

GREEK FOREIGN POLICY

Challenges and Opportunities in a Changing Geopolitical Environment

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A foreign policy of principles and vision

Greece is a security –and stability– producing country located in a complex, volatile and security-consuming geographical zone, including the Balkans, the Black Sea region and the Middle East. What all these regions have in common is that they are undergoing rapid change, which has rendered Greece’s strategic environment increasingly complex, introducing a range of hard and soft security issues, many of which cut across traditional regional lines and underscore Greece’s position as a transregional actor. We believe that the multilateral approach and regional cooperation are the safest means of confronting the many and diverse threats facing our broader neighbourhood; threats such as international terrorism, the proliferation of weapons of mass destruction, the degradation of the environment and human trafficking.

Greece is an extrovert country that knows how to interpret the signs of the times and how to adapt to them through change and reform, following a clear vision based on the fundamental principle of respect for international law and international legality.

Our firm strategic choice is to be actively engaged in promoting stability, security and economic development in Southeast Europe, a region of strong growth with great, and yet untapped, business potential. This has been achieved through persistent efforts, and thanks to three basic factors:

- The maturity of our democratic institutions, which favour broad political consensus on foreign policy questions of strategic importance.
- The steady upward course of the Greek economy. Public finances are in very good shape, with fiscal deficit below 3%, the public debt falling, economic growth rates more than double the Eurozone average, unemployment dropping, and with foreign investments totalling €4.3 billion in 2006.
- Greece's active participation, as a mid-size member state, in the European Union and the Eurozone, coupled with its 55-year membership in the Atlantic Alliance.

A STAUNCH ADVOCATE OF EUROPEAN INTEGRATION

The backbone of Greek foreign policy is our participation in the European Union.

We have always supported a faster political deepening of Europe. So it is understandable that we are anything but pleased with the prolonged period of reflection and dilemmas that can lead to stagnation in the EU. The questions that have to be answered and the challenges that have to be met are numerous: institutional and structural reforms, the future of enlargement, and the demographic and migration problems.

The Constitutional Treaty seeks to address these challenges. We respect the decision of the French and Dutch people. It was a message that cannot be ignored. But on the other hand, we also cannot overlook the fact that the majority of the peoples and member states of the European Union – including Greece – have ratified the Constitutional Treaty. We believe that it is within this Treaty that we must find the common ground on which to address the modern challenges facing the Union.

Beyond the crucial issue of the Constitutional Treaty, we will soon be faced with a potentially greater challenge deriving from enlargement. A Union of more than 27 member states will inevitably have to choose between moving ahead or standing still. For Greece there is no such dilemma. There is only one option: to move ahead toward a stronger and more effective European Union.

The third and by far the most pressing challenge for Europe today is to restore public awareness and confidence in the European project and address the concerns of the European citizens.



Beyond its EU membership, Greece is laying particular emphasis on its participation in NATO and the constant deepening of our excellent relations with the US. At the same time, we are working to further strengthen our traditionally very close and friendly relations with Russia, as well as our relations with other major international players, such as China and India. Of late, our interest in certain Asian markets has also been increasing.

PROMOTING SECURITY, STABILITY AND PROSPERITY IN SOUTHEAST EUROPE

The main strategic objective of Greek foreign policy is the comprehensive transformation of the Balkans into a region of lasting stability, democracy and economic development.

European integration and the prospect of EU membership constitute the single strongest soft-power mechanism for engaging reforms, consolidating democracy and making institutions more compatible with European standards.

This is why Greece actively supports the European perspectives of each of our neighbouring countries, and consistently promotes this policy within the EU.

Obviously, the path to accession is not a mere formality: candidate countries must comply fully with European criteria and requirements. Within this framework, respect for the principle of good neighbourly relations is of paramount importance.

The accession of Bulgaria and Romania to the EU is a positive devel-



opment for the whole region and for Greece in particular, given that it links us geographically with the EU and opens up new prospects for Greece to develop its already impressive economic presence in Southeast Europe. At this time:

- Some 3,500 Greek businesses are active in this region.
- There is a constantly expanding network of Greek banks, which account for 20% of the banking market in the region, including Turkey.
- In less than 10 years, Greek investments in the region have climbed to over €14 billion, creating more than 200,000 jobs.
- Greece ranks first in foreign direct investments in Albania, FY-

ROM and Serbia, and is among the top three investors in Bulgaria and Romania.

- As an EU member and member of the OECD's Development Assistance Council, Greece is strongly committed to helping in the reconstruction efforts of neighbouring Balkan countries. In this context, we launched a development aid initiative in 2002 called the Hellenic Plan for Economic Reconstruction of the Balkans, worth €550 million. The Plan was recently strengthened and expanded to run an additional five years.

The transport infrastructure and energy sectors have taken on strategic significance in the development of the region. The energy sector, in particular, is among



Greece's high priorities. Our objective is to transform Greece from an energy-consuming country into an energy transit hub, boosting Greece's geopolitical and geo-economic stock.

We are collaborating with our partners in the EU and with our neighbours to create alternative energy supply routes for Europe.

Just recently – capping a 14-year effort – we signed an interstate agreement with Russia and Bulgaria on the construction of an oil pipeline that will connect the Black Sea port of Burgas, in Bulgaria, with the Greek port of Alexandroupoli in the Northern Aegean. The pipeline will supplement the Bosphorus tanker route by significantly reducing both the cost and the time required to transport oil

to the west and decongesting the tanker traffic flowing through the Bosphorus Straits.

Moreover, we are playing a leading role in the creation of a new pipeline that will supply Europe with natural gas. The first section –the Greek-Turkish pipeline– is being completed and will go into operation this summer. The second section –the underwater Greek-Italian pipeline– is in the final preparatory stage, as we have already signed the relevant interstate agreement with Italy.

One should also stress the strategic importance of Greek shipping, which functions –among other things– as a floating energy pipeline.

But this corner of Europe -the Balkans- is not just a region of new pros-

pects and opportunities. There are major problems and challenges as well. The most critical of course is that of Kosovo's status. The two directly interested parties have diametrically opposed objectives: "Nothing less than independence," says Pristina, with Belgrade responding "anything but independence".

Greece has supported the UN's efforts to bridge this gulf. It is very important that both sides come to accept – or at least live with – the outcome of the international community's efforts to find a solution on the question of Kosovo's status. Respect for Kosovo's multi-ethnic and multicultural character, as well as the security of all its residents, is of vital importance for regional stability. What we should aim at is a sustainable and viable solution based on a relevant UN Security Council resolution.

In the Balkans, more than anywhere else in the world, we must not underestimate the lesson of history: Neither one country's humiliation, nor another's absolute victory guarantees peace and stability in the long term.

In this context, no Balkan equilibrium can ignore Serbia, which should also have a clear Euro-Atlantic perspective that will strengthen the moderate, democratic and pro-European political forces in this country. It is in no one's interest to see Serbia become a "black hole" on the map of Europe.

TURKEY: A PROSPECTIVE EUROPEAN PARTNER?

Greece's strategic decision to support the European perspective of

Southeast Europe would be incomplete if it did not include Turkey. Since 1999, we have actively supported Turkey's European perspective.

It is clear, though, that EU enlargement has never been a blank-cheque policy. Like any other candidate country, Turkey has to meet the requirements and commitments it has undertaken vis-à-vis the EU and its member states, including full respect for the principle of good neighbourly relations. In this respect, domestic political tug-of-wars must not serve as an excuse or alibi for actions that might create dangerous tensions in the wider region, including the Aegean.

Greece believes that Turkey should not be deprived of the incentive and goal of full accession. Our position is very clear: "Full compliance – Full membership".

Of course, like the rest of our EU partners, we are concerned about the increasing signals of reform fatigue coming from Turkey. It is obvious that the accession process will be long and often thorny. Patience and perseverance will be required of Turkey and Europe. But the ball is essentially in Turkey's court.

While supporting Turkey's European perspective, Greece is also working to improve its bilateral political and economic relations with its neighbouring country.

As far as economic cooperation is concerned we have already had positive results in many of the sectors in which we are cooperat-

ing, including the trade, business, energy, tourism and banking sectors. More specifically:

- There has been a significant increase in the volume of trade.
- In the first three quarters of 2006, Greek exports to Turkey increased by 24.7%.
- In the banking sector, the National Bank of Greece invested some €4 billion in its buyout of Turkey's Finansbank.
- Bilateral cooperation in the energy sector is developing dynamically.

Greek-Turkish economic cooperation is creating a climate of collaboration that is vital to the full normalisation of the relations between the two countries.

On the other hand, full normalisation of Greek-Turkish relations hinges on reaching a just, viable and functional solution to the Cyprus issue. Achieving this goal will require a well-prepared consultation process within the framework of the UN.

The ending of the occupation of northern Cyprus by the Turkish army and the reunification of the island – based on the resolutions of the UN Security Council, on international law, on European principles and values, and on the European *acquis* – will ensure that both communities, Greek Cypriots and Turkish Cypriots alike, benefit from participation in the European Union, of which the Republic of Cyprus has been a full member since 2004.

PURSUING THE CAUSE OF PEACE IN THE MIDDLE EAST

Historically, the Middle East is another area of particular interest to Greek foreign policy. This interest manifested itself during the recent crisis in Lebanon, and during our participation in the UN Security Council in 2004-2006.

Greece was among the first countries to carry out evacuation missions, carrying more than 2,000 Greek and foreign citizens to safety. We were also among the first countries to provide humanitarian aid, and we have made a further commitment to contribute €7.5 million toward the reconstruction of Lebanon.

The very good relations we maintain with the Arab countries, as well as with the state of Israel, enabled us – as a non-permanent member of the Security Council – to play a constructive role in the adoption of Security Council Resolution 1701 on Lebanon. Greece is actively supporting the implementation of this resolution. To this end, we are participating, with a Navy frigate, in the maritime component of UNIFIL.

During the Greek Presidency of the UN Security Council, our diplomatic efforts brought about the first Foreign Ministers' debate in 25 years on the issue of the Arab-Israeli dispute. We have supported – and continue to actively support – the efforts to resolve the Middle East problem and to create an independent and sovereign Palestinian state that will coexist peacefully with Israel.

Unfortunately, the prospects for resolution of the Palestinian issue re-

main poor. The situation in Lebanon remains extremely fragile and the situation in the other hotspots in the region –in Iraq, Afghanistan and Iran– is also alarming. In this context, it is no secret that the increasing political influence of extremist voices is exacerbating an already volatile situation.

In this part of the world, we cannot resolve one issue in a vacuum. We have to make progress on the others as well. In the Middle East, all issues and conflicts are interconnected, whether in obvious or more subtle ways. This is why we should work with a view to engaging all the key players in the region, including Syria and Iran.

We believe that it is of instrumental importance that the EU be more substantially involved in the efforts to bring peace to this region.

FINE-TUNING THE MINISTRY OF FOREIGN AFFAIRS

Today's fast-changing and competitive global environment renders quick and well-prepared foreign policy decisions imperative.

In order to meet this challenge, the Greek Foreign Ministry has been undergoing a process of renewal and modernisation. We are expanding our network of embassies abroad and we are further strengthening various modern forms of diplomacy –such as economic diplomacy and public diplomacy– to supplement and enrich the Foreign Ministry's traditional mission.

Conclusion

Few countries have seen as much change and turbulence in their immediate neighbourhood as Greece has. We are dealing with these challenges with vision and determination. The periods of introspection and delays that have occasionally prevented Greece from making full use of its potential belong to the past. Greece is now an active player and trusted partner on both a European and regional level.

USEFUL LINKS

[Ministry of Foreign Affairs
www.mfa.gr](http://www.mfa.gr)