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EU Engagement in the Black Sea Region: Challenges and Opportunities for the EU

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Introduction

Following the Balkan crises of the 1990s, as well as the 9/11 and 3/11 (Madrid) terrorist attacks, the European Union (EU) has placed greater emphasis on looking beyond its own borders in order to preserve security at home. In particular, problems stemming from failed and weak states have captured the spotlight on the international stage. Consequently, the concerns of current and soon-to-be EU members, like Greece, Romania and Bulgaria, have led the EU to turn its attention increasingly toward its Southeast periphery, particularly the wider Black Sea Region (WBSR).

Indeed, this region encapsulates both 'new' and 'old' security issues that pose threats to Europe. The WBSR lies at the North-South and East-West geographical crossroads connecting Europe to the Greater Middle East (GME) and Russia to Iran and India. As a security concern, it is not only an important region in its own right, but also functions as a bridge between Europe and farther-removed regions and as a barrier to keep more distant threats at bay. Therefore, it is little wonder that recent EU policy, such as the European Neighborhood Policy (ENP), emphasizes the need to create a stable and democratic 'ring of friends.'¹ Furthermore, sources of insecurity clearly delineated in the European Security Strategy (ESS), such as international/transnational terrorism, weapons of mass destruction proliferation, regional conflict, failing states and organized crime, are all prevalent in this region. Moreover, the WBSR countries demand greater security measures from the EU, thereby creating a two-way street of interests in securing this region.

Despite the clear benefits of this symbiotic relationship, the EU's agenda has so far proven ineffective in providing cogent and forward-looking policies in this region. There are several reasons for this fuzzy 'road map.' First, politics within and between EU member states make it difficult to form a coherent regional policy. Specifically, EU policy-making requires the EU to ensure support from its member countries, who, in turn, must garner the support of their citizens. Second, the ENP is still at an inchoate stage. Internal

¹ According to the ENP strategy paper, 'it is important to foster close cooperation both across the EU's external borders and among the neighbours themselves – especially among those that are geographically close to each other.' European Commission. 2004. "Communication from the Commission. European Neighbourhood Policy: Strategy Paper." (COM (2004) 373 Final. Brussels: EC).

debates regarding both the extent to which the EU should further involve itself in the WBSR and the particular role it should play have resulted in a purposely ambiguous agenda. Third, the negative results of the constitutional referendum in France and the Netherlands raise even more questions than answers, since the EU is currently looking more inward than outward to solve its problems. Finally, Russia's equivocal foreign policy in its 'near abroad' presents difficulties for an extended *modus operandi*. The EU treads lightly in this region so that Russia and Iran do not adopt more recalcitrant and counterproductive agendas in the WBSR.

The EU, therefore, is very interested in this region, yet remains aloof. It is essential for the EU to move beyond this ambivalent stage and become more involved in resolving apposite security issues in the WBSR. The EU must successfully traverse this tight-rope because this region "has flourished when it has been an open sea and became a problem when it has been closed by great power struggles."²

This paper will address the need for the EU to introduce a proactive and substantial agenda in the WBSR. The first section evaluates EU security interests and the tools it has already adopted to develop its relationship with the region. Second, past and current WBSR policy agendas pertaining to EU involvement in the region are analyzed, including regional and sub-regional initiatives. The third section expands upon the pivotal role Russia plays in the region and the policies it pursues. The paper proceeds to investigate further avenues of positively extending and deepening the EU's role as promoter of greater stability and partner in security issues, such as energy diversification and the frozen conflicts. Both of these issues are top priorities for the WBSR states and the EU alike. Consequently, the last section analyzes them in more depth. The paper concludes by encouraging a coherent, regionally focused and forward-looking EU agenda that transcends solely economic assistance programs. Ultimately, the agenda must be more attentive to politics as the driving force in addressing common security threats in the WBSR. There is a clear need for both sides to move beyond declamatory statements and documents. By maintaining an ambivalent and passive approach, the EU increases the probability of these states faltering and regressing

² Maior, George Cristian and Mihaela Matei. 2005. "The Black Sea Region in an Enlarged Europe: Changing Patterns, Changing Politics." In *Mediterranean Quarterly*, 33-51. (Durham: Duke University Press, Winter).

further toward failed state status; such an outcome must and can be avoided. This paper offers concrete and manageable steps to do so.

The Current Euro-Atlantic Agenda in the WBSR

Today, the EU approach toward the WBSR is uncoordinated and lacks innovation. The EU tends to initiate ad hoc policies in a bilateral manner with WBSR countries. The difficulty of defining the WBSR as a region partially explains this approach.³ Several culminating internal factors, which are elaborated below, also currently inhibit the EU from projecting a coherent vision in this region. Despite significant obstacles, however, the EU is not without policies for this region; on the contrary, a manifold number of programs, mainly on a bilateral level, already exist. This section investigates the current EU projects and programs as well as their effectiveness. The section concludes with an overview of the internal affairs hindering the EU from becoming a unitary foreign policy actor in this region.

Before entering a more general discussion, a brief look at energy security and the frozen conflicts provide concise examples of the EU's current approach in the region. Diversification of energy supply directly concerns EU economic and security interests; WBSR countries play a central role in EU efforts to realize this goal.⁴ By 2030, the EU's energy dependence upon

outside resources is projected to rise to 70%, up from 50% in 2000. Although the diversification of oil routes is important,⁵ the situation proves even more dire regarding gas supplies, which several EU countries favor as a cleaner alternative. As reliable energy supplies from the North Sea begin to decrease, imports from less predictable sources, such as the Middle East and Russia, are expected to increase. Like the EU, WBSR countries, particularly Georgia and Ukraine, but also Turkey as well as Southeast European countries, wish to diversify their supplies away from Russia, which has used energy as a foreign policy weapon in the past few years.⁶ Moreover, Azerbaijan, Kazakhstan and Turkmenistan have demonstrated interest in increasing the capacity of the Baky-Tblisi-Ceyhan (BTC) pipeline by creating a trans-Caspian oil pipeline.⁷ In this regard, the EU and the WBSR need each other for resolving their energy security. Despite the fact that the Energy Commissioner, Andris Piebalgs, and Commission President, José Manuel Durao Barroso, allude to the virtues of speaking with one voice concerning energy, the EU has not worked as a unit to diversify its energy supplies. Later sections return to this issue.

ledge. Vol.5, No. 2, May).

⁵ Refer to Roberts 2006 for overview of major oil and gas pipeline as well as specific issues regarding these separate routes.

⁶ In the most recent January 2006 'energy attack', Russia severed Ukrainian energy supplies for over a week. Georgia, who is also over-dependent on Russian energy, has faced similar situations on multiple occasions. EU member countries view energy differently; consequently, they advocate different relations toward Russia. Whereas some, particularly Poland but also France and Great Britain, increasingly perceive energy supplies as a security field, others, like Germany, continue to define energy as an economic and environmental issue. Champion, Marc. 2006. "Russian Energy Grip Splits EU; Poland Seeks Hard Line on Pipeline Access; Germany Reaches Out." In *Wall Street Journal*, November 13.

⁷ The BTC pipeline, a politically contentious route during the 1990s, was a project strongly backed by the US State Department. Although US officials realized little energy from this region would reach North America, they considered it an important option for lessening future competition of scarce energy resources between Europe and the USA. Similar to the United States, Russia also appears to play pipeline politics, particularly with the newly adopted underwater gas pipeline connecting Germany and Russia. In an effort to reduce the power of the transit states, namely the Baltic States, Poland and Ukraine, Russia proposed this pipeline, which, like BTC, is much more expensive than alternative routes. This gas pipeline also increases the dependence of Europe, particularly Germany, on Russian exports. Therefore, Europe, as a political unit, appears to be a missing player in these new pipeline political games.

³ Unlike previous regional approaches, such as the Northern Dimension, EUROMED or the Visegrad region, where the countries faced similar challenges and maintained common aspirations, the WBSR is a vast geographic region composed of different state actors. Each faces unique political situations and holds varying aspirations toward the West. See 2004. *A New Euro-Atlantic Strategy for the Black Sea Region*, edited by Ronald D. Asmus, Konstantin Dimitrov and Joerg Forbrig. (The German Marshall Fund of the United States). <http://www.gmfus.org/publications/article.cfm?id=88> (accessed September 2, 2006).

⁴ "[A]bout half of the supply (more for gas because of the regional nature of the market) is expected to come from the BSR or to cross it on its way westward from the original sources north and east of it." Vahl, Marius and Sergiu Celac. 2005. "Ready for a Breakthrough: Elements for a European Union Strategy towards the Black Sea Region." In *Southeast European and Black Sea Studies*, 169-191: 181. (London: Routledge. Vol.6, No. 2, May). Moreover, Turkey will become the fourth artery supplying energy to Europe after Russia, Algeria and Norway. Manoli, Fanagiota. 2005. "Bringing the Black Sea Economic Cooperation and the European Union Closer: Editorial." In *Southeast European and Black Sea Studies*, 167-169. (London: Rout-

The four frozen conflicts, Transdnistria (Moldova), Abkhazia and South Ossetia (Georgia), as well as Nagorno Karabagh (Armenia and Azerbaijan), are also a paramount concern, if the EU hopes to stabilize this region and form a ring of friendly neighbors. The persistence of these conflicts hampers these countries' ability to tackle other significant challenges, such as rampant corruption, increasing poverty, unemployment, social unrest, a low level of democracy and religious radicalism. The existence of all these problems forms a vicious circle, where it is difficult to say which issue, the conflict itself or the other endemic problems, must first be tackled and defused. Regardless, these conflicts form black holes, where illegal activities harmful to the security of the WBSR and the EU thrive. Unlike energy security, the degree the involved states desire EU participation varies greatly. Therefore, the EU must involve itself in a bilateral fashion and adjust its strategy for every conflict.

Despite Vladimir Socor's assertion that the "EU remains the great absentee from the economic, political and security affairs"⁸ in the WBSR, the EU has produced several programs and approaches toward this region since the fall of the Soviet Union. These projects and programs include older initiatives adopted by the EU during the 1990s, as well as new policies encapsulated in the ENP and the appointment of the two European Special Representatives (EUSR) to Moldova and the Southern Caucasus.

Intergovernmental boards are an integral part of EU attempts to address specific regional concerns. Paramount among these is the TRANCECA (transport corridor Europe-Caucasus-Asia) and INOGATE projects (interstate oil and gas transport to Europe).⁹ Establishing a more substantial energy and transit infrastructure in this region is extremely important for both the WBSR countries and the West, particularly the EU. Nevertheless, a number of the EU's own country reports have questioned the success of these programs. For example, in regard to its INOGATE program, the

EU notes that "[i]t is debatable whether the programme has substantially influenced the major oil companies, especially in recent years."¹⁰ This program has been successful in regard to bringing constituents from the different countries together; however, it has failed to diversify EU energy supplies and ensure reliable fossil fuels for WBSR countries.

Contrary to its regional programs, EU bilateral programs have proven more successful. The Technical Assistance to the Commonwealth of Independent States (TACIS) and the European Bank of Reconstruction and Development (EBRD) are the EU's main financial assistance instruments. The TACIS bilateral program is part of the EU's overall strategy to safeguard its borders by stabilizing its neighbors. TACIS has three central aims: (1) support for institutional, legal and administrative reforms; (2) support for private sector and economic development and (3) development of infrastructure networks.¹¹ Partnership for Cooperation Agreements (PCAs)¹² are key documents providing these countries with a 'road map' for solving their various issues. Similarly, the EBRD also provides substantial assistance, particularly in technical fields. The EBRD continues to provide assistance for energy infrastructure; however, it also provides substantial aid programs for other goals, such as the development of small and medium enterprises (SMEs), the financial sector, environmental infrastructural development as well as telecommunications. Ultimately, such comprehensive financial support packages are vital for instilling a civil society, the rule of law and good governance in the WBSR; however, better conditionality, a stated goal of both the EU and the TACIS program, and proof of success are required to ensure the achievement of these long-term goals. Moreover, these programs fail to address directly the EU's main security concerns identified earlier, namely diversification of energy suppliers and the frozen conflicts.

⁸ Socor, Vladimir, 2004. "NATO Prospects in the South Caucasus: Part 2." In *IASPS Policy Briefings: Oil in Geostrategic Perspective*. (Washington, DC: April 26).

http://www.israeleconomy.org/eng_editor/print_article_geo.php?article_id=373 (accessed September 23, 2006)

⁹ Several other initiatives, like DANBLAS (Danube-Black Sea Region Task Force) and PETra (Pan European Transit Area) also continue to operate today. All of these efforts are economically directed programs aimed at improving the infrastructure in the energy and transit sectors, as well as environmental protection. A deficit of political involvement is apparent in these programs.

¹⁰ European Commission. 2001. "Country Strategy Paper 2002-2006: Azerbaijan." Pp 14. December 27.

http://ec.europa.eu/comm/external_relations/azerbaidjan/csp/02_06_en.pdf (accessed June 16, 2006)

¹¹ European Commission. 2003. Country Strategy Paper 2003-2006: Georgia." 23 September.

http://ec.europa.eu/comm/external_relations/georgia/csp/georgia_csp_6.pdf (accessed July 12, 2006)

¹² An often-cited shortcoming of these PCAs is that they are little more than an enormous laundry list of problems. Although these documents do mention particular country's major issues, coherent policy suggestions are seldom proposed, let alone implemented.

The EU also collaborates with the UN and Organization for Security and Co-operation in Europe (OSCE) in the frozen conflicts by contributing to border assistance programs. For instance, in 2001/02, the EU financed a program called Georgian Border Guards (GBG) in concert with the OSCE. More recently, in December 2005, the EU contributed to UN efforts with its Border Assistance Mission to Ukraine and Moldova. Nevertheless, these more limited activities reduce the EU to a passive role called upon to grant assistance when needed. Although beneficial for immediate security concerns, these programs neither encourage change in these conflicts nor seek a more proactive approach in their resolution.

The espousal of the ENP in 2003 and later extension to the Southern Caucasus in May, 2004 is the most promising development that enhances the potential of the EU in this region. The EU adopted this policy, as well as specific country Action Plans, for all WBSR countries. Although the new relationship with the EU remains vague, these initiatives indicate an increased interest of the EU in its neighborhood. The Action Plans, such as the one recently adopted by Ukraine, once again seem like general 'to do' lists, rather than concrete plans of action.¹³ On a positive note, the upcoming 2007 ENPI (European Neighborhood Policy Instrument) could consolidate the efforts of various programs, including TACIS, under one roof. This instrument could thus improve the effectiveness and coordination of EU aid to this region. Nevertheless, without sufficient conditionality or incentive for change – like the golden carrot, prospective EU membership – these countries are unlikely to undertake the politically and economically painful steps necessary to improve their citizens' standard of living. Therefore, the ENP does not currently provide an impetus of reform, although its potential is evident.

In addition to the new ENP policy, the appointment of an EU special representative (EUSR) to the Southern Caucasus in 2004 signalled a more visible presence. Even though the special representative plays only a

¹³ "Action Plan elements should include clear benchmarking to measure progress in the development of genuine democracy, good governance, respect for human rights, the rule of law and free and fair elections; and the establishment of a comprehensive monitoring mechanism, whose reports are made public." 2006. "Conflict Resolution in the South Caucasus: The EU's Role." In *International Crisis Group*. Europe Report No. 173, 20 March. <http://www.crisisgroup.org/home/index.cfm?id=4037&CFID=36568195&CFTOKEN=56273198> (accessed October 20, 2006)

supportive role at present, the new appointment of Peter Semnebey brings hope of young blood creating progressive programs and addressing issues important for the EU.¹⁴ If the EU creates new assignments for this EU special representatives, particularly an increased role in mediating the frozen conflicts, it could increase its ability to induce change in this region.

The sheer amount of EU policies, initiatives and programs in this region, nevertheless, have remained at "the declamatory level, and concrete actions in this field are piece-meal and limited."¹⁵ Despite numerous interests, such as energy diversification, security risks and improving infrastructure (i.e., a new Silk Road), the EU as a whole remains hesitant in adopting a more proactive, political approach. Problems with EU actorness¹⁶ and various member states' different security perceptions account for its current passive role.

First, the absence of 'actorness' partially explains the EU's inability to pursue its own interests more actively. It is extremely difficult to please domestic, national and supranational constituencies simultaneously. Furthermore, different EU member state perspectives on certain regional issues adversely affect the EU's ability to act. Similar to other regional initiatives, such as the Northern Dimension, some member states are much more motivated to push through an agenda important to their ideals or particular region, while others would rather use the funding elsewhere or might fear repercussions from external actors.

Due to their unique historical experiences, Poland and the Baltic Sea states champion the cause of forming a more coherent, regional policy towards the WBSR. These states have already created initiatives, such as the 3+3 talks, where the three Baltic States impart their transition experiences to the Southern

¹⁴ Several analysts, most prominently Vladimir Socor, criticized the former EUSR of the Southern Caucasus, Heiki Talvitie, as too deferential to Russia. The EU made the same mistake in electing an old Dutch diplomat as EUSR to Moldova. "We need a more credible EU representation in this area in the EU's own interests: in terms of energy issues, as well as soft security ones." Ibid footnote 8

¹⁵ Asmus, Ronald D and Bruce P. Jackson. 2004. "The Black Sea and the Frontiers of Freedom." In *Policy Review Online*. (Stanford University: Hoover Institution. Jun/Jul). <http://www.policyreview.org/jun04/asmus.html> (accessed September 2, 2006).

¹⁶ EU actorness entails recognition, authority, autonomy and cohesion. Jupille, Joseph and Capraro, James A. 1999. "Institutionalization and the European Union: Beyond International Relations and Comparative Politics." In *Annual Review of Political Science*. 2, 429-44.

Caucasus countries. Moreover, these states do not shirk from confronting Russia and its aggressive foreign policy. Focus upon this region is likely to increase with the accession of Bulgaria and Romania into the EU.

On the other hand, core member states, such as Germany or France, advocate caution. First, they seem to defer to Russia in its self-proclaimed backyard. Russia appears to play an important role concerning the degree different EU members want to become politically involved in this region. In this regard, the EU's preferred stance toward other external actors in the WBSR, particularly Russia, appears to undermine its ability to operate in its own interests, especially concerning the frozen conflicts and energy. More political involvement is also dangerous because one state might appear to be favored over another, since state relations in this region are often intricate and troubled, like Armenia and Azerbaijan.

In sum, the EU does pursue multiple policies and initiatives in an effort to stabilize its neighborhood and reduce security threats emanating from this region. Regardless, its policies are passive, ad hoc and mainly bilateral in nature. The need to please multiple domestic and international constituencies and show deference to Russia on key issues hinders the formation of a political EU approach in this region. WBSR countries, in turn, have naturally accepted EU financial assistance; however, in practice, this approach proves insufficient. Although these programs do improve some sectors, like border control and building civil society, they fail to address other highly salient and potentially destabilizing regional issues, such as energy supplier diversification and the frozen conflicts. Continuing on this path, the EU can expect only partial success – at best – in ensuring its security and stabilizing its neighbors.

The Expectations and Interests of the Black Sea states concerning the role of the EU

In order to engage the WBSR countries successfully, these countries must demand input, economic assistance and an increased political role from the EU. In short, a reciprocal relationship must exist in order for initiatives to make progress. Since EU membership is not on the table, imposing projects will not work as it did in Eastern Europe. On the contrary, one of the EU's major roles is to foster ownership by encouraging home-grown initiatives for which it can provide legis-

tical and financial support. The willingness of the WBSR countries to implement innovative initiatives is very important. Today, the EU can play a supporting economic and political role to these demands.¹⁷

This concept of supporting WBSR initiatives is already apparent in several EU documents relating to the ENP. Nevertheless, in areas particularly important to EU security, namely energy supply and the 'frozen conflicts', it must push these countries to adopt a more proactive agenda. Excluding for the moment Russia and Turkey, this section first addresses the particular desires and concerns of individual WBSR countries regarding a greater EU role within the region. Next, WBSR regional initiatives and the EU role therein are investigated. These projects provide insight into the security and economic goals of these countries and grant the EU a valuable looking glass into where their assistance is most needed and desired.

The first group of WBSR countries, Romania and Bulgaria, will accede into the EU in 2007. Upon accession, they will lobby for greater EU foreign policy involvement in the WBSR. Until recently, both countries were focusing on accession into the EU; however, today, Bulgaria and Romania are experiencing a substantial policy shift. These states are increasingly redefining their foreign policy priorities back toward their neighborhood. "The 'rediscovery' of natural interests is leading to a growing focus on the Black Sea and their Eastern neighbours".¹⁸ EU member states pressing for greater attention in regional areas of concern are not a new phenomenon. Previously, the Scandinavian states encouraged the Northern Dimension, while southern member states, like Italy, France and Spain, advocated the EUROMED regional approach. In a similar fashion, Bulgaria and Romania note the manifold opportunities and threats emanating from this region and the importance it holds for them and the EU, which will soon border it. Romanian President, Traian Basescu, is among the most prominent advocates of a reformed European policy towards this region. He argues that "A new conceptual framework is now needed for changing the perception that the Black Sea region is the periphery of Europe and acknowledging its new geopolitical fea-

¹⁷ McFarlane, Neil S. 2003. "Visions of the Caucasus." In *Geneva Centre for the Democratic Control of Armed Forces*. Pp 201. (Reichenau. Nov).
http://www.dcaf.ch/docs/SSG_southerncaucasus/11_mcfarlane.pdf (accessed October 3, 2006).

¹⁸ Ibid footnote 4: 173

ture as an interface towards Central Asia and the Middle East.”¹⁹ Bulgaria and Romania consider the success of the region to be bound with greater cooperation and involvement of the EU and will soon push for these ends as EU members.

In addition to rhetorical advocacy, Romania and Bulgaria also offer important lessons learned and take the lead on regional initiatives. For example, they provide a precedence of reform that will help other WBSR countries make informed decisions about similar transition tasks. These countries also encourage several regional initiatives, such as the Black Sea Trust Fund, the Black Sea Forum and the revitalization of the Black Sea Economic Community (BSEC). Although these states do not currently have clout within the EU, these efforts might increase the likelihood of altering the current, uncoordinated EU approach in the future.

EU non-member WBSR states also express interest in greater cooperation and encouraging EU expansion into the region. Paramount among these countries is Ukraine and Georgia, both of which underwent the Orange (2005) and Rose (2003) revolutions respectively. Ukraine’s current leadership is increasingly orienting itself towards Europe and trying to integrate further into EU institutions.²⁰ Moreover, it is beginning “to assert itself as a key centre of diplomatic initiative, seeking to complete a huge set of circles of regional cooperation in which it is always present”.²¹ Realizing that the political transformations of their respective countries were mainly driven by domestic politics and civil society, both Saakashvilli and Yuschenko seek to export this phenomenon to their WBSR neighbors via regional initiatives.²² Following the course taken by Kiev, Georgia has also begun to express its desire to move beyond the framework of the ENP and to establish closer ties to the EU.

¹⁹ Basescu, Traian H.E. 2005. “The Black Sea Area: Advancing Freedom, Democracy, and Regional Stability.” In *Council of Foreign Relations*. (Washington, DC. March 10). Also see Basescu, Traian, http://www.gmfus.org/event/detail.cfm?parent_type=E&id=300 (accessed September 20, 2006).

²⁰ Yanukovich, Viktor. 2006. “Ukraine’s choice: toward Europe.” In *The Washington Post*. A33. October 5.

²¹ Manoli, Panayota. 2005. “Limiting Integration: Transnational Exchanges and Demands in the BSEC Area.” In *Agora Without Frontiers*, 268-291: 272. (Greece: Vol. 10, No. 4).

²² Ibid footnote 21: 4. also see Nuriyev, Elkhani. 2004. “Southern Caucasus: In Quest of a New Vision for a Cooperative Security Strategy.” In *Security Sector Governance in the Southern Caucasus – Challenges and Visions*. Pp. 208-209. (Bundesheer Österreich. February).

In fact, these two leaders act like “blood brothers”.²³ Ukrainian and Georgian co-initiatives, such as Community of Democratic Choice (2005), are representative of this interest in increasing working relations. Both countries emphasize the need for a strategic security architecture that encompasses all three Eastern seas, the Baltic, Adriatic and Black. These presidents adopt a more regional perspective, where their countries’ stability is interconnected with the unresolved economic and political problems of their neighbors. Consequently, Georgia “sees itself as a necessary player for solving regional problems”²⁴. Similar to Romania and Bulgaria, Georgia and Ukraine also strive to solicit a much greater EU role both in their own countries and in the region.

The remaining WBSR countries, Azerbaijan, Armenia and Moldova, lag behind in reform and face even more politically challenging situations. The frozen conflict between Armenia and Azerbaijan, Nagorno Karabagh, is the most contentious problem in the South Caucasus. While Russia grants Armenia, the only current member of the Collective Security Treaty Organization (CSTO) in the WBSR, military and political assistance, Azerbaijan is pursuing active political and security relationships with the US and NATO in order to help it regain control of this territory. Here, EU policy is necessarily more reserved, since neither side has expressed an interest in a greater EU conflict mediating role. The EU itself is also hesitant to become involved. For example, if it appears to favor Azerbaijan, then Armenia might fall further into Russia’s sphere of influence, whereas vice-versa, the EU could harm relations with a future energy partner. Nevertheless, these countries seek cooperation with Europe in other fields. This is most evident in the assistance provided under economic aid programs and the provision of energy infrastructure and technical assistance to Azerbaijan.

Moldova faces a similar issue in the Transdnistria frozen conflict, where Russia once again plays a disruptive role by supporting this breakaway enclave

²³ Emerson, Michael. 2005. “The Black Sea as Epicentre of the Aftershocks of the EU’s Earthquake.” In *Center for European Policy Studies*. No. 79, July. Pp 3.

<http://www.nato.int/romania/blackseaeapicentre.pdf> (accessed October 3, 2006)

²⁴ Japaridze, Tedo and Alexander Rondeli. 2004. “Europe is on Georgia’s Mind.” In *A New Euro-Atlantic Strategy for the Black Sea Region*. Editor Ronald D. Asmus, Konstantin Dimitrov and Joerg Forbrig. Pg. 40-48. (The German Marshall Fund of the United States).

militarily and politically. At the same time, it disingenuously attempts to reach a sustainable resolution. According to Vladimir Socor, "Mr. Voronin and his team, communists in name only, have re-oriented Moldova westward and are resisting what they describe as 'Russia's attempts at re-colonization.'" ²⁵ Similar to the situation in Georgia, President Voronin would welcome a more active economic and possibly political EU role as a counterweight to Russia's aggressive foreign policy.

In addition to a clear bilateral interest in greater EU involvement in their countries, the WBSR countries have also proposed numerous regional initiatives and institutions. So far, these programs have produced few significant concrete steps toward improving the situation in the region; however, their mere presence signifies a growing awareness of solving problems regionally in an institutionalized manner. These programs actively attempt to involve the EU to a greater degree in their missions. Encouraging 'ownership', a stake in reform, is one of the best ways the EU can achieve its goals in these countries; these initiatives and programs are key to forming a sense of ownership.

The Black Sea Economic Community (BSEC), an organization of 12 members set up by Turkey in 1992, is paramount among these programs and is the only one mentioned in the ESS. It was the first attempt at forming bonds between WBSR countries by building economic bridges. ²⁶ Although the BSEC might appear moribund, some analysts, like Marius Vahl, believe that its accumulated experiences make it quite relevant today. Regional cooperation, "most notably within the framework of the BSEC, has demonstrated a unique ability to work out creative solutions in order to achieve consensus among countries that are so diverse in terms of size, power, level of economic and social development, international affiliation and even system of governance." ²⁷ Over its 15 years of exist-

tence, the BSEC has evolved into an intricate institution with its own Parliamentary Assembly, Business Council, Black Sea Trade and Development Bank (BSTDB), think tank (International Center for Black Sea Studies – ICBSS) and Black Sea Trust Fund (BSTF). Funding for these programs, particularly the BSTDB and the BSTF, is less than optimal. Nevertheless, the BSEC, "with its sound political base and the clear political will behind its creation, could be successful in developing a functional and project-oriented regional organization, if given the chance." ²⁸ Therefore, cooperation with the EU, which is perceived in this region as a source of financial aid and necessary for success of BSEC projects, almost seems self-evident.

In 1997, the EU proposed the document "Bringing BSEC closer to the EU" hoping to tie itself more closely to the BSEC institutions. Unfortunately, the BSEC response, "Platform for Cooperation between the BSEC and the EU," did not sufficiently enumerate concrete and realistic goals. As a result, nothing substantial evolved out of these efforts. Nevertheless, the BSEC has recently become involved in new areas of cooperation beyond the economic realm, particularly security-related issues: border control, police cooperation, crisis management and the fight against organized crime and terrorism. "This reorientation of BSEC's focus seems to be driven by the organization's desire to demonstrate its relevance in the context of cooperation with and integration to the EU." ²⁹ Additionally, the "BSEC seeks its niche in functioning as an organization for the promotion of regional cooperation in areas not constrained by external commitments of its member, and within a sub-regional context, focused around the Black Sea" ³⁰.

If this organization appropriately alters the manner it addresses issues, cooperation in particular fields

concrete responsibilities, execution deadlines and providing for adequate monitoring mechanisms." 175.

²⁵ Aydin, Mustafa. 2005. "Europe's New Region: The Black Sea in the Wider Europe Neighbourhood." In *Southeast European and Black Sea Studies*. Pg. 257-283 (London: Routledge. Vol. 5, No. 2, May).

²⁹ 2006. "Frameworks and Areas of Co-operation in the Black Sea Region." In *NATO Parliamentary Assembly: Sub-Committee on Democratic Governance*. April 27. <http://www.nato-pa.int/Default.asp?SHORTCUT=918> (accessed September 20, 2006)

³⁰ Article 3 "acknowledges the existence of pre-existing obligations in other international organizations and institutions, and effectively subordinates commitments with BSEC to those obligations." Gavras, Panayotis. 2004. "The Black Sea and the European Union: Developing Relations and Expanding Institutional Links." In *Southeast European and Black Sea Studies*. Pg 23-48 (London: Frank Cass. Vol. 4, No. 1, Jan).

²⁵ Socor, Vladimir. 2004. "Advancing Euro-Atlantic Security and Democracy in the Black Sea Region." *Harvard: Black Sea Security Program*. Pp 79-86

²⁶ This goal, however, still remains elusive 15 years after the founding of this institution. "The establishment of the BSEC has not been followed by a considerable increase in dependence on intra-BSEC trade. On the contrary, the fastest growing trade partners for all BSEC members (apart from Greece) have been the Eastern European states." *Ibid* 21: 280.

²⁷ *Ibid* footnote 4: 172. Vahl continues, "The emerging trend seems to be pointing towards more legally binding intergovernmental agreements in a regional BSEC format spelling out

between BSEC and the EU remains quite possible. Currently, the BSEC attempts to address 16 regional working groups within its institutional framework; however, this often results in little progress being made in any of the fields. Panagiota Manoli contends:

*In order to be credible and effective, the new BSEC comprehensive approach towards the EU should include clear goals and practical modalities rather than general statements. Such a new Platform for Cooperation should be focused on what is realistic rather than what may be desirable in an ideal world. To advance and strengthen the BSEC's voice in European and world affairs, it will have to formulate its own vision and develop practical solutions on how it can function as a reliable partner for other organizations that are active in the region*³¹.

The BSEC would be better served by becoming an efficient project-oriented program focusing on a few particular goals and striving toward their achievement as an interlocutor between its EU and non-EU members. At the same time, it is important to keep in mind that the BSEC cannot produce fast and impressive results. "It offers, however, a proper framework for building mutual trust between the member states and for the development of a constructive spirit or multilateral cooperation."³² Consequently, the EU can use this institution as a building block for a more regionally focused WBSR policy.

The EU can utilize other regional initiatives and programs, which are not as institutionally developed as the BSEC, to create a regional approach beyond the economic realm. Two other important regional organizations are GU(U)AM, a security organization including Georgia, Ukraine, Azerbaijan and Moldova, as well as the Community of Democratic Choice (CDC) initiated by Ukraine and Georgia in 2005. In April 2005, at the GUAM summit in Chisinau, Moldova, three main issues of concern were raised: "further democratization of the region; co-operation and rapprochement with the EU and NATO; new approaches to conflict resolution, including increased international involvement in the resolution and the so-called frozen conflicts."³³ After this summit, GUAM also expressed an interest in reorganizing to include only those states of the region that were seriously interested in democracy. In this regard, it proposed adopting a new name, such as Democracy and Development

³¹ Ibid footnote 4

³² Simionescu, Aurel. 2005. "The Wider Black Sea Region in the New European Architecture." In *Proceedings of a Regional Parliamentary Conference*. Pp. 56-59 (Hellenic Parliament, Athens, April 8).

³³ Ibid footnote 29

Organization.³⁴ Similarly, CDC goals focus on the promotion of democratic values, regional stability, and economic prosperity, while simultaneously attempting to gather support for the integration of all Black Sea countries in Euro-Atlantic institutions. Therefore, these institutions, like the BSEC, have lofty goals and are clear expressions to the West, particularly the EU, of increased interests in forming fields of cooperation.³⁵

Despite these attempts to increase EU regional involvement, the plethora of current initiatives and institutions have not succeeded. First, while their goals often overlap, coordination between them is lacking. Consequently, the results are less efficient and effective. Second, unlike their predecessors in Eastern and Central Europe, these countries currently lack a successful lobbyist – a Vaslav Havel – to raise their concerns with the EU and constantly knock on its door. Third, the necessary infrastructural and cultural needs to successfully instil these values are lacking.³⁶ Lastly, these countries have failed to come up with innovative solutions to tackle smaller problems. Instead, they often make declamatory statements without providing the means of accomplishing their overly ambitious goals.

As a result, even if the EU is willing to provide substantial aid to these countries, it has difficulty doing so because the specific instruments requiring financial support are not in place. "[T]elling the West what they [the WBSR] cannot do and why, will produce neither vision nor help. Telling allies what can be done and how, is a much wiser tactic to generate their support."³⁷ Sir Garry Johnson adopts a similar vein of thought: "Be patient, and seek a good and workable

³⁴ Ibid footnote 23

³⁵ Other WBSR organizations include; the BBCIC, Black Sea Border Coordination and Information Centre, and the Border Defence Initiative.

³⁶ Carrying out change in this region is much more complicated than in Eastern Europe for the following reasons: 1) proximity to Russia and distanced from heart of Europe; 2) Lack of resources; 3) lack of human resources (not quality but quantity); 4) cultural gap which seems to have been exacerbated by the long period of isolation of Soviet society (national identity); 5) Human nature-change is always uncomfoting-old guard. Johnson, Garry. 2004. "Security Sector Reform in the Southern Caucasus." In *Security Sector Governance in the Southern Caucasus – Challenges and Visions*. Pp. 48-56: 52-3. (Bundesheer Österreich. Feb)

³⁷ Skonieczka, Jaroslaw. 2004. "The Black Sea Region: A Role for NATO?" In *A New Euro-Atlantic Strategy for the Black Sea Region*. Editor Ronald D. Asmus, Konstantin Dimitrov and Joerg Forbrig. Pp. 99-106 (The German Marshall Fund of the United States).

outcome, rather than strive for swift and unobtainable perfection.”³⁸

Therefore, the WBSR countries must produce achievable goals, which the EU then can support financially and politically.³⁹ Similar to other EU regional projects, like the Northern Dimension or Visegrad 10, the WBSR countries must continue taking steps in moving beyond lofty declarations if they are to foster this desired, fruitful relationship.

In conclusion, two trends are apparent. First, current and acceding EU member states have begun to place more emphasis on the WBSR’s importance and the greater role the EU should have therein. Second, the majority of non-member states in the region appear to be seeking, in varying degrees, closer ties to the EU through both bilateral and regional initiatives. Excluding their desire for membership, these countries assume that the EU can assist them in stabilizing their countries and improving the economic situation. This is a start in developing a reciprocal relationship necessary for the success of any initiative in this region. Indeed, WBSR countries must propose achievable and coordinated projects. At the same time, the EU must pay attention to these home-grown initiatives and support those that would best transform and stabilize the region. Of course, the ultimate success of any program will depend on its implementation by WBSR countries. While providing assistance for these initiatives, however, the EU must simultaneously push these countries in diversifying energy supplies and diffusing the frozen conflicts in order to meet its own regional interests.

Russia’s Role in the WBSR

Although an essential player in the region, Russia adopts a strategy of *realpolitik* in its near abroad, which hinders the WBSR countries and the EU achieving their goals. Russia perceives the WBSR as essential for its own security due to terrorist activities in the

³⁸ Trapans, Jan Arveds. 2005. “Georgia, the Black Sea and the Approaching West.” In *From Revolution to Reform Georgia’s Struggle with Democratic Institution Building and Security Sector Reform*. Pp. 292-311. (Bundesheer Österreich. June).

³⁹ “The ENP Strategy Paper emphasizes that the EU ‘is not seeking to establish new bodies or organizations, but rather to support existing entities and encourage their further development’, and that the ENP aims to ‘reinforce existing forms of regional and sub-regional cooperation, and provide a framework for their further development’” Ibid footnote 4: 186

Northern Caucasus. It does not want to cede important Russian ‘security matters’ to its neighboring states. Moreover, given that Russia considers any encroachment into this area as a “function of policy towards Russia, rather than being developed on their own merit,”⁴⁰ it is more difficult for the West to partake in politically sensitive issues. Russia is not necessarily opposed to the softer security goals of good governance, the rule of law, fighting corruption and building democratic institutions. Nevertheless, it often equates these issues with the WBSR becoming more oriented towards the West, which it perceives as destabilizing since it necessarily loses direct influence. Overall, Russian authorities tend “to emphasize concrete interests and physical control rather than abstract principles and institutional development.”⁴¹

This partially explains the equivocal role it plays in the frozen conflicts and energy diversification, which are the most contentious issues concerning Russia’s predatory foreign policy in this region. As mentioned above, both of these issues are very important to the EU and to the WBSR countries. In its 2006 Green Energy Paper, EU Energy Commissioner Andris Pieðbals identified energy diversification as one of the EU’s major foreign policy objectives; the WBSR is one of the few disputed regions left, where energy remains on the open market. Moreover, both the EU and the WBSR consider the frozen conflicts “a drag on the economy of legitimate countries”⁴² and the single largest hurdle encumbering them from achieving stability in the region. These two issues shed light on Russia’s zero-sum approach toward this region and subsequent challenges to EU policy.

Russia has played a particularly controversial role in frozen conflicts. Its policy “consists of freezing not only the conflicts as such, but rather the negotiating

⁴⁰ Vahl, Marius and Sergiu Celac. 2006. “Ready for a Breakthrough: Elements for a European Union Strategy Towards the Black Sea Region.” *Southeast European and Black Sea Studies*. Pp. 169-191 (London: Routledge. Vol. VI, Number 2. June).

⁴¹ Rumer, Eugene B. and Jeffery Simon. 2006. “Toward a Euro-Atlantic Strategy for the Black Sea Region.” In *Institute for National Strategic Studies: National Defense University*. April. <http://www.stormingmedia.us/88/8827/A882744.html> (accessed September 6, 2006).

⁴² These countries are forced to spend limited resources in resolving these conflicts rather than directing them to other important spheres. Socor, Vladimir. 2004. “Regional Conflicts in the Black Sea Area.” In *Harvard: Black Sea Security Program*. Pp. 86-98.

process, which Russia itself dominates.”⁴³ It appears that Russia intends to keep these conflicts smoldering in order “to pressure Georgia, Azerbaijan, Armenia and Moldova and thwart their Euro-Atlantic integration.”⁴⁴ The frozen conflicts weaken the leadership of these countries and keep them reliant upon Russia’s good will. In this fashion, Russia is better able to maintain control over its ‘near abroad’.

Russia also has important economic interests in prolonging these frozen conflicts. First, Russia earns money by selling weapons to these enclaves. Second, and more importantly, some of these areas could prove quite economically prosperous in the future. Gaining de facto control over them is thus in Russia’s long-term economic interests. This is particularly the case in Transdnistria, where the overwhelming majority of Moldova’s industrial sector is located, and Abkhazia, where Black Sea tourism could once again become a booming industry. Finally, Russia has promised to withdrawal its troops from foreign countries by 2001 in the Conventional Forces for Europe (CFE) Treaty and Istanbul Conference in 1999. As a result, the maintenance of troop levels, particularly in Georgia and Moldova, is very contentious.⁴⁵ Russia perpetuates these frozen conflicts in order to justify its troop levels and ensure its regional ‘interests.’ Unfortunately, these policies contradict the goals of both the EU and the WBSR countries working to solve these conflicts.

Energy diversification and the creation of new pipelines is the other main policy field where Russia’s zero-sum policies are conspicuous. Russia’s interests lie in safeguarding its role as the main supplier to Europe and operating as chief transit country for Central Asian energy sources.⁴⁶ In recent dealings, “Russia is showing itself to be all about raw power, with little or no regard for any overarching international legal

framework.”⁴⁷ Thus far, Russia has been a reliable supplier of energy for the EU. The real question concerns “the terms under which it is prepared to allow other energy producers, notably those in the Caspian region, to have access to Russian pipelines, in their efforts to reach markets beyond Russia.”⁴⁸ This is most clearly reflected in Gazprom’s blocking of a European attempt to negotiate directly with Turkmenistan. This action was completely contradictory to the competitive market principles, a chief goal of the EU, set out by the Energy Charter Treaty and Energy Charter Transit Protocol.⁴⁹ Russia has neither joined nor adhered to the Energy Charter Treaty.

Regarding the most precious energy commodity for several EU states, gas, John Roberts identifies Gazprom’s strategy in the WBSR as one of the major obstacles in the diversification of routes. Gazprom has achieved almost monopolistic power over this region through four interconnected capabilities: “1) Construction or control of cut-off routes; 2) Trading of gas and its transparency; 3) Acquisitions of transit lines in various Eastern European countries; 4) Controlling distribution companies in Georgia, Turkey and Bulgaria”.⁵⁰ Russian policies thus clearly contradict the EU ideals and goals. They also harm the ability of the WBSR countries to break away from their energy dependence on Russia, as both a supplier and transit country.

In conclusion, Russia’s current role hinders the EU from truly forming a stable neighborhood, which adversely affects the EU and WBSR countries. Since Russia does not perceive the EU as a significant threat, which is not the case for NATO and the US, it must find a way to counter this approach without ostracizing Russia. As an ‘honest broker’, the EU has potential to do so.

⁴³ Ibid footnote 38. Zeyno Baran calls this policy “controlled instability”.

⁴⁴ Ibid footnote 25

⁴⁵ Russia has once again promised to withdrawal it troops from Georgia and Moldova by 2007. Due to both the current political tensions between Georgia and Russia and Russia’s previous ignorance of this Treaty, it is not a foregone conclusion that this will occur.

⁴⁶ “Russia currently purchases gas from Turkmenistan at US \$65 per thousand cubic meters (tcm) but sells its own gas to markets in Europe at prices as high as US \$230/tcm.” Roberts, John. 2006. “The Black Sea and European Energy Security.” In *Southeast European and Black Sea Studies*. Pp. 207-223: 218. (London: Routledge Vol. VI, Number 2. June).

⁴⁷ Roberts, John. 2005. “The Role of Parliaments in Black Sea Energy Issues.” In *The Wider Black Sea Region in the New European Architecture*. In *International Center for Black Sea Studies*. Pp 100. (Hellenic Parliament, Athens. April 8).

⁴⁸ Ibid footnote 47

⁴⁹ Emerson, Michael. 2006. “What to Do About Gazprom.” In *Center of European Policy Studies*. February 2. http://www.ceps.be/Article.php?article_id=509 (accessed September 20, 2006).

⁵⁰ Ibid footnote 48: 219

The Future Role of the EU

It appears that all players passively accept the status quo in this region because they fear that something worse could transpire. Unfortunately, these problems will not resolve themselves; rather, they will foment and have potential to destabilize the region. Therefore, the EU must play a more active role in order to realize its own security interests. The first important step entails coordination of current programs and aid. Second, the EU must politically extend its role in energy security and the 'frozen conflicts'. This final section sheds light on how the EU can play a more active and effective role in the region.

The EU maintains several regional programs that address a diversity of political and economic issues. Indeed, a significant amount of Western assistance already exists. It "is well-meant, most of it can be useful, but it seldom is well co-ordinated."⁵¹ A quick review of the intricate web of issues and institutional relations elucidates this problem. The environment, energy, transportation, internal security, democracy and civil society promotion as well as the fight against corruption are all important WBSR issues. The magnitude of these problems is best understood by noting their complexity. For instance, among other issues, internal security includes the 'frozen conflicts', border monitoring missions, organized crime, security sector reform and terrorism. Even these sub-categories are overarching frameworks marking even more specific issues. Combine this with the number of WBSR initiatives vying for EU aid, it is apparent that coordination is among the most vital EU and WBSR tasks. Fortunately, the EU can use existing regional institutions and initiatives to its advantage by streamlining their missions so that the amount of overlap is reduced.

In order to decrease current inefficiencies, an overarching schema that assigns different institutions particular tasks should be created. Fabrizio Tassinari suggests that the new Black Sea Forum for Dialogue and Partnership (BSFDP), which Romania first convened in early June 2006, be used for this purpose. This initiative could act as an institution "in which BSEC and its member states could submit ideas and projects of regional interest that could make use of extra resources from the EU or US."⁵² Every partnership, each concerning a different field, should "have one driving actor or mechanism entrusted with the

bulk of the coordinating work among the partners".⁵³ If the BSEC and EU were to adopt such a framework, then each WBSR initiative would have a clear, regional task to perform and would know where to seek assistance. This would reduce confusion and overlap between the institutions. By fostering such a forum, the EU and WBSR would create a "new strategic architecture" that is "greater than the sum of its parts".⁵⁴

In addition to creating a better network of coordination, the EU must invent new carrots that will induce WBSR countries to implement difficult demands. First, the EU cannot expect these countries to conform to the current *acquis communautaire*, since many factors, such as environmental issues, hinder progress in other very important fields.⁵⁵ Instead, an alternative *acquis communautaire* should be developed for these countries. It should reduce current, unrealistic goals. Second, to achieve reasonable goals, the "EU needs to rethink how to better use leverage and conditionality for a longer and step-by-step process of guiding reform."⁵⁶ It should create attainable 'way stations' for specific goals that reward countries making progress in particular fields. In this regard, the EU should devise incentives that are meaningful to these countries' citizens, such as easier access to visas and EU markets. This will be a productive avenue making former EU Commissioner Prodi's famous declaration "everything but institutions" more plausible. The EU does possess

⁵³ For a more in-depth look, refer to figure 5 proposed by Tassinari. For example, he suggests that the Baku Process should tackle issues concerning energy and transport, while the BSEC confronts larger internal security issues. Additionally, CDC could promote democracy, while DABLAS focuses upon environmental issues. Tassinari, Fabrizio. 2006. "A Synergy for Black Sea Regional Cooperation." In *Centre for European Policy Studies*. (CEPS Policy Briefs. No. 105, June).

⁵⁴ Ibid footnote 24. Such a regional approach would also assist in defusing troublesome bilateral relations in the South Caucasus. "Cooperation between Armenia, Azerbaijan and Georgia is best embedded in wider and extra-regional structures." Lynch, Dov. 2003. "Security Sector Governance in the Southern Caucasus – Towards an EU Strategy." In *Geneva Centre for the Democratic Control of Armed Forces*. Pp 46 (Reichenau. 21-24 November)

⁵⁵ Grabbe, Heather. 2004. "Towards a More Ambitious EU Policy for the Black Sea Region." In *A New Euro-Atlantic Strategy for the Black Sea Region*. Editor Ronald D. Asmus, Konstantin Dimitrov and Joerg Forbrig. Pp. 106-116. (The German Marshall Fund of the United States).

⁵⁶ Asmus, Ronald D. 2004. "Democracy and Human Development in the Broader Middle East: A Transatlantic Strategy for Partnership." In *Istanbul Paper #2*. (Istanbul: The German Marshall Fund of the United States. 25-27 June).

⁵¹ Ibid footnote 38: 306

⁵² Ibid footnote 23: 6

several carrots and sticks to induce change; it should use them in the WBSR to these ends.

Such steps would improve EU regional and bilateral relations with the WBSR countries and increase the effectiveness of economic aid. Some scholars contend that the EU should be content in this capacity. "The EU should undertake that which it does best: a long-term and comprehensive approach to the region and its conflicts, including offering the prospect of EU post-conflict rehabilitation."⁵⁷ Nevertheless, as argued above, the EU should move beyond this passive mandate in order to have a more positive influence in this region. "[D]efining Europe's goals and perceptions of risks, and transforming these definitions into concrete policies"⁵⁸ is another necessity for achieving greater EU security and strategic goals in this region. The EU must rethink its deference to Russia and adopt a more intense political stance on particular issues.

In regard to energy diversification, the EU has three options at its disposal. The first two involve directly confronting Russia, whereas the final and more plausible option deals with greater cooperation and involvement in the WBSR. The EU does not lack bargaining power with Russia and has the right to secure stable, free-market energy sources. The first option requires little change from the current situation. Several critics sceptical of energy geo-politics note Russia's dependence on EU demand for its energy resources and the substantial overhead costs of building new pipelines.⁵⁹ Moreover, Russia cannot simply turn off the valves, since its economic well-being and international reputation would be on the line. On the other hand, others, like Frank Umbach, note the EU's growing dependence on Russian supplies and how this compromises the energy security and possibly the future political independence of the EU.⁶⁰ If Russia manages to capture even more EU energy demand, this would certainly affect the psyche of EU politicians

⁵⁷ Ibid footnote 55: 44

⁵⁸ Kempe, Iris and Kurt Klotzle. 2006. "The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options." In *Centrum für Angewandte Politikforschung*. Policy Analysis 2, April.

⁵⁹ Götz, Roland. 2005. "Russia and the Energy Supply of Europe." In *Russia versus the United States and Europe- or "Strategic Triangle"*. Editor Adomeit Hannes and Andreas Åslund. Pp 73-81 (SWP. Berlin). and Bahgat, Gawdat. 2006. "Europe's Energy Security: Challenges and Opportunities." In *International Affairs*. Pp. 961-975 (Malden: Blackwell Publishing. Vol 82, No 5).

⁶⁰ Umbach, Frank. 2006. "Europe's Next Cold War: The European Union Needs a Plan to secure its Energy Supply." In *Deutsche Gesellschaft für Außenwärtige Politik*. Pp. 64-71. July 20.

aware of the great power Russia wields. In the worst case scenario, Russia could blackmail the EU over future policies with which it strongly disagrees. This first option does not appear viable, since the EU does not want to be caught in such a vulnerable position.

Second, in addition to dependence on EU demand, Russia desperately requires EU investments for infrastructure in order to transport its energy to markets. EU Commissioner Barosso often cites this dependence as further proof that Russia also needs Europe. On the one hand, he is correct in this assessment; on the other hand, he does not probe deeper into how the EU could use this to its advantage. One possibility would be for the EU to coerce Russia in complying with its demands, such as signing the Energy Charter Treaty, by either encouraging or blocking investment of European companies in the Russian energy sector. Nevertheless, this option appears highly unlikely, since investments would become part of a carrot and stick policy, which Russia and EU corporations are unlikely to accept.⁶¹ This option could also have significant negative consequences for future relations with Russia in the energy sector and beyond. Since the EU depends on good working relations with Russia, particularly in the energy sector, this would cause more problems for the EU than it solves.

The final option calls on the EU to increase its role in pipeline politics in the WBSR by encouraging the creation of pipelines that its companies will own. This illustrates the fine line the EU must walk in order to successfully carry out its goals. Although Russia will obviously disapprove of the EU becoming more politically involved in this region's energy, Russia is unlikely to confront the EU openly over this issue, which would not be the case if the EU directly challenged Russia. Moreover, other consumer countries, such as Ukraine, Poland, Turkey and, above all, Georgia, would support such a policy. A number of proposed oil and gas pipelines circumventing the Bosphorus Straits⁶² exist on paper; however, only one

⁶¹ Russia has stressed its demand to be equal, strategic partners with the EU; it will not subordinate itself to conditionality like other states. Moreover, the EU does not have the clout to do so, since it is already too dependent upon Russian energy. Due to this upper hand, the EU would be playing a dangerous tit for tat game with an unpredictable opponent.

⁶² All countries, including Russia, favor a circumvention strategy, since increasing energy transit at the Straits will exponentially increase the possibility of an ecological disaster occurring at this energy chokepoint.

will probably be chosen for each energy source, gas and oil.

The EU must ensure that European companies own the majority of these gas and oil pipeline projects in order to reduce Russia's monopolies. For instance, the EU could encourage extending the oil pipeline of Odessa-Brody onward toward Plock, Poland and ending at Wilhelmshaven, Germany. This would carry Caspian energy to the European market. Although supported by the current Yushchenko government, no Ukrainian funds exist for such a project. Additionally, the EU could provide incentives to Kazakhstan and Turkmenistan to create a trans-Caspian pipeline, which is already under consideration. In order to secure its energy supply, however, the West, the EU and USA, must speak with one voice and adopt options that increase their security.⁶³ By actively becoming more involved in the pipeline politics of this region without brazenly confronting Russia, the EU can better ensure diversification of energy suppliers.

In addition to guaranteeing its energy security, an increased EU energy role in the WBSR is likely to have positive externalities in other important fields, particularly regional security.⁶⁴ Moreover, the former secretary general of the BSEC, Tedo Japaridze, believes that "a critical interdependence between energy-rich and energy-poor countries...is bound to cement relations, strengthen mutual trust, encourage and diversify intraregional trade, create new jobs, promote flow of investments and technology, and accelerate growth".⁶⁵ Once more, the necessity of a reciprocal relationship between the WBSR countries and the EU is apparent. In fact, Azerbaijan's deputy foreign minister, Mahmud Mamedguliev, declared that "the challenge is to replace the existing pattern of energy supply in a region with one that would diversify supply and enhance security."⁶⁶ By ensuring energy supply and gaining experience through cooperation, the EU also makes its goal of a common European energy market more viable. The EU should substantially support BSEC energy initiatives, like the Baky Process⁶⁷.

⁶³ Barroso, José Manuel Durao. 2006. "Speaking with a Common Voice: Energy Policy in the 21st Century". (Georgetown University: February 9).

⁶⁴ "[F]uture opportunities for energy cooperation could also become a major positive factor in enhancing regional security" Ibid footnote 2

⁶⁵ Ibid footnote 2

⁶⁶ Ibid footnote 38: 221

⁶⁷ This process began with the Baky Declaration 2003. It mainly deals with BSEC goals concerning energy and transport infrastructure in the WBSR.

Unquestionably, Europe should adopt a proactive policy and display political leadership in order to achieve its security goals closely connected to this region.

Frozen conflicts are the other pressing issue demanding greater EU involvement beyond simply supporting OSCE and UN activities. As Tedo Jeparidze reminds policymakers, "[G]ood politics make good economics, and vice versa, while political stalemate invites economic stagnation."⁶⁸ Halli Akinci also argues that "without addressing this issue [frozen conflicts] all other programs are doomed to failure."⁶⁹ First, the EU should espouse a policy, including conditionality clauses in particular country Action Plans, where aid is given for successfully implementing small but important steps. As the EU increases its economic aid "through new and old instruments, its ability to provide incentives and apply conditionality should grow".⁷⁰ Unlike energy, the EU must necessarily forge bilateral relations to resolve these conflicts due to their uniqueness. Additionally, the EU is the most appropriate external party to mediate these conflicts because it is a 'honest broker' that can employ a number of soft and hard policy options.⁷¹ Since these conflicts are extremely intricate, resolving them requires a wide range of foreign policy tools, such as improving the overall standard of living in these countries. The remaining part of this section focuses on important general steps for enhancing the current EU approach toward these conflicts.

An important step to ameliorate tensions is to civilianize and internationalize peacekeeping forces. In 2005, Vladimir Socor believed it was "high time for Georgia and Moldova to go beyond the OSCE to international organizations, and argue the case for Russian troop withdrawal on the basis of national sovereignty and international law".⁷² Since then, both states have emphasized the need for Russia to remove its troops and adhere to the CFE Treaty and Istanbul initiative. Ronald Asmus argues, "The resolution of these frozen

⁶⁸ Jeparidze, Tedo. 2006. "BSEC: A Roadmap to Relevance. Polemical reflection" In *Black Sea Security Program*. Harvard University, April 25.

⁶⁹ Akinci, Halli. 2004. "Developing a New Euro-Atlantic Strategy for the Black Sea Region." In *A New Euro-Atlantic Strategy for the Black Sea Region*. Editor Ronald D. Asmus, Konstantin Dimitrov and Joerg Forbrig. Pp. 57-65 (The German Marshall Fund of the United States).

⁷⁰ Ibid footnote 13

⁷¹ Ibid footnote 13

⁷² Ibid footnote 25

conflicts requires either a change in Russian behavior or a reduction in Russian influence.”⁷³ The EU should continue talking with Russia. If Russia maintains a *realpolitik* agenda, then the EU should begin taking steps in these conflicts that reduces Russia’s influence.

Despite the fact that Russian troops need to be replaced by civilian observers and police forces in order to promote a real sense of neutrality, the Euro-Atlantic community has been unwilling to push Russia sincerely on this issue. The EU should lead the way to become more vocal on this subject. President Basescu echoes this sentiment, “Hands-on NATO-EU-OSCE engagement is crucial to spurring resolution of these conflicts. A firm stance from the international community on the CFE issue and the Istanbul commitments remains critical for the withdrawal of the Russian troops from Transnistria and Georgia.”⁷⁴ Reducing and removing Russian troops is important for building trust in negotiations and relieving acute tensions; the EU can provide the political initiative to start this process.

Raising the visibility of the EU as a player in the resolution of these conflicts is also vital. First, the South Caucasus’ EUSR should become an observer at the OSCE Minsk Group, which deals with the Nagorno Karabagh conflict. Second, the EU should direct its attention to the break away provinces. “The West needs to shift away from a strategy of simply angling for a deal, however elusive, with the rogue-statelet authorities...rather go in there, promote democracy, civil society and an independent media”.⁷⁵ Third, since these statelets are unlikely to survive without Moscow’s support, Russia remains the key to these conflicts resolution despite its controversial role.⁷⁶ The EU, therefore, needs to start confronting Russia by raising these conflicts, particularly those in Georgia, at “EU-Russia summits and other high-level dialogue forums”.⁷⁷ These steps would all raise the visibility of the EU – showing regional players, particularly Russia, that it means business in the region – and provide it a

⁷³ Ibid footnote 56

⁷⁴ Ibid footnote 19

⁷⁵ Ibid footnote 56; The International Crisis Groups (ICG) also recommends that the EU should “increase engagement with non-recognized entities...and promote democratisation, civil society development and the rule of law, not as recognition of status but as a means to break their isolation build confidence and avoid exclusion from broad EU integration processes.” Ibid footnote 29

⁷⁶ Ibid footnote 56

⁷⁷ Ibid footnote 13

greater role in defusing these conflicts by actively addressing all parties.⁷⁸

As seen above, Russia’s current policy hinders the EU from productively engaging in the WBSR. The EU needs to give these states the opportunity to pursue their interests without fearing Russian reprisal. Nevertheless, the EU cannot exclude Russia without risking an aggressive Russian response to intimidate the smaller WBSR states into continued compliance. Stephen Larrabee suggests simultaneously encouraging the integration of the WBSR countries, while holding out the possibility of cooperation to Russia without giving it a veto in Western policy.⁷⁹ One way to include Russia would be to create a new forum or regional organization similar to the Council of Baltic Sea States (CBSS). Such an organization would offer Russia a seat, make it feel included and demonstrate that the goals of the WBSR and the EU countries are not directed against Russia.⁸⁰ Even if Russia continues to prove recalcitrant, the EU must help WBSR countries assimilate to Western norms without warily looking over their shoulder toward Moscow. As past experience has shown – NATO and the EU expansion towards Eastern Europe – Russia is likely to complain, but at the end of the day it will join whatever initiatives so as not to be excluded in the future.

In sum, the EU’s current approach will not ensure its security. Instead, the EU needs to improve the scope and means of its engagement. First, this section suggested improving the coordination of various pro-

⁷⁸ The EU is unable to play as large a role in the Nagorno-Karabagh conflict because both parties are not actively seeking its assistance. Nevertheless, the EU should prepare contingency plans, since the situation could quickly take a turn for the worse. If the Azeri leadership becomes emboldened by recent increased energy revenues, it could begin to re-militarize. “It must be one of the few regions in the world where increasing wealth may, in fact, bring about resumption in hostilities.” Main, Steven J. 2005. “The Bear, the Peacock, the Eagle, The Sturgeon and the Black, Black Oil: Contemporary Regional Power Politics in the Caspian Sea.” In *Caucasus Series*. Pp 9. 05/67. December. <http://www.caei.com.ar/es/programas/cei/P13.pdf> (accessed June 16, 2006)

⁷⁹ Larrabee, Stephan. 2004. “The Russian Factor in Western Strategy toward the Black Sea Region.” *A New Euro-Atlantic Strategy for the Black Sea Region*. Pp. 147-156: 153. (The German Marshall Fund of the United States). Marian Zulean adopts a similar line of thought, “NATO, EU and U.S. involvement is essential, but Russian consultancy and involvement is necessary (without giving it veto power).” Ibid 46: 101. Zulean, Marian. 2004. “Reforming the Security Sectors in South Eastern Europe: Lessons Learned and their Relevance for the Wider Black Sea Area Policy.” In *The Quarterly Journal*. Pp. 93-101. (Vol. III, No. 4, December). http://harvard-bssp.org/documents/zulean_black_sea.pdf (accessed September 26, 2006)

⁸⁰ Ibid footnote 78

grams by implementing an overarching schema under the auspices of the Black Sea Forum. The EU should also provide tangible incentives that could induce all WBSR countries to adopt the difficult transition steps necessary to achieve the EU's long-term security goals. In this sense, the EU would offer tangible carrots for steps, which would encourage these countries to move from word to deeds in stabilizing, modernizing and democratizing their countries. Second, the EU should become more politically involved in frozen conflicts and energy diversification. Although the road ahead may not be smooth, the EU must take proactive steps toward realizing its interests. Third, the EU, along with the United States, should create programs and integrate WBSR countries into Western institutions and practices even if Russia opposes them. The West cannot be held hostage when countries of the region and their own interests are at stake.

Conclusion

The WBSR region has grown in importance since the end of the Cold War. From the 1990s to the present day, the United States and European countries have increasingly viewed this region as an essential strategic geographical location and a potential free-market for energy supplies. The EU should continue to be a central player in this region. In addition to the inception of the ENP, the upcoming EU accession of Romania and Bulgaria has brought WBSR security issues directly onto the EU's doorstep. Nevertheless, the EU continues to send mixed signals to these countries. This paper illustrates the paramount importance of the WBSR to EU security interests, where problems exist in creating new initiatives and what steps the EU can take to improve its future policies toward the region.

The EU is not the only Western player with WBSR interests, of course. Most prominently, NATO and the United States have acknowledged the importance of the region. This essay has intentionally only addressed the EU piece of the puzzle. The EU addresses the primary concerns of economic security and frozen conflicts discussed here best. Even so, in order to ensure positive economic and political change in this region, the West as a whole has a part to play. Not surprisingly, NATO can fulfil certain tasks better than the EU. For instance, NATO places less demands and has more achievable steps toward its membership than the EU's *acquis communautaire*. East European countries accession

into NATO before the EU is evidence of this fact. Although EU membership may not be possible in the foreseeable future, NATO membership is closer at hand, particularly in Georgia. This provides another carrot, in which several countries in the WBSR, particularly those of the South Caucasus, have expressed an interest. Additionally, NATO can more appropriately provide assistance in security sector reform. Its assistance programs in Georgia are a testament to these capabilities. Still, the problem of coordination becomes an even greater challenge when both organizations are active in the region. As proposed above, the EU and NATO must also agree on the areas their programs will address in order to avoid excessive overlap. "A NATO policy complemented by an EU-enhanced focus could connect and make more coherently needed political efforts, economic and military cooperation, and social development."⁸¹

Although NATO should and will play an important role in the region, the EU will remain the primary external Western actor in the WBSR. It poses less of a threat to Russia than NATO does, and can avoid the political complication of needing Turkish support in its decision-making process. Indeed, Turkey appears to be hesitant in allowing NATO to play a larger role in the Black Sea and uses the antiquated 1938 Montreaux Treaty to veto an increased Alliance role. In contrast, the EU has the ability to achieve its goals. It must now utilize its multiple strengths in a coordinated, politically active manner.

⁸¹ Ibid footnote 2