

# NEIGHBOURHOOD policy paper



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## BLACK SEA REGIONALISM IN PERSPECTIVE

*Black Sea regionalism is a process that already has a twenty year lifespan. This paper presents a snapshot of the characteristics and dynamics of the cooperative processes that have emerged around the Black Sea region and makes some policy recommendations aimed at rendering regionalism more efficient. It argues that the geography and structure of cooperation should follow the principle of functional relationships. It further on recommends that the priority for EU and other interested actors is to foster necessary facilitative preconditions (economic, social and political) for cooperation that are still weak or absent rather than build new top-down institutions.*

**Key words:** Black Sea, regionalism, European Union, BSEC

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### Introduction

This paper aims to place Black Sea regionalism in a historical perspective. It constitutes a snapshot of the characteristics and evolution of cooperative processes that emerged around the Black Sea since the collapse of bipolarity in the early 1990s. While trying to identify policy recommendations for making regional cooperation more efficient particular emphasis is placed on the role of Black Sea Economic Cooperation (BSEC).

The geographical lenses used to delineate the Black Sea region depend on who and when one defines it as a region or drafts a relevant policy. There are two basic definitional approaches; a restrictive one that includes only the Black Sea coastal states and a broader one which delineates a 'BSEC wide' or 'wider Black Sea area' referring to the twelve BSEC members; namely Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova Romania, Russia, Serbian, Turkey and Ukraine. Increasingly however, the mostly cited definition seems to be that of a 'wider Black Sea region'. A notion that first appeared in a relevant European Commission Communication in 2007 (EC 2007) referring to all BSEC members but Albania and Serbia (as they belong to the EU's Western Balkans policies). This paper suggests that a strict geographical connotation of the Black Sea region is neither possible nor desirable. It is hence recommended to abstain from defining the 'Black Sea region' definitely. The geography of cooperation should follow the principle of functional relationships.

### Twenty years of region-building

Regionalism in Europe's eastern lands lives through its third phase of development today. Systemic changes and the evolving domestic context have underpinned three phases of 'new' (i.e. post-Cold War) European regionalism (Cottey 2009), a central scene of which has been the Black Sea. The first, formative phase is placed in the early 1990s when the end of the Cold War created new geopolitical realities, especially in Europe's east, in which regional cooperation became possible. During this period, local powers won new opportunities to assert regional leadership while, at the same time, newly independent states adopted the rhetoric of regionalism in order to enhance their international standing. Much of the theoretical understanding of this early regionalism was through the lenses of neorealist analytical tools (e.g. the role of emerging and declining hegemonic powers such as Turkey and Russia respectively) and the dominant reading of regionalism was that of a foreign policy tool. A second phase develops in the late 1990s and until mid-2000s when the eastward enlargement of the European Union (EU) and NATO led to new regional initiatives (or the redefinition of the agenda of existing ones) designed to mitigate the inevitable 'dividing lines' created by enlargement and the ending of the Balkan unrest triggered a period of intensive regional institution-building in Europe's periphery. The third post-enlargement phase starts after the year 2008 (marked by Bulgaria's and Romania's accession to the EU; the global economic crisis; and the August 2008 war) where attention has shifted to the role of regionalism

in a new strategic environment where further EU and NATO enlargements (at least beyond the Balkans) appears unlikely for the near future and Russo-Western relations are more complex and interdependent than before. Cooperative schemes are expected to deal with the growing regional impact of global issues. Transnational organized crime, development concerns, climate change and the financial turmoil began to shape relations with post-transition states in the region and to redefine local agendas. Whereas Black Sea regional cooperation during the first era of its evolution took place without much attention from external players such as the EU and the United States (US), Black Sea regionalism today is in part a product of the targeted involvement of external actors.

Formal cooperation around the Black Sea has hence been studied as an expression of the 'open', 'new' wave of regionalism playing a 'connecting bridge' role in Europe and lately through the lenses of developmental regionalism. Hardly seen as a market driven process where strong business interests are vested, cooperative structures around the Black Sea have been attributed a geopolitical rationale. Systemic developments (such as the collapse of the Soviet Union, the emergence of new independent states and the enlargement of EU and NATO) and the shifting priorities of the local political elites have been identified as the main factors shaping the reconfiguration of cooperative dynamics.

Black Sea regionalism – then and now – has been shaped by the EU integration process and, at the same time, caught between two dominant centers of geopolitical gravity - Brussels and Moscow. The result has been a kind of 'Olympic rings' of Black Sea regionalism. To date, however, there is no clarity regarding the actual level of cooperation underway in the Black Sea region. To complicate matters further, there is no agreement over the existence of Black Sea 'regionness' either in terms of culture and identity or in terms of economic interdependencies.

### *Security dilemma: a counter force to cooperation*

The high level of a security dilemma among the Black Sea countries has been identified as the most destructive factor of cooperative efforts. Insecurity is still at the core of international relations in the wider Black Sea area. All types of 'hard' and 'soft' security threats are to be found in the region: military, armed conflict (the most recent example of which is the August 2008 war between Georgia and Russia over South Ossetia and Abkhazia); protracted or 'frozen' conflicts such as the cases of Transnistria and Nagorno-Karabakh; closed borders and absence of diplomatic relations (Armenia-Turkey); organized crime; terrorism (primarily linked to the national level, with however regional and international networks). The list may also include more aspects of the Black Sea region's insecurity (e.g. human, environmental) depending on how broadly one defines it.

It is not, of course, accidental that the region is troubled with such insecurity and conflict and one should not merely blame it on the wrong choices of 'unwise political elites' that seem unable to find a solution to the pertinent problems of their countries. There are fundamental reasons that have nourished conflict. First of all, it is the process of state-building that dominated both the domestic and international politics throughout the 1990s in the whole area. The birth of several new, mostly weak state entities, a process also linked to nation-building and ethnic identity, brought nationalism and its rhetoric back on the political agenda and practice in this part of the world. Following the collapse of the Soviet Union, wars of secession rocked both the eastern and the western coasts of the Black Sea, leading to the emergence of (pro-Moscow) statelets such as Abkhazia, South Ossetia, Transnistria and the Armenian enclave of Nagorno-Karabakh within Azerbaijan. These were tagged 'frozen conflicts' as no solution was seen on the horizon. However, the situation of August 2008 led to a return to a 'hot' war, this time with an energy-rich, stronger Russia standing behind the separatist territories. Thus, the international relations agenda has been dominated by issues and disputes over borders, the rights of ethnic minorities to self-determination, inter-ethnic conflict and war.

Second, the geopolitics of the region have not been favorable. The Black Sea area is characterized by the projection of power politics by major stakeholders such as the United States, Russia and the EU. Most analysts suggest that the pace of Black Sea cooperation reflects that of the state of affairs between the Russia and the West (increasingly between Russia and the EU). The 'spheres of influence' logic has prevailed especially in Russian politics vis-à-vis the Black Sea area and the NIS, generating local resistance and suspicion and leaving no room for genuine interstate cooperation. A significant part of the bilateral agenda of EU-Russia and US-Russia has a direct effect on Black Sea affairs either when it refers to energy security, military forces in Europe or terrorism. The predominant discussion on NATO's eastern enlargement (with Georgia and Ukraine) which came to a halt (at least for the near future) at the Bucharest Summit of 2008 overshadowed any substantial consideration for any other regionally-bound security framework.

The absolute lack, until very recently, of any Black Sea wide approaches in the policies of major international organizations including the EU and NATO undermined the coherence of the Black Sea as a regional entity and the purpose of regional formations, underscoring the perception of an area lying at the intersection either of sub-regions such as the South Caucasus, Southeast Europe or the Commonwealth of Independent States (CIS).

Among the factors that complicate the situation in the Black Sea region and create tension both in terms of politics and economics is the shipment of the Caspian oil through this area. The

choice of new oil and gas pipelines affects the interests of all Black Sea countries, several other countries and major oil multinationals. The proliferation of bilateral and multilateral energy agreements among the Black Sea states regarding planned energy routes has exaggerated mistrust as they are often portrayed as competing rather than complementary.

Neighbors do matter extremely in constructing a region. Russia, the largest and most influential eastern partner, seems unwilling to nourish multilateralism or regionalism in its common neighborhood with the EU, advancing bilateralism as a preferred policy. A high security dilemma also restrains other local states from a genuine adherence to Black Sea multilateralism.

### *Positive developments*

Prospects for cooperation and overall development in the Black Sea region seemed booming in the mid-2000s for the first time in the last two decades on the grounds of significant economic growth registered in the economies of the region. This was a period (prior to the 2008 crisis) of sustained high levels of growth, transforming economic and social structures. Poverty rates, health and education standards, and average wages improved. The region's economic orientation towards the European Union, and stability helped lower country risk levels, improve sovereign credit ratings and encourage foreign direct investment (Gavras 2010). Intra-regional trade and investments, though at a slow pace, increased indicating the integration of the region in the global markets.

On the positive side too, the region seemed to acquire an institutional expression (i.e. BSEC) and recognition by the international community (i.e. the US became an observer to the BSEC in 2006 and the European Commission in 2008). This is a period when established developmental tools such as the Black Sea Trade and Development Bank matured and significantly expanded their activities.

The enlargement of the EU to two Black Sea states (Bulgaria and Romania) in 2007 signaled not only the emergence of new policies (i.e. Black Sea Synergy and Eastern Partnership) but also additional funding and an emphasis to engage civil society local authorities to cross-border cooperation. The emergence of new actors in the Black Sea societies (i.e. organized business, civil society) has the potential to indicate a substantial change of Black Sea regionalism away from its strict, and so far unsuccessful, intergovernmental format.

Despite the aforementioned positive developments, describing the Black Sea as an economic region is far from reality. The World Bank in 2002 prepared a series of studies on transport, trade and telecommunications infrastructure in the three South Caucasus states which is indicative of the situation on the wider region. A common theme emerging from these stud-

ies is that closed borders, blockades, and war-damaged infrastructure provide only a partial explanation for the poor record in exports of the three countries (World Bank, 2002). Even in areas where no serious political obstacles to commerce exist, there are institutional, bureaucratic and structural barriers to trade that limit integration.

### **Forms of cooperation**

The list of types of regional schemes and programs in the Black Sea area is both long and diverse<sup>1</sup> indicating that there is not just one paradigm of Black Sea cooperation. Rather there are two particular types. One type of sectoral multilateralism is led by international organizations and includes interstate programs and projects. These programs are sector-based and focus on problems linked to environmental protection, such as the Danube Black Sea Task Force (DABLAS), or issues related to transport and energy infrastructure, such as INOGATE, the Baku Initiative and TRACECA (Transport Corridor Europe–Caucasus–Asia). Although technical in nature, these programs, which are supported financially by the EU and other donors, have played a significant role in fostering tailor-made, multilateral cooperation. If assessed on the basis of their funds, resources and outcome, these programs have been highly relevant in advancing multilateralism although their performance does not meet expectations. Being the main tools in implementing EU projects in their respective fields, they have served as key drivers of regionalism. At the same time, they have had the effect of substantially undermining the relevance of other formats such as the BSEC sectoral working groups on environmental protection and transport.

The second type of arrangements includes cooperative structures of broader political agenda cutting across sectors and areas of activities. These have been initiated by coastal states and have been regarded as the main institutional expressions of Black Sea cooperation. Two of these initiatives, the BSEC (1992) and GUAM (2001) have succeeded in establishing formal institutionalization with permanent secretariats and other organs (e.g. parliamentary assemblies) that have international status.

The emergence of new fora initiated during the EU's eastern enlargement process, such as the Community of Democratic Choice (CDC – 2005) and the Black Sea Forum for Dialogue and Partnership (2006) gave birth to more 'politicised' initiatives emphasizing issues of democratization, good governance, security and civil society. These are more flexible structures than either the BSEC or GUAM. Aiming primarily to launch a political dialogue they lack ambitious or complex organizational elements. Indeed, the Black Sea Forum and the CDC are concerned with raising awareness on Black Sea issues within the international community and attracting political attention at the regional level.



All of these arrangements run in parallel without cross-linkages to each other and do not show any form of substantial interaction. None of the formal arrangements – except the BSEC – have been welcomed by Russia; indeed, they have often been conceived as anti-Russian alliances (especially GUAM). Other local actors, such as Turkey and Greece, have also not actively supported the proliferation of arrangements with overlapping agendas.

The results of the abovementioned initiatives have been poor but rather expected given the persisting instability and insecurity around the Black Sea. Some schemes (i.e. Black Sea Forum, GUAM) have become obsolete, while others like BSEC are still trying to find their place on the regional arena and are modestly modernizing themselves (with new decision making procedures and financial resources).

Littoral states have often preferred to develop cooperative structures confined only to littoral states to manage naval issues. The coastal states have developed parallel structures especially in the fields of naval cooperation and the environment, such as the 'Black Sea Naval Cooperation Task Group' (BlackSeaFor), 'Operation Black Sea Harmony', 'Black Sea Coast and Border Guards Cooperation Forum', 'Confidence and Security Building Measures in the Naval Field in the Black Sea' and the 'Black Sea Commission' testifying to a new era of cooperation among the countries of the region. A renewed interest in security dialogue is also evident as the Turkish initiative for a Black Sea Defense Ministerial Process modeled after the Southeast European Defense Ministerial (SEDM) Process has been supported by Russia.<sup>2</sup>

Regional initiatives have multiplied covering all possible fields of interaction; still the region is fragmented compared to all other areas in Europe. While cooperation seems to be advancing in some technical fields, such as environment, research and technology, people to people contacts as well as in normative approximation, a number of challenges, such as protracted conflicts, maritime security, militarization, displaced populations and poor governance, persist and have even gained in intensity.

The efforts to foster multilateralism so far, while commendable, have been severely hampered by poor administrative organization, a lack of institutional and political commitment, and a lack of human and dedicated financial resources. Thus, stakeholders in the region have expressed frustration over unmet expectations with regard to the inefficiency of regional organizations. Beyond the high security dilemmas that undermine cooperation there are some functional or endogenous problems in the existing schemes that include: sluggishness in identifying, assessing and implementing regional infrastructure projects; weak inter-sectoral coordination; lack of flagship projects symbolizing progress toward regional cooperation; limited amounts of research and information, especially in support of

decision-making; insufficient resource mobilization; limited private sector and civil society participation; lack of coordination and duplication among initiatives; limited institutional efficiency of regional organizations (Manoli 2010, 11-12). Joint action is often halted due to an erosion of political commitment to regional structures, primarily among local elites. Local elites (governmental or business) are given other vehicles (i.e. through larger organizations such as the OSCE or through the bilateral track) to advance their interests in their neighborhood.

Today, most of the existing comprehensive regional arrangements suffer from a vague rationale and are in search of their place in the evolving international scene. They have fulfilled, even though partly, their initial role as bridges between east and west and alleviating the effects of exclusion from the orbit of Euro-Atlantic enlargement and are now called upon to perform as means of actual integration, governance or/and as developmental tools supporting a balanced integration of the Black Sea states in the global economy.

### *EU-supported regionalism*

As a result of, and due to, the region's internal, political and economic fragmentation, the EU was late to draft a comprehensive regional policy, the latter being put together only in 2007 during the EU's reach to the western Black Sea shore. The initiation of the Black Sea Synergy (April 2007) constitutes, less of a comprehensive and conventional policy and more of a common approach to focus attention to the regional level and an effort on behalf of the EU to invigorate ongoing cooperation in the area. Though initially the Synergy aimed at reinvigorating ongoing cooperation within the Black Sea area, the multilateral track of the Eastern Partnership (EaP) proposed in 2008 and launched in May 2009 took the lead.<sup>3</sup> The EaP introduced a new multilateral co-operation framework (between the EU and six eastern partners) based on four policy platforms; namely on democracy, good governance and stability; economic integration and convergence with EU policies; energy security; and contacts between people thematic platforms on various themes, with the aim of bringing the partners closer to the EU. It also established a Civil Society Forum. Finally it sought to launch a number of flagship initiatives in the following areas: Integrated Border management; SME development; Civil Emergency Protection; Diversification of Energy supplies; Electricity interconnections/Energy efficiency/Renewable sources; Environmental Governance. With these initiatives, there has been a slow shift on the part of the EU to disembark from the promotion of a strict sectoral multilateralism to more comprehensive schemes. This is not to say that the EU has developed a Black Sea strategy. The multilateral cooperation of the Black Sea states with the EU is still largely confined to sectoral initiatives such as the Interstate Oil and Gas Transport to Europe (INOGATE), the Transport Corridor Europe-Caucasus-Asia (TRACECA), and the Danube-Black Sea Environmental Task force (DABLAS). The Black

Sea Synergy has also promoted sectoral. Consequently currently there are two types of regional schemes: i) sectoral programs and agreements (EU-sponsored) and ii) comprehensive schemes of a broader political character (mostly locally driven). Both have been criticized for lacking efficiency.

Though both policies (BSS and EaP) may be considered as a means to enhance the relevance of the European Neighbourhood Policy (ENP), they have a different scope of action. The Black Sea Synergy constitutes a rather unsuccessful effort, to date, to reinvigorate cooperation among Black Sea countries, while the Eastern Partnership constitutes a renewed 'Europeanization' process for Black Sea countries which have no immediate membership prospects by bringing them closer to the EU through intense bilateral cooperation.

Overall, the EU's engagement in the Black Sea region in general and the Black Sea Synergy's implementation in particular have been constrained by conditions and factors both internal and external to the Union. At the international level, the financial and economic crisis negatively affected the wider Black Sea region. At the EU level, owing to the slow ratification process of the Lisbon Treaty and to the economic crisis, the overall institutional and policy environments have not been favorable to a rapid development of the Synergy. Moreover, the EU's Eastern policies have been primarily shaped within the Eastern Partnership (EaP). Launched in May 2009, the EaP is benefiting from stronger political support among EU Member States and has overshadowed the Black Sea Synergy. At the Black Sea level, endogenous regional cooperation has been undermined by persisting conflicts, bilateral disputes and ineffective institutions. The evolution of the regional context confronts the EU with a new situation characterized by three major factors: Russia's strong hold around the Black Sea and its resistance to increased EU influence in the region; Ukraine's rapprochement with Russia and its possible positioning as a regional actor; Turkey's assertiveness as a regional actor and its rapprochement with Russia. Thus, the Black Sea Synergy's meager record reflects its low prioritization within the EU, but it also highlights the difficult security and socioeconomic circumstances in the region, the poor degree of regional cooperation around this sea basin and the often competing policies of the regional stakeholders.

The most recent policy framework of the EU which affects the wider Black Sea area is the adoption of the strategy (with no extra EU funds) to boost the development of the Danube Region that was proposed by the European Commission on 9 December 2010 and endorsed at the General Affairs Council on 13 April 2011.

The EU-initiated regional formats have also met difficulties in their implementation. Both the EaP and the BSS have been slow in their deployment. Some of the shortcomings of the BSS, as identified among others in a recent European Parliament (EP)

resolution (20 January 2011) include: the absence of an action plan setting out concrete objectives and benchmarks, and reporting, monitoring, evaluation and follow-up mechanisms; the issuance of only one progress report, in 2008, which was not followed up with any regular reporting mechanism; the absence of many projects with only the launching of the Partnership on the Environment to date; and no ministerial conference since 2008, highlighting the lack of visibility of, and strategic vision and political guidance for, the BSS. Some these shortcomings can be attributed to the EaP as well.

The progress report on the EaP prepared by the Commission (EC 2010) shows some progress especially when compared to the BSS. Up to now, the four thematic platforms of the EaP have met regularly and started implementing their work programs. All flagship initiatives but the one on diversification of energy supplies were launched by 2010. However, the postponement of the Summit of the European Union's Eastern Partnership scheduled for May 2011 due to technical reasons (overlapping with the G8) raised concerns over the actual commitment of political leaders both from the eastern partners and the EU on the EaP. In fact, the Summit which was finally held in Warsaw on 29-30 September 2011 was not deemed to be a particular success. On the other hand, since 2008 and the launching of the Black Sea Synergy, there has been no other Synergy meeting held nor there has been any advancement on its agenda.

Multilateralism has not delivered its full potential due to security, political and economic constraints on the ground. The same can be argued for the performance of regional organizations as mentioned earlier and despite criticism regarding the role of the EU; it is normally EU policy not to attempt to reform the internal behavior of other organizations. The existing EU attitude at the same time reflects (and reinforces) the relative insignificance of neighboring (sub)regional organizations relative to their members. Despite progress in the economic field, democratization and civil society, regional cooperation is shallow because the necessary preconditions –such as a minimum of stability, functioning statehood, economic ties, regional infrastructure, etc. - have not yet realized. Given the Black Sea's existing geopolitical conditions, the regional project seems weak as it depends heavily on a common understanding being established between the largest powers on Black Sea shores, the EU and Russia (as well as Turkey). A shared mindset on regional cooperation as a preferred policy remains elusive at the moment.

### **A new context for policy setting**

There is a new context within which contemporary Black Sea regionalism evolves. First, it does not take place merely in an EU-centered frame but in a multilateral new order that shapes the eastern neighborhood (i.e., the geopolitical and economic influence of EU, Russia, Turkey and China). Second, regionalism's role as a 'connecting bridge' between EU/NATO and

the ‘outsiders’ and its role as a ‘stepping stone’ is fading away twenty years since the collapse of the Cold War. The question over what is the purpose of Black Sea regionalism is open to be answered today. Third, linked to the above, regionalism is different in terms of its scope. It is expected, even though not designed, to mitigate global pressures and developments (i.e., economic crisis, climate change, global competition for capital and markets). Having said that, there are still persisting internal dynamics in the political economy that have been a constant undermining multilateralism, namely protracted conflicts, separatism and unconsolidated statehood. The diverse composition of the Black Sea region in terms, among others, of the size and power of its countries remains a hindering factor as it raises dilemmas and collective action problems.

What are the dynamics that shape regional policies and responses? First, interdependence is on the increase in the European neighborhood, as there are European indivisibilities, ranging from peace, to financial stability and pollution. Second, the -slow- emergence of a new civil society and private sector along with the consolidation of state institutions and their integration in global markets has brought new actors and has generated policy demands. Third, twenty years of regional institutionalization have fostered the ‘actorness’ of the Black Sea as a regional entity. Fourth, perhaps for the first time since the 1990s, local elites have demonstrated that they wish to identify with the Black Sea. The Black Sea is now perceived as a European concept, implying new policy options and funding opportunities. Fifth, in a multilateral global order where competition for markets and influence is fierce, the Black Sea states (most of them small economies) are forced to act collectively to lift their relative power and weight.

The still unfolding global financial and economic turmoil that counts almost three years since its eruption in the US market in 2008 has heavily affected some of the, most active regionally, Black Sea economies (such as Greece and Romania), leading to the development of inward-looking policies, draining resources and limiting economic transactions among local partners. Still, the region as a whole displays a significant resilience (positive growth is expected to return in the region this year) which could prove significant for the success of national policies and priorities.

The domino of revolutions in the neighboring Mediterranean and the Arab world will not leave unaffected the wider Black Sea region either indirectly (i.e. shifting geopolitical realities, policy priorities and resources) or directly (i.e. impact on the civil society in the South Caucasus). Stability in the eastern neighborhood is shaky, as has been evidenced by the aftermath of the December 2010 presidential elections in Belarus, the 2008 war in Georgia, or the recent anti-governmental protests in Armenia and Azerbaijan, among other events. Still, some argue that it is time for the EU to focus efforts away from its eastern

neighbors in order to respond effectively to challenges in the south of Europe. However, and despite any temporary shift of political attention to the south, the wider Black Sea area is at the heart of EU’s neighborhood policy and it will remain as such.

## Policy considerations

As mentioned in the report titled 2020 Vision for the Black Sea (Commission on Black Sea 2010: 38), ‘there are two opposing conditions that affect the potential of regionalism. On the one hand, economic difficulties and the need for managing regional public goods such as the environment, trade and financial stability have generated demands for regional cooperation, integration and policy coordination. These need to be strengthened and efficiently channeled into regional policy making. On the other hand, important security issues such as the unresolved secessionist conflicts undermine the drive for regionalism and obstruct collective action and institutions. These adverse security conditions need to be eliminated or their impacts reduced.’

The Black Sea region is highly heterogeneous in economic, political and cultural terms, yet the countries concerned share many common resources and demonstrate considerable interdependences and vulnerabilities. The forthcoming celebration of the 20<sup>th</sup> year anniversary of the BSEC in 2012 along with the current revision of EU’s neighborhood policy could provide a stimulus to Black Sea cooperation. Existing Black Sea institutions and interested stakeholders having accumulated a rich policy experience need to reconsider their place on the regional political economy and undergo a new division of labor.

The starting point for a policy design is that there is no substitute for the role of local stakeholders (state and non-state ones). State institutions, civil society and, business actors in particular, twenty years since 1992 and their (re)emergence in the Black Sea political economy have acquired new strengths and capabilities while intensifying regional networks of interaction. On the one hand, political elites need to pursue and support regional efforts as an indispensable context within which national (development and security) policies can better perform and be sustained. Private sector actors have been the weakest force of cooperation so far. Vesting business interests in the regional process is probably the only way for integration to become a reality in the Black Sea societies. The Black Sea states need, thus, to instigate a Black Sea dimension in their own national policies while enabling the conditions for the private sector to transcend borders. The magnitude of security and economic problems around the Black Sea require targeted and persistent efforts by interested parties. Regional cooperation has so far been used as a -necessary- ‘confidence building’ measure rather than a real integration tool among partners. The advancement of cooperation will nevertheless require all Black Sea states to step up their efforts for the resolution of old conflicts and the prevention of the emergence of new tensions.



On the other hand, the EU is the single most influential driving force of regionalism across its borders. The EU needs to reconsider its own eastern policies and allocated resources. In its latest resolution on the ENP, the European Parliament argued in favor of ‘launching a fully-fledged EU Strategy for the Black Sea and ensuring that there are the necessary financial and human resources for its effective implementation’ and highlighted the complementarity between EU Black Sea policies and the EaP, calling on the Commission and the EEAS to make positive use of the differing approaches of the two initiatives and to clarify, at all levels, how this substantial degree of complementarity is to be put to good use (EP 2011, para 18).

The latest review of the ENP (European Commission 2011) reveals a call for more focus, clearer sequencing, more measurable benchmarks, and for a better link between the partner’s domestic reforms and EU support provided for these reforms. A more vibrant political steering will be necessary. One of the key issues concerns the concept of differentiation (‘more for more’) that implies developing a framework with clear benchmarks in which the EU’s expectations of partners as regards reform are spelt out more clearly, as are the ‘rewards’ that partners will obtain if these expectations are met. The EU seems to be giving a priority to the Eastern Partnership over the Black Sea Synergy, the latter receiving no mention in the EC proposals. These developments point to a period of return to differentiation and bilateralism in the EU’s eastern policies leading to more diversification among the Black Sea states in terms of their relations with the EU. Hence regional cooperation will need to increasingly balance this differentiation and ease its effects.

*Geographical scope.* In respect to the geographical scope of Black Sea regionalism, the extent depends on the issues at hand. For example, on economic issues it would involve all the countries in the region and beyond it; on sea-water quality issues it would involve the whole coastal area, etc. The geography of cooperation should follow the principle of functional relationships and avoid ‘exclusive’ zone approaches.

*Institutions.* It is only to be expected that as interdependence increases, and new stakeholders and issues emerge, there is an increase in policy initiatives, designs and fora often with overlapping agendas. Overlapping initiatives are not, of course, unique to the Black Sea case. Nevertheless, existing institutions (and their member states) should reconsider the core of their agendas and undergo a division of labor wherever this is possible.

It has by now become clear that only BSEC, as an overarching intergovernmental format in its region of responsibility that has survived major economic and security crises, offers a credible regional partner and has managed to maintain a minimum of consensus among its diverse members. Today, its relevance has increased significantly despite the emergence of other subre-

gional programs and initiatives. Nevertheless, the BSEC’s slow and inefficient decision-making procedures call for a substantive review of its strategy and mode of functioning. Though the future of regionalism around the Black Sea is not identical to that of the BSEC, nor should it be confined to the future of specific formal institutions, the ability of the BSEC to better address contemporary challenges will undoubtedly affect the dynamics of cooperation.

This paper does not address every detail of what the BSEC future policy and functioning should be. Nevertheless, it repeats previously raised voices in favor of i) a strategy for the Organization that would focus on developmental aspects and set a fresh rationale and framework for the functioning of the BSEC within the next decade while taking stock of the new state of play in the region; ii) a focused, realistic and selective, not over-ambitious comprehensive agenda for immediate implementation that would balance goals with resources; and iii) more proactive institutions and member states to keep the cooperation process on track and ensure continuity.

It is not an easy task to balance, on the one hand, the need for a broader political commitment and guidance by member states which is often expressed through high level gatherings, and, on the other hand, the realization that only ‘low level’ project-based approaches are more likely to succeed in areas where security dilemmas still persist. The BSEC, in this regard, provides an appropriate forum where such a ‘double approach’ may prove successful. The BSEC could acquire more technocratic aspects in its functioning (inter alia through technical assistance from other international organizations) by focusing on the nitty-gritty of implementing its key projects. Its Permanent Secretariat and Working Groups should focus on encouraging public and private investment in these schemes, and on removing whatever obstacles may prevent them from operating across borders. One of the few positive aspects of the BSEC is its co-ownership by the countries of the neighborhood, alongside several EU member states. This is worth maintaining.

There are actually two diverse (but not mutually exclusive) proposals that may be considered. One proposal is that the BSEC, along with other Black Sea institutions, should avoid high politics and summits, and open the process to non-governmental stakeholders. This should make it easier to bypass the effects of protracted conflicts. Another proposal is for a regional security forum to be established i.e. a Black Sea Regional Forum along the lines of the ASEAN Regional Forum where security issues could be discussed. Given the risks of instability in the region, such a proposal deserves careful consideration.

This paper argues in favor of concentrated and coordinated regional action along the idea of synergy projects. A high level political and security dialogue should not be avoided altogether but it should be maintained and cultivated as a parallel process.

*Type of regional interaction.* Black Sea regionalism (having also been studied and referred to as regional multilateralism) should be *build around the region's shared assets and/or regional public goods*. The most valuable shared asset is the sea itself. The local stakeholders should devise road maps and actions plans accordingly reducing barriers to cooperation and integration. The development of comprehensive maritime policies should have a regional vision as there are advantages to all for integrating the maritime environment while such an approach does not restrain policy in other sectors.

- Efforts should focus on identifying a few projects to be implemented. There are two sectors that offer opportunities and could generate spill-over effects - trade facilitation and transport networks.

- Local stakeholders should put an emphasis on regional public goods (environmental protection, renewables, communicable diseases, managing natural disasters, and fighting trafficking). Despite the fact that these may not be regarded as having a high political weight and visibility, it is, nevertheless, the long term effects on changing policies, attitudes and regional dynamics that are of importance here.

*The role of the EU.* The EU policy should focus on *fostering facilitative preconditions* that are still weak and sometimes absent rather than build new top-down institutions. These preconditions are: civil society (and private sector) and sub-state actors engagement, the strengthening and modernization of existing regional institutions (through technical, financial assistance and political support when necessary), the relaxation of the security dilemma with an emphasis on human security aspects. In this regard:

- The EU, rather than proliferating multilateral schemes, should merge its own policies (multilateral track of the EaP with the Black Sea Synergy) and reinforce the vision of multilateral cooperation of all European states for a secure and prosperous Europe in the 21<sup>st</sup> century. The new multilateralism in Europe needs to disentangle itself from the enlargement logic and acquire a global vision and relevance. The EU needs to consolidate its own neighborhood policy internally in order to present a stronger, unified policy externally.

- It is worth attempting from a policy perspective to strengthen some early signs of a change regarding the way that the Black Sea as a regional identity and concept is positively perceived. In this regard the role of civil society cannot be underestimated.

- Strengthening human security will enhance opportunities for cross-border cooperation allowing cautious attempts to revisit opportunities for functional cooperation across the region.

- The EU should opt for more active role in the negotiations

and peace-making processes, to step up confidence-building measures and assistance programs with a view to establishing the basis for lasting settlements, and to alleviate the consequences of conflicts for the locals.

- The provision of funding, among others, through the creation of a specific budget line for the Black Sea Synergy and for the development of efficient disbursement methods. Priority financing should be available for small-scale development projects. The Joint Operational Programme for Cross-Border Cooperation in the Black Sea Basin should also be financially and operationally strengthened in the new financial cycle of the ENPI (European Neighbourhood and Partnership Instrument).

- The necessity to engage Russia, which is a key strategic player in the region, remains a crucial factor. Its engagement in the Black Sea Synergy and future regional projects is a means to prevent its exclusion (along with Turkey) from regional activities and limit its ability to block these. The same applies to Turkey.

- The EU should be persistent in the implementation of sectoral partnerships as envisaged in the Black Sea Synergy and in particular it should expedite the implementation of the three announced partnerships in energy, environment and transport.

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## Endnotes

- <sup>1</sup> An inventory drafted in early 2010 includes twenty four regional schemes of relevance to the Black Sea (Manoli 2010).
- <sup>2</sup> A High Level Experts Meeting was convened on 7-8 May 2009 in Ankara to elaborate the concept of the Black Sea Defense Ministerial (BSDM).
- <sup>3</sup> The EaP targets Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. To address the new co-operation needs specifically linked to the Eastern Partnership, the Commission has earmarked €600 million for the period 2010-2013, out of which approximately €350 million is allocated for the implementation of the Eastern Partnership Multilateral dimension.

## About the Author

**Panagiota Manoli** is Lecturer of the Political Economy of International Relations at the University of the Aegean (Greece). She previously was Director of Studies and Research at the International Centre for Black Sea Studies and Secretary of the Economic, Commercial, Technological and Environmental Affairs Committee of the Parliamentary Assembly of the Black Sea Economic Cooperation. She has been a Research Fellow at the Woodrow Wilson Center for International Scholars (Southeast European Project) and a Research Associate of the Hellenic Foundation for European and Foreign Policy. She is a graduate of the University of Athens and holds an MA and PhD from the University of Warwick. Her research focuses on regional cooperation, the Black Sea area and the European neighborhood.

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The Center for International and European Studies (CIES) at Kadir Has University was established in 2004 as the Center for European Union Studies to study Turkey's European Union accession process. Since September 2010, CIES has been undergoing a major transformation by widening its focus in order to pursue applied, policy-oriented research and to promote debate on the most pressing geostrategic issues of the region.

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