The last few years have witnessed a transformation in Greek foreign policy. This transformation has been a response to developments in the international environment, around Greece and further afield. It also reflects changes within Greek society and in the economic and political imperatives of a more European policy. Overall, the demands on Greek policymakers, and those outside the formal policy process who would wish to understand and help shape the debate, have increased substantially. The country’s foreign concerns and objectives—never simple—have been further complicated by the need to shape policy, to a greater extent than ever before, in a European and Atlantic context. To be sure, these new dimensions bring considerable advantages and add weight to Greek strategy and diplomacy.

At the same time, the Greek policy debate has become broader in terms of interests and actors. This is especially true in the security field, where “soft” security concerns, including migration and refugee flows, have taken center stage in the national debate. Such issues are now instrumental in Greek relations with neighbors in southeastern Europe and in discussions with the EU. In the “hard” security arena, the traditional concern over territorial defense has been augmented, if not entirely overtaken, by such new military tasks as peacekeeping and peace-support activities. These are now an integral part of Greece’s military diplomacy in the Balkans and around the Black Sea. Looking ahead, the proliferation of weapons of mass destruction and ballistic missile systems of ever-increasing range will inevitably exert a heavier influence on Greek strategy and planning. Even if Greece is far from the most likely target of such
systems, their presence will have a profound effect on military balances in the Middle East, the eastern Mediterranean, and Eurasia and on the behavior of allies—developments Greece will be unable to ignore.

In an era of globalization, the private sector and nongovernmental institutions of all sorts are playing more-active roles in the foreign policy debate and as international actors in their own right. Greece is no exception to this trend. Indeed, the private sector, through investment and policy advocacy, has emerged as a vehicle for change in previously troubled relationships—including Greek relations with Turkey and FYROM. Infrastructure projects, including road, rail, ports, energy transport, and telecommunications—will help to shape regional geopolitics from the Adriatic to the Caspian. Most of this development will come from private-sector initiatives, and here, too, Greek companies are poised to play an active role. Very few opportunities of this sort existed during the Cold War. The political changes of the past decade have opened new possibilities and diversified Greece’s international engagement. This engagement is also very much in the tradition of Greek involvement in the commercial life of the Mediterranean and of the Black Sea and its hinterlands.

In a broad view of Greece’s international position in light of recent developments, four trends stand out. Each affects the geopolitical environment and the Greek role in fundamental ways.

THE END OF MARGINALIZATION

First, the new environment marks the end of southern European; Mediterranean; and, more specifically, Greek marginalization. In the post–Cold War setting, challenges and opportunities have shifted from the center of Europe to the periphery. As a result, the interests and roles of regional actors are no longer marginal to the European and transatlantic calculus. Successive crises in the Balkans have made clear the extent to which European security is closely tied to developments on or near Greece’s borders. The Schengen agreement and the evolution of EU policy on “third pillar” issues have shifted much of the burden of Europe’s border-control policies to members on the periphery, including Greece. Moreover, Europe’s evolving common foreign and security policy and new defense arrangements will naturally focus on areas of relatively high demand
within Europe’s reach—above all southeastern Europe and the Mediterranean. Similar trends are at work within NATO, where a new strategic concept and the potential for further enlargement southward in the Balkans are displacing the traditional marginalization of NATO’s Southern Region.

From the perspective of Greek policy, the end of marginalization offers new opportunities to engage the country’s European and transatlantic partners in support of Greek interests. Athens will have less difficulty than in the past linking its own geopolitical concerns to those of its allies. On the other hand, Athens will have less scope to pursue narrower national objectives, whether in relation to Turkey, the Balkans, or the Middle East, without reference to European and Western interests.

THE TRANSFORMATION OF KEY RELATIONSHIPS

Second, the relationships that have defined Greece’s external policy since 1945 have changed in fundamental ways. Greece’s entry into the EMU has codified the country’s European inclination. In many respects, EMU represents the latest development in a process of Europeanization that has accelerated sharply over the past decade. Continued convergence and integration with Europe are now central to the country’s internal, as well as external, policy debates. This phenomenon, with all of its stresses, is arguably irreversible; the costs of doing so would be unreasonably high, both economically and politically.

Europeanization has also profoundly affected Greek foreign policy outside Europe. Nowhere is this more evident than in relations with Turkey. Circumstances since 1999, including the much vaunted “earthquake diplomacy,” have strongly favored the development of Greek-Turkish détente. But from the perspectives of both Athens and Ankara, Europe is a key variable in this equation. The Helsinki summit, in particular, reflected a strategic decision on the Greek side to place relations with Turkey in a European frame: to encourage the “anchoring” of Turkey and Greek-Turkish relations in European institutions and to enlist the EU in the management of relations with Ankara. The rapprochement with Turkey remains fragile and has yet to address the core issues of Cyprus and the Aegean. Nonetheless, a range of cooperative initiatives has been established, and the con-
stituency for Greek-Turkish détente is substantial on both sides of the Aegaean. The stage has been set for the implementation of confidence-building and risk-reduction measures in the security field. At a minimum, the current détente has made it more difficult for dangerous brinkmanship to occur. To be sure, Athens will continue to have serious strategic concerns with regard to Turkey. But confrontation with Ankara can no longer be considered a permanently operating factor in Greek foreign and security policy, and Greece is now a key stakeholder in Turkish stability and prosperity.

The bilateral relationship with the United States has also undergone substantial and positive change. Relations with Washington have been normalized in key respects. Questions of military presence and ideology, key features of the Cold War relationship, are no longer central. For many Greeks, the key question today is not how to get the United States out but rather how to keep the United States engaged in southeastern Europe and the eastern Mediterranean. This is not to say that the potential for sharp disagreement has evaporated, as the strong public reaction to Washington’s strategy during the Kosovo crisis made clear. But today, Greece can advocate a different approach without breaking from the Alliance consensus. From a U.S. perspective, Greece, by virtue of its geographic and political position, has emerged as a key interlocutor and partner in southeastern Europe.

U.S. perceptions of and policy toward Greece have also become less distinctive and contentious. Increasingly, Greece is seen as part of the European complex, and policy toward Greece has become a more-normal subset of policy toward Europe as a whole. A more European orientation in Athens can actually encourage a more-cooperative bilateral relationship, especially in the security field. Arguably, Greece was able to participate in the Gulf War coalition and stay within the NATO consensus on Kosovo precisely because there was a European context supporting these policies. As Athens, along with the rest of southern Europe, looks more firmly toward Brussels, this does not necessarily mean a more difficult or less cooperative relationship with Washington. It does, however, suggest that the health of Greek-U.S. relations has become more dependent on the evolution of transatlantic relations as a whole. These will undoubtedly face new challenges in the coming years, and some of the key tests are likely to come in Greece’s neighborhood.
NEW REGIONAL DYNAMICS

Third, Greece faces new challenges and opportunities emanating from the Balkans, the Middle East, and Eurasia. The tremendous improvement in relations between Athens and FYROM and the change of leadership in Belgrade are transforming developments in the regional equation. Both developments allow Greece and its partners to focus more effectively on the demands of reconstruction and political stability. The progressive reintegration of Serbia into the international system offers special opportunities for Greek diplomacy, given Greece’s credibility in Belgrade. Nonetheless, the smooth political evolution of Serbia and Montenegro are far from assured. Indeed, the challenges are even more pronounced for Kosovo, Albania, and FYROM. The stability and development of the latter two will be a special concern for Athens, given the close link to problems of migration, cross-border crime, and potential spillovers of political violence.

More broadly, southeastern Europe will face the difficult task of reversing the corrosive effects of a decade of crisis and isolation on regional economies and societies. New infrastructure projects are likely to play a key role in this regard by creating the conditions for regional renewal and as a hedge against further disruption. Western and regional strategists have tended to describe the competition among various regional infrastructure projects as a form of great game in which there will be clear geopolitical winners and losers. The utility of this model is questionable even in the high stakes context of alternative routes for Caspian oil and gas. Around the Black Sea and in southeastern Europe, in particular, the integrative and reinsurance effects of a more-complex infrastructure network are more important.

Notwithstanding geopolitical debates, decisions on alternative road, pipeline, electric, and telecommunications projects will be made, above all, on commercial grounds. But the net effect of the many projects in these areas will be substantial and beneficial for Greece and its neighbors. New regional links will inevitably foster new—and stabilizing—patterns of interdependence. The uncertain political and security conditions prevailing from the Adriatic to Central Asia also suggest the benefits of a more diverse and redundant infrastructure. The massive economic disruption the closure of Yugoslav road and rail routes caused underscores the importance of alternative
lines of communication between Western Europe, the Balkans, and Eurasia.

In the Middle East and the Mediterranean, renewed Arab-Israeli frictions have clouded the outlook. Unfortunately, the derailment of the Middle East peace process comes as Greece and its European partners had begun to develop a more-active policy of engagement on the southern periphery. Greece has important stakes in this context, from access to energy and unimpeded transit through the Suez Canal to forestalling spillovers of terrorism and political violence. Conditions of crisis and conflict in the Middle East can also spur conventional and unconventional arms procurement around the Gulf and the eastern Mediterranean, with consequences for regional balances in the Aegean and elsewhere. Athens is exposed to the consequences of continued deterioration in Arab-Israeli and, more broadly, north-south security relations.

GLOBALIZATION AND TRANSREGIONAL ISSUES

Fourth, Greece is strongly affected by the phenomenon of globalization and the rise of issues that cut across traditional regional boundaries. By many important measures, Greece is a highly globalized country. The Greek diaspora and Greece’s role in international shipping have encouraged a tradition of worldwide ties. Migration, European integration, and the information revolution have facilitated the spread of tastes and expectations that differ little from those in Paris or Los Angeles. Without disregarding the dilemmas of identity and competitiveness that globalization poses for Greek society, it is likely that Greece’s geopolitical position will be more strongly affected by the challenges globalization poses to societies in adjacent regions, in southeastern Europe and the Middle East, that are less well placed to adjust and adapt. In the Balkans, Greece itself is an important conduit for globalization in the form of international investment, information flows, and links to Western institutions. The sort of soft power assets that Greece possesses are well suited to this environment.

A key hallmark of the geopolitical environment Greece faces is its transregional nature. Migration toward Europe, spillovers of political movements, far-reaching infrastructure schemes, and the growing reach of modern weaponry underline the increasing interdepen-
dence of previously separate regions—Europe, the Middle East, and Eurasia. Greece, along with Turkey, is at the center of this phenomenon. This also suggests that the notion of Greece as a transregional actor will be central to the country’s future geopolitical role.

GREECE’S CHANGING STRATEGIC CULTURE

In terms of grand strategy—the level of strategy that aims to integrate political, economic, and security objectives—Greece has made some firm choices over the past decade. This does not foreclose alternative approaches, but the price of changing course would be high. In brief, Greece has opted for Europe, not merely in the sense of closer integration but also in terms of an organizing principle for the country’s foreign and security policy. As noted throughout this report, Europe is now the lens through which both transatlantic relations and key regional relationships—including the relationship with Turkey—are viewed. The key question is no longer whether the European option is appropriate but rather which policies are to be pursued within this European frame and the implications of varying European futures.

There is a continuing tension in the Greek foreign debate between a liberal, internationalist outlook—as embodied in the European-oriented approach—and a more narrowly drawn “realist” approach that takes a sharper view of Greek national interests.1 In reality, these visions differ more in style than substance, to the extent that a multilateral, European approach can also bolster the Greek position on issues of national concern, including sensitive questions in the Balkans and the Aegean. Across a range of critical questions, it has become difficult or impossible for Greece to pursue an effective foreign policy unilaterally. Greece is not alone in this dilemma. The success of Greek policy toward southeastern Europe is now closely tied to the effectiveness of EU, Organization for Security and Cooperation in Europe, and NATO policies and initiatives in the region (e.g., the Stability Pact). Similarly, the prospects for Greece’s new strategy of engagement toward Ankara now depend critically on the overall health of EU-Turkey relations. Athens can play a leading role in the evolution of both sets of policies but cannot necessarily con-

1I am grateful to Dimitris Keridis of the Kokkalis Program at Harvard University for this formulation.
trol the outcome. There is therefore a need to consider ways of hedging against the possibility of failure in key multilateral approaches.

The outright renationalization of Greek policy would, however, impose considerable costs. It would mean returning to a more contentious relationship with neighbors and, above all, with Brussels. It would also mean returning to more-difficult bilateral relations with key European allies and with the United States. In adopting a more-modern, diffuse concept of national sovereignty, Greece has, along with the rest of Mediterranean Europe, gained considerable weight in addressing demanding political, economic, and security challenges. As elsewhere in southern Europe, one consequence has been the tentative emergence of a less nationalistic, more internationalist strategic culture. As Greece has enlisted Europe and the United States in pursuit of its regional objectives, Athens has acquired a stronger stake in the effectiveness of European and transatlantic institutions.

POLICY DIRECTIONS FOR GREECE AND ITS PARTNERS

Our analysis suggests a number of policy priorities and directions for Athens and its European and Atlantic partners. These respond to trends in the international environment and the need to reinforce some policy approaches already in place:

- **Consolidate and deepen Greece's European integration.** Making the European “option” more effective is a key enabling objective for Greek policy across a range of issues. Turmoil in relations between Athens and Brussels would undermine the advantages Greece has gained through the pursuit of a more European approach and would complicate Greece’s management of regional challenges, whether in the Balkans or across the Aegean. In this context, Greece should strongly support the EU (and NATO) membership aspirations of Balkan neighbors, as well as the development of a more capable European defense capability, relevant to Greek security concerns.

- **Give priority to the reconstruction and stabilization of southeastern Europe.** Developments in this region will directly affect Greek prosperity and security over the next decade. Athens can and should be a leading advocate for the continued engagement
Conclusions and Policy Directions

of the EU—and the United States. The risk of a declining U.S. role in the Balkans should be of special concern to Greece, given the existence of unresolved security issues in Kosovo, Albania, FYROM, and elsewhere to Greece’s north. Greece and its partners should recognize that key energy and nonenergy infrastructure projects will be driven largely by private-sector initiatives and commercial requirements, rather than by national geopolitical “visions.” Greece should work closely with other EU members with a strong interest in Balkan stability, including Austria and Italy, to help forge a more coherent European policy toward the region.

• Reinforce Greek-Turkish détente. The tentative Greek-Turkish détente offers a critical opportunity to enhance Greece’s security and to reinforce the country’s regional position. The rapprochement has a sound strategic rationale on all sides, but the new relationship is fragile. As noted above, it is highly dependent on the state of Turkish-EU relations and has not yet addressed the core issues of Cyprus and the Aegean. Greece should encourage the EU to give sustained priority to Turkey’s convergence with Europe and should support the early opening of EU accession talks, consistent with the “Copenhagen criteria.” Turkey’s economic travails threaten these objectives, and Athens should give full support to European and international efforts aimed at supporting Turkish recovery.

• Strengthen the national bases for Greek-Turkish rapprochement. To hedge against the vagaries of relations between Ankara and Brussels and to ensure that there is no return to dangerous brinkmanship, Athens should work toward the rapid implementation of political and military confidence-building measures that have already been developed. As a practical matter, cooperation between the Greek and Turkish private sectors and nongovernmental institutions should be encouraged as a means of solidifying national constituencies for improved relations. Greece should also consider bolstering the national capacity for the study and analysis of Turkish affairs.

• Greece can and should play a more active role in the eastern Mediterranean and the Middle East. Greece has important stakes in the future of these areas, but the Greek role here has been relatively underdeveloped. Athens can play an especially
important role in any new EU approaches to the Middle East peace process. Greece should also explore with regional partners—in particular, Turkey and Israel—possible new forms of regional security cooperation. These may be pursued either in the context of EU and NATO Mediterranean initiatives or outside these frameworks.

- **Refashion the bilateral relationship between Greece and the United States to address regional—and transregional—issues.** Joint planning and policy initiatives should focus on Balkan stability and reconstruction, Aegean risk reduction, soft and hard security cooperation in the eastern Mediterranean—where Greece should be accorded a leading role—and NATO’s continued adaptation to meet risks that cut across European, Middle Eastern, and Mediterranean security. The true health of the bilateral relationship will be measured by policies that go beyond traditional areas (e.g., Cyprus diplomacy, arms transfers). For Athens, the most serious questions will involve the degree and character of U.S. engagement in Europe and on its periphery. Greece, with its growing political and economic ties in adjacent regions and as a European actor, can be a key partner for the United States in stabilizing and modernizing societies in transition in the Balkans, around the Black Sea, and in the Middle East.