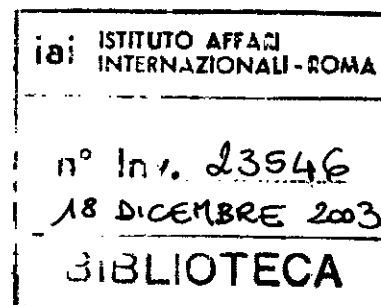


**THE NEW EUROPEAN ARCHITECTURE IN THE 21ST CENTURY:
PROMOTING REGIONAL COOPERATION IN THE WIDER BLACK SEA AREA:
THE BSEC CASE**

International Centre for Black Sea Studies (ICBSS)
Milos Island, 3-7/IX/2003

- a. Programme
- b. List of participants
 1. "The impact of globalisation to the wider Black Sea area: interaction with the Eastern Mediterranean and Middle East"/ Roberto Aliboni (10 p.) (IAI0304)
 2. "Wider Europe, new neighbourhood: a new framework for relations between the enlarged European Union and its Eastern neighbours"/ Antonio de Castro Carpeño (13 p.)
 3. "The BSEC: from new regionalism to inter-regionalism?"/ Charalambos Tsardanidis (27 p.)
 4. "Challenges and opportunities in the Black Sea region"/ Alexander Rondeli (7 p.)
 5. "Eliminating common threats as a basis for establishing peace and security in the Black Sea region"/ Tatoul Manasserian (5 p.)
 6. Speech by Alexander Furman (5 p.)



(8)

“The new European architecture in the 21st century: promoting regional cooperation in the Wider Black Sea area: the BSEC case”.

organised by:

the International Center for Black Sea Studies (ICBSS)

3-7 September 2003

Milos island- Greece

Milos Conference Center

“George Eliopoulos” (MCC)

Programme

Tuesday 2/9- Wednesday 3/9

Arrival and accommodation of participants at **DIVANI ACROPOLIS** hotel, 19- 25
Parthenonos str. 117 42, Athens

Wednesday-3/9

18.00: Opening Session- Welcoming remarks

Dr. Yannis PAPANICOLAOU, Director General, International Center for Black Sea
Studies (ICBSS), Athens

HE Mr. M. MAMEDGULIYEV, Deputy Foreign Minister, Ministry of Foreign
Affairs, Baku

18.30- 20.00: Session I

The new European architecture in the post- enlargement era. Impact of enlargement to the Western Balkans, the new immediate neighbours (Ukraine, Moldova, Belarus), Russia and the Caucasus.

Chairman: Dr. Yannis PAPANICOLAOU, Director General, International Center for Black Sea Studies (ICBSS), Athens

Speakers:

Prof. Panayotis IOAKEIMIDIS, Representative of Greece to the Convention, MFA, Athens

Mr. Antonio DE CASTRO, DG External Relations, Council of the EU, Brussels

Dr. Grigory NEMYRIA, Director, Institute of International Relations, Kyiv National Taras Shevchenko University, Kyiv

Round table Discussion

Reception at DIVANI ACROPOLIS hotel

Thursday 4/9

07.30 a.m.: Port of Piraeus, departure to Milos island by high- speed boat.

11.30 a.m.: Arrival to Milos island, transfer and registration to the hotels

13.30- 14.30: Buffet lunch at Portiani hotel.

14.30: Departure to MCC by bus.

15.00- 17.00: Session II

The impact of globalization to the wider Black Sea area: interaction with the Eastern Mediterranean and Middle East.

Chairman: Mr. Mustafa GURTIN, President BSTDB, Thessaloniki

Speakers:

Dr. Roberto ALIBONI, Vice- President, Istituto Affari Internazionali, Rome

Dr. Stuart HOLLAND, Professor of International Relations, University of Coimbra

Round Table Discussion

17.00- 17.30: Coffee Break, Room C

17.30- 19.00: **Session III**

The need for a regional approach. The role of regional and sub- regional organizations in the new European architecture.

Chairman: Amb. Sergiu CELAC, Alternate Director General ICBSS, Athens

Speakers:

Dr. Charalambos TSARDANIDIS, Director General, IDOS, Athens

Mr. Oleksandr PAVLYUK, Senior External Cooperation Officer, OSCE, Vienna

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Friday
Session V

Round Table Discussion

19.00: Return to the hotel by bus

Evening free

Friday 5/9

09.00: Departure by bus to the MCC, coffee to Room C

09.30- 11.30: Session IV

The Black Sea Region: problems, challenges and opportunities: economic, social, political, security, institutional and environmental.

Chairman: Dr. Yannis PAPANICOLAOU, Director General ICBSS, Athens

Speakers:

Dr. Alexander RONDELLI, President, Georgian Foundation for Strategic and International Studies, Tbilisi

Dr. Oksana ANTONENKO, Senior Fellow, Programme Director (Russia and Eurasia), IISS, London

Mr. Tatoul MANASERYAN, Member of the National Assembly of the Republic of Armenia, Yerevan

Round Table Discussion

11.30- 11.45: Coffee Break, Room C

11.45- 13.30: Session V

The BSEC: major developments. Present and future of the Organization.

Chairman: HE Mr. M. MAMEDGULIYEV, Deputy Foreign Minister, Ministry of Foreign Affairs, Baku

Speakers:

Amb. Valery CHECHELASHVILLI, Secretary General, BSEC PERMIS, Istanbul

Mr. Mustafa GURTIN, President, BSTDB, Thessaloniki

Mr. Alexander FURMAN, Deputy Secretary General, PABSEC, Istanbul

Dr. Yannis PAPANICOLAOU, Director General, ICBSS, Athens

Round Table Discussion

13.30- 14.30: Lunch at the MCC, Room C

Thursday
Session V



14.30- 16.30: Session VI

The political and economic importance of the Black Sea region. The Black Sea Dimension and the perspectives for further developing the EU-BSEC relationship.

Chairman: Amb. Valery CHECHELASHVILLI, BSEC PERMIS Secretary General, Istanbul

Speakers:

Amb. Sergiu CELAC, Alternate Director General, ICBSS, Athens

Mr. Michael EMERSON, Director, CEPS, Brussels

Dr. Mustafa AYDIN, Associate Professor, Faculty of Political Science, Ankara University

Round Table Discussion

16.30- 18.15: Departure to Adamas, free time (tour of the island by bus optional)

18.15: Departure from Adamas to Plaka by bus for coffee and sunset (18.47)

20.00: Departure from Plaka for dinner

20.15: Dinner offered by the ICBSS- Methismeni Politeia, Tripiti

23.30: Return to the hotels

Saturday 6/9

09.00: Departure from Adamas to MCC, Coffee to Room C

09.30- 11.30: Session VII

Regional security and energy security challenges in the Black Sea region. The challenge of energy cooperation in the wider Black Sea region. Towards a cooperative pattern.

Chairman: Mr. John ROBERTS, Senior energy expert, Methinks, Edinburgh

Speakers:

HE Mr. M. MAMEDGULIYEV, Deputy Foreign Minister, Ministry of Foreign Affairs, Baku

Mr. Valekh ALESKEROV, General Manager, Head, Foreign Investments Division SOCAR, Baku

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Dr. Laurent RUSECKAS, Director, Caspian energy, CERA, Paris

Summing up of Session IV by **Mr. John ROBERTS**, Energy expert, Edinburgh

Round Table Discussion

11.30- 12.00: Coffee break, Room C

12.00- 13.30: Session VII

Inter parliamentary cooperation in the Black Sea region. The challenge of good governance and civil society in the BSEC countries.

Chairman: Mr. Alexander FURMAN, Deputy Secretary General, PABSEC, Istanbul

Speakers:

Mr. Jean- Christophe BAS, Pan European Dialogue Manager, World Bank, Paris

Mr. Christian SCHEUCHER, Political & Public Affairs Consultant, Vienna

Round Table discussion

13.30: Concluding Remarks, Summing- up of the conference

Dr. Yannis PAPANICOLAOU, Director General, ICBSS, Athens

13.30- 14.30: Lunch, Room C

14.30: Departure from the MCC to Adamas

15.30: Departure from Adamas to Paliochori

16.00- 18.00: Swimming to Paliochori

18.00: Departure from Paliochori to Adamas

19.30: Departure from Adamas to MCC

19.45- 20.30: Wine and Cheese at MCC

20.30: Folklor Dance show

22.30- 24.30: Dinner to Alevromylos together with the dance team offered by S&B Industrial Minerals.

24.30: Return to the hotels.

Sunday 7/9

11.30 a.m.: Port of Milos. Departure to Athens by high- speed boat.

15.30 p.m.: Arrival to the port of Piraeus. Transfer to DIVANI ACROPOLIS hotel.

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Milos island- Greece

Milos Conference Center

“George Eliopoulos” (MCC)

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**THE IMPACT OF GLOBALISATION TO THE WIDER BLACK SEA AREA:
INTERACTION WITH THE EASTERN MEDITERRANEAN AND MIDDLE EAST**

**Communication presented by Roberto Aliboni¹
to the International Conference
“The New European Architecture in the 21st Century.
Promoting Regional Co-operation in the Wider Black Sea Area: the BSEC Case”
organised by
the International Centre for Black Sea Studies-ICBSS and the Hellenic Parliament
Athens-Milos, 3-7 September 2003**

This communication deals, first of all, with the relationship between globalisation trends and the Black Sea Economic Cooperation-BSEC region. Its key argument is that BSEC role and dynamics with respect to globalisation are strictly related to and largely dependent on the relationship between BSEC and the European Union (EU). In other words, the paper assumes that BSEC performance in the framework of globalisation is related to and mostly affected by its relations with the EU.

These relations are about to be regulated by the doctrine of Neighbourhood the EU Commission has put forward recently, with a view to tackle the consequences of the Eastern and Southern enlargements starting in 2004. The EU Neighbourhood doctrine will affect the BSEC directly and indirectly, that is by means of EU policies towards BSEC itself and its neighbouring regions and countries. In particular, it will affect two regions that are very significant to the BSEC: Eastern Mediterranean and the Middle East. The communication comments on such indirect effects and concludes by recommending the establishment of contractual relations between the EU and the BSEC in a form similar to that of the Northern Dimension, so as to avoid excluding the BSEC from the Neighbourhood process.

Globalisation and regional integration: the case of BSEC

The BSEC has two principal inter-related tasks. The first such task relates to its very matrix, namely its aim of acting as a confidence-building measure in the framework of the OSCE process. In fact, this is what is stressed by the BSEC founding documents². Within the framework of the European architecture, as ultimately enshrined in the Paris Charter, the building up of a solid and structured regional economic co-operation and/or integration is intended to be a definite contribution to peace and stability.

In this sense, BSEC economic activities are in principle instrumental to the attainment of its political aims of peace and stability. Still, they are equally important and must be considered as an end in themselves. The BSEC is a typical process of regional economic co-operation, an example of regionalism in the framework of globalisation, very similar to many other ongoing regional undertakings in Europe and the world. This is the second task of BSEC.

Like BSEC, regional processes of economic co-operation and integration use to include both political and economic factors as sides of the same coin. The two sides cannot be easily separated and, for this reason, they are considered in a “political economy” perspective, a perspective that tries to combine the analysis of both political and economic factors. In this perspective, the

¹ Vice President and Head of the Mediterranean and Middle East Programme, Istituto Affari Internazionali, Rome

² See the “Summit Declaration on Black Sea Economic Cooperation” and the “Bosphorus Statement”, Istanbul 25 June 1992. Information on the BSEC is provided in the organisation’s web site: www.bsec.gov.tr.

economic performance is linked to the issue of governance. In fact, the question internationally debated, particularly in the last years, is whether regions contribute or not to global governance. While globalisation is an objective trend, it must be governed if it is to be beneficial and its adverse effects are to be smoothed over. What is today the role of a proliferating economic regionalism with respect to global governance? Is it consistent or opposed to the latter? Is regionalism systemic with respect to international free trade and economic globalisation or is it anti-systemic?

According to different schools of thought³, regionalism can be co-operative- or conflict-oriented. It can be so either accidentally, that is because of circumstances, or intimately, that is by its very nature and deliberation. There are authors who see regionalism as an offensive response to the present conditions of the international economic system, a response similar to the creation of discriminatory and exclusive trade blocs and the large application of protectionism that prevailed in the 1930s, when the first wave of regionalism took place. Others look at it as a response that is co-operative in its character (or so will it prove at the end of the day). This co-operative regionalism seems to characterise the second (1950s-1970s) and the present, third wave.

There is an important difference between the second and the present wave of regionalism with respect to international governance. The second wave took place in a situation in which the United States provided the necessary “public goods” to assure the equilibrium of the international system. In this system, regionalism could be regarded as a stage of transitional protectionism directed at assuring national development or overcoming local imbalances without putting into question the system’s hegemonic governance, however, and with the final result of reinforcing the overall system. Governance was essentially global. With the end of the United States hegemony, the international economic system has shifted in an enduring post-hegemonic situation in which the supply of public goods is short and cannot meet the demand. According to authors, regionalism must be regarded, first of all, as a response to such shortage, that is a mechanism trying to provide locally the public goods that cannot be provided by the system.

If this is accepted, regionalism is highly consistent with globalisation as an economic trend. On the political side of the coin, the economic consistency between globalisation and regionalism means that regionalism plays an essential role in global governance by providing an intermediate level of decision-making and management and generating public goods between the global and the national level.

This author shares the view that current regionalism is consistent with globalisation and contributes to international governance by complementing global and national governance. BSEC, in particular, is definitely in tune with such systemic regionalism, as regularly illustrated by its statements and its policies. In the BSEC we can find all the motivations for creating a regional supplementary engine to development and modernisation “in terms of location (trade and investment, saving in transport and economy of scale)”, of chances to expand and train firms thanks to a larger market size, and of capabilities to learn to coping with international competition⁴. At the same time, the BSEC members look very clearly at these regional steps in a wider perspective, be it the European or the global space. BSEC is a factor in what is called “open regionalism”. The features of BSEC correspond to those of the third wave: “the heterogeneity of participating countries, the outward-looking approach of members, the domestic liberalisation not only of goods but also of services, which involves new

³ See, most recently, Mario Telò (ed.), *European Union and New Regionalism. Regional Actors and Global Governance in a Post-Hegemonic Era*, Ashgate, 2001; and Paolo Guerrieri, Hans-Eckart Scharrer (eds.), *Global Governance, Regionalism and the International Economy*, Baden-Baden, Nomos Verlagsgesellschaft, 2000, with numerous references to current literature on the subject.

⁴ These motivations are listed by Mario Telò, “Introduction: Globalization, New Regionalism and the Role of the European Union”, in Mario Telò, *op. cit.*, pp. 1-17; see p. 5.

rules for investments and the provision of competition policy and technical standards”⁵. BSEC is a globally-oriented region, using regionalism to carry out successfully its transition towards globalisation.

The BSEC and the EU: regions and sub regions in Europe

BSEC relationship with globalisation is not (or is not always) a direct one. It cannot take place in isolation. BSEC transition to globalisation takes place in a given context, that comprises other regions and networks of economic and political relations. In other words, it takes place in a given geopolitical regional environment. This regional environment includes two main references: on one hand, Central Asia and the Middle East (in particular, the Upper Gulf area); on the other, the expanding area of the EU.

The BSEC is a natural bridge between the two areas and is bound to work as a platform connecting and developing the space between the EU and the Greater Middle East. The success of the BSEC is linked to a virtuous circle between its capacity to attract foreign investment with a view to develop its role of bridge; then, to reap profits from such role; and, finally, to invest profits in members’ broad economic development.

In its role of bridge, BSEC has a clear global attitude as an investment-receiving area (from the EU as well as other global actor, as the United States). At the same time, its attitude has a more regional character when it comes to developing and trading the outcome of investment. This outcome is naturally directed at domestic markets and, most of all to the greater EU area. The EU and BSEC areas have a clear major complementary character. The latter is strengthened by non-economic factors as well. In fact, it must be pointed out that the BSEC is a bridge also for a relevant number of soft security issues, as international crime and trafficking. This fact increases its complementary character with the EU area and stresses the political economy perspective in which the BSEC has to be taken into consideration in a globalisation perspective.

Against this background, one has to say that BSEC role of bridge is not neutral or equidistant between its two shores. As a matter of fact, the BSEC is subjected to a fatal attraction of integration and co-operation towards the greater EU area because of economic as well as political reasons. This EU bias of the BSEC is confirmed by a number of facts. The BSEC was born on the assumption that its members would not be prevented from pursuing their policies aimed at establishing specific relations with the EU. The status of its members’ relations with the EU (see table) illustrates very well this attraction. At the end of the day, the expectation of a special relationship with the EU is definitely not a mystery: the BSEC need and desire to develop and strengthen its relations with the EU appear regularly in its official documents, ultimately in the Istanbul 2002 Decennial Declaration of the BSEC Heads of States and Governments and in the resolution of the Foreign Ministers issued in Yerevan on 18 April 2003.

In conclusion, the role and status of the BSEC in the context of globalisation seems twofold. On one hand, it has its own agenda that is bound to take advantage of its geopolitical location of bridge between the EU and Central Asia/Middle East with a view to enhance its resources and development. On the other hand, the BSEC is attracted by the EU area of integration, including because the crossing of the bridge is more towards the EU than the other way round.

In other words, because of its geopolitical configuration, BSEC is confronted by two levels of globalisation: globalisation proper and a kind of regional globalisation concerning its relations with the EU, its big neighbour. The EU generates public goods within the circle of Euro-Asian relations, the BSEC can take advantage of. The Euro can be regarded as one such public good. Another

⁵ Paolo Guerrieri, Isabella Falautano, *Introduction*, in Paolo Guerrieri, Hans-Eckart Scharrer, *op. cit.*; see p. 16-17.

public good is the network of agreements and institutions that the EU is creating in Eastern Europe, the Balkans and Russia and the financial resources they provide. On the other hand, the role of BSEC in developing infrastructures and co-operating in sensitive sectors, as environment protection and soft security, provides advantages to the EU and contributes an appropriate regional articulation to European as well as global governance.

EU response: the "Wider Europe" agenda

What we have said so far suggests that the impact of globalisation to the BSEC and its wider area regards mostly its relations with the EU. For sure, other factors have an impact on BSEC globalisation, as the United States and the major relations of this country with the Middle East. There is no doubt, however, that EU is the most significant pole of BSEC attraction and, as a consequence, the most significant BSEC link to globalisation.

While the BSEC is attracted by the EU, the reverse is definitely less true. In the past, there were times when the EU showed an interest in the BSEC, for example when in 1997 the Commission aired a well articulated agenda for its action in the BSEC area⁶. The EU also funded a number of projects in the region. Still, it remains true what Valinakis said some years ago: "EU involvement in the BSEC framework has ... been minimal"⁷. In general, the EU is very supportive of sub-regional agreements of co-operation and integration. The political economy of regional integration broadly fits with EU very identity and is regarded by the EU - as well as the OSCE - as an important instruments of economic development and conflict prevention. Still, Valinakis very aptly notes that so far the EU has been more successful in promoting and supporting sub-regionalism in the Northern and, to some extent, Central eastern Europe than in South eastern Europe and the Black Sea area.

As of today, the Commission's project for re-ordering EU relations with neighbours in order to cope with the consequences of next May 2004 enlargement⁸ seems to disregard the BSEC in casting out what they call "A New Framework for Relations with our Eastern and Southern Neighbours" - briefly dubbed "Wider Europe". The latter is, first of all, a statement about EU identity and, conversely, about the status of neighbouring countries with respect to EU. According to this statement, after the EU will be enlarged to ten countries in May 2004, three more countries have a chance to be included: Bulgaria and Romania in 2007 and Turkey at an indefinite date. It must be remembered, however, that in December 2002, the European Council in Copenhagen reaffirmed the "European perspective" of the countries of Western Balkans in the framework of the Stabilisation and Association process. This being the maximum possible extension of the EU in the long-term, the "Wider Europe" agenda lists a number of countries that the EU will consider as its non-EU neighbours and states a special, preferential policy of co-operation and support towards all of them. These countries are (a) the Russian Federation, (b) the so called Western Newly Independent Countries (WNIS), namely Belarus, Moldova and Ukraine, and (c) the Southern Mediterranean countries which are parties to the Euro-Mediterranean Partnership (EMP), namely Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian National Authority, Syria, Tunisia and Libya (presently, with the status of observer).

⁶ *Regional Co-operation in the Black Sea area: State of play, perspectives for EU action in encouraging its further development*, COM (97) 597 final, 14 November 1997.

⁷ Yannis Valinakis, *The Black Sea Region: Challenges and Opportunities for Europe*, Institute for Security Studies, Chaillot Papers No 36, July 1999, p. 54.

⁸ Commission of the European Communities, Communication from the Commission to the Council and the European Parliament, *Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, Brussels 11.3.2003, COM(2003) 104 final.

The Southern Caucasus countries, Armenia, Azerbaijan, and Georgia, would not be included in the notion of Wider Europe. In its Conclusions on Wider Europe/New Neighbourhood, the 18 June 2003 European Council in Thessaloniki stated that at a later stage it "will examine whether the Southern Caucasus countries could also be covered within" Wider Europe policies. One cannot exclude that a long-term, indefinite perspective will be open. For the time being this is not very likely.

What is the relevance of this new EU Neighbourhood policy for the BSEC? One can respond to this question from a general point of view as well as from the BSEC particular point of view. From a general point of view, one has to point out that, first of all, the substance of the policies put forward in the "Wider Europe" perspective is nothing more and nothing less than the long standing instruments and aims of the associative relations the EU has evolved towards its neighbouring regions almost since its inception, with a view to promote regional (it would be better to say: inter-regional) co-operation. All is new in the "Wider Europe" agenda is the area of application and the attempt at using the old format to create a systemic, wider architecture for the entire EU "near abroad".

In principle, EU regionalism purposes to foster regional relations among its partners beside bilateral relations with each of them. (At the end of the day, it is this purpose that makes inter-regionalism - especially between countries at different level of development - compatible with globalism and global governance.) In general, however, bilateral relations have increased by far more than horizontal relations among partners. More in detail, results are mixed and very much dependent on the degree of development of partners. When partners are less developed, there is an effect of polarisation. Each associated country gets more interested in developing its economic and commercial relations with the EU rather than its neighbours. The latter have usually little to offer with respect to the EU or there are conflict or disputes. The EU economic power acts as a dividing factor with respect to its less developed partners.

Thus, the pattern of EU relations with its less developed neighbours tends to be inevitably a hub and spokes one. Horizontal integration and co-operation among EU associates gets neglected rather than upgraded. This has been the experience made with the Maghreb, with the associated Arab countries and, more in general, with other inter-regional relations the EU has tried to foster in Central eastern Europe and the Balkans. (It must be stressed that the ruling classes of the less developed countries involved have never even attempted at countering this negative trend of fragmentation by fostering co-operation and integration in their own regions).

This effect of polarisation is much less important when the partners are sufficiently developed economically or, more broadly speaking, when the partner regional organisation is something that already works rather than something that has to be set up more or less from scratch. This is more of the experience of EU relations with Northern or European countries, for instance the Northern Dimension.

From the BSEC particular point of view, the implementation of the EU emerging Neighbourhood policy can weaken BSEC in two respects. First, the extreme differentiation of BSEC members' status vis-à-vis the EU may weaken BSEC cohesion. Second, while the new EU policy takes into consideration existing sub-regional frameworks of relations with its neighbours, such as the EMP and the Northern Dimension, it does not take the BSEC into consideration. Technically, because the BSEC Caucasian members are not comprised in the notion of Neighbourhood. This may contribute to weaken and divide the BSEC all the same. In any case, from both point of view, while individual members of the BSEC would take advantage of the benefits that the EU Neighbourhood policy is promising, other members of the BSEC and the BSEC as such would not be able to do the same. There will a discriminatory effect that may put at risk BSEC cohesion an rationale.

What is the best option for BSEC? Should it try to be included in the Neighbourhood policy or not? In case it remains out, the discrimination stemming from an uneven application of the Neighbourhood policy to individual BSEC members can compromise the very foundations of the organisation. On the other hand, the inclusion in the Neighbourhood framework may bring about an analogous risk of polarisation and fragmentation, according to the hub and spokes pattern of relations inclusion would seemingly generate. In both cases, there is a risk of fragmentation and even dissolution or disruption. However, BSEC members have an average level of development higher than Southern Mediterranean countries. Furthermore, it is a well-structured and functioning regional organisation and the members look strongly willing to pursue their regional co-operation. Consequently, the best (or least damaging) option is the inclusion in the Neighbourhood scheme, whose polarisation effects the BSEC should be able to counter successfully while enjoying Neighbourhood advantages. This is the best option also from a global governance vantage point, as it preserve, with the BSEC cohesion, a viable regional articulation in the area. Thus, this should be the option BSEC institutions should support in its evolving relations with the EU.

Eastern Mediterranean and the Middle East in the “Wider Europe” perspective

What is the interplay between the developments discussed in previous sections and the Eastern Mediterranean and Middle Eastern areas? What is or would be the role of BSEC with respect to these areas in the EU Neighbourhood policy perspective?

Eastern Mediterranean - The Eastern Mediterranean concept remains partly heir to Cold-War geopolitics, when it focused on Cyprus, Greece and Turkey, other countries on the eastern shores of the Mediterranean being referred to as Levant, Near East or Middle East. Post-Cold War developments have tended to enlarge that concept to neighbouring areas and have brought about the very BSEC. The latter can be seen as a kind of Greater Eastern Mediterranean.

The idea that the early Eastern Mediterranean area has expanded in a new wider area organised to attain stability and peace can be regarded as an important and positive factor in the framework of the dispute between Greece and Turkey and its attendant conflict on Cyprus. For sure, the BSEC has developed for the time being more as an economic than a political and security co-operation venture. While this option is consistent with the development of a long-term capabilities of conflict prevention and management in the region, it has left behind such capabilities in the short term. In this sense, the BSEC has been unable to contribute to the management and solution of the Turkish-Greek dispute or the Cyprus conflict. Still, there is no doubt that the presence of both Greece and Turkey in the BSEC has contributed to the ongoing “detente” between the two countries⁹. More in general, although the BSEC cannot be regarded as a specific factor for solving the dispute, the inclusion of both countries in a regional co-operative structure as the BSEC has to be considered in itself as a factor anyway contributing to a process of conflict prevention and resolution in the longer term.

With respect to the solution of the dispute, the inclusion of Turkey in the EU, beside Greece and - as a consequence of the 2004 enlargement - Cyprus, could be regarded as a more effective alternative than the BSEC. As matter of fact, however, the inclusion of all the three countries in the EU does not detract from the significance of BSEC tasks for furthering co-operation between Turkey and Greece (and maybe Cyprus tomorrow). By the same token, co-operation with Russia remains an issue for the Baltic countries even after their inclusion in the EU and, to that purpose, the so called Northern Dimension will not cease to help co-operation in the area. Greece and Turkey (and maybe Cyprus) need a sub-regional dimension to develop their relations with the other BSEC countries anyway.

⁹ Ian O. Lesser, F. Stephen Larrabee, Michele Zanini, Katia Vlachos-Dengler, *Greece's New Geopolitics*, Rand, 2001.

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In fact, while the solution of the disputes relating to the narrower Eastern Mediterranean area are of importance for EU security, this solution cannot come only thanks to the inclusion of all the stakeholders in the EU. Co-operation in the Greater Eastern Mediterranean area, that is the BSEC, would strongly contribute to such solution by allowing for co-operation in a sub-region where Greece and Turkey - and Cyprus - have strong interests.

The Greater Eastern Mediterranean area can perform another co-operative task. The BSEC area is very important for Russia and related to a set of significant political and economic Russian interests. From the point of view of Russia, a degree of independence on the EU in dealing with its interests around the Black Sea basin is certainly welcome. From the point of view of the EU, this flexibility in its relations with Russia would be helpful, so much so that the BSEC is bound to develop in any case as a filo-EU area.

A last point may regard what the Commission's communication on EU Neighbourhood calls "the management of the new external borders and transboundary flows", mostly the problem of legal and illegal migration and soft security issues (such as international crime, drug trafficking, other kind of trafficking and the suppression of terrorism). While EMP as a non regionally-structured entity didn't help in tackling these issues, the BSEC is bound to be more cohesive than the EMP in case it were encouraged to tackle soft security issue in its regional context. This would help the EU much more than any bilateral or hub and spokes pattern of co-operation in the fields involved.

In conclusion, the existence of a working regional space in the Black Sea area would combine positively with the EU in dealing with conflict in Eastern Mediterranean and other regional security issues, such as soft security ones. By the same token, it would ease and reinforce co-operation with individual countries, as in particular in the case of Russia. A network of bilateral EU relations with the individual countries of the region only would be definitely a very second best. If the impact of the EU Neighbourhood policy were to trivialise the BSEC regional framework of co-operation, the emerging EU policy could become such second best and result detrimental not only to the BSEC but to the EU also.

The Middle East - The EU has never considered the Middle East as a single area in the way the United States and now Russia after the Soviet Union use to. The EU policy towards this area is very fragmented.

While the EU has developed significant common political approaches to the Mediterranean and the Near East (the Arab-Israeli conflict), it has always maintained an extremely low profile with respect to the Gulf area. The EU never had any contractual relations with Iraq, and very limited and low level political relations. All is there with Iran is a political dialogue in the shape of the so called "critical dialogue". Between the GCC countries and the EU there is a comprehensive agreement that contemplates a political dialogue as well as trade and economic relations, that is considered by analysts undeveloped and unsatisfactory, however.

Some European countries only, namely the UK, France, Germany and Italy have developed some bilateral relations with Iran and or individual GCC countries. Still, while the UK and France have always included the region in their strategic perspective, the other European countries have just missed such perspective. The lack of strategic perception has prevented EU policies from emerging (as in the case of Iraq and Iran) or from assuming a more adequate profile (as with the GCC). The task has been largely left to the United State and to the European members of the Security Council, i.e. France and the UK.

The emerging EU Neighbourhood policy risks to strengthen the fragmentation of the EU policies towards the Middle East and the ensuing lack of strategic perspective by consolidating its present distinction between the Southern Mediterranean and the other areas of the Middle East.

The European official discourse keeps on attributing a special importance to the Southern Mediterranean for its security. As a matter of fact, the pattern of migration includes many Asiatic and African sending areas beside those of the Middle East and North Africa; transnational trends as terrorism and Islamic extremism go well beyond the Levant and North Africa. When it comes to hard security issues, as WMD proliferation or the Arab-Israeli conflict, the distinction between the Mediterranean and the Middle East is absolutely senseless.

The lack of strategic perspective and the fragmentation of the EU Middle Eastern policies is essentially the outcome of its enduring deficit in the CFSP. Unless the CFSP is developed in a full communitarian rather than intergovernmental policy, the EU will continue to be unable to have with the Middle East the kind of relations it would fit to have. In this sense, when the large belt of crises that surrounds the EU since the end of the Cold War - a belt that stretches from Central Asia to the Atlantic Ocean - is taken into consideration, it is evident that the area covered by the BSEC plays a role in this belt of crises. The BSEC, as an organised area oriented to stability, development and peace, fills a vacuum the EU is unable to fill until it will be able to get out of its political minority status by enforcing a real EU common security and foreign policy. The BSEC, in alliance with the EU, can perform a series of political and security functions with respect to an area the EU cannot manage by itself. In this sense, a downgrading of the BSEC within the context the EU Neighbourhood policy would not be a plus for the EU itself.

While there is no doubt that the stabilisation and democratisation of the Southern Mediterranean is an important, though strategically limited, asset for EU security and prosperity, the Europeans should not overlook the fact that with respect to many European interests, as the future of the Balkans and the relationship with Russia, as well as national interests of individual EU members, the BSEC area's stability, democratisation and development is not less important than that of Southern Mediterranean. In both cases, a working regional organisation helps the interests of the EU towards the areas involved and those beyond them. In this respect, it must be noted that while the BSEC is a functioning regional organisation, the Southern Mediterranean is not and, sadly, it will hardly be so in next future.

Conclusions

The BSEC has a consistent and positive role in the context of globalisation and, in this sense, it contributes to global governance. The role of BSEC as a region in the globalisation context is mostly affected by the EU. The emerging EU Neighbourhood policy may fragment and weaken the BSEC by including some of its members in the new policy and excluding others.

The paper argues that this is not convenient to the EU itself because the BSEC and the EU are complementary in a number of significant respects. Furthermore, for the sake of global governance, viable regions like the BSEC have to be strengthened rather than enfeebled. In this perspective, the paper points out a number of argument relating to the positive political and economic role of the BSEC with respect to the Middle East and the Eastern Mediterranean area.

At the end of the analysis carried out by the paper, one can wonder what should be done. There is no doubt that, because of the extreme differentiation in the BSEC members with respect to the EU, setting out a contractual relations between the EU and the BSEC may put some challenges. In any case, the EU should recognise the role of the BSEC and give it an appropriate format as a condition to include it in the network of its emerging Neighbourhood policy. The Northern Dimension format seems the more appropriate one to shape a EU-BSEC viable contractual relations. Under this format, other EU members, further to Greece, might be interested in joining the BSEC, as for instance Italy - whose interest towards the Black Sea area are definitely more important than those towards the Mediterranean - Germany and maybe Cyprus. The Northern Dimension format has been

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very aptly pointed out by the Yerevan BSEC resolution that, however, didn't find a response in the Thessaloniki European Council.

BSEC members' status with respect to the EU

BSEC countries	Excluded from Neighbourhood	Neighbourhood	Indefinite "European Perspective"	Candidates waiting for negotiations	Candidates at 2007	EU members
Armenia		X				
Azerbaijan		X				
Georgia		X				
Moldova	X					
Russia	X					
Ukraine	X					
Albania			X			
Bulgaria					X	
Romania					X	
Turkey				X		
Greece						X
Kind of relation with EU	Partnership and Co-operation Agreements		Stabilisation & Association Process (SAP)	Candidates		Members
Perspective with respect to EU	OUT	CO-PROSPERITY BELT	IN			

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**WIDER EUROPE - NEW NEIGHBOURHOOD:
A NEW FRAMEWORK FOR RELATIONS BETWEEN
THE ENLARGED EUROPEAN UNION AND ITS EASTERN NEIGHBOURS**

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The forthcoming enlargement of the European Union (EU) is transforming not only its inner structures but also the shape of the European continent. The enlarged EU will have new borders and neighbouring countries will get closer to it. This new geographical proximity will offer new opportunities for both sides of the border but also creates the need to reformulate the relations between the EU and its new neighbours at a continental level.

The EU has continually expressed its conviction that its enlargement on 1 May 2004 represents a historic step for the entire European continent and presents a unique opportunity to strengthen co-operation with its neighbours to the East and to the South. The EU therefore is committed to find the best possible way to enhance relations with its neighbours. This commitment is being materialised in various initiatives aimed at avoiding new dividing lines in Europe and getting the neighbours closer to the EU.

* Any opinions expressed in this paper are personal and do not reflect the official position of the Council of the European Union.

I.- TOWARDS A NEW FRAMEWORK FOR RELATIONS

The reflection on the future of relations of the enlarged EU with its neighbours was launched last year in parallel of the last phase of the negotiations of ten European states for accession to the EU. The concept of "Wider Europe" was progressively configured on the basis of different contributions from:

- Member States (letters of UK Secretary of State Mr Straw and Swedish Minister of Foreign Affairs, Ms Lindh and Minister for Trade, Mr Pagrotsky).
- The Secretary General/High Representative and the Commission (joint letter of Messrs Solana and Patten).

The initial discussions in the Council took place on 15 April (press 91) and 30 September 2002 (press 279). At that stage, there were exchanges of views on relations between the enlarged EU and its Eastern Neighbours, in particular Ukraine, Moldova and Belarus, although the Council already pointed out the consideration of the broader question of "Wider Europe" beyond the relations with the Eastern Neighbours.

1. The New Neighbours Initiative

A more operational step was made when the Council adopted conclusions on the New Neighbours Initiative on 19 November 2002 regarding the Eastern European neighbours and invited the Commission and the High Representative to prepare more detailed proposals on how to take this initiative further (press 350).

Although this initiative was focused on the Eastern European neighbours, namely Ukraine, Moldova and Belarus, it already incorporated the main elements that would be developed later:

- Approach: the need for the EU to formulate an ambitious, long-term and integrated approach towards all the countries.
- Goal: help to ensure greater stability and prosperity at and beyond the new borders of the Union.
- Objectives: promotion of democratic and economic reforms, sustainable development and trade.

- Differentiation: the initiative would be based on a differentiated approach considering each country's distinct political and economic situation, potential and aims.
- Conditionality: the development of relations with the countries concerned would depend on their implementation of further reforms and their willingness to respect international commitments and common values on democracy, the rule of law and human rights.

The Council reiterated the EU strong commitment to deep co-operation with Russia and left open the possibility of extending the scope of the initiative to partners in other bordering regions.

2. The Copenhagen European Council

At the time of concluding the biggest enlargement process of the EU, The European Council in Copenhagen on 12-13 December 2002 reverted to the question of the relations between the enlarged Union and its neighbours, mainly the Western Balkans, Russia, the eastern European countries and the southern Mediterranean countries (doc. 15917/02). It underlined that the enlargement presents an important opportunity to take forward relations with neighbouring countries based on shared political and economic values.

The European Council reaffirmed the European perspective of the countries of the Western Balkans in the Stabilisation and Association Process and welcomed the forthcoming Summit on 21 June in Thessaloniki between EU Member States and the countries of the Stabilisation and Association Process.

The European Council expressed the need to strengthen after enlargement relations with Russia and the wish to enhance relations with Ukraine, Moldova and Belarus and the southern Mediterranean countries based on a long-term approach promoting political and economic reforms, sustainable developments and trade. It welcomed the intention of the Commission and the Secretary General/High Representative to bring forwards proposals on this issue.

The European Council also encouraged the further development of cross-border and regional co-operation with and among neighbouring countries in order to develop the regions' potential to the full.

3. The Commission Communication on Wider Europe

The Commission adopted the Communication "Wider Europe –Neighbourhood: a new framework for relations with our Eastern and Southern Neighbours" on 11 March 2003 (COM (2003) 104 final).

In its communication, the Commission follows the wide approach of the Copenhagen European Council, considering means to enhance relations with Russia, the Western NIS (Ukraine, Moldova, Belarus) and the southern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia). The Commission proposes an agenda for relations with the EU's neighbourhood over the next decade as well as to reinforce and unite the existing neighbourhood policy towards these regions on a differentiated, progressive and benchmarked way, based on various incentives (from extension of the Internal Market to enhanced assistance and new sources of finance).

The Secretary General/High Representative addressed a letter to Ministers containing some observations focusing on political and security aspects of the communication.

The Council had a first orientation debate on this Communication on 18 March 2003 following its presentation by the Commission (press 63) and held a public debate on 14 April 2003 on the general principles of the initiative (press 105).

4. The Dialogue with the Neighbours

The EU recognises that this new initiative represents a fundamental strategic choice for the neighbouring countries. The EU wishes to proceed in close dialogue with all the countries concerned, primarily with the neighbouring countries themselves.

Following the signature of the Accession Treaty in Athens on 16 April 2003, a meeting of the European Conference at the level of Heads of State and Government was held on 17 April 2003. This was an opportunity to bring together the EU Member States, the Acceding States, the European Associated countries, the EFTA countries, the countries of the Western Balkans, Ukraine, Moldova and Russia and to launch a debate on the general principles of this new initiative with these partners. European partners presented their first reactions to the Commission Communication. The Conference issued a declaration explaining the common objectives on this initiative.

The Euro-Mediterranean Foreign Affairs Ministerial Conference in Crete on 26-27 May 2003 provided the opportunity to present and to discuss this initiative with the Southern Mediterranean partners (press 151). Further discussions will take place at the next ministerial meeting in Naples on 2-3 December 2003.

5. Council conclusions on Wider Europe - New Neighbourhood

The Council adopted conclusions on Wider Europe - New Neighbourhood on 16 June 2003 (press 166) on the basis of the Commission Communication as well as contributions made by the High Representative, Member States and Acceding countries.

These Council conclusions are aimed at launching the initiative in a concrete manner. The Council defined the principles, objectives and general approach for operational actions and invited the Commission with the contribution, where appropriate, of the High Representative, to present proposals on some relevant elements of this initiative.

6. The Thessaloniki European Council

The European Council in Thessaloniki on 19-20 June 2003 confirmed the EU engagement regarding its neighbours and looked forward to the work to be undertaken by the Council and the Commission in putting together the various

elements of these neighbourhood policies. The European Council also endorsed the conclusions adopted by the Council on 16 June.

7. First Commission's proposals

The Commission adopted the Communication "Paving the way for a New Neighbourhood Instrument" on 1 July 2003 (COM (2003) 393 final). The Commission proposes significant steps to improve the EU interventions at its external borders after enlargement.

Between 2004 and 2006, existing instruments for cross-border co-operation such as INTERREG, PHARE-CBC, TACIS-CBC, CARDS and MEDA will be better co-ordinated through the creation of "Neighbourhood programmes" to be launched in 2004. For the period after 2007, the Commission highlights a number of options including the creation of a single New Neighbourhood Instrument in the next financial perspectives.

In this context, the neighbouring countries have expressed their interest in this area of cross-border co-operation, as the recent initiative of Ukraine to hold a ministerial meeting next autumn on cross-border co-operation in Central-Eastern Europe in the framework of Wider Europe.

II. THE NEW FRAMEWORK FOR RELATIONS

It is clear that the basis for the development of the Wider Europe initiative are the Council conclusions of 16 June 2003 which do not entirely endorse the Commission proposals expressed in the Communication of March. Taking into account the existing differences between those two approaches, the general design of the initiative remains nevertheless on the proposed basis.

Prior to enter in the detailed consideration of the initiative, it is necessary to remind some facts of the general context in which the initiative is built and will be further developed. These assumptions let have a realistic approach to the initiative.

1. Previous considerations

Since the last decade, the EU is a process of continuous transformation. Three internal reforms took place (Maastricht, Amsterdam and Nice) and three new Member States joined the EU (apart of the integration of the former German Democratic Republic). At the present, the EU is facing the convergence of two process which have the single effect of changing the EU structures:

- The enlargement (ten new Member States in 2004, the conclusion of negotiations with Bulgaria and Romania, the pending question of Turkey's accession and the recognition of the European perspective of the Western Balkans countries).
- The revision of the Treaties by the forthcoming IGC on the basis of the work of the Convention.

Although one characteristic of the European integration process is its evolutive nature, it is obvious that for the immediate future the EU needs stability in order to assimilate its new size and form. Further major changes in the composition and structures of the EU in the short term would generate an unpredictable destabilisation of the functioning of the EU. This could explain the present contention and cautious regarding new memberships of the EU and the developments of new policies and activities, mainly those that could imply further expending of the EU budget.

Balance is an essential principle of the European integration: balance of power and interest between Member States and Institutions and among themselves. The current enlargement re-balance the shape of EU to the East of Europe (and not only in the very obvious geographical terms). As an almost natural reaction, the claim for a new consideration of the South raises in order to redefine a new balance. This explains the inclusion of the Southern Mediterranean countries in the initiative.

Finally, this is a period of incertitude also for the neighbouring countries. Focusing on the situation of the Eastern European countries, short-term perspectives call for prudence. The forthcoming presidential elections in Ukraine will be a fundamental indicator of the evolution of this country. The possible political settlement of the Transnistrian conflict and the economic situation of Moldova will determine her future. The continuation of the present political situation and the prospects of integration with

Russia will influence the position of Belarus in this initiative. An important transition towards a new political era is foreseen in the Southern Caucasus countries. Even the stabilisation in the Western Balkans has to be completed.

2. Scope

The new initiative explicitly considers the relations with the Eastern European countries (Ukraine, Moldova, Belarus) and the Southern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia). In principle, the Eastern European countries and the Southern Mediterranean countries are on equal basis regarding the implementation of this initiative. But the added value of this initiative to the existing framework of the respective relations will not be the same: the Southern Mediterranean countries already have the Barcelona Process with a potential for development and therefore the initiative contribution will be less innovative. On the contrary, the Eastern European countries do not have a structured framework of relations and the initiative could play a fundamental role with its full potential to enhance the current relations. This initiative does not create an "Eastern Dimension" of the EU (even the countries concerned expressed doubts of a joint consideration from the EU side) but the main recipients of the new policies will be the Eastern European countries.

Russia, initially included in the Commission Communication, is placed in an ambiguous position. On one hand, the EU-Russia strategic partnership is considered separately as a different already existing policy to be reinforced, while towards the other neighbouring countries the EU wants to develop a new range of policies. On the other, the proposed way to reinforce the EU-Russia strategic partnership is to implement the new neighbourhood policies. Russia is not formally covered by the initiative but will benefit of those elements which could contribute to the reinforcement of the strategic partnership.

The Southern Caucasus countries were not mentioned in the Commission Communication. Now they have the perspective of a future inclusion to be decided by the Council at a later stage. This is a political signal for those countries in line with the EU willingness for increasing its involvement in this region.

The initiative does not cover other neighbouring countries, especially those which can be considered geographically and politically closer to the EU: the EFTA countries, the Western Balkans countries and some micro European states. Relations with these neighbours have an sort of "veteran surplus" (with the exception of the Western Balkans they have been neighbour for long), a well developed framework (EEA, SAP, bilateral relations), and the perspective of a possible membership (in some cases basically theoretical possibility). The exclusion of this multifaceted group of countries could reinforce two ideas regarding the position of the Eastern European countries in the initiative: this initiative is mainly addressed to them and their inclusion in this initiative together with the Southern Mediterranean countries does not prejudice any EU position regarding a future possible accession to the EU.

3. General guidelines

Through this initiative, the EU wishes to define an "ambitious new range" of policies towards the neighbours based on shared political values. This explicit contradiction between the single element of the range and its plural component of policies is the difficulty of the initiative's concept. The unitary element is provided by the EU approach that will be developed in a plural way regarding a variety of partners and using different instruments belonging to the single framework of the initiative. The initial EU offer to its neighbours is one but the means and the results will be various and different taking into account each country concerned.

The new neighbourhood policies will be development on the existing framework for EU relations with Russia, the Eastern European countries, and the Southern Mediterranean partners. This confirms the dynamic and progressive character of this initiative: the implementation of the existing agreements could lead the relations between the EU and a neighbouring country beyond the existing framework. If the starting point is clear (respective existing frameworks), it is not the same for the arrival through further developments of the respective relations. The general aim of coming closer to the EU could be materialised in new or enhanced agreements that would supplement existing contractual relations. Although the nature and elements of

these new or enhanced agreements are not define, this offers a clear perspective to neighbouring countries. In the case of the Eastern European countries, the full implementation of the neighbourhood policies could be the right path for a future accession to the EU when appropriate.

In the case of the countries to the East of the enlarged Union, the formulation and development of the neighbourhood policies need to be distinguished from the longer-term issue of possible EU membership. This is not excluded on the basis of the legal conditions established by the Treaty on the European Union (conditions of article 49 in relation with article 6). The message of this initiative for these countries is the exclusion of the political opportunity of the accession in this moment and under the present circumstances. It also recalls the importance of the political values enumerated in the legal foundations of the EU for membership (article 6 of the Treaty on the European Union) and the reiteration in the observance of these values can not be considered as purely rhetoric or subject to individual interpretation.

4. Goals

The overall goal of the new policies, in line with the Commission Communication, will be to work with the partners to reduce poverty and create an area of shared prosperity and values as well as to anchor the EU's offer of concrete benefits and preferential relations within a differentiated framework which responds to progress made by the partner countries in defined areas. It is a clear deal: prosperity for stability under the same rules.

The EU offers to the neighbouring countries the possibility of coming closer to the EU model (in all political and economic senses), but the neighbouring countries have to perform political and economic reform in line with the model they want to approach. As far as the neighbouring countries success in this reform, the "European model" will be expanded beyond the EU borders and will generate a stable area around the EU. It is a sort of transplantation to the immediate surroundings of the EU internal cohesion policy: to reduce the economic and social differences among the areas of the EU as well as between the EU and its neighbours. This is the way of avoiding that the EU borders will become divided lines in a common space.

5. Implementation

The Council conclusions establish a differentiated approach to each country concerned, based on a range of possible incentives and on the use of political and economic benchmarks to assess progress towards established objectives.

Differentiation will be the basis for the new EU policies towards its neighbours. As we have already explained, although the EU approach is one, the means and the results will be various and different taking into account each country concerned. There will be a double differentiation regarding the country concerned and the EU policies. Not all the countries covered by the initiative will take all the elements of the EU range of policies. Each country will be individually considered and the EU policies could be applied taking into account their feasibility to the mutual interest of each bilateral relation.

The Council listed the possible incentives offered by the EU with the same aim of getting the neighbours closer to the EU. These incentives are based on those mentioned by the Commission Communication and could be offered in a flexible way depending on the mutual interest of the parties concerned. They related to enhanced co-operation in a variety of areas as i.a. security and conflict prevention, trade, legal migration, environment, justice and home affairs, customs, transport energy, education etc..

These incentives will find their counterpart in political and economic benchmarks used to evaluate progress in key areas. These benchmarks are not defined nor enumerated but it is clear that they are related to economic and political reform. Therefore, the development of relations with the countries concerned would depend on their implementation of further reforms and their willingness to respect international commitments and common political values. This conditionality is formulated in vague terms but it should be defined by the EU and the country concerned in view of its internal situation and the common targets of the respective bilateral relation and will guide the evaluation of progress in that relation.

The new neighbourhood policies will be implemented by Actions Plans that will become key policy instruments. They will be the real road map of the relations

between the EU and each of the neighbouring countries, containing the respective incentives and benchmarks for a period of time. Each Action Plan will be considered as a milestone in the respective relations. There will be difficulties in the establishment of these instruments: the EU should avoid any temptation of "diktat" to the respective partner and this has to proceed with a realistic and pragmatic approach at the moment of fixing the objectives to be accomplished.

The Council invited the Commission to present proposals for Actions Plans from 2004 onwards for all countries concerned as appropriate, commencing with Ukraine, Moldova, and Southern Mediterranean partners with Association Agreements. This exercise will be the first threat for the real implementation of this initiative.

The Council also invited the Commission to examine measures to improve the interoperability between the different relevant instruments for support to the border areas as well as to present a communication on a new Neighbourhood Instrument. The first proposals elaborated by the Commission are under the study of the relevant bodies of the Council. These proposals concern mainly the management of the existing instrument and will require an important internal effort of the EU administration.

III.- CONCLUSIONS

1. The EU has real willingness and interest in enhancing its relations with the neighbouring countries on the basis of a mutual understanding: the new neighbourhood policies will provide stability (which is in the interest of the EU) and prosperity (which is in the interest of the neighbours) in the neighbouring areas around the EU. These new neighbourhood policies have the general aim of getting the neighbouring countries closer to the EU.
2. The EU proposes a common approach consisting of a range of policies to be progressively developed. This approach will be implemented in a plural way regarding a variety of partners and using different instruments belonging to the single framework of the initiative. Each country will be individually considered and the EU policies could be applied taking into account their feasibility to the mutual interest of

each bilateral relation. Consequently, the results of the implementation of the neighbourhood policies will be various and different taking into account the situation, the interest and the progress made by each country concerned.

3. The effects of the new neighbourhood policies will not be immediately visible for the neighbouring countries. These policies should be built on the existing frameworks and then fully developed in the medium term. They could lead in the future to new or enhanced agreements that would supplement existing contractual relations. The possible future creation of a New Neighbourhood Instrument in line with the future new Financial Perspectives from 2007 is a good example of the "retarded" effects of this initiative.
4. Although this initiative covers the Eastern European countries and the Southern Mediterranean countries, the first will take more advantage of its content taking into account the absence of a structured framework for relations and the principle of differentiation. In the case of the countries to the East of the enlarged Union, the formulation and development of the neighbourhood policies need to be distinguished from the longer-term issue of possible EU membership that remains open on the basis of the conditions established by the legal foundations of the EU.

The Wider Europe - New neighbourhood initiative is just starting. It is too soon to predict its results but its own evolutive dynamics let foresee a progressive rapprochement of the neighbouring countries to the EU. As progress in political and economic reform are made, the gap between the two sides of the EU external border will be reduced and neighbouring countries will get closer to the EU. The full implementation of this initiative will undoubtedly pave the path for the future integration of the Eastern European countries.

Brussels, July 2003

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THE BSEC: FROM NEW REGIONALISM TO INTER-REGIONALISM?

Paper presented at the International Conference *The New European Architecture in the 21th Century: Promoting Regional Co-operation in the Wider Black Sea Area: The BSEC Case* organised by the International Center for Black Sea Studies (ICBSS) and the Hellenic Parliament, 3-7, September 2003, Milos Island, Greece.

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INTRODUCTION

The decade following the end of the Cold War with witnessed a resurgence of regionalism. The number, scope and diversity of regionalist schemes have grown significantly, enabling distinction to be drawn between the "old" regional wave in the in the 1960's and the "new" characteristic of the post Cold- War period.

The new regionalism of the 1990's emphasizes the viability of the regions in the global multipolar order, created in a spontaneous process not only by the states but also from non state actors in a comprehensive multidimensional process with a strong regional identity¹. Therefore, the direction in which regionalism evolves is likely to have a major impact on the future of the international political and economic order.

The new regionalism has the following characteristics:

First, mega-regionalism. An extremely wide range of countries are included (or expected to be included) in economic arrangements.

Second, economic and political great powers, which formerly were giving priority to regionalism and were not participating in regional arrangements, are now playing important role in regionalism.

Third, regionalism today encompasses both developed and developing countries, small and large countries. Developing countries have responded to the globalisation of the world by adopting interdependence strategies designed to secure investment from and access for the markets of the developed countries.² This is dramatically true of the Partnership and Cooperation Agreements' of the members of the BSEC, Mercosur, and of Mexico in NAFTA.

Fourth, there is the very wide variation in the level of institutionalisation, with many countries groupings consciously avoiding institutional and bureaucratic structures of traditional international organizations and of the regional model represented by the EU.

Fifth, new regionalism has a multidimensional character. The dividing line between economic and political regionalism becomes even harder to draw as the new regionalism is fed both by the end of the Cold War and the decentralization or regionalisation of security concerns, and by developments in the global economy.³

Sixth, the current process of regionalism are more from "below" and "within" than before, and that not only economic, but also ecological and security imperatives

push countries and communities towards co-operation within new types of regionalist frameworks. The actors behind regionalist projects are no longer states only, but a large number of different types of institutions, business' elites, organizations and movements (trans-regionalism) ⁴

Seventh, unlike most old regional schemes the new ones are characterized by overlapping membership by countries in a number of different groupings (for example, membership of Greece in EU in BSEC and in SEECP). It would appear that the primary motivation for this multiple membership is to secure access to different regional markets, particularly where regional blocks demonstrate protectionist tendencies against non-members.⁵

Eighth, new forms of often multi-layered inter-regional relations have appeared as a corollary of "new regionalism". Inter-regionalism in the context of "new regionalism" took different forms of loose, informal and multi-layered arrangements with more diffuse membership. Through inter-regional actions, each 'region' becomes a reflexive agent that both constitutes and is constituted by, its inter-regional interaction and its ongoing 'externalisation'.⁶ In concrete terms, then, what is understood by inter-regional interactions in the context of the Euro-BSEC relationship will depend to a large extent upon how the member states of the BSEC and EU view themselves and each other within, and as a result of, the process of interaction.

The basic objective of this paper is to examine in what extent the BSEC is a major departure from the earlier static, inward-looking, import-substitution and protectionist policies evident in the region and promotes a more dynamic, open, outward-looking approach, connecting the BSEC with the EU and more generally the whole Black Sea area with the world economic system.

The rest of this part will attempt to answer to four key issues:

The first one refers to *structural change of the BSEC in the context of new regionalism*, the second to *the dynamics of the BSEC*, the third to the *preferred outcomes of the BSEC* and the fourth to the *inter-regional grouping cooperation development and especially to the EU-BSEC relationship*.⁷

Structural change key issue

A key theoretical and practical question is what new regionalism signifies. Is it compatible with globalisation, even steps towards it, or does it foreshadow a turn

away from the cosmopolitan world economy and a return to closest, antagonistic regional blocs and 'stumbling blocs'?⁸.

For some observers, new regionalism is perceived as an integral part of globalisation, as one of its many manifestations. Regionalism and globalisation, are then seen as a compatible process, being an outlet of the same underlying phenomenon. As B. Hettne point out, " the two processes of globalisation and regionalization are articulated within the same large process of global structural change".⁹ Other authors, emphasize the distinction between the two processes and view them almost as 'bouncing' toward one another; 'globalisation' being the challenge of economic and cultural homogenisation of the world, and new regionalism being a social and political reaction. According to some analysts this regional response takes place where region- wide societies (clusters of states) seek to protect themselves for the 'evil' consequences of globalisation, take advantage of the very same process.¹⁰

Regionalism can be used also as a stepping stone towards more global or multilateral relations. We know that in deepening integration, and in proceeding with reform, we can create new vested interests through regional liberalization. We know that we can secure reforms, that if we are afraid of backlashes, we can create secure them through regional arrangements to ensure that there are no reversals

The structural change key therefore issue refers to the following questions:

- From 'stumbling blocks' to 'open regionalism' ?
- From 'stumbling blocks' and 'stepping stones' to 'building blocks' ?

Some analysts¹¹ define "open regionalism" in relation to official barriers to trade (protection). Open regionalism means that policy is directed towards the elimination of obstacles to trade within a region, while at the same time doing nothing to raise external tariff barriers to the rest of the world.¹² . In some ways, the new "open" regional arrangements are a response to the increasing competition under a global economy, and for many, it represent a first step towards enabling economies to benefit from the process of globalisation. "Open" regionalism is thus one way of coping with global transformation, since an increasing number of states realize that they lack the capability and the means to manage such a task on the "national" level.¹³

The BSEC promotes a more dynamic, open, outward-looking export oriented approach¹⁴. In other words, from a closed regionalism to an open regionalism. By the BSEC Istanbul Declaration, the participating States were committed to expand " their mutual trade in goods and services and ensuring conditions favourable to such development by continuing their efforts to further reduce or progressively eliminate obstacles of all kinds, in a manner not contravening their obligations towards third parties". While this seems to represent a commitment to an across-the-board elimination of all barriers to trade among members, it must be noted that the "obstacles" mentioned here refer mostly to structural barriers.¹⁵ However, the special meeting of the Ministers of Foreign Affairs with participation of the Ministers responsible for economic issues on February 7, 1997 in Istanbul approved " The Declaration of intentions on the creation of a zone of free trade of BSEC" by proclaiming that the time to study the ways and means for gradual formation of a zone of free trade of the BSEC as a part of the European Architecture has arrived. Nevertheless, the European Commission, although during bilateral consultations with the BSEC in April 1997 had expressed its readiness to act as the partner of the member states of the BSEC in the creation of a regional zone of free trade, in practise put forward a number of conditions like the following: The approach to the creation of free trade zone should be gradual and designed for a long prospect, the existing agreements between the EU and member countries of the BSEC should be taken into account, the admission to the WTO of the BSEC states should be completed before the creation of a regional zone of free trade.¹⁶ As a result the member states of the BSEC after a thorough examination, adopted in 2001 a rather less ambitious position which was reflected in the *BSEC Economic Agenda for the Future towards a more consolidated, effective and viable BSEC partnership*. The Agenda envisages " the ambitious objective to set up a BSEC Free Trade Area (FTA) should be achieved gradually, and step by step, taking into account the Customs Union, the European Agreements as well as the Partnership and Co-operation Agreements of some Member States, and taking into account the obligations resulting from membership in EU and WTO, as well as other international organisations".¹⁷ Thus the BSEC does not represent a preferential trade agreement as such but aims at establishing an open trade regime.¹⁸

Furthermore, geography links the region and provides two models of international relations that knit the regional security issues together- the balance of

national interests with the necessity of sustainable development.¹⁹ This kind of approach being adopted by the member states of the BSEC promotes international competitiveness, better trade performance, infrastructure building, environmental protection, good governance, cooperation in science and technology, education and training, liberalisation, and structural adjustment. In sum, it aims at dynamic and action-oriented objectives. It envisages intra-regional trade, but not at the expense of extra-regional trade. It promotes the greater involvement of non-governmental sectors and puts more emphasis on the private sector²⁰. As E. Kutovoi points out, “having emerged as a new regional structure of multilateral and multidimensional cooperation at the crossroad of three continents, the BSEC duly reflects the specificity of this part of the world”²¹.

The new approach stresses, also, the need for the progressive integration of the newly independent states in the world economy. For the developing countries, like most of the BSEC states, participation in sub-regional and regional cooperation together with more developed and experienced states is a stepping block towards integration into the broader global system. From this point of view sharing experience and mutual support by the member countries in intra-regional structures add complementary elements to their development and helps them to adjust to the competitive milieu of globalisation.²²

The BSEC, consequently, should be considered as a “stepping stone” integrating the member states’ economies in the global economy as well as a clear example of the open regionalism²³.

The dynamics of new regionalism key issue.

The task at hand in the second key issue is to determine who main actors are in the process of regionalism. What actors and whose interests are 'driving' (or impeding) and dominating the process of regionalism: is the states and its constituency which is pushing regionalism process and setting the agenda or is it the private economic forces and/or civil society? What is the relative strength and relationship between state, market, and (civil) society actors and how does this affect the dynamics from 'above' and the dynamics from 'below'?

The dynamics of new regionalism therefore key issue refers to the following two questions:

- One driver factor (economy/ political/social/security) or several?
- Regionalism from 'above' (states) or from 'below' (civil society) ?

At the geo- political level Black Sea regionalism is in one important respect uniquely significant compared to the wider Europe's other regional dimensions. It involves three very large European actors (Russia, Ukraine, Turkey) in a quite balanced and non- hegemonic setting as well as small Albania, Moldova and the three Caucasian states²⁴. It is also the most diverse among all the other regional cooperation schemes in Europe. BSEC unites eleven full member countries and the two future members (FYROM and Serbia-Montenegro) which differ very greatly, in many areas: economic, social, military potential and in geo-strategic interests²⁵. Furthermore, with the entry into force of the 1998 Charter, ratified by the parliaments of all eleven Member States, the BSEC was transformed in 1999 into a regional economic organisation with legal identity on the international scene.²⁶

“Accepting the meaning and implications of that metaphor”, as N. Ecobescu points out, “might reveal how great and how important are both the expectations and tasks BSEC is presumed to fulfil”²⁷. Thanks to the many bodies created and the broad range by BSEC activities, the Black region has, at least by a step, come closer to European criteria of regional cooperation.²⁸

There is no doubt, that the architects of the BSEC have perceived economic development as the main pillar of regional security. The agenda of the Organisation has thus been restricted to mainly economic cooperation in specific fields, placing ‘hard’ security matters out of its scope of activities. Reading, however, through the founding documents of the BSEC, it becomes obvious that the search for security and stability in the region was the main goal and aspiration of the initiative. A notable field where the BSEC has in fact taken some action concerns non traditional (but explicit) security ‘soft’ issues such as terrorism, drugs, organised crime, illegal migration. As a consequence, the BSEC provides additional channels for multilateral and bilateral dialogue, and brings around the table neighbouring countries which have often viewed each other and still view with deep suspicion and distrust.²⁹ The BSEC could thus gradually play an indirect role in the further de-escalation of local conflicts by acting as an informal forum of consultation.

Within this context, conflict resolution through consolidation of peace and stability by means of economic integration becomes top priority for the Black Sea countries. It is obvious, as a Report of the PABESEC’s Committee of Legal and

Political Affairs notes, " that unstable political climate, unresolved conflicts, declining living standards, refugees, border disputes and security concerns in the region undermine normal economic activities leaving the region turbulent and uncertain for further sociopolitical developments. On the other hand, establishment of strong economic ties helps to remedy and settle many political disputes."³⁰

The BSEC has also adopted a "bottom-up" process of regionalism by involving, parliamentarians, local authorities, the business community, organisations and professional groups from all participating states,³¹ like the Parliamentary Assembly of the BSEC (PABSEC), the BSEC Business Council (BSEC-BC), the Black Sea University and the International Center for Black Sea Studies. These bodies are reinforcing the expansion of civil society in all the member states.³² Thus, the actors behind regionalist projects are no longer states only, but a large number of different types of institutions, organizations and movements. Although these bodies are operate rather independently without linking their efforts for developing the "bottom- up" cross-border process of regionalism (transregionalism) , nevertheless contribute to the development of democracy within and stable relations between the states concerned.³³

Consequently, as T. Aybak, claims, "as the membership structure and activities suggest, the BSEC is a comprehensive and multilayered regional organisation."³⁴

The preferred outcomes of new regionalism key issue.

This third key issue emphasizes on the values of peace and development. The question is, what does new regionalism mean for the promotion of peace and development? More specifically, with regard to the fundamental value of peace, in what way does new regionalism promote stability in the international system, resolve upcoming conflicts and deal with old animosities? One way to investigate this is to try to assess whether regions are being transformed from regional conflict formations and security complexes into more functioning security communities. A related task is to determine for quality and record of regional conflict resolution, intervention and peace- keeping.

With regard to development for decades both policy- makers and theorists have emphasized the potential of new regionalism to stabilize the international

system and promote trade and economic development. But strong criticisms have also been made against regionalist projects, for instance that they may reinforce a narrow and particular type of regionalist economic regime, which may serve mainly elite interests and sacrifice social development concerns. It is therefore relevant to assess if, and in what way, regional strategies and mechanisms actually contribute to genuine new development, and what type of development is reinforced.

The preferred outcomes of regionalism refers to two questions

- From security complexes towards security communities?
- Towards a development new regionalism?

In international relations, the study of regions has been predicated on the notion of anarchy, which leads sovereign states to work to control specific territories and to form regional security complexes³⁵. A "regional security complex," is defined as "a group of states whose primary security concerns link sufficiently closely that their national securities cannot realistically be considered apart from one another"³⁶. Existing regional security complexes often have one or more significant members, typically great powers able to project force. D. Lake and P. Morgan use the regional security complex as their basic unit of analysis. They have picked a specific aspect of the complex to study, namely, "regional order," which they view as "the mode of conflict management within the regional security complex"³⁷. Moreover, regional orders contain different mixes of cooperation and conflict and varying degrees of external penetration.

BSEC is interested, as has been argued above, in resolving the several conflicts in the Black Sea area as well as in making an important contribution to efforts to bolster peace, security and political stability in the region. The importance of the BSEC in promoting political stability in the region is clear from three perspectives:

First, the fact that BSEC brings together representatives of all Black Sea states can be considered an achievement in itself. BSEC has helped create a favourable psychological atmosphere in a region torn by conflicts in all forms and shades. The results are all more impressive in the face of the diversity of the problems of the region.³⁸.

Second, any programme of regional co-operation aimed at fostering the economic and social progress of the participating states carries with it as a necessary follow-up a sense of greater stability and security in the region. It is undeniable that successful co-

operation among the BSEC nations in the economic field is likely to bring about a more favourable political climate in which acceptable solutions to outstanding issues could be more easily reached.³⁹

Third, the BSEC may require some commitment of political means, in order to sustain the results so far achieved. In other words, if economic cooperation is to advance beyond its present stage, there needs to be a certain degree of political will in order to enable the on-going projects to evolve into areas of national policy.⁴⁰

Most characteristic of the approach of member countries of the security community is the belief that the use of military force is unthinkable and inapplicable in case of a dispute among them.⁴¹ However, there are, as P. Manoli has observed, quite enough obstacles to an enhanced security role of the BSEC, such as the existence of territorial disputes, high security concerns and diversity of national security policies, lack of a sense of regional interest as well as of a common perception of external threat. Furthermore, the BSEC countries belong to different political and security organisations, some small members fear of being dominated by larger neighbours (such as Russia and Turkey), a lack of implementation mechanisms exists and there is no efficient interface between the BSEC and other organisations with security and political functions.⁴²

Therefore, despite the fact that a real commitment exists among the member states to cooperate on security issues, the BSEC has not yet evolved to the point of effectiveness and is still far from a security- community type of relationship.⁴³ It seems that the BSCE is more close to represent a regional security complex. As P. Roeder argues, Russia, for example helps stabilize the region by containing and resolving conflicts among the successor states, providing border defenses and bolstering domestic regimes, yet it simultaneously forms, in many cases, the most salient threat to the security of the region's states.⁴⁴ Nevertheless, for some member states the BSEC could be consciously exploited as an opportunity to work in a multilateral setting on practical issues that unite them despite the fact that their quarrels have not been solved.⁴⁵ In that sense the BSCE in the framework of the regional security complex could be considered as a security order in the making.

Regarding the issue of development, regionalism like globalisation is normally uneven in its impact. Certain places and sites will be integrated while others are marginalized. The cores act as powerful magnets which drag other states into their

orbit, and with the collapse of alternative models of development, this trend has become more pronounced.⁴⁶

The dynamic role of the regional cooperation is seen as instrumental in transforming the region into a regional trade and investment area, as well as in contributing decisively to the liberalisation of the regional economy. For the past years the BSEC countries have made substantial progress with transitional reforms involving radical re-organisations embracing priority fields as trade, border-crossing, transportation, investment, banking, energy, environment, property, administration, judiciary, production, technologies; etc. A great number of important new laws and regulations have been adopted. Comprehensive measures have been taken towards establishment of coherent legal framework supportive of sustainable economic development and transformation into the market-led democracies and new decision-making mechanism relating to project development was recently adopted.⁴⁷

It must be noted, however, that the BSEC countries, while acting for the development of their multilateral cooperation and despite substantial progress achieved in many fields, there are also substantial difficulties such as : shortage of financial resources and failure to attract significant investments from abroad (Only a tiny amount is coming and mainly for privatisation, not greenfield investment) ; a lack of coherent definition of aims, priorities and long-term issues; a discrepancy between the proclaimed objectives and the degree of implementation of projects adopted under the BSEC aegis; low efficiency in implementing adopted resolutions and decisions; absence of a mechanism responsible for monitoring their compliance by the appropriate national authorities and most of all, political instability.⁴⁸

BSEC therefore should not be considered as a regional cooperation scheme which was able to transform radically the economic development of its member states. BSEC has emerged, however as S. Sayan points out, as a regional initiative encouraging co-operation and improved market access rather than protection and preferential treatment. It did not emerge as a strong form of regional integration *per se*.⁴⁹

On the other hand no member state of the BSEC believes that the Organisation can or should go beyond free trade to a true single market and other profound integrative effects similar to those of the EU.⁵⁰

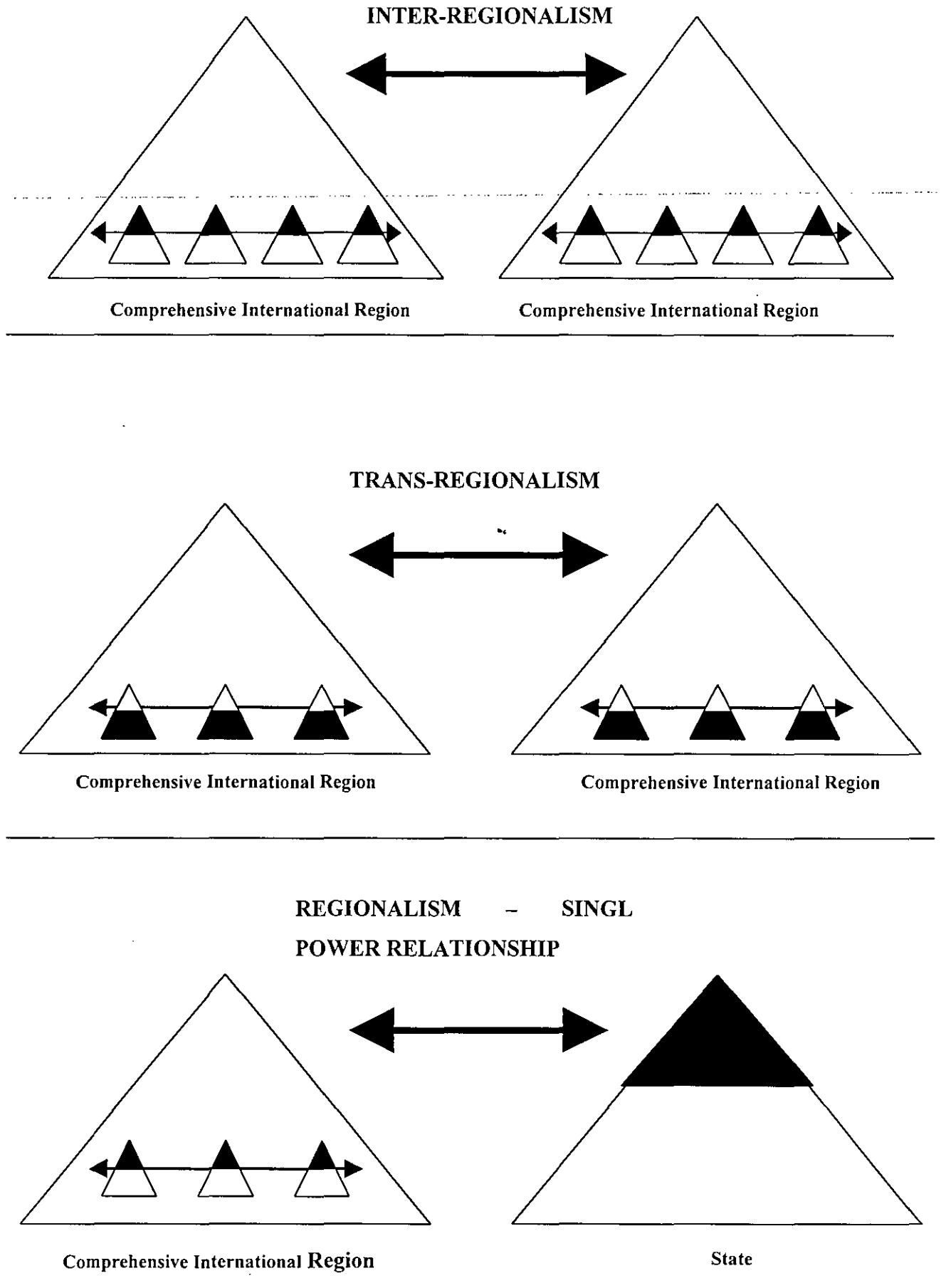
For these reasons, the BSEC is not yet a region in being. It is a region in the making.

Inter-regional grouping cooperation and the BSEC- EU- relationship.

It is truism to note that inter-regionalism presupposes the existence of regions. Seen as a socio- political construct, however, inter-regionalism, may also shape the very nature of its constituent regions, while they, in turn, influence the terms of mutual engagement. According to one definition while a habit of cooperation may derive in the first instance from decisions taken by regional representatives to communicate with one other over particular issues, like security, trade, and social and cultural issues, the communicative channels and patterns of behaviour established as part of that process may themselves affect one region's view of itself and the other. The expanding network of inter-regional relations appears in a wide array of manifestations. In order to categorize existing inter-regional arrangements, H. Hänggi, observes that three different forms of inter-regionalism can be distinguished:

- (a) relations between regional groupings; (e.g. EU-ASEAN) (See Diagram 1)
- (b) biregional and transregional arrangements. Membership in these rather heterogeneous arrangements is more diffuse than in traditional group-to-group dialogues; it does not necessarily coincide with regional groupings and may include member states from more than two regions. Therefore, states participate in an individual capacity, although there may be some degree of regional coordination. (e.g. ASEM and APEC)
- (c) hybrids such as relations between regional groupings and single powers (e.g. EU-Russia, ASEAN – Australia)⁵¹

Diagram 1



The inter-regional EU- BSEC relationship key issue refers to the following two questions:

- Is there a tendency from the part of the BSEC's member states and the EU to move from a bilateral BSEC's member -state to EU relationship towards developing an inter-regional BSEC –EU relationship?
- Which forces lead towards a BSEC- EU inter-regionalism?

In concrete terms, then, what is understood by 'region' in the context of the EU- BSEC cooperation will depend to a large extent upon how the member states of the BSEC and EU participants view themselves and each other within, and as a result of, the process of interaction.. Through inter- regional actions, moreover, each 'region' becomes a reflexive agent that both constitutes and is constituted by, its inter-regional interaction and its ongoing 'externalisation' within this forum.

The consideration of inter-regionalism as an independent unit of analysis is important for the examination of the EU- BSEC relations, for a number of reasons:

First, rather than comparing forms of regionalisation with inappropriate tools, like the application of the international regime formation paradigm, allows us for the continual reshaping and redefinition of both sets of participants, and of their constant reassertion of regionness.

Second, inter-regionalism offers an additional level of interaction on which the notion of region itself is most keenly felt. Thus, despite their very different histories, EU and the BSEC come to be known through this process as certain types of regions. One typification may also spill over into other fields of activity. issues, like the establishment of Free Trade Zones

Furthermore, the inter-regional framework of the BSEC- EU relationship enables each partner to perceive a "like" region in their mutual conversations. This level of interaction has been largely neglected in the midst of these varied approaches to regionalisation and globalisation, or has been casually dismissed. Work incorporating the role of inter- regional grouping tends to examine the supra- and sub-structures of globalisation and region building, rather than analyse the potential impact of inter-regionalism itself.

A key objective of the BSEC is to develop a regional strategy. This strategy should not only highlight the comparative advantages and the economic role of the region in the context of the wider European economy,⁵² but more importantly should promote its regional image. The consolidation of a regional image, as G. Prevelakis argues, will contribute to peace and stability inside the region and will shift spirits from nationalistic and ethnic antagonisms to the idea of fraternity⁵³. BSEC would like, also, to serve as a 'Eurasian bridge', i.e. as a link between Central and Eastern Europe and Central Asia. The fact that the Black Sea region is, apart from Afghanistan and Pakistan, the second natural exit of Central Asia into the wider world, presents another potentially favourable economic factor.⁵⁴

In this sense the future transformation of the BSEC into a dynamic fully – fledged regional economic organisation opens new opportunities for the elaboration of a new strategy for its development . This strategy requires a new sense of partnership, based on trust and confidence and a higher level of political and economic collaboration with other regional blocs⁵⁵. BSEC has already developed inter-regional relations with other regional cooperation such as Central European Initiative, Southern European Cooperative Initiative , the Council of Baltic Sea States and the Nordic Council of Ministers.⁵⁶

According to the documents adopted in 1997-2000, the BSEC is striving to establish closer co-operation with the EU. Such approach is based upon the BSEC understanding of EU growing role on the European continent.⁵⁷ A new impetus to the BSEC- EU co-operation was the adoption by the BSEC member states in April 1999 of the *EU-BSEC Platform for Co-operation* by which they emphasised their willingness to co-operate closely with the EU, with the ultimate aim to progressively shape the EU- BSEC 'economic area' and thereby integrate the BSEC into European economic space⁵⁸. As the Halki document on *BSEC in the XXI Century- New Challenges and New Opportunities*, visualises "BSEC should secure the greater integration of the EU and the BSEC with more members of the BSEC eventually acceding to the EU as full members. Like the EU, the BSEC member states should broaden the fields of co-operation beyond the strictly economic sphere.This requires closer contact and greater sharing of information between relevant the BSEC structures and various EU supported initiatives"⁵⁹

This co-operation should be built up according to the *EU-BSEC Platform for Co-operation* in the following priority areas:

- development of network infrastructure (transport, energy and telecommunications);
- trade and creation of favourable conditions for foreign direct investments;
- sustainable development and protection of the environment, including nuclear safety;
- science and technology;
- combating terrorism and different forms of organised crime.

On the basis of the Platform relevant subsidiary bodies should elaborate concrete proposals for co-operation. Joint meetings of relevant working bodies of the BSEC and the EU as well as conferences, workshops and seminars of experts in concrete fields of common interest would play a useful role in building up new opportunities of productive co-operation between the two organisations. The BSEC should furthermore be creative and systematic in identifying and developing promising projects of mutual interest. ”⁶⁰ An important indicator of the BSEC growing importance are the observer status granted to Italy, Austria, France and Germany and a long line of other states waiting for a full membership or observer status in the BSEC.⁶¹

The *BSEC Economic Agenda for the Future* also envisages that “a strong and effective partnership between the BSEC and the EU based on coinciding interests and common economic values, respect for human rights and fundamental freedoms must be developed and maintained..... On its side,[BSEC] it is expected that the EU will work towards, having an integrated approach to the Black Sea region, as in the case of the ‘Barcelona Process’ and the ‘Northern Dimension’”.⁶²

The Istanbul also Decennial Summit Declaration of the BSEC, *Looking Beyond Ten Years of Cooperation and Progress*, points out that “As the dynamics of the emerging new European architecture open up the potential for effective partnerships with BSEC, the BSEC Member States attach importance to their policies in building up a tangible relationship with the EU. In this respect, we will continue the efforts to ensure coordination and cooperation between the BSEC and the EU. For this purpose, we call on the BSEC Council of Ministers of Foreign Affairs and the EU to undertake concrete steps to advance this cooperation”⁶³.

Finally the Council of Ministers of Foreign Affairs of the BSEC Member States during their meeting which took place in Yerevan on 18-4-2003, invited the Minister of Foreign Affairs of the Hellenic Republic to take the opportunity of the role as President of the Council of Ministers of the European Union to propose to the

EU Council to request the European Commission to prepare a draft proposal on a new relationship of the EU with the BSEC, on a multilateral basis, taking under consideration the experience of the Northern Dimension including current and future sectoral projects with the BSEC, exploring the possibility of better utilization of allocated resources to enhance the new relationship and providing for meetings at official level to review progress. The Council expressed also the expectation that the forthcoming European Council to be held in Thessaloniki in June 2003 will provide further impetus to the strengthening of the BSEC-EU relations.⁶⁴

Which will be the policy of the European Union given its dominant role in the region, its direct links with all the countries of the Black Sea and the attraction it holds for many of them? Will EU work towards, having an integrated approach to the Black Sea region area a "Southern Dimension", as in the case of the "Barcelona Process" and the "Northern Dimension" or it will design a new dividing line in Europe? ⁶⁵ Undoubtedly Black Sea area's strategic importance to the West and more particularly to the EU is invaluable. This strategic importance, which will be further reinforced by enlargement, is due to the following reasons:

First, the region with a population of 190 million, provides a potentially important market for EU goods, a vital trade link between Europe, Central Asia and the Middle East.. Overall, EU trade with the Black Sea littoral states is increasing; the EU is also an important partner for the countries of the region. The growth rates of both exports and imports of the BSEC countries to and from the EU are accelerating fast.⁶⁶

Second, it is a vital transit route for energy resources for Europe. This is of particular importance given the huge natural resources, especially energy resources, of the Caspian Basin and Central Asia. It is clear that the BSEC has rich energy resources whilst the EU and its members have capital, and these elements can be combined to the advantage of both.⁶⁷

Third, the BSEC is a valuable transportation route connecting Europe with Central Asia and with the Caucasus Area. For this reason the EU sponsored joint initiatives involving all Black Sea countries. The third Pan-European Conference in Helsinki in June 1997 endorsed the concept of a Pan-European Transport Infrastructure Investment Partnership, which shall promote the establishment of all the necessary components for a future Pan-European Transport Network on the territory of the

European Union, its extension to the acceding countries and to the New Independent States (NIS).

Fourth, with the prospect of the accession of Bulgaria and Romania, the EU is set to become a major Black Sea power. "It is not a question of whether, but when the EU enters the Black Sea, with much EU legislation and policy due to be adopted by the accession candidate countries states even before accession."⁶⁸

The European Commission in 1997 prepared a document on the possible establishment of formal institutional links with the BSEC. In its report the Commission has suggested the following priority objectives:

- the promotion of political stability and dialogue, and the strengthening of human rights, democracy and the rule of law;
- transit through the region and the development of the region's transport, energy and telecommunications networks, including connections to European networks;
- regional commercial cooperation and the creation of favourable conditions to attract EU and other foreign investment, including in small and medium enterprises, while ensuring the compatibility of any new arrangements with existing regimes;
- sustainable development, the protection of the region's environmental integrity and nuclear safety;
- the reduction of drug trafficking, smuggling and illegal immigration throughout the region.⁶⁹

The Commission also suggested that it should obtain the observer status in BSEC on behalf of the EU.

One of the main features of the EU's external relations in the "post-Westphalian" era is that the Association Agreements with third countries and bi-regional agreements, such as the agreements with Mercosur, the ASEM process and the Euro-Mediterranean Partnership illustrate a strategic preference for region – to- region cooperation.⁷⁰

However, EU despite the fact that has adopted a positive policy towards other regional cooperation schemes in Europe and in the world its attitude towards BSEC has been described as apathetic and is unwilling to build up an inter-regional relationship.⁷¹ It has placed too much emphasis, for example, on the Council of the Baltic Sea States (CBSS), which lists the European Commission as one of its founding members.⁷² On the other hand, EU involvement in the BSEC framework has not been substantial, with the exception of the transportation and energy sectors⁷³. The EU's present official position is that cooperation with the BSEC should proceed on an *ad hoc* basis; without institutional links. As Sir John Hunt points out in his Report submitted to the WEU Assembly "the Black Sea area appears to attract less interest from European organisations -whether from an economic political or defence point of view"⁷⁴.

Therefore, despite the insistence of the BSEC Countries for developing an inter-regional functioning relationship with the EU, the European Commission's communication to the Council and European Parliament on *Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours* in the section titled 'Promoting Regional and Intra-Regional Cooperation' only the Euro-Mediterranean Partnership and the Northern Dimension have been mentioned as regional schemes with EU has a closed partnership, meanwhile the BSEC is totally absent.⁷⁵ The present case of the BSEC may be considered a part of a 'broader Europe' but not a part of the Wider Europe'. Furthermore, the European Council in Thessaloniki has decided that only a later stage will examine whether the Southern Caucasus countries could also be covered within these policies of the Wider Europe Neighbourhood.

This approach adopted by the EU could not be explained easily as regional cooperation schemes like the BSEC may serve the shared interests between the BSEC region and the EU in areas such as energy, transportation, environment and cooperation in combating organized crime; and as EU actively is developing inter-regional relationships as an instrument to promote intra-regional cooperation among the dialogue partners, *inter alia* with MERCOSUR, ASEAN and Council of Baltic Sea States.

It seems that the most important reasons for the absence of an BSEC- EU inter-regional cooperation are:

First, there is an increasing overlap between EU regional and other policies with the geographical area of activity.⁷⁶ Greece is a full member of the EU and as far as the Western Balkans is concerned (Albania is a full member of the BSEC and FYROM and Serbia and Montenegro are future members) EU has developed a concrete policy under the framework of Stabilization and Association Process. Turkey is a candidate country and Bulgaria and Romania is expected to close the accession negotiations in 2007. The Russian Federation has developed a regional grouping- single power form of relationship with the EU. Moldova and Ukraine are covered by the New Neighbourhood policy. and is expected in the near future that the Southern Caucasus countries could also be covered within these policies. Therefore, a consideration persists that EU view the BSEC as a region which would be absorbed in the context of a multitier Europe

Second, it seems that the European Commission as well as many states share the view that the BSEC before becoming a close partner of the EU (a region linked with the EU, like the Euro- Mediterranean Partnership, the Council of the Baltic States , the Council of Barents / Euro- Arctic Region) should overcome a number of problems. "The BSEC, region, represents a mosaic of problems, containing an important potential of consequences for Europe in general and for certain European countries in particular".⁷⁷ These problems among others are: the deep historical, cultural, and political divergences between the BSEC member states, the existing unstable economic and social situation of most of the BSEC states, the internal turmoil and disputes on minorities and the bilateral conflicts still prevailing all around the Black Sea area.

Third, an inconsistency exists among some the BSEC states' foreign policy in implementing regional co-operation , as a number of countries give priority to the achievement of its own foreign policy purposes in the region by other means, not covering the mechanisms of the BSEC.⁷⁸ Russia , for example, is preferring to build up its own bilateral relationship with EU rather that giving emphasis on developing a process of BSCE-EU inter-regionalism.

Fourth, the BSEC still lacks a clear priority or unifying core for its activities. Some of them have no regional content and " with several domains that do have essential regional substance being left outside the house of BSEC except in a token manner".⁷⁹ This was one of the reasons why the European Commission was insisting that any cooperation with the BSEC should be on a project basis⁸⁰ .

Concluding Remarks.

The paper has tried to provide an explanatory framework for understanding BSEC as an example of “new regionalism”. It examined and illustrated the structural change of the BSEC in the context of new regionalism, the dynamics of the BSEC, the preferred outcomes of the BSEC and the inter-regional grouping cooperation between the BSEC and the EU.

The paper has argued that the BSEC could not be considered as a stumbling-bloc to globalism but could act as a stepping stone. The BSEC approach is a major departure from the earlier static, inward-looking, import-substitution and protectionist policies evident in the region. The BSEC therefore promotes open regionalism as the Organization’s member states economies are much more outward looking than were the case in the past and emphasize links with other regions.

Another indication that the BSEC belongs to the wave of “new regionalism” is the fact that the agenda of the Organisation has not been restricted only to economic cooperation but also “soft” security issues such as terrorism, drugs, organised crime, illegal migration have been included. Moreover, the main goal of the BSCE is to play a useful role for the political stabilization of the whole Black Sea region.

Even though the BSEC is the product of top-down state initiatives, the bottom-up activities are also gaining ground. There is evidence in the BSEC that deepening regional cooperation is developing as a result of demands from transnational actors, like the business leaders who have become worried about market shares and loss of competitiveness.

However, the BSEC should not be regarded as a security community. Although a sincere commitment exists among the member states to cooperate on security issues, the continuing differences do not allow for the time being the BSEC to be considered as a security community. The BSCE is more close to represent a regional security complex with a tendency leading towards a regional order. Nor the BSEC, despite the fact that it should be seen as instrumental in transforming the region into a regional trade and investment area, as well as in contributing decisively to the liberalization of the regional economy, could be emerge as a strong form of regional integration *per se*.

Most of the BSEC countries stress the connection between the development of inter-regional cooperation and the process of European integration and would like to see the BSEC developing a substantial inter-regional relationship with the EU. But despite the fact that a growing number of inter-regional dialogues, from EU-ASEAN, EU-Mercosur to EU-ACP and Euro-Mediterranean and ASEM, are taking place, EU so far is unenthusiastic in deepening and in extending the EU-BSEC relationship by opening an inter-regional dialogue with the BSEC countries. The main reasons for this approach are among others : EU's relations with all of the member states of the BSEC, with the exception of the three South Caucasus states, are covered by other regional policies of the EU, such as the Stabilization and Association Process and the new concept of Wider Europe, the difficulties which the BSEC confronts, the inconsistency of some the BSEC states' foreign policy in implementing regional co-operation and the extensive agenda of the BSEC which impedes a flexible and practical cooperation with the EU.

However, the long- term interests of the countries lie with the EU for the majority of the BSEC members joining the EU remains the final objective. For this reason the BSEC could act as a complement to EU/NATO integration and a buffer for enlargement- related tensions⁸¹. The BSEC could also promote suitable means for the dissemination to and adoption by its members of certain norms, standards and practices as well as principles and policies of the EU which have taken shape over years of accumulated experience and which have stood the test of time⁸². In this sense, the BSEC is, and will be, increasingly, seen by both parties as a preliminary and complementary co-operation process for joining the European integration as part of an overall Pan- European strategy.⁸³ Therefore, closer cooperation between the BSEC and EU is increasingly becoming a priority not only for BSCE members but also for the EU itself. Deepening and extending EU-BSEC relationship might also encourage individual EU members to more actively support the BSEC and its specific projects.⁸⁴

FOOTNOTES

¹ For the various approaches to regionalism after the end of cold war see R. Vayrynen, "Old and new Regionalism, *International Studies Review*, Vol.5, No.1, 2003, pp.25-51

² C. Tsardanidis, "Reasons for the development of regionalism in the age of globalization", *Andriatica*, Vol.4/5. No.6/7. 1998 p.33.

³ A. Hurrell, "Explaining the resurgence of regionalism in world politics", *Review of International Studies*, Vol.21,1996, p. 332

⁴ B. Hettne, "Globalization and the New Regionalism: The Second Great Transformation" in B. Hettne- A. Inotal- O. Sunkel (eds), *Globalism and the New Regionalism*, London: MacMillan Press, 1999,p.7

⁵ See A.S. Bhalla- P. Bhalla (eds), *Regional Blocs. Building blocks or Stumbling Blocks?*, London : MacMillan Press, 1997,p. 18-19.A

⁶ See J.A. Scholte, *International Relations of Social Change*, Buckingham : Open University Press, pp. 69-70.

⁷ The first three questions are based on the methodological model which the UNU/WIDER research project has followed on how regionalization can be studied. See, M. Schulz- F. Soederbaum – J.Oejendal, "Key Issues in the New Regionalism: Comparisons from Asia, Africa and the Middle East" in B. Hettne- A. Inotai- O. Sunkel, *Comparing Regionalisms. Implications for Global Development*, Houndmills : Palgrave, 2001, pp.234- 276.

⁸ A. Gamble, 'Regional Blocs, World Order and the New Medievalism:' in M .Telo (ed), *European Union and New Regionalism. Regional actors and global governance in a post-hegemonic era*, Aldershot: Ashgate, 201.p.24.

⁹ See B. Hettne, "Globalization and the New Regionalism: The Second Great Transformation" in B. Hettne- A. Inotal- O. Sunkel (eds), *Globalism and the New Regionalism,op.cit*,p.2.

¹⁰ See T. Pelagidis – H . Papatotiriou, "Globalization or Regionalism? States, Markets, and the Structure of International Trade. *Review of International Studies* , Vol.28, No.3, pp. 519–535.

¹¹ See R. Garnaut, "Open Regionalism.: Its Analytic Basis and Relevance to the International System", *Journal of Asian Economics*, Vol. 5, No.2, 1994, p.273.

¹² See A. Gamble- A Payne, "Conclusion: The New Regionalism" in A. Gamble- A. Payne, *Regionalism and World Order*, London: MacMillan Press, 1999, p.251.

¹³ B. Hettne- A. Inotal- O. Sunkel, "The New Regionalism: A Prologue" in B. Hettne- A. Inotal- O. Sunkel (eds), *Globalism and the New Regionalism*, London: MacMillan Press, 1999,p. xvii.

¹⁴ . Y. Valinakis, "The Black Sea Region. Challenges and Opportunities for Europe", *Chaillot Papers*. No.36, July 1999.p 18. and O. Genckaya, "The Black Sea economic co-operation project: A regional challenge to European integration", *International Social Science Journal*..Vol. XLIVI,1993, p.459-550.

¹⁵ See S. Sayan- O.Zaim, "The Black Sea Economic Cooperation Project" in L. Rittenberg (ed), *The Political Economy of Turkey in the Post- Soviet Era*. Westport, Connecticut: Praeger, 1998, p.119.

¹⁶ See E. Borisenko- A. Kononenko- I. Semenenko, *Black Sea Economic Co-operation from Regional Initiative to International Organization*.. Istanbul : Uzman, 1998, pp.134-137.

¹⁷ See *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership*, approved by the 4th Meeting of the BSEC Council of Ministers, Moscow , 27 April 2001, *Romanian Journal of International Affairs*, Vol.7, No.1-2,p.354.

¹⁸ See DOC: GA19/EC18/REP/02, The Nineteenth Plenary Session of the PABSEC General Assembly, Economic, Commercial, Technological and Environmental Affairs Committee on *Economic Integration in the BSEC Region: Current State and Future Prospects*. Rapporteur: Mrs. Marianna Assenova. 12-6-2002.

¹⁹ See G. Herd- F. Moustakis, "Black Sea Geopolitics: A Litmus Test for the European Security Order?", *Mediterranean Politics*, Vol.5, No.3, Autumn 2000, p.131.

²⁰ E. Ozer see three distinctive features in the model of BSEC: First, it introduces a new concept of multilateralism in economic relations among its members and into the region wherein the economic activities hitherto have been bilateral and state- induced. Second, it

aims to create a common economic heritage among the member states and third, it has a flexible and pragmatic approach. See E. Ozer, "Concept and Prospects of the Black Sea Economic Cooperation", *Foreign Policy/DisPolitika*, No.1-2, 1996, p.85-86.

²¹ See E. Kutovoi, "Black Sea Economic Co-operation/BSEC/:Current Activities, Prospects for the Future", *Romanian Journal of International Affairs*. Vol.3, No.1, 1997, p.83.

²² See Doc.: GA19/LC19/REP/02, Thw Nineteenth Plenary Session of the General Assembly, Legal and Political Affairs Committee Report, *Globalisation: Challenges and Opportunities for the PABSEC Member Countries.*, Rapporteur : Mr. Victor Dallakyan, Member of the Legal and Political Affairs Committee (Armenia), 2002,p.3

²³ See C. Tsardanidis, "New Regionalism and BSEC" in Dusko Lopandic (ed), *Regional Cooperation in South Eastern Europ. The effects of Regional Initiatives*, Belgrade: European Movement in Serbia, 2002, pp. 97-100.

²⁴ See M. Emerson- M.Vahl, *Europe's Black Sea dimension-model European regionalism, pret- a porter*. Paper presented at the Halki International Seminar, 31 August- 3 September 2001.p. 24.

²⁵ See O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*. London: MacMillan Press, 1999, p. 137.

²⁶ A. Christakoudis, "Black Sea Economic Co-operation (BSEC): Objectives, Opportunities, Development", *Etudes Balkaniques*, Vol.36, No.3, 2000, pp.3-17.

²⁷ N. Ecobescu, "BSEC Institutional Building: Achievements and Prospects", *Romanian Journal of International Affairs*, Vol.5, No.4 1999, p.140.

²⁸ See D. Lopandic, *Regional Initiatives in South Eastern Europe*. Belgrade: European Movement in Serbia, 2001,p.92. Dr. Lopandic, however, points out that although BSEC has made concrete achievements in particular in the field of institutionalisation, telecommunications, energy, environment, health, trade, foreign investments, there are also shortcomings. p.89. See, also, G. Konidaris, "Subregionalism and World Order" in G. Hook- I. Kearns, (eds), *Subregionalism and World Order*, Houndmills: Palgrave,1999.

²⁹ See O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*, *op.cit*,p.142.

³⁰ See Doc.: GA18/LC18/REP/01, The Eighteenth Plenary Session of the General Assembly, Legal and Political Affairs Committee Report, *Cooperation among the PABSEC member countries in promoting political stability through economic integration*, Rapporteur Mr. Mircea Teodor Iustien, Member of the Legal and Political Affairs Committee (Romania), 2001, p.4.

³¹ See. E. Ozer, "The Black Sea Economic Co-operation and the EU", *Perceptions*, Vol.1, No.3, September- November 1996, <http://www.mfa.gov.tr/grupf.percept/13/13-6.htm>.p.2

³² For a description of the BSEC' institutions see P. Naskou- Perraki, *Black Sea Economic Co-operation. Institutional Dimensions*. Athens: Ant. N. Sakkoulas, 2000, (in Greek).

³³ A. Bailes, "The role of subregional Co-operation in Post- Cold War Europe: Integration, Security, Democracy" in A. Cottey (ed), *Subregional Cooperation in the New Europe.Building Security and Solidarity from the Barents to the Black Sea*, *op.cit*, p.176.

³⁴ See T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" in T. Aybak (ed), *Politics of the Black Sea*, London: J.B. Tauris, 2001, p.37.

³⁵ See R. Vayrynen, "Old and new Regionalism, *International Studies Review*, *op.cit*, p.27.

³⁶ See B. Buzan, *People, States, and Fear: An Agenda for International Security Studies in the Post-ColdWar Era*. London: Harvester Wheatsheaf.199, p.190

³⁷ See D. Lake – P. Morgan, *Regional Orders: Building Security in a New World*. State College: Pennsylvania State University Press, 1997, p.11.

³⁸ See E. Ozer, "The Black Sea Economic Cooperation and Regional Security", *Perceptions*, Vol. 2, No. 3, September-November 1997. p. 104.

³⁹ N. Micu, "Black Sea Economic Co-operation (BSEC) as a Confidence Building Measure", *Persceptions*, Vol.1, No.4, December 1996- February 1997,

<http://www.mfa.gov.tr/grupa/percept/i4/i4-5.htm>

⁴⁰ See. Y. Valinakis, "The Black Sea Region. Challenges and Opportunities for Europe", *op.cit* .p. 22.

⁴¹ See E.Adler - M. Barnett Emanuel Adler (eds), *Security Communities*, Cambridge: Cambridge University Press, 1998.

⁴² See P. Manoli, " The role of the Black Sea Economic Cooperation (BSEC) in the Stability of the Region", <https://da.mod.uk/CSRC/Home/documents/pdfs/P39-pm.pdf>, p.3-4.

⁴³ See P. Pantev, " Security Cooperation in the Black Sea Basin" in T. Aybak (ed), *Politics of the Black Sea*, London: J.B. Tauris, 2001, p.131.P.Plantev points out three conditions for building a regional security community in the Black Sea area: first, on the national level ,the growth of the role of the NGO's, second on the regional level the development of a positive regional social and political atmosphere, the sense of belonging to a common region and its philosophical link with the Euro- Atlantic security community and third, on the international level the involvement of the EU, NATO, the UN, the OSCE and other international bodies and organisations in a cooperative way for the evolution of a security community in the Black Sea basin. See P. Pantev, " Security Cooperation in the Black Sea Basin" in T. Aybak (ed), *Politics of the Black Sea*, *ibid*,p.130.

⁴⁴ See P. Roeder, " From Hierarchy to Hegemony: The Post- Soviet Security Cmplx" in D. Lake – P. Morgan, *Regional Orders: Building Security in a New World*. State College: Pennsylvania State University Press, 1997, pp.219-244.

⁴⁵ The examples of Armenia/ Azerbaijan, Greece/Turkey, Moldova/Russia demonstrate the usefulness of the BSEC from this perspective. See J. Bremmer- A. Bailes, "Sub-regionalism in the Newly Independent States", *International Affairs*, Vol. 74, No.1, 1998, pp.144-145.

⁴⁶ See A. Gamble- A Payne, "Conclusion: The New Regionalism" in A. Gamble- A. Payne, *Regionalism and World Order*, *op.cit*, p. 158-59. "

⁴⁷ The Project Development Fund will be at the heart of this process, while the role of the Profile Working Groups and the Committee of Senior Officials will continuously increase and become more action-oriented. According to Valeri Chechelashvili, Secretary General of the Organisation of the BSEC Permanent International Secretariat (BSEC PERMIS) the adoption of the project development , will gain fresh momentum to the BSEC and this could mark the beginning of a new phase of the Organisation. See, Valeri Chechelashvili, "Black Sea Economic Cooperation: Achievements and main challenges ahead", *Persceptions*, Vol.7, No.2, June –August 2000, <http://www.mfa.gov.tr/grupa/percept/VII-2/valeri.chechelashvili.htm>

⁴⁸ Recognizing this emerging situation, the Heads of State or Government of the BSEC Member States emphasized at their Summit in Yalta in June 1998 the need for a new BSEC economic agenda. This important decision was taken with a clear understanding that the task of the BSEC in the new millennium should be to give life to the ideals, which were formulated and approved at the beginning of the 1990's, to turn the common interests into common achievements. For the full text of the *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership* see Section Documents, *Journal of Southeast European and Black Sea Studies*, Vol. 1, No.3, 2001, pp.203-234.

⁴⁹ See S. Sayan, "The contribution of the Black Sea Economic Co-operation organisation to regional development", *South- East Review*, No.2, 2002, p.32.

⁵⁰ See A. Bailes, "The role of subregional Co-operation in Post- Cold War Europe: Integration, Security, Democracy" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*, *op.cit*, p.159.

⁵¹ See H. Hänggi, "Interregionalism: empirical and theoretical perspectives", Paper prepared for the workshop Dollars, Democracy and Trade: External Influence on Economic Integration in the Americas, Los Angeles, CA, May 18, 2000, The Pacific Council on International Policy, Los Angeles- The Center for Applied Policy Research, Munich.p.3.

- ⁵² *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership*, approved by the 4th Meeting of the BSEC Council of Ministers, Moscow, 27 April 2001, *Romanian Journal of International Affairs*, *op.cit.*
- ⁵³ See G. Prevelakis, "The Geopolitics of the Black Sea Region", *Southeast European and Black Sea Studies*, Vol.1, No.3, September 2001, p.152.
- ⁵⁴ See M. Stojeevic, "Black Sea Economic Cooperation- Present and Perspectives", *Eurobalkans*, Autumn 1998, p.27.
- ⁵⁵ See O. Pavluk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*. London: MacMillan Press, 1999. p. 144. See also G. Konidaris, 'The Black Sea Economic Co-operation Scheme' in G. Hook- I. Kearns, (eds), *Subregionalism and World Order*, London : MacMillan Press, 1999.
- ⁵⁶ O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*, *op.cit.*, p. 146-147.
- ⁵⁷ See S. Goncharenko, "Trends and Developments of the Black Sea Economic Co-operation", *Romanian Journal of International Affairs*. Vol.6. No.3-4, 2000, p. 41.
- ⁵⁸ See T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" in T. Aybak (ed), *Politics of the Black Sea*, *op.cit.*, p.55.
- ⁵⁹ See "BSEC in the XX Century- New Challenges and New Opportunities, Halki, Greece 8-15 September 1999 meeting Document". *Romanian Journal of International Affairs*, Vol.5, No.4, 1999, pp. 293-315.
- ⁶⁰ See *Platform for Co-operation between EU- BSEC*. approved by the 13th Meeting of the Meetings of Foreign Affairs, Tbilisi, 30 April 1999.
- ⁶¹ See Mr. E. Kutovoy paper on *Prospects for the Future Development of the BSEC* in the Conference, *BSEC in the 21st Century: New Challenges and New Opportunities*, Halki Island, 8-12 September 1999, organised by the International Center for Black Sea Studies and the Hellenic Foundation for European and Foreign Policy (ELIAMEP), p.3.
- ⁶² See *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership* see Section Documents, *Journal of Southeast European and Black Sea Studies*, *op.cit.*, pp.225-226.
- ⁶³ See, The Istanbul Decennial Summit Declaration. Looking Beyond Ten Years of Cooperation and Progress, Istanbul, 25 June 2002, http://www.bsec.gov.tr/charter_.htm.
- ⁶⁴ See Report of the Eight Meeting of the Council of Ministers of Foreign Affairs of the BSEC States, 18-4-2003, Annex V to BS/FM/R(2003), p.3.
- ⁶⁵ See V. Chechelashvili, "BSEC: Paving the Way to Viable Partnership", *Romanian Journal of International Affairs*, Vol.6, No. 3-4, 2000, p. 25.
- ⁶⁶ See P.Kazakos- P. Liargovas- C. Papazoglou- E. Efthimiou, "Economic Relations between the European Union and the Developing Economies of the Black Sea Economic Cooperation (BSEC)", *The Southeast European Yearbook*, 1998-99, p.181.
- ⁶⁷ See. M. Dartan, "Black Sea Economic Co-operation(BSEC). A New Regional Integration Project", *Marmara Journal of European Studies*. Vol. 3, No.1-2, 1993/4, p.146. See also *Energy and Pipeline Security in the Black Sea Region*, Conference Report of the Black Sea Strategy Group Second Meeting held in Baku, Azerbaijan, 16-17 February 2001. EastWest Institute with the support of the Carnegie Corporation of New York and T. Adams, "Caspian Oil and Gas Development and the Black Sea Region: An Overview in in T. Adams et al, *Europe's Black Sea Dimension*, Brussels: Centre for European Policy Studies and International Center for Black Sea Studies, 2002, pp. 39-80.
- ⁶⁸ See M. Emerson- M.Vahl, "Europe's Black Sea dimension-model European regionalism, pret- a porter" in T. Adams et al, *Europe's Black Sea Dimension*, *ibid*, p.21.
- ⁶⁹ See Commission of the European Communities. Communication from the Commission to the Council, *Regional Co-operation in the Black Sea area: State of play, perspectives for EU action encouraging its further development*, COM(97) 597 Brussels.14.11.1997. p.8-9

- ⁷⁰ See M. Telo, "Reconsiderations: Three Scenarios", M. Telo (ed), *European Union and New Regionalism*, Aldershot: Ashgate, 2001, p. 248.
- ⁷¹ See M. Karayanni, "BSEC towards the 21th century: Challenges and Perspectives", *Eksychronismos*, Vol., No.1, April 2001, p. 76.
- ⁷² See Y. Valinakis- S. Karaganov, "The Creation and Evolution of the BSEC: An Assessment", *The Southeast European Yearbook*, 1997-1998, p.284.
- ⁷³ See Y. Valinakis, "Greece and the Black Sea Economic Cooperation Group" in V. Coufoudakis- H. Psomiades – A. Gerolymatos (eds), *Greece and the New Balkans*, New York: Pella, 1999, p.136
- ⁷⁴ See *Parliamentary Cooperation in the Black Sea Area*. Report submitted by Sir John Hunt on behalf of the Committee for Parliamentary and Public Relations. WEU Assembly.Doc. 1544. 4-11-1996.
- ⁷⁵ See Commission of the European Communities. Communication from the Commission to the Council and the European Parliament, *Wider Europe- Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, COM(2003) 104 final, Brussels, 11.3.2003, p.5. 597
- ⁷⁶ See M. Emerson- M.Vahl, "Europe's Black Sea dimension-model European regionalism, pret- a porter" in T. Adams et al, *Europe's Black Sea Dimension*, op.cit, p.30.
- ⁷⁷ See P.Kazakos- P. Liargovas- C. Papazoglou- E. Efthimiou, "Economic Relations between the European Union and the Developing Economies of the Black Sea Economic Cooperation (BSEC)", op.cit, p.205.
- ⁷⁸ See E. Borisenko- A. Kononenko- I. Semenenko, *Black Sea Economic Co-operation from Regional Initiative to International Organization*, op.cit, p.129.
- ⁷⁹ See M. Emerson- M.Vahl, "Europe's Black Sea dimension-model European regionalism, pret- a porter" in T. Adams et al, *Europe's Black Sea Dimension*, op.cit, p.32.
- ⁸⁰ On 20-21 March 2001 in Brussels during high-level consultations, an understanding was achieved according to which interaction between the BSEC and the European Commission should be on a project basis.
- ⁸¹ According to A. Bailes BSEC could revitalise the loss felt by those member states who do not get into the EU or NATO at first attempt, and mediate some of the tensions between existing members of these groups, applicants and local powers opposed to enlargement. For more details see A. Bailes, "The Role of Subregional Cooperation in Post- Cold War Europe: Integration, Security, Democracy" in?" in A. Cottey (ed), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*. op.cit. p.161-162
- ⁸² See Y. Valinakis- S. Karaganov, "The Creation and Evolution of the BSEC: An Assessment", op.cit, p. 285.
- ⁸³ T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" in T. Aybak (ed), *Politics of the Black Sea*. London: I.B. Tauris, 2001, p.55.
- ⁸⁴ See. O. Pavliuk, "Black Sea Economic Cooperation: Dynamics, Challenges and Prospects", *The Southeast European Yearbook*, 1997-1998, p.326.

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Challenges and Opportunities in the Black Sea Region

In my presentation I will focus on the post-Soviet part of the Black Sea region, which has risen from relative obscurity to a considerable international prominence. As a result of the breakup of the USSR, the newly independent states were born. They occupy an important position in the heartland of the Eurasian continent and on the traditional trade routes between Europe and Asia¹. There are three interrelated problems that define the ongoing political crisis in the Black Sea region. These are: weak statehood; ethno-political conflicts; and destructive foreign intervention. These are also main factors that significantly complicate the process of crisis management and peace-building in the region.

Black Sea region, together with the Balkans, has become one of the most conflict-ridden areas of Eurasia, where ethnopolitical conflicts have undermined and continue to undermine the political stability and economic development of the region.

Existing ethnopolitical conflicts have accompanied and to a large extent obstructed the transition of the post-communist states of the region from centrally planned authoritarianism to market democracy. All the newly independent entities of the region have been engaged in the difficult process of transition and state building. The state building, in its own turn, has been accompanied by the nation-building process. These are two interrelated processes that proceed hand in hand. Nation building, in this context, means the construction of modern, civic nations in place of the existing ethnic ones. The formation of civic nations is expected to facilitate the process of democratic state-building.

For the governments of the region, therefore, the most important and difficult task is not only to orchestrate economic and social change, but also to forge their peoples into democratic and civic nations. State building and nation building in the regional context implies a complex relationship between emerging nations and emerging democratic and quasi-democratic states. Today, democratic transition is inseparable from the process of nation-building.

In addition, the post-communist countries of the region also face a unique and challenging task of creating not only the new institutions but also of the new value

¹ Gennady Chufrin (ed.). *The Security of the Caspian Sea Region*, SIPRI, Oxford University Press, 2001, p.1

systems and incentives. Their economies lack a large private sector and effective financial systems that are essential for successful privatization. The state had to play an important role in orchestrating reforms, but was only partially successful. State institutions that were undergoing change unfortunately have retained most of the old governance culture and contributed to mismanagement and growing corruption. As a result, already fragile legitimacy of state institutions has been further undermined.

Among the main impediments standing in the way of building modern, stable and democratic states in the region and creating a new and viable social order are: ethnic nationalism, parochialism, patronage system and clientelism, amoral familism, lack of democratic traditions and civic culture, as well as rampant corruption and a preference for strong leaders.

An underdeveloped concept of the state, insufficient socio-economic cohesion of the population, unstable institutions, an extremely weak national economy, as well as manipulation from outside have opened some Black Sea region states up to domestic disruption and even foreign penetration (Azerbaijan, Moldova, and Georgia). The process of state building has revealed extreme weakness in the civic elements of nationhood and the corresponding emphasis on ethnicity. Politization of ethnicity, which has manifested itself in the growing ethnic nationalisms characteristic to the region's post-communist transition, has posed serious challenges to the democratization on the one hand and to the internal cohesion of the newly independent states, on the other. In the absence of stable state institutions the issue of inner stability becomes evident.

By the end of 2002, we may say that the results of the ongoing democratization process and economic reforms in the post-Soviet countries of the region do not look impressive. Consolidation of their respective ruling regimes has acquired a form of semi-authoritarian or authoritarian governance.

The creation of effective and viable states is a prerequisite for domestic peace. As Neil MacFarlane notes, 'the creation of an effective state may require a degree of circumspection with respect to the embrace of democracy.'² The countries of the region have come to resemble more and more the Third World states. The state became a primary source of wealth, disproportionate to that available from any other organized force within a society. The state became not only a source of benefits, but also an organized force defending the regime from the popular domestic discontent.

We can talk about the 'neo-patrimonialism' as a type of authority in the region. Practically in all the countries of the region, the ruling elites rest on bureaucratic networks in which persons and their relationships matter more than institutions. In spite of declared democratic goals and certain achievements in that direction, in essence these regimes are neo-patrimonial. Patronage networks successfully compete with state institutions and civil society elements that are emerging. Patrimonial, hierarchical relationships still dominate over the horizontal ones. The irony is that

² Neil S. MacFarlane. "Democratization, Nationalism, and Regional Security in the Southern Caucasus," in *Government and Opposition*, vol.32, no.3 1997 p.420

such a system succeeded the 70-year reign of the 'communist equality and brotherhood'.

Democracy in the post-Soviet states of the region appears to be 'imposed' from the outside; while the dominance of the patronage networks both in politics and economy seriously weakens the democratization process. After the 12 years of independence post-Soviet countries of the region are still weak, quasi-states and suffer from a severe institutional deficit. Unless significant economic changes occur and the present disillusionment is replaced with the growing hope, the legitimacy of state institutions, and the regimes themselves at least in some of the countries, will be eventually undermined.

Soon after independence, international factors started to work for and against the state building processes in the region. Most of the countries of the Black Sea and are engaged in modern state building in a contemporary historical period when the factors of the globalization are said to be causing the erosion and 'retreat' of the state. Thus, the very timing of state building in the region creates additional difficulties for these states. Forces of globalization, international institutions and multinational corporations opened up frontiers in the region and provided prospects of integration into the world economy. Scholars rarely consider the current process of democratization as a part of globalization. However, in the case of the Black Sea region states, democratization to a great extent has resulted from the influence of global forces and structures. Democratization in this region is mostly an outgrowth of western influence and it is the activities of the leading western powers and international institutions that keep supporting this process. Democracy to a certain extent is imposed on the societies of the region and has a limited generic character. To identify the really existing relationship between globalization and processes of transition, democratization, and nationalism on the example of the region and to spell out its possible effects and consequences would be a fascinating achievement.

It may be said that the practice of democratization created permissive conditions for greater instability in the region. Neil MacFarlane has observed the causal relationship between democratization and violence on the example of South Caucasus³. I am referring not only to the internal instability of the South Caucasian states caused by civic tensions and ethnopolitical conflicts, but also to the unstable inter-state relations, which further undermine regional security.

The 'Clash of Civilizations' idea has had a considerable influence both among the policy makers and academics not only in the West but also in the region. It is not surprising that many in the Black Sea and Caspian Basin region perceive this paradigm as attractive one, since its logic makes as MacFarlane notes, the region a key focus of attention in global politics, a critical fault line⁴. However, the "clash of civilizations" logic does not help much in analyzing the region's security

³ *Ibid*, pp. 399-420

⁴ Neil S. MacFarlane. "The Clash of Civilizations – A critical Perspective", in *Marco Polo Magazine*, 1999 p.4-5

environment. Despite apparent relevance the Huntigton model does not fit in explaining the dynamics and security of the Black Sea region.

Conflicts – as a source of instability

The serious threat to the stability in the region is the existence of ethnopolitical conflicts and inter-state tensions. Four armed ethnopolitical conflicts in the region (Abkhazia, South Ossetia, Nagorno-Karabagh and Transdnistria) at the moment remain 'frozen', with varied chances of political solution. Because of these conflicts the jurisdiction of the central governments is not fully restored over the entire territories of states such as Azerbaijan, Georgia, and Moldova. In some of them, there is a danger of further fragmentation. The war in South Russia (Chechnya) is still going on.

Rightly or wrongly, there is a widespread perception that the existing arrangements under the aegis of various international organizations have not proved to be particularly successful and effective in handling conflict situations in the region. This applies in particular to the non-state (or rather 'pseudo-state' in the words of Sergiu Celac⁵) entities, the continued existence of which poses a serious challenge to security and stability in the region. These entities are the results of politically motivated secessionist movements ending in armed conflict and unilateral proclamation of 'independence'. Separatism in all cases has been to a large extent instigated and supported from outside and even now continues to be protected by the same outside power. Although these separatist territories have developed a semblance of statehood and its formal attributes, none has obtained, or is likely to obtain, official recognition by the international community or any other state. Because of their self-proclaimed uniqueness and self-imposed isolation, the ruling elites of those entities are practically unaccountable both domestically and internationally, their behavior is largely unpredictable, and they represent a serious source of instability in the region.

In addition, ignorance and inefficiency of international organizations in dealing with ethnopolitical conflicts sent a message to many that they too can get away with separatism and violence.

There are numerous cross-border factors that may provoke conflict in the region. These include security competition; transnational armed groups; militarization and arms trafficking; drug trade and organized crime; parallel economy and transit trade; refugees, migrants, diasporas, cross-border ethnic groups.

Effective conflict prevention requires structural transformation and political commitment on the local and regional level, as well as more focused attention and problem-solving attitude of the organizations in the UN system, governments, international financial institutions, and the NGOs.

⁵ Sergiu Celac. *New Security Challenges in the Black Sea Region: A Role for International Institutions*, 2002, Manuscript, p.7

Regional ethnopolitical conflicts have to be solved with the greater participation of the international community.

Foreign intervention

Foreign intervention can be divided as both constructive and destructive. The first represents a serious hope for the process of peace building and conflict management. The vested economic interests of the western companies, as well as greater involvement of international organizations, are seen as guarantors of peace and stability in the region. On the other hand, destructive intervention from the neighboring power perpetuates instability and inhibits the conflict resolution process.

In addition, international assistance can play an important role in the promotion of peace and has already played a decisive role in overcoming humanitarian crisis in the conflict zones. However, it is difficult to focus assistance programs on average citizens and improving their daily lot in the current political and economic realities is a challenge that international assistance community has to meet. International community, which is in charge of the assistance programs in the region has to take into account the situation of ordinary citizens and direct their programs more closely to the grass-root communities as opposed to largely corrupt government officials.

Western states and institutions now have an opportunity to develop a more sober and even-handed approach towards the region, which means a greater insistence on institutional reforms as conditionality for the assistance programs.

In the eastern part of the Black Sea region interests of the major regional powers such as Russia, Turkey, Iran, and those of a more distant power namely the US, extend well beyond economic considerations. Strategic and historical factors have also significant importance. However, interests of these major powers would not be pursued if the region is plunged into chaos, instability and conflict.

The new geopolitical situation is developing in the region, which in a nutshell can be characterized as follows: diminishing Russian presence, an increasing involvement of external international actors both state and non-state; and an increased competition over the influence in the region between Russian and other external actors, specifically the United States. International engagement in the Black Sea region has a double sided effect – on the one hand, such an engagement bring investments, big infrastructure projects especially in energy and transportation on the other hand, it contributes to the deepening of the existing rivalry between Russia and the West, namely the United States. Iran and Turkey also have direct national security concerns in the region.

What will be the place of Black Sea region in the emerging system of security and stability in Europe and Eurasia? One has to look at the region in the context of the Euro-Asian energy market, which has been developing in recent decades. It appears that Black Sea and Caspian areas are at the moment and will most likely remain at the crossroads of the Eurasian energy market. The region has an important role to play in

all three aspects of energy development, which include production, transportation and consumption.

Security Cooperation

Black Sea region can not be considered cohesive and homogenous region. However, the process of 'regionalization' has significantly intensified over the past 12 years and today it is certainly more of a region than it was a decade ago. Once the process of regional cooperation is initiated, it gains momentum of its own. In case of the Black Sea region, emergence of BSEC makes it look more promising, acquiring its distinctive nature by growing into a bridge instead of a wall.

Regional cooperation is another potential source that has to be tapped and channeled in the direction of peace-building and conflict prevention in the region. In the long-term perspective, well organized, multifaceted cooperation in the region can serve as an important stimuli for overcoming the existing crisis and establishing mutually beneficial relations. At this point, we can be skeptical about the possibility of organizing a profoundly integrated and well-functional international organization such as the EU. However, cooperation for specific purposes among the different actors and parts of the region can potentially evolve into a thicker network of regional cooperation.

Regional cooperation is essential for the stability and sustainability of the Black Sea region, but it would only be possible if the member states value those opportunities that openness is likely to create. Some believe that member states first have to become stronger, more democratic and hence more open, which will in turn create incentive for greater cooperation. Cooperation is difficult if states and their systems of administration and trade regimes are incommensurate. It is not sufficient just to agree on cooperation and sign an agreement, it is necessary to have a capacity and management skill that would enable parties to benefit from cooperation and distribute these benefits relatively evenly. Rampant corruption, which is currently characteristic to some member states of the region, only promotes illegal transit trade.

Concluding Remarks on Security

After September 11, security concerns have acquired a global dimension. The irreversible reality of globalization and the accelerated pace of change also contribute greatly to security challenges, old and new. The very concept of the national, regional and international security is being redefined. New countries and regions have appeared within international security environment reshaping international security architecture, both regional and global.

The Black Sea area has been aptly described as the most typical application of the concept of 'Borderland Europe', as it includes EU and/or NATO members, as well as candidates and non-candidates for accession. The relations with these two international organizations are likely to shape the future of the Black Sea nations.

The end of the Cold War increased the importance of regional security issues versus global ones. Some global issues, such as international terrorism, drugs and arms trafficking have also become regional and local problems. Post-communist states of the region are now facing new security concerns, which are no longer subsumed by the bi-polar confrontation and which include the unsettled regional relations, internal weakness and vulnerability of the newly independent states, as well as insufficient integration into the post-Cold war global security networks. With the exception of Greece and Turkey, some other states in the region can be described as examples of relatively weak states lacking adequate socio-political cohesion. Some states have a limited control of their respective territories. Consequently, they are preoccupied with the domestic sources of potential conflict and are vulnerable to external threats.

All countries of the region belong or try to join different security arrangements – the region includes the members of NATO and Tashkent Collective Security agreements, GUUAM participants, parties to the Stability Pact for South-Eastern Europe, and other arrangements. All these arrangements are intended to strengthen individual states' security, but it is questionable whether such diversity helps the stability and security of the region.

The NATO and EU enlargement process will increasingly transform the Black Sea region in Europe's direct neighborhood and thus raise the importance of its stability and security. In addition, the Black Sea region is becoming Europe's major transport and energy transit corridor. The increasing transit role of the region significantly raises stakes of international community in the Black Sea region's security and stability.

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To: Dr. Yannis N. PAPANIKOLAOU
Director General
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Re: Paper for the conference in Milos-Greece
September 3-7, 2003

From: Prof. Tatoul Manasserian
Member of Parliament
Republic of Armenia

Eliminating common threats as a basis for establishing
peace and security in the Black Sea region

“We haven’t inherited this world from our parents, but we have borrowed it from our children and have to return it to them safe, secure and complete.”

We live in a region where the words “conflict” and “confrontation” are not something from the theory but possible and real threats. The reasons for such threats come not only from the unsolved issues between ethnic groups within a country or from a confrontation between neighboring states, they also have international roots. It has been turned into an evil called “terrorism”. This is the reality, and we need to pay more attention to the trends and issues of common concern that are being underestimated in now days analysis of preventing conflicts, as well as security building and peace.

Let’s take the issue around Nagorno Karabakh. What we have witnessed during past ten years are meetings, negotiations, face to face discussions on the highest levels, seminars, roundtables, conferences, where each party had repeatedly presented the arguments and figures that make no impression to the opposite party and never brought closer the political solution. While the political negotiations are going on presumably we need to pay more attention on common threats in our region. The issues that we would like to address can never replace political negotiations aimed to work out mutually acceptable solutions. The work in this direction have to be in parallel with the process of political discussions, and might impact positively on the overall political environment, bringing closer the time for the establishment of the stable basis for peace and security in the broader Black Sea region.

What are those common threats for all of us and in particular, in our region, that demands more and focal attention. Those are, first of all, the elements of economic security:

- food security;
- energy security;

- communications and transportation security;
- environmental protection;
- health and medical security;
- financial security;
- intellectual security and the "brain drain";
- natural and techno gene disasters;
- information security and others.

The worst threat and the worst enemy for all of us is the international terrorism. It has an enormous impact on any country's internal affairs and creates grounds for local terrorism. Armenia had never experienced such a tragedy as the assassination of the prime minister, speaker and the deputies of the parliament in October 27, 1999. Unfortunately attempts of local terrorism were continued during the presidential and parliamentary elections this year. ~~It is unacceptable to politicize the crime.~~ However, when it remains unpunished, and the reason unknown, new and worse tragedies are expected soon. It is important to mention the role of the collective measures taken by BSEC member states in fighting organized crime and terrorism within the framework of the corresponding working group. It is an issue of national pride to state that Armenia actively partakes in coordinated actions and initiatives.

The economic threats are equally important for the member states and coordinated actions have to be taken in this field as well. **Energy security** is another issue of common concern. Armenia exports electricity to Iran during summer period, and importing during the winter time, exporting to Georgia throughout the year, and have big potential to cover part of the energy shortage in Turkey and in Azerbaijan. There have been series of meetings between experts and government officials of mentioned countries to discuss the possibilities of building power plants in Georgia, Azerbaijan and Turkey with the help of the colleagues from Armenia. In addition, possibilities and existing resources have been examined by joint groups of mentioned countries to initiate a project of creating a common energy system in the region. The research is over and allows us to state that the only obstacle to start the mutually beneficial project is lack of political dialogue and absence of political will. We are sure that the economic interests may play an essential role to speed up the process of cooperation aimed to reach the anticipated level of energy security in the region. While most of us realize the importance and support such projects, some circles try to speculate on made up stories and create ghosts of threats and further isolate neighboring countries by pointing to the nuclear power station in Armenia as a threat for security and suggest to shutting it down. First, such circles count on the loss of human memory, and do not mention that the nuclear power station was reopened in 1995 after careful examination of the upgraded security system particularly designed against high magnitude earthquakes not only in Armenia but also in neighboring countries. Second, mentioned circles try to ignore the fact that the electricity produced by the nuclear power plant is the best and the cleanest from the point of view of the environmental protection worldwide. Third, it is the cheapest and can be an excellent source for the neighboring countries as well. Finally, there is no suggestion whatsoever as to what may replace the nuclear power station as a vital source of energy supply. We suggest that the BSEC working group on energy issues need to take into consideration all

traditional and alternative sources of energy aimed to the creation of a common energy system in our region.

The energy security issues are closely related to the **environmental protection and ecologic security**. It becomes obvious that none of the countries can solve the environmental issues without the help of the neighboring countries. Cleaning up the water of the rivers, especially on the borders is an issue of mutual concern. Armenia will need to join its efforts with Georgia to build an up-to-date sanitary clean up station on their border to don't allow the outflow of polluted water. There are several other issues related to the water pollution in the broader Black Sea region, and each country realizes the significance of cooperation in this area. The cooperation has been started within the framework of corresponding working group, and all the steps to be taken in future are definitely based on the belief that without joint efforts no one can overcome the ecologic threats and have safe and clean environment.

The environmental protection, in turn is closely related to the **health and medical security** issues. We all witnessed the danger of the unknown illness – pneumonia that took away thousands of human lives. We also felt the threat of the speed how the illness had crossed the borders and spread infection in many countries. What is it if not a subject of common concern. Is there someone who believes that any country could fight it alone?

It is equally important to discuss the problems related to the **communications and transportation security**. We have to admit that the roads and communications in our region are not always safe and secure therefore, they are not always open to everyone. There is no exception from the rule: neither for locals nor for foreign visitors and investors. It means that the foreigners cannot count on those means of communications once a decision is made or a serious intention is present to start a business in any part of the region.

Financial security. Our observations have shown that the majority of countries in the Black Sea region are either in a tuff period of transition from planned to a market economy or in a recession phase of their development. In turn, the unstable rates of growth of economies and numerous hardships create unstable basis for the national currencies and for their exchange rates. In addition it is hard to ignore and underestimate the high level of dollarization in most of the BSEC countries. In other words it demonstrates that even the local population in those countries trusts the foreign currency more than the local currency. It creates additional grounds for economic and financial environment-in-the-region. Therefore, financial security becomes an issue of common concern for many countries. The situation is not better after the introduction of EURO. Although growing part of the savings are kept in euros, and the rend toward euroization is becoming more evident, it may only bring to the formation of a bipolar currency system in the world economy and can never be a remedy for the non member countries of euro and dollar zones. It is obvious that steps have to be taken to strengthen the national currencies. We might also predict that the growing ties of economic cooperation can lead

to the highest level of integration – to the common market where a common currency will become a must for the member states and feasible to achieve.

Another area of close cooperation and collective actions is the **food security**. Some two thirds of the world's population go to sleep hungry at night. Ten years after the breakup of the Soviet Union in 1991, undernourishment remains a persistent challenge in many of the successor countries now part of the Commonwealth of Independent States (CIS), and the BSEC. It is useful to know that by contrast, the East European and Baltic countries have largely managed to escape this problem. These findings emerged from the UN Food and Agriculture Organization's (FAO) estimates of the number and proportion of undernourished people in countries in transition. In nine of the 12 CIS countries, at least 5 percent of the population is undernourished. In four countries – Armenia, Azerbaijan, Georgia and Tajikistan – at least 20 percent of the population suffers from undernourishment. ~~Only one country, Belarus, has a level of undernourishment comparable to levels found in the industrialized world (less than 2.5 percent of the population).~~ All three countries of South Caucasus (BSEC members) – Armenia, Azerbaijan and Georgia – are now classified by the United Nations as low-income food-deficit countries, with an annual gross national product of less than US\$1,505 per capita. To continue on the optimistic note, we have to admit that countries have enough resources to feed their inhabitants. It is also true to state that it is more an issue of better management and rational organization, than something related to the real shortage of resources. Once many of the member states, especially those with transition economies, get well organized not only internally but also actively be involved in a bilateral and multilateral cooperation, most of the comparative and absolute advantages will be better used within the region. Multilateral exchange of goods, services and the results of intellectual property have to be encouraged by the governments. This in turn will benefit all countries around the Black Sea and their citizens and will allow implementing the goals agreed and signed by the member countries in BSEC economic agenda.

The strategic interests of any country coincide with those of the strategic partner only partially, but never completely. They might be different from the internal and regional ones that we call common interests. Whereas there are much more in common within the region, more commonalities in neighboring countries that are natural and long term prerequisites for peace, security and stability. Eliminating common threats is number one priority for all of us.

While many issues of economic security can be overcome by the anticipated rates of growth of the national economy, there are several other threats that never depend on ~~human will and level of the economic welfare.~~ Among them we have **natural and techno gene disasters**. Presumably someone can expect the very first aid from the closest neighbor even with a history of certain political disputes rather than from a far away strategic partner country. During and after the earthquakes saving human lives is a matter seconds, minutes and quick, professional actions. We are pleased to mention numerous examples of such humanitarian actions, among them – rescuers and other assistance after the earthquakes in Armenia and in Turkey. The governments of both countries had accepted the assistance with deep appreciation and respect. At the

meantime we do appreciate the aid provided by other neighbors, strategic and non-strategic partners alike. Obviously, there can't be preferences and choices in this case.

In sum, it is important to mention that the above presented issues found proper understanding by our colleagues in neighboring countries, from Georgia and Azerbaijan, in particular, during two international conferences 2002, in Wilton Park conference (United Kingdom, June 2002) and in Marshall Center conference (Austria, August 2002). We expect that our other colleagues from the region will also contribute to this kind of analysis that might be conducted jointly, using the collective experience, knowledge and resources of the region, and involve broader circles, including business people and international structures as well. We definitely need to show our governments what we lose because of the absence of cooperation in this field. Also, there is a need to learn from the experience of other countries and regional associations, with a sole purpose – to prevent confrontations and conflicts and reach anticipated level sustainable development in the region. From the other hand, we need to admit that no political solution can be realistic without economic backing. The history of EU shows that the long lasting conflicts between nations that have ever took place, had disappeared as a result of increasing the level of economic welfare of the people inhabiting the region. In order to make all these happen in the broader Black Sea region, we certainly need to count on international structures, and may be more than we usually count on our strategic partners. In addition, each of our strategic partners are to certain extend involved in decision making process of mentioned international structures, therefore multilateral solutions may promise to be more fair than the outcome of bilateral relations. Eliminating common threats can be a tangible tool for establishing peace and security in the region and allow all countries to benefit from their comparative and absolute advantages through cooperation.

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16 Dec. 2008

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PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
P A B S E C

Draft

Speech by Mr. Alexander Furman
Deputy Secretary General of the PABSEC

**The New European Architecture in the 21st Century: Promoting
Regional Cooperation in the Wider Black Sea Area - the BSEC Case
- Milos island (Greece), 3–7 September 2003 -**

Dear Mr. President (Chairman),
Distinguished Participants,
Ladies and Gentlemen,

On behalf of the PABSEC International Secretariat, I would like to express our thanks for the kind invitation to take part in this important conference, jointly organized by the International Center for Black Sea Studies (ICBSS) and the Hellenic Parliament in conditions of a very warm hospitality and an excellent working atmosphere.

Our Assembly welcomes the initiative of organizing such an interesting event addressing the cooperation in the 'Wider Black Sea Area', a very topical issue particularly at a time when the European Union will extend soon towards the Eastern part of Europe setting out a new framework for relations with its new neighbors including some BSEC member countries. Indeed, the new architecture of a Wider Europe is being designed and the Black Sea region forms without doubt an integral part of this historic process.

Ladies and Gentlemen,

Established ten years ago as the parliamentary dimension of the BSEC, PABSEC has revealed itself as a unique political forum of inter-parliamentary dialogue in the Black Sea area. Composed of 70 parliamentarians representing the parliaments of eleven BSEC member states, PABSEC has played an irreplaceable role in mobilising the efforts of the national parliaments, aimed at promoting the values of democracy, rule of law, pluralistic societies and free market economies. Our main objective is to support the actions of the national parliaments aimed at enacting legislation needed for the implementation of the projects undertaken by the Organization of the BSEC, and to provide legal framework for successful

development of multilateral economic, political and cultural cooperation in the region.

Multilateral economic cooperation was placed on the top of the Assembly's agenda. The PABSEC has constantly addressed the main aspects of the regional economic cooperation and put forward relevant recommendations aimed at achieving a higher degree of integration of the BSEC region into the European and world economy. The Assembly has been promoting policy, along with institutional and regulatory reforms, towards a sustainable model of economic development in order to improve the living standards and meet the challenges of the new century. The Assembly's recommendations on *trade liberalization and facilitation, improvement of customs regulations, promotion and protection of investments, establishment of a regional stock exchange market and promotion of small-and medium enterprises in the Black Sea region* are part of the Assembly's efforts towards that end.

Acknowledging the significance of establishing conditions favorable to free trade through a gradual elimination of obstacles and restrictions in customs and trade regulations, the Assembly has reiterated its firm stand towards the creation of a *harmonized trade mechanism* in the region in compliance with internationally recognized principles. It has also examined border-crossing formalities and visa regulations and elaborated recommendations envisaging a *gradual elimination of visa formalities*, starting by creation of favorable conditions for certain categories of citizens directly involved in the Black Sea Economic Cooperation – MP's, diplomats, government officials and businessmen.

Taking into account the vital role of transport in ensuring sustainable development in the Black Sea area, and in the light of the activities and projects undertaken by the BSEC in the field of transportation, PABSEC has placed a special emphasis on a large-scale infra-structural and institutional rehabilitation of transport system in the BSEC region and the development of appropriate links to the Trans-European and Pan-European Networks, as well as to the Central Asian countries. Within this context, following the Second (Crete, 1994) and the Third (Helsinki, 1997) Pan-European Transport Conferences, the Assembly adopted recommendations on: *Cooperation in Transportation among the BSEC Participating States, Transport Technology and Integration in Europe*, and the *Legal and Political Aspects of the Transport Systems Integration Process in the Black Sea Region*.

As energy is at the center of economic, social and political topics around the world and the Black Sea itself, the PABSEC debated at its last meeting the issue of energy that constitutes the first of the priorities set out in the BSEC Economic Agenda adopted in 2001. The members of the Assembly expressed their concerns regarding the stability of energy markets, the reliability and growth of imports and exports, the need to modernize the energy sector, to improve energy savings and reduce greenhouse gas emissions. They also underlined the vital importance of the Black Sea region for transporting the oil and gas from the Caspian region, as it lies at the crossroads of major oil and gas export streams to the world energy markets. As a result, a report and a recommendation on *Cooperation in the Field of Energy* were adopted by the Assembly at its last meeting in Chisinau in June 2003.

Continuing to focus its activities on priority economic topics, the Assembly has also embraced the issues of democracy and the rule of law. The main idea of the “new partnership between the Black Sea countries inspired by the values of democracy, the rule of law and respect of human rights” enshrined in the *Bosphorus Statement*, adopted by the BSEC Summit in June 1992, guides the whole BSEC process permanently supported by the national parliaments and the Parliamentary Assembly.

Within this context, a general debate at its 16th General Assembly meeting (Yerevan, November 2000) was devoted to “*Consolidation of Democracy and the Rule of Law in the PABSEC Member-Countries*”; the Assembly also adopted Recommendations on “*Strengthening the Rule of Law in the Countries of the Black Sea Region*” and on “*Cooperation among the PABSEC member Countries in Strengthening Good Governance*”. On each occasion, the members stressed the importance of parliamentary democracy, free elections and separation of powers as significant tools to set up a common legal framework paving the way to new types of relations between the countries of the region. Moreover, the PABSEC has initiated the *Forum of the Presidents of the Constitutional Courts of the PABSEC Member-Countries* (Chisinau, 10-11 December 2001), that focused on the fundamental issues of the rule of law, constitutional justice, independent and impartial judiciary, just and fair civil society, transparency and accountability, law-enforcement and democratic institutions.

Election monitoring has been an important part of the Assembly activities reflecting its commitment to promote parliamentary democracy and the rule of law. This year in particular, we have monitored parliamentary elections in Armenia and we plan to observe presidential elections in Azerbaijan and parliamentary elections in Georgia and the Russian Federation

During its ten-year activity, the Assembly also adopted recommendations on protection of the Black Sea environment, combating organized crime and terrorism, forging cultural and educational cooperation, setting social guarantees during the transition period, including the legal framework of the social protection of pensioners, promoting the rights and social protection of refugees and displaced persons in the Black Sea region.

The PABSEC initiatives on cooperation between the Capitals, the Public Broadcasters, and the Constitutional Courts of the member countries, as well as the organization of the Children and Youth Festival of the BSEC Member-States, have also led to strengthening cooperation at the level of civil society and increasing people’s awareness of a ‘Black Sea identity’.

Ladies and Gentlemen,

The Assembly attaches utmost importance to intensive interaction with the BSEC Organization by coordinating its activities and work plans with the BSEC priorities, facilitating ratification of BSEC legal instruments in national parliaments, exchange of information and ideas, regular presence at each other’s meetings as well as day-to-day contacts at the level of the Secretariats. During the General Assembly in Chisinau in June 2003, the members of the PABSEC highly appreciated the report of the Secretary General, Ambassador Valery

Chechelashvili raising important questions about the future of the regional integration process.

We also welcome new areas of BSEC involvement such as security and stability in the region through establishing an ad hoc Study Group to consider ways and means of enhancing BSEC contribution in this field. Such issues have been addressed earlier by the PABSEC at the level of the Political Affairs Committee. Fostering political dialogue with a view to strengthening good neighbourly relations and regional stability is one of the priorities for the Assembly. The PABSEC is ready to enhance its contribution, at inter-parliamentary level, to conflict prevention and resolution in the Black Sea area. Later this month, for example, our representatives will take part in the seminar devoted to unresolved conflicts in Europe with a special emphasis on the case of Transdnestria organised by the Ministry of Foreign Affairs of Moldova and attended by representatives from the Council of Europe, OSCE, European Union, guarantor countries, as well as representatives from conflict-affected areas.

The PABSEC has acquired its own identity on the international scene establishing contacts and cooperation, in particular with European institutions, such as the European Parliament, the Parliamentary Assembly of the Council of Europe, the OSCE Parliamentary Assembly, the Inter-Parliamentary Assembly of CIS, the Parliamentary Dimension of CEI, etc. and has seen joint projects being born from this cooperation at the parliamentary level.

The Black Sea regional cooperation is considered by the majority of the countries as an element of a wider European integration. At a time when the European Union is about to undergo further enlargement, involving also some of the BSEC Member-Countries, when the BSEC Organization is placing relations with the European Union among its priorities, relations between the PABSEC and the European Parliament have reached a significant stage. The Assembly welcomed regular participation of the EP representatives in its sessions since 2000 and has constantly voiced in favour of strengthening the relations of the two parliamentary bodies. The results of the first visit to the European Parliament by a PABSEC delegation led by the PABSEC President in March 2002 have indicated the will of both sides to deepen collaboration.

Within this context, a high-level PABSEC delegation paid a working visit to the European Parliament in May 2003. During the meetings in the European Parliament, both sides agreed that there was a need for a structured and programmed PABSEC-EP cooperation, which could include information exchange, participation in each other's meetings, study visits for parliamentarians to the European Parliament and traineeship programmes for PABSEC Secretariat staff and staff from the national parliaments of the PABSEC member countries.

Under the current six month-term Presidency by the Romanian Parliament the PABSEC has placed the enhancement of cooperation with the EP among its top priorities. To this end, in the coming months the Assembly will focus its activities on the following directions:

- to discuss and draft recommendations on “*Shaping a European Economic Space*” at the next meeting of the PABSEC Economic Committee, and on “*The Black Sea Region within the context of the EU Enlargement*” at the next meeting of the PABSEC Legal and Political Committee;
- to consider the Communication from the European Commission to the European Council and the European Parliament on “Wider Europe - Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors”; we think that this document is undoubtedly of great importance for all the BSEC member countries, therefore this autumn the PABSEC Committees and the General Assembly will discuss it in order to formulate an opinion and present it to the EP.

At the same time the Cultural, Educational and Social Affairs Committee will discuss at its forthcoming meeting “*Combating poverty in the BSEC Member States*”, a topic which is undoubtedly of great importance to most of the region’s countries.

This autumn we also expect our Working Group on the Revision of the Rules of Procedure to complete its work to present for the approval of the General Assembly to be held in Bucharest on 8-10 December 2003 a revised version of our basic statutory document containing a number of significant changes, in particular, the introduction of the principle of double majority.

Ladies and Gentlemen,

This year, in February, PABSEC celebrated its tenth anniversary. Although limited in time, the decade-long biography of the Assembly has until now offered the international community strong indications of the viability of its structure, uniting the Parliaments of the eleven countries of the Black Sea area. PABSEC presents itself today as a dynamic democratic forum for dialogue and cooperation at inter-parliamentary level, as well an important channel of communication between governmental institutions and nations of our region, through their elected representatives. Mutual interaction among the national parliaments within the PABSEC framework paves the way towards rapprochement of the countries, reinforces parliamentary diplomacy and gradually creates a climate of cooperation, trust and stability in the region.

Before concluding, I would like to express my sincere appreciation and congratulations to the Hellenic Parliament and the ICBSS for their great efforts in making this conference a reality.

Thank you for your kind attention.

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