



PERSPECTIVES

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Turkey, the Refugee Crisis and Brexit: Concerns and Opportunities for Greece

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EXECUTIVE SUMMARY: The unending refugee crisis, the failed Turkish coup and subsequent purge, and Brexit are all causing great apprehension in Athens. But these challenges might present new opportunities. Turkish tensions with the West highlight Greece's status as the most responsible element in the eastern Mediterranean, which could bolster Greece's relations with both the EU and the US. And European distraction over Brexit and its own refugee problem is emboldening Greece to take steps that run counter to both the EU and the IMF.

Greece continues to cope with a refugee crisis that refuses to end. More than a million refugees passed through it last year alone. This wave included citizens of Syria, Iraq, Pakistan, Afghanistan, Armenia, Kazakhstan and even Albania. Of this total, 57,000 refugees remain in Greece, where they are being held in 60 makeshift camps set up by the government. These are in addition to previous waves of refugees from southeast Asia and Africa who are still in the country.

Some of last year's refugees have returned to Turkey, in accordance with the agreement reached by Ankara and the EU. Since the attempted coup in Turkey, however, no refugees have returned from Greece to Turkey. The Greeks fear that following the abortive putsch, Turkey will cancel the agreement, which would result in yet more waves of refugees flooding into Greece. (Two million Syrian refugees still live in Turkey.)

Another possibility is that the Turkish government will lose control altogether, resulting in refugees roaming unchecked into Greek territory.

The failed coup, and President Erdoğan's subsequent oppressive measures, shocked the many Greeks who desire normalization with Turkey. They hope for improvement in Ankara-EU relations because they believe such an improvement would favorably affect Greek-Turkish relations. The growing nationalism in Turkey and the purge Erdoğan is conducting are likely to impair rather than improve Ankara-EU relations, prompting great concern in Athens.

Despite their fears, the Greeks see some light at the end of the tunnel. The tension between Turkey and Europe, and to a lesser extent between Ankara and Washington, highlights the Greek position as the most responsible element in the eastern Mediterranean. This might lead to wider strategic cooperation between Greece and the US, in addition to further strengthening strategic ties among Greece, Israel and Egypt.

Greece also hopes the events in Turkey will positively affect its economy. As the only stable democracy in the region, Greece expects the EU to decrease its huge debt, accumulated through bailout schemes over the past six years. Prime Minister Alexis Tsipras has already initiated a campaign in this direction, calling on European leaders to "rise to the occasion and show the greatest display of solidarity."

Tsipras aims to forge an alliance with other leaders in southeastern Europe in a bid to bolster Greece's bid for debt restructuring. To explore these possibilities, Tsipras will visit Paris in late August and will try to arrange a regional summit in Athens in early September.

Another economic advantage for Greece might be a surge in tourism at Turkey's expense, since many tourists might decide to opt for the Greek isles over Turkey following recent events.

Not surprisingly, Cyprus is also watching the events in Turkey very closely, particularly the further emergence of nationalism and autocracy. Greek-Turkish negotiations over Cyprus are again at a standstill, and Turkish Prime Minister Binali Yıldırım recently warned Greek Cypriots that this is their last chance to reach a compromise. Such threats have been issued before, but this time, they sound especially alarming to Greek Cypriot ears.

The events in Turkey took place before the Greeks had had a chance to recover from Brexit and its possible consequences. Athens fears a European

economic crisis that might affect debt reconstruction and future bailout programs. Increasing isolationist tendencies on the continent might also complicate future assistance to the "sick man of Europe."

Another concern is the weakening of the British pound that resulted from Brexit, a condition that could hurt tourism to Greece. In 2015, 2.4 million British vacationers visited the Greek isles – about 10% of all tourists.

A further negative consequence of Brexit might be that many of the Greek citizens who work and study in Great Britain will be forced to return home if privileges offered to EU citizens are rescinded. In recent years, 400,000 young Greeks left home, many of them to work and study in Britain. No employment awaits them on their return.

In addition to these worries, Greece also fears that Brexit might reopen discussions on Grexit, both within Greece and throughout Europe.

The left-wing government of Alexis Tsipras and his right-wing coalition partner, Minister of Defense Panos Kammenos, are seeking new opportunities in the face of these fears and concerns. The Europeans are immersed in the Turkish crisis, Brexit and the refugee impasse and have almost completely lost interest in Greece – while continuing to finance its bailout schemes. The Greek government is trying to exploit European distraction.

Greece has taken two steps, for example, that sharply contradict the EU's and the IMF's demands. The Greek government agreed, as demanded by its creditors, to privatize the old airport area near Athens known as Ellinikon. This huge development project is supposed to produce billions of euros for government coffers. The Greek Ministry of Culture subsequently announced, however, that Ellinikon is an important archeological site, throwing the future of this privatization scheme into doubt.

The second instance involves the creditors' demand, in addition to the privatization of government assets, that a reduction be made in the huge and ineffective public sector. Very little was done in this regard in recent years under several governments. The Tsipras government just announced that rather than reducing the public sector, it will instead hire 20,000 more employees.

These two steps are a direct challenge to the EU and the IMF. Since the bailout programs started six years ago, no Greek government has adopted policies such as these. These steps are believed to be an attempt by the Siriza party to attract potential supporters in case the government collapses and new

elections are declared. Currently, most polls predict a Siriza defeat and a victory of the conservative right in the next elections.

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