



# **US-Greece relations in the Biden era**

Why the road to rebuilding the transatlantic alliance runs through Athens

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#### **Summary**

- After recovering from its debt crisis, Greece has emerged as a key US ally in the effort of revitalizing transatlantic cooperation.
- The US should deepen its strategic engagement with Greece to jointly address the challenges for the stability and future direction of Southeastern Europe and the East Med.
- In recent years, in the absence of a common strategic approach by the US and EU, Turkey and Russia have filled the regional vacuum in the Eastern Mediterranean.
- It is important to set clear boundaries on Turkey's expansionist agenda in the Eastern Mediterranean, as part of a roadmap to improve Turkey's relations with the EU.
- Drawing on its strategic commitment to EU and NATO, Greece has promoted Euro-Atlantic institutions in the Western Balkans and strengthened regional cooperation in the East Med.
- In recent years, US-Greece relations have enjoyed consensus across the political spectrum in both countries and been a case study of foreign-policy continuity.
- Since 2018, all aspects of the bilateral agenda have grown over the course of the Strategic Dialogue
- With the US support, Greece has actively promoted regional partnerships of American allies willing to work together to foster cooperation in the Eastern Mediterranean, among which the Israel-Cyprus-Greece partnership.
- Greece is developing infrastructure that contributes to European energy security and market integration in Southeastern Europe, while promoting EU decarbonization goals.
- The Greek government is focused on combating any malign political influence of foreign powers and addressing disinformation campaigns.
- The Biden administration should aim to ensure Greece's strategic role as a net security provider in the Eastern Mediterranean and the Balkans as it works with its partners and allies to address regional instability.
- The US should continue its high-level engagement to encourage the creation of an inclusive regional security system in the Eastern Mediterranean, further deepening and expanding the security and energy partnerships in the region.
- The Biden administration should expand Greece's contribution to the energy security of Southeastern Europe through technology-sharing and investments that support Greece's transition to green energy.
- The Biden administration should back efforts to resolve the maritime dispute between Greece and Turkey on the basis of international law. It should not, however, push for a settlement to the Cyprus issue or a resolution of the Greek-Turkish maritime dispute that undermines international law or rewards Turkey's revisionist policy.

#### Introduction

For Europe, Joe Biden's presidency brings high hopes for reinvigorating the transatlantic partnership. For the United States, succeeding in this task is a prerequisite for achieving an ambitious broader agenda. The Biden administration, for example, will need to engage its allies to better compete with a rising China—a national-security goal that enjoys rare bipartisan consensus on Capitol Hill. It will also aim to revitalize transatlantic cooperation to counter Russia's destabilizing efforts in Europe and the rest of its near abroad.

Revitalizing transatlantic cooperation will require addressing the broken trust stemming from the Trump years. Agreeing on a strategy to counter Russian political interference and Chinese influence will not be easy. But there are areas of concern, still vitally important, that will also require transatlantic consensus. Lowering tensions in the Eastern Mediterranean while developing a coherent and positive vision for its future is one such challenge. The Eastern Mediterranean is a vital region for European security that needs to be stable if the US is to focus on its other national-security priorities.

### Greece's role in reinvigorating transatlantic cooperation

After recovering from its debt crisis, Greece has emerged as a key US ally in that effort. The Biden administration will find in Greece a like-minded ally with strong democratic credentials. Greece's unwavering commitment to NATO and its constructive engagement within the European Union (EU), multilateral organizations, and an increasing nexus of regional alliances makes it irreplaceable for achieving progress on transatlantic cooperation. Within the framework of its strategic commitment to the EU and NATO, Greece has promoted Euro-Atlantic institutions in the Western Balkans and strengthened regional cooperation in the Eastern Mediterranean.

The US should deepen its strategic engagement with Greece in order to jointly address the challenges that competition among global and regional powers poses for the stability and future direction of Southeastern Europe and the Eastern Mediterranean. Among these profound challenges is Turkey's authoritarian turn and revisionist foreign policy, which undermine both Greek sovereignty and the Western alliance.

The United States still remains the indispensable country. Its allies are waiting for it to take the lead.

## Stabilizing the Eastern Mediterranean

The US withdrawal from the Middle East, accelerated under the Trump presidency, has left a power vacuum. In the Eastern Mediterranean, the conflicts in Syria and Libya have turned into proxy wars and have exported mass migration and instability to the wider region and the shores of the European Union. These geopolitical challenges warrant attention and require greater transatlantic coordination to ensure peace, promote prosperity, and fend off malign activities by state and non-state actors alike. In recent years, in the absence of such a common strategic approach by the US and EU, Turkey and Russia have filled the regional vacuum.

Turkey in particular has been emboldened to undermine NATO through actions such as

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its acquisition of the S-400 missile system from Russia and its military intervention and lack of coordination with NATO allies in northeastern Syria. This behavior has challenged the balance of power in the region, creating room for growing Russian influence in the Eastern Mediterranean. In response, the EU has indicated a renewed interest in working with the United States to engage Turkey, understanding that US engagement can be a catalyst for a more effective "carrot and stick" approach to the country. The understanding is mutual. In his first call with the European Commission president's head of cabinet, US National Security Advisor Jake Sullivan agreed that the two sides would "work together on issues of mutual concern" with regard to Turkey.

Setting clear boundaries on Turkey's expansionist agenda in the Eastern Mediterranean, as part of a roadmap to improve Turkey's relations with the EU, will have positive knock-on effects like calming tensions with EU members Greece and Cyprus. The United States has traditionally played the role of mediator between the parties and has important economic and military leverage on both Turkey and Greece.

American clout here, however, does not mean a return to the old Cold War dynamic. As Greece has assumed a more proactive role in stabilizing its neighborhood, its relations with the United States have become increasingly independent of US relations with Turkey. During the Cold War, NATO succeeded in preventing war between Greece and Turkey yet failed to address the disputes between its two "entangled allies." Turkey was given strategic priority given its value in containing the Soviet Union. But Turkish President Recep Tayyip Erdoğan's authoritarian backsliding toward the "post-liberal" world of Presidents Vladimir Putin in Russia and Xi Jinping in China, his challenge to the territorial status quo established by international treaties (most notably the Treaty of Lausanne), and his broader revisionist foreign policy mean that a new approach will have to predominate.

Even though a grand bargain with Turkey may prove elusive given the multiple points of contention with the West, US engagement would still help stabilize the Eastern Mediterranean. Seeking to contain the crisis, Greece has shown restraint in its response to what it views as Turkey's violation of its sovereign rights in the Eastern Mediterranean, demonstrating what US Ambassador to Greece Geoffrey Pyatt <a href="acknowledged">acknowledged</a> as "forbearance" in the face of Turkish provocations. With the encouragement of the US and its European partners, Greece <a href="has resumed">has resumed</a> exploratory talks with Turkey and continues to call for international arbitration to settle their maritime dispute. Greece needs more support to sustain these policies, and the Biden administration should provide it.

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## A flowering relationship

Biden is familiar with Greece and the broader region. His campaign stressed his role as vice president in helping Greece overcome its debt crisis and the fact that he is the highest-ranking US official to have visited Cyprus for over half a century. He has done much to strengthen America's bilateral relations with Greece and strategic partnership with Cyprus.

In recent years, US-Greece relations have enjoyed consensus across the political spectrum in both countries and been a case study of foreign-policy continuity, even surviving the tumultuous Trump presidency. This consensus is all the more impressive given the traditional anti-American sentiment on the Greek left as a result of perceived US support for the Greek junta and its stance on the Turkish invasion of Cyprus in 1974.

It also breaks with a pattern of US neglect of Greece amid differing foreign-policy priorities in the years following the fall of the Iron Curtain.

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For the United States, the Greek debt crisis underscored the country's geostrategic importance. In 2010, President Barack Obama supported a bailout for Greece after considering the catastrophic ramifications that a disorderly Greek default would have on the Eurozone. Even after a firewall was created to safeguard the euro, the Obama administration was concerned that a Greek exit from the Eurozone would destabilize Greece at a time when an axis of instability from Ukraine to Libya was threatening to engulf Southeastern Europe and bring migration-related tensions and terrorism threats to the European Union. The assistance the Obama administration provided to the leftist Greek government in 2015 was critical to Greece staying in the Eurozone. Just as critically, it also helped improve perceptions of the US among the Greek population.

Having helped secure the country's European future, the United States found ways to ensure Greece's role as a stabilizing force in the region—a policy that continued into the Trump years. Since 2018, an annual Strategic Dialogue has given US-Greece ties direction and contributed to a high in relations not seen in a generation. Beyond regional collaboration, all aspects of the bilateral agenda—energy, military, security, trade and investment cooperation, people-to-people ties—have grown over the course of the Strategic Dialogue, thanks to the work of very engaged and forward-leaning diplomats. This is most evident in the expansion of the US-Greece Mutual Defense Cooperation Agreement (MDCA), cooperation on energy that has resulted in US natural gas reaching 50 percent of Greek LNG imports, and US-supported investments in Greek infrastructure projects that promote regional interconnectedness.

Greece has also gained strategic importance for the United States in the context of major-power competition. In <u>testimony</u> to Congress in June 2018, then-Assistant Secretary of State Wess Mitchell noted that the United States was "cultivating Greece as an anchor of stability" as part of a long-term strategy to bolster the US presence in the region and counter the influence of China and Russia. US officials have spoken of a particularly favorable alignment of interests. The catalyst for the US to see Greece as a stabilizing force in the region was the 2018 Prespa agreement between Greece and North Macedonia, which opened the door for North Macedonia to join NATO and reinvigorated the stalled process of integrating the Western Balkans into Euro-Atlantic institutions.

With the support of the United States, Greece has actively promoted regional partnerships of American allies that are willing to work together to foster cooperation in the Eastern Mediterranean. Among these, the Israel-Cyprus-Greece partnership in particular has been endorsed in Congress, which passed the Eastern Mediterranean Security and Energy Partnership Act (East Med Act) to address Russian and Chinese influence in the region. The US has participated in this trilateral partnership through its secretary of state, making it a "3+1," and has also taken part in the Eastern Mediterranean Gas Forum, an intergovernmental organization that promotes energy cooperation in the region.

Meanwhile, Greece has grown its ties with countries in the Middle East. By engaging with both Israel and its Arab neighbors, Greece has contributed to the climate that enabled the normalization of Arab relations with Israel—arguably one of the most constructive foreign-policy developments of the Trump presidency. (The list is not particularly long.)

Military-to-military cooperation between Greece and the United States has also

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expanded. Last year, Souda Bay in Crete became the homeport for the Expeditionary Sea Base USS Hershel "Woody" Williams. This year, the United States plans to build a communication center in Crete as well. Bases in Larissa and Stefanovikeio are already being used by US forces, and rotational troops have been invited to use yet more Greek military bases. At the same time, the strategically located port of Alexandroupolis in Thrace is also being developed to facilitate US troop movements and NATO exercises. The MDCA has created an opening for US investment and closer cooperation between Washington and Athens, and Greek Foreign Minister Nikos Dendias recently announced intentions to further expand the MDCA and establish a longer-term commitment.

During his Senate confirmation, Secretary of State Antony Blinken <u>noted</u> that the bilateral security relationship between the US and Greece has grown significantly and is important to US interests in the Eastern Mediterranean. Congress is asking for more: The 2021 <u>National Defense Authorization Act</u> (NDAA) for the first time requires the Department of Defense to provide "an assessment of the value, cost, and feasibility" of an increased US military presence in the Eastern Mediterranean and Black Sea regions, "to include assessments of [force] posture in Greece, Romania, Bulgaria, and other relevant locations." Lockheed Martin is upgrading Greece's fleet of F-16 fighter aircraft, while Greece contemplates the cost of acquiring F-35s and the prospects of upgrading its existing frigates and building new ones in the Elefsina and Skaramangas shipyards. Athens has also benefited from preferential terms in acquiring second-hand armored vehicles and helicopters from the US.

Greece is also developing infrastructure that contributes to European energy security and market integration in Southeastern Europe, while promoting EU decarbonization goals. In the final days of 2020, the Trans Adriatic Pipeline registered its first transfer of gas from Azerbaijan to Italy via Greece, completing the Southern Gas Corridor that diversifies the EU's natural-gas supplies and offers a new gas-import route to Southeastern Europe. Together with the development of the Alexandroupolis Floating Storage and Regasification Unit (FSRU) and the Gas Interconnector Greece-Bulgaria (IGB), it creates a network of projects that can bring energy from multiple countries to a region previously reliant on Russian energy. Because of its leadership in integrating the region with the rest of Europe, Greece is also seen as a prime candidate to join the Three Seas Initiative and expand the initiative's goal of connecting Eastern Europe to the West to also include the South—adding the Aegean to the trio of the Baltic, Black, and Adriatic Seas.

And even as Greece hosts a significant Chinese investment in the port of Piraeus, its government is focused on combating any malign political influence of foreign powers and addressing disinformation campaigns. Importantly, it has joined the US Clean Network initiative to ensure the security of Western 5G networks. It has also upgraded its copyright legislation, resulting in its first technology agreement with the United States in 40 years. Technology giants such as Microsoft and Google have announced projects in Greece as they seek highly skilled human capital in computer science and information technology, engineering, biotechnology, and pharmaceuticals.

### Policy recommendations

The Biden administration should leverage the flowering of US-Greece relations
to promote stability and strengthen its influence in the region. It should aim to
ensure Greece's strategic role as a net security provider in the Eastern
Mediterranean and the Balkans as it works with its partners and allies to address

regional instability. This should involve making greater use of reliably available and strategically important military facilities in Greece, continuing US investment in Souda Bay, and increasing military financing to Greece, including through the enhancement of international military education and training (IMET), to further strengthen bilateral military cooperation.

- At the same time, the US should continue its high-level engagement to encourage the creation of an inclusive regional security system in the Eastern Mediterranean. Further deepening and expanding the security and energy partnerships in the region would be a key step in that direction. The development of the Israel-Greece-Cyprus trilateral partnership in particular could be strengthened through continuous, high-level US engagement and the creation of the United States-Eastern Mediterranean Energy Center as envisioned in the East Med Act. Similar initiatives to deepen existing defense cooperation should be developed.
- The Biden administration should also expand Greece's contribution to the energy security of Southeastern Europe through technology-sharing and investments that support Greece's transition to green energy, while promoting infrastructure projects that bring new suppliers of energy to the region—including Eastern Mediterranean gas and American LNG. The US should also support calls for Greece to join the Three Seas Initiative, which would link the Aegean to the Adriatic, Baltic, and Black Seas, further integrating and strengthening energy and other supply networks in Eastern Europe.
- The US should continue to cultivate Greece as a key ally in its efforts to integrate Southeastern Europe with the EU and counter malign influence of foreign powers in the wider region. That should include financing support from the US International Development Finance Corporation to boost strategically important infrastructure projects, encouragement of US investment in the digital sector, and initiatives to promote transparency and awareness regarding disinformation in Greece's open and diverse media and social-media landscape.
- The US should also work with Greece to address regional challenges by supporting peaceful, neighborly relations with Turkey. The Biden administration should back efforts to resolve the maritime dispute between Greece and Turkey on the basis of international law. It should continue to support dialogue with Turkey and urge the two sides to resort to international court arbitration should they fail to settle their dispute through that process. Such an approach is crucial to resolving tensions in the Eastern Mediterranean while also improving the climate surrounding the Cyprus negotiations. By tackling one of the recurring points of tension in Turkey's relations with the EU and within NATO, it would also help establish the conditions for the transatlantic community to find common ground with Ankara on addressing immigration and security issues and securing Western interests in the region.
- Even as Biden welcomes the latest United Nations-led effort to resume negotiations on Cyprus and the start of exploratory talks between Greece and Turkey, he should not push for a settlement to the Cyprus issue or a resolution of the Greek-Turkish maritime dispute that undermines international law or rewards Turkey's revisionist policy. Rather than facilitate a grand bargain with Turkey, this approach would potentially undermine political stability in Greece by unleashing a nationalist backlash in the country. As was the case during the

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Policy Paper #55/2021 p. 8

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financial and migration crises, such a development would have wider regional repercussions as well, further igniting tensions within NATO. It would also strain US relations with Greece while further emboldening Turkey to satisfy its revisionist aspirations.