formula for including Turkey in European foreign and security policy decisionmaking, as well as EU defense arrangements, could improve the outlook for an effective approach to security on Europe’s southern periphery. Such a formula may also be essential for ensuring that Turkish-EU relations—and Greece’s Helsinki strategy—move forward, as Turkish opinion already regards the EU’s willingness to incorporate Ankara in these initiatives as a key test of Europe’s “seriousness.” Greece may, traditionally, have sought to minimize Turkey’s role in Euro-

29Mauritania, Morocco, Algeria, Tunisia, Jordan, Israel, and Egypt are members of the NATO Mediterranean dialogue. For a discussion of the initiative in the context of changes in NATO and the Mediterranean environment, see Lesser et al. (2000).

30On the case of Turkey in NATO’s first “enlargement,” see Athanassopoulou (1999).
pean defense decisionmaking, but this approach no longer makes sense if relations with Turkey are to be addressed in a European frame.

Ankara’s approach to the question is driven by the desire for a full role in security and defense decisions that may well concern events on its borders. More broadly, Turkey sees the EU stance on ESDP as a “test case” for European seriousness regarding Turkish integration. At the same time, Ankara does not wish to see any reduction in the role of NATO and, above all, the United States in European security. The Turkish veto of proposed planning arrangements for a European force within NATO has had the ironic effect of driving EU policy toward a more independent defense capability, with weaker ties to NATO—a development that works against Turkish and U.S. interests in promoting the inclusiveness of EU defense initiatives.

GREECE AND THE EURO-ATLANTIC SYSTEM

This discussion has focused on the relevance of developments in the regional (and transregional) environment for the Greek position. But Greek strategic interests will also be heavily affected by even wider changes involving Europe, the United States, and the international system in an era of “globalization.”

First, Europe is changing in ways that will confirm the importance of Greece’s movement into the European mainstream but that may also complicate Greek policy. The EU has embarked on a process of substantial enlargement that will change the distribution of resources within the Union and that raises important questions about Greece’s role and influence. As with the issue of NATO enlargement, Athens has opted to support EU enlargement for geopolitical reasons, despite the evident dilution effect. The prospect of a wider and possibly “multispeed” Europe has given Greece an even stronger stake in the consolidation of the country’s European identity and position within the EU core. In this context, Greek membership in the EMU, confirmed at the Lisbon summit in June 2000, has enormous symbolic and practical importance. The success of the Greek convergence program after decades of shaky economic performance and criticism from European partners represents an important achievement. If successful at the European level, EMU can bring increased growth and economic stability. It can also provide a continued
stimulus for reform and modernization. But membership in EMU is also certain to impose costs in terms of the ability to set monetary and fiscal policies, and future convergence requirements may compete with costly and much-delayed structural reforms. The challenge of sustaining the convergence program after EMU is heightened by the looming end of large-scale EU “cohesion” funding for Greece.31

Prospective changes in EU decisionmaking may be of even greater significance for Greece across a range of issue areas. Enlargement argues strongly for the reform of European decisionmaking procedures that might otherwise become unworkable. But smaller states within the Union are concerned about the loss of influence these reforms might entail (see Andreatta et al., 1996). The question has particular meaning for Greece to the extent that the EU succeeds in developing a more active foreign and security policy, because this policy will be heavily concerned with issues in Greece’s region(s). That said, having committed itself to a European policy, Athens has a particularly strong stake in ensuring that Europe is a capable actor, and decisionmaking reforms may be a necessary price to pay. Another consequence may be the emergence of even-more-pronounced, and accepted, niche roles within the EU, which could actually reinforce Greek influence on policy toward southeastern Europe and the eastern Mediterranean.

Second, transatlantic relations are entering a period of flux that will affect Greek interests. With signs that the EU may finally be “getting serious” about building an effective and more independent defense capability and with a new American debate about the proper nature and extent of U.S. engagement in Europe, the groundwork has been laid for potentially substantial change in transatlantic relations, especially in the security realm. European concern over suggestions that the United States might reduce its military commitment to Balkan peacekeeping points to an important change in Greek-U.S. relations. Traditionally, Greek observers have tended to measure the health of the bilateral relationship on the basis of specific, tactical questions, including the prospects for arms transfers and, of course,

31I am grateful to RAND colleague Katia Vlachos for this analysis of EMU’s benefits and risks for Greece.
policy toward the Aegean and Cyprus. Such questions have not lost their relevance, but it is likely that the character of the relationship in the future will be determined to an even greater extent by the substance of U.S. policy toward Europe as a whole, and toward nearby areas, such as the Middle East.

As Greek policy has become more European, Greek stakes in the bilateral relationship may come to resemble the perspective from London, Paris, or Berlin. But because Greece is adjacent to unstable regions, the extent of American involvement in these places, whether southeastern Europe or the Levant, has even greater significance for Athens and may emerge as a key measure of the bilateral relationship. A disengaged United States or one more inclined to act unilaterally would be a more difficult partner for Athens and for Europe as a whole.

The European and Atlantic dimensions of Greek policy should not be incompatible in this new setting. A more active Europe and a more European Greece actually imply a healthier bilateral relationship. This is already observable in the way that Washington increasingly treats policy toward Greece as part of policy toward Europe as a whole. At the same time, European consensus increasingly provides a context for Greek policy toward the United States and may actually permit more ambitious—and less controversial—cooperation than might be possible on a strictly bilateral basis.

Southeastern Europe and the Mediterranean are no longer marginal regions in the transatlantic calculus. The key measures of European and American roles in the new strategic environment will be found in areas near Greece. Given the range of instruments required for the stabilization and reconstruction of the Balkans and the Middle East, from peacekeeping forces to commercial investment, Athens will have an interest in keeping Europe and the United States engaged in a coordinated fashion. Europe may soon be capable of developing an independent approach to security in the Balkans, but there almost certainly will be circumstances in the future requiring American involvement. Further afield, in the Levant and the Gulf, a strong American role is a necessity, given the predominance of hard security challenges.
Finally, globalization has potentially important implications for Greece’s role. The term globalization embraces many different phenomena in the realms of economics, information, technology, politics, and culture. In the economic realm, it implies the spread, above all, of an American-inspired model of unfettered capitalism—“turbo-capitalism”—as Edward Luttwak describes it (see Luttwak, 1999; Mittelman, 2000; and Keohane and Nye, 2000). Societies in southeastern Europe and around the eastern Mediterranean, including Greece, are strongly affected by these phenomena. The region has many examples of societies experiencing rapid change, with many pressures on the sovereignty of the state.32 It is fashionable to see the United States as the primary engine of globalization. This is so in many respects, but in the areas surrounding Greece and for Greece itself, the demands of European integration are an equally important facet of the globalization phenomenon.

As the southeastern European and eastern Mediterranean country most closely integrated with Europe, Greece itself can be a vehicle for globalization—in the sense of new economic and social models—for the region. In this setting, Greece may find that its “soft power” assets, including an agile and internationally oriented private sector, exportable technical expertise, and political credibility—all instruments that can affect international outcomes through “attraction” rather than coercion—confer advantages in addressing regional problems (see Nye, 1990). In this sense, the outlook for an active Greek role in the Balkans and the Middle East may have as much to do with the changing nature of power in the international system as it does with geography and Greece’s institutional links.

Globalization also threatens the security of identity in many societies, as a consequence of migration or through wider access to information. As elsewhere in Europe, Greek society has experienced some aspects of this problem, but for other societies around the region, especially those across the Mediterranean, globalization poses a much more serious challenge to identity. At a minimum, globalization is likely to be part of the environment that Greece confronts in dealing with its eastern Mediterranean neighbors in the future. With its own experience of democratic transition and inte-

32Turkey is an exemplar of challenges facing a traditionally strong state.
Greece's New Strategic Environment

Greece may also have a credible role to play as a Euro-Atlantic actor in north-south relations, where the globalization debate has become a source of friction. Above all, Greece has a stake in preventing political frictions from acquiring harder security dimensions, a development that would foreclose many regional opportunities for Greece and that would foster an environment in which Greece’s soft-power assets are less relevant.

CONCLUSIONS AND POLICY IMPLICATIONS

The strategic environment Greece faces is increasingly complex and is characterized by a range of hard and soft security issues, many of which cut across regional lines. Developments in southeastern Europe and in relations with Turkey have the most direct bearing on Greek interests. But Greece’s full area of strategic concern and potential is far wider, stretching from the Adriatic to the Caspian and across the Mediterranean and the Middle East. Developments within this larger space can have an important, if less direct, influence on Greece and may be shaped by policies pursued in a multilateral frame. Beyond these spheres, Greece must operate in even broader European, transatlantic, and global systems. Changes here will also have a significant effect on Greece and its international role.

An important feature of the new strategic environment has been the end of southeast European and Mediterranean marginalization. The hard and soft security challenges Greece faces in these areas, as well as questions of regional development, are now central to European and American perceptions. Successive crises in the Balkans and the Middle East have made this clear. Key aspects of both EU and NATO strategy reflect the new primacy of concerns about Europe’s periphery. Europe faces the challenge of stabilizing and integrating poorer and less stable societies to the south. NATO faces the challenge of developing a cooperative model of security in the Balkans, across the Mediterranean, and in the Middle East. Greece, integrated into key Western institutions, looks across the Mediterranean to areas where institutions are weak or nonexistent and where there is no functioning security architecture. Yet some of the most pressing issues, from

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33 In this vein, see Kranidiotis (1999).
proliferation to refugee flows, from transnational crime to terrorism, cannot be addressed effectively on a national basis.

Against this background, the progressive Europeanization of Greece, and Greek policy, is a transforming development. Virtually all of Greece’s external policy challenges, including some of the most traditional and neuralgic, have now been placed in a multilateral frame. The European linkage confers great advantages, and the renationalization of Greek policy in most areas would be costly, damaging, and perhaps impossible. At the same time, closer integration has shifted the burden in key areas, such as immigration policy, to Europe’s periphery—another element of the Greek stake in stability in adjacent regions.

Just as Greece looks to Europe, Europe is set to acquire a more active role in foreign and security policy and in defense. The effects of this are likely to be felt first and foremost on the periphery, in southeastern Europe and the Mediterranean—that is, in the Greek neighborhood. The result is likely to be a more European context for Greek policy toward these regions. Continued turmoil in the Middle East could fuel this trend. This is not to suggest a significant reduction in the U.S. role or a lessening of the importance of the transatlantic link for Greece—but the emerging environment is likely to be more balanced in Euro-Atlantic terms. On the whole, this should reinforce the normalization that has characterized Greek-American relations in recent years. As this analysis suggests, a European frame for cooperation with Washington has actually been an element of stability in the bilateral relationship.

This analysis suggests a number of policy directions aimed at improving the strategic environment, strengthening the Greek role, and hedging against instability.

First, Greece’s European option should be strengthened and extended. Indeed, this is no longer really an “option” for Greece but a confirmed strategic choice. Prospective EU decisions about enlargement; decisionmaking reform; the future of cohesion funding; and, above all, the management of EMU will affect Greece, but the European connection remains a great asset for the country in geostrategic terms.

Second, Greece should move to consolidate the recent détente with Turkey as a contribution to regional security—and the national
interest. This détente is closely linked to progress in Turkey’s European integration, and Athens should continue to support this, bearing in mind that, over time, convergence may be more important (and perhaps more realistic) than EU membership. The future of Greek-Turkish détente should not, however, be entirely dependent upon smooth relations between Turkey and Europe. Athens and Ankara have an independent interest in risk reduction and strategic dialogue, and these activities, including military confidence-building measures, should be pursued as a hedge against vagaries in Turkish-EU relations.

Third, Greece can build on its position of regional credibility and useful “soft power” assets to continue to play a key role in southeastern Europe. Athens and many Greek institutions are well positioned to play a role in the longer-term stability and reconstruction of a region that has become a focus of Western security concerns. Greek and Western interests are served by the development of regional infrastructure as a basis for economic development but also as a vehicle for interdependence and security through diversification.

Fourth, developments in southeastern Europe should not obscure the reality of the Greek stake in developments around the Mediterranean and the Middle East. This could be an emerging high-priority area for Greece and for Europe in its common foreign and security policy. As the center of gravity of both EU and NATO initiatives in the region shifts eastward, Athens has an opportunity to play a more active role in efforts that will help define the strategic environment facing Greece over the longer term.

Not coincidentally, these policy directions can also serve to redefine and strengthen Greek-U.S. relations. The Europeanization of Greek policy—and the tendency for Washington to see Greece as part of the European landscape—has had a positive effect on the bilateral relationship. Beyond cooperation on new functional issues, support for Greek-Turkish détente and risk reduction, southeastern European reconstruction, and security in the Mediterranean and the Middle East are natural focal points for cooperation between Washington and Athens in the 21st century.