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Preface

Building on our two previous monographs,^{1,2} this new study will analyze small island maritime disputes, focusing on Greek-Turkish hydrocarbon geopolitics in Cyprus waters and the Aegean Sea. These waters contain a lot of small islands with their own specific characteristics. In small islands, the central challenge is sustainability or development of economic viability. The Greek-Turkish hydrocarbon geopolitics, centered on maritime boundary conflicts, surrounding small islands are also linked to recent discovery of hydrocarbons. Our monograph combines these two themes (small islands and hydrocarbons in disputed waters between Greeks and Turks) in a cross-disciplinary way utilizing international maritime law and political economy.

At the outset, we consider it is necessary to state that our study is analytical, written by two academics originating from Turkish Cyprus. Though personally affected by displacement and dispossession, we reject emotionalism and seek to be objective. The Turkish case in maritime boundary disputes over small Aegean islands or around the island of Cyprus is not as well known in the West as the Greek claims. This is in part due to the historical legacy going back to the Ottoman Empire, but it may also be due to the general climate of Islamophobia. With this caveat, we hope that our credentials as academic economists stand out. We strongly believe in rational behavior and have approached the Greek-Turkish maritime disputes from this perspective. Rationality theorem urges cooperative solution to disputes. We believe, sooner or later, Greeks and Turks will learn to appreciate the benefits of cooperation. In modern times, the grand example of Venizelos-Ataturk, enemies turned friends, stands as our dream.

Terminology

Small islands in the Aegean and Cyprus in the Eastern Mediterranean are at the center of the Greek-Turkish maritime boundary disputes. Greek Islands, as the name implies, are part of Hellenic identity. For historical reasons, however, Aegean islands dispute is complicated by terminology and ideology. Each island, for example, has a Turkish name and Greek equivalent. In this study, we have typically used dual

names, [Kardaş/İmea, Meis/Kastellerizo, etc.] to maintain neutrality. In the case of the ethnically divided Cyprus, there are a Greek-speaking South and a Turkish-speaking North. In this study, we have adopted Turkish and Greek Cyprus as our preferred terminology to reflect the fact that the dispute over sovereignty and hydrocarbons in Cyprus is part and parcel of the wider Greek-Turkish disputes. The Greek-Turkish geopolitics over boundaries and hydrocarbons have deep ethno-national emotion-alism with competing national ideologies to be explored later. We believe it is important to state at the outset that we have tried to minimize emotionalism in our study. This is merely for clarity of disputes to be analyzed, without any political endorsement.

Our Major Theme

A major theme of our book is that the UN Conference of the Law of the Sea (UNCLOS 1982) has generated widespread disputes all over the world because it has granted small islands equivalent maritime rights as coastal states. Case after case, the courts, including the International Court of Justice, have rejected these equivalent island entitlements, delivering judgments more in accordance with proportionality of islands' area or their own characteristics. This is equitable, and, fortunately, UNCLOS also has provision for the equity principle. However, many states, including Greece, have ignored equity, resting their claims solely on maximalist entitlement of small islands. Internationally, courts and judges have had to be creative, inventing such formulae as 'half effect', and 'angle-bisector' and 'concave lines,' etc., to fill in the gaps in UNCLOS and deal with the peculiar geography of islands.

One major gap in UNCLOS is its inadequate consideration of the economic sustainability of small islands. Island economies, except for such notable cases as Singapore, are vulnerable and dependent upon aid or subsidy from outside. Briefly put, a body of international law such as UNCLOS needs to pay no less attention on the economics of maritime resources than on law. Needless to say, international maritime law should promote peaceful resolution of disputes over boundaries and resources. Conflict result must be equitable, fair, and just. For, equity is the soul of law, including customary maritime law; without equitable accommodation, law is dry bones, a lifeless body. Plato stated 'equity is a necessary element supplementary to the imperfect generalization of legal rules' <https://www.ipl.org/essay/Importance-Of-Equity-In-Common-Law-F3E253RC486>. Accessed on 25 Jan 2022.

Our book explores prospects of Greek–Turkish cooperation, going beyond previous studies (Aydin and Ifanitis 2004; Bahcheli 1990; Keridis and Triantaphylou 2001) applying the rational behavior framework of political economy. We do not believe maritime disputes should lead to conflict; instead, it should promote peaceful resolution of boundary disputes and conflicts over maritime resources, including hydrocarbons. We attach great importance to the role of the EU and the UN as third-party facilitators of peace and cooperation for shared wealth creation for future

generations of Turks and Greeks who must take the initiative themselves first to settle differences.

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Notes

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2. Mehmet O and Yorucu V (2020) Modern geopolitics of Eastern Mediterranean hydrocarbons in an age of energy transformation. Switzerland: Springer International Publishing AG. ISBN: 978-3-030-43585-1. ISBN: 978-3030435844.

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Contents

1	The Economics of Sovereignty in Small Islands	1
1.1	Introduction	1
1.2	Economics of Sovereignty: Some Basic Rules of Sustainability	2
1.3	The Regime of Islands: Law or Economics?	3
1.3.1	Size	5
1.3.2	Location	6
1.3.3	Economic Viability	7
1.3.4	Self-Sufficiency	7
1.4	Law Versus Economics	8
1.4.1	A Successful Model: Batam Island	8
1.5	Outline of the Book	10
	References	10
2	Small Greek Islands of the Aegean, Turkish Continental Shelf: Legal Precedent and Procedure in Maritime Conflict Resolution	13
2.1	Introduction	13
2.2	Six Clusters of the Aegean Islands	14
2.3	An Enclosed Sea: Lausanne or UNCLOS?	14
2.3.1	A Closed Sea Agreement, 2018: The Caspian Sea Case	14
2.3.2	Treaty or Convention?	19
2.4	The Regime of the Treaty of Lausanne, 1923	19
2.5	Economic Sustainability of the Greek Islands	25
2.6	Special Island Cases in Greek–Turkish Dispute: Kastellorizo/Meis and Cyprus	26
2.6.1	The Kastellorizo/Meis Case	26
2.6.2	St. Pierre and Miquelon Case	28
2.6.3	Cyprus: Unsustainability of a Bi-Ethnic Republic	29
2.7	Conclusion	31
	References	32

3	Cyprus: Hydrocarbons in a Divided Island	35
3.1	Introduction	35
3.2	A Republic Hijacked	36
3.3	How Cyprus Became Independent?	37
3.3.1	Cyprus Independence	39
3.3.2	Two-States and Political Equality	41
3.4	Sustainability of Micro States: The Case of TRNC	42
3.5	Micro States: The Case of Isle of Man (IOM) and Others	45
3.6	The IOM and Meis/Kastellorizo Cases	46
3.7	Cyprus in the Regional Energy Cooperation	48
3.8	Cyprus, Hydrocarbons, EU and Turkey	48
3.9	Conclusion: Looking Ahead	50
	References	50
4	International Evidence in Maritime Dispute Settlement in Small Islands: Problems with UNCLOS	53
4.1	Introduction	53
4.2	Continental Shelf Disputes Galore	54
4.2.1	The Libya-Malta-Tunisia Cases	54
4.2.2	Cases in the Red Sea and the Bay of Bengal	55
4.2.3	The Nicaragua-Colombia Case	57
4.2.4	The Nicaragua-Costa Rica Case	57
4.2.5	The North Sea Cases	58
4.3	The Channel Islands and Islands in the Irish and Celtic Seas	59
4.4	The Case of the Isle of Man and the Disputes in the Irish Sea	68
4.5	Archipelagic Nations and Greek Claims	73
4.6	Turkey Flexes Its Muscle	75
4.7	Conclusion	80
	References	81
5	Can the EU Be an Honest Broker in Greek–Turkish Relations?	83
5.1	Introduction	83
5.2	Balance in the Greek–Turkish–Europe Relations	84
5.3	Cyprus Joins the EU and Controls Turkey’s Accession	85
5.4	The EU Rewards the Greeks	86
5.5	Greeks in Charge of the EU–Greek–Turkish Agenda	86
5.6	The EU in the Aegean Dispute	87
5.7	The PKK and Other Issues in Greek–Turkish–EU Relations	88
5.8	The EU Not a Peacemaker in the Cyprus Conflict	89
5.9	The Role of the EU and UN Compared	90
5.10	The EU Funds for Mega Projects in Troubled Waters	91
5.11	Conclusion: Honest Broker or Promoter of Conflict?	91
	References	94

6	Greek–Turkish Energy Cooperation: Some Future Scenarios	97
6.1	Introduction	97
6.2	Greek Vulnerability and Indebtedness	98
6.3	The Atatürk–Venizelos Model	98
6.4	The Turkish Energy Market	100
6.5	The Greek Energy Market	101
6.6	Energy Cooperation in the Aegean	102
6.7	Joint Gas Hub?	103
6.8	Conclusion: Normalization by Stages	104
	References	105
7	Wider Energy Cooperation: Prospects in Greece, Turkey, Cyprus, and the Region	107
7.1	Introduction	107
7.2	The Greek–Turkish Trade	108
7.3	From Energy Import Dependence to Energy Cooperation	109
7.4	The Black Sea Bonanza First, Aegean Next?	109
7.5	Solving the Aegean Boundary Dispute	110
7.6	The Italian–Greek Maritime Agreement, 2020: A Possible Precedent?	111
7.7	South Cyprus: Another Indebted Economy	111
7.8	Cyprus Peace Dividend: A Long-Run Prospect	113
7.9	The Role of the UN and the EU	113
7.10	A Peaceful and Prosperous Cyprus: Confidence Building in Energy	115
7.11	Monetization Options, Regional Alliances	116
7.12	Ceyhan, the New Energy Hub	119
7.13	Conclusion	119
	References	120
8	TANAP and TAP: A Case of Turkish–Greek Energy Cooperation	123
8.1	Introduction	123
8.2	TANAP: A Successful Turkish–Azerbaijan Project	124
8.3	Financial Structure of TANAP and TAP	125
8.4	TANAP Expansion Projects (Phase II and Phase III)	128
8.5	Marketing of Natural Gas Through TANAP and TAP Pipelines	130
8.6	Gas Balance of Azerbaijan and Volume of Gas Traded to Regional Markets	131
8.6.1	TAP and the Broader Regional Market	132
8.6.2	Azerbaijan–Greece–Bulgaria–Romania Regional Market	133
8.6.3	Albania–Kosovo Regional Market	133
8.7	SGC, the Turkish Market and Role of Turkey in Caspian Gas Delivery	136

8.8	Pricing of Gas Through TANAP and TAP	140
8.9	Conclusion	144
	References	144
9	Energy Hubs: Models and Options	147
9.1	Introduction	147
9.2	Energy Hubs and Liberalization Process in Europe	149
9.3	Turkey as a Transit Hub	152
9.4	Price Formation in Liberalized Natural Gas Markets and Market Structure	155
9.5	Turkey as a Natural Gas Hub in the Eastern Mediterranean	164
9.6	Conclusion	165
	References	166
10	Conclusion	169
10.1	UNCLOS Versus Economics	170
10.2	Can the EU Be a Promoter of Peace?	172
10.3	A Rational Approach to Greek–Turkish Maritime Dispute Settlement	174
	Postscript	177

Abbreviations

AGRI	EU Agriculture and Innovation Network
BBF	Bi-zonal, Bi-communal Federalizm
bcm	billion cubic meter
Bn	Billion
BP	British Petroleum Company
DEPA	Greek State-Owned Oil Company
DESFA	The Hellenic Gas Transmission System Operator
EEZ	Exclusive Economic Zone
EMGF	East Med Gas Forum
ENOSIS	A Movement of Greek Societies (Unification with Greece)
EOKA	Ethniki Organosis Kypriou Agoniston (Greek Cypriot Paramilitary Organization)
FIR	Flight Information Region
GHG	Greenhouse Gas emission
GNA	Government National Accord
HELPE	Hellenic Petroleum
IBRD	International Bank for Reconstruction and Development
IC	International Corridor
ICJ	International Court of Justice
IONIC	Ionic Adriatic Pipeline
ITGI	Interconnector Turkey-Greece-Italy
ITLOS	International Tribunal for the Law of the Sea
JDA	Joint Development Areas
KRG	Kurdistan Regional Government
MBBtu	Millions of British Thermal Unit
mcm	Millions of Cubic Meter
Mn	Million
MOU	Memorandum of Understanding
Mtoe	Million Ton of Equivalent
NATO	North Atlantic Treaty Organization
nm	nautical miles

OXI	It means ‘no’ in Greek languages
PKK	Kurdistan Workers Party
PLO	Palestine Liberation Organizations
PPC	Public Power Corporation
SEC	Southern Energy Corridor
SEEP	South East Europe Pipeline
SGC	Southern Gas Corridor
SIDS	Small Island Developing States
TANAP	Trans Anatolian Pipeline
TAP	Trans Adriatic Pipeline
tcf	trillion cubic feet
tcm	Trillions of cubic meter
UNCLOS	UN Convention on the Law of the Sea—1982
UNFICYP	United Nations Force in Cyprus
UNSC	United Nations Security Council
VOLKAN	Turkish Cypriot Struggle Movement established in 1963
WWI	World War One
WWII	World War Two

List of Figures

Fig. 1.1	The Batam Island	9
Fig. 2.1	Greek islands (excluding Imbros and Tenedos) in six clusters	15
Fig. 2.2	Caspian Sea and its neighboring countries	17
Fig. 2.3	The status of Caspian Sea	18
Fig. 2.4	The Greek island Kastellorizo (Castellorizo/Megisti/Meis) opposite the Turkish town of Kaş in southwestern Turkey	22
Fig. 2.5	Greek claim of 200 km EEZ around Kastellorizo	27
Fig. 3.1	Exclusive economic zone of the UK	47
Fig. 3.2	Port of Ceyhan, the emerging regional hub	49
Fig. 4.1	Small Scottish Isles	60
Fig. 4.2	Small Islands in the Irish Sea	61
Fig. 4.3	The map of St Kilda's Island and the Outer Hebrides	64
Fig. 4.4	The map of Isles of Scilly	66
Fig. 4.5	The limits of the Isle of Man territorial sea	69
Fig. 4.6	The Isle of Man territorial sea limit, license blocks, well locations, existing gas fields and gas pipelines	72
Fig. 4.7	Electricity Subsea Grid Line between the Isle of Man and the UK	74
Fig. 4.8	Overlapping of Claims in the Eastern Mediterranean	76
Fig. 4.9	The map of continental sea shelves between Turkey and Libya	78
Fig. 4.10	The corridor of Turkish and Libyan continental sea shelves disregarding Greece's EEZ claims in the Eastern Mediterranean	79
Fig. 5.1	Euroasia interconnector agreement between Greece, Cyprus and Israel	92
Fig. 7.1	Italy-Greece maritime boundary	112
Fig. 7.2	Ceyhan: The gas and oil hub of Turkey	118

Fig. 8.1	TANAP-TAP and Projected TAP Expansion Pipelines: TAP and Ionic Pipeline with Projected Ionic Adriatic Pipeline (IAP) and Interconnector Greece–Bulgaria Gas Pipeline (IGB)	129
Fig. 9.1	Ceyhan Terminal as the Emerging Regional Hydrocarbon Hub	153
Fig. 9.2	New Seventh Generation High Technology Drillship Vessel—“West Cobalt” Abdulhamid Han	155

List of Tables

Table 1.1	Article 121, UNCLOS	4
Table 2.1	Enclosed Sea under 1982 UNCLOS	16
Table 3.1	Free Muslim-majority country rankings by Freedom House, 2020	43
Table 3.2	Service-led growth economies: high income group of small island states (2019–2020)	45
Table 4.1	Article 83 of UNCLOS 1982	54
Table 4.2	Article 46 of UNCLOS 1982	75
Table 5.1	Key dates and events in EU–Turkey relations	86
Table 5.2	Latest status of Turkey accession negotiations	93
Table 6.1	Key energy statistics, Turkey 2019	101
Table 6.2	Key energy statistics, Greece 2019	101
Table 7.1	Bilateral trade between Turkey and Greece, 2006–2020 (Value in US\$bn)	108
Table 7.2	Early scenarios on Cyprus hydrocarbons	114
Table 8.1	Major stakeholders in TANAP (funds committed in US\$ml) ...	126
Table 8.2	Traded volumes of HUBS—2019	141
Table 8.3	Daily gas prices traded in Europe	142
Table 8.4	European gas trade balance	142

Chapter 1

The Economics of Sovereignty in Small Islands



Abstract This chapter explores the delicate inter-connections between law and economics, specifically as regards island entitlements under international maritime law, specifically the UN Convention on the Law of the Sea, 1982 (UNCLOS). It is observed that maritime law has been the domain of almost entirely legal experts. Yet, maritime boundary disputes are over resources, such as hydrocarbons, a vitally important economic subject. In Greek-Turkish maritime disputes in Cyprus and Aegean waters, hydrocarbons from exploration to monetizing and marketing are as much economic disputes as legal. Small islands lacking economic sustainability cannot be entitled to same rights as coastal states, a topic discussed in the next chapter.

1.1 Introduction

This Introductory chapter explores the delicate inter-connections between law and economics, specifically as regards island entitlements under international maritime law. This is an area in literature generally overlooked because maritime law has been the domain of almost entirely legal experts. Yet, maritime boundary disputes are over resources, such as hydrocarbons, a vitally important economic subject. In the case of Greek-Turkish maritime disputes in Cyprus waters, hydrocarbons are the central issue, from exploration to monetizing and marketing. The hydrocarbon issue must, of course, be seen in the context of the Cyprus Problem, a conflict over sovereignty which predates the hydrocarbon discovery with a long and bitter history of seven decades or more. The boundary disputes over the small Greek islands in the Aegean, are about overlapping continental shelves, but also over maritime resources including hydrocarbons.

We wrote this monograph from a conviction that the economics of maritime law have been ignored; as a result, lawyers and legal experts have dominated the field, to the alarming degree of causing needless international conflicts. Our monograph is a small contribution to remedy this serious neglect. We target the UN Convention on the Law of the Sea (UNCLOS) as the major body of international maritime law, 1982, codified in expectation that boundary maritime disputes should be settled peacefully