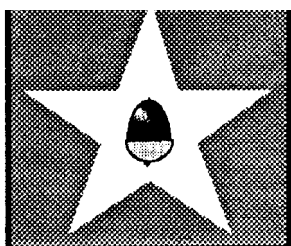


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**Democracy in the Black Sea Region:  
The Missing Link in Regional Security**

**July 2002**



**G113**

# Democracy in the Black Sea Region: The Missing Link in Regional Security

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*More than ten years after the collapse of the USSR, there is growing awareness that newly independent states have adopted the mechanics of democracy rather than the political culture which gives it value and legitimacy. The resulting democratic deficit has not only thwarted their prospects for integration with NATO and the EU, it has weakened security, both internal and external. Yet the connections between democracy and security are rarely explored. This paper examines these linkages in the Black Sea region, nine of whose eleven members are post-Communist states. This region is not only of growing importance for trade and energy transport. It is an increasingly important theatre for organised crime, weapons proliferation and 'intelligence struggle'. Until the political foundations of the region's states are secure, these problems are unlikely to diminish.*

Ten years of post-Communist change, much of it successful, more of it disappointing some of it distinctly disturbing, are forcing the West to rediscover first principles about the nature of democracy. 'Rediscover' is the operative word, because the West's involvement in this 'transition' has exposed considerable ignorance of the diverse cultures and histories which define and divide post-Communist Europe. By definition, these shortcomings also have a bearing on relations within the countries of the Black Sea region, nine of whose eleven members are post-Communist states.<sup>1</sup> To many citizens of these countries, 'democracy', 'free markets' and 'civil democratic control of the military' are terms which have all the authority (and staleness) that 'workers' power', 'socialist production' and 'unity of Army and Party' once possessed. Those who have given these terms authority, the governments and multilateral institutions of what is now a post-modernist West, have contributed to their staleness by presenting these 'models' in a mechanistic form, devoid of historical, political and institutional content.

Even recent historical experience should have warned against this approach. The transformation of what had been Nazi Germany into a pillar of NATO and the European Union would not have been possible without an intensive and fundamental reshaping of elites and institutions. Even under these conditions, that transformation would have been vastly more difficult had it not been possible to recruit alternative elites in Germany – elites whose existence testified not only to the brevity of the National Socialist regime (and its limited intrusion into the micro-economy), but the memory and experience of alternative traditions: a coherent legal order, the political impartiality of courts, a high level of voluntary organisation, the habits (and values) of the middle class and a high level of individual self-confidence and trust – qualities which Communism and post-Communism have damaged or destroyed.<sup>2</sup>

Today as opposed to 1991, there is a fair degree of understanding that the democratic credentials, not to say legitimacy, of a political order depend upon more than elections (however 'free and fair'), that macro-economic stability and privatisation are not sufficient to establish a lawful and liberal market economy and that civilian, democratic control of armed forces requires much more than control by a democratically elected president and a civilian defence minister. With the benefit of a decade's experience, there is also more discerning discussion and debate about what the objectives and content of 'reform' should be than there was when the only thought on people's minds was that 'the Cold War is over'.

But there is still a surprising paucity of discussion about why these projects are needed. Of course, to many proponents of the 'Western model', there is little need for such discussion. The Western model works. The states of the former G7 (and the larger OECD) are all highly advanced democracies with highly advanced market economies. If the post-Communist states of Europe wish to 're-enter Europe', then it stands to reason that there is only one path to take. This syllogism is questioned by some, but it is a political fact. Democratic orthodoxies matter *to the West*, and the attitude of newly independent states to these orthodoxies has a definite effect on their relationship with the West and the level of support they receive from it.

But the effect of these orthodoxies on the countries of the region is another matter. It is one thing to say that liberal democracies are stable and prosperous. It is quite another thing to say that *democratisation* (and its economic analogue, 'market reform') will produce stability as opposed to destabilisation, prosperity as opposed to misery and an orderly market economy as opposed to economic anarchy. To a disturbingly large number of people in the post-Communist world – and hence the Black Sea region – democratic and market reforms (or what passes for them) have damaged if not ruined their lives. Even if the Black Sea region is not a region, as many argue, but merely a place, this is a fact of some importance. If it does not compel us to rethink the feasibility of the democratic project, it should at least compel us to think carefully about what we mean by 'democracy' and 'free markets', and it should compel us to think even more critically about how local elites might use, not to say hijack these terms in pursuit of ends we might not regard as democratic.

It should also direct us to an additional question: the relationship between democracy and security, internal as well as international. This relationship is implicit in many discussions about democracy, but it is rarely a subject of discussion itself. This is puzzling. Two components of the democratic deficit – the unaccountability and untransparency of state structures – are grist to the mill of organised crime. The democratic deficit explains the emergence of a further security problem for the Black Sea region and its hinterland: *de facto* states. These entities, unrecognised but well entrenched, not only add to the burdens of maintaining international security, but internal security as well. If the area of the Black Sea is at risk of becoming a more dangerous place rather than a more coherent region, the democratic deficit is very largely responsible.

## **Independence & 'The Ability To Stand'**

The Russian language provides a distinction which is central to our discussion: that between a country's *nezavisimost'* (its 'independence') and its *samostoyatel'nost'* (its capacity, or 'ability to stand').<sup>3</sup> The former Soviet Union is a region (or in official Russian parlance, a 'space') composed of states which are juridically independent,

but which at many practical levels find themselves without the ability to realise their most basic aspirations or even govern their own affairs. Even the Russian Federation is not entirely immune from these deficiencies. It has inherited borders which no Russian state in history ever possessed: borders casually and cynically drawn for 'administrative' convenience in accordance with the divide and rule principle of 'Soviet nationalities policy'. It has also inherited a nationalities problem which dwarfs that confronting Ukraine (where the 'ethnic Russian' factor has long been inflated and misunderstood). Of the USSR's 38 autonomous republics, autonomous provinces and national regions, 32 were situated on the territory of what is now the Russian Federation.<sup>4</sup> Moreover, in Russia no less than in neighbouring countries, the rapid collapse of a highly compartmented, totalitarian political system left in its wake opaque and well entrenched (if initially demoralised) power structures and oligarchies which, given a further development – the rapid collapse of a totalitarian economic system – rapidly transformed themselves into unofficial ('shadow') structures and clans. Without too much exaggeration, it could be said that the Russian Federation during Boris Yeltsin's second presidential term was a state only in terms of diplomatic courtesy and international law. In operational terms it was an arena upon which powerful groups waged an unregulated and ruthless struggle for power and wealth. Although Vladimir Putin has done much to diminish *mnogogolosiye* ('multi-voicedness') as a factor in Russian foreign policy (particularly with regard to the Russian 'near abroad'), his efforts to curb its far more virulent effects at home are proving rather less successful than the spin doctors of the 'new Russian miracle' maintain.<sup>5</sup>

The pressures which debilitate new and reconstituted states and which hinder the development of their *samostoyatel'nost'* are not all internal. Two of them fall largely outside the scope of this paper. The first is what is generally termed globalisation. Most would agree that the dominant tendencies of this phenomenon are the following: the increasingly transnational character of economic actors and their activity, de-centralisation of decision making and the multiplication of decision-makers, the erosion of borders, the diminution of the *de facto* independence of states and their deepening interdependence. These tendencies contradict the imperatives which states sifting through the debris of Communism find most urgent: establishing a state and reviving a nation's economy. Nevertheless, a strong national economy is a prerequisite to successful engagement with the globalised economy, not a contradiction to it. Not surprisingly, most newly independent states remain outside this globalised economy – in part thanks to their conscious decisions (reflected in tariff, taxation and licensing policy), but in greater part thanks to their inability to change conditions which make their economies uninviting to outsiders.

These states suffer severely, both because of their success in isolating themselves and because of their failure to do so completely. The contradiction between calls for foreign investment and demands that investors 'respect' conditions which deny them rights and security is glaring. The divergent paths taken by 'strategic partners' (e.g. Poland and Ukraine) – one of them embracing the rules of the globalised economy, the other unable or unwilling to do so – risk draining 'strategic partnership' of content as time progresses. Yet this isolation from 'globalisation processes' has not made newly independent states invulnerable to their effects. Not only are they vulnerable to the decisions of international lending institutions which provide assistance and 'stabilisation' funds. They are weakened by illicit deals between shadow structures at home and some of the least savoury economic actors abroad: asset strippers, global scrap merchants and arms traders who have plundered state enterprises, depleted weapons arsenals, sold assets for a song and

deposited the proceeds abroad. In the newly independent states of the former Soviet Union and Balkans, globalisation reinforces a general sense of powerlessness and undermines faith in democracy. It not only persuades governments and ordinary citizens that the real *loci* of decision making lie outside the country. It persuades them that, like shadow structures at home, these decision makers are malevolent and invisible. Those who become visible (eg George Soros) are frequently vilified, regardless of their actual intentions, activities or importance.

With respect to six members of the region, the non-Russian states of the former USSR, two additional factors undermine state capacity: Russian policy and the power of Russian dominated transnational networks, operating across the former Soviet Union. These two factors are not identical, but they are related. During the presidency of Boris Yeltsin, the 'integration' of former Soviet space was an official goal.<sup>6</sup> Under President Putin, there has been a shift to a 'more pragmatic' and 'more specific' policy, defined by the official Concept of Foreign Policy (June 2000) as 'conformity of ... cooperation with CIS states to the national security tasks of the country [ie Russia]'. For 'pragmatic', read 'hard-headed'. Putin has shifted emphasis from the *integration* of neighbours – a course imposing burdens and responsibilities upon Russia – to their *subordination* in areas important to Russian national interests. To the newly independent states, this is a distinction without a difference. Neither policy is designed to strengthen the ability of these neighbours 'to stand', let alone advance, on their own.

These transnational networks – in energy, banking and defence industry (not to say security and intelligence) – can give immense strength to official policy, but they have not always done so in practice. The 'multi-voicedness' of the Yeltsin era arose in part because unofficial actors were often stronger than the official authorities. 'Policy' in the Yeltsin era was further undermined by rivalries within these networks and between them. Putin has not ended these rivalries, but in the post-Soviet 'near abroad', he has at least disciplined them. He has also produced a far greater correspondence between commercial, geo-economic and geo-political objectives than existed before. With respect to Georgia, Moldova and Ukraine, he has used economic support and pressure to achieve political gains (and has enfeebled GUUAM in the process).<sup>7</sup> Diminished as Russia is in the world, in much of the Soviet Union, its influence remains formidable, and these networks provide the sinews of that influence. Without them, the claim that, 'this is our territory, our sphere of interest' would be pretence without substance.<sup>8</sup>

Nevertheless, what reinforces the influence of these networks is the fact that they *are* transnational and, hence, have powerful internal allies in neighbouring countries. As such, their importance is not simply a commentary on the character of international relations in the former Soviet Union. It is just as much a commentary on the internal weaknesses of successor states which officially pursue very different goals from those of powerful networks inside them. The power of these networks is also a commentary on the weakness of democracy.

## **Samostoyatel'nost' & Democracy**

Without *samostoyatel'nost'* capacity, states will, in the words of Ukraine's President Kuchma, have no 'freedom to choose', and sovereignty will not be a meaningful term. How secure is the freedom of states likely to be where the state's citizens have no faith in the political order or their own future? Democracies do not have a monopoly on such faith. Outside Europe, non-democratic regimes have often

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instilled it. Since the French Revolution, totalitarian regimes have instilled it on more than one occasion in Europe itself. Nevertheless, the discrediting of totalitarianism in Western Europe in 1945 and in East-Central Europe in 1989/91 has greatly narrowed options. Rightly or wrongly, it has also established an equation between being democratic and being European.

But is democracy to be understood primarily as a set of rules (eg 'free' elections and laws 'guaranteeing' freedom of speech) or a set of values underpinned by rules and institutions? Formally speaking, Europe is now democratic from the Atlantic to the Urals (and by some definitions to Vladivostok). But in practice, there is a divide between those parts of Europe which possess a democratic political culture and those parts in which democracy is largely formal – a matter of rules – or, at worst, virtual – a matter of rules which the authorities only pretend to observe. In large part, this is also a divide between illiberal and liberal democracies: the latter conforming to the principle that even 'rule by the people' (ie the majority) is illegitimate outside a framework which protects individual (and hence minority) rights and autonomies, as well as the sanctity of the frontier between 'the government's business' and private activity.

With two exceptions, Norway and Switzerland, these lines now divide those countries which are members of the European Union from those which are not. To different degrees, but in vital respects, the nine post-Communist countries of BSEC currently fall on the wrong side of these dividing lines – 'wrong' at least by the standards of the European Union. The two post-Communist members of BSEC which have joined the EU accession process, Bulgaria and Romania (and a third BSEC member, Turkey) understand that the 'process' will not produce accession until EU members are assured that the path they are charting to liberal democracy is firm and irreversible.

All post-Communist countries confront three obstacles to this end. The first consists of the fact that 'the collapse of Communism' has produced very little devolution of political and economic power, particularly in the former USSR. For all the deficiencies of the Communist system, it was extremely effective in confining power, not to say competence and self-confidence, to a relatively small class of people, which controlled economic resources as well as the political system – and which over time became distinctly unrepresentative of the wider society.<sup>9</sup> Given this reality, the main result of the 'privatisation' of state enterprises was to transfer assets to those who, as directors, bureaucrats and middlemen, ran these enterprises before. Almost overnight, bureaucratic power became financial power. State planning was not replaced by free markets, but rigged markets, state monopoly with clan oligarchy and state secrecy with 'shadow structures', institutional opacity and the financial-informational power of cartels. Such transitions are not unprecedented. Of the 'faulted society' of Weimar Germany, Ralf Dahrendorf has observed:

In 1918 one of the most skilful elites of modern history, the authoritarian elite of Imperial Germany, lost its political basis ... The state ... began to float. No counter elite emerged to fasten it.<sup>10</sup>

In the late 1980s, an even more skilful, totalitarian elite lost its ideological basis, the state 'began to float', and in the absence of a counter elite, the old elite re-established its dominance under a different ideology. In sum, a new political and economic system was 'merely stuck onto an existing social structure'.<sup>11</sup>

The second obstacle is presupposed by the first. ‘The totalitarian project was the project of suppressing civil society’.<sup>12</sup> John Gray has defined civil society as:

the domain of voluntary associations, market exchanges and private institutions within and through which individuals having urgent conceptions and diverse and often competitive purposes may coexist in peace.

Now that the totalitarian system has collapsed, the post-Communist landscape reveals that in parts of the former Soviet Union, the former regime succeeded not only in ‘suppressing’ civil society but destroying it. This realisation shifts the spotlight onto a third obstacle, the weakness of the *civic state*, which we might define as the domain of state institutions governed by a coherent and transparent body of rules, subordinate to codified, limited authority and influenced by an ethos of professionalism and ‘rightful conduct’. The formal features of such a state – adherence to recognised constitutional arrangements, regular and free elections, guarantees of basic civil rights, an impartial civil service and an independent judiciary – are central to Western projects of ‘democratisation’. The problem is that these features risk becoming purely formal, if not virtual, unless they are animated by principles which are taken for granted in the West but poorly understood in the former Communist world. It is these principles which make democracy meaningful in the eyes of ordinary citizens.

- ***Authority has primacy over power.*** Authorities use power for codified and legitimate purposes: those for which power is given. They are meant to be the guardians of the law, not its beneficiaries.
- ***Authorities have capacity.*** In a civic state, the authorities are capable of acting within the sphere of responsibility entrusted to them. Where the country’s most senior jurists regard the legal profession as ‘practically defenceless’, where (in the words of the former Chairman of the Ukrainian parliament) the authorities ‘only exercise their powers formally, without having any real impact on the situation in the country’, then ordinary people may find that they have little choice but to defer to a *de facto* authority which, whatever its legal status, enforces and delivers.
- ***State bodies are funded by the state budget.*** In the former Soviet Union, it is the state budget, rather than the state which has withered away. (According to a former ambassador, the state budget of Georgia is smaller than that of Bayern Munich Football Club.) Despite this fact, bureaucracies have swollen and ‘force structures’ have multiplied in many of the successor states. It stands to reason that if police, judges and licensing authorities cannot live on their salaries, they will become entrepreneurial with the power at their disposal and offer their services to those who can pay for them. It also stands to reason that if the state will not fund these entities, not to say armed forces, customs services and internal troops, someone else will.
- ***The arbiter of disputes is law,*** a legal *system* meeting HLA Hart’s requirement: ‘the unity of primary and secondary rules’. In contrast, law in Communist states was, in Françoise Thom’s definition, ‘codified arbitrariness’: regulations without any connecting principle except the interest of the lawmakers. In post-Communist countries, law risks becoming codified anarchy: not only inconsistent, but the object of so

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many 'reforms' as to leave the ordinary citizen, businessman (or Western investor) utterly confused as to where he stands from one day to the next.

- ***The legal sphere has autonomy from the political sphere.*** In a civic state, the functions of courts and other enforcement bodies – police, licensing authorities, tax inspectorates (and tax police) – are depoliticised. Newspapers are audited by the tax authorities because of tax violations, not because they support opposition political movements, and banks are placed under receivership because of financial malfeasance and not because they fail to contribute to presidential election campaigns.
- ***The actions of state institutions are consistent with the declared policies of the state.*** In a civic state, military commanders support the state's security policy, and the principles of military doctrine and military organisation conform to it. Security services are imbued with the values of the *current* constitutional order and have no confusion about the state (and civil liberties) they are sworn to protect. State support for the private economy is backed by tax codes and licensing laws which encourage entrepreneurship rather than strangle it and attract investment rather than frighten it away. 'Democratic transformation' also means transforming the hierarchical, closed and distrustful administrative cultures of the Soviet period and introducing the principles of initiative, openness and devolved authority into state bureaucracy.
- ***Decision making is governed by transparency.*** the ability to know *what* decisions are taken, *where* they are taken, *by whom* they are taken and *why*. Without transparency, there is no guarantee that the foregoing principles will be observed.

These are ambitious norms. Even in the best civic state, minor deviations from them are frequent, and major deviations occur. But the former are usually cause for protest and the latter (vide the Enron affair) the stuff of scandal. In the post-Communist world, such deviations are synonymous with 'life itself', and in the post-Soviet world, there is little expectation that life will be otherwise. The divide between state and society, between the *pays légal* and the *pays réel*, is seen by a worrying proportion of citizens as unbridgeable. Thus, 'free and fair' as the 2001 elections in Moldova were seen to be by the OSCE, only 17 per cent of Moldovan electors on the morrow of the election said they trusted the president they elected (and only 6 per cent said they trusted his leading opponent). In Ukraine, even before the tape scandals, the public regarded the guardians of Ukraine's democracy in a similar light: 20.1 per cent trusted the security services, 11.9 per cent trusted the courts and the Office of the Public Prosecutor, and 11.8 per cent trusted the police.<sup>13</sup> If these are the fruits of democracy, then democracy has produced unhealthy political orders in Central and Eastern Europe and possibly insecure ones. Security, as President Kuchma observed, depends upon the ability of a country 'to rally together at a crucial moment'.<sup>14</sup> By this standard alone, weak democracy and virtual democracy compromise the security of the region's member states.<sup>15</sup> The weakness of democracy also compromises the foreign policy objectives of these states, and it endangers the security of the region as a whole.



## Democracy & Integration

Diverse as the nine post-Communist states of the Black Sea region are, most of them have proclaimed that integration with European or 'Euro-Atlantic' security structures is a priority national interest.<sup>16</sup> In formal terms, democracy is relevant to integration in two respects:

- It lies at the heart of the first of the EU's three 'Copenhagen criteria' for admitting new states: the 'stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for protection of minorities';<sup>17</sup>
- It is equally central to NATO which, after the collapse of an overarching geopolitical threat, has defined itself increasingly as a 'values based' institution.

The two key pillars of democratic political culture, civil society and the civic state, are also relevant to integration:

- They are central to economic capacity – specifically 'the capacity to cope with competitive pressure within the Union' (the second Copenhagen criterion), as well as the ability to trade with and attract investment from Western economies dominated by independent actors, decentralised decision-making and, to an overwhelming degree, small business;
- They are prerequisite to meeting the third Copenhagen criterion: 'the ability to adhere to the aims of political, economic and monetary union' – and in practical terms, implement the provisions of an *acquis communautaire* which numbers almost 100,000 pages. At a minimum, these obligations require of states the institutional capacity to honour agreements and translate commitments into action. They also demand economies and political systems transparent and strong enough to maintain the integrity of the Single Market, resist criminal pressures and cooperate in the struggle against organised crime.
- They are prerequisite to establishing integrated and legitimate national security systems, underpinned by effective civil-democratic control.

In principle, the West is not closed to any state of the Black Sea region. NATO and the EU have devised strict criteria for enlargement, but they have been careful not to set geographical limits to it. In practice, NATO has been the more welcoming institution of the two. It can afford to be for two reasons. First, the internal criteria which NATO aspirants must meet are easier to specify and vastly easier to satisfy than the complex, profound and protracted internal transformations demanded of countries seeking to join the European Union. Second, NATO is firmly based upon the sovereignty of its member states. Unlike the EU, it does not seek to 'pool' sovereignty or 'move beyond' the nation state. It therefore demands compatibility of principles, rather than harmonisation of practices, and it is open to diversity and divergences in ways that the EU is not. Despite common features, the armies of NATO member states remain distinctly national in their systems of recruitment, defence procurement, organisation and in the prioritisation of their roles and tasks.

NATO criteria might be easier to meet than those of the EU, but they are not easy. The Black Sea region's NATO candidates and prospective candidates – Romania,

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Bulgaria and, after 23 May 2002, Ukraine<sup>18</sup> – are discovering that two core criteria for membership, ‘defence reform’ and ‘civil-democratic control’ demand far-reaching political and institutional change. In specific terms, this means:

- establishing a law-governed and legitimate state, in which presidents and prime ministers are not absolute powers, but accountable authorities, as subject to law as restaurateurs and taxi drivers. Otherwise, armed forces risk becoming instruments of elected dictatorships;
- establishing the principle that defence is the business of the country, rather than merely the business of the army and head of state. Even in the most democratic state, armed forces are obliged to carry out the orders of their commander-in-chief. But in a democracy, military policy is not the brainchild of the head of state, but the outcome of broad deliberation; the supervision and monitoring of force structures is entrusted to executive and elected institutions, not an individual person; and the right to discuss or criticise the conduct of these structures and their ‘controllers’ belongs to all;
- expanding defence reform into security sector reform – into those highly militarised, influential (and still opaque) force structures which Communist authorities and their post-Communist successors have maintained outside the subordination of ministries of defence;
- transforming armed forces and other force structures from undemocratic into democratic subcultures, bonding their members to a code of values and practices in keeping with the pluralistic, civic and democratic order.

Demanding as these criteria are, it is easier for a state not seeking NATO membership to derive tangible benefits from its relationship with NATO than it is for many states seeking EU membership to derive practical benefits from their relationship with the EU. As a security organisation first and foremost, NATO established Partnership for Peace in order to diminish the barrier between membership of the Alliance and partnership with it. The EU’s first priority has not been to diminish barriers between members and non-members, but to deepen the integration of members. The Schengen agreement on frontiers gives point to this distinction.

But Schengen is only one part of a larger problem. Cooperation with NATO depends first upon a country’s decision, second upon its capacity. Cooperation with the EU depends almost exclusively upon a country’s capacity. This distinction has a crucial bearing upon a core interest of states in the region: securing access to the EU’s Single Market. The problem is that the EU has an equally strong interest in maintaining the integrity of the Single Market, not to say the defence of the Union against subsidised imports, illegal migrants, contraband and organised crime. These concerns oblige the EU to pay far closer attention to the internal condition of non members than to their external policies. As the Chief Adviser in the European Commission’s Directorate General for Enlargement has noted:

Together with the low level of economic development of many of these countries goes weak administrative capacity ... This puts in question their ability to apply effectively the EU’s rules and policies, known in Euro-jargon as the *acquis*.<sup>19</sup>

'Weak administrative capacity', as we have argued, is in part a reflection of weak democracy, not to say the strength of illicit (and often criminal) interests who are interested in prolonging this weakness.

Unfortunately, the EU's defence against states with weak capacity and strong 'shadow structures' has been exclusion. This not only prolongs weakness, but deepens it, because the states which happen to be in this position find they cannot integrate with anyone except those who seek to weaken their capacity and independence. President Kuchma has repeatedly justified closer integration with Russia by pointing to the fact that 'no one is waiting for Ukraine in the West'. But, for Ukraine, Moldova, Georgia, Armenia and Azerbaijan, this reality is not only an excuse, but a Gordian knot. It is no accident that the only two post-Communist members of BSEC invited to join the EU accession process, Bulgaria and Romania, are outside the former USSR. Two strands of this Gordian knot deserve further attention.

The first is the inbred, collusive and closed nature of the business culture of the former Soviet Union, powerfully exemplified by the transnational sectors to which we have already referred.<sup>20</sup> In the energy sector these characteristics are present in abundance. There is no conclusive way of establishing who owns what – or who owes what to whom – in an energy 'market' characterised by arbitrary price levels, hidden payment mechanisms, invisible partners, front companies, tax fraud and an extensive barter trade. In these conditions, agreements on the settlement of debt (such as those concluded between Presidents Putin and Kuchma in Minsk in December 2000) are bound to reflect the strength of the parties rather than economic facts. This lack of transparency plainly poses a threat to the *samostoyatel'nost'* of weaker states. It is undemocratic as well. A second set of 16 presidential agreements in Dnepropetrovsk (February 2001) on modalities of the energy supply (and the privatisation of Ukraine's energy infrastructure) remain unpublished. Even Ukraine's government was only allowed to see them in excerpted form. The culture of business is one factor contributing to the linkage between Russian influence and the 'dominance of authoritarian tendencies in the system of [Ukrainian] political power'.<sup>21</sup>

The second strand of the Gordian knot is the character of border regimes between ex-Soviet states. Under President Yeltsin, the Russian Federation maintained that the 'internal' borders of the former Soviet Union should be regarded as 'administrative' borders, whereas the 'external' borders should be regarded as 'common' interstate borders and defended with the participation of Russian Border Troops. Outside the signatories to the Tashkent Collective Security Treaty (May 1992), newly independent states have rejected the latter principle, but the former principle is not so easy to reject. Even the Baltic states, which possess relatively efficient customs and police forces, find that it can be very difficult to impose a border regime unilaterally. Under President Putin, Russian border policy has become more 'pragmatic' than it was under Yeltsin, and it is now being guided by Russia's national interests on a case by case basis. These interests are not always the same as those of Russia's neighbours. To this day, Ukraine's fixed and consistent position – that all of its borders must have the same legal status – is flatly unacceptable to Russia, which has recently reiterated the principle that the border should be delimited (drawn on maps), but not demarcated.<sup>22</sup> Even Ukraine's insistence that 'demarcation does not require the construction of walls or any obstacles' has been rebuffed.<sup>23</sup> If it is true (as alleged by the State Committee on the State Border of Ukraine) that the Ukraine-Russia border is the point of entry for two thirds of contraband and 90 percent of illegal migrants into the country,

Russian border policy places a huge burden on Ukraine. Not only does it strengthen criminal networks inside the country, it adds to the difficulties of meeting Schengen criteria on the country's western borders. In 2000, the EU and Ukraine embarked upon a scheme to strengthen Ukraine's border system. However, the EU has been slow to connect the chain between cause and effect. Russian policy not only poses a threat to Ukraine's border system, it puts a strain upon the Schengen system. This system, seen as an 'iron curtain' by Ukraine and Moldova, risks becoming the economic equivalent of a Maginot line if the EU does not develop an effective strategy for the excluded states, as well as a long-term strategy for including them.

Serious as the problem of the Ukraine-Russia border is, it is not the most dangerous of the border problems besetting the region. At least as problematic is the inadequately regulated border surrounding the self-styled Pridnestrovian Moldovan Republic (PMR), an entity which has acquired all of the attributes of statehood except diplomatic recognition. Because Moldova does not recognise the entity's legality, it dare not construct a proper border regime within what it (and other European states) regard as its own territory. Yet Moldova does insist that Ukraine, which borders the PMR on its east and south, does so, and it believes that Ukraine's efforts have not lived up to its declarations. For its part, Ukraine finds that the burdens of having to deal with both an effective *de facto* authority in the PMR's capital, Tiraspol, and an impotent *de jure* authority in Chisinau are far from simple. What vastly adds to Ukraine's burdens (as we go on to discuss in the next section) is the fact that the PMR is a deeply criminalised entity. The same can be said of a second *de facto* state, the breakaway Republic of Abkhazia and, to a lesser extent, a third unrecognised entity, the Republic of South Osetia, both of them juridically part of the Republic of Georgia. Russia's border policy in this area illustrates the old Communist principle that 'the players play by one set of rules and the umpire by another'. On 5 December 2000, Russia imposed a visa regime upon Georgia proper, whilst maintaining a visa free regime on its own borders with Abkhazia and South Osetia: a step prompting the Georgian Foreign Ministry to issue a statement condemning the 'illegality' of the decision and accusing the Russian Federation of 'violation of the territorial integrity of the state'.<sup>24</sup>

Russian border policy poses a manifest challenge to the *samostoyatel'nost* of several newly independent states, and a case can be made that it also amounts to a 'violation of territorial integrity'. But does this mean that Russian border policy damages democracy? There is abundant indication that the majority of people living in the five Ukrainian *oblasti* (and the Autonomous Republic of Crimea) bordering the Russian Federation desire an open border, a sentiment reinforced by a high volume of 'grey market' shuttle trade between the two countries, as well as the enormous number of Ukrainian citizens (by some estimates 2,000,000) who work in the Russian Federation. (For similar reasons, the populations in Ukraine's western regions are also opposed to the introduction of visa regimes). Amongst the many impediments to constructing a firm, well controlled interstate border between Ukraine and the PMR is the fact that a plurality of the PMR's inhabitants are ethnic Ukrainians, loath to see border controls established. To the inhabitants of Abkhazia and South Osetia, suffering from an economic blockade by metropolitan Georgia, the relatively open border with Russia is a lifeline. Therefore, at one level – the sentiments of people in border regions – the Russian Federation's border policy is more in accord with democratic principles than the 'national' policies of Russia's neighbours. But that is not to say that it accords with sentiments in Ukraine, Moldova or Georgia as a whole.

Neither can it be said that Russian border policy is designed to strengthen democracy. It is designed to strengthen the influence of Russia. Today this point is obscured by the strength of the Soviet legacy as well as the realities of post-Communism. After the Soviet experience, ordinary Ukrainians not only equate borders with visa regimes, but with the walls and obstacles which Ukraine's authorities insist they have no intention of erecting. After eleven years of post-Communism, ordinary Ukrainians have no expectation that customs and border services will behave according to civic, let alone legal standards. To the contrary, many take it as read that they will derive profit from their additional powers and use these powers to harass ordinary people. This is not to say that Ukrainians believe there should be no controls over who and what enters the country. They simply do not trust the controllers. If democracy were a meaningful term in Ukraine, would ordinary Ukrainians fear border demarcation or welcome it? Today this can only be a subject of speculation. What is clear is that in this sphere as in others, the democratic deficit weakens the cohesion of newly independent states and their 'ability to rally together' against external pressure.

## Crime, Destabilisation & the Uncivic State

### De Facto States

Not the least problematic attribute of the Black Sea region is the presence of four unrecognised political entities in its hinterland: the Pridnestrovian Moldovan Republic (PMR), the Republic of Abkhazia, the Republic of South Osetia and the Nagorno-Karabakh Republic.<sup>25</sup> Apart from international recognition, these entities possess most if not all of the attributes of the statehood which they claim they are entitled to. They are also deeply criminalised and emphatically authoritarian. As Dov Lynch, the emerging authority on the region's *de facto* states, has written:

They all maintain presidential systems and have very poorly developed party structures. In all of them, while there may be significant political differences, politics is far from pluralistic. Politics has become highly personalised, and the mechanics of the decision-making process are opaque and highly controlled.

These states also suffer from a 'corrupt corporatism', the 'mingling of crime and state structures' and the dominance of 'shadowy figures' who 'play government supported monopolistic roles'.<sup>26</sup>

Given these features, there would be some justice in saying that the *de facto* states are like the *de jure* states that surround them, only more so. This judgement would be somewhat just in the South Caucasus, where in the early 1990s such tendencies threatened to become dominant. Elsewhere, the verdict not only overstates the negative, but ignores the presence of regenerative and reformist impulses in state and society. In Ukraine, where these negative tendencies are not only present, but influential, they are opposed by a respectable segment of the governing elite, the political class is vociferous and pluralistic, the *intelligentsia* is vocal and energetic and a large proportion of society is determined not only to live, but live decently. These positive features are not weaker in the PMR than they are in Ukraine or for that matter, Russia. They are absent.

The comparison with the region's *de jure* states is wide of the mark in a second, more paradoxical and definitely more perverse sense. There is an intractable, intransigent quality to the *de facto* states. Unlike their internationally recognised

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neighbours, they do not bend in response to the political and geopolitical wind. Although weaker in the attributes of *samostoyatel'nost'* than these neighbours – and in *all* cases reliant upon the Russian Federation for specific forms of support<sup>27</sup> – they are determined to maintain their sovereignty and have shown the capacity to maintain it, whether they prosper or not.<sup>28</sup> In sum, the *de facto* states mirror their neighbours in inverse rather than exaggerated form. The ‘mingling of crime and state structures’ weakens the states of the region, yet for the *de facto* states this synergy is the source of their strength. For this reason, the latter could fairly be described as pathological states.

In the words of Ukraine’s Foreign Minister, Anatoliy Zlenko, the *de facto* states are also ‘dangers to Europe as a whole’. This judgement can be substantiated in a number of respects.

- The formation of these breakaway entities and the resultant conflicts with metropolitan states have generated over 1,000,000 displaced persons. Over 600,000 displaced Azeris lived in parts of Azerbaijani territory now occupied by Karabakh forces, but outside Nagorno-Karabakh itself (whose population has nevertheless shrunk to 60-85,000). The 1989 population of the Autonomous Republic of Abkhazia was 525,000; today it is estimated to be 80,000 to 145,000.
- The persistence of conflict between these entities and their neighbours has deterred foreign direct investment.
- The criminalisation of trade imposes painful costs on neighbours in terms of lost tax revenue from the smuggling of tobacco, alcohol, oil and gas.
- The economic blockades of some of these entities by metropolitan states (by Georgia in the case of Abkhazia and South Osetia; by Azerbaijan in the case of Karabakh) have created trading distortions which by World Bank calculations have lowered GDP – in Armenia’s case, by as much as 30 per cent.<sup>29</sup> In those cases where metropolitan states have rejected the course of blockade (eg Moldova), the breakaway region (PMR) has been able to secure important inroads in the economy of the metropolitan country.
- Criminalisation of trade has corrupted law enforcement and other force structures (eg the Georgian police, not to say Russian peace-keeping forces, who have played a brisk part in the smuggling trade on the Abkhaz-Russian border). No less ominously, it has given shadow structures in neighbouring states several attractive sources of income and a vested interest in preserving the status quo.
- The opacity of these entities is particularly attractive to these neighbouring shadow structures as well as state structures, who find these territories useful staging posts for intelligence penetration and money laundering (which specialists attached to the OSCE mission in Moldova suspect might constitute the greatest source of income for the PMR).
- Relative to their size, populations and nominal GDPs, the *de facto* states are dangerously over armed. This fact is a source of regional instability in itself. It is also a potential contribution to instability in regions further

afield. In the PMR, where armed forces and security services play a dominant role in the economy, the arsenals of the former Soviet 14<sup>th</sup> Army (equivalent in their destructive power to the bombs dropped on Hiroshima and Nagasaki) provide a dangerous and often untraceable resource for weapons proliferators (state and anti-state), whose goals might not only include profit, but influence over the course of conflicts within and outside the region.

When these resources, partnerships and activities are considered in the round, it is apparent that the *de facto* states are not only ruthlessly authoritarian, but that they profit from the weakness of democracy in their geopolitical neighbourhood. Most of those who have left the regions of Abkhazia, Pridnestrovye and Karabakh have been driven out. Those who remain see no attraction in uprooting themselves simply in order to live in countries where conditions of life are, at best, only slightly more decent than those which they experience at the hands of 'the enemy they know'. The weakness of democracy in the region is the key to the viability of the *de facto* states and the harm which they cause. It is hardly an exaggeration to say that until this connection is grasped and addressed, 'the post-Soviet area will remain an unstable European rim, emanating instability externally, while collapsing internally'.<sup>30</sup>

### **Deficient Democracy & Criminal Opportunism**

Within the past decade, many students of organised criminal groups have observed a 'moving away from more traditional Mafia-type organisations'.<sup>31</sup> The breaking of this Mafia mould has taken many by surprise. Today, organised crime is 'opportunistic', 'extremely entrepreneurial',<sup>32</sup> and imbued with 'a remarkable ability to shift across borders and from activity to activity with speed and adaptability that would be the envy of any legitimate business'.<sup>33</sup> The geographical scope of their activities has also taken many by surprise. As Claire Spencer has noted, the EU is 'running behind' this process; almost as soon as it was concluded, the 1995 Euro-Mediterranean Partnership (the so-called Barcelona Process) became out of date. To this day, Europe has not adequately addressed

the extent to which illegal activities within the peripheral regions of Europe are now inter-linked, from Central Asia, the Caucasus, through the Balkans to the western Mediterranean. The EU has no trans-regional strategy to combat networks running 'horizontally' across traditional external policy boundaries.<sup>34</sup>

Two issues explored in this discussion go some way to explaining the character of these groups and the expansion of their activity. The first is the emergence on the scene of the post-Communist world and the peculiarities of the democratic regimes which comprise it. Between organised crime and the constituent parts of the uncivic state – untransparent political orders, unaccountable law enforcement structures, legal anarchy, impoverished state treasuries and 'weak administrative capacity' – there is an electric affinity. Even in the area of greatest concern to European governments, nuclear material trafficking, the new states have expanded the contours of a problem which, by 1994, had 'appeared to diminish'. According to Phil Williams and Paul Woessner:

From May 1991 to June 1995, there were 53 seizures [of nuclear materials] in Western Europe and eleven along the southern routes through Turkey, the Caucasus, Central Asia and the Middle East. Since

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then the pattern has been reversed with 13 seizures in Western Europe and 41 in the south between July 1995 and April 2000.<sup>35</sup>

The second issue is the distinct character of the Communist, and particularly Soviet, legacy. What was stated in 1995 bears restating:

If for most of its history, private enterprise was illegal in the Soviet Union, it was also essential to the functioning of the economy, not to speak of the plan itself. The KGB and its predecessors were therefore obliged to wage a 'complex' struggle with those entities that Russians now call 'mafias', crushing some, penetrating many and utilising many of those they penetrated: whence derives the Russian conception of 'mafia' as a criminal conspiracy that operates not *against* the state, but in collusion with it.<sup>36</sup>

Many of those who have investigated the 'iron triangle' between business oligarchs, organised criminals and political and bureaucratic elites have overlooked three facts about it. First, although it is a visibly new phenomenon, it is distinctly older in practice, reflecting the illicit continuity between the Communist system (which denied any legitimacy to private enterprise, not to say private interest) and post-Communist power structures, which swiftly proceeded to privatise everything within reach, including the state itself. Second, they have ignored the fact that the impulse to privatisation came not from the West, but from the more forward looking members of this triangle, particularly at regional level, where this symbiotic relationship – and the decay of the Soviet system – was most advanced. (It is not accidental that of the three most celebrated radical reformers of the late Soviet period, Mikhail Gorbachev, Boris Yeltsin and Eduard Shevardnadze, two were regional Party secretaries and one was the First Secretary of a Union Republic). Third, they have failed to note that the former KGB was the glue which held the triangle together and that, to a significant degree, it still does. As long ago as 1987, even so outwardly conservative a figure as Vladimir Kryuchkov, Head of KGB Foreign Intelligence and later to become its Chairman, reminded the Party leadership that 'our service has acquired strong positions in the world of business'.<sup>37</sup> His appeal that they be allowed to create 'mixed enterprises' and 'small business' was answered affirmatively by Mikhail Gorbachev in 1998. In 1990, as pressures mounted to find 'non budgetary' resources for defence, the armed forces, too, secured opportunities to engage in commercial activity: opportunities which, predictably, its Chief Intelligence Directorate (GRU) was best placed to exploit.

Two things have changed since the Soviet period. First, what had once been illicit is now open, if not always legal, and therefore operating without the Soviet system's disciplines and constraints. Second, the iron curtain which confined 'real existing socialism' to a specific territory has now been dismantled, and the successors to real existing socialism are not so confined. If the malignancies of these new political orders, both inherited and mutated, are not restrained by the growth of civic forces, not to say effective partnerships between these civic forces and Western democracies, then we face the danger already described: that the Schengen frontier will become Europe's new Maginot Line, as ineffective as the old.



## Conclusions

In the majority of states comprising the Black Sea region, 'returning to Europe' has been a paramount priority since the Warsaw Pact and Soviet Union collapsed in 1989/91. To at least four of these states – Bulgaria, Moldova, Romania and Ukraine – such a return means recovering memory, identity and national dignity; entering the European Union – a related but far more demanding project – means acquiring status, prosperity and security. But to the European Union, indeed to the United States and Canada, Europe and 'the West' are not defined by identity, but by standards. For good or ill, today's Europe, not to say the EU, does not regard itself as a 'great' ethno-cultural civilisation tied together by a common heritage, but as a multi-cultural community tied together by common principles, norms and values – and, to a painstaking and often petty degree, by procedures and institutions.

The most fundamental of these principles is democracy. Yet, as often as the EU has articulated and emphasised this principle, it has not always made itself understood in post-Communist countries, and the EU's efforts have produced very mixed results. These results reflect four realities, not all of them mutable to speedy adjustment.

The first reality is the fact that the European Union is a post-modernist project, whereas the former Communist world is emphatically modern in its preoccupations and aspirations. The provisions and 'norms' of the *acquis* – impersonal but in principle universal – codify a 'process' created by those determined to 'move beyond' the political building blocks of the modern world: the nation and the nation state. These aspirations are not only radically apolitical, they are post-historical. It is not surprising that they meet with an uncomprehending response on the part of those who remain deeply politicised, not to say geopolitical, in their thinking: those whose first priority is to recover their nationhood. According to EU criteria, Ukraine and Russia 'belong together' because of their common level of development – a view often expressed (albeit privately) by EU representatives and officials. To many inside Ukraine, these sentiments suggest that the EU regards a country's interests, sentiments and aspirations as of no account. What this clash of sentiments reveals, more fundamentally, is that the EU and the former Communist world inhabit different coordinates of time. Not so long ago, Frenchmen, Britons and Germans had very different sentiments from those which they now consider 'politically correct'. When they had them, 'common levels of development' did not produce harmony; to the contrary, the two great world wars of the twentieth century were fought between economic equals.

The second reality is that the EU, not to say the West as a whole, articulates democracy in the language of 'rights', whereas those who have absorbed Communist and pre-Communist political experience understand it in terms of power. The divide between *obshchestvo* [society] and *gosudarstvo* [state], between *my* [we] and *oni* [they] is the keystone of political culture in 'former Soviet space' and the starting point for political analysis there. Analysing change *from there* reveals that the 'democratisation' advanced by Western institutions has transferred democratic mechanics, rather than a democratic political culture, to the former Soviet and former Warsaw Pact states. In many post-Communist countries political elites, little changed in composition (let alone mentality) from those who held power in the Communist era, have learnt to turn the 'technology' of democracy to their own advantage. Ordinary life pits ordinary people against institutions and authorities profoundly undemocratic in their spirit and behaviour, not to say

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unaccountable to those they ostensibly serve. Although there are impressive exceptions to this rule (all of them, apart from the Baltic states, outside the former USSR) and although civil society is becoming more of a factor to be reckoned with, the 'new democracies' for the most part remain countries made up of disenfranchised voters: voters who have been given little reason to conclude that their country is finally *theirs*.

The third reality is that Western conceptions of 'rights' tend to focus on the political rather than economic realm. This is a telling and very harmful omission in countries lacking a liberal and civic tradition. In such countries, 'markets' are not associated with individual choice and 'consumer sovereignty', but the 'survival of the fittest' and the lack of restraint on those who have always been far too powerful. The economic powers, like the political powers, tend to be closed and opaque to outsiders; and whilst competition can be intense, even murderous, the ordinary consumer plays virtually no part in influencing its course or outcome. The lifeblood of business is not products or marketing but *svyazy*: connections. 'Free' markets are the exception, rigged markets the rule. It is in this, the economic sphere, where the civic deficit is most blatant. What can one say about 'sanctity of contract' in countries where the most basic contract – payment of one's salary or pension – is routinely disregarded to meet this or that macro-economic target or illicit payment and where the top ten or twenty companies are routinely exempted from one of their most basic obligations to society, paying taxes?

Given these realities, the fourth reality stands to reason. The EU, not to say the West, has not been successful in communicating why democracy should matter *to those who govern*. It should. The majority of state leaderships in the region might have little interest in democracy, beyond the more formalistic expressions of it. But they do have an interest in 'state building' and *samostoyatel'nost*. Where state and society live in separate worlds, the ability of a country 'to stand' – let alone, *q.v.* Kuchma, 'rally together at a crucial moment' – will always be in doubt. Many amongst the older generations of Russian and Ukrainian citizens believe that the Soviet Union's triumph in the Great Patriotic War points to a different conclusion. But it is easy to forget just how many 'Soviet people' willingly exchanged one form of occupation for another in 1941 and how close the USSR came to collapse in the 'initial period' of this war. However this historical argument is resolved, it has become increasingly obvious (even to Armenians and Azeris) that there will be no 'great patriotic war' to pull fragile countries together. To vary Marx's maxim, today it is not war which 'puts nations to the test', but their ability to realise their aspirations, the first of which is leading a decent life.

Even where democracy is not an aspiration in itself, it is becoming increasingly important to the achievement of others. A widely shared aspiration, 'integration with Europe', will remain unrealisable until countries are integrated within themselves. The factors which obstruct such integration – gross inequalities of power and opportunity, opaque and conspiratorial norms of administration and business, arrogant and unaccountable institutions and a widespread absence of responsibility, initiative, professionalism and self-respect – testify to the size of the democratic deficit which exists in daily life. The most widely shared aspiration, security, will also remain unrealisable so long as collusive, trans-national clans and 'shadow structures' have the power to undermine and derail a country's officially declared course. Insecurity, not to say criminality, will remain a contagious phenomenon, so long as pathological *de facto* states draw support from the shadow structures which dominate the economies of officially recognised ones.

Over the past ten years, the West has not always made itself understood in its dialogue about democracy with the post-Communist world. Without a doubt, the European Union and other Western bodies have made themselves heard, but they have also made themselves irritating and, at times, resented. The reason for this is not difficult to find. We have made a considerable effort to explain why we attach importance to democracy in answer to those who seek 'integration with European structures'. But we have made little effort to explain why they should do so. Until the countries of the Black Sea region see the development of democracy as central to their own national interests, the cohesion of the region will suffer, and Europe's 'new demarcation lines' will grow apace.

## ENDNOTES

<sup>1</sup> Here we define as states of the Black Sea region the eleven members of the Black Sea Economic Cooperation (BSEC): Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine.

<sup>2</sup> In his authoritative work, *Society and Democracy in Germany* (New York: Doubleday, 1967), Ralf Dahrendorf is concerned to demonstrate the *weakness* of 'counter elites' in the Weimar Republic and the undemocratic value system of German society before the Nazi period. He emphasises the peculiar nature of the industrialisation process in Imperial Germany, with its 'mixture of feudal and national elements with features familiar from the English experience' (p40). But Dahrendorf's point of comparison is always Western Europe. By comparison with England, Imperial Germany 'in the full sense of the term, [was] not capitalist' (p40). But middle class values weak by comparison with England were healthy and strong by comparison with Imperial Russia, not to say the USSR.

<sup>3</sup> The Ukrainian equivalents are *nezalezhnist'* and *samostiynist'*.

<sup>4</sup> To which we must add that much of Russia's military production, oil and mineral wealth is concentrated in these territories; some of these territories sit astride key lines of communication and — most ominously of all — many border what are no longer Union Republics, but legally sovereign states.

<sup>5</sup> For a highly astute analysis of the power, versatility and suppleness of Russia's oligarchs two-and-a-half years after Putin became Acting President, see Alexandr Tsytko, 'Russia on the Brink of a Systemic Crisis', in *Prism*, February 2002, Vol VIII, Issue 2, Part 1 (Jamestown Foundation, Washington DC).

<sup>6</sup> This policy was very far from hidden. In 1994, Russia's Foreign Intelligence Service (SVR), published a report which declared the independence of newly independent states 'irreversible', but also argued that key areas of their sovereignty should be 'delegated'. ('Russia and the CIS: Does the Western Position Need Correction?', *Rossiyskaya Gazeta*, 22 September 1994). In his last interview as head of the SVR on 26 December 1995, Yevgeniy Primakov stated that his service had used 'all possible means to strengthen centripetal processes in the former Soviet Union'. The following month, upon his appointment as Minister of Foreign Affairs, he declared that his first priority would be 'the strengthening of centripetal tendencies on the territory of the former USSR' (transcript of press conference, 12 January 1996, author's translation). Boris Yeltsin was often robust on the subject, eg when he stated on 28 February 1993 that 'the time has come for distinguished international organisations, including the UN to grant Russia special powers of a guarantor of peace and stability in former regions of the USSR.'

<sup>7</sup> For a detailed discussion, see James Sherr, 'A New Regime? A New Russia?' in Anne Aldis, ed, *The Second Chechen War* (Camberley: Conflict Studies Research Centre), October 2000 and James Sherr, 'Ukraine and Russia: A Geopolitical Turn?' in Ann Lewis, ed, *The EU and Ukraine: Neighbours, Friends, Partners* (London: The Federal Trust, 2002).

<sup>8</sup> In late 2000, Andrey Fedorov, former First Deputy Foreign Minister stated, '[t]oday we are speaking more or less openly now about our zones of interests. In one way or another we are confirming that the post-Soviet territory is such a zone ... In Yeltsin's time we were trying to wrap this in a nice paper. Now we are saying it more directly: this is our territory, our sphere of interest.' Hence the declaration of Deputy Foreign Minister Yevgeny Gusev at the November 2000 meeting of the OSCE: 'We have been warning our Western

partners that we oppose the use of the OSCE for interference in the internal affairs of the countries situated to the east of Vienna. This time we are sending a clear signal: we won't allow this to happen' (Financial Times, 23 January 2001).

<sup>9</sup> The term which is still applied to this class today, *nomenklatura*, was initially defined very strictly as those posts or persons sufficiently important to warrant Communist Party vetting and confirmation.

<sup>10</sup> Ralf Dahrendorf, *op cit*, p377.

<sup>11</sup> *Ibid*, p42.

<sup>12</sup> John Gray, 'Totalitarianism, Reform and Civil Society', in Post-Liberalism: Studies in Political Thought (London: Routledge, 1993).

<sup>13</sup> National Security and Defence, No 11, 2000 (Kyiv: Ukrainian Centre for Economic and Political Studies), p10.

<sup>14</sup> President Kuchma to the Conference of Entrepreneurs on 10 February 1998. The full quotation is, 'Ukraine still lacks an established political culture and political elite capable of overseeing corporate interests and personal ambitions, overcoming internal differences and rallying together at a crucial moment'.

<sup>15</sup> For the same reasons, the verdict of a senior Ukrainian analyst, Oleksandr Goncharenko, is that 'the principal security threat to Ukraine is Ukraine itself'. (Presentation to conference on 'The National Security of Ukraine in the Context of World Community Experience', Kyiv, 9 October 2000.)

<sup>16</sup> Officially, Azerbaijan and Georgia now emphasise cooperation with other states, rather than integration. According to the website of the Azerbaijan Foreign Ministry, 'the conceptual basis of Foreign policy of Azerbaijan aims to preserve and strengthen national independence and territorial integrity, develop equal mutually beneficiary relations, establish friendly links with all countries of the world. According to the website of the Republic of Georgia Foreign Ministry, 'Georgia aspires to play a leading role in strengthening stability and security in the Caucasus region ... The Government of Georgia also understands the importance of protecting such vital assets as the oil pipelines running across its territory. For these reasons Georgia must possess capable military and internal security forces.'

<sup>17</sup> These criteria were established at the 22 June 1993 European Council, which adopted the principle of EU enlargement.

<sup>18</sup> Ukraine remains a prospective candidate, rather than a candidate. On 23 May, the National Security and Defence Council of Ukraine, chaired by President Kuchma, reiterated the country's commitment to 'Euro-Atlantic integration', but for the first time declared NATO membership as the 'long-term goal' of integration. Despite this change, Ukraine has not submitted an official application for membership of the Alliance and is therefore not a candidate state.

<sup>19</sup> Graham Avery, 'Reunifying Europe', The World Today (London: Royal Institute of International Affairs), August, September 2001, p42.

<sup>20</sup> These sectors are not only closed to outsiders, they are transparent to very few insiders. Anatoliy Grytsenko's appraisal of Viktor Chernomyrdin's appointment as Russian Ambassador is pertinent: 'He is a man who knows exactly the economic value of everything that exists in Ukrainian-Russian relations. He knows not only the official reports of the state Committee for Statistics and the CIS Interstate Economic Committee, but also the shady schemes out of which both the Ukrainian and the Russian businessmen who now influence politics made their first capital. He knows exactly who owes how much to whom, which means that in this regard it will be both easy and difficult for the Ukrainian side to work with him.' (*Strana.ru* web site 11 May 2001.)

<sup>21</sup> Monitoring: Occasional Report No 3 (Centre for Peace, Conversion and Foreign Policy of Ukraine), February 2001.

<sup>22</sup> The standard principle was reiterated by the Russian Federation Foreign Ministry on 16 August 2001, when it stated that 'the Russian-Ukrainian border should be a border of peace, accord and interaction; it should unite not separate the people of our countries ... The formation of artificial barriers and obstacles would contradict these objectives and complicate contacts between people and cooperation between economic entities, especially in frontier areas.' (Interfax, BBC Summary of World Broadcasts.)

<sup>23</sup> First Deputy Foreign Minister Yuriy Sergeyev, head of the Ukrainian delegation to the joint border commission. 'Borders of Ukraine: An Unfinished Area of a Decade of State

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Building', Monitoring: Occasional Report No 27, August 2001 (Center for Peace, Conversion and Foreign Policy of Ukraine), p5. See also 'The Legal Status of the Russian-Ukrainian Border: Problems and Prospects', Monitoring: Occasional Report No 18, June 2001.

<sup>24</sup> 'Statement of the Ministry of Foreign Affairs of Georgia', 8 December 2000.

<sup>25</sup> The use of these terms is not meant to imply any endorsement of the juridical status claimed by these entities.

<sup>26</sup> Dov Lynch, 'Managing Separatist States: A Eurasian Case Study' (Paris: Institute for Security Studies – Western European Union), November 2001, pp6 & 13.

<sup>27</sup> Albeit in the case of Nagorno-Karabakh, whose immediate patron is Armenia, this reliance is indirect.

<sup>28</sup> As Dov Lynch has argued, it is an error to believe that the resolution of conflicts with these entities 'depends exclusively on the Russian Federation ... Internal political, ideological, military and economic dimensions are more essential obstacles to settlement. Internal drivers weave together with external forces to create a sustained status quo.' 'Sovereignty is non-negotiable for the *de facto* states', *ibid*, pp5 & 8.

<sup>29</sup> *Ibid*, p21.

<sup>30</sup> *Ibid*, p3.

<sup>31</sup> Dimitri Vlassis (UN Centre for International Crime Prevention) paraphrasing Professor Pino Arlacchi, Executive Director of the United Nations Office for Drug Control and Crime Prevention. Dimitri Vlassis, 'Long Arm of the Law', The World Today (London: RIIA), December 2000.

<sup>32</sup> Phil Williams & Paul N Woessner, 'Gangs Go Nuclear', The World Today (London: RIIA), December 2000.

<sup>33</sup> Dimitri Vlassis, *op cit*.

<sup>34</sup> Claire Spencer, 'The Mediterranean Matters – More than Before', The World Today (London: RIIA), March 2001.

<sup>35</sup> They go on to note that 'law enforcement, border guards and customs authorities in Central Asia and the Caucasus remain woefully inadequate, while organised crime in these regions is particularly powerful', Phil Williams & Paul N Woessner, *op cit*.

<sup>36</sup> James Sherr, 'Russia, Geopolitics and Crime', The World Today, February 1995.

<sup>37</sup> Activities of the Organs of State Security at the Present Stage [Deyatel'nost' organov gosudarstvennoy bezopasnosti na sovremennom etape] (Moscow, 1988): from KGB documents released by the Gayauskas Commission (Lithuania), cited in Françoise Thom, Les Fins du Communisme (Paris: Criterion, 1994), p63.

This paper is based on a chapter in Olexander Pavliuk and Ivanna Klympush, ed, Emergent Black Sea Region - Prospects for Cooperative Solutions, East-West Institute, Kyiv, forthcoming.

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ISBN 1-903584-92-2

**Published By:**

**The Conflict Studies Research  
Centre**

Royal Military Academy Sandhurst  
Camberley  
Surrey  
GU15 4PQ  
England

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<http://www.csrc.ac.uk>

**ISBN 1-903584-92-2**