On the Issue of Oil: Lebanon-Israel
Between Economic Opportunities and Potential Conflict
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To the ones who believed in me
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ABSTRACT

Tensions between Lebanon and Israel have lately been on the rise due to the two countries’ opposing proposals for the delineation of their respective Exclusive Economic Zones (EEZ), and the resulting overlapping maritime area. As no peace treaty or diplomatic relations exist between the two states, no agreement can directly be made on the boundaries delimitation. This thesis analyzes the contested points between the two delineated EEZ proposals and their legal ramifications, the complications in settling such a dispute and the factors influencing that process including the Arab-Israeli historical conflict and recent flash-points between Lebanon and Israel. The research which draws on existing research and expert analysis offers ways to look at the future prospects for peace between Lebanon and Israel.

Keywords: Oil, energy, gas, Exclusive Economic Zone, Levant Basin, Lebanon, Israel, delimitation, delineation, exploitation, conflict, cooperation, boundaries, economy, peace, overlap, realism, agreement.
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Chapter One

Introduction

1.1 Importance of the subject

1.1.1 Geopolitics of oil and its significance in determining the power of a state

“A century ago, petroleum, what we call oil, was just an obscure commodity; today it is almost as vital to human existence as water (Buchan, 2006).” Natural resources such as oil, gas, or other sources of energy, have a critical influence on national and international politics; from influencing human lives to determining states’ power and relationships. After many years of searching and drilling for gas and oil, today’s modes (or mechanisms) of economic production and consumption have helped create an unlimited thirst for these vital resources. What makes oil and gas so valuable is their significant share of worldwide energy consumption and the absence of cheaper and more reliable replacement sources of energy globally. What would otherwise explain sovereign states’ readiness to wage war in their pursuit or to deploy extensive military assets to protect such energy sources around the world?

As commonly known, oil, has become the bloodline of the world’s economy, especially as states’ consumption of oil continues to increase (Osmańczyk & Mango, 2003). Thus, when exploited, gas and oil can provide a country with various opportunities that can make available new sources
of income and growth. It can strengthen and boost the economic standing of a country, and the region around it. In addition, higher energy security can also offer new and innovative ways for countries to develop and improve their industrial, transportation and electricity sectors and even boost tourism, education, and other sectors of the economy.

Besides the centrality of oil on the socio-economic level, its political significance is clearly evident in shaping a state’s policies and actions. A clear example would be the October Arab-Israeli conflict of 1973, also known as the Yom Kippur War. The power of oil then became an evident political weapon. Aiming to influence Western governments, the Arabs decreased their oil output into the market which caused an upsurge in prices as a consequence. The oil embargo of 1973 and 1974, during which the oil prices increased significantly, proved how susceptible states had become to foreign energy producers.

Since the early 20th century, and with the rise of the energy industry, the political nature of oil has constituted an imperative factor of influence on diplomacy among states (Beaver, Beaver, & Wilsey, 1999). Nevertheless, according to Wilsey, oil is a gradually depleting source of energy that is waning at a rapid rate. The role extraction and exploitation has played in exacerbating conflicts in and around producing countries is considerable, in addition to becoming a major source of international instability.

Noting the dwindling presence of unexploited oil deposits, Lebanon constitutes a rising potential source of gas and oil despite its political stagnation and instability. As we will see throughout this thesis, with ten offshore blocks identified in its Exclusive Economic Zone (EEZ), Lebanon constitutes a good example of how oil resources, if well managed, could generate significant revenues for the state by notably increasing its overall financial and economic
resources. Such revenues are likely to financially support the strengthening of the country’s many sectors including its military and security apparatus.

Lebanon’s oil wealth could also decrease the country’s dependency on foreign actors, and intrinsically contribute in building its autonomy both financially and economically, hence, altering power relations with its neighbors. Despite these blessings, oil and gas extraction, if mismanaged, will weaken the states’ already troubled and over-indebted economy, paralyzed political system, and frail institutions. With all the above noted, the petroleum industry in Lebanon is likely to become one of the most important factors influencing national and regional peace efforts, especially with Israel, in the coming years.

1.1.2 The large oil and gas discoveries in the Levant Basin

Few years ago, large maritime reserves of gas and oil were found in the Levant Basin province, “which stretches from the Jordan River to the Mediterranean Sea, covering lands and maritime territories of Israel, the West Bank, the Gaza Strip, Lebanon, Cyprus and Syria (Abo-Gosh & Leal-Arcas, 2013).” Considered today as the newest frontier hydrocarbon province, the “Levant basin” within the Eastern Mediterranean region is “being constantly re-assessed through advances in seismic technology. It covers approximately 83,000 square kilometers (km²) of the eastern Mediterranean area and is bound:

1- to the east by the Levant Transform Zone,
2- to the north by the Tartus Fault,
3- to the northwest by the Eratosthenes Seamount,
4- to the west and southwest by the Nile Delta Cone Province boundary,
5- to the south by the limit of compressional structures in the Sinai.
It includes the territorial waters of Lebanon, Israel, Syria and Cyprus (Zemach, 2015).”

Below is a visual map of the Levant Basin to better understand and delineate its boundaries:

![Diagram of the Levant Basin](image)

*Figure 1: Boundaries of the Levant Basin (Source: Oxford Institute of Energy Studies, 2012)*

The natural reserves discovered in the Levant Basin are recognized as the greatest natural resources discovery of the past decade (Wählisch, 2011) and could largely contribute to the international energy markets. The U.S. Geological Survey (USGS), back in 2010, “estimated the undiscovered oil and gas resources of the Levant Basin Province to be around 1.7 billion barrels
of recoverable oil and 122 trillion cubic feet (tcf) of recoverable gas. The resources are considered the world’s largest gas discoveries of the decade (Darbouche, El Katiri & Fottouh, 2012).” Those gas reserves are respectively located in the EEZ of Lebanon, Cyprus and Israel.

Currently, Lebanon and Israel both fall into the same category and are defined as energy importers; hence, they both endure great pressures deriving from energy problems; not to mention that Lebanon suffers from energy deficiency namely in the electricity sector, while Israel faces gas supply difficulties. Thus, both consider the discovery of such energy resources a major boost for their economic development prospects.

As this thesis will discuss at a later stage, a dispute has emerged between Lebanon and Israel concerning the delimitation of their EEZ boundaries, specifically in areas where EEZ delimitation overlap. The continued inability to peacefully address this dispute by delimitating maritime boundaries has further complicated the relationship between the two states and has the potential of constituting a new threat to the fragile peace that currently exists.

Nevertheless, the discoveries in the area could provide both countries with great opportunities; the new discoveries and exploitation could lead to overall changes in the countries’ relationship (Leigh & Brandsma, 2012). In fact, this highlights the importance of addressing the topic, more precisely the dispute between Lebanon and Israel taking into account the historical political conflict between the two countries that has been enduring for over half a century.

1.1.3 Failing peace treaties and unsuccessful mediation efforts between Lebanon and Israel
For the past 45 years, several attempts have been made to reach peace among the different actors involved in the Arab-Israeli conflict. Some of them were fruitful, as the negotiations between Egypt and Israel, and between Israel and Jordan. However, an agreement to the main dispute, the conflict between the Israelis and Palestinians, has still not been reached. The main peace proposals since 1967 have included The Camp David Accords of 1978, the Madrid Conference in 1991, the 1993 Oslo Agreement, the 2000 Camp David, the failed Taba 2001 negotiations, the Geneva Accord of 2003, Annapolis 2007, Washington 2010, 2013-2014 talks and Abbas’s peace plan 2014. Yet, despite these repeated attempts, failure to reach a comprehensive agreement has remained the dominant outcome.

The Lebanese-Israeli conflict has not witnessed any significant progress either. Although Lebanon did not directly participate in the 1967 Arab-Israeli war nor the 1973 one, it became, unfortunately, a battleground for both, the Palestine Liberation Organization (PLO) and the Israeli military forces (El Ezzi, 2012) as well as the 2006 conflict between Israel and the Lebanese militia Hezbollah.

On May 17, 1983, an American mediation attempt by Mr. William Drapper, led to the signing of a Lebanese-Israeli agreement, aiming to end the war between Lebanon and Israel at the time. However, the agreement did not hold, and was ill fated. Whether it was due to the regional and international alliances of Lebanon (with Syria and Iran) and Israeli international relations, or to the Israeli and Lebanese domestic political setting, those limitations affected peace making attempts leading to a growing rift between the two countries.
The 1996 Israeli military operation “Grapes of Wrath” on southern Lebanon led to a US-French mediation effort which fruitfully led to an agreement between Hezbollah and Israel on April 26, 1996. The main aim of that agreement was to stop Hezbollah from using civilian villages to initiate attacks on northern Israel. Unfortunately, this agreement only lasted until the war of 2006, without any further Israeli incursions (USIP, 2006). It is also important to note that it was not until the year 2000 that Israel abided, and even then not fully, by the Resolution 425 (1978) of the United Nations Security Council (UNSC), which called for the Israeli withdrawal from Lebanese territories (El Ezzi, 2012). It is beyond the scope of this paper to probe deeper into the details of the border demarcation conflict and the occupied territories, however the UNIFIL continues to be the only force able to diffuse tensions between both parties and ensure a commitment to the post-war peace agreements reached in 2006. The map below highlights the presence and deployment of UNIFIL in southern Lebanon.
For the past 25 years, there has never been direct political negotiations between the two countries, and this is mainly due to Lebanon’s commitment to the Charter of the Arab League and its vigilant position towards Israel’s continued settlement policy, unwillingness to grant Palestinians their own state, to secure to Palestinian refugees the right of return to their homeland and refusal to vacate all occupied Lebanese territories. Despite repeated efforts initiated by international mediators to reach a peace agreement between the two countries, all attempts have failed. It is thus no surprise that existing constraints have prevented the two countries from progressing in the process of land and maritime border delimitation and delineation.

1.2 Research question
Since 1948, the conflict between Lebanon and Israel is considered one of the longest ongoing conflicts in the Middle East. For more than 65 years, numerous approaches have been attempted to resolve the conflict but to no avail. Clearly, undefined borders are the cause of major political conflict and military confrontation between the two countries. Renewed tensions have risen, with the recent natural gas discoveries that could, depending on how managed, help the peace process or be a source of open conflict between Lebanon and Israel.

In October 2010, Lebanon sent to the UN the delineation for its own EEZ which included geographical locations where energy reserves are alleged to be present. As a response in July 2011 Israel made public its own EEZ delineation, which overlapped with the southern Lebanese maritime boundaries. This overlapping area of 850 squared/km entering the southern Lebanese EEZ section immediately resulted in a dispute. Consequently, all endeavors to kick-start the process of exploration and exploitation of the discovered resources in that area were obstructed. Instead, this led to the emergence of a new political conflict between Israel and Lebanon, based on economic and legal considerations related to the maritime boundaries.

The Lebanese-Israeli land boundary delimitation conflict is far from being resolved which makes strategists wonder if under the current circumstances it would be possible to delineate the maritime boundary. Thus, the question that this thesis attempts to answer is the following: How is the maritime boundary delimitation between Lebanon and Israel likely to affect the peace process between the two countries?

1.3 Methodology
In the sole aim of answering the research question and to have a clear understanding of the effects caused by this maritime boundary delineation dispute and its impact on the historical conflict between Lebanon and Israel, this thesis examines legal, political, and economic developments resulting from the new oil and gas discoveries.

Several theories address the push and pull over resources between states. The process of maritime delimitation is complex and can involve major disagreements especially rights and obligations of states concerned (Alexander, 1986). Such disagreements are likely to worsen in a case where the maritime zones overlap. However, the delimitation process is essential for the peaceful management of the territory in conflict (Alexander, 1986). International relations schools of thought perceive the international world order differently, and when it comes to the issue of oil and territorial disputes they have different outlooks on the matter. For the purpose of this thesis, I will briefly review the dominant theories of international relations’ perspective on the topic, but focus primarily on the Realists’ school which embraces the notion of power politics and self-help which is most likely to result in unilateral action by concerned states. The choice of the realist perspective is also motivated by this school’s emphasis on states’ competitive conduct in foreign relations through the acquisition of greater military power to face encountered threats a trend observed in the current border conflict.

In order to answer the research question, two data collection techniques were used: primary data collection using half-structured in-depth expert interviews, in compliance with the Lebanese American University’s Institutional Research Bureau (IRB) principles and rules, and secondary data illustrated in a thorough literature review of the Lebanese-Israeli conflict and the subject of petroleum discoveries in the region. With the aim of including the political, legal, and
economic expert perspective when it comes to the maritime conflict, the interviews conducted included experts of different backgrounds namely political and government official, Former Minister Mr. Alain Tabourian, international lawyer Mr. Walid Nasr, as well as oil and gas specialists Mr. Ricardo Khoury, Mr. Malek Takieddine, and Mr. Gaby Daaboul. The thesis reviews the conflicting delineation methods used by both states and the legal structures involved in the maritime boundaries delineation processes. For several decades, many scholars along with reputable international organizations have published material relevant to common border delineation, and border conflict management. Against this background, the literature reviews the trends of the political conflict, defines major terms, and probes deeper into major theories in this field of research. Secondary sources include books, academic journals, newspapers, and articles reflecting the position of each country.

The interviews were used to assist in data collection and check if the information gathered supports the arguments elucidated by the research. The case study of Lebanon and Israel is based on recent analytical research portraying contemporary findings and data. Next the data collected from the interviews was carefully analyzed in light of the Realist School theoretical framework identified. The conclusions and future prospects draw on the interviews conducted and case studies on border delineation conflicts pertaining to gas and oil from other countries reviewed for the thesis.

The following four chapters are divided as follows: chapter two presents the literature review which discusses general maritime conflict theories and the main international relations theories with a focus on one framework; the Realist school of thought. Chronologically, the third chapter reviews the position of Israel and Lebanon and the causes/reasons for complications
and the contrasting declarations. It explains the legal aspects of the conflict that influence the setting of the maritime boundaries, the points of contention and the different maritime delineation challenges. As for the fourth chapter, it presents and analyzes the data collected on the case at hand. Finally, the conclusion summarizes the research, and sheds light on the major outcomes and contributions of the thesis to the existing research and literature on the topic.
Chapter Two

Literature Review

2.1 General conflict theories and maritime conflict

According to Emily Pia and Thomas Diez’s study, Conflict and Human Rights, a Theoretical Framework defines conflict as; “[…] a struggle or contest between people with opposing needs, ideas, beliefs, values, or goals. Defined in broadest terms, conflict denotes the incompatibility of subject positions... This definition emphasizes the opposition or incompatibility at the heart of the conflict, and initially leaves open the exact nature of these incompatibilities, i.e. whether they are between individuals, groups or societal positions; whether they rest in different interests or beliefs; or whether they have a material existence or come into being only through discourse (Diez et al, 2006: 565).”

It is also possible to distinguish between coercive and non-coercive conflicts (Wallace, 1993), others depicting conflict as an activity that is directed by an objective (Boulding, 1877, p.26), or as a condition where force is deployed to gain a good rather than producing it (Hischleifer, 1991). Wallace highlights the difference between a conflict based on coercion and a peaceful one (Wallace, 1993).
Conflicts in the case of border disputes cannot be ignored, especially because they are dynamic, they deal with underlying causes, and resolving them will definitely result in change. Conflicts may be due to the lack of clear delineation or an ambition to expand and so on. From 1919 till 1995, a wide range of data was collected by Huth and Allee, which help track down if such disputes are militarized or not and the importance of the territory experiencing conflict and its value (Huth & Allee, 2002). Two major authors, Holsti and Mitchell, have discussed both peaceful and militarized interactions over territorial issues, focusing on several aspects; such as the control over a certain territory (land or maritime), and the type of actors involved in the interactions (Holsti, 1991 and Mitchell, 2002). Randle notes the value that determines the importance of each of those aspects for each and every state (Randle, 1987). In this same spirit, Hensel also focuses on geopolitical factors involved in such disputes (Hensel, 2001).

The literature has widely shown that acquisition and protection of territorial rights is central to states. “Boundary disputes, whether terrestrial or maritime, are about control of space and resources, national security, and natural honor (Rogoff, 2010).” In fact, Scholars as Vasquez, Hensel and Mitchell highlight that such claims often refer to the strategic and economic significance of the territory (Vasquez, 1993 and Hensel and Mitchell, 2005). What concerns us most in this thesis is the delineation of borders and maritime claims. Those involving disputes “over access or usage of a maritime territory (Nemeth et al 2009).” Disagreements in these cases may be due to competition over claims where the EEZ overlap, are being violated, or for other economic reasons. The EEZ is defined as “the area extending 200 nautical miles from the baseline towards the sea, where the coastal nation has exclusive rights to the available natural resources (UNCLOS, 1982).”
As Hensel also discusses, militarized disputes over maritime lands are increasingly likely because of the important resources in the area (Hensel et al., 2008). As Anderson argues, maritime boundary delineation is recently mostly negotiated because of the concern for the sustenance of the oil industry and the fear of running out of this black gold (Anderson, 2006). There has been a large body of literature devoted to discussing the notion of oil, and the revenue it brings to states.

Others like Ross have thoroughly discussed the cons of oil in nations known for their richness in this substance, as he describes it as a curse in some cases. He, then, probes deeper
in discussing the tensions oil creates on the institutional and political level as well as how it can reduce development on so many levels (Ross, 2013). In this same spirit, in their book Lessons from Strange Cases, Goldberg, Wibbels and Mvukiyehe also emphasize the idea of how oil could become a threat for development and how it can harm advancement (Goldberg, Wibbels & Mvukiyehe, 2008). It is no doubt controversial to argue that point, given the many positive uses of oil and its contribution to world and regional development. However, just like other extractive industries, it has its positive and negative impact. This, is in fact, the case with Iran as Mahdavi argues (Mahdavi, 2014). Other studies by contemporary writers such as Saif, Atallah, Berro and Khadouri have also focused on the idea of oil being a source of regional conflict and argue various points of contention, which were caused by the issue of oil, more particularly between Lebanon and Israel (Saif, Atallah, Berro & Khadouri, 2011). Moreover, from an economical point of view, Chaudhry argues that the dependency of states on oil promotes an irregular development of political institutions due to the episodic ups and downs in revenues (Chaudhry, 1997).

Conflicts over natural resources, such as oil, usually take place when the resource is degrading and becoming scarce (Homer-Dixon, 1994), or there is no equitable distribution of the resources amongst the actors in conflict (Baland and Platteau, 1999). Arend Lijphart’s article entitled “Comparative Politics and the Comparative Method” has been a reference in studying comparative cases such as the Lebanese-Israeli one (Hanf, 2008). Famous examples of territorial conflict include the conflict between India and Pakistan, especially the Sir Creek dispute, which has been deeply analyzed by Ansari, Vohra and Pendharkar (Ansari & Vohra, 2003) (Pendharhar, 2003). Another case is the case of Qatar and Bahrain; various reports have been
issued by the International Court of Justice (ICJ) who has itself played the role of mediator and settled the dispute. Another maritime boundary conflict includes the case of Suriname and Guyana, and was resolved under the United Nations Convention of the Law of the Sea (UNCLOS). Furthermore, Donovan discusses this conflict in a renowned article entitled: Suriname-Guyana Maritime and Territorial Disputes: A Legal and Historical Analysis (Donovan, 2003).

Scholars such as Friedman evaluated the maritime border conflict between Somalia and Kenya and the different delineation processes used by each over a large area of the Indian Ocean that is potentially loaded with oil (Friedman, 2014). They shed light on how Somalia pursues negotiation through the UN and judicial process with the International Court of Justice (ICJ). Similarly, accusations between Ghana and the Ivory Coast against each other existed, and were tackled under the UNCLOS over the Gulf of Guinea. Lord Aikins Adusei addressed this old dispute and the jurisdiction related matters, along with the oil and gas issue (Adusei, 2012). Adusei examines how both countries chose to display mutual political trust and by that both governments avoided conflict and chose to benefit equally from the resources found in their shared maritime borders, stating several factors that could help them cooperate (Adusei, 2012). Thus, as we notice here, linked to the notion of conflict and conflict over resources, are the notions of conflict management and conflict resolution, which both constitute main pillars in the discussion of this thesis, hence, the literature relies also on this lexicon.

With respect to the various dispute settlement strategies, Merrills explains that there are different means for conflict management, including border disputes, such as: “negotiation, mediation, inquiry, and reconciliation through diplomatic means; arbitration and judicial
settlement through legal means; and dispute settlement concerning trade and the UNCLOS (Merrills, 2005).” It is worthy to note here that various authors have discussed the fact that third parties are very likely to be part of the resolution strategy, especially when the conflict involves democratic actors (Mitchell, Kadera & Crescenzi, 2008). In this case, Hansen, Mitchell, and Nemeth view international organizations as the most effective mediators and actors that could resolve disputing issues between states (Hansen, Mitchell & Nemeth 2008).

In this context, it is important to note that the United Nations has become the leading facilitator when it comes to maritime regulations taking into account that the global legal framework defining the rights and responsibilities of coastal nations at sea has, for centuries, been a frustrating, interest-conflicting and unfulfilled idealistic notion. Consequently, in the 1982 UNCLOS at last settled on “a legal order for the seas and oceans” with the aim of promoting international communication, “peaceful uses of the seas, equitable and efficient utilization of maritime resources”, jurisdiction over waters and conservation of maritime ecosystems (Sandoz, 2012). In 1958, 1960 and 1982 a total of 5 conventions were signed, setting the path for international regulation. Finally, the UNCLOS was issued to set the legal framework and delineation of both, international and national waters (Dundua, 2010). What concerns us the most for this thesis is Article 15 of the UNCLOS (United Nations Convention on the Law of the Sea, 1982) which states:

“Where the coasts of two States are opposite or adjacent to each other, neither of the two States is entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured.
The above provision does not apply, however, where it is necessary by reason of historic title, or other special circumstances, to delimit the territorial seas of the two States in a way which is at variance therewith (UNCLOS, 1982).” This is the major regulation upon which common borders delineation is conducted. In addition, the UNCLOS highlights that “territorial waters are defined as the area starting from the baseline - low-water line along the coast- out to 12 nautical miles into the sea where countries have full control and sovereignty (UNCLOS, 1982).”

Oxman explains that states agree on maritime boundaries due to three situations: “substantial activities subject to coastal state jurisdiction are being conducted or are likely to be conducted in an area of actual or potential dispute; one or both states wish to stimulate uses, particularly fixed uses, of the area in question; there is no significant activity or interest in the area requiring a boundary (Oxman, 1995).”

In the case of Lebanon and Israel, the first two ideas are the most fitting. The exploration and exploitation of the maritime area in question, for oil and gas, and the general assumption for the right to extract those resources from this area, created a maritime border delineation need between Lebanon and Israel, especially with the continued state of conflict between the two states.

Yet, as it seems, the international community has not come out with a general theory appropriate to all maritime delimitation situations. Nevertheless, it is widely acknowledged that the delimitation must be achieved through agreement. The 1982 UNCLOS states the aim to conduct maritime delimitation, and the customary law, through particular cases, sets forth-different circumstances and guidelines to achieve equitable delimitation. However, just like land
delimitations, maritime delimitation includes sensitive issues with regard to jurisdiction and state sovereignty. Also, for a durable maritime solution, regional circumstances in the pertinent area must be taken into consideration.

Furthermore, from an economic standpoint Wahlisch highlights the fact that Lebanon and Israel have not yet settled the delimitation of their maritime boundaries. He clearly mentions in his article Israel-Lebanon Offshore Oil & Gas Dispute – Rules of International Maritime Law, that the financial and energy security benefits are measurable. He also states that for Israel, which has imported forty percent of its natural gas from Egypt, it could become an energy exporter especially to the European Union (EU) and Jordan (Wählisch, 2011). As for Lebanon, the country could use revenues from its explorations to reduce its national debt. However, on the legal side of the topic, Wahlisch focused on the maritime law that define the act of delineation by each Lebanon and Israel (Wählisch, 2011).

This literature review has found Sassine’s examination of the five different strategies that are used worldwide to solve border conflicts, very helpful in shaping a framework for analysis. Sassine concludes that “Lebanon’s success will depend on mastering the rules and procedures of the international law of the sea, and its ability to wage a successful international media and diplomatic campaign (Sassine, 2011).”

According to Strange, attention must be paid to an intricate series of relationships between national and international affairs, and between political and economic issues, as well as to conflicts of value and policy recommendations, and to the different concerns of developed
and developing nations (Strange, 1970). Strange concludes by suggesting that a new approach is necessary.

While theories discussing border and water delimitation as well as natural resources allocation help us understand the institutions and rules available, and analyze the data collected on the Lebanese-Israeli case for this thesis, we turn next to discuss briefly the major theories of international relations and more specifically Realism to help us understand the possible consequences of such a conflict as seen by this school of thought and posed by the research question.

2.2 Theories of International Relations

In the study of international relations theories, there are four dominant perspectives: Liberalism, Constructivism, Radicalism and Realism. Those international relations theories help in the understanding of interstate relations and the actors and factors that influence such relations.

Generally speaking, the Liberal school of thought which relies on the writings of numerous thinkers including John Locke and Immanuel Kant, focuses on three widely known pillars:

“1- Economic interdependence, in particular free trade, diminishes the chance of conflict by increasing its costs to the involved. (Commercial liberalism)

2- Democratic peace, liberal democracies are believed to be more peaceful than non-democracies. (Republican Liberalism)
3- Liberal institutions, the contribution of international organizations in promoting collective
security managing conflicts, and encourage cooperation. (Liberal institutionalism) (Smith,
1992).” In addition to that, liberals believe that states are motivated for cross border interactions
and their preferences are defined by social concerns (Moravcsik, 2010). Liberal assumptions are
more related to prospects of international political economy (interlinkage between economy and
politics). As Sherril states, “liberal interdependence theory would expect states that trade with
one another to pursue such negotiated settlement, so as to avoid the costs of violent conflict
(Sherril, 2014).” Thus, instead of focusing on state rivalry advantages, they focus on the
advantages of cooperation. In this sense, international conflicts are not suitable. Hence,
cooperation, especially when it comes to energy resources and oil, is the best means to achieve
security (Moravcsik, 2010). They argue that economic interdependence generates common
interests and positive relations. In terms of international energy politics, they disband energy
form national security. When looking at the Lebanese-Israeli oil conflict, the liberals would view
oil as an instrument that would help resolve the political conflict between them and enhance the
peace process. The argument is that “the interdependence between producers and consumers is
a positive development, as it creates a climate of cooperation and reciprocity (Shrivastava &
Neha, 2007).”

As for the constructivist theory, it focuses on the social context in which actions of states
occur. This school of thought gives attention to the social norms and rationality of actions. Each
institution has its own values and regulations that shape their different approaches to resolve
conflicts. Mainly derived from the thoughts of Michel Foucault, this realm considers that the
world order is to be understood through a set of subjective and inter-subjective views, whereby
the states’ interests are a result of sociological and interactive conditions that are always changing. The core focus of constructivism lies in the “social structure” and the “human awareness and consciousness.” Thus, according to constructivists, power is defined by the “underlying structure of shared knowledge,” or in other words it is not only the material capabilities and resources that define power, it is the beliefs and perceptions of a certain system. This is all related to the understanding that the anarchic world order is based on states interactions that are formed and shaped by norms and identities as Martha Finnemore explains (Finnemore, 1996). Hence, a collective identity for example would imply a positive identification with others in the conduct of foreign relations and use of power. This indicated that knowledge formed is socially constructed. This framework views states’ behaviors to be driven by social factors such as norms, institutions and cultures, which are defined by the realists as interests of a state. Constructivists look at them from a social context rather than power seeking one. In this sense, their view of domestic factors in shaping the national policy are the same that shape the national identity of a state; not the material factors but the common beliefs and social entities (Hopf, 2002). This implies that the state’s policy could be understood when its culture is understood. On another note, international institutions are great shapers of a state’s behavior according to the constructivists, especially since they are socializing actors and interaction driven (Acharya, 2008).

Moving to the radical tradition, this Marxist-inspired realm views other international relations theories as flawed since the policies they present do not radically inflict change. The main theory upon which this school lies is the dependency theory, whereby all energy related conflicts are attributed to producing states. Ray Hinnebusch’s textbook written in 2003, The
International Politics of the Middle East, best explains this school’s perception of energy issues. He “argues that the Middle East economies exhibit many of the classic features of dependency which include dependence on a few basic export commodity, most notably oil; the failure to process these raw materials into finished high-value goods, thus making their economies dependent on the core; the political salience of dependency links between local economically dominant classes and the core, which detaches these elites from the local populations and inhibits the development of national economies; and a western financed and supported military-security structure which represses challenges to these dependent core-periphery relations (Dannreuther, 2010).” In summary, radicals give supremacy to economics, believe that the capitalist economic development is uneven and oppressive, and attribute the states’ actions as upholding the will of the bourgeoisie.

The author of this thesis is well aware of varying explanations for the maritime conflict, and does not ignore the usefulness of numerous perspectives in the analysis of the Lebanese-Israeli oil clash. It is certain and evident that the reality of oil may be interpreted by two extremely different approaches. The first worldview, the liberal one, would look at oil as a source of cooperation that would assist in resolving conflicts between states, and creating a climate of collaboration. This definitely would entail a hand from international organizations that would aim to resolve existing disputes. On the contrary, the second perspective, Realism, views oil findings and exploration as instigators of intense conflicts and constant rivalry and mistrust. Such a perspective would be more directly linked to national security issues, politicization of the sector and the use of oil as an instrument used by the state to achieve political aims and even balance security threats.
Whether liberal or realist, the two schools are applicable under different circumstances, depending on the sources of threat, actors involved, and existing inter-states relations. Despite the fact that there is a common interest to cooperate and solve the oil disputes, which would bring significant gains to both states, yet, as the thesis will explain, the lack of formal diplomatic relations and technical cooperation are a missing pillar in the Lebanese–Israeli relation. Whether third party intervention is to take place or not, diplomatic relations seem to be the indispensable factor to maintain long run cooperation between contesting states. In our case, this does not exist. In addition, the literature review conducted to this point leads the author to believe that other factors in the current context point to the relevance of the realist framework of analysis in this situation which will be described next and is used for the analysis of the case at hand.

The fourth tradition, Realism, is selected as the theoretical framework through which the maritime dispute between Lebanon and Israel will be analyzed to predict potential future climate. Realism has rationalized state-to-state interactions in a world where distribution of power, human and material, is key for the survival of the fittest, the balance of power, and the maintaining of international order. Noting that, realists’ assumption that states are rational-choice makers is a matter of perception. Nevertheless, as we will see it is well-positioned to examine the legal, political, and economic developments resulting from the new oil and gas discoveries drawing on the Lebanese-Israeli manifestations of the security dilemma and the centrality of national security interests throughout the history of both states’ relations.
Realism, one of the dominant paradigm of International Relations theory, views that throughout history, states have interacted with each other in a race for power. This school of thought focuses primarily on the notions of sovereignty of the state and state’s power accumulation and domination (mainly military). Understanding Realism in today’s nations conflicts calls for a return to 19th century nationalism, which was back at that era considered a romantic movement.

Realism tends to “emphasize the irresistible strength of existing forces and the inevitable character of existing tendencies, and to insist that the highest wisdom lies in accepting, and adapting oneself to these forces and these tendencies (Carr, 1962).” Four propositions lie at the core of this theory. The first one would be the absence of hierarchy in the political order of the international system and the anarchic nature of the international political system. In this respect, Morgenthau’s (2006) emphasis on power politics and the quest for national interest is argued by the Realist theory, neglecting ethics in the struggle for power, and relying on self-help. In other words, states are required to thrive on their own in order to outdo other states and solely rely on “self-help” in order to attain protection and prosperity (Waltz, 1979). Second, the neo-realist realm of Kenneth Waltz argues that the state is the only relevant actor in the anarchic world order (Waltz 1979; Mearsheimer 2001). The states are of two natures; those that influence international politics and those that are subjective and influenced by international politics (Mearsheimer, 2001). This has mostly been argued in the period after the First World War, especially when Realism was the dominant theory when it came to territorial disputes. Against this background, Realists tend to mainly focus on great powers “because these states dominate and shape international politics and they cause the deadliest wars (Mearsheimer, 2001).” In this sense,
nation states thrive to dominate other territories, and this is basically why they measure their abilities through military capacities. The third proposition is that all states are unitary rational actors. They are always prepared to fight tooth and nail in the pursuit of self-interest in order to have access to as many resources as they can get. Last but foremost, is the fourth proposition which states that the primary concern of all states is survival. Realists firmly believe that in the absence of a supranational authority that can enforce rules over states, states will demand security above all else. Security can only be achieved through power and power is only measured on a military scale. “Under conditions of anarchy, it is the material power, in particular, the military strength of the various units in an international system that has typically been decisive in shaping the patterns of relations among opponents (Friedberg 2005: 17).” Neorealism and Neoclassical Realism, two schools which are derived from the main theory of Realism, yet their different focuses lies in describing international relations and providing contending explanation of state behavior in the international system. The former focuses mainly on the international system and the latter on state-level behavior. However, the two have offensive and defensive alterations. Defensive realism would argue that acquiring increased military capabilities would then lead to what is known as a “security dilemma”, whereby states would resort to self-arming as they feel more threatened and that’s when they seek protection (Viotti & Kauppi, 1993). That being stated, increasing one’s military capabilities will generate even greater instabilities since the opposing power may feel threatened by the new rising power and may in response reinforce its own military power. Therefore, security becomes a zero-sum game. According to Elman, this abovementioned “security dilemma” is what “makes states behave as if they were revisionists.” (Elman, 2007, p.18). On another note, “offensive Realism suggests that security is scarce because
resources are scarce (Hamilton, 2013).” The omnipresent security dilemma that nation states tend to fear generates a race for greater procurement of weaponry, and in the same sense it engenders the pursuit of energy resources and oil. Viewed from a Realist perspective, conflicts are originated from disagreements over scarce resources, hence, aggravating the feeling of insecurity and growing the fear of running out of resources in the concerned states since they are limited. From this perspective, this view believes that energy security is linked to national security, thus giving importance to the military and physical power to achieve both.

Yet, “what states need is an ‘appropriate amount’ of power in order to achieve their goals” (Raditio, 2013). The power competition, in this sense, leads inevitably to shallow cooperation and in turn to conflict. However, the balance of power which is expectedly unstable is only maintained when states that are confronted by external threats look to form alliances in order to “balance” or “bandwagon”. Against this background, international institutions are seen as puppets in the hands of major powers (Leifer, 1996), believing in their limitations and burden over international relations. Hence, cooperation among states, and to our concern on common border delineation, is very difficult in international relations. Starting from this approach, it would only be fair to state that states today are situated in an environment where expansion is difficult. International laws, norms and long-term interests restrain states from expanding at their will. “Expansion is a miscalculation, since those who appear to be aggressors are most likely to confront a balancing coalition that would eventually decrease rather than increase the chance of survival (Waltz, 1988).” A realist assessment would suggest that conflict is unavoidable as self-interest is the primary aim. It is important to note that the offensive realist view of international relations between states, amidst this power competition, is a zero-sum game, as hinted above,
disregarding if all actors are achieving gains (Jehangir, 2012). Generally, realists are skeptical that the progress of international relations can be compared to progress in domestic political life (Jackson & Sornsen, 2010).”

It is hard for a power seeking state to contest an existing power without annihilating its interests along the way (at least their economic benefits) (Ikenberry & Wright, 2008). Building on this, and on the perspective of John Mearsheimer, all states seek to become hegemons (Mearsheimer, 2001, p.29) which is inevitably the Israeli aim in the Arab world. Yet, as stated above, we bear in mind that expansion is not an easy process in the current world order. On the other hand, according to realists, the weak powers such as Lebanon are “unqualified for sustaining order and achieving security and prosperity on their own terms and within their own means, the best way to manage the security dilemma is to keep all the relevant great powers involved in the regional arena so that they can balance each other’s influence (Jensen, 2011, p:16).”

The below table summarizes the framework generated from the literature review of the realist theorists and that will be used to analyze the data collected for the thesis in an attempt to answer the research question.
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<th><strong>Table 1: Summary of Theoretical Research</strong></th>
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In the words of Kenneth Waltz: “One must remember that a theory is made credible only in proportion to the variety and difficulty of the test, and that no theory can ever be proved true (Waltz, 1979, p.14)”; and “to proceed by looking for associations without at least some glimmering of a theory is like shooting a gun in the general direction of an invisible target. Not only would much ammunition be used up before hitting it, but also, if the bulls’-eye were hit, no one would know it (Waltz, 1979, p.17).”
Chapter Three

Dispute of Contrasting Maritime Delimitations between Lebanon and Israel

All states have jurisdiction over their territories, be it land or maritime, defined by boundaries set with respect to international law. When it comes to maritime borders, they constitute a main pillar in sustaining peaceful and secure relations among adjacent nations. Against this background, various concepts have emerged in maritime law; such as aforementioned the EEZ and Continental Shelf (CS) (Collins, and Rogoff, 1982). Inevitably, nations’ maritime areas tend to overlap in several instances, which requires them to draw delimitation lines to divide those zones as they have contending claims. The following section will highlight the legal framework through which the maritime dispute has been discussed. The legal framework and specifically the position of Lebanon and that of Israel has been the cornerstone of the push and pull between both states when it comes to power politics and economic interests.

3.1 Delimitation process

The process of delimitation is usually carried out through revisiting several legal principles, and as stated previously by using the UNCLOS (1982) as the main point of reference. UNCLOS was formulated after several international meetings starting with The Hague
Codification Conference in 1930, then The International Law Commission (1949-1956) and the 1958 Geneva Conference, followed by the third United Nations Conference on the Law of the Sea (1973-1982). By analyzing the case study for both, Lebanon and Israel, we will demonstrate the methods used to define the areas of concern in this study.

However, in reference to an article entitled “The maritime boundaries and natural resources of the Republic of Lebanon” published by the UNDP in December 2014, highlighted the process of maritime border delimitation provides a concise summary of the main points below:

“There exist two distinct delimitation methods; the equidistant line method, and the equitable principles method. Tensions developed between these two principles leading to a mixed application of the two methods known as the equitable solution principle.

**Equidistance Line Method**

An Equidistance line is one for which every point on the line is equidistant from the nearest points on the baselines being used. According to this method, a state’s maritime boundaries should conform to a median line equidistant from the shores of the opposite state. After drawing a provisional equidistant line, historical considerations and other special circumstances, such as the presence of small islands, may warrant adjusting the equidistant line accordingly.

**Equitable Principle**

Delimitation based on equidistance may result in inequities particularly in the case of adjacent and opposite states. The equitable principle attempts to remedy this inequity by using other geometrical approaches to delimitation that produce an equal division of areas. For example, in the case of Nicaragua versus Honduras, the ICJ maintained that while equidistance remains the general rule in delimiting the territorial sea, it formed the opinion that it would not be sufficient simply to adjust the provisional equidistance line but that special circumstances required the use of a different method of delimitation known as the bisector method (i.e., the line formed by bisecting the angle created by a linear approximation of coastlines). Hence the equitable principle does not give any primacy for the equidistance principle as a method of delimitation.
Combined Method (International Standard)

There are no systematic criteria which should be used to determine an equitable delimitation. As such, the equitable principle remains a rather ambiguous and imprecise rule. This is corroborated by the ICJ that noted in the case of the Gulf of Maine between Canada and the USA that: “There has been no systematic definition of the equitable criteria that may be taken into consideration for an international maritime delimitation, and this would in any event, be difficult a priori, because of their highly variable adaptability to different concrete situations. Codification efforts have left this field untouched.” Under customary international law and according to UNCLOS, the delimitation approach applied in delimitation is a combination of these two methods. This is corroborated by the jurisprudence of the ICJ in the case of the Gulf of Maine and reiterated in the Qatar versus Bahrain case: “In the case of coincident jurisdictional zones, the determination of a single boundary for the different objects of delimitation ‘can only be carried out by the application of a criterion, or combination of criteria, which does not give preferential treatment to one of these… objects to the detriment of the other, and at the same time is such as to be equally suitable to the division of either of them’ (UNDP, 2014).”

Figure 4: Maritime Delimitation and Territorial Questions between Qatar and Bahrain (Source: ICJ, 2001)
For this section, it is important to remember that the EEZ is the maritime geographical space over which the coastal state has the sovereign right to explore and exploit the seabed, subsoil and adjacent waters. It covers a maximum width of 200 miles (370 km) defined along the base line (a line following as accurately the rules of the coastal line). The EEZ has no legal existence a priori though. It is of each country’s obligation to define through legislation. This implies the demarcation of borders of this space (Khalifah, 2012). This EEZ includes inland waters, territorial waters (band sea up to 12 miles), and the area contiguous (12,000 more). According to the binding Law of the Sea Convention signed in Montego Bay, Jamaica on 10 December 1982, it specifies the areas which may be subject to interpretation given irregular coastlines. The text states also that when the baselines of two states are separated by less than 400 000 square kilometers, the boundary between their EEZs should be fixed by agreement or by international justice (Baroudi, 2008).
The Mediterranean Sea is one of the indispensable and common factors that unifies the countries in this area, otherwise they greatly differ on the economic, political and cultural level. However, the delimitation of maritime borders is a precondition for unified policies that would guarantee the protection and sustainable use of natural resources in the Eastern Mediterranean area. The natural resources of the region could profoundly change the landscape of Mediterranean energy as a whole. Nevertheless, the development of these resources highlights the existing need to overcome many obstacles with major geopolitical implications, as we will see in the case of Lebanon and Israel.
3.2 Position of Lebanon

Having ratified the UNCLOS, Lebanon, and through the Law No. 295 of February 22\textsuperscript{nd} 1994, gave its consent on the United Nations Convention on the Law of the Sea adopted on December 20\textsuperscript{th} 1982. This section will not go into the details of establishing Lebanon’s Territorial Sea, Continental Shelf, and Contiguous Zone as the process is beyond our scope and does not constitute the points of contention between Lebanon and Israel. What concerns us the most however, is the provisions upon which the Lebanese EEZ was delineated. In fact, law no.163 on the Delineation and Declaration of the Maritime Zones of the Lebanese Republic adopted on 17 August 2011 provides a clear reference to the demarcation, rights and entitlements (Articles 5, and 12). This law follows the UNCLOS zonal delineation.

Lebanon has adopted the low-tide as a standard baseline for determining its Territorial Water. Simply put, it is determined according to the low-water line along the Lebanese coast.

As a reference, the “low-water line” along the coast is legally and officially marked on official large-scale charts, as well as several straight lines connecting internationally defined baselines spanning the length of the national shoreline.

This “low-water line” starts from the center of the mouth of Nahr Al-Kabir Al-Shamali (or North Great River) to the north of Lebanon, all the way to the maritime tip of the 1949 ceasefire line to the South (ASDEAM, 2012).

As for the continental shelf of Lebanon, according to Article 9 of the Law no. 163/2011, it is the area where Lebanon implements its sovereign rights for the intention of “exploring and
exploiting its natural resources, and is determined (according to national and international laws and conventions) from the Baseline and stretches to a distance of 200 NM maximum. It is not very wide and does not exceed 200NM as mentioned, however It extends westward in the sea to reach at least:

1. (to the North-West) the equidistant point to the nearest Lebanese, Syrian and Cypriot coastline

2. (to the South-West) the equidistant point to the nearest Lebanese, Cypriot, and occupied Palestinian coastline.

In its Exclusive Economic Zone, the coastal State enjoys sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources both living and non-living not only on the seabed and subsoil but also in the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds.” (Hamd, et al., 2014).

3.2.1 The Lebanese-Cyprus Agreement

With the aim of delimiting their EEZ boundaries, on January 17th, 2007, Cyprus and Lebanon signed a bilateral agreement that highlights their delimitation. As we notice in Figure 7 below, the zonal edges are defined by 6 main points considered to be at equal distance between the opposite coasts of Lebanon and Cyprus. The Point 1 indicates the southern terminal endpoint between Lebanon and Cyprus, and Point 6 indicates their northern terminal endpoint. This delimitation was held “on the basis of the median line (equidistant line) of which every point along the length of it is equidistant from the nearest point on the baselines of the two Parties the
median line and its limits are defined by the following geographical points from 1 to 6 extending from South to North. However, Lebanon’s proclaimed EEZ goes north beyond point 6 and south beyond point 1” (Scovazzi, 2012). Therefore, the agreement incorporated a clause that gave the opportunity later on to modify the two points with respect to further EEZ delineation with other countries. Longing for a solution between the Lebanese Republic and Israel, the coordinates set in this 2007 agreement were viewed by the Lebanese as an ad hoc solution (Nash, 2011).

Figure 6: Maritime Borders Claims (Source: Geofinancial, 2012)

In 2009, the Cypriots ratified the agreement, however the Lebanese council of ministers did not. The reason behind this step back was to avoid any teething troubles in Lebanon’s relation with Turkey who had refused the agreement because of its exclusion of the Turkish-Cypriot part of the island. Instead, in May 2009 Lebanon embraced another delineation formed by the Lebanese army, where the new limits extended the coordinates to include points 7 and 23. The
last is south-west of Point 1 and as we will see further in the chapter, a point of contention between Lebanon and Israel as it overlaps with the area claimed by the last. This delineation that was in accordance with the UNCLOS was endorsed on 21st of May 2009 (Figure 7) (Wählisch, 2011). This new delineation was passed to the UN Secretary General on 15 July, 2010 (Middle East Economic Survey, 2010, p:29) and October 2010 (Middle East Economic Survey, 2010, p:32).

The Full Delimitation of Lebanese EEZ (Source: ASDEAM, 2007)

As we will see, with regards to Point 1 shown on the maps above, which was set as a splitting point between Cyprus and Lebanon, it is the identical tripoint that Israel announced when it submitted its EEZ delineation to the United Nations in 2011 (Wählisch, 2011).

There are various assumptions on the Lebanese intentions for setting Point 1; it might be considered as a simple diplomatic mistake, while some believe the government back then wanted
to avert more contention and struggles with Israel. As stated by Lebanese army General Nizar Abdel-Kader, throughout the exchanges between the Lebanese and Cypriots, they explicitly indicated that the limits delineated between the three states should be commonly approved by them three, and that Lebanon disapproves the Israelis alleged claim of the overlapping area of 850 square kilometers which resulted from their delimitation of their own EEZ (we shall dwell on this point further in the upcoming chapter) (Abdel-Kader, 2011).

According to several Lebanese officials interviewed by Le Commerce du Levant, there has always been discussions with Cyprus that points 1 and 6 were not tripartite points and that a margin had to be left in the south and the north for the later definition of tripartite border points respectively with Israel and Syria. “This approach is entirely consistent with international practices in the field because both countries can not commit to a tripartite border point which, by definition, involves the agreement of a third State," said an expert, who requested anonymity (Sassine, 2011).

On 20 June 2011, Ex-Minister for Foreign Affairs and Emigrants Mr. Adnan Mansour referred a letter to the UN Secretary General stating that, “Lebanon’s EEZ boundary begins at Ras Naqoura which marks the land border between Lebanon and Israel, as per the 1949 Israeli-Lebanese General Armistice Agreement table of coordinates, and terminates at Point 23 which lies 133 kilometers from the coast at an average angle of 291 degrees, […] and Point 1 does not represent the southern end of the median line that separates the EEZ of each country and thus it should not be taken as a starting point between Cyprus and Israel (Mansour, 2011)”. It also
wished that the UN would take the appropriate actions to settle the problem of the claimed area and safeguard Lebanon’s rights and entitlements.

Lebanon has always felt the urge to protect the country’s rights and has tried in every conflict it has taken a part in, to prove that it cannot be pushed around just because it is a tiny state compared to the others. In particular, it is politically and economically evident that the Lebanese energy sector is in great need of the recent gas discoveries. During the “Glorious Thirties” which was between the years 1945 and 1975, the economic growth in Lebanon was strong, marked by the gradual expansion of the electric grid to rural areas. Then the Lebanese war happened from 1975 to 1990 and naturally disrupted the sector. Today, 95 percent of the energy needs are covered by the import of oil products. Hence, the offshore gas discoveries can be an opportunity for Lebanon to financially get back on track and pay off the country’s deficit encumbered with the cost of energy (Khalifah, 2012).

3.3 Position of Israel

The maritime disputes between Lebanon and Israel is a pressing matter to the countries of the Middle East and much of the rest of the world. Both, the Lebanese and the Israeli governments are deeply dedicated to protecting their country’s sovereignty and security and looking after their territorial integrity while being skeptical of each other’s intentions and actions.

The historical progression of Israeli energy research is a process constantly challenged by crises and political upheaval with the oil providing countries. The State of Israel has always been rejected by the states of the Arab league as a way of expressing support for the Palestinians amidst their ongoing war with the Israelis. Against this background, Israel has suffered from
economic boycotts from neighboring Arab states which in some cases found itself lacking resources. To support its economic and population growth, the Israeli government first tried to find oil in its territory, a move inspired by the example of its neighbors. It is estimated that more than five hundred wells have been drilled since 1948, giving yet no significant results. One well provided results in the area of Kiryat Gat, but it gives only a few hundred barrels per day. Offshore drilling begun in 1969 and then campaigns were launched regularly such as the one in 1976 off the coast of Sinai and in 1986 off the coast of Haifa and so on. But the discovered fields were too small to be usable until the discovery of the field Gaza Marine and Mari-B in 2000 (Blanford, 2012).

The story of Israel's energy dependence began at its inception in 1948. The main oil producers were then the Arab States, and the British protectorate of Palestine who concluded a partnership with the Gulf oil monarchies, largely under the influence of London. The war suddenly broke trade relations between Israel and its Arab neighbors, which resulted in a blockade, including oil. Israel needed to develop reliable sources of energy and abundant ones, leading to the search for diversified supply sources outside its first Arab circle.

In 2009, through Noble Energy, a US-Israeli consortium whose headquarters is in the United States, Israel discovered two fields of gas. The first, in 2009, was named Tamar, while the second, discovered in 2010, has been named Leviathan. Israel directly started offshore drilling for gas extraction, and anticipated to begin production from the Tamar gas field in 2010. Noble Energy announced that the Tamar field’s reserves are estimated at 238 billion m3 of gas, and the Leviathan at 500 billion m3 in 2015 (Blanford, 2012).
3.3.1 Cyprus-Israel Agreement

In general the Cypriot-Israeli bilateral relations are founded on common favoring of the free-market economy and the foundation of democratic governments. The solid cooperation of Cyprus and Israel incorporates coordinated military, social and political efforts. The possibility of a joint use of oil and gas fields off Cyprus brought the two nations closer together.

The Israeli government believed that part of the oil deposit is on its territory and therefore requires the allocation of a right to the revenues generated by its operations. By sending a message to the Cypriot side, the Israeli Foreign Ministry said that if the two countries could not agree on the Aphrodite field, Israel would refuse to invest in its development (Refer to figure 8) (Ravid, 2011). Nevertheless and as stated by radio news data, for example, Sputnik radio station, Israel alarmingly addressed the activities of the Government of the Republic of Cyprus concerning the limitation of access to the region, where the store of gas is situated in the Aphrodite field. (Refer to Figure 8)
Figure 8: Cyprus and Israel Agreement (Source WordPress, 2015)

Hence, in 2010, the Israeli Minister of Energy and Water Resources Yuval Steinitz crossed out his visit to Nicosia during which he was to examine with the Cypriot government the development of a proposed joint gas pipeline between the two nations. On December 2010, Israel consented to an arrangement with Cyprus in Nicosia, and proposed their EEZ delimitation by demarcating 12 points that characterize it (Legislation and Treaties, 2010). In February 2011, both governments endorsed this understanding and after that Israel presented this outline to the United Nations in July 2011. (Republic of Cyprus, 2011).

It is worth noting that those 12 points were set on the basis of a median line, which disregarded the Lebanese-Cypriot agreement of 2007; the “Article 1(a) of the agreement … the delimitation of the EEZ boundaries between the two States is effected by the median line, and Article 1(b) defines the median line between the two States and assigns its limits according to points 1-12 and their geographical coordinates.” (Leal-Arcas, Filis & Abu Gosh, 2014). According to
Legislation and Treaties, 2010, Israel is not a signatory to UNCLOS, however, “the parties also based themselves on the rules and principles of international law of the seas applicable to the matter;” which gave it a binding force based on customary international law (Legislation and Treaties, 2010).

Nonetheless, what is most notable, is that the principal point denoting the delimitation has an indistinguishable position from point 1 highlighted in the Lebanese-Cyprus understanding, and furthermore incorporates a similar proposition of changing in the event of any future concurrence with different nations (Leal-Arcas, Filis and Abu Gosh, 2014). This disagreement and cover has created a potential new zone of conflict.

This 2010 agreement is the second agreement signed by Israel regarding its maritime border, following the one that was signed in 1994 concerning its borders with Jordan. The agreement was signed in the context of the expansion of the gas exploration in the eastern Mediterranean (Nash, 2011).

3.4 Complications and the contrasting proclamations

Through respective delineation agreements with Cyprus, both Lebanon and Israel demarcated their EEZs. As aforementioned, in July and October 2010, and in accordance with the UNCLOS, Lebanon submitted to the UN its new coordinates, “replacing Point 1 by Point 23, located around 17 kilometers south of Point 1, and stating that these new coordinates represent a more accurate calculation of Lebanon’s EEZ based on the equidistance method (Legislation and Treaties, 2010).”
According to the figure below, Point 23 is considered by Lebanon as the maritime “equidistant tripoint” between Lebanon, Israel and Cyprus, and Point 1 as reflected by the Israeli part as the tripoint between the three countries (Leal-Arcas, Filis & Abu Gosh, 2014). The Israel-Cyprus bilateral agreement did not take into consideration the coordinates presented by Lebanon to the UN. This in turn led to the creation of an overlap maritime triangular area of 874 square kilometers between Lebanon and Israel, with Ras Al Nakoura on the common land boundary. The disputed area hence contains significant gas resources (Ministry of Energy and Water Resources of the State of Israel, 2014). Following the discovery of the overlapping offshore gas fields, the crisis over the maritime demarcation escalated. Both countries, who are considered to have made unilateral declarations, argued that this area falls within their respective EEZs (Wahlisch, 2011).

Figure 9: Boundary and Beyond (Source: United Nations, 2011)
Thus, in July and September 2011, Lebanon’s Minister of Foreign Affairs, Adnan Mansour, protested to the UN against the Israeli-Cyprus agreement, underlining that the Israeli delineation does not agree with the marker points that Lebanon has filed with the UN, and that Israel has “violated the 1923 International Land Border agreement, and Israel-Lebanon Armistice Agreement (Nathanson & Levy, 2012)”.

The reaction of the Lebanese foreign minister was:

“Point 1 does not therefore represent the southern end of the median between the Lebanese Republic and the Republic of Cyprus that separates the exclusive economic zones of each country, and can only be viewed as a point that is shared by Lebanon and Cyprus. It is not a terminal point and therefore may not be taken as a starting point between Cyprus and any other country” (Mansour, 2014).

Several escalating statements by Lebanese government officials were also made, especially by Hezbollah who stated that they will “use their weapons to defend Lebanese rights” and that “those who harm our installations will have their own installations harmed. We warn Israel not to touch this area or try to steal Lebanon’s resources (Hezbollah chief Hassan Nasrallah, 2011)”. So did the Lebanese Minister of Energy and Water Resources back then, Gebran Bassil, asserting that Lebanon is firm on defending its maritime resources (Mroueh, 2011). Similar declarations were made by the Israelis who warned about a fierce response in defending their properties.

The Israeli Deputy Prime Minister and Minister of Strategic Affairs Moshe Yaalon accused Iran and Hezbollah of standing behind this approach. "Both parties, he said in early July, intentionally trying to create a source of tension with Israel. We signed an agreement with Cyprus on the same level as the agreement signed between that country and Lebanon. And when we
announced the gas prospection, Iranians and Hezbollah decided it was a good topic of confrontation with us. They decided the delineation of a new line, south of the line agreed between Lebanon and Cyprus, which penetrates actually in our maritime domain. This was done intentionally to create a confrontation point as the Shebaa Farms (Abdel-Kader, 2011)." What is interesting is the Cypriot stand that claimed no concern in the disputed EEZ delimitations, and only echoed that modifications to the treaty with Lebanon would only take place through an agreement between all three. In March 2012, Cyprus formed a joint committee to discuss the option of exploration of natural resources, and in turn the United States offered to act as a mediator between Lebanon and Israel. Nevertheless, all mediation attempts failed.

Instead of quickly preventing the emergence of a new conflict between the two countries, the UN seemed to opt for disengagement. Michael Williams, the special representative of Ban Ki-moon in Lebanon kept on indicating, that the United Nations could not help Lebanon and Israel on the issue of maritime delimitation to economic benefits. "It is difficult for the UN to find a way to move forward on this issue, said Michael Williams at a press conference in New York. Be aware that maritime disputes are more difficult to resolve than land borders. Lebanon and Israel have clearly described the area they consider their EEZs and have submitted their documents to the UN. But what complicates things is that Lebanon is a member of the United Nations Convention on the sea beyond law and that Israel is not," added the general secretary of the Beirut representative of the UN (Blanford, 2012). As the tone between Lebanon and Israel about the exploitation of gas resources in the Mediterranean rises, Beirut and Tel Aviv continue to blame each other and add a new case to that of the Israeli occupied Shebaa Farms claimed by Lebanon. This time, the economic stakes are enormous because the gas discoveries are colossal.
In addition to that, Israel has not signed the Law of the Sea Convention and Lebanon does not recognize the State of Israel; thus, the mechanisms of dispute settlement (the Tribunal of the Sea) are not applicable between the two parties. Interestingly enough, Turkey kept on obstinately opposing all agreements held by Cyprus regarding its EEZ, viewing them as neglecting its rights and are contributing to the deterioration of peace and stability in the area.

Many arguments can explain the complications regarding the legality of the Lebanese-Cyprus agreement. The most common one argued that since the agreement stated that “it would not enter into force until the exchange of the instruments of ratification”, and since Lebanon has not ratified it, then it is not legal and binding (United Nation, 1969). This is based on customary international law, thus no rights could be claimed.

Hence, Lebanon’s position is clear with regards to its maritime borders and has shown firm stance with regards to its boundary delimitations within the international legal framework. Israel also claims a normative legal framework under which it operates. The struggle for one’s rights framed as the state’s control over its maritime space is thus at the heart of the power struggle between Lebanon and Israel; both seeking to stimulate its regional and international significance by asserting economic gains and power.

3.5 Gas and Oil Findings

The offshore discoveries of the Israeli maritime resources greatly increased after the 1979 Camp David Accord, which gave a push to the International Oil companies to start their drilling without worrying that they are offending any of the actors (Arabs-Israelis).
With almost 2.3 billion m$^3$, the Noa field was first discovered by the British Gas company in 1999 and started production in 2012. Then it was followed by Mari-B in 2000, and since 2004 it has been sustaining 40% of the Israeli demand for gas (Khadduri, 2012). Located 130 km off the port of Haifa, the Leviathan site encompasses the largest natural gas field discovered last 10 years: its reserves are estimated at 450 billion m$^3$. Announced on 29 December 2010, this discovery adds to that of the Tamar field in 2009 nearby, containing nearly 238 billion m$^3$. This event could have a material impact on the geostrategic situation in the region. When operations began, the Tamar deposit was sufficient to ensure Israeli gas needs for 35 years. Also, if the resources of the Leviathan deposit announced by the American Noble Energy operator continue, Israel could become an exporter. Energy independence of the state would be assured because it
produces its electricity from gas-fired power plants (Takieddine & Salame, 2014). Further to that, came the Dalit Field, Tanin Field, Dolphin Field and the Shimshon Field.

It is definite that the discoveries of natural gas would boost the Israeli economy, and lead the country to become an exporter to other countries, which in turn would allow it to achieve other interests. However, so far the region is dealing with several factors that hinder this achievement, one of which is the ongoing Syrian crisis that has negatively affected this development.

Lebanon has no maritime natural resources discovered yet, and relies heavily on imports. However, two Norwegian companies conducted surveys that “estimated that the Lebanese EEZ holds 708 billion m$^3$ of natural gas and up to 675 million oil barrels” (Banque Bemo, 2014).
Figure 11: Oil Blocks (Source: Interfax Energy, 2015)

The participation of more than 40 pre-qualified international oil companies in Lebanon’s First Offshore Licensing Round took place in April 2013 and were then, in May 2013, requested to submit their bids before the closing date in early November. Since the writing of this thesis, there were no bids submitted due to the pending legislation issuance (Lebanese Petroleum Administration, 2017).

Most importantly, Lebanon has never recognized the establishment of the State of Israel, instead, it refers to it as occupied Palestine. This has further escalated the conflict and is one of the major reasons why no agreement could be reached until now between the two states. This issue has not only resulted in impeding the issuance of an agreement, but it has also slowed
exploration activities. Additionally, with the blunt Israeli domination over the overlapping disputed area, the lack of negotiation is further causing losses for Lebanon year after year. Until today, there has been no serious actions taken, and this is mostly due to the absence of diplomatic relations between Beirut and Tel-Aviv, which can also be translated by the two parties’ rejection to any mediation effort thus reinforcing the realist approach where parties are vulnerable and do not trust each other.

In the Lebanese-Israeli case, the historical context is still manifesting itself with a tightening of identity boundaries between “us” and “them” making the power hunt even more alarming with repercussions on the political, legal and economic levels; no bilateral communication, disagreement over boundaries and denial of the existence of Israel to begin with, and a thrive to gain control of resources in a globalized economy.
Chapter Four

Case Analysis

In this chapter I set out to analyze the primary and secondary data collected about the case at hand. Using the conflict theories related to natural resources and the realist framework developed and outlined in the literature review, I analyze the data collected from the literature and the expert interviews to determine the impact of the maritime border conflict on the existing Lebanese-Israeli political conflict. The analysis is presented in three sections which helps organize and focus the discussion to better answer the research question. Specifically, the realist theory is analyzed in the third section. Before beginning however, it is important to discuss the challenges and limitations faced in conducting the research and expert interviews.

4.1 General research limitations

As the research directly indicates, the oil impact on the relationship between the two countries is based on literature that does not really extend to the Israeli part. Also as mentioned, as part of the methodology, it draws on the five half structured interviews conducted with the different Lebanese experts in the oil and gas sector. The interviews are restricted to Lebanese citizens, as the author was unable to reach out to Israeli or Cypriot experts on the subject. Moreover, it would be fair to point out that throughout the interview process, most of the interviewees were very selective in answering the questions. This seems to be mainly due to the
political nature of the research and the instability and tension in Lebanon. Consequently, the interviewees avoided giving detailed and elaborate responses to the questions that might give or divulge a political affiliation or depict them as supportive of any political group’s position. It should also be emphasized that there were general limitations when conducting the interviews as they were held at a politically critical and sensitive time, namely during and after the presidential elections in Lebanon, which hindered the author’s ability to reach other key experts that would have been an asset to this research. Furthermore, it was agreed with most of the interviewees, unless stated otherwise, not to mention their names as some of them preferred anonymity due to the reasons mentioned above.

In addition, it is good to note that since the presidential elections took place during the writing of this thesis, as well as the formation of a new government, there was a need to patiently wait for the passage of new laws by the Lebanese government, fact that also slowed down the research. The current conflicts in the Middle East, growing Russian influence and the recent attempts by the United States to consolidate its alliances with the gulf countries and Saudi Arabia, further complicates the ability to predict the impact of the energy conflict between Lebanon and Israel at the political level and the possible role and effectiveness of any mediating third party.

4.2 Interviews on the case study

As part of the case study, five semi-structured interviews were conducted with the aforementioned five Lebanese experts on the issue of oil. Divided under three main titles; the context, the positions of the parties, and the way forward, 16 open ended questions were posed,
however not all of them were answered by all the interviewees. I will address these questions and a summary of the answers in this section. A list of the questions is provided in Appendix A at the end of the thesis.

Starting with the context of the conflict, the first two questions in the interview were the most answered; these two questions relate to the core cause of the maritime conflict between Lebanon and Israel and the major actors (states and non-states) involved in the conflict, other than Lebanon and Israel. Only three interviewees highlighted the delineation theory that best fits to solve the maritime conflict between Lebanon and Israel. However, when comparing the Lebanese-Israeli scenario to a similar case, only one reflected a similarity to the Cypriot/Turkish conflict without going into details, yet the rest believed that the dispute between Lebanon and Israel is unique as no diplomatic relations exist between the two. Reluctance in giving decisive answers started increasing when asked about the Syrian crisis’ implications on both states, whereby two answers rejected the relation of the Syrian crisis to the discussed conflict, and one other stated that it might delay the exploitation process.

Moving to the parties’ position, seven questions were asked to the five interviewees. The first highlighted the absence of diplomatic relations, thus how can Israel be brought to recognize Lebanon’s rights, maritime boundaries and wealth? Only three answers were given, and commonly referred to the international mediation means as the only way, either through the United Nations, European Union or even the United States. The second question reflected the politicized nature of the natural resources sector in Lebanon, and the absence of one unified policy. This in mind, the experts were asked their opinion regarding the current status of the
maritime boundaries negotiation, the status of exploration and the status of future exploitation. Three opinions were given altogether noting the negative influence of the Lebanese politics and the long government resignation period on the progress of exploration and exploitation. In relation to that, the next question asked was: how can Lebanon, with its ongoing national political crisis, deter Israel from coercively or otherwise controlling its maritime energy resources? Three answers were given; one noted the role of the Lebanese envoy at the United Nations, the second gave primacy to the technical push that Lebanon should do by starting to act independently and the last reflected on the advanced Israeli oil discoveries which leads to faster entry into the European Market, while Lebanon lags behind.

The question that was least answered in this section was the fourth one; the interviewees were asked if Lebanon takes a supportive stand towards the policy of the United States, how would this impact the Russian position and objectives in the Middle East? They all hesitated because of the mere political nature of the question, yet one answer was given underlining the big economic stakes which make it hard to deter the Russians from trying to explore oil and gas offshore Lebanon if the last stands more with the U.S. policy.

In relation to that last question, the interviewees were asked how that would affect the Lebanese-Israeli negotiations. Two of them highlighted that there are no negotiations ongoing whatsoever, and only one noted that the U.S. is the power that can influence Israel. Lebanon should make use of the U.S. stakes and interests to support negotiation to their advantage. The final two questions were each answered by three interviewees; the noted allies of Israel in the process of exploration were one American Company (Nobel Energy), Turkey, and Jordan (agreement signatory). The
noted allies of Lebanon in the process of exploration were the Norwegian government and the European Union.

The final interview section discussed the way forward in the Lebanese-Israeli maritime oil dispute. Four questions were asked to understand the effect of several factors on the conflict, the peace process, and the future prospects. The first question focused on the possible change in the U.S. foreign policy after the new elections take place; how would this affect the U.S. stand towards this maritime conflict? Only one answer was given which did not clearly relate to the question, however noted that the Lebanese provided a consolidated paper/demands to the U.S. special envoy last time he came to Lebanon. The second question discussed the role of Cyprus/Turkey in supporting or hurting Lebanon’s maritime interests and future prospects. Two answers stressed on the good Lebanese-Cypriot relation, and the must to sign an agreement with Turkey. There should be negotiations with both countries as Turkey’s benefit is economic constituting a potential market, while Cyprus’s role is supportive.

The interview is ended with two questions that gave good inputs to the thesis with fruitful answers provided. Interviewees were asked if they think that this maritime conflict is an additional element in the complication of the peace process between Lebanon and Israel, or there might be a win-win situation for both countries. Though there was only one decisive answer stating that the first seven years might witness a calm period, yet with further exploration and exploitation problems might evolve. In addition one expert note that it all depends on the international and regional dynamics evolving and influencing the progress of the hydrocarbon resources development. Sadly enough, one definite answer was that the peace process does not
even exist. Finally, when asked about solution prospects, three out of four answers reflected ways forward for solving the dispute. In summary, three main points were raised:

- A decision should first be initiated by the Lebanese government, issuing licenses to companies to start the exploration and exploitation and begin with an independent stand
- Creation of a buffer zone
- Boost cooperation between oil companies on both, Lebanese and Israeli sides

4.3 Analysis of the data collected and interviews

As a recap to the realist framework, this theory focuses on the states’ behavior in view of their power distribution within the anarchic international system. When it comes to oil and energy, the security of such natural resources constitutes an essential factor in states’ strategy and actions. Without going into the different schools underneath the realist conception, this approach relates security to self-sufficiency and quest for power. In this sense, when two rival states are seeking to own shared resources, this would lead to increased power struggle and enmity. This section will analyze the collected data and interviews based on the main two realist key arguments mentioned previously; the notion of power and security competition to control the natural resources (in this case oil) as well as the notion of potential economic and political interdependence.

In line with Table 1 highlighted in chapter three, I will divide this section into three parts that form the basis of the table, namely the “Actors’ behavior, the Power, and the Interdependence”
4.3.1 Actors’ behavior- pursuit of national interests

It is obvious that the principle of fairness which is the first and most difficult principle of delimitation of EEZ between the two states, is replaced by the more objective rule of equidistance. As per international law, an assortment of instruments for settling the debate of delineation mentioned above do exist. However, realist hypothesis proposes that these states have a plan of action and goals that are likely to be pursued regardless of such instruments. The two alternatives for both countries would include; to either coordinate or to work freely and protectively. Collaboration would mean cooperating towards the arrangement, picking one of the strategies for struggle determination and acting as per international law. The last would mean following the realist hypothesis and acting as indicated by the states' particular objectives.

Despite the fact that for the moment, the conflict did not reach violent war stage, it is noticeable that in the late years, each of the activities specified in the case study shows the unwillingness of the clashing parties to coordinate and act as indicated by international law. Both prefer to follow their own national interests and act accordingly. This was clear after their refusal to communicate over the conceivable division, and through presenting their coordinates to the UN singularly. This was also translated several times as verbal threats; for example, Hassan Nasrallah's announcements that Hezbollah will defend Lebanese territories by any conceivable means. Hezbollah, as well as previous Lebanese President Michel Suleiman and previous Energy and Water Resources Minister Jebran Bassil have communicated a similar position (Mroueh, 2011). These announcements from the Lebanese side were trailed by Israeli political figures guaranteeing they would not falter to utilize force to ensure its gas fields if essential (Ferziger & Wainer, 2010). The enthusiasm for the aggressive posture is direct; both countries, Lebanon and
Israel, are protecting their own self-interests, more particularly national interests. This is very much in line with the realist hypothesis and with answers to many of the questions provided by the interviewees especially ones on the effect of the conflict if possible support of Lebanon of to the U.S. stand. They believe that Lebanon should use the American stakes at hand to pursue its interest.

4.3.2 Power and security competition

Evidently, bilateral territorial disputes, whether land or maritime, constitute a most significant risk to the security in a given area, especially when natural resources are at stake. Lebanon and Israel’s actions against one another are a significant pointer that they are set to emphasize their dominance to recover their respectful and natural place and rights in the region. Not to mention that just like other races in the world that have suffered from an ethnic dimension and a sense of exclusion, the gravity of historical incidents lies profoundly on the communal perception of the Jews. Hence, it would be fairly reasonable to understand why they are this protective of their national rights and why they are always ready to fight tooth and nail for their territorial claims. Lebanon’s repeated occupation by the Israeli military for over two decades and its continued occupation of the Chebaa farms would explain Lebanon’s fierce reaction to protect its territory. Hence, realism is not a worldview that grows in a vacuum. It fits perfectly the reasoning of the Lebanese and Israeli actions guided by power consideration. The historical traumas and highly tense relations between those countries reinforce the “us” versus “them” identity showing a clear manifestation of the security dilemma and competition, whereby their vested interests lie in this newly discovered asset that might shift the regional power balance in their favor.
Here, it is worth bearing in mind the Arab-Israeli background to this dispute. As described once by Professor Adnan Traboulsi, Hezbollah is broadening the idea of resistance by forming, as the land resistance, a maritime resistance as well. To corroborate the realist framework in this maritime dispute, the possession of a considerable military arsenal, even by Hezbollah, adds to Lebanon’s power (forces) while an anarchic political order reigns. In other words, gas revelations cannot be ensured by the Lebanese armed forces since they do not have enough assets. As outlined by the Center for Strategic and International Studies, the Lebanese naval force does not comprise any frigate, destroyer, corvette or rocket watch, but has only 11 ships classified as other patrol craft. Whereas Israel, has 3 submarines, 3 corvettes, 10 rocket watches and 44 other watch ships. Therefore, Lebanon would be seriously outmatched in a potential sea conflict (Nerguizian, 2013). Also, because of the potential risk to its seaward gas fields, Israel is expanding the financial plan for its naval force and modernizing and extending its armada (Cropsey, 2014).

This power rivalry is evident between both, Lebanon and Israel, and in turn increases the likelihood of further conflict. Prevention of such a conflict requires cooperation, which the two countries are avoiding. The power competition indicator shows that it is doubtful due to the complication of the dispute and to several other influencing factors that reiterate the realist framework. According to the five interviewed experts, due to the absence of diplomatic relations, and Israel’s non recognition of Lebanon’s rights, maritime boundaries and wealth, the only possible means for solving the issue is through U.N. mediation. However, as Mr. Gaby Daaboul, head of the Legal Affairs Department in the Lebanese Petroleum Association, said “legally speaking, the law dictates that conflicts like these should be transferred to The Hague. If a state solution is agreed upon, it should maintain the rights of Lebanon with reference to the map that
has been sent to the United Nations. In normal cases, when two countries have common natural resources, they sign an agreement and they divide the gains from the productivity, which is the liberal theory rather than the realist one. This will never happen with Israel, even the most renowned jurists in the world couldn’t find a solution (Daaboul, 2017).” That being said, this reflects a realist perception whereby the role of international institutions is perceived as weak.

In other words, while the U.N. body is the perceived mediator, it is displayed as a mere configuration of power. Both states assume the need to stay on guard as they maneuver their way in support of their national interests. This mentioned, it is worth adding that similarly to Mr. Daaboul, some of the interviewees believe that if the situation remains calm for the first period of exploration, the conflict between the two countries will eventually escalate. The security dilemma factor will definitely play a role in shaping Lebanon and Israel’s foreign policy and external relations. “No analysis of the Middle East can succeed without taking account of the identity-sovereignty dynamic that constitutes the regional system (Hinnebusch, 2003).”

A very important question that was warily answered by only one of the interviewees, Mr. Ricardo Khoury, inquires on how the Russian Middle Eastern position and objectives is likely to be affected by the Lebanese stance if Lebanon supported the United States policy regarding oil and gas in the region. Mr. Khoury clarified that it was not certain that the Russians would be deterred from trying to explore oil and gas offshore Lebanon if the Lebanese supported the U.S. However, “the United States has good influence over Israel. If the U.S. has specific stakes and interests in the oil and gas sector in Lebanon, then the Lebanese government can use this interest to have the U.S. support the negotiations in its favor (Khoury, 2017).” Consequently, alliances’ formations and a balance of power will shape the positions of both powers in the area. This
dynamic is anticipated from a realist perspective, whereby states behave and seek to preserve their positions in this system by a balance of power as thoroughly discussed previously.

4.3.3 Economic and political interdependence

So far, several authors have tackled the Israeli-Lebanese maritime dispute with a focus on oil and gas. Stocker, in his article No EEZ Solution: The Politics of Oil and Gas in the Eastern Mediterranean, discusses how the discovery of oil and natural gas has caused tension between Middle Eastern countries due to opposition over possession and distribution (Stocker, 2012). Particularly as Stocker mentions, “the lack of diplomatic relations between countries such as Lebanon and Israel, and strained relations between pairs of countries such as Egypt-Israel, Turkey-Cyprus, and Greece-Turkey, is keeping the countries from acting as single region (Stocker, 2012).” Just as Blanford discussed back at the turn of the century, the maritime borders have intensified the conflict between Lebanon and Israel, noting that the fuel deposits that fall in the maritime boundaries between both, are tempered by economic rivalry and renewed conflict (Blanford, 2012).

The international politics of the Middle East is inevitably shaped by the internal domestic conflicts within its states. Thus, to be able to clearly comprehend the behavior of Lebanon and Israel, it is important to see how the decision making is being formed. Avoiding to give details, Mr. Ricardo Khoury, an environmental and HSE (Health and Safety Executive) advisor to governments, IOCs and engineering firms with 12 years of experience in oil and gas, stated that politics is going to always influence decisions and actions negatively in relation to the oil and gas sector in Lebanon.
Hence, it goes without saying that the natural resources sector is a politicized one in Lebanon. It has, up until today, maintained an absence of one unified policy regarding the current status of the maritime boundaries negotiation, the status of exploration, and the status of future exploitation. In this sense, as argued by realists, internal system insecurities are shaping Lebanon’s behavior and decision making. Lebanon has indeed a very strong private sector, and can excel in energy production responding to the European gas demand. However, unfortunately, even with the signature of the recent decrees adopted by the Council of Ministers on January 13th, 2017 in regard to the licensing cycle of the oil file and the related agreements, it still faces many challenges that need to be overcome internally, and more particularly in its internal political system; corruption, debt, political division etc.

It is also interesting to note that among the 5 interviewees that accepted to answer the question regarding the Syrian crisis’ implication on the oil conflict between Lebanon and Syria, only two answered and preferred to keep their identity anonymous. They more likely believe that some delay is caused due to this crisis. They explained that gas exploration companies would be reluctant to invest in the energy blocks involving Lebanon and Syria. In this sense, this realist indicator reflects that, as the Middle East witnesses regular conflicts and ideological divisions, this would likely affect the state’s behavior, whereby its economic decisions are based on political choices, which is one of the major components of interdependence.

Despite the shy inputs of the experts interviewed for this thesis, and the inability to reach other key actors in the political and governmental arena due to the critical Lebanese situation at that time, it is worth noting that the arguments presented throughout the interviews fit the realist realm. They depict the struggle over resources between two states seeking to preserve their
sovereignty and national interests specifically when it comes to their maritime borders. They are both well aware that a change in their assets alters their grip on power and their perceived and actual political/economic influence on the regional arena. The fact that interviewees were reluctant to answer questions that might seem relatively straightforward when it comes to the energy sector, illustrates the tension between both States which is recently significantly accentuated on this subject matter and affecting negotiation or peace prospects. It is also worth mentioning that due to the continuous prominent conflicts generating insecurity and lack of peace, the regional politics is well defined through a realist lens.
Chapter Five

Conclusion

5.1 Relevance of the research to understanding future prospects for peace between Lebanon and Israel.

Lebanon is the second country in the region in terms of energy consumption per capita behind Israel. Today, energy needs are 95 percent covered by the import of oil products (Khalifah, 2012). The energy import bill has reached 3.2 billion in 2007, representing 12% of GDP (Khalifah, 2012). As the exploitation of the newly discovered offshore gas would result in major happy returns for the Lebanese, so would the export of gas be an important revenue source for Israel, and a strategic way to impose its political views. As for importers, the Israeli gas will be an opportunity to diversify their supply sources and not depend on a limited number of suppliers. The two main potential markets for the Israeli gas are Europe and Asia. On the European side, the arrival of Israeli gas encroaches on Russian gas provision. The company Gazprom, the operator and world exporter, fears the arrival of a new supplier on the market which will lower prices. Thus, the Russian President, Vladimir Putin, spoke in favor of the company during his visit to Israel in June 2012, calling for the participation of Gazprom in the operation of the Leviathan site. But the Israeli foreign minister, Avigdor Lieberman, after brief promises,
chose the Australian company Woodside to achieve the exploitation by Noble Energy and Israeli companies (Blanford, 2012).

In Lebanon, the situation is different. The committee of management of the oil sector has finalized all necessary preparations. Obstacles have emerged from the political class—especially in government. Today, after the signature of the decrees in January 2017, the oil file returns to the discussion arena. That said, and as noted in Mr. Khoury’s interview, Russians realize that the economic stakes involved are big. According to my analysis of his statements, as could be read from a realist perspective, he states that if Lebanon takes a supportive stance towards the policy of the United States, the Russian position would not necessarily be deterred from trying to explore oil and gas. This again reinforces the point that there is a strategic alliance formation influencing the balance of power that will shape the drives of both powers in the area.

Maritime boundaries are blurred and challenged; the question of sovereignty over the seabed of the Mediterranean also arises. Obviously, pre-existing diplomatic and internal tensions are also affecting the operation involved. Possible solutions range between two extremes, either all out conflict or cooperation. While most of the interviewees for this thesis refused to give a clear answer on whether the maritime conflict is an additional element in the complication of the peace process between Lebanon and Israel, or whether there might be a win-win situation for both countries. As a response, two interviewees agreed that solutions to the conflict can carry alternations of crises and calm periods. Consequently, the maritime delineations will only add to the tension
between Lebanon and Israel, as Israel may not allow this action to happen. Israel is meanwhile developing its offshore resources, while Lebanon lags behind. On a good note, and as previously mentioned in the previous chapter, petroleum resources exploitation will be starting in the areas that are not subject to dispute. In reference to the figures presented in this paper, the Lebanese offshore blocks that are partially within the disputed maritime area are blocks 18, 8 and 9. As suggested by the U.S. Deputy Assistant Secretary of State for Energy Diplomacy, “a maritime Blue line similar to that of the U.N drawn blue line that separates the southern Lebanon and northern Israel and consisting of freezing any exploration and exploitation activity on this area until an effective solution is reached (Saddi, 2015).” This is a good starting point for Lebanon which would create a sort of a buffer zone; however, it would not necessarily guarantee peace on Lebanon’s southern border and is unlikely to positively influence any prospects of peace negotiation between both countries.

5.2 Relevance of the research to existing literature in the field

This thesis has assessed the new gas and oil discoveries in the waters of both countries Israel and Lebanon, and discussed the legal conflict that is ongoing to delineate the EEZ of each, causing an overlap of 850 square kilometers. Both states have a great wealth of natural gas and oil in their respective EEZs that, once explored, would significantly boost their economies and subsequently their political power.

The thesis examined legal, political, and economic developments resulting from the new oil and gas discoveries. The literature has widely shown that acquisition and
protection of territorial rights is central to states. Consequently, maritime boundary
delineation between Lebanon and Israel is likely to affect potential peace negotiations or
any form of bilateral relations between the two countries when this dispute is viewed from
a realist perspective. The prospects of how this would be manifested is still vague and fluid. As reflected by the interviews conducted, prospects can range from war to cooperation. Noting that, the international community has not come out with a general theory appropriate to all maritime delimitation situations making it more challenging to address this subject at hand.

Realism, in my opinion, continues to be the practical lens through which international relations can be viewed as far as the topic of analysis is concerned. The cases of Israel and Lebanon are rooted in historical and contentious political contexts. Preaching prudence and rationality, they assume that states will not lose sight of their interests. Additionally, states’ interests are the key drivers of their policies and actions. Waltz’s (1979) third image of the anarchic international system reminds us that placing trust in the United Nations and other international organizations and institutions’ influence should remain in perspective. Thus, in the case of Lebanon and Israel, even if no direct contact between the two states exists, negotiation between them could happen through third party mediation. If mediation and negotiation were to fail and result in a solution, the focus should be trying to have Israel sign the UNCLOS convention, in order to move closer to normalization and have any resolution fall under the UNCLOS procedures. Unfortunately, until now, it is highly unlikely that they will deter a state’s action. Those states are fueled by their vested interest and their struggle to control resources; thus tilting the balance of
power to their benefit. This conflict has created an environment where feelings of anxiety and lack of trust are reigning. This has resulted in states’ continuous focus on the need to balance each other’s power while maintaining the option of initiating a conflict at any time.

After thorough research the analysis of the energy conflict between Lebanon and Israel clearly fits the realist-driven approach. It feeds into the accounts that argue that each state will want to survive by securing its borders, resources, and other interests. In the case of Israel and Lebanon, this also means making sure that they are in one way or another in control of the regional dynamics and are “relevant” to the political equation. “The assumption is made that the international system provides incentives for cautious and restrained behavior on the part of states and that reckless, expansionist behavior is more the result of domestic factors, as opposed to systemic conditions that occur under anarchy (Viotti & Kauppi, p.64).” Yet, the analysis shows that this is especially critical in the case of Lebanon and Israel where the conflict extends far beyond maritime borders to other national borders invested in local and regional grievances and questions of law and justice. Evidently, the research adds to the realist-driven perspective that while both states cannot escape the “security dilemma”, they must be cautious of a war that might make them lose more of their resources than gain. Also, as the research agrees with Mearsheimer (2001) who explains that states find the need to act in a matter that will guarantee their survival mainly due to “the lack of trust” between them and “fear”, it shows that both are constant motivators in the case of Israel and Lebanon. Since there is no higher power coming to
the rescue of states, the concept of self-help remains a political reality that both Israel and Lebanon cling unto.

Therefore, with all the above realist points fitting clearly the analysis of the case, this research finds that a continuous game of tit-for-tat is being played between states in order to gain power that can only come at the expense of the other; and in this case Israel or Lebanon. Yet, we additionally believe that both countries will need to mobilize public opinion in their quest to drive national policies that would fit with their aspirations to control resources. Those state aspirations are “a function of the politico-military institutions of the state, as well as nationalism and ideology (Taliaferro et Al. p.38).” Hence, several factors come into play in an anarchic international system where states’ powers are continuously shifting. Here, we believe that the research opens a door for further analysis and investigation on the argument that military strength is not solely based on military capabilities, but on a state’s ability to translate its available legal, political, and economic resources into actual influence. We agree that the relevance of realist theories persists today with leaders seeking to increase their military, diplomatic, and economic power to assert a greater share of the global hegemony over power in a world where resources are scarce and costs are on the rise. However, this research believes that this is of course under the pretext of national security and other socio-political and economic interests. The realist realm presented and argued along the chapters implies that the absolute interest of the states, Lebanon and Israel, need to rise above the internal disputes and eventually find a way to position the states vis-à-vis the conflict. It is only logical that if the political instability between Beirut and Tel Aviv is not alleviated, the arising
tensions will have severe economic repercussions on both countries. If the reciprocal threats are translated into actions, war will eventually breakout again, and this time with heavier and more devastating results. Thus, a linked area that could be identified as a shortcoming and weakness in the realist account is that much attention is given to the state competition yet too little consideration is given to the intra-state and sub-national communities. The inter-relation between transnational and national actors is frequently disregarded in most of the realist-driven analysis and this could be an area to build on further researches based on this thesis. However, although no similar cases were found, where the same conflict exists between two states with no diplomatic relations whatsoever, yet researchers could further get fruitful information on several points to add on by interviewing Cypriot, Israeli and even Turkish experts.

This paper did not reflect on the possible solutions that could be legally presented as there are many articles in the literature that would deal with attempts to solve the Lebanese-Israeli maritime conflict. However, its main contribution sheds the light on the lenses used by oil experts to view the conflict and the chances that Lebanon and Israel might cooperate in the oil and gas area which would alleviate the broader Israeli-Lebanese conflict.

It is doubtful that this maritime dispute will be easily settled. It is definitely not only because of the legal aspect of the delineation process, but rather due to the impeding internal challenges, especially in Lebanon. The interviews conducted place emphasis on this matter, yet as mentioned, never exclude the prospects of reaching the settlement of the ongoing maritime dispute between the two states. It is inevitable that any intensified
and accelerated action in the region would bring further destabilization to the area, just as the ongoing Syrian crisis.

In early 2017 the parliamentarians agreed on the need to defend Lebanon's right to its hydrocarbon resources, and to start making use of the country’s wealth. Hence, Israel and Lebanon might be interested in reaching a settlement to export their natural gas, strengthen their economic growth and social development.

Hostility and opposition will only put the brakes on advancement and will halt Lebanon’s attempt at extracting and benefiting legally from its natural resources, taking into account that Israel is a step ahead since it has already started extracting black gold for over five years now. It appears that any mediating state or third party will have to forcefully encourage the parties to cooperate, or else it is deemed to be a lost chance. Whether the U.N., U.S., Russia, or any other player, their role is to primarily defuse the conflict and its root causes to then come forward with appeasing solutions. The question however remains, are those mediators willing to set aside their interests and lead such an endeavor?
References


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Appendix 1

Interviews Questions

Biographical Information:

Name (optional):

Age:

Sex: M

Religion (optional):

Political party (optional):

Profession:

Position:

Years in that line of work:

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Questionnaire

The Context:

1- Where do you think the core cause of the maritime conflict between Lebanon and Israel lies?

2- Who are the major actors (states and non-states) in the conflict, other than Lebanon and Israel?

3- Do you think that there is a major delineation theory that best fits to solve the maritime conflict between Lebanon and Israel?

4- If you were to compare the Lebanese-Israeli scenario to a similar case, which would you choose and why?

5- What are the Syrian crisis’ implications on both states?

The Positions of the Parties
6- With the absence of diplomatic relations, how can Israel be brought to recognize Lebanon’s rights, maritime boundaries and wealth?
7- The natural resources sector is a politicized sector in Lebanon, from your expertise, what is your opinion regarding and with the absence of one unified policy regarding the current status of the maritime boundaries negotiation, the status of exploration and the status of future exploitation?
8- Thus, how can Lebanon, with its ongoing national political crisis, deter Israel from coercively or otherwise controlling its maritime energy resources?
9- If Lebanon takes a supportive stand towards the policy of the United States, how would this impact the Russian position and objectives in the Middle East?
10- How would that affect the Lebanese-Israeli negotiations?
11- Who are the allies of Israel in the process of exploration?
12- Who are the allies of Lebanon in the process of exploration?

The Way Forward

13- With the possible change in the U.S. foreign policy after the new elections take place, how would this affect the U.S. stand towards this maritime conflict?
14- What is the role of Cyprus/Turkey in supporting or hurting Lebanon’s maritime interests and future prospects?
15- Do you think that this maritime conflict is an additional element in the complication of the peace process between Lebanon and Israel, or there might be a win-win situation for both countries?
16- From your expertise, what do you think the prospects for a solution are?