Regional Cooperation Organizations in a Multipolar World. Comparing the Baltic and the Black Sea Regions

Tiziana Melchiorre
Regional cooperation organizations in a multipolar world.
Comparing the Baltic and the Black Sea regions

Tiziana Melchiorre
# Table of Contents

## Chapter 1 Overview of the thesis

- **Introduction** ................................................................. 12  
- **Aims of the thesis** .......................................................... 16  
- **Theoretical approach** ...................................................... 18  
- **An overview of neorealism** ............................................. 19  
- **Geopolitics** ........................................................................ 25  
- **The ’region’ and its related concepts** ................................ 27  
- **Neorealism, regionalism and geopolitics around the Baltic and the Black Sea** ............................................................ 31  
- **International regimes theory** ............................................ 39  
- **The Baltic Sea and the Black Sea regions and the international regimes theory** ............................................................ 45  
- **Method** ............................................................................... 49  
- **Delimitations** ...................................................................... 58  
- **Sources** ............................................................................... 59  
- **Printed material** ................................................................. 59  
- **Interviews** ........................................................................... 60  
- **Internet websites** .............................................................. 61  
- **Structure of the thesis** ....................................................... 61  

## Chapter 2 Council of the Baltic Sea States and Black Sea Economic Cooperation: a historical and geopolitical analysis

- **Introduction** ....................................................................... 64  
- **The Baltic and the Black Sea between history and geography** .......................................................... 65  
- **The Baltic Sea region** ......................................................... 68  
- **The premises for region-building on the Baltic Sea** ............. 68  
- **The CBSS** ........................................................................... 75  
- **The structure of the CBSS** .................................................. 79  
- **The CBSS Permanent Secretariat** ....................................... 81  
- **The Black Sea region** .......................................................... 83  
- **The premises for region-building on the Black Sea** ............. 83  
- **The BSEC** ........................................................................... 89  
- **The structure of the BSEC** .................................................. 93  
- **The BSEC Permanent Secretariat** ....................................... 95  
- **BSEC related bodies** .......................................................... 96  
- **BSEC Affiliated Centres** .................................................... 96
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>Arctic Council</td>
</tr>
<tr>
<td>BALREPA</td>
<td>Energy Training and Partnering in the Baltic Sea Region</td>
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<td>BALTBAT</td>
<td>Baltic Battalion</td>
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<td>BALTDEFCOL</td>
<td>Baltic Defence College</td>
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<td>BALTLOG</td>
<td>Baltic Logistics System</td>
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<td>BALTMED</td>
<td>Baltic Medical Unit</td>
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<td>BALTPERS</td>
<td>Registration and Management System for Persons Subject to Military Service</td>
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<td>BALTREL</td>
<td>Baltic Ring Electricity Cooperation</td>
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<td>BALTRON</td>
<td>Baltic Naval Squadron</td>
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<td>BASPA</td>
<td>Black and Azov Seas Ports Association</td>
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<td>BASREC</td>
<td>Baltic Sea Region Energy Cooperation</td>
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<td>BASTUN</td>
<td>Baltic Sea Trade Union Network</td>
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<td>BDF</td>
<td>Baltic Development Forum</td>
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<td>BEAC</td>
<td>Barents Euro-Arctic Council</td>
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<td>BEMIP</td>
<td>Baltic Energy Market Interconnection Plan</td>
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<td>BINSA</td>
<td>Black Sea International Shipowners Association</td>
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<td>BLACKSEAFOR</td>
<td>Black Sea Naval Force</td>
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<td>BPO</td>
<td>Baltic Ports Organization</td>
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<td>BRASS</td>
<td>Black &amp; Azov Seas Ports Association</td>
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<td>BSC</td>
<td>Baltic Sea Commission</td>
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<td>BSEC</td>
<td>Black Sea Economic Cooperation</td>
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<td>BSEC-URTA</td>
<td>Black Sea Economic Cooperation Region</td>
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<td>BSF</td>
<td>Black Sea Forum for Dialogue and Partnership</td>
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<td>BSLF</td>
<td>Baltic Sea Labour Forum</td>
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<td>BSLN</td>
<td>Baltic Sea Labour Network</td>
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<td>BSPC</td>
<td>Baltic Sea Parliamentary Conference</td>
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<td>BSS</td>
<td>Black Sea Strategy</td>
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<td>BSSSC</td>
<td>Baltic Sea States Sub-regional Cooperation</td>
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<td>BSTDB</td>
<td>Black Sea Trade and Development Bank</td>
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<td>BSUN</td>
<td>Black Sea Universities Network</td>
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<td>BTC</td>
<td>Baky–Tbilisi–Ceyhan</td>
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<td>BSTC</td>
<td>Baltic Sea Tourism Commission</td>
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<td>BTE</td>
<td>Baky–Tbilisi–Erzurum</td>
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<td>CBSS</td>
<td>Council of the Baltic Sea States</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>CDC</td>
<td>Community of Democratic Choice</td>
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<td>CEFTA</td>
<td>Central European Free Trade Agreement</td>
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<td>CEI</td>
<td>Central European Initiative</td>
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<td>CFE</td>
<td>Treaty of Conventional Armed Forces in Europe</td>
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<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>CMFA</td>
<td>Council of Ministers of Foreign Affairs</td>
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<td>CPMR</td>
<td>Conference of Peripheral Maritime Regions of Europe</td>
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<td>CSI</td>
<td>Community of Independent States</td>
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<td>CSO</td>
<td>Committee of Senior Officials</td>
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<td>EaP</td>
<td>Eastern Partnership</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EC</td>
<td>European Community</td>
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<td>ECSC</td>
<td>European Coal and Steel Community</td>
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<td>EEZ</td>
<td>Exclusive Economic Zone</td>
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<td>EFTA</td>
<td>European Free Trade Area</td>
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<td>ENP</td>
<td>European Neighbourhood Policy</td>
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<td>EP</td>
<td>European Parliament</td>
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<td>ESDP</td>
<td>European Security and Defence Policy</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUSBSR</td>
<td>EU Strategy for the Baltic Sea Region</td>
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<td>FCMA</td>
<td>Friendship, Cooperation and Mutual Assistance</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GSE0</td>
<td>Group of Senior Energy Officials</td>
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<tr>
<td>GUAM-ODED</td>
<td>Georgia, Ukraine, Azerbaijan, Moldova-Organization for Democracy and Economic Development</td>
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<td>GUEU</td>
<td>Georgia-Ukraine-EU</td>
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<tr>
<td>HLG</td>
<td>High Level Group</td>
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<td>ICBSS</td>
<td>International Centre for Black Sea Studies</td>
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<td>IEA</td>
<td>International Energy Agency</td>
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<td>IFIs</td>
<td>International Financial Institutions</td>
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<td>INOGATE</td>
<td>Interstate Oil &amp; Gas Transport to Europe</td>
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<td>INSME</td>
<td>International Network for SMEs</td>
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<td>ITGI</td>
<td>Turkey-Greece-Italy</td>
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<td>MAP</td>
<td>Membership Action Plan</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NBG</td>
<td>Nordic Battle Group</td>
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<td>NCM</td>
<td>Nordic Council of Ministers</td>
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<td>ND</td>
<td>Northern Dimension</td>
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<td>NDEP</td>
<td>Northern Dimension Environmental Partnership</td>
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<td>NDPHPC</td>
<td>Northern Dimension Partnership for Culture</td>
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<td>NDPHS</td>
<td>Northern Dimension Partnership for Health and</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>Social Well-Being</td>
<td>Northern Dimension Partnership for Transport and Logistics</td>
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<td>NDPTL</td>
<td>Northern Environment Finance Corporation</td>
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<td>NEFCO</td>
<td>Nordic Environment Finance Corporation</td>
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<td>NEGP</td>
<td>North European Gas Pipeline</td>
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<td>NGOs</td>
<td>Non-governmental organizations</td>
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<td>NIB</td>
<td>Nordic Investment Bank</td>
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<td>NORDAC</td>
<td>Nordic Armaments Cooperation</td>
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<td>NORDCAPS</td>
<td>Nordic Arrangement for Military Peace Support</td>
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<td>NDC</td>
<td>Nordic Defence Cooperation</td>
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<td>NORDSUP</td>
<td>Nordic Supportive Defence Structures</td>
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<td>NRC</td>
<td>NATO-Russia Council</td>
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<td>PABSEC</td>
<td>Parliamentary Assembly of the BSEC</td>
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<td>PCA</td>
<td>Partnership and Cooperation Agreement</td>
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<td>PERMIS</td>
<td>Permanent International Secretariat</td>
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<td>PFI</td>
<td>Pilot Financial Initiative</td>
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<td>PIP</td>
<td>Partnership for Peace</td>
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<td>PPP</td>
<td>Public-Private Partnership</td>
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<td>PSF</td>
<td>Project Support Facility</td>
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<td>RSC</td>
<td>Regional Security Complex</td>
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<td>SCP</td>
<td>South Caspian Gas Pipeline</td>
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<td>SCSP</td>
<td>Stability Pact for South Eastern Europe</td>
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<td>SEBA</td>
<td>South East Baltic Area</td>
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<td>SEC</td>
<td>Southern Energy Corridor</td>
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<td>SECI</td>
<td>South-East European Cooperative Initiative</td>
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<td>SEECP</td>
<td>South-East European Cooperation Process</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>TAP</td>
<td>Trans-Adriatic Pipeline</td>
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<td>TEN-E</td>
<td>Trans-European Energy Network</td>
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<tr>
<td>TGI</td>
<td>Turkey-Greece-Italy</td>
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<td>TRACECA</td>
<td>Transport Corridor Europe-Caucasus-Asia</td>
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<td>UBC</td>
<td>Union of Baltic Cities</td>
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<td>UCTE</td>
<td>Continental Synchronous Area</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>US</td>
<td>United States</td>
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<tr>
<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<td>VASAB</td>
<td>Visions and Strategies Around the Baltic Sea</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
Tables

Table 1. Distribution of power in the Baltic and the Black Sea region…….36
Table 2. Illustration of the variables applied to the regional arrangements..51
Table 3. Impact of variables on the region-building process on the Baltic and the Black Sea………………………………………………..100
Table 4. Illustration of the geopolitical relevance that the defence and security arrangements play in the foreign policy of the CBSS member states…………………………………………………………..123
Table 5. Distribution of the BSEC members among the defence and security arrangements in the region…………………………………146
Table 6. Security dynamics on the Baltic and the Black Sea………………154
Table 7. The impact of the variables on the relations among states in the field of energy …………………………………………………………188
Table 8. The four phases of the ‘region’s economic performance’ of Panagiotis Gavras…………………………………………………....210
Table 9. Impact of variables on the two regimes in the field of economic development……………………………………………………..231
Table 10. Illustration of the impact that the variables have on the relations among states in environmental fields along the Baltic and the Black Sea…………………………………………………………..256
Table 11. Illustration of how the variables determine cooperation on the Baltic and the Black Sea………………………………………....267

Figures

Figure 1. The Baltic Sea region…………………………………………………66
Figure 2. The Black Sea region…………………………………………………67
Figure 3. The Nord Stream project…………………………………………..166
Figure 4. The Great Game…………………………………………………….176
Figure 5. The power interconnection between the Baltic and the Black Sea region…………………………………………………………….260
Chapter 1
Overview of the thesis

Introduction

In the late 1980s Gorbachev’s concept of a ‘Common European Home’ marked the beginning of a new era in the relations between the West and the East. The former Soviet Union leader used this concept, constituting a part of his ‘New Thinking’, on several occasions with the intention to underline the necessity of a peaceful and cooperative existence and of a mutual security in international relations. Although the idea of a ‘Common European Home’ accomplished little and disappeared altogether with the dissolution of the USSR, it was a signal that the relations between the West and the East were opening up to new possibilities of international cooperation. The collapse of the Soviet Union and the end of the Cold War made this a matter of fact.

This particular historical moment and the changes it brought about in the international system have been the object of study of a growing body of literature analysing how the relations among the states have been rethought and reorganized. The passage from a bipolar system to a multipolar one after the end of the Cold War has determined the emergence of a phenomenon, namely regionalism, which is becoming increasingly important in the analy-

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1 Gorbachev’s idea was to build a new European architecture founded on four levels, namely collective security, a peaceful resolution of conflicts, a pan-European economic and trade cooperation, and a real European cultural community. Nevertheless, the expression ‘Common European Home’ had been previously used in 1972 by the then Soviet Foreign Minister of Foreign Affairs Andrei Gromyko in a meeting with the French President George Pompidou to convince him of the necessity of supporting the proposal for a Conference on Security and Cooperation in Europe.


2 The concept of ‘Common European Home’ was part of the ‘New Political Thinking’, later known just as the ‘New Thinking’, which Gorbachev set out during his speech at the United Nations in 1988. It was founded on some key propositions affirming the importance that international relations should be based on the primacy of human interests, security and interdependence.


Rey, Marie-Pierre, op.cit., p. 39

4 Holloway, David, op.cit., p. 37

5 The agreements on disarmament made in 1987 and 1990 were the only concrete accomplishments achieved.

Rey, Marie-Pierre, op.cit., p. 59
sis of the international system due to its geopolitical and economic consequences on the relations among the states.

Regionalism is, however, not a new phenomenon. It emerged around the 1960s, but at that time its scope was limited because the division of the world in two blocs represented an obstacle to the free development of regional arrangements. At the same time, states were not disposed to give up part of their sovereignty in the case of both high and low politics.\(^6\)

The end of the Cold War in the late 1980s changed this situation. The shifts in the distribution of power among the big states in the international system have brought about a different polarity which has led to a reformulation of the interaction among states. As neorealist Kenneth Waltz argues, “changes in polarity also affect how states provide for their security. Significant changes take place when the number of great powers reduces to two or one. With more than two, states rely for their security both on their own internal efforts and on alliances they may make with others. Competition in multipolar systems is more complicated than competition in bipolar ones because uncertainties about the comparative capabilities of states multiply as numbers grow, and because estimates of the cohesiveness and strength of coalitions are hard to make”.\(^7\)

It is in this context that regionalism flourished in the late 1980s. The reason is twofold. On the one hand, multipolarism encouraged the formation of regional arrangements as an effect of the assertion of some states as regional powers. On the other hand, the end of the Cold War promoted a sense of independence but also of great vulnerability. This was generated by a sense of isolation that states could fill in through more interdependence.\(^8\) Consequently, regional cooperation emerged as an important means of securing stability.\(^9\) In spite of this, the end of the Cold War has not meant the end of the competition among the big powers. Neorealist John Mearsheimer states in fact that “the sad fact is that international politics has always been a ruthless and dangerous business, and it is likely to remain that way. Although the intensity of competition waxes and wanes, great powers fear each other and always compete with each other for power”.\(^10\)

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7 Kenneth, Waltz, *Structural Realism After the Cold War*, in *International Security*, vol.25, n.1, 2000, pp.5-6
8 Ibidem, p. 22
In order to analyse why and how the changes in the distribution of power among the big states have paved the way to the emergence of regional arrangements at the end of the Cold War, this study uses neorealism as the analytical point of departure. However, it is necessary to underline that this study breaks away from neorealism mainly in three ways. Firstly, while neorealism only focuses on the international level, this study also and especially takes into consideration the regional level. Neorealism is essentially based on the global level, while regions are strictly connected to the notion of territoriality. Secondly, in order to link the international/global level and the regional level this study uses geopolitics. This is defined in materialist terms according to the neorealist approach consisting in three levels: the international, the regional and the nation-state. Geopolitics is rarely used by neorealists in their analysis because of its focus on territory, but is nevertheless a useful tool to fill in the gaps of the neorealist approach explaining the emergence of the phenomenon of regionalism. Thirdly, though neorealism does not consider history as relevant to the study of the international system, the historical legacy of connections among the states in a particular region is taken into account in the analysis. Barring these gaps, the neorealism approach is valid when analysing the relations among the states in the two regions as they are here based on the concept of power.

Scholars analysing the phenomenon of regionalism and the process of region-building have stressed the relevance of regions in world politics. In this context, regional institutions play a fundamental role because they are a link between the regional and the international level. They are sometimes accompanied by regional organizations, which reflect and put in practice the measures adopted by regional institutions.

This is the case of the Baltic and the Black Sea region. The two regions are considered in this study as two international regimes accompanied by two organizations, namely the Council of the Baltic Sea States (CBSS) and the Black Sea Economic Cooperation (BSEC), which belong to the Baltic Sea and the Black Sea region respectively. The CBSS and the BSEC act in two very different contexts each with its own characteristics and peculiarities. Some researchers argue that the different nature of the two regions, defined by their historical, political, social and economic peculiarities, makes any kind of comparisons very difficult and even unnecessary. On the contrary, I argue that it is possible and even relevant to compare the two regions essentially for two reasons. Firstly, the region-building process and the phenomenon of regional cooperation in the European context have specific characteristics which it is possible to find in whatever region on the conti-

nent and others which differentiate it from this phenomenon in other parts of the world (e.g. Asia). Secondly, the Baltic Sea and the Black Sea region are different but also have some peculiarities in common which it is interesting to analyse.

The departure point of this study is that since the establishment of the CBSS and of the BSEC in 1992, the two organizations have acquired more importance on the international arena as actors promoting a new way of connecting states at the regional level. The CBSS and the BSEC provide new possibilities for politicians and experts to meet and exchange information with the aim to guide and improve the cooperation among the member states in the sectors of their competence. At the same time, they represent a good opportunity for regional powers as well as for external actors to try to influence the cooperation in the region in order to pursue their own interests. This study analyses the phenomenon of regionalism around the Baltic and the Black Sea with a comparative perspective by trying to evaluate whether and in which way the CBSS and the BSEC have developed cooperation in their respective region as well as whether and to what extent they can be considered an instrument in the framework of the policies and the strategies of regional powers (Russia and Turkey) and of external actors (EU and US/NATO).

Given these premises and with the aim of extending the neorealist approach by including the three elements mentioned above, this study assumes that regional powers (Russia and Turkey), great powers (Russia) and external actors (the EU, the US and NATO) are the main elements that define the geopolitical characteristics of the system analysed. Russia, Turkey, the EU and the US/NATO have in fact very strong geopolitical and economic interests in the two areas and therefore consider an active involvement in the cooperation within each region as fundamental to achieve their objectives in their neighbourhood. It will be investigated whether they exploit their membership in the CBSS and the BSEC to achieve goals which have an impact on both the international and the regional level. At the same time, it will be discussed whether smaller states can also take advantage of their membership in regional institutions for different purposes and especially in relation to the regional space.

The geographical space where they act is Europe. Geographical space is treated as a set of actors that interact with each other on the same stretch of land with specific historical, political, economic and social characteristics. Of course, the issue is much more complicated and complex because of two sets of considerations. While on the one hand Europe is an enormous geographical space where peoples, countries and regions are extremely different, on the other hand, Europe is inserted in the international system as a whole entity, which means that what happens in other parts of the world inevitably has consequences on the entity. Thus, in this sense Europe can be considered as belonging to the world geopolitical system. In spite of this, it is possible to consider Europe as a unit of analysis for reasons explained above. Fur-
thermore, it is necessary to stress that this thesis considers the geographical borders of Europe as extended on the basis of the political ones since they are defined by the CBSS and the BSEC membership.

**Aims of the thesis**

Against the background provided above, there are two research questions that this study will try to answer:

1) *is the neorealist theory a convincing tool to explain the phenomenon of regionalism around the Baltic and the Black Sea?*

2) *can the emergence of regional organizations be explained from the perspective of big powers competition? What is the role of small powers in this context?*

The analysis has as main focus regional organizations, the CBSS and the BSEC, which, stemming from two regimes corresponding to the Baltic and the Black Sea region, can be considered a product of the geopolitical dynamics characterizing the international order after the collapse of the world system.

The aim of this study is to investigate whether the neorealist theory, which is a power-based theory, is a good tool to explain the phenomenon of regionalism around the Baltic and the Black Sea. In order to accomplish this task, neorealism will be applied to four sectors in each region. They are energy, environment, economic development, and hard security. This choice has been made on the basis of two considerations. Firstly, energy, economic development and environment are important areas of cooperation within both the CBSS and the BSEC. To analyse common areas of activity of the two organizations makes the comparison between them and their respective region more coherent and understandable. Additionally, they are strictly intertwined and they involve issues which are currently very much debated over the present moment for the serious implications that they have for states both at the regional and at the international level. Of course, the two organizations also deal with other areas. While the CBSS has established two other areas of cooperation, namely ‘civil security and human dimension’ and ‘education and culture’, the BSEC has established a number of areas\(^{12}\) some of

\(^{12}\) The areas of cooperation established in the context of the BSEC are: agriculture, banking and finance, combating crime, culture, customs matters, emergency assistance, education, energy, environmental protection, exchange of statistical data and information, healthcare and pharmaceutics, information and communication technologies, institutional renewal and good governance, science and technology, SMEs, tourism, trade and economic development, transport.
which are part of the ‘economic development’ in the case of the CBSS. Thus, for a matter of comprehensiveness and simplicity at the same time, they have been included in the ‘economic development’ sector in the case of the BSEC. They are Small and Medium Enterprises (SMEs), Banking and Finance, Tourism, and Transport. Another important sector, trade, is instead included in the ‘economic development’ sector like in the case of the CBSS. Secondly, hard security, which is the first sector analysed in this monograph, is not a field of cooperation neither in the CBSS nor in the BSEC. The reason why it has been included in the analysis is that it strongly affects the power relations among the states in the two regions. Moreover, it is strictly linked to the other three sectors, as this study will show.

In this context, geopolitics is the tool used to fill in the gaps of neorealism in the explanation of the phenomenon of regionalism around the Baltic and the Black Sea. It is indeed the tool to analyse and compare the role of the CBSS and the BSEC as organizations guiding cooperation in their respective region. The results obtained in the various fields of activity (energy, environment, and economic development) are the measure of the success of cooperation as well as the product of the geopolitical calculations and strategies of the regional actors which are also reflected in the hard security sector. The end of the Cold War has changed the geopolitical context in which states act by leading them to rethink their relations and by creating new opportunities for cooperation and conflict at the same time. Particular attention will be devoted to the presence of regional powers such as Russia and Turkey and of external actors such as the EU, the US and NATO that have a strong influence on the two region’s geopolitical dynamics. This helps investigate whether the CBSS and the BSEC play a role in the policies and strategies of the big actors, namely regional and great powers as well as external actors. In this context, it is necessary to underline that Russia, the EU, and US, that are often considered great powers, represent the main link between the regional and the international level.

Finally, the ultimate goal of the analysis is to find out the peculiarities of each case and their similarities as well. In relation to this, the different political, historical and geographical conditions that have led to the creation of the Baltic Sea and the Black Sea region and their organizations are discussed. Also, the comparison of the implications that the four factors have for the relations among states in the Baltic Sea and the Black Sea region will give a better understanding of their internal dynamics as well as of the differences between them.

See the Black Sea Economic Cooperation homepage at http://www.bsec-organization.org/Pages/homepage.aspx
Theoretical approach

The number of theories on regionalism has enormously increased since the late 1980s. A researcher can get lost in choosing an appropriate theoretical approach in the issue. The solution lies on the path that the researcher wants to follow, that is to say which aspects of the issue are put at the centre of the study and from which point of view the analysis should be conducted. As Philippe De Lombaerde, Fredrik Söderbaum, Luk Van Langenhove and Francis Baert argue, “(…) most of these theories are not ‘competing’ in the sense that they do not try to ‘explain’ identical phenomena in different ways; rather, they tend to focus on different or related aspects of the broader regional phenomenon”.

As emphasized earlier, this thesis follows an extended neorealist approach that is the theoretical tool that is used to conduct the analysis of the phenomenon of regionalism around the Baltic and the Black Sea. The author is aware of the limits of the neorealist theory especially when analysing the phenomenon of regionalism in which it has so little interest. According to the neorealist, Glenn Snyder, the main rap against the neorealist theory is that it does not explain enough. Critics admit that polarity and anarchy are two important constrains on the behaviour of states, but they argue that there are other causal factors that the theory omits, both at the systemic and at the domestic level. As a consequence, neorealism paints a partial and a misleading picture of international politics. However, Snyder correctly points out that “this criticism betrays a misunderstanding of what might be called the theoretical dilemma of the social sciences. There are so many causal variables operating in the empirical world that no theory can embrace more than a fraction of them; consequently every theoretical explanation, strictly speaking, is ‘false’. No theory can give a full explanation of reality; it can only spell out the logical relations of the variables within its purview. This means, first, that all theories must fail a strict empirical test; at best they can only be tentatively confirmed by observing parallel tendencies in reality. Second, it means that any purportedly complete explanation of reality must draw on several theories. It may be possible to locate connections between the theories at certain logical nodes, but any attempt to meld them into an integrated whole, taking account of all relevant variables, risks degenerating into mere case-by-case description. For any single theory, it is enough that it highlight ‘a small number of big and important things’; that is all that Kenneth Waltz, the founder of neorealism, claims for his theory”.

Starting from this awareness, the ensuing sections will explain how neorealism is used to define the theoretical concepts on which this study is based.

13 De Lombaerde, Philippe, Söderbaum, Fredrik, Van Langenhove, Luk, Baert, Francis, Problems and Divides in Comparative Regionalism, in Laursen, Finn, Comparative Regional Integration, Europe and beyond, Ashgate, Farnham, 2010, p. 27
For this reason, an overview of the neorealist paradigm is firstly provided. The concepts of geopolitics and of region come immediately after as they are the basis of the discussion together with neorealism. Additionally, a section is devoted to the application of the theoretical concepts to the Baltic and the Black Sea region. As these latter are defined as international regimes, two other sections follow. The first one discusses international regimes from the point of view of neorealism, while the second one applies them to the two regions.

An overview of neorealism

The starting point of this study, based on the neorealist theoretical approach, is that states do cooperate with each other, but their survival is their main objective and is at the basis of their behaviour. As neorealism argues, this is due to the fact that the structure of the international system (a ‘self-help’ one), which constrains states, leaves to cooperation less room for manoeuvre. Cooperation can be possible, but states will always strive to preserve their autonomy by maximizing their relative power or by maintaining the status quo. These two strategies correspond to the defensive and the offensive realism respectively, which will be discussed more in detail later.

The states or units interact with each other but they also interact with the structure which Waltz defines as one of the two components (i.e. together with the units) of the international system. The structure, according to Waltz, allows conceptualizing the units as a distinct set from the sum of all the parts of the system.\(^\text{15}\) This means that the structure is the component of the system which is extended to the entire system and this characteristic makes it possible to conceive the system as a whole.\(^\text{16}\) The structure is defined by the principle by which it is ordered (anarchic order), by the differentiation and specification of its units (which do not differ for their functions, but for their capacity of fulfilling them) and by the distribution of capabilities (which are measured on the basis of the number of great powers within the international system). The international system is based on an anarchic order which, as John Mearsheimer puts it, “does not mean chaos and violence, but simply that states are sovereign political entities”.\(^\text{17}\) Their thinking is dominated by power calculations\(^\text{18}\) and focuses exclusively on their interests and on their survival as independent actors. This implies a zero-sum game as any unit’s gain must be calculated against other units’ gains and not in absolute terms.\(^\text{19}\)

\(^{15}\) Waltz, Kenneth, *Teoria della politica internazionale*, Il Mulino, Bologna, 1979, p. 100

\(^{16}\) *Ibidem*, p. 164

\(^{17}\) Mearsheimer, John J, *Realism, the Real World and the Academy*, in *Realism and Institutionalism in International Studies*, University of Michigan Press, Michigan, 2002, p. 25

\(^{18}\) *Ibidem*, p. 25

This means, as Grieco argues, that “international anarchy fosters competition and conflict among states and inhibits their willingness to cooperate even when they share common interests” because states fear that joint gains can produce potential future enemies. For this reason states must pay much attention to the gains of their partners. Thus, for the neorealists, the critics levelled against them by institutional neoliberals don’t take into consideration the continuous threat of conflict between states. The reason for this is that institutional neoliberals’ thinking is founded on the proposition that states try to maximize their gains in absolute terms without taking into consideration the other’s gains.

Although the neorealists acknowledge that international institutions can help promote cooperation, they are not convinced that institutions would guarantee improved relations between states. For neorealists “international institutions are unable to mitigate anarchy’s constraining effects on interstate cooperation”. The reason for this lies in the different way they conceive states. While institutional neoliberals consider states as ‘atomistic in character’, neorealists consider them ‘positional in character’. In fact, as said above, for neorealists states are worried about relative gains and consequently about potential future enemies, whereas institutional neoliberals are preoccupied with absolute gains. This point is very well explained by Waltz who argues that “when faced with the possibility of cooperating for mutual gain, states that feel insecure must ask how the gain will be divided. They are compelled to ask not "Will both of us gain?" but "Who will gain more?". If an expected gain is to be divided, say, in the ratio of two to one, one state may use its disproportionate gain to implement a policy intended to damage or destroy the other. Even the prospect of large absolute gains for both parties does not elicit their cooperation as long as each fears how the other will use its increased capabilities. Notice that the impediments to collaboration may not lie in the character and the immediate intention of either party. Instead, the condition of insecurity—at the least, the uncertainty of each about the other’s future intentions and actions—works against their cooperation”. Another neorealist, Robert Powell, explains the point quite lucidly. He argues that in international politics relative gain is more important than absolute gains and that “the more states care about relative gains, the more a gain for one state will tend to be seen as a loss by another and the more difficult, it seems, cooperation will be.” The strong interest of states in relative gains

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21 Grieco, Joseph M., op.cit., p. 488
22 Ibidem, p. 485
23 Ibidem, p. 487
24 Waltz, Kenneth, op.cit., p. 204
is explained with the ultimate aim of states, namely survival. Grieco argues in fact that “driven by an interest in survival, states are acutely sensitive to any erosion of their relative capabilities, which are the ultimate basis for their security and independence in an anarchical, self-help international context”. Thus, the major aim of states is not to obtain the highest possible individual gain or payoff. By contrast, “the fundamental goal of states in any relationship is to prevent others from achieving advances in their relative capabilities”. As Grieco argues, realist Edward Carr and neorealist Robert Gilpin support this idea. Carr suggests for instance that “the most serious wars are fought in order to make one’s own country militarily stronger, or, more often, to prevent another from becoming militarily stronger”. Gilpin, on his part, argues that the international system “stimulates, and may compel, a state to increase its power; at the least it necessitates that the prudent state prevent relative increases in the power of competitor states”.

For neorealists there are two obstacles to cooperation, namely the fear of states being cheated and their concerns about relative gains. The latter in particular is engendered by the positionality of states mentioned above. Neorealists believe that states are uncertain about one another’s future intentions. They must pay attention to how cooperation might affect relative capabilities in the future. Consequently, “a state will decline to join, will leave, or will sharply limit its commitment to a cooperative arrangement if it believes that partners are achieving, or are likely to achieve, relatively greater gains. It will eschew cooperation even though participation in the arrangement was providing it, or would have provided it, with large absolute gains”. Faced with both problems (cheating and relative gains), states cooperate to ensure that their partners comply with their promises and that their cooperation produces “balanced” and “equitable” achievements of gains. These are defined as “distributions of gains that roughly maintain precooperation balances of capabilities”.

In this context, institutions can help overcome the barrier of cheating, but not the relative gains problem. The reason is the neorealist conception of the international anarchy. They consider anarchy being the absence of an interstate government in the international system. There is no supra-national agency to enforce rules or to force states to cooperate. According to neorealists, anarchy places severe constraints on state behaviour. Grieco argues in fact that this is the reason why “realism, then, presents a pessimistic analysis

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26 Grieco, Joseph M., op.cit., p. 498
27 Ibidem, p.498
29 Gilpin, Robert, The Richness of the Tradition of Political Realism, in Keohane, Robert, Neorealism and its Critics Columbia University, New York, 1996, pp.87-88. See also Grieco, Joseph M., op.cit., p. 498
30 Grieco, Joseph M., op.cit., p. 499
31 Ibidem., p.501
32 Ibidem, pp. 497-498
of the prospects for international cooperation and of the capabilities of international institutions".  

Therefore, the problem of cheating can't be solved through the establishment of institutions like institutional neoliberals state. These latter argue that the rules at the basis of institutions make cheating useless and disadvantageous, while neorealists posit that institutions can mitigate this problem when states manage to cooperate, but they really cannot solve it. Institutional neoliberals accuse neorealists of stressing the marginal role of institutions. Waltz points out that neorealists argue that the strong or weak effect of institutions depends on what states intend. For instance, strong states use institutions on the basis of their needs and interests.  

The neorealist approach has been strongly criticized by many scholars when the Cold War ended up. The main argument is that the deep changes occurred in the international system have made it obsolete. The end of bipolarism and the transition of many countries towards democracy have led many international relations scholars to argue that neorealism is no longer useful to explain international politics any more. They argue that multipolarity has very much reduced the competition among the great powers. Consequently, the risk of war has become minimal compared to the era of the bipolar confrontation.  

Neorealists reject such arguments. Waltz and Mearsheimer argue that although it is true that international politics has changed, the international system has not changed as anarchy is always there. Mearsheimer for instance states that “despite the end of the cold war, the basic structure of the international system remains largely unchanged. States are still the key actors in world politics, and they continue to operate in an anarchic system”. Waltz gives a very similar explanation because he says that what has happened concerns the changes in the system, not of the system. He points out that “international politics still remains a self-help arena and that there is still competition among states for power. He further qualifies that “competition in multipolar systems is more complicated than competition in bipolar ones because uncertainties about the comparative capabilities of states multiply as numbers grow, and because estimates of the cohesiveness and strength of coalitions are hard to make”. Following this line neorealist Stephen Walt argues that “by definition, the end of the Cold War implies a diffusion of threats”.  

Neorealists do not share the neoliberal idea that liberal democratic states behave in a peaceful way like Michael Doyle for instance argues. Waltz for instance states that “democracies promote war because they at times decide

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33 Grieco, Joseph M., op.cit., p.485  
34 Waltz, Kenneth, Structural Realism after the Cold War, op.cit., p. 24  
35 Mearsheimer, John J., op.cit., p.26  
36 Waltz, Kenneth, Structural Realism after the Cold War, op.cit., p. 5  
37 Ibidem, p. 6  
that the way to preserve peace is to defeat nondemocratic states and make them democratic.\textsuperscript{39} He also says that peace is the result of a very delicate balance between external and internal restraints and that states with more power are always tempted to use it against weaker states.\textsuperscript{40} Waltz also points out that peace could be facilitated from interdependence because it increases contacts among states and mutual understanding among them. At the same time, it also increases occasions for conflicts that can escalate resentment and even lead to war.\textsuperscript{41} Waltz emphasizes that “among the forces that shape international politics, interdependence is a weak one”.\textsuperscript{42} Waltz applies the concept of interdependence to the economic field. He argues that states are functionally similar, but different in their potentials. This differences cause the division of labour between states. The more states specialize on the production of a particular good, the more they depend on each other. States usually avoid a high degree of interdependence, but small states can’t avoid it because they have little resources at their disposal.\textsuperscript{43}

The concept of interdependence is strictly linked to the one of cooperation, though they are obviously different as the latter does not implies dependence. The structure of international politics limits cooperation among states, as already argued, and consequently also interdependence. Nevertheless, it is necessary to underline that the end of the Cold War and the phenomenon of globalization have increased the connections among states, but according to the neorealist approach this has not changed the anarchical structure of the international system.

Furthermore, neorealists criticize institutional neoliberals for having underestimated the importance of institutions designed to strengthen security of states. Both Waltz and Mearsheimer take NATO as an example. They underline that NATO has survived after the end of the Cold War.\textsuperscript{44} According to Mearsheimer, this is due essentially to the fact that the relationship between Europe and the USA has not changed after the end of the Cold War and NATO still provides stability on the European Continent.\textsuperscript{45} The reason is twofold. On the one hand, “America has continued to serve as Europe’s pacifier by maintaining a significant military presence on the continent and keeping NATO intact”.\textsuperscript{46} On the other one, “most Europeans have not only welcomed America’s continued presence in their midst, but they have largely accepted the idea that the United States has a moral and strategic

\textsuperscript{39} Walt, Stephen, \textit{op.cit.}, p. 11
\textsuperscript{40} Waltz, Kenneth, \textit{Structural Realism after the Cold War,op.cit.}, p. 13
\textsuperscript{41} Ibidem, p. 14
\textsuperscript{42} Ibidem, p. 14
\textsuperscript{43} Waltz, Kenneth, \textit{Teoria della politica internazionale}, p. 203
\textsuperscript{44} Waltz, Kenneth, \textit{Structural Realism after the Cold War}, pp. 18-26. See also Mearsheimer, John J., \textit{op.cit.}, p. 28
\textsuperscript{45} Mearsheimer, John J., \textit{op.cit.}, p. 28. See also Mearsheimer, John J., \textit{Why is Europe peaceful today?}, in \textit{European Consortium for Political Research}, University of Chicago, 2010, p. 2
\textsuperscript{46} Mearsheimer, John J., \textit{Why is Europe peaceful today?}, \textit{op.cit.}, p. 388
responsibility to run the world”. Like Mearsheimer, Waltz argues that one of the reasons explaining the survival of NATO is the willingness of its members to continue supporting their common values. Waltz also states that the most important reason of NATO’s survival is that the United States wants it. He recognizes the failure of neorealists in thinking that NATO would have disappeared with the end of the Cold War. This was due to the neorealist underestimation of United States’ folly. At the same time, he states that neorealists are correct when saying that institutions exist to serve the interests of states. In the case of NATO the interests at stake are the United States’ ones. Thus, in his view, institutional neoliberals are completely wrong in arguing that the survival of NATO is a proof of the vitality and autonomy of institutions.

Waltz also stresses another interesting point. According to him the case of NATO illustrates an interesting aspect of the balance of power theory. In an anarchic system states avoid being dragged into belligerent situations. The possible consequences push them to create equilibria and stability in the system. The case of the presence of NATO in Europe is different because the presence of a superpower, namely the United States, prevents a balance of power from emerging in Europe. Waltz argues that what is true for NATO is also generally true for the other international institutions generally. They are created by the most powerful states and last as long as they serve the interests of their creators. Walt, for instance, argues that NATO expansion is the “effort to extend Western influence - well beyond the traditional sphere of U.S. vital interests - during a period of Russian weakness and is likely to provoke a harsh response from Moscow”.

Finally, neorealists have their own conception of history. They have a non progressive view of history. Neorealist Christopher Layne argues that “if history is ‘just one damn thing after another’, then for realists international politics is the same damn things over and over again: war, great power security and economic competitions, the rise and fall of great powers, and the formation and dissolution of alliances. International political behaviour is characterized by continuity, regularity, and repetition because states are constrained by the international system’s unchanging (and probably unchangeable) structure”. This is because of the anarchic feature of the international system.

47 Mearsheimer, John J., Why is Europe peaceful today?, op. cit., p. 388
48 Waltz, Kenneth, Structural Realism after the Cold War, p. 25
49 Ibidem, p. 20
50 Waltz, Kenneth, Teoria della politica internazionale, op. cit., p. 225
51 Waltz, Kenneth, Structural Realism after the Cold War, op. cit., p. 26
52 Ibidem, p. 26
The term ‘geopolitics’ is composed of two words, namely geography and politics. Geography is literally ‘the writing of the Earth’,\textsuperscript{55} politics refers to the art of governing. Like the notion of region, geopolitics is a dynamic one as its meaning changes over time. Gearóid Ó Tuathail argues for instance that “geopolitics is best understood in its historical and discursive context of use”.\textsuperscript{56} He states in fact that during the Cold War geopolitics was conceived differently than after it ended and a ‘new world order’ appeared. When bipolarism dominated the international system, geopolitics was used to describe the competition between the Soviet Union and the United States in the international arena. In contrast, since the end of the Cold War geopolitics’ task has consisted of “addressing the ‘big picture’ and in offering a way of relating local and regional dynamics to the global system as a whole”.\textsuperscript{57} Carlo Jean agrees with Ó Tuathail on the changes over time in the way geopolitics has been conceived and studied. According to Jean at the beginning of the 20th century geopolitics was descriptive and centred on states and territories, while at the present time it is more analytical as it stresses the importance of human decisions, it considers not only states but all the actors playing within the international system, and it is strongly influenced by technological development.\textsuperscript{58} Carlo Jean defines geopolitics as “a method and a technique of analysis and reasoning.”\textsuperscript{59} To the question ‘what is geopolitics for?’ he answers that geopolitics is useful to better understand the events by inserting them in their historical and geographic context, to classify and analyse geopolitical representations which influence political actions, and as a methodological support to study global, regional and local events.\textsuperscript{60}

Geopolitics is linked to history. It has been conceived differently according to the historical period when it has been studied. Saul Bernard Cohen states that geopolitics can be traced back to Aristotle, Strabo, Bodin, Montesquieu, Kant, and Hegel. However modern geopolitics has developed through five stages. The first one is the ‘race for the imperial hegemony’ reflecting the era of intense nationalism, state expansionism and overseas empire building. The second one is the ‘German Geopolitik’ that emerged as reaction to Germany’s defeat in World War I. The Treaty of Versailles imposed to Germany the loss of its overseas empire and important parts of its national territory. This was the basis of the Nazi principles of Geopolitik aiming to restoring Germany as one of the most powerful states in Europe.

\textsuperscript{55} Postel-Vinay, Karoline, \textit{op. cit.}, p. 25
\textsuperscript{57} Ibidem, p. 1
\textsuperscript{58} Ibidem, p. 264
\textsuperscript{59} Jean, Carlo, \textit{Geopolitica, sicurezza e strategia}, Centro Studi di Geopolitica Economica, Franco Angeli, 2007, p. 263
\textsuperscript{60} Jean, Carlo, \textit{op.cit.}, p. 265
The third stage is the ‘geopolitics in the United States’ which was based on the view of most American geographers that repudiated German Geopolitik. Nicholas Spykman, a US scholar of international relations, argued for instance that only an alliance of Anglo-American sea power and Soviet land power could prevent Germany from expanding its power. The fourth stage is the ‘Cold War-State-Centred versus universalistic approaches’. While at the onset of the Cold War Western geopolitics was the basis for national policy aimed at confronting the Soviet Union and international communism, in the 1960s and the 1970s geographers introduced theories based upon universalistic/holistic views of the world and the dynamic nature of geographical space. Three approaches predominated: 1) a polycentric, international power system; 2) a unitary, economically based world system; 3) an environmental and socially ordered geopolitics. The fifth stage is the ‘post-Cold War era: competition or accommodation’. Despite the fact that a number of new approaches to geopolitics have appeared in this period, the main thrust of post-Cold War geopolitics continues to follow the two streams of the previous era.61

Cohen’s conception of geopolitics is based on polycentrism and “builds from the continuous proliferation of the various parts and levels of the world”.62 He defines geopolitics as “the analysis of the interaction between, on the one hand, geographical settings and perspectives and, on the other, political processes. The settings are composed of geographical features and patterns and the multilayered regions that they form. The political processes include forces that operate at the international level and on the domestic scene that influence international behaviour. Both geographical settings and political processes are dynamic, and each influences and is influenced by the other. Geopolitics addresses the consequences of this interaction”.63

The notion of geopolitics that this study applies stems from Cohen’s one and is consequently conceived in material terms. As understood in this study, geopolitics is defined as the interplay between power politics and territoriality. Power politics refers to the interaction between the forces operating at the international level and those operating at the state level. Territoriality refers to the geographical settings that can be Maritime or Continental (following Cohen’s division) and more specifically to the geographical constraints that influence power politics. The Maritime setting is exposed to the sea, either from coastal reaches or from inland areas with access to the sea. The Continental setting is instead characterized by vast distances from the sea. This study obviously takes into consideration the Maritime setting.

It is possible to identify three geopolitical levels: 1) the international (global) system; 2) the region; 3) the state. This research focuses on the re-

62 Ibidem, p.28
63 Ibidem, p.12
gional level, but it takes into consideration also the international level especially with reference to the external actors and the state level with reference to the foreign policy of the regional actors (or states). The next sections explain how the three levels are intertwined.

The ‘region’ and its related concepts

In order to understand the phenomenon of regionalism in the Baltic and on the Black Sea region analysed from a neorealist perspective, it is necessary to clarify what a region is and how it is here defined.

The definition that this study applies is as follows: A region is a power complex where the relations among the states are shaped by the political, the economic and the security links among them and defined by geographical boundaries. The region is the second of the three levels in which geopolitics can be divided, as it has been argued above.

However, a unanimous and consensual definition of the term ‘region’ does not exist. Although the notion of ‘region’ has attracted the interest of a number of scholars, little of it has been studied from an international perspective, as Karoline Postel-Vinay argues.64 According to her, “the region constitutes a ‘relevant space’ for both international action and the analysis of international relations, and is indeed a spatial entity that is ‘laden with socio-political significance’, constructed within a specific historical framework”.65 Following the same path, Charles King argues that “what counts as a region depends very much on the particular lenses we are wearing when we ask the question, as well as the historical period on which we are concentrating. Rather than asking what a region is, it might actually be more appropriate to ask when it is”.66 This means that regions are dynamic. As King states, regions are not so much about a commonality of language, culture or religion, but they are about connections.67 And connections can change over the time.

Furthermore, many scholars define regions as ‘constructed political designs’. As Barry Buzan puts it, “defining who is inside and outside a region is an essentially political process involving systemic constraints, the goals of political elites, domestic institutions, international organizations, and trans-border communities, none of which may have exactly the same vision of what constitutes the legitimate boundaries of the region in question”.68

64 Postel-Vinay, Karoline, Creating international regions, The spatial expression of power, in Godehardt, Nadine, Nabers, Dirk, Regional Powers in Regional Orders, Routledge, 2011, p. 22
65 Ibidem, p. 22
68 Ibidem, p. 16
The construction of a region increases the level of interdependence among its constituting states. As Oleksandr Pavliuk argues, the consequence is that "what happens to one part or state of the region has more profound implications for other parts or states than similar developments outside the region have". Similarly, Barry Buzan defines a region as “a group of states whose primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from one another (...)”. This security interdependence results in a region becoming a 'security complex'. The interdependence factor is also used also by Joseph Nye that defines the region as “a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence”. By contrast, neorealists downplay interdependence and focus instead on power-political pressures. In this perspective, regions have much in common with the politics of alliance formation and are analysed on the base of their place in the broader international system.

Geography is another fundamental factor and the most obvious criterion chosen by scholars to define a region. Daniel Flemes and Detlef Nolte for instance argue that “the concept of region refers to a geographically delineated subsystem of the global system which is composed of adjacent states”. They also add a political component to the geographical one. In fact, they say that “Hemmer and Katzenstein are right when they argue '(although) often described in geographical terms, regions are political creations and not fixed by geography'”.

Additionally, the notion of region is used by many scholars, especially by those belonging to the constructivist strand of the international relations theory camp, as 'imagined communities'. This expression refers to the fact that the actors of a well determined geographical area perceive themselves and are perceived from the rest of the world as constituting a region. Rick Fawn for instance argues that a region exists only when the actors involved “define and promulgate to others a specific identity”. In this case the elements taken into consideration to define a region are historical similarities and cultural affinities which are part of identity. This aspect will be very marginal in this study as it focuses on a material approach to the formation of regions. Nevertheless, it will be mentioned in relation to the two regional institutions to provide a complete picture of the region-building process which in both cases stresses the identity component though not always with success.

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69 Pavliuk, O., Klympush-Tsintsadze, I., _op.cit._, p. 6
70 Buzan Barry, Wæver, Ole, _op.cit._, p. 21
72 Fawcett, Louise, Hurrell, Andrew, _op.cit._, p.47
74 _Ibidem_, p. 3
Furthermore, the concept of region is strictly linked to two other concepts that are essential in this thesis, namely ‘regional institution’ and ‘regional organization’. Defining the term ‘regional institution’ implies two tasks. The first one is to discuss what an institution is by giving it a precise meaning. Like in the case of the notion of region, a unanimous definition of institutions in international relations does not exist. As Keohane argues, “institutions are often discussed without being defined at all, or after having been defined only casually”. In effect, as Mearsheimer puts it, “the concept is sometimes defined so broadly as to encompass all of international relations, which gives it little analytical bite. For example, defining institutions as ‘recognized patterns of behaviour or practice around which expectations converge’ allows the concept to cover almost every regularized pattern of activity between states (…)”. Nevertheless, the solution lies on the context where the institution is inserted. As mentioned earlier this research adopts a materialist approach. According to Mearsheimer for instance “institutions are a set of rules that stipulate the ways in which states should cooperate and compete with each other. They prescribe acceptable forms of state behaviour, proscribe unacceptable kinds of behaviour. These rules are negotiated by states and (…) they entail the mutual acceptance of higher norms, which are ‘standards of behaviour defined in terms of rights and obligations’.” In this context ‘regional institution’ and ‘international regime’ can be considered synonyms. Nevertheless, it is necessary to underline that Mearsheimer’s definition is not really different from Keohane’s one. In fact, according to the latter, “an institution can be identified as related complexes of rules and norms, identifiable in space and time (…). The rules must be durable, and must prescribe behavioural roles for actors, besides constraining activity and shaping expectations”. The very difference between the two lies on the different approach they adopt to study international relations, which will be discussed later in the paragraph on the theoretical approach of this thesis with a particular emphasis on neorealism. It is sufficient to state here that while neorealist see institutions as a reflection of the distribution of power in the world, institutional neoliberals consider them as independent variables in the international system able to influence the behaviour of states and move them away from war.

78 *Ibidem*, p. 8
80 Mearsheimer, John, *op.cit.*, 7
Once the term ‘institution’ is defined, it is necessary to specify what a ‘regional institution’ is. This study considers it as an institution acting on a specific territory, that is to say an international region as defined in the previous paragraph. Thus, the element distinguishing an international institution from a regional one is territory. Given that this study considers the Baltic and the Black Sea region as two regimes as previously stated, the concepts of ‘regional institution’ and ‘regime’ are here synonymous.

The importance of regional institutions lies on the fact that “the ‘actorness’ of a region depends on its institutional architecture; and the analysis of these institutions helps to decode the region’. In fact, institutions represent the intense interaction between the regional players. This allows distinguishing a region from the surrounding system. Thus, “a region without institutions is no actor in international politics”.

It is also necessary to point out that ‘regional institution’ and ‘regional organization’ are two different concepts. While the former is a set of prescriptions for action and procedures, the latter is the structure providing actors a physical space where to act and in charge of ensuring the respect of those procedures. A regional organization possesses offices, personnel, budget, and equipment. Its importance also lies on the opportunities it creates for politicians and experts to meet in order to exchange information and ideas for cooperation.

Finally, the concept of region has some derivatives that are often used by researchers but are not really essential to understand the very reasons of the formation of the region. The only concept that it is necessary to define in this study is the one of regionalism. However, it is not defined in materialist terms as power-based theories do not deal with them in their analysis. This demonstrates that neorealism has many difficulties in explaining the phenomenon of regionalism. In spite of this, it is useful to briefly discuss them because they are useful for a more comprehensive treatment of the discussion on the concept of region as well as of the existing literature on it.

Regionalism, which is here a synonym of regional cooperation, is defined by Fawcette as “a policy and project whereby states and non-states actors cooperate and coordinate strategy within a given region”. Rick Fawn gives a similar definition arguing that regionalism is “a policy of cooperation and coordination among actors within a given region, whereby this coordination in itself can further define the region”. In this context it is necessary to distinguish between New and Old regionalism. The New regionalism which

81 Godehardt, Nadine, Nabers, Dirk, Regional powers and regional orders, Routledge, New York, 2011, p. 52
82 Ibidem, p. 52
83 Ibidem, p. 52
84 Jean, Carlo, op.cit., p. 24
refers to the second wave of regional cooperation starting in the 1980s differs from the old regionalism for some important factors: 1) the old regionalism was formed in a bipolar context, while the new is taking shape in a more multipolar world order; 2) the old regionalism was created from outside and from above (e.g. by the superpowers), while the new is a more spontaneous process from within and from below; 3) the old regionalism was specific with regard to objectives while the new is more comprehensive, the actors are not only states, but also other kinds of institutions, organizations and movements.

**Neorealism, regionalism and geopolitics around the Baltic and the Black Sea**

Neorealism has little interest in the phenomenon of regionalism because it believes that international politics is determined by the structure of the international political system and by the most powerful states. In spite of this, it is possible to point out the main elements of the neorealist approach to the phenomenon of regionalism. First of all, neorealism understands regionalism “by looking at the region from the outside in and by analysing the place of the region in the broader international system. Regional groupings form in response to external challenges and there is no essential difference between economic and political regionalism”. 87 Secondly, neorealism puts the accent on power-political pressures and on the dynamics of mercantilist economic competition. This latter is based on mercantilism, which is “economic nationalism for the purpose of building a wealthy and powerful state”. 88 Consequently, the economic objectives of regionalism don’t stem from the pursuit of welfare, but from the close relationship existing between economic wealth and political power as well as from the concern of states with relative gains and losses. 89 Thirdly, small states can get involved in regionalist groupings to face the threat coming from the presence of stronger states. This view is shared also by Joseph Grieco who states that “relatively weaker states may choose to cooperate through an institution in order to attain ‘voice opportunities’ with regard to their stronger partners”. 90 Fourthly, neorealism does not believe in regional economic integration since “the autonomous

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89 Fawcett, Louise, Hurrell, Andrew, *op. cit.*, p. 48
market processes are ultimately determined by the structures of the international political system and the policies of major states”.\textsuperscript{91} Regional cohesion is possible but as a result of the power that is exerted by a regional hegemon or of the convergence of material interests. In presence of a hegemonic power a regional grouping can be constituted as a response to it. In the same way, the creation of regional institutions can be seen from the same perspective as the attempt to restrict the room of manoeuvre of the hegemonic power. Nevertheless, the hegemon itself could be the promoter of regional institutions which in this case can be the expression of the hegemonic ascendancy.\textsuperscript{92} According to Grieco, stronger states accept institutionalization because it allows them to exercise their hegemony efficiently and “under a cover of legal equality such that there is less resistance to its preferences and proposals”.\textsuperscript{93}

The cases of the Baltic Sea and the Black Sea region are very different because of many factors such as geopolitics, economics, history, and of course they are also dissimilar internally, but they can be analysed through the same theoretical approach after having determined the criteria to use. This research will take into consideration the following ones. The outside-in and inside-out approach to the region-building process is the first one. It is very useful to define which states can be considered as part of the region. The difference is very well pointed out by Iver Neumann who states that “where the ‘inside-out’ approaches concentrate on the naturalness of cultural criteria in delineating a region’s borders, the ‘outside-in’ discard these in favour of natural geopolitical or strategic landmarks such as mountain ranges, rivers and stretches of waters”.\textsuperscript{94} Another difference that Neumann stresses is the fact that “whereas the ‘inside-out’ approaches embrace a plethora of regional actors-INGOs, nations, states, bureaucracies, parties, commercial enterprises, trade unions, cultural personalities- the outside-in literature tends to stress systemic factors, states and geography”.\textsuperscript{95} In short, an ‘inside-out’ approach focuses on cultural integration, while the ‘outside-in’ on geopolitics.

The present study uses the ‘outside-in’ approach because the focus is on geopolitics and the power relations between regional actors. Another reason for using this approach is that it would be quite tricky to support the idea that there is a cultural commonality in the two regions which this research considers as constituted by the members of the CBSS and BSEC.\textsuperscript{96} Their politi-

\begin{footnotesize}
\begin{itemize}
\item[91] Hurrell, Andrew, \textit{op.cit.}, p. 53
\item[92] Ibidem, p. 52
\item[93] Grieco, Joseph, \textit{op. cit.}, p. 42
\item[94] Neumann, Iver, \textit{A region-building approach to Northern Europe}, in \textit{Review of International Studies}, n. 20, issue 1, 1994, p. 56
\item[95] Ibidem, p. 56
\item[96] The member states of the CBSS are: Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, Sweden, the European Commission
See the CBSS’ homepage at www.cbss.org
\end{itemize}
\end{footnotesize}
cal, economic, historical and cultural characteristics are so different that finding some elements proving that they have a common cultural background would be very difficult. Also, the ‘inside-out’ approach supports the idea of an identity among the actors of a region. Although the CBSS and the BSEC try to build one in their region, the reality is that a regional identity does not exist. Like the region itself, regional identity is something stemming from a political will. Therefore, it is not natural, but something which is built on the basis of some kinds of political calculations. Joseph Nye states in fact that “regions lie where politicians want them to lie”. This is true also in other cases like for instance in the Barents area which includes some of the CBSS countries’ regions. Here decision-makers aim at creating a regional identity by “making the populations of the different states in the region feel that they have something in common with their neighbours across the borders”. The creation of a Barents identity can be viewed “as an instrument for encouraging functional economic cooperation as well as furthering the superior goals of peace and stability in the area”. Thus, at the root of the identity building there is always a materialist reason.

The second criterion that this study will use to analyse the Baltic Sea and the Black Sea region is the concept of ‘regional power’. This concept is strictly connected to the notion of geopolitics as defined in this study as it contains the reference to both territory and distribution of power. It involves two fundamental terms, namely ‘region’ and ‘power’. The former has already been explained earlier. Here it is sufficient to recall that the notion of region is strictly connected to the one of territory and power, as already argued. It is consequently evident that these two concepts are the strong link between ‘region’ and ‘geopolitics’.

As for the term ‘power’ Waltz states that “an agent is powerful if he affects others more than they affect him”. Consequently, the units with more capabilities define the international structure. The power of a unit can be measured in terms of its territory, its population, its human resources, economic capability, military power, political stability and political competence. These characteristics are useful to identify superpowers, great pow-

The member states of the BSEC are: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, Ukraine.

See the BSEC’s website at http://www.bsec-organization.org/member/Pages/member.aspx

97 Neumann, Iver, op. cit., p. 59
98 The Barents region includes: Kainuu, Lapland, and Oulu region (in Finland), Finnmark, Nordland and Troms (in Norway), Arkhangelsk, Karelia, Komi, Murmansk and Nenets (in Russia), Norrbotten and Västerbotten (in Sweden).

See the Barents Euro-Arctic Council (BEAC)’s website at http://www.beac.st/in_English/Barents_Euro-Arctic_Council/Barents_Regional_Council.iw3


100 Ibidem, p. 282.

101 Waltz, Kenneth, Teoria della politica internazionale, p. 245

102 Ibidem, p. 131
ers, middle powers and regional powers. However, Barry Buzan argues that Waltz’s definition present a problem in the fact that it does not say how to calculate the relative weight of each element. According to Buzan, this problem could be solved by complementing Waltz’s definition with Hedley Bull’s one. Bull’s definition is not only materialist, but also stresses the relevance of the social role played by powers in the international system. In fact, it says that a unit can be defined as a great power if it has rights and duties recognized by the others in the system. Similarly to Waltz, Mearsheimer argues that “power lies at the heart of international politics” and that “power is based on the particular material capabilities that a state possesses”. In contrast to Waltz Mearsheimer does not define power in terms of the outcomes of interactions between states. According to him, states have two kinds of power: latent power and military power. Latent power refers to the socio-economic ingredients that constitute the military power and it is largely based on a state’s wealth and the size of its population. Military power, which is based largely on the size and the strength of a state’s army and its supporting naval and air forces, is privileged over latent power. However, states care greatly about the latter because abundant wealth and a large population are necessary for building formidable military forces.

Furthermore, it is necessary to make another important distinction, namely the one between hard and soft power. They can be regarded as two poles on a continuum of power. It is however possible to make a clear distinction between them. For instance, the institutional neoliberal Joseph Nye, for instance, distinguishes soft from hard power by stating that the former is the ability to reach its own goal through attraction instead of through coercion or payments. He states that “soft power […] co-opts peoples rather than coerces them. Soft power rests on the ability to shape the preferences of others. […] Simply put, into behavioural terms soft power is attractive power”. In contrast, the neorealist approaches emphasize the hard power capacities of states, in particular their military capabilities and economic strength. Hard power focuses on “military intervention, coercive di-

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103 Buzan, Barry, Il gioco delle potenze, la politica mondiale nel XXI secolo, Università Bocconi Editore, Milano, 2004, p. 90
104 Buzan, Barry, op.cit., p. 91
105 Mearsheimer, John, The Tragedy of Power Politics, op.cit., p.55
106 Ibidem, p.55
107 Ibidem, pp.55-56
109 Flemes, Daniel, Regional Leadership in the Global System, Ideas, Interests and Strategies of Regional Powers, Ashgate, Farnham, UK, 2010, p.4
110 Ibidem, p.4
plomacy and economic sanctions in order to enforce national interests resulting in confrontational policies vis-à-vis neighbouring countries”.111

By accepting this distinction, this study defines power as such as the material capabilities that a state possesses. Thus, it is possible to say that superpowers are those units whose material capabilities are definitely superior to the ones of other powers.112 Great powers are those states that “through their great economic, political and military strength, are able to exert power over world diplomacy”.113 Middle powers are those states that are neither superpower nor great power, but wield international influence.114 Regional powers are states with a large population and a high GDP115 and/or that are economically stronger in the region. In this last case, most scholars agree on the following criteria to identify a regional power: “1) it is part of a geographically delimited region; 2) it is ready to assume leadership; 3) displays the necessary material and ideational capabilities for regional power projection”.116 Small powers are those states that do not have a large population and/or that have a low GDP. Furthermore, this thesis introduces another kind of power which will be called ‘atypical powers’. They are characterized by a small population and high GDP.

Another concept which has been mentioned before but needs a more precise definition is hegemonic power. This study defines a hegemon as a state that “uses multiple dimensions of power in order to create and manage a system’s order in favour of its own preferences, values and norms”.117 Most of the existing literature considers a hegemonic state as the only one dominating the system. Here the hegemonic status can be attributed to more than one state, i.e. those ones that possess the capabilities necessary to influence the system. This study obviously focuses on the regional system. Table 1 summarizes the distribution of power in the Baltic and the Black Sea region.

111 Wagner, Christian, op.cit., p.2
112 Buzan, Barry, Il gioco delle potenze, la politica mondiale nel XXI secolo, op.cit., p. 87
113 Flemes, Daniel, op.cit., p. 5
114 Ibidem, p. 5
115 Ibidem, p. 5
116 Ibidem, p. 6-7
117 Stewart-Ingersoll, Robert, Frazier, Derrick, Regional powers and security orders, Routledge, New York, 2012, p.27
Table 1. Distribution of power in the Baltic and the Black Sea region

<table>
<thead>
<tr>
<th>Regional arrangement</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinds of powers</td>
<td></td>
<td></td>
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<tr>
<td>Superpowers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Great powers</td>
<td>Russia</td>
<td>Russia, Turkey</td>
</tr>
<tr>
<td>Middle powers</td>
<td>Estonia, Latvia, Lithuania</td>
<td>Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Serbia, and Ukraine</td>
</tr>
<tr>
<td>Small powers</td>
<td>Denmark, Iceland, Finland, Norway, Sweden</td>
<td>-</td>
</tr>
<tr>
<td>Atypical powers</td>
<td>Denmark, Iceland, Finland, Norway, Sweden</td>
<td>-</td>
</tr>
<tr>
<td>Regional powers</td>
<td>Germany, Russia</td>
<td>Russia, Turkey</td>
</tr>
<tr>
<td>Hegemonic powers</td>
<td>-</td>
<td>Russia, Turkey</td>
</tr>
<tr>
<td>External actors</td>
<td>EU, US/NATO</td>
<td>EU, US/NATO</td>
</tr>
</tbody>
</table>

If these definitions are applied to the EU, Russia and Turkey in the Baltic Sea and the Black Sea region, it is immediately evident that the EU cannot be considered a regional power, but an external actor - i.e. a state that is not part of the region but that tries to exert its influence on it. The European Commission is a member of the CBSS, but this does not mean that the EU should be considered a regional actor. This should be seen instead as the willingness of the CBSS founders to include the European Commission and not the EU as a whole in a cooperative scheme in the region for financial and political reasons.\(^{118}\) Although some of the EU members are part of the two areas, it would be impossible to include the whole EU in the Baltic Sea and the Black Sea region from a geographical point of view. The case of Russia is more complex as it is a regional and an external actor at the same time, as most scholars argue. Russia is undoubtedly part of both the Baltic Sea and the Black Sea region; it is also a full-fledged member of the CBSS and the BSEC. The fact that Russia can be considered as belonging to two regions at the same time makes it more appropriate to define it both as a regional and an external actor. This is true from a geographical point of view as its terri-

\(^{118}\) When the CBSS was founded in 1992 the Nordic countries considered important the involvement of the EU in the area not only for the prospects that a central role of the EU and especially of the Commission could offer in the relations between them and the EU, but also for the resources the Commission administers.


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tory extends from the Baltic to the Black Sea and even to Asia. In addition, the EU and Russia are also great powers acting at the European and international level. This aspect cannot be excluded as it is important to better understand the regional dynamics in the Baltic and the Black Sea region.

It is necessary to underline that whether the EU and Russia are great powers - a question that is widely debated in international relations. As Barry Buzan puts it, the EU does not possess the properties of a nation-state (according to Waltz a great power can be only a state) and it is politically weak, but it is very often defined as a great power because it has the necessary material capabilities. He also states that “if one accepts the behavioural approach to determining status, this problem disappears. The EU can be judged by how others respond to it. If others treat it as a great power, then it qualifies as such regardless of its ambiguous, sui generis political status. The English School understanding that international systems could be seen as ‘a group of independent political communities’ makes entities such as the EU easier to incorporate”.

Buzan argues that Russia is usually considered as a great power (it has passed from being a superpower during the Cold War to becoming a great power), albeit many scholars argue that it does not possess all the characteristics to be defined as such. Barry Buzan argues that the status of a great power differs from the regional power one in the way the other states respond to them on the basis of calculations made at the level of the international or the regional system in relation to the distribution of power. The capabilities of regional powers concern the whole region, but they do not have much weight at the global level. The states that are great powers in the international system interact with them on the basis of the consideration that their influence is relevant only for the security of the region. In effect, regional powers define not only the polarity of the regional system but also the characteristics of the interaction between the security dynamics at the level of the region and the ones at the level of the global system. As Daniel Flemes and Detlef Nolte put it, “regional powers are the nexus of an emerging multipolar world order, in which they aspire to play an important role, and a regional order, in which their leadership may be contested. The regional powers have to synchronize their global and regional strategies, which is often quite challenging”.

Furthermore, according to Buzan, the simplest way to become a great power is not to be involved in a region. If this is not possible because of the geographical position, the other way is to become a regional hegemon, but this is no guarantee of success.

Russia can be defined as a regional hegemon in the Black Sea region where it shares this role together with Turkey, the initiator of the BSEC pro-

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119 Buzan, Barry, Regions and Powers, op.cit., p. 33
120 Buzan, Barry, Il gioco delle potenze, la politica mondiale nel XXI secolo, op.cit., p. 111
121 Ibidem, p. 105
122 Flemes, Daniel, Nolte, Detlef, op.cit., p. 4
123 Buzan, Barry, Il gioco delle potenze, op.cit, p. 110-111
ject, which can be considered as both a regional power and a middle power. Turkey, like Russia, has a very unique geographical position making it a part of different regions and as a strategic state from a geopolitical point of view. As Barry Buzan puts it, since the end of the Cold War “Turkey has started to explore ‘regionalism’ which is to a large extent a Turkish adaptation to the actuality that it is part of several ‘regions’ and needs to think of the inner dynamic of each of them separately”.

Although Russia and Turkey could be considered as competitors in the Black Sea region, their relations have improved especially in the context of the energy sector. This has obviously implications for the relations of the two countries with the EU as energy is a very sensitive issue. On the contrary, Russia is not a hegemon in the Baltic Sea region where the balance of power and the geopolitical situation are completely different for historical, political and economic reasons. Consequently, the nature of the relationship among the countries in the two areas differs substantially. While in the Black Sea region they are characterized by tensions and conflicts, in the Baltic Sea area they are based essentially on peace and friendship even though some tensions are present also here. This is the case of the relations between Russia and Estonia, Latvia and Lithuania. The peculiarities of the two regions make the role played by the EU consequently different. The EU’s room for manoeuvre is larger in the case of its member countries in the Baltic Sea. EU’s policies are here more coherent and clear and its membership in the CBSS gives it an equal voice with the other members. By contrast, the observer status in the BSEC does not give the EU the opportunity to exert its influence on the decisions taken within this institution. This is the reason why the EU is trying to establish closer relations with the BSEC through the Black Sea Synergy. However, “the EU’s activities on post-Soviet space are seen in Moscow in geopolitical terms, as a struggle over spheres of influence where ‘power vacuums’ cannot exist for long and attention needs to be paid to the ‘balance of power’. To put it in political science language, contrary to more recent assertions, Kremlin officials perceive EU-Russian relations in the common neighbourhood as a zero-sum game, where the gain of one side is the loss of the other”.

Geopolitics pushes small countries preferring cooperation with stronger states or with each other. This is the case both in the Baltic Sea and in the Black Sea region where the CBSS and the BSEC are the clearest examples. In effect, as Waltz argues, the choice of independence is too costly for small states with few resources. In the case of the Baltic Sea region, for instance, the involvement of Estonia, Latvia and Lithuania in the CBSS project (initiated by Denmark and Sweden) has provided them with better opportunities

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124 Buzan, Barry, Regions and Powers, op.cit., p. 486
125 Adomeit, Hannes, Russia and its Near Neighbourhood: Competition and Conflict with the EU, Natolin Research Papers, 04/2011, College of Europe, Natolin, 2011, p. 7
126 Waltz, Kenneth, Teoria della politica internazionale, op.cit., p. 206
of receiving a very valuable help from the Nordic countries (considered here atypical states) in their modernization and democratization. Increasing trade and financial flows among the BSEC members has meant relevant economically benefited the small states. Nevertheless, as pointed out earlier, cooperation is also in the interests of stronger states that can exert their influence on small states within an institutional context.

The case of the Black Sea region is indeed more complex than the Baltic Sea one. This is due not only to the conflicting and tense relations among the regional countries which make the area very fragmented, but also to the presence of some organizations which compete with the main institution guiding the cooperation in the region, namely the BSEC. The establishment of GUAM (Georgia, Ukraine, Azerbaijan, and Moldova) in 2001 has been a source of tension in the area because it is mistrusted by Russia that considers it a threat to its interests in the Black Sea region. Another reason is that the BSEC sees GUAM’s projects in the energy sector as competing with its own policies in this field. Energy is indeed the sector where cooperation is less successful in the BSEC. The CBSS also encounters serious difficulties to establish appropriate energy policies because of the strong interests of the regional states.

Finally, it is necessary to make another consideration in this theoretical part that provides a better understanding of the different dynamics in the Baltic Sea and the Black Sea region. While regionalism is comprehensive in both areas, it is evident that the so-called New regionalism cannot be applied to the Black Sea region especially in relation to the second and the third point mentioned above. In fact, in this area the actors are essentially states that guide and shape cooperation. On the contrary, in the Baltic Sea region local bodies in addition to states play an important role. This is the case of the Baltic Sea Commission that “brings together 23 regions in six countries around the Baltic Sea. The BSC includes several national capitals as members and the organisation also has the majority of the Baltic Sea Islands as members. The BSC voices the word of approximately 15 million inhabitants.” Local bodies usually cooperate with the CBSS which is the institution coordinating the activities in the region. This will be discussed later on in this study.

**International regimes theory**

The previous section has given an overview of the main elements constituting the neorealist theory which is at the basis of the discussion on interna-

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127 Pavliuk, O., Klympush-Tsintsadze, I., *op.cit.*, p. 49
128 The seven countries are: Sweden, Finland, Germany, Estonia, Poland, and Norway
See the website of the Baltic Sea Commission at [http://www.balticseacommission.info/members.html](http://www.balticseacommission.info/members.html)
tional regimes briefly presented here. However, before proceeding with it, it
is necessary to clarify the link between the concept of ‘international region’
and ‘international regime’. This is important in order to understand why the
Baltic and the Black Sea region are considered regimes. Both concepts are
based on the idea of cooperation among actors, but there is a crucial differ-
ence between them because a region is strictly linked to the notion of terri-
tory as already argued, whereas it is not necessarily so in the case of an in-
ternational regime. Nevertheless, taking into consideration the ‘consensus
definition’ that is explained in the next paragraph leads to define the Baltic
Sea and the Black Sea region as international regimes. Indeed, the four com-
ponents of regimes are all present in the cooperation established in the two
regions. In this context the role played by the CBSS and the BSEC is crucial
as they have strongly contributed to the region-building process of the two
regions. Principles, norms, rules and decision-making procedures are con-
tained in the documents of the two organizations and serve as the basis of the
cooperation in the two regions.

The term ‘international regime’ was introduced for the first time in 1975
by John Ruggie, who defined it as “a set of mutual expectations, rules and
regulations, plans, organizational energies and financial commitments,
which have been accepted by a group of states”. Nevertheless, this study
takes into consideration the ‘consensus definition’ proposed by neorealist
Stephen Krasner: regimes are “implicit or explicit principles, norms, rules,
and decision-making procedures around which actors’ expectations converge
in a given area of international relations. Principles are beliefs of fact, causa-
tion, and rectitude. Norms are standards of behaviour defined in terms of
rights and obligations. Rules are specific prescriptions or proscriptions for
action. Decision-making procedures are prevailing practices for making and
implementing collective choice”.

Krasner distinguishes between norms and principles on the one hand, and
rules and procedures on the other one. “Principles and norms provide the
basic defining characteristics of a regime. There may be many rules and
decision-making procedures that are consistent with the same principles and
norms”. While a change of principles and norms is a change of the regime
itself, a change of rules and decision-making procedures means a change
within the regime. Furthermore, a weakness of the regime occurs when
principles, norms, rules and decision-making procedures become less coher-
ent or if actual practice is increasingly inconsistent with them.

129 Keohane, Robert, After Hegemony, Cooperation and Discord in the World Political Econom-
y, Princeton University Press, 1984, p. 57
130 Krasner, Stephen, International Regimes, Cornell University Press, Ithaca and London,
1983, p. 2
131 Ibidem, p. 3
132 Ibidem, pp. 3-4
133 Ibidem, p. 5
Krasner’s definition of regimes has been criticized by other neorealist scholars like Susan Strange that states that the concept is “obfuscating and confusing instead of illuminating”\textsuperscript{134} because of its ‘woolliness’ and ‘imprecision’. The same criticisms have been made by another prominent constructivist scholar, Friedrich Kratochwil, who argues that the vagueness of the concept “cries out for conceptual development”\textsuperscript{135} Even scholars sympathetic to the study of international regimes admit to the problems with the definition. The neoliberal institutionalist Oran Young, for instance, argues that “this apparent definitional consensus is a remarkable achievement in a field of study that is as anarchical as international relations has been over the last generation. But it is not sufficient to suppress insistent criticisms regarding the clarity, and, therefore, the utility of the concept of international regimes”.\textsuperscript{136} He also adds that “part of the problem with Krasner’s definition is that it does not allow us to identify regimes with precision or to separate regimes easily from the rest of international relations. The common definition is really only a list of elements that are hard to differentiate conceptually and that often overlap in real-world situations”.\textsuperscript{137} Another criticism has been raised against the four elements constituting international regimes which are ‘indistinguishable components’ and consequently very difficult to recognize.\textsuperscript{138} Hasenclever, Mayer and Rittberger are right when they say that this problem raises the two following questions: “what criteria do students of regimes have for distinguishing principles, norms, rules, and procedures of a regime reliably? And why is it that we need such a relatively complex construct at all? The second, more fundamental, problem of interpretation arises from the phrase ‘around which actors’ expectations converge’ and amounts to the question of when we may say that a rule (or any other regime component) exists in a given issue-area”.\textsuperscript{139} The neoliberal institutionalist Keohane has tried to resolve these problems by defining international regimes as “institutions with explicit rules, agreed upon by governments that pertain to particular sets of issues in international relations”.\textsuperscript{140} Thus, Keohane summarizes the four components of international regimes in the concept of ‘rules’\textsuperscript{141}

\textsuperscript{134} Strange, Susan, \textit{Caveat dragones: a critique of regime analysis}, in Krasner, Stephen, \textit{op.cit.}, p. 337
\textsuperscript{136} Young, Oran, \textit{International Regimes: Toward a New Theory of Institutions}, in \textit{World Politics}, n.39, issue 1, 1986, p. 105
\textsuperscript{137} \textit{Ibidem}, p. 106
\textsuperscript{139} Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, \textit{Theories of International Regimes}, Cambridge University Press, Cambridge, 1997, p. 11
\textsuperscript{140} \textit{Ibidem}, p. 12
\textsuperscript{141} \textit{Ibidem}, p. 12
Keohane is the author of the most discussed theory on international regimes, which is called functional or contractualist theory of regimes. This approach starts from four neorealist assumptions. States are ‘crucial actors’ in world politics. Anarchy has relevant repercussions on states’ interactions and on their ability to cooperate. States are rational actors acting to satisfy their interests. Like Waltz, Keohane adopt a systemic approach according to which the external structural conditions (distribution of wealth and power) in the international system strongly influence the behaviour of states. Nevertheless, neorealists make a distinction in their conception of states’ rationality. According to neoliberal institutionalists, states worry about relative gains, whereas the neorealists argue that states are concerned only with absolute gains, as noted in the previous section. Nevertheless, when criticizing institutional neoliberals on the regimes issue, Grieco argues that absolute gains are important as well because defending its own position in the international system is fundamental for states. He argues that losing a relative gain does not mean necessarily that a state renounces to cooperate if it deems absolute gains as bigger than the relative ones. This means that states will cooperate only if the distribution of gains after cooperation is balanced, that is to say if the agreement "roughly maintains pre-co-operation balances of capabilities".

Furthermore, neorealists have strongly criticized institutional neoliberals for misunderstanding the meaning of international anarchy. Institutional neoliberals consider international anarchy simply as the absence of a central agency able to make states respect their obligations. For neorealists, the most important characteristic of anarchy is that the lack of a central government leads states to be constantly worried about their survival. For this reason self-help is the most important concern of states.

In this context, the issue that is very much discussed in International Relations Theory is the following: do regimes matter? According to the contractualist theory, regimes facilitate cooperation because they make the exchange of information easier and reduce the costs to obtain them. As Keohane puts it, “the international regimes are useful to governments (in which case it would be hard to understand why they exist at all), they permit governments to attain objectives that would otherwise be unattainable”. He argues that “regimes are relatively efficient institutions, compared with the alternative of having a myriad of unrelated agreements, since their princi-

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142 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, *op.cit.*, p. 184. See also Keohane, Robert, *After Hegemony, op.cit.*, p.25
144 Grieco, Joseph, *ibidem*, p. 47
145 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, *op.cit.*, p. 201-202
146 Keohane, Robert, *After Hegemony, op.cit.*, p. 97
rules, and institutions create linkages among issues that give actors incentives to reach mutually beneficial agreements". Keohane also explains that regimes facilitate intergovernmental agreements by raising the costs of violating the others’ property rights, by reducing transaction costs and by providing reliable information to members. The international regimes are created by states to pursue their egoistic goals and are the result of multilateral negotiations. The fundamental benefit of regimes is giving the states involved the possibility of cooperating through agreements. Thus, states create a regime if the benefits are potentially large for all states involved. Whereas the neorealist view gives international institutions very little scope and “affect the prospects for cooperation only marginally”.

Within the neorealist approach, Grieco’s position has positive implications for institutions albeit being considered as anti-institutionalist. He argues that “international institutions do matter for states as they attempt to cooperate. Indeed realists would argue that the problem with neoliberal institutionalism is not that it stresses the importance of institutions but that it understates the range of functions that institutions must perform to help states work together. Realists would agree that international institutions are important because they reduce cheating; yet, realists would also argue, they must do much more than that if cooperation is to be achieved”. He further adds that if regimes do not produce unbalanced gains, they can be useful by reducing the concern about relative gains, as also institutional neoliberalism states.

Krasner argues that “regimes are necessary to resolve coordination problems and to establish stability”. By using the example of global communications, Krasner shows that the creation of a regime has brought about benefits to all parties. He also demonstrates that relative power capabilities have a stronger impact than information flows and knowledge. In fact, he states that “where there have been disagreements about basic principles and norms and where the distribution of power has been highly asymmetrical, international regimes have not developed. Stronger states have simply done what they

147 Keohane, Robert, *After Hegemony*, op.cit., p. 97
148 Keohane distinguishes between regimes and agreements. He states that “it is crucial to distinguish clearly between international regimes, on the one hand, and mere ad hoc substantive agreements, on the other. Regimes (...) facilitate the making of substantive agreements by providing a framework of rules, norms, principles, and procedures for negotiation”. Keohane, Robert, *The demand for international regimes*, in Krasner, Stephen, *op.cit.*, p. 153
149 Keohane, Robert, *After Hegemony*, op.cit., p. 97
150 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, *op.cit.*, p. 186
152 Grieco, Joseph, *Cooperation among nations: Europe, America, and Non-tariff Barriers to Trade*, *op.cit.*, p. 233. See also Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, *Interests, Power, Knowledge: The Study of International Regimes*, *op.cit.*, p. 204
pleased. (…) Where there are coordination problems and the distribution of power has been more symmetrical, however, regimes have been established. The level of conflict has varied according to whether states were dealing with pure coordination problems or with coordination problems that had distributional consequences. The resolution of the former has caused little conflict because the purpose of the regime has been to avoid mutually undesirable outcomes. (…) By contrast, in cases that have had distributional consequences, conflict has been more intense: though the states agreed on mutually undesirable outcomes, they disagreed on their preferred outcome. Controversies were triggered by changes in power, usually resulting from the development of new technologies.”

Other neorealists such as Susan Strange and Kenneth Waltz state that regimes are mere epiphenomena. According to Susan Strange, “all those international arrangements dignified by the label regime are only too easily upset when either the balance of bargaining power or the perception of national interest (or both together) change among those states who negotiate them.” Waltz argues that “regimes can only be one small step removed from the underlying power capabilities that sustain them.” This point of view is not shared by institutionalist neoliberals such as Keohane, who contends that “we study international regimes because we are interested in understanding order in world politics. Conflict may be the rule; if so, institutionalized patterns of cooperation are particularly in need of explanation.”

Neorealists and neoliberals have indeed been involved in a deep discussion about which one of the two schools explains international regimes better. As Hasenclever, Mayer and Rittberger put it, “each school focuses on a specific variable. Neoliberals stress self-interest as a motive for cooperation among states and for the creation of, and compliance with, international regimes. Realists emphasize that considerations of relative power affect the substance of international regimes and circumscribe their effectiveness and robustness.” Nevertheless, neorealists and neoliberals are aware that their positions are strictly interconnected. Both of them admit that the points of view of the other could be included in its own account of international politics provided that some specific conditions are hold. As Krasner puts it, “the issue is not so much whether one accepts the possibility of principles, norms, rules, and decision-making procedures affecting outcomes and be-

155 Krasner, Stephen, International Regimes, op.cit., pp. 6-7. See also Young, Oran, op.cit., p. 116
156 Ibidem, p. 345
157 Ibidem, p. 7
158 Keohane, Robert, The demand for international regimes, in Krasner, Stephen, ibidem, p. 141
159 Ibidem, p. 217
160 Ibidem, p. 217
haviour, as what one’s basic assumption is about the normal state of international affairs”\textsuperscript{161}

To recall what was earlier stated, this study adopts the neorealist approach to the study of international affairs. Therefore, international regimes are seen as institutions which are created by states when certain conditions are satisfied. These conditions pertain to the agreement on norms and principles, and the maintenance of the distribution of power among states after the establishment of the regime. Furthermore, the two problems of relative gains and of cheating are also relevant in the creation of international regimes. This study will try to show that the neorealist approach can better explain why the Baltic and the Black Sea region are ineffective international regimes especially in certain sectors (e.g. energy) where the two conditions are not satisfied and where the relevance of the two problems (the relative gains and the cheating one) cannot be downplayed. According to the same logic, the neorealist approach will be applied to try to explain why international regimes fail in some particular issue-areas (e.g. energy and environment) while they are more successful in some other ones (e.g. economic development).

**The Baltic Sea and the Black Sea regions and the international regimes theory**

In this section, I will try to answer two questions by casting them against the discussion in the preceding section. The first one concerns the perspective this study adopts in order to apply the international regimes theory to the two regions of this research. The second question concerns the choice of a theoretical model to use in order to describe the regime formation in the two cases.

The neorealist perspective is applied to the international regimes theory in the Baltic Sea and the Black Sea regions. What is interesting is that each of the two different strands of neorealism can explain each of the two cases studied. While defensive realism can be used to analyse cooperation in the Baltic Sea region, offensive realism better suits the Black Sea region case. The reason is that while geopolitics in the Baltic Sea region can be described through the balance of power among its actors, in the Black Sea region the geopolitical situation is characterized by two elements. The first one is the ‘security dilemma’ which “reflects the basic logic of offensive realism”\textsuperscript{162}, as Mearsheimer argues. The concept was introduced by John Herz in 1950 who explains it by stating that groups and individuals are concerned about their security from being attacked or annihilated by some other groups or individuals. In order to escape the power of the others, they acquire more and

\textsuperscript{161} Krasner, Stephen, *op.cit.*, p. 10
more power. This makes the others insecure and pushes them to prepare for the worst. Consequently, nobody can feel entirely secure and the competition for power goes on in a vicious circle for security and power accumulation.163

The second element is the presence of two hegemons, namely Russia and Turkey. This difference has important implications for the internal dynamics of the two regions. According to defensive realists such as Waltz and Grieco, states aim at defending their position in the international system. Consequently, states cooperate only if the agreement at the basis of the cooperation "roughly maintains pre-co-operation balances of capabilities"164, which means that states cooperate only if there is a balanced distribution of gains.165 By contrast, for offensive realists such as Mearsheimer and Gilpin this is not the case as states are power-maximizers revisionists. Referring in particular to great powers, Mearsheimer argues that "there are no status quo powers in the system, save for the occasional hegemon that wants to maintain its dominating position over potential rivals"166 because the international structure forces states to act aggressively in the interest of their own security. He also says that "the best guarantee of survival is to be a hegemon, because no other state can seriously threaten such a mighty power".167 Nevertheless, Mearsheimer considers it ‘virtually impossible’ to be a global hegemon because it is very difficult to project power on the territory of a rival great power. Thus, “the best outcome a great power can hope for is to be a regional hegemon and possibly control another region that is nearby and accessible over land”.168 This is for instance the case in the Black Sea region where, as argued above, both Russia as well as Turkey aim at becoming a hegemon. Therefore, it is possible to talk about ‘hegemonic regionalism’. Furthermore, the relevance of state location in Mearsheimer’s theory is an important departure from Waltz. Geography is thus a very important variable (a non-structural systemic variable) together with the international distribution of power capabilities. At the same time, though location is relevant, Mearsheimer, like Waltz, insists that world politics can be understood primarily by looking at the causes at the structural level rather than at the unit-level. As Peter Toft argues, in Mearsheimer’s thought location “is wholly subordinated to the structural balance of power variable since different power constellations determine the impact of location on state behaviour”.169

164 Grieco, Joseph, Cooperation among nations: Europe, America, and Non-tariff Barriers to Trade, op.cit., p. 47
165 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, Interests, Power, Knowledge: The Study of International Regimes, op.cit., p. 203
166 Mearsheimer, John, op.cit., p. 2
167 Ibidem, p. 3
168 Ibidem, p. 41
As for the second question, this study will use the ‘model of regime formation’ proposed by Oran Young. His model is based on the concept of interest because he considers states as selfish worried about obtaining benefits from cooperation together with the other actors as well as about the difficulty of agreeing on rules. Young’s model is used only as a point of reference to explain regime formation in the two cases by placing power analysis at the centre.

Young’s model divides the process of regime formation in three stages, namely ‘agenda formation, negotiation, and operationalization’. As Young puts it, the three stages often overlap so that it is difficult to distinguish them chronologically. He defines the agenda formation as a political process involving “pragmatic matters like the identification of players to be invited to participate, the setting in which negotiations will occur, the timing of the first round of negotiations, and remaining conceptual questions, like the breadth or narrowness of the items to be considered by the negotiators”. Young also says that “agendas not only define options and, in the process, limit the range of results that can emerge from interactive decisionmaking but they also determine whether issues come to the attention of the members of a social group in a timely manner and how issues are framed for purposes of collective choice”.

It is not easy to distinguish agenda formation from negotiation as the matters arisen in the former will be of interest also during the latter. Negotiation is characterized by a deep discussion between two or more actors on the provisions contained in a document which is the ‘constituting contract’ of the international regime. Young argues that “success in the negotiation stage requires an ability to maintain political momentum in the face of misunderstandings or disagreements (...)”. In this context, the types of problems to face determine the success or the failure of the negotiation. Young underlines that the institutional bargaining in the negotiation stage is different from the one analysed by many studies on bargaining for three reasons. It is not a simple means to reach an agreement acceptable for the parties at stake or a case of pure cooperation, but it implies a “very hard bargaining in which participants do their best to exploit whatever bargaining leverage is available to them”. The aim is to achieve a consensus among as many participants as possible instead of assembling winning coalitions. The third difference concerns the nature of participants. Governments tend to espouse a cause,
the establishment of a regime for instance, and then “advocate these causes in a determined manner in their dealings with others”.177 As the factions within governments have different visions of the provisions included in the agreement, there are two levels of the bargaining game, one internal to states and one external.178 Young also argues that the negotiation stage is well structured. Indeed, much is known about the identity of the players though some others can be included during the process, the issues to be addressed are quite well defined though a reformulation is always possible, and in most cases the bargaining focuses on the development of a negotiating text.179

An important element pointed out by Young is that the success or failure of institutional bargaining depends on the presence of an effective leadership. He argues that it is possible to find three types of leaders. Structural leaders translate their power based on material resources into bargaining leverage. Entrepreneurial leaders use their bargaining skills to present issues and to come up with institutional options. Intellectual leaders use the force of ideas in order to influence the way the participants in the institutional bargaining understand issues and orient their preference towards some of the available options.180 In contrast to the international relations theory, Young assumes that these leaders are individuals and that there must be at least two types of leaders for building a successful regime.181

The last stage of the regime formation is operationalization which has two components, the domestic and the international one. This latter consists of the ratification of a convention or a treaty, the implementation of legislation or the promulgation of regulations. The international component, which is the focus of this study, implies the establishment of an apparatus which serves to administer or manage a regime on a regular basis. It is in this context that the CBSS and the BSEC play a fundamental role as organizations giving a practical support by carrying out the tasks envisioned by the creator of the regime.182

When is it possible to define a regime as resilient and when is it deemed to be effective? As Hasenclever, Mayer, and Rittberger argue, “regime resilience (robustness) refers to the staying power of international institutions in the face of exogenous challenges. By implication, it also comprises the extent to which prior institutional choices constrain collective decisions and behaviour in later periods, that is, the extent to which ‘institutional history matters’”.183 According to them, the term ‘effectiveness’ refers to two over-

177 Young, Oran, Creating Regimes, op.cit., p. 14
178 Ibidem, p. 14
179 Ibidem, p. 15
180 Young, Oran, Political leadership and regime formation: on the development of institutions in international society, in International Organization, n.45, issue 3, 1991, pp. 288-302
181 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, Interests, Power, Knowledge: The Study of International Regimes, op.cit., p. 195
182 Young, Oran, Creating Regimes, op.cit., p. 17
183 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, op.cit., p. 178
lapping ideas. The first one is that “a regime is effective to the extent that its members abide by its norms and rules”. The second idea is that “a regime is effective to the extent that it achieves the objectives or purposes for which it was intended”. Many studies have tried to measure the effectiveness of regime. This study will try to do the same following the method explained in the next section. The aim is to compare the two cases taken into consideration by identifying a specific strategy of evaluation.

In conclusion, the Baltic and the Black Sea region are considered two international regimes whose formation is analysed through the ‘model of regime formation’ proposed by Oran Young. But, as argued above, the analysis has at its centre the concept of power instead of interest since this thesis is based on the neorealist theoretical approach. Furthermore, the two regions are compared by taking into consideration two strands of the neorealist approach since the geopolitical situation is different in the two cases.

Method

When examining the phenomenon of regionalism and in particular the role of the CBSS and of the BSEC in their respective region in neorealist terms, this study applies the following model as a conceptual framework of analysis. The aim is to explain from a comparative perspective why and how the end of the Cold War has led to the phenomenon of regionalism around the Baltic and the Black Sea and, consequently, to the building up of the two regions or regimes, which have been developing until the present time. In order to do so, the starting point is geopolitics defined as the interplay between power politics and territoriality and which is the link between neoliberalism and regionalism. Thus, the following independent variables (whose application to the two regions is illustrated in table 2) are taken into consideration:

1) the distribution of power among the big states refers to how the changes that have occurred in the international system (the end of the Cold War) have affected the power relations among the states by modifying their relative power (the structure of the international system has passed from being bipolar to be multipolar and the capabilities of the states have changed). Small powers are also taken into consideration. They are important because both big and small powers play a role in the making of the two regions though great powers are the ones that define the structure of the system, as neorealists argue.

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184 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, op.cit., p. 178
185 Ibidem, p. 178
2) the *geographical location* refers to the geopolitical boundaries of the two regions (a non-structural systemic variable). In this context, the geographical position of big and small powers will be taken into consideration in the analysis. This element influences the relations between big and small powers and consequently their geopolitical strategies towards each other and towards the region as a whole.

3) the *historical legacy of the regional actors or established patterns of interaction* is intended as the history of the connections among the states in a particular region as defined in this study. It is strictly linked to the notion of geopolitics and plays a role in determining the features of regional cooperation because it has an impact on the relations among the regional actors. Historical legacy is intended as starting at the end of the Cold War, but some references to previous periods are inevitable for a better understanding. The sequence and connection of events is a useful element that clarifies causality leading to the present state of the art in the Baltic and in the Black Sea region. Historical legacy will show that the past influences the present along a causal logic.

On the basis of the reasoning made above, the *dependent variable* that this study tries to explain is the *role of the CBSS and of the BSEC both at the regional and at the international level*. Apart from the independent and dependent variables, this model also introduces the following intervening variables linking the cause to the effect:

a) the *involvement of external actors in the two regions* that refers to the powers and/or organizations which penetrate the two regions influencing their geopolitical dynamics (the EU, the US and NATO)

b) the *international regimes* that "stand between basic causal factors on the one hand and outcomes and behaviour on the other".  

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Table 2. Illustration of the variables applied to the regional arrangements

<table>
<thead>
<tr>
<th>Variables</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of power among the big states</td>
<td>Balance of power</td>
<td>Security dilemma</td>
</tr>
<tr>
<td>Geographical location</td>
<td>Big and small states</td>
<td>Big and small states</td>
</tr>
<tr>
<td>Historical legacy of the regional actors</td>
<td>Connection among the states in the region</td>
<td>Connection among the states in the region</td>
</tr>
<tr>
<td>Involvement of external actors</td>
<td>Powers and/or organizations influencing the geopolitical dynamics in the region</td>
<td>Powers and/or organizations influencing the geopolitical dynamics in the region</td>
</tr>
<tr>
<td>International regimes</td>
<td>Connection between causal factors and outcomes</td>
<td>Connection between causal factors and outcomes</td>
</tr>
</tbody>
</table>

There are essentially four reasons for choosing this model. First, the neorealist paradigm is the basis of this study. The choice of a neorealist approach is supported by the argument that this study aims at investigating whether the changes in the distribution of power among the big states at the end of the Cold War can give a good explanation of the phenomenon of regionalism on the Baltic and on the Black Sea. The relations among states are here studied on the base of the concept of power. Second, geopolitics is the point of departure for the discussion. This is why the distribution of power and the geographical location are inevitably the independent variables. Historical legacy, which is also a break from the neorealist theory considering it ‘just one damn thing after another’, has been introduced for two reasons. Firstly, it is closely related to geopolitics. Secondly, it helps clarify the relations among the regional actors. The past events give a better understanding of the present ones.

Neorealism is essentially based on the global level, while regions are strictly connected to the notion of territoriality. As Barry Buzan puts it “neorealist is built around two levels, system and unit, and is principally concerned to define and operationalise the system level. Neorealists either downplay or ignore all levels except the system one (…)”. By contrast, this research takes into consideration both the international or global level and the regional one. The link between the two is geopolitics, which can be used for both levels and which puts the accent on the concept of geography

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and consequently on the one of territory. Additionally, the choice of the ‘distribution of power’ as an independent variable also breaks from neorealism that considers the international political system the independent variable. In spite of this, the ‘distribution of power’ is a structural systemic variable as the structure of the international system changes if the distribution of power among states changes, as neorealism argues.  

Third, as this study takes into consideration three geopolitical levels (international system, region and state), the interplay between them cannot be ignored. This explains the choice of the two intervening variables (the involvement of external actors in the two regions and international regimes). Thus, this model aims at analysing how and to what extent the distribution of power resulting from the end of the Cold War has affected the relations of power among the states in the two regions by leading to the region-building process on the Baltic and on the Black Sea. The involvement of external actors in the two regions and the regime creation link the cause (independent variable) to the effect (region-building process).

This model will be used to compare the two case studies taken into consideration in this study, the CBSS and the BSEC. But at this point a question must be answered. But why compare them? The two regions, both belonging to the European geographical space, are different politically, economically, historically, and geographically, but they have some elements in common that make the comparison interesting. These are the institutionalisation process leading to the establishment of a regional organization (the CBSS and the BSEC), the presence of European big powers such as the EU and Russia, of the US/NATO, of former Soviet countries and of both EU and non-EU members. But, more generally, why compare? The easiest answer is that comparing is a natural ability of human beings since childhood as it helps to better understand the world where we live. As interconnections among the various parts of the world are becoming increasingly stronger, man continuously comes into contact with a growing number of events which he needs to categorize and compare in order to understand the reality in which he lives. From the comparative politics point of view, Giovanni Sartori’s explanation is particularly interesting. He argues that “the reason for world-wide comparisons is not only that we live in a wider world; it is also a methodological reason”. As he puts it, “it is not intuitively evident that to compare is to control, and that the novelty, distinctiveness and importance of comparative politics consists of a systemic testing, against as many cases, of sets of hypotheses, generalizations and laws of ‘if…then’ type”.

A comparison made in a systematic and conscious manner by finding the similarities and the differences between the objects taken into consideration

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188 Waltz, Kenneth, Teoria della politica internazionale, op.cit., p.243
190 Ibidem, p. 1035
helps understand them better. This happens in two ways. The first one is to compare them according to specific variables of analysis by taking them out of the context in which they belong. The second one is to insert them again in the broader context from where they have been taken in order to have a complete overview of the picture. These two actions happen simultaneously because it is not possible to analyse something without considering the context where it comes from.

Furthermore, it is interesting to note that Sartori makes specific reference to the comparative method, which is the one chosen in this thesis. He concurs with Lijphart that defines the comparative method as “the method of testing hypothesized empirical relationships among variables on the basis of the same logic that guides the statistical method, but in which the cases are selected in such a way as to maximize the variance of the independent variables and to minimize the variance of the control variables”.\footnote{Lijphart, Arend, \textit{The Comparable-cases Strategy in Comparative Research}, in \textit{Comparative Political Studies}, vol. 8, n. 2, 1975, p. 164 See also Lijphart, Arend, \textit{Comparative politics and Comparative Method}, in \textit{The American Political Science Review}, vol. 65, n. 3, 1971, p. 683} Lijphart’s conception of the comparative method reflects Smelser’s usage, as he himself admits stating that “the more similar two or more (cases) are with respect to crucial variables…the better able is the investigator to isolate and analyze the influence of other variables that might account for the differences he wishes to explain”.\footnote{Lijphart, Arend, \textit{The Comparable-cases Strategy in Comparative Research}, op.cit., p. 164}

According to Charles Ragin and Claude Rubinson the comparative method is “well-suited for the study of how combinations of causal conditions produce particular outcomes”.\footnote{Ragin, Charles, Rubinson, Clause, \textit{The Distinctiveness of Comparative Research}, in Landman, Todd, Robinson, Neil, \textit{The SAGE Handbook of Comparative Politics}, SAGE, 2009, p. 14} Nevertheless, researchers unanimously agree that the comparative method poses a big problem for the researcher, i.e. ‘many variables and small N’ (which means a small number of cases). The ‘many variables’ issue prevents the researcher from systematically controlling the correlation between the variables. Lijphart argues that this problem occurs also in the statistical method. Statistics and the comparative method are considered by many authors as ‘two aspects of the same method’ as they differ only for the number of cases. In fact, the comparative method is used to study a few number of events. By contrast, Lijphart concurs that this distinction lies on weak basis (small N) and that the two methods are indeed “truly divergent methodological designs”.\footnote{In order to solve the problem, he proposes four ways the researcher can chose to follow: 1) increasing the number of cases as much as possible by extending the analysis both geographically and historically; 2) reducing the property-space of the analysis by combining variables and/or categories; 3) focusing the analysis on comparable cases (e.g. cases that are similar in a large number of important characteristics, but dissimilar with regard to the variables between which a relationship is hypothesized), which may be found within a geographi-}

variables and small N’ problem has been solved as followed. As this study uses a comparative method, it is based on only two cases. They have been chosen on the basis of the specific criteria mentioned on page 38. The similarities more than the differences have allowed the author to identify the variables to include in the study. Of course, the combination of variables in each of the two regions gives a different outcome. The reason lies on their respective specific geopolitical dynamics.

Another problem connected with the comparative method is addressed by Sartori who warns about the risk of ‘conceptual stretching’, which he defines as “amorphous conceptualizations”.\(^\text{195}\) It means that the meaning of some concepts could be enlarged or ‘stretched’ to lose its value. Consequently, defining concepts very precisely is important. This has been done in the previous sections according to a specific logic with the centrality of geopolitics in every theoretical concept.

Furthermore, the comparative method is often considered complementary to the case study method. This latter is defined as “the detailed examination of an aspect of a historical episode to develop or test historical explanations that may be generalizable to other events”.\(^\text{196}\) The two methods are obviously different and entail different research analyses. Nevertheless, “within-case analysis is an essential component of good cross-case, comparative research. It is for this reason that some researchers subsume comparative research under the moniker of ‘case study’. Good cross-case comparison necessarily involves the investigation of individual cases on their own terms”.\(^\text{197}\) In addition, the case study method is not necessarily non-comparative as it often happens that some elements within the studied case are compared. In this context, George and Bennett emphasize on the potential confusion between the terms ‘comparative methods’, ‘case study methods’, and ‘qualitative methods’. They use the term ‘case study’ to indicate both “within-case analysis of single cases and comparisons of a small number of cases, since there is a growing consensus that the strongest means of drawing inferences from case studies is the use of a combination of within-case analysis and cross-case comparisons within a single study or research program”.\(^\text{198}\) The term ‘qualitative method’ obviously refers to both methods.

The case study method uses the process-tracing method, which links possible causes and observed outcomes.\(^\text{199}\) It reveals and explains the causal

\(^{195}\) Sartori, Giovanni, \textit{op.cit.}, p. 1034


\(^{197}\) Ragin, Charles, Rubinson, Clause, \textit{op.cit.}, p. 21

\(^{198}\) \textit{Ibidem}, p. 18

\(^{199}\) \textit{Ibidem}, p. 6
mechanisms leading to a certain result. In so doing, it helps to eliminate those causes that the research had previously taken into consideration and focus only on the right ones. Process-tracing also takes into account the problem of equifinality, namely “to consider the alternative paths through which the outcome could have occurred, and if offers the possibility of mapping out one or more potential causal paths that are consistent with the outcome and the process-tracing evidence in a single case”. George and Bennett argue that process-tracing is very useful both for theory testing and theory development because it helps to understand better the causal mechanisms by increasing the number of observations and linking them clearly. Process-tracing is not used only in the case study method, but it complements other methods such as the comparative one. In effect, it can be used “to test whether the residual differences between two similar cases were causal or spurious in producing a difference in these cases’ outcomes”.

The method chosen in this thesis combines the qualitative comparative method and the case study approach with the help of process-tracing. The aim is to analyse each case in order to have a better understanding of each when comparing them. This is why each sector (hard security, energy, economic development, and environment) has been analysed separately and for each region. The comparison between the two cases study has been done only later for every sector.

This research uses Mill’s comparative method of concomitant variations which “is often claimed to be the first systematic formulation of the modern comparative method”. It is considered ‘a more sophisticated version of the method of difference’. Mill explains the latter with the following words: “if an instance in which the phenomenon under investigation occurs, and an instance in which it does not occur, have every circumstance in common save one, that one occurring only in the former; the circumstance in which alone the two instances differ, is the effect, or the cause, or an indispensable part of the cause, of the phenomenon”. By contrast, the method of concomitant variations does not merely observe the presence or absence of the operative variables, but “it observes and measures the quantitative variations of the operative variables and relates these to each other”. In Mill’s words, “whatever phenomenon varies in any manner whenever another phenomenon varies in some particular manner, is either a cause or an effect of that phenomenon, or is connected with it through some fact of causation”.

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200 George, Alexander, Bennett, Andrew, *op.cit.*, p. 207
201 Ibidem, p. 207
202 Ibidem, p. 7
203 Lijphart, Arend, *Comparative politics and Comparative Method, op.cit.*, p. 688
205 Lijphart, Arend, *Comparative politics and Comparative Method, op.cit.*, p. 688
makes his statement clear by using the example of the pendulum. He argues that “that the oscillations of the pendulum are caused by the earth, is proved by similar evidence. Those oscillations take place between equidistant points on the two sides of a line, which, being perpendicular to the earth, varies with every variation in the earth’s position, either in space or relatively to the object”.

In this study Mill’s comparative method is combined with the within-case study to conduct an exhaustive analysis of the cases considered here. The former is used to conduct a deep analysis of each of the two case studies, namely the two regions or regimes. In order to achieve this task, it is necessary to measure the effectiveness of the two regimes. Several solutions have been proposed. The one chosen in this study consists of analysing the evolution of cooperation from the end of the Cold War until present in four sectors, namely hard security, energy, economic development and environment. The present state of the art in each sector is analysed over time since the end of the Cold War. Thus, the measurement of the effectiveness of the two regimes is a qualitative one. In this context, process-tracing is very useful to explain the causal relationship between the dependent (the outcome to be explained) and the independent (the alternative explanation) variables with the help of intervening variables (the mechanisms that might link cause and effect). By doing so, the analysis of the two regimes reveals how and to what extent their level of effectiveness is a result of the geopolitical dynamics internal to the two regions stemming from the end of the Cold War.

More concretely and with reference to the empirical chapters, the model discussed above will be applied to each sector. Geopolitics is at the centre of the analysis and is the starting point from which cooperation in each sector will be discussed. Indeed, the geopolitical strategies of the big powers and their effects on the small powers in each sector will be the guidelines to assess the effectiveness of the two regimes. At the same time, the role played by the small powers in the definition of the geopolitical dynamics in the two regions will also be taken into account. It is from this perspective that the analysis of the cooperation in the hard security, energy, economic development and environment sector is made. The investigation will focus on how the changes in the distribution of power among the big powers and the geographical location of both the big and the small powers influence the cooperation in each sector. Historical legacy also plays a role in the way big and small powers put into practice their interaction in the four sectors. It defines the geopolitical perspectives and strategies of both big and small powers. In

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207 Mill, John Stuart, A System Of Logic, Ratiocinative And Inductive, op.cit., p. 495
208 For an overview on the measurement of regime effectiveness see Underdal Arild, Young, Oran, Regime Consequences, Methodological Challenges and Research Strategies, Kluwer Academic Publishers, Dordrecht, 2004
See also Levy, Marc, Young, Oran, Zürn, Michael, Working Paper, The Study of International Regimes, WP-94-113, IIASA, Laxenburg, November 1994
this way, this study will try to understand why and to what extent cooperation in a sector is more or less effective than in the other ones.

Furthermore, the involvement of external actors in the two regions and the creation of international regimes help link the cause to the effect, namely the independent to the dependent variables. The involvement of external actors has a huge impact on the geopolitical dynamics in the two regions as they interfere with the strategies of both big and small powers towards each other. Additionally, they represent the link between the international and the regional level. The creation of international regimes, which correspond to the Baltic and to the Black Sea region in this study, defines the measures adopted by the countries involved to cooperate in each sector. Thus, they affect the way cooperation is implemented though their effectiveness is strongly influenced by the geopolitical dynamics internal to the two regions. In spite of this, they help explain the link between the changes in the distribution of power among the big states, the geographical location of big and small powers and the historical legacy as defined in this monograph on the one hand and the role of the CBSS and of the BSEC in their regional context on the other one.

Finally, this reasoning will be applied to each region with a comparative perspective from the theoretical position. The comparison will be made on the basis of the methods outlined above and essentially from a theoretical point view. The aim is to apply neorealism to the two regions through the model explained above in order to discuss which of the two cases this approach suits better.

On the basis of the theoretical and the methodological discussion that has been made here, the following five arguments will be raised throughout the thesis. Firstly, the CBSS and the BSEC do not have the same room for manoeuvre in the respective regions because of the different geopolitical dynamics of the Baltic and of the Black Sea region. Secondly, the CBSS and the BSEC are used as instruments by regional powers (Russia and Turkey) and the external actors (EU, US and NATO) to assert their interests and their power. Thirdly, historical legacy influences the power relations among the states in the two regions. Fourthly, the regimes established on the Baltic and on the Black Sea are ineffective. Finally, although neorealism is a well suited theoretical approach for analysing the changes in the distribution of power within the international system at the end of the Cold War as well as the power relations among the states on the Baltic and on the Black Sea, it cannot convincingly explain the phenomenon of regionalism in the two regions.
Delimitations

The term ‘delimitation’ refers to the limits within which something is restrained and framed. They are important to better define and clarify the object of study.

The scope of this thesis is quite wide. This awareness makes me particularly careful to define concepts and limits in order to describe as meticulously as possible how this study will be developed. For this reason this paragraph is devoted to present the delimitations of the discussion.

This thesis has two kinds of delimitations. The first one concerns the timing. As mentioned in the Introduction, this study will take into consideration the period starting at the end of the Cold War. The phenomenon of regionalism flourished in the years following the collapse of the Soviet Union and the end of communism. More political, economic and social interactions between states were possible now. The world became suddenly smaller and bigger at the same time. On the one hand the end of the confrontation between the United States and the Soviet Union made the world freer as the two superpowers ceased to compete in other parts of the world. States had the feeling of more space where to act without the influence of external actors. On the other hand, states understood that creating closer connections with neighbours was possible and even more convenient to face threats and challenges. This led to the emergence of the phenomenon of regional cooperation and to the creation of regions all over the world. As already argued, this phenomenon was not new. It had previously emerged during the 1960s, but it was only after the end of the Cold War that it became a fundamental object of study in the field of international relations. Furthermore, in that period a new form of regionalism emerged, namely the ‘new regionalism’ discussed above.

The other delimitation is geography, but it is extended on the basis of politics. The European space is the geopolitical system considered, as also mentioned in the Introduction. Its geographical delimitation is defined primarily by the EU, Russia and Turkey. The EU and Russia are the two great powers studied here. Each of them occupies a very wide space. The EU extends from the west to the centre of the continent, while Russia occupies the extreme east part of Europe and part of Asia. This would give the opportunity to open another very interesting discussion concerning the question whether Russia can be considered European or not, but this issue will not be discussed. The same could be said about Turkey which also plays a relevant role in this thesis as it is a regional power, but neither this interesting problem will be discussed. Furthermore, in both cases there are countries that belong to the European continent, but not to the EU and that are part of one of the two regions. This is the case of Iceland and Norway in the Baltic Sea region and Albania in the Black Sea region where Azerbaijan extends the region into Asia. Nevertheless, as already argued above, the only geopolitical system considered in this study is the European continent.
Furthermore, the two regions taken into consideration in this thesis represent the other delimitation concerning geography. The Baltic Sea and the Black Sea region have been defined in the previous part. Both of them overlap with the EU as they contain some of its members. Both of them also contain Russia.

Sources

The research is based on three kinds of sources: printed material, interviews and internet websites. The data so collected have been integrated and compared with the aim to obtain a very precise picture of the issues analysed in this thesis.

Printed material

The printed material has been collected from libraries in Stockholm, Paris and Istanbul and could be divided into four parts. The first one consists of an extensive literature on International Relations Theory which has been essential to construct the theoretical framework of this study. The literature on neorealism has obviously been singled out. Needless to say, the other contending of IR theory of neoliberal institutionalism has also been relevant for a better appreciation of neorealism itself and has contributed to capturing the main aspects emphasized in the theoretical framework. The second part concerns the theories about regionalism. A number of articles and books has been used to study the two regions theoretically. Theories on regionalism have been consistently applied in this study in a precise way to each sector. The third part focuses exclusively on studies concerning the Baltic Sea and the Black Sea region. In this context the literature has been divided in five sections. A general section concerning each of the two regions as a whole has been the first step for an overall deeper understanding of each region. Studying the relations among the actors of the two areas, their history as well as their economy and their geography has strongly contributed to the understanding of the two regions. Each of the other sections has focused on the four sectors analysed in this monograph. The aim was to have a specific in-depth knowledge of the state of the art of the relations among the regional states in each sector. Furthermore, the literature concerning the external relations of the Russia and Turkey as well as the relations among them has obviously been important, too. The geopolitical strategies of external actors (EU, US/NATO) towards the two regions have also been studied. This has been very useful for the geopolitical analysis of the two regions. Also in this case a general overview of their geopolitical strategies is followed by a deep study of their involvement in the cooperation in the four sectors in each region.

The fourth part consists of material collected from the CBSS and the BSEC, such as documents and brochures. This part has been useful to pro-
vide a better understanding of the functioning of the two organizations as well as of their activities and main goals. However, it is important to underline that this kind of the material available from the two organizations mainly reflects the guidelines of their work more than the evaluation and the report of their activities. Consequently, the discussion on the progress of the work of the CBSS and of the BSEC has been essentially conducted on the basis of the interviews, of the material collected in the libraries as well as of the information available on internet.

**Interviews**

Interviews are a very useful and interesting part of this research. A semi-structured interview method has been applied to tease out new ideas and information from the informant. This technique implies the partial pre-planning of the questions. A list of topics is instead carefully prepared allowing interviewer to deal with them in any order.\(^{209}\)

Interviews have been conducted in Stockholm and in Istanbul where the CBSS and the BSEC are located as well as in Brussels, in Riga, and in Paris. The highest levels directing the work of the two institutions have been interviewed according to a very precise scheme to provide the informant liberty to outline new concepts and ideas at the same time. The questionnaires and questions can be divided in two parts. The first part consists of the same questions for both the institutions. The aim is to compare the perspectives on regional cooperation in general and in particular on the region to which each institution belongs. Comparing the answers provide a direct impression of the differences or similarities in views about regional cooperation and of the institution in the two regions. The second part is instead based on very specific questions concerning the institution, its functioning and its meaning for the cooperation in the region. Experts, professors and researchers on the Baltic Sea and on the Black Sea region were interviewed with the same method and for the same reasons. In Brussels civil servants dealing with the relationship between the European Commission and the two regional organizations have been asked specific questions about the involvement of the EU in the two regions and the procedures concerning its cooperation with the CBSS and the BSEC. Also in this case the questionnaires were constituted of two parts: a general part for both institutions and a specific part for each of them. In Riga I had the chance to interview a member of the CBSS Committee of Senior Officials that helped me to understand the role and the work of this body. In Paris my interviews were conducted with experts and professors especially in relation to the Black Sea region, since most of their research focus on this area. Through these interviews the author was provided with direct access to the work of the two institutions that have generated deeper insights into the two regions.

However, it needs mention that only a few interviews will be openly discussed in this thesis. There are two important reasons for this. First, most of the interviews were conducted in an informal way to capture as much information as possible. The other reason is that informants wished to be anonymous, but pseudo names have been given to those informants who have significantly contributed to this investigation.

**Internet websites**

The use of this kind of sources has been very relevant because it has served for two purposes. The first one is to find updated information and data. The second one is access to a number of public speeches and interviews. The CBSS and the BSEC websites provide a good overview of their organizational character, their aims and activities. These websites have been compared to identify the similarities and the differences between the two institutions. Some of the information on these websites are not found in the printed source. Additionally, through frequent and regular visits to the two websites the changes in the activities and in the goals of the two organizations over time could be discerned.

Furthermore, the websites of the two organizations have been useful to have access to additional primary sources such as statements, press releases, action plans and reports. The BSEC website has a larger volume of documents than the one of the CBSS. This is not only due to the more numerous areas of cooperation, but also to the more numerous sections dedicated to documents. In general, the websites of the two organizations have allowed the author to have a clear idea of their functioning and of their activities as well as of their main objectives over a period of time.

The EU and of NATO websites have also been extensively used as they have a strong influence of the geopolitical dynamics in the two regions. They have been useful to better understand their strategies and their policies towards the Baltic and the Black Sea region as a whole as towards their respective member countries. Other websites have also been accessed where relevant for the analysis, especially in the case of other local organizations operating in the sectors studied. They have complemented the information available on the CBSS and BSEC websites and have given a better idea of the interaction between them. This also served the purpose of double checking the material available on the CBSS and BSEC websites. Thus, internet has been an important and complementing data source.

**Structure of the thesis**

Excluding the current chapter, the rest of the thesis consists of five chapters. While chapter two discusses the formation of regime in the regions after the end of the Cold War, the ensuing four chapters focus on the sectors investigated in this thesis. All chapters compare the two organizations and the
regions they belong to through a theoretical analysis. Geopolitics is the red line that runs throughout the thesis.

Chapter two examines the region-building process around the Baltic and the Black Sea by focusing on the establishment of the CBSS and of the BSEC, the two organizations guiding the cooperation process in the two regions. It analyses the geopolitical elements and the historical connections that constitute the basis of the two projects and that have pushed the states in the two regions to join them. It also discusses the involvement of the external actors in the two projects. By doing so, this chapter discusses how the two regions or regimes have been created.

The Chapter 3 deals with cooperation around the Baltic and the Black Sea region in the hard security sector. This is not among the fields of activity of the CBSS and of the BSEC, but it is important both because it defines the relations among the states in the two regions and because it affects the other sectors taken into consideration in this study. This chapter investigates whether the CBSS and the BSEC play a role in shaping the hard security scenario in the region and how the distribution of power after the end of the Cold War and the geographical location affecting the relations among states in this field and their cooperation within the two regimes.

The Chapter 4 analyzes regional cooperation in the sector of energy. This latter is one of the most important issues in the post-Cold War world that strongly affects the relations among states linking the international and the regional level. This aspect is investigated by explaining how the Baltic and the Black Sea regime implement cooperation in the energy sector though constrained by geopolitical factors.

Chapter 5 concerns the economic development sector. While the financial and economic crisis of 2008 has halted the economic growth of the states of the two regions, several measures have been put into place as response to the recession both at the state and at the regional level. Russia and Turkey are the main trade partners in the region, but the strong economic relations of the regional states with the external actors, in particular the EU, makes the economic framework of the region more complicated. This chapter analyses these aspects by emphasizing on the geopolitical strategies of the actors and their historical links which influence the economic dynamics within the regions.

Chapter 6 analyses regional cooperation in the environmental sector. The measures adopted to coordinate the activities of the regional states are discussed with the aim to find out how and to what extent geopolitics and historical legacy influence cooperation in this field. This chapter discusses the cooperative framework put in place by the CBSS and by the BSEC and shows that cooperation also occurs outside their structures more than in the other sectors.

From a theoretical point of view, Krasner’s ‘consensual definition’ and Young’s model of international regimes are applied to the Baltic and the Black Sea region. Two stages of Young’s model (agenda formation and ne-
gotiation) are discussed only in the first chapter as they concern the very early phases of the regime formation. By contrast, the third phase (operationalization) is applied to the two regimes in the other four chapters. The theoretical comparison between the CBSS and the BSEC and their region is developed in the third part of each chapter and is based on a neorealist approach.
Chapter 2
Council of the Baltic Sea States and Black Sea Economic Cooperation: a historical and geopolitical analysis

Introduction

This chapter has a special place in the thesis since it deals with the emergence of the two regions as they are defined here. It can be considered the basic explanation for the analysis of the areas of cooperation that follows in the ensuing chapters. The aim of this section is to discuss the phenomenon of regionalism around the Baltic and the Black Sea by focusing on the establishment of the two regions or regimes in the period immediately after the end of the Cold War. It discusses how and why they have emerged and whether the CBSS and the BSEC have had a role in the region-building process.

The analysis will particularly focus on the historical and on the geopolitical reasons that have pushed the biggest regional powers to establish cooperation with both great powers (e.g. Russia) and other smaller powers in an institutionalized context. The intervention of external actors in the process has also played a role in the regional dynamics. It will be shown that the creation of the two regions as defined in this study is essentially due to materialist calculations while the existence of a regional identity as the founding idea for the region-building process, which is a debated issue in the literature about regionalism, is questionable. It is through perspective that the two cases are compared and analysed through the neorealist lenses.

Thus, this chapter tries to answer the following questions. How and why have the Baltic Sea and the Black Sea region been created? Which tasks are the CBSS and the BSEC supposed to accomplish in the regional context? Can the two regions be considered international regimes? How does neorealism explain the creation of the Baltic Sea and the Black Sea region?

Accordingly, the chapter is divided in four parts. The first part is a brief historical and geographical background of the Baltic and of the Black Sea from a comparative perspective. The second and the third section are dedicated to the phenomenon of regionalism around the Baltic and the Black Sea in the period immediately after the end of the Cold War and to the role played by the CBSS and by the BSEC in the region-building process. The fourth section focuses on a comparison of the two cases from a neorealist point of view and tries to explain whether the two regions can be defined as two international regimes. To this end, Oran Young’s model of the regime formation has been used even though it is based on the concept of power.
The Baltic and the Black Sea between history and geography

In his book entitled *Europe and the Sea*, Michel Mollat du Jourdin, one of Europe’s most distinguished scholars in the realm of maritime history, re-traces the relationship between Europe and the sea. He writes that every depiction of the Earth’s surface clearly shows the intimate relationship between the European continent and the marine element: Europe is a small peninsula encircled by the sea. The Northern and Southern parts of Europe are surrounded by seas which are prone to a symmetrical arc of circle. The Mediterranean arc varies from 6,5° to the West, up to 41° to the East (including the Black Sea) and it extends between 31° and 47° to the North (including the Azov Sea), making it close to the polar circle and its longitude covers 19°. Mollat du Jourdin describes the seas around Europe by relating the histories of the peoples that have been living on their shores. He tells stories, legends and myths of those people as well as their interactions and their interconnections.210

Like Mollat du Jourdin, Charles King considers the sea as a fundamental factor in human life. According to him, “what happens on the water - during a sea voyage or a cruise down a river, say - is just the scene setter for the real action when the actors get where they are going. But oceans, seas, and rivers have a history of their own, not merely as highways or boundaries but as central players in distinct stories of human interaction and exchange”.211

The Baltic and the Black Sea, which give the name to the two regions that are at the centre of this research, have been extraordinary players in history dividing or uniting peoples depending on the succession of events. As Ole Wæver points out, “for many centuries the sea was a natural connecting factor, because it was the most efficient means of transport (think of the Hanseatic League, but also of the North Sea and the Mediterranean Sea). Generally the seas and the big European rivers connected, while landmasses separated. Political developments began to undermine this when the unified territorial state from the sixteenth century pushed in the direction of the land as unifier and the sea as a separator. With the onset of romanticism, a symbolic value was added in the nineteenth century (…). With the railways (…) land distance became decisive. Seas became walls, rather than connections”.212 Wæver also adds that “today the evolution of technology and transportation has reached the stage where neither land nor sea is a significant barrier. With information technology, everything is connected instantly (…)”.213

The Baltic and the Black Sea are not an exception to this. Nevertheless, they have a historical value as many important events have occurred on their

213 Ibidem, p.102
shores and the lives of the peoples living there have been deeply intertwined with the sea since the ancient times. In his work *Germania*, the Latin historian Tacitus describes the Baltic Sea or *Mare Suebicum* in the following words: “beyond the country of the Swedes there is another sea, sluggish and well-nigh motionless, which is believed to be the boundary and limit of the world, because here the last glow of the setting sun shines on into the following dawn, so as to dim the brightness of the stars. Nay, further, we are induced to credit the fact that the noise of the sun rising out of the waters is heard, and that his attendant deities are seen and his crown of rays. Thus far, and no further (and in this report speaks truly), does nature go”.  

Figure 1. The Baltic Sea region

![Figure 1. The Baltic Sea region](http://en.wikipedia.org/wiki/Council_of_the_Baltic_Sea_States)

Like the Baltic Sea, the Black Sea was given a different name by the ancient peoples. However, while the name Mare Suebicum stemmed from the Germanic people of the Suebi living on its coasts, the Black Sea received a name reflecting its physical characteristics. The Greeks called it Aexeinos, which means ‘dark’ or ‘somber’. The name was probably transformed into Axenos, ‘unwelcoming’, which fitted with the experience of sailors on its waters. Some time later the Greeks and the Romans renamed the sea Pontus Euximus, ‘hospitable sea’, as an attempt to ward off the wrath of the gods.  

In Constantinople the Black Sea was called “the Bad Black Sea”. As Robert Curzon puts it, “this is the character that stormy lake has acquired in the estimation of its neighbours at Constantinople. (...) In short, at Constan-

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tinople they say that every thing that is bad comes from the Black Sea: the plague, the Russians, the fogs, and the cold, all come from Black Sea” 216.

Figure 2. The Black Sea region

![Map of the Black Sea region](http://goingglobaleastmeetswest.blogspot.it/2014/03/us-warship-truxtun-begins-naval.html)

These descriptions show that the Baltic and the Black Sea have specific characteristics due to different elements such as geology, climate and geography which make them very different. At the same time, in both cases the geographical peculiarities of the region where the seas are located have deeply interacted with the history of the peoples living on their coasts contributing in this way to define the geopolitics of the two regions.

The Baltic Sea region
The premises for region-building on the Baltic Sea

Cooperation in the Baltic Sea region has ancient roots. At the end of the Iron Age a network of trade routes had already been established. Later on, in the 13th century the Hanseatic League was created. It united about one hundred towns from London in the west to Novgorod in the east. Its aim was to link the raw materials suppliers in Eastern Europe to the markets in the west. The experience of the Hanseatic League was rediscovered at the beginning of the 1990s, when intellectuals and experts used the metaphor of the ‘New Hansa’ to foster the image of a region which could be revitalized by strengthening the ties among the actors belonging to it. The idea stemmed from a high-level seminar under the heading ‘The new Hansa’ held in Kotka in Finland in 1990. The significance of that seminar was enormous because it paved the way to the construction of a new Europe without dividing the lines that Gorbachev had spoken about in his speeches only a few years before. Since then a number of conferences, meetings and seminars were held to discuss the possibility of revitalizing cooperation around the Baltic Sea. During the Copenhagen meeting in 1991, when the CBSS was established, former Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany stressed the need for the states on the Baltic Sea to be closely interconnected similar to the period of the Hanseatic League. A similar idea was expressed in 1992 by vice-President of the State Parliament of Schleswig-Holstein Alfred Schultz at the Second Parliamentary Conference on Cooperation in the Baltic Sea Area. He said that “the idea of regional and reciprocating cooperation should be combined with the concept of a new Hanseatic League”. As Tassinari puts it, “just as the first ‘old’ Hansa promoted the social and cultural interaction around the Baltic Sea without being tied to any of the great powers of the region, so also was the post-Cold War BSR supposed to nurture a sense of ‘we-feeling’ without necessarily being attached to states”.

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218 Ibidem, p. 9
219 Tassinari, Fabrizio, Mare Europaeum, Baltic Sea Region Security and Cooperation from post-Wall to post-Enlargement Europe, University of Copenhagen, Copenhagen, 2001, p. 111
See also Joenniemi, Pertti, Wæver, Ole, Regionalization around the Baltic Rim, background report to the 2nd parliamentary conference on co-operation in the Baltic Sea Area, Oslo 22-24 April 1992, p. 4 and Wæver, Ole, op.cit., p.77
222 Ibidem, p.29
223 Tassinari, Fabrizio, op.cit., p. 11
While cooperation on the Baltic Sea has been crucial for the creation of the region as it currently is, the existence of a ‘we-feeling’ is questionable. The CBSS tries to play a leading role in the region as promoter of a regional identity though this aim is not explicitly formulated. Mr EUBaltic 1 denies that the CBSS has this role though he states that many discussions on this issue are still ongoing. From his point of view, a Baltic identity does not exist since for instance a Finnish could not say to have the same identity as Russia. By contrast, Director of the CBSS Jan Lundin says that a Baltic identity does exist, but he admits that it is not as strong as the Nordic one and that it will take long time to have a well defined and shared Baltic identity.

I contend that a Baltic identity involving all the CBSS members does not exist. Two arguments support this statement. The first one is that the term ‘Baltic’ itself is not without problems as it has different connotations in different languages and cultures. The term can refer to the countries on the Baltic Sea shores like in Swedish (Baltikum) or just to Estonia, Latvia and Lithuania that are often called the Baltic States. The second argument is that among experts and intellectuals there is no consensus about the meaning of the expression ‘Baltic region’ as some of them prefer to speak about a Nordic-Baltic region. Mr EUBaltic 1, for instance, states that the two expressions refer to different areas since the latter excludes Russia, Poland and Germany, while the former includes all the CBSS countries. Additionally, a special edition of the CBSS Monitor, produced by the Estonian foreign ministry for the Tallinn ministerial session of the organization in 1994, underlined the absence of a regional identity. Indeed, it suggested the existence of a variety of ‘identity groups’ around the Baltic Sea. The Nordic and the Baltic identity groups which are distinguished by ‘close historical, cultural or linguistic ties linking their respective members’ are two of them. The presence of different ‘identity groups’ was seen as one of the geopolitical factors pushing towards cooperation in the region.

A distinction between Nordic and Baltic identity is also made by scholars, too. Olav Knudsen, for instance, uses the expression ‘Baltic region’ to refer to “all littoral states of that sea” and “Nordic-Baltic region” to designate the five Nordic countries (Denmark, Finland, Iceland, Norway, and Sweden) plus the three Baltic States (Estonia, Latvia and Lithuania).

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224 Interview with Mr EUBaltic 1, EEAS, Brussels 20/04/2012
225 Interview with Jan Lundin, Stockholm, 22/03/2011
226 Runblom, Harald, Tydén, Mattias, Carlbäck-Isotalo, The Baltic Region in History, in The Baltic Sea Environment, Session 4, Uppsala University, Uppsala, p. 5
227 Interview with Mr EUBaltic 1, EEAS, Brussels 20/04/2012
228 Lehti, Marko, Smith, David, Post-Cold War Identity politics, Northern and Baltic Experiences, Frank Cass, London, 2003, p.63
229 Ibidem, p.63
231 Ibidem, p. 44
man also distinguishes between the Baltic States and the Nordic countries but unlike Knudsen does not include Iceland among them. Nevertheless, the distinction between Nordic and Baltic countries is not consensual among scholars. Uffe Østergård states for instance that “seen from a geographical and geopolitical point of view the majority of the Nordic countries undeniably belong to the Baltic area. At the same time they are undeniably situated in the Northern part of Europe. Nevertheless, over the last hundred and fifty years the three Scandinavian countries, Denmark, Norway and Sweden have tended to downplay the Baltic and the European component of their national identifications”. According to Østergård, within the Baltic region Norden is a particular case. He defines it as “a concept that evokes unequivocally positive associations for almost everyone in the Nordic countries, connoting notions of a community of values that transcends boundaries of language and culture”. He describes the essence of Norden as the fact that “today, the five independent Nordic nation-states Norway, Denmark, Sweden, Finland and Iceland, together with the autonomous regions, the Aaland Islands, the Faroe Islands, Greenland and soon the Sami nation in northern Sweden and Norway perceive themselves as small, peace-loving and solidly democratic countries”. From the Second World War until the late 1980s northern Europe was synonymous with the Nordic states that were considered as “a grouping located between the then dominant geopolitical categories of East and West”. Nevertheless, after the end of the Cold War “the meaning of Norden has become unclear”, as Wæver points out. Norden could not be considered as a ‘low tension area’ anymore or an anti-militaristic society and its social model lost its distinctiveness as ‘a third way’ to communism and capitalism. In spite of this, the idea of Norden has never waned. In November 2010 in Reykjavik the Swedish historian Gunnar Wetterberg presented his proposal to establish a United Nordic Federation composed of the five Nordic countries (Denmark, Finland, Norway, Sweden and Iceland). The Federation would take responsibility in sectors such as defence, foreign policy and fiscal policy with the aim to reinforce the position of the five states on the international scene because it would become the 10th biggest economy in the world. Wetterberg’s idea stemmed from the Kalmar Union.

232 Bergman, Annika, Adjacent Internationalism: the Concept of Solidarity and Post-Cold War Nordic-Baltic Relations, in Cooperation and Conflict, issue 41, n. 1, SAGE, 2006, p. 73-74
234 Ibidem, p.3
235 Østergård, Uffe, op.cit., p.4
236 Lehti, Marko, Smith, David, op.cit., p.57
237 Wæver, Ole, op.cit., p.77
238 Ibidem, p.77
239 Wetterberg, Gunnar, Förbundsstaten NORDEN, Nordiska Ministerrådet, Copenhagen, 2010
experience which linked the kingdoms of Norway, Denmark and Sweden-Finland between 1397 and 1521.\textsuperscript{240} It is not probable that Wetterberg’s proposal materializes both for political and economic reasons, but it is interesting as it demonstrates that it is not possible to speak about the Baltic Sea region as a region with a unique identity linking all the countries belonging to it. Furthermore, as stated in the Introduction, this study defines the Baltic Sea region as being composed of not only the Nordic and the Baltic countries but also the eleven states constituting the CBSS. They are very different countries from a political, economic, historical and social point of view.

Wæver’s prediction in 1992 that the Baltic Sea region would grow in importance in the North was correct. The five Nordic countries have established very strong cooperative links among themselves since long time. During the Cold War they had already created the Nordic Council and the Nordic Council of Ministers in 1952 and 1971 respectively with the aim to “work toward joint Nordic solutions that have tangible, positive effects – known as Nordic synergies – for the citizens of the individual Nordic countries”\textsuperscript{241} In spite of this, it is the Baltic Sea region and not the Nordic one (if the five Nordic states can be considered as grouped in a region) that is growing in importance since the end of the Cold War. As Wæver puts it, the Baltic Sea region is not more real than the Nordic one as, for instance, Swedes and Lithuanians have very little in common.\textsuperscript{242} Nevertheless, “the Baltic Sea project has more impetus than the Nordic one”\textsuperscript{243} The former is new while the latter belongs to the old Europe\textsuperscript{244}, which disappeared with the end of the Cold War. As David Smith points out, “in the immediate term, the end of the Cold War bi-polarity diminished the status of Norden as an inter-state grouping between the hitherto dominant categories of East and West, paving the way for enlargement of the European Union to Sweden and Finland”.\textsuperscript{245} This meant the end of Nordic “exceptionalism”.\textsuperscript{246} Thus, most people in the Nor-
dic countries looked at the end of the Cold War with frustration and scepticism.\(^{247}\)

At the same time, new perspectives and opportunities to establish new links with neighbours were possible now. The reunification of Germany in 1989, and the regained independence of Estonia, Latvia and Lithuania and the collapse of the Soviet Union in 1991 up opened the way to new ways of making the geopolitical puzzle in the region. It was a great opportunity not only for the Nordic states, but also for all the other countries of the area. The three Baltic States, for instance, took the chance to exploit the ‘world disorder’ stemming from the end of the Cold War to adopt a Western orientation. Thus, being involved in Western projects such as the EU, NATO and regional organizations such as the CBSS was an excellent means to leave behind their past and their legacy as former Soviet Republics. As Legerspetz puts it, “for the Baltic countries of Estonia, Latvia and Lithuania, it has become important to stress their difference both from Russia and from other parts of the previous Soviet Union, and—perhaps increasingly—also from each other.”\(^{248}\) The Nordic countries represented an “alternative group of reference”\(^{249}\) especially for Estonia. Two Estonian leaders, the former President Lennart Meri (1992-2001) and the former Foreign Minister and present President Toomas Hendrik Ilves launched the concept of the ‘Yule countries’. It includes the five Nordic countries plus Britain and Estonia that use the same word for Christmas, as Ilves pointed out in Stockholm in 1999: “Jõul in Estonian, Joulu in Finland, Jul in Sweden, Norway, Denmark and Jól in Iceland”.\(^{250}\) In his speech Ilves underlined that the three Baltic States are very different from each other and that they do not share a common identity. By contrast, “what the three Baltic States have in common derives almost entirely from shared unhappy experiences imposed upon them from outside: occupations, deportations, annexation, sovietisation, collectivization, russification”.\(^{251}\) He also stressed that a Baltic identity does not exist as in the Baltic area there is not a group of countries with a common culture, language and religion.\(^{252}\) He considered the association which many people do of Estonia with Latvia and Lithuania as “a ballast impeding its Western integration.”\(^{253}\) Ilves stressed the economic differences between Estonia on the one hand and the other two Baltic countries on the other hand. Estonia has always been economically stronger than the others. That’s the reason

\(^{247}\) Wæver, Ole, op.cit., p.77


\(^{249}\) Ibidem, p.53

\(^{250}\) Ibidem, p.53

\(^{251}\) Ibidem, p.53

\(^{252}\) Ibidem, p.53

\(^{253}\) Ibidem, p.53
why it was singled out as a EU candidate member before Latvia and Lithuania.  

Nevertheless, as soon as they regained the independence, the Baltic States strengthened their relationship by establishing organizations such as the Baltic Assembly. Its aim is to “coordinate parliamentary cooperation among the Baltic States, to discuss matters and projects of common interest, to address joint problems and to express a joint position regarding international, economic, political and cultural issues”. At the same time, the relationship with the Nordic states was crucial. The latters were among the first countries to recognize their statehood and made huge investments in the Baltic States with the aim of pushing the modernization and democratization processes there. Of course, geography and history also represented a strong link with the Nordic countries.

Furthermore, the presence of Russia in the region played a fundamental role in pushing the other states to involve it in the cooperation. Russia is indeed a great power and a key player in the area. In this context Mr EU Baltic 1 argues that one of the reasons why the CBSS was established was the necessity of creating a dialogue between Russia and the three Baltic States.

When high-level debates about the possibility of establishing close cooperative ties in the region came up, Russia showed its interest in it. Thus, when the CBSS was formed in March 1992 the foreign ministry in Moscow declared that the Russians desired “close and mutual ties with other countries in the region”. One month later, Yeltsin signed a presidential document concerning the relationship between Russia and the Nordic countries which stressed the importance of cooperation in the Baltic Sea region. The document contained sections on cooperation in the field of politics, economics and environment, and emphasised the necessity of solving the issues which had been matters of disputes. Some Russian experts criticized the govern-

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254 Lagerspetz, Mikko, op.cit., p.54  
255 The Baltic Assembly was established on the 8th November 1991 in Tallinn. Its entire name is Formation of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania Interparliamentary Assembly. See the website of the Baltic Assembly at http://www.baltasam.org/history See also Manniche, Jesper, Searching and Researching the Baltic Sea Region, Proceedings from an international research seminar on Bornholm, April 1998, Research Centre of Bornholm, Copenhagen, 1998, p. 36  
256 Interview with Mr EU Baltic 1, EEAS, Brussels 20/04/2012  
258 In the case of Norway it meant to solve the dispute concerning the continental shelf and the economic zone in the Barents Sea. In the case of Sweden it meant to have the answer to questions dealing with the disappearance of the Swedish military aircraft in 1952 and of Swedish fishermen in the Baltic Sea during and immediately after the Cold War, the question of the Russian submarines trapassing on Swedish territorial waters and what happened to Raoul Wallenberg. Platzöder, Renate, Verlaan, Philomène, op.cit., p. 439
ment because it just provided instructions for the work in progress, not well defined policies based on a deep analysis of the political situation in the North. In spite of this, Russia showed a great interest in the establishment of the CBSS. Anatoly Sobchak, mayor of Saint Petersburg, for instance proposed to set up some CBSS organs in his city. The participation in the Baltic Sea project was a great opportunity for Russia. Indeed, Viatcheslav Morozov argues that “the unique situation in the Baltic region can provide Russia and Europe with an opportunity to overcome the legacy of the Cold War (…) to the benefit of both sides”. The former Russian Prime Minister Victor Chernomyrdin confirmed this by stating that “the Baltic Sea region has considerably increased the chances of producing to the rest of Europe a unique 21st century-oriented development model based on the logic of good neighbourhood. We view the co-operation in the Baltic Sea Region as an important single element of the process of building a new, democratic and stable Europe without division lines”. This idea was present in the Russian political elites’ statements already in 1990. In his speech in the Kokta seminar Former Foreign Minister Eduard Shevardnadze declared to see the Baltic Sea region as a cooperative arrangement a link between the southeastern and northwestern shores of the Baltic Sea which strengthens the ties between Russia and Europe.

The possibility of creating a unified Europe also pushed Germany to support the idea of regional cooperation on the Baltic Sea. The concept of Ostseeraum must be seen in this perspective. Joenniemi points out that the term has geopolitical connotations. He states that “the very term indicates a return of an aspiration to formulate policies toward the Northern part of Europe, Scandinavia, and the Balticum. This turning toward the north is quite natural in view of the German unification and Berlin becoming the capital. The opening up of Eastern Europe, the challenges presented by developments in Russia, and the warming of the relations with the Nordic countries are conducive to this trend”. Furthermore, its better relations with Russia after the collapse of the Iron Curtain brushed away the fears that they had towards each other and paved the way to cooperative links between them.

The same enthusiasm was shared by Poland which considered regional cooperation as a tool to achieve national security. In early 1990s Foreign Minister Krzysztof Skubiszewski pointed out that regional security was essential for Poland and that it had to be realized through good relations with

259 Platzöder, Renate, Verlaan, Philoméne, op.cit., p. 439
261 Ibidem, p.12
262 Eduard Shevardnadze was Foreign Minister of the USSR from 1985 until 1990.
263 Joenniemi, Pertti, Cooperation in the Baltic sea Region, op.cit., p.170
264 Ibidem, p.164
neighbours, especially in the East. The same concept was expressed by Secretary of State Adam Daniel Rotfeld. At the Baltic Sea Parliamentary Conference held in Bergen in 2004 he stated that Poland’s “main priority is promotion of cross-border and interregional cooperation with our eastern neighbours”. Like in the case of the Baltic and the Nordic countries, the involvement of Russia in the cooperation in the region was considered essential. Rotfeld stressed that “Europe does not end at the EU borders. (…) We especially count on an active participation of Russian regions – Kaliningrad Oblast, St. Petersburg, Pskov and others. We believe that their participation will enrich Russia’s partnership with the EU and will enable them to benefit from the EU enlargement”.

In early 1990s the countries of the region recognized the importance of starting up a fruitful and profitable cooperation. The end of the Cold War rose new issues to confront such as dealing with Russia after the collapse of the Soviet Union as a new actor on the international scene, redrawing the geopolitical picture of the region by defining the place of all the regional states in it. The building of the Baltic Sea region was a good way to try to accomplish these tasks. The establishment of the CBSS was a very useful instrument to strengthen the ties among the countries in the region because it pushed them to make to institutionalise their relations in a multilateral context.

The CBSS

The previous section has discussed the impact that history and the end of the Cold War have had on the region-building process on the Baltic Sea. It has been argued that the regional states had a strong interest in strengthening cooperation within the Baltic Sea area and in the creation of such a region essentially for geopolitical reasons. It has also been argued that the idea was launched in the Kokta seminar in 1990. It was on that occasion that the former Minister for Agriculture in Sweden Mats Hellström proposed the establishment of a Baltic Council with the aim to foster cooperation in specific sectors such as trade, communication, tourism, culture, ecology, education, and research.

The result of the high-profile meetings and the conferences after the Kotka seminar was the establishment of the Council of the Baltic Sea States in 1992 initiated by the Danish Foreign Minister Uffe Ellemann-Jensen and his German counterpart Hans-Dietrich Genscher, who organized a conference in

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267 Ibidem, p.3
268 Hellström, Mats, Skapa ett östersjörpåd, in Svenska Dagbladet, n.13, 1990, p. 13
Copenhagen on 5-6 March that year. The other participants were the Ministers for Foreign Affairs of the other countries of the region: Thorvald Stoltenberg (Norway), Lennart Meri (Estonia), Janis Jurkans (Latvia), Algirdas Saudargas (Lithuania), Paavo Väyrynen (Finland), Andrei Kozyrev (Russia), Margreta Uggglas (Sweden), Krzysztof Skubiszewski (Poland), and Ellemann-Jensen’s friend and EU Commissioner Henning Christophersen who participated on behalf of the Commission.269 Iceland was at first excluded from the discussions and was invited to join the organization only in 1996.270 In reality, seven of them were friends (Margreta Uggglas and Krzysztof Skubiszewski were the exception). As Kristensen argues, “the creation of the Council of the Baltic Sea States (CBSS) was based on the friendship between seven men bound together by long personal acquaintance established during the stress of the fight for Baltic freedom-living with the fear of not managing the process of liberation properly either by doing too little or by doing too much”,271 Geopolitical reasons also influenced the support states gave the project. In the case of Denmark for instance it was the attempt of including the EU Commission, in the Baltic Sea area.272

Despite the enthusiasm shown by the regional states for the strengthening of cooperation among them, the creation of the CBSS was not without problems. The first observation is that the early proposals of a ‘New Hansa’ implied the creation of a non-statist body where actors representing territories and units on the Baltic Sea could meet rather than a statist one.273 Indeed, several actors representing elected assemblies participated in the first Baltic Sea parliamentary conference in 1990.274 This is the reason why Hans-Dietrich Genscher sent a letter to the Head of Government of the German lander Schleswig-Holstein and Minister-President Bjorn Engholm. He was one of the first politicians to address the necessity of such a project, to complain that it infringed on the prerogatives of the Bund.275 Another observation concerns the fact the Russia accepted that proposal only after the dissolution of the Soviet Union. Until then the Nordic states were hesitant about involving it in the cooperation in the Nordic area because of its preponderant

269 Kristensen, Gustav, Born into a Dream: EuroFaculty and the Council of the Baltic sea States, Berliner Wissenschafts-Verlag GmbH, Berlin, 2010, p.58
270 Ibidem, p.62
271 In late 1980s the EU became the most important of the four pillar of Danish foreign policy. The other three were Nordic cooperation, NATO and the United Nations. Petersen, Nikolaj, Denmark and the European Union 1985-96: A Two-level Analysis, in Cooperation and Conflict, issue 31, n.2, 1996, p.205
273 Ibidem, p.261
274 Ibidem, p.56
size. The breakdown of the Soviet Union and the inclusion of Russia and of all the independent states in the region was a reassurance for them.276

The motivations for the establishment of the CBSS are contained in the Declaration of the Conference of Foreign Ministers of the Baltic Sea States on 5-6 March 1992. It states that “the Ministers agreed that the recent dramatic changes in Europe herald a new era of European relations where the confrontation and division of the past is replaced by partnership and cooperation. An enhanced and strengthened Baltic cooperation is a natural and logical consequence of these events. The Ministers therefore welcomed the revival of close cooperation among the Baltic Sea States and the strengthening of the ties between them. A number of new and important initiatives taken over the past two years is a clear sign of the willingness to recreate a genuine democratic community around the Baltic Sea”.277 The Declaration also stresses that the Ministers attached a great importance to cooperation in the region: “a successful cooperation around the Baltic Sea area needs active participation of political decision-makers at all levels. There are many ways to realize regional cooperation, depending on the various issues and the partners involved. The Council of the Baltic Sea States will encourage regional initiatives, public or private, as long as they contribute to the general aim of this cooperation”.278 This statement makes clear the coexistence of the statist and the non-statist character of the organization. Although it was made at the ministerial level, the declaration envisages an ‘active participation of political decision-makers at all levels’. Public and private initiatives which can foster cooperation are also encouraged by the CBSS. Already in 1991, for instance, the Union of Baltic Cities (UBC) was established. 45 cities participated in the inaugural meeting in Gdansk. The same year the Baltic Sea Parliamentary Conference (BSPC) was established “as a forum for political dialogue between parliamentarians from the Baltic Sea Region”.279 In 1993 the Baltic Sea States Sub-regional Cooperation (BSSSC) was created. It is a network for decentralised authorities.280 As Carl-Einar Stalvant puts it, “much cooperation within the Baltic subregion is based on non-state ideas, where the foundation for action and organization is a community of interests between sub-state regions, municipalities and islands. The intergovernmental aspect, however, is also secured through the CBSS. Compared to other subregions in Europe, the Baltic Sea area has within a short period of time developed a rich and distinct transnational infrastructure conducive to community building and stability”.281 In spite of this, the Terms of Reference for

276 Stalvant, Carl-Einar, op.cit., pp.56-57
277 Conference of Foreign Ministers of the Baltic Sea States Copenhagen, March 5-6, 1992, 1992 CBSS 1st Ministerial Session-Copenhagen Declaration, p.1
278 Ibidem, p.3-4
279 See the Baltic Sea Parliamentary Assembly’s website at http://www.bspc.net/page/show/24
280 See the the Baltic Sea States Sub-regional Cooperation’s website at http://www.bsssc.com/index.php?system_cms=2&xs=3
281 Stalvant, Carl-Einar, op.cit., p.66
the CBSS adopted during the conference in Copenhagen stress the intergovernmental character of the organization stating that “the envisaged cooperation among the countries in question should be of a traditional intergovernmental nature, where the host country of each session assumes responsibility for providing secretariat services”. The same document states the characteristics of the Council in negative terms, as Carl-Einar Stalvant points out: “this new Council should not be seen as a new formalized institutional framework with a permanent secretariat”. The purpose of the organization is defined in broad terms: “to serve as a forum for guidance and overall coordination among the participating states”. The reasons underlying this are well explained by Carl-Einar Stalvant. According to him, the Foreign Ministers feared loss of control as cooperation concerned issues which were prerogatives of other ministries and which involved many other actors. Indeed, the Terms of Reference 2009, which is the last one available at the moment of writing, makes clear that the coordination of activities provided by the organization must not interfere with other ministries’ prerogatives. It explicitly states that “the CBSS encompasses all multilateral intergovernmental regional cooperation in areas agreed by its Members and serves as a forum for political dialogue. It also acts as a focal point of information and coordination. The co-ordination shall not infringe on the responsibilities of other Ministers within their respective competence and expertise”.

The Terms of Reference 1992 outlines the sectors of cooperation, which were Assistance to new democratic institutions, Economic and technological assistance and cooperation, Humanitarian matters and health, Protection of the environment and energy, Cooperation in the field of culture, education, tourism and information, Transport and communication. These sectors have been reformulated in the following five areas of cooperation: Environment, Economic development, Energy, Education and culture, Civil security and the Human Dimension. Thus, the CBSS deals only with soft security issues. Nevertheless, in 1994 Poland proposed to introduce hard security issues onto the CBSS agenda and the same was tried by the three Baltic States, but they changed their mind in 1996-1997. The reason is that they feared that this would have been an obstacle to their integration with NATO. The Nordic countries and Germany have not supported the idea of discussing hard security matters within the CBSS because it would have influenced negatively the cooperation in the other sectors. In addition to this, the divisions among the Nordic countries in the hard security sector would have made

282 Terms of Reference of the Council of the Baltic Sea States, Conference of the Foreign Ministers of the Baltic Sea States, Copenhagen 5-6 March 1992, p.1
283 Ibidem, p.1
284 Ibidem, p.1 See also the CBSS’ website at http://www.cbss.org/CBSS-The-Council/the-council
285 Stalvant, Carl-Einar, op.cit., p.66
286 Council of the Baltic Sea States, Terms of Reference, April 2009
287 See also the CBSS’ website at http://www.cbss.org/CBSS-The-Council/the-council
their positions even deeper. As a consequence, their willingness to undertake joint commitments to improve regional cooperation would have been undermined. Nevertheless, Carl-Einar Stalvant underlines that “the omission of certain sensitive subjects from the Council’s competence by defining them as falling outside its remit did not prevent the Council from noting and even evaluating certain security relevant subregional events in the statements from the annual Foreign Ministers meetings. As a rule, however, interventions by ministers have respected the confines of the Council’s mandate. Russian’s criticism of the Baltic states desire to join NATO, for example, has been forwarded at press conferences and outside of the discussions proper”.  

Carl-Einar Stalvant stresses that the CBSS kept a low profile during the first years of its existence for several reasons. The difficult relations between Russia and the Baltic States, the worries of the Nordic states for the EU membership and the expansion of intergovernmental contacts outside the Council prevented it from developing as a leading actor in the region. He also argues that the CBSS was just a symbol more than an engine. Carl-Einar Stalvant’s interpretation is meaningful as a structured body was established only in 1998 and, as it will be explained later, the 1992 document establishing the Council explicitly excluded the possibility of the creation of a Permanent Secretariat. It was only in the very late 1990s that the CBSS strengthened its role both in the region and on the international arena. It became part of the Northern Dimension (ND) which at the beginning was a EU policy, but which has recently become an important tool for the relations among the states in the Northern part of the European continent. The CBSS has also intensified its ties with the other regional organizations of the area such as the Barents Euro-Arctic Council (BEAC), but it has also started up cooperation with some other organizations such as the BSEC. This growing network is making the role of the CBSS increasingly necessary for the aims of the regional actors.

The structure of the CBSS

The apex body of the CBSS is the Council of Ministers for Foreign Affairs from each Member State and a member of the European Commission. The Presidency rotates on an annual basis from July 1st to June 30th so that all the member states are appointed to that position. It is responsible for the preparation of the Baltic Sea States Summits gathering the Heads of Government and the President of the European Commission. As each Presidency has its own priorities, the Council adopts its agenda upon the proposal of the

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288 Stalvant, Carl-Einar, *op.cit.*, p.64
289 Ibidem, p.64
290 Ibidem, p.58
Presidency in charge. The Chairman of the Council is the Foreign Minister of the country holding the Presidency. 291

The Presidency is assisted in his functions from the Committee of Senior Officials (CSO) that is composed of “high ranking representatives of the Ministries of Foreign Affairs of the 11 CBSS Member States as well as of the European Commission”. 292 It is a decision-making body and a forum for discussing the matters related to the work of the Council at the Ministerial Sessions level. It controls and monitors the work of all the CBSS structures. 293

The CSO members of the former, incumbent and incoming CBSS Presidencies constitute the Troika. They meet to ensure the work of the CBSS and the smooth transition of the Presidencies. The incumbent Presidency organizes and chairs the Troika meetings, which are attended also by the Director General of the CBSS Secretariat. 294 Decisions within the CBSS are taken by consensus.

Furthermore, the Principles and Guidelines for 3rd party participation in CBSS activities and meetings envisage the possibility for a third party to apply for the status of Observer in the case of states and Strategic Partner in the case of organizations. Participation of third parties is considered as a means to spread information about cooperation in the Baltic Sea region. The document also states that “Observers, Strategic Partners and other third parties may be invited to take part in CBSS meetings at all levels for one or more specified agenda points or for an entire meeting. They may be given the right to speak but they do not participate in decision making. (…) The Council decides on the acceptance of a new Observer, while the Committee of Senior Officials (CSO) decides on that of a new Strategic Partner. The status of Observer and Strategic Partner is subject to review.” 295

291 Terms of Reference of the Council of the Baltic Sea States, Adopted by the 1st CBSS Ministerial Session in Copenhagen in March 1992, revised by the 13th CBSS Ministerial Session in Szczecin in June 2005, revised by the Council through written procedure in April 2009, p.1
292 See the CBSS’ website at http://www.cbss.org/CBSS-The-Council/committee-of-senior-officials
293 Ibidem
294 Ibidem, p.2
295 Principles and Guidelines for 3rd party participation in CBSS activities and meetings, Adopted by the Ministers for Foreign Affairs of the CBSS Member States through written procedure in February 1999 Revised by the Council through written procedure in April 2009, p.1

The Observers are: Belarus, France, Italy, the Netherlands, Romania, Slovakia, Spain, the Ukraine, the United Kingdom and the United States of America. See the CBSS’ website at http://www.cbss.org/Cooperation/cbss-observer-states

The Strategic Partners are sixteen: B7 Baltic Seven Islands Network, Baltic Sea Union Network (BASTUN), Baltic Sea Chambers of Commerce Association, Organization for the Economic Cooperation and Development (OECD), ScanBalt, Union of the Baltic Cities (UBC), Baltic Development Forum, Baltic Sea Forum, Baltic Sea Parliamentary Conference (BSPC), Baltic Sea States Subregional Cooperation (BSSSC), Baltic University Programme (BUP), Business Advisory Council, Conference of Peripheral Maritime Regions-Baltic Sea Commis-
The Council does not have a general budget or project fund. The common activities are funded by Members who are also responsible for seeking and coordinating financing from other sources.

The CBSS Permanent Secretariat

In 1998 an important change occurred in the organizational structure of the CBSS. A Permanent Secretariat with legal capacity for the exercise of its functions located in Stockholm was established. It started to operate on 1 April that year. Its mandate includes several tasks which are defined as follows:

- “to provide technical, organisational and analytical support to the CBSS Presidency, the CBSS Committee of Senior Officials (CSO) and the CBSS expert groups and other structures, as decided by the CSO;
- to ensure continuity and coordination of CBSS work, to implement the CBSS information strategy, to act as a focal point of information on regional co-operation within the Baltic Sea Region on approval of the CSO;
- to assist, in accordance with CSO decisions, relevant structures, such as expert groups, in initiating, developing and implementing regionally important, strategic projects in line with the agreed CBSS long-term priorities and involving as many CBSS Members as possible, and to explore the financing of these projects”.

The document establishing the Permanent Secretariat also states that “it shall also - in the context of an information policy to be decided upon - pro-

sion (CPMR), Baltic Marine Environment Protection Commission (HELCOM), International Organization for Migration (IOM), Baltic Sea NGO Forum.
See the CBSS’ website at http://www.cbss.org/Cooperation/strategic-partners

296 In particular, the Secretariat “shall possess the capacity to contract, to acquire and dispose of movable and immovable property, and to institute and participate in legal proceedings” Host country Agreement on the Privileges & Immunities of the Secretariat (Oct. 98), Agreement between the Government of the Kingdom of Sweden and the Secretariat of the Council of the Baltic Sea States on the Privileges and Immunities of the Secretariat

297 See the CBSS’ website at http://www.cbss.org/CBSS-The-Council/the-council

298 “The Host Government provides the premises of the Secretariat free of charge under the Agreement on the Privileges and Immunities of the Secretariat (Host Country Agreement). The privileges and immunities of the Secretariat and its staff members are set out in this Agreement. The Secretariat is subject to auditing by the State Auditor of the Host Country. The Secretariat shall have such legal capacity as is necessary for the exercise of its functions. In particular it shall possess the capacity to contract, to acquire and dispose of movable and immovable property, and to institute and participate in legal proceedings. The mechanism for settling disputes between the Secretariat and the Host Government is set out in the Host Country Agreement”.

Terms of Reference of the Secretariat of the Council of the Baltic Sea States, Laulasmaa, Estonia, 21st June 2004, Revised in April 2009 with written procedure by the Council, p.2

299 Ibidem
vide support to the efforts of the presidency to increase public awareness of the significance and activities of the CBSS, increase the visibility of the Baltic Sea States cooperation, support the Council Presidency in its role as spokesman and inform, under the guidance of the presidency, the public, media and other bodies in this region about the Council's activities. The Secretariat shall also assist the troika in ensuring continuity between rotating presidencies.

The Secretariat shares tasks and responsibilities with the Presidency. The division is formalized in an agreement between them. The Secretariat is headed by a Director General that is appointed by the Members of the Council by consensus. He is the chief of the staff, he coordinates the work of the Secretariat and defines its substructure. He also reports to the CSO through the Presidency and supervises the work of Specialised Units that are established within the Secretariat if decided by the CSO. The Director General is assisted in his work by a Deputy Director General who, together with the Senior Advisers and other professional staff, is appointed by the former. The Director General is also responsible for financial matters and for preparing a draft budget for the Secretariat to the CSO. Each member state financially contributes to the Secretariat’s expenses according to the following scale: Denmark 12%, Estonia 4%, Finland 12%, Germany 12%, Iceland 4%, Latvia 4%, Lithuania 4%, Norway 12%, Poland 12%, Russia 12%, Sweden 12%.

The working language of the Secretariat is English, but meetings are conducted also in German and Russian.

The Secretariat has Expert Groups working on different issues such as sustainable environment, maritime policy, nuclear and radiation safety, youth affairs and cooperation on children at risk and others. The Expert Groups are established by the CSO that monitors their work.

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300 Council of the Baltic Sea States, Establishment of a CBSS Secretariat, Proposals by the Presidency, Copenhagen 29th January 1998, p.1
301 The Director General checks that the Specialised Units work in accordance with the rules and the long-term priorities of the Secretariat. Terms of Reference of the Secretariat of the Council of the Baltic Sea States, Laulasmaa, Estonia, 21st June 2004, Revised in April 2009 with written procedure by the Council, p.1
302 The staff is appointed on the basis of merits as well as on criteria of geographical and gender balance and on the principle of rotation. The acceptance of the staff of the Secretariat as well of seconded personnel is subject to the approval of the CSO. Ibidem, p.1
303 The financial matters are regulated by the Financial Rules of the Secretariat, as approved by the CSO. Ibidem, p.1
304 The financial year of the Secretariat is the calendar year. Ibidem, p.2
305 The Host country provides simultaneous interpretation to and from English German and Russian. Terms of Reference of the Secretariat of the Council of the Baltic Sea States, Laulasmaa, Estonia, 21st June 2004, Revised in April 2009 with written procedure by the Council, p.2
The Black Sea region
The premises for region-building on the Black Sea

In ancient times relations among the peoples living along the shores of the Black Sea were essentially based on commerce which was vibrant and flourishing. The poet Virgil wrote panegyrics to the strong smelling oils and pine timber that the Romans imported from those areas. The Greek colonies grew in fame and wealth thanks to grain exports and to good relations with the non-Greeks neighbours. The Greek colonies’ growth brought them into contact with the Mediterranean world. During the first millennium AD, the importance of the Black Sea ports declined because of the opening up of new sources of wealth like Egypt for grain and of new transportation routes to the east through the Indian Ocean. It was only in the 13th and 14th century that the Black Sea regained its ancient glory as it once again became the centre of a global economic and social system which was strongly linked to the Italian city-states at that time. The Ottomans exploited the resources of the Black Sea to build their empire and controlled most of its coasts. In the 18th century the commerce was open to European merchants. From the late 18th century onward the shores of the sea were carved up by newly formed nation-states staking claimed not only a piece of land on the sea but also a section off the coastal waters. The peoples living along the Black Sea coasts were very diverse in ethnicity, history, culture and language. Charles King argues that traders’ transactions were said to require 130 interpreters. It surely is an exaggeration, but it gives an idea of the diversity of the number of peoples inhabiting those areas. He also notes that the sea’s connections with Europe introduced two ideas which strongly influenced the remaking of identities and the redefinition of cultural and political communities, namely the concepts of homogeneous nation and the hegemonic state. Religion was a cultural matter much more than language and ethnicity, especially in the Ottoman lands. However, those peoples influenced each other’s traditions causing identity overlapping, although each of them kept their own uniqueness. The huge differences among them make the Black Sea region one of the most heterogeneous and complex in Europe. As Oleksandr Pavliuk states, “it encompasses countries that differ significantly in size, level of political and economic development, military potential, and geopolitical interests as well as in cultural social, and religious traditions (the region includes almost all countries of the Orthodox world as

307 King, Charles, op.cit., p.10
308 Ibidem, p.31
309 Ibidem, p.190
well as Muslim Azerbaijan\textsuperscript{310}, Albania, and Turkey) and in institutional affiliation with European and Euro-Atlantic integrated structures. Nine of the Black Sea states are former Communist countries (six are successor states of the Soviet Union), which have been going through a very complex process of transition and self-identification\textsuperscript{311}. These factors together with the persistence of frozen conflicts (e.g. Nagorno-Karabakh, Abkhazia), the tensions and the military conflicts involving some of the states of the area (e.g. Georgia and Russia, Caucasus, Ukraine and Russia) make the creation of a regional identity a very difficult task. As Pavliuk puts it, “it is questionable to what degree the Black Sea identity is viewed as a primary one by the Black Sea countries themselves: rather it is seen as a complementary to something else (in most cases to these countries’ European and Euro-Atlantic aspirations), making uncertain their commitment to sustainable regional building”\textsuperscript{312}. In this regard, Tsantoulis’ explanation on the lack of an identity in the region is very interesting and pertinent. He argues that in the period immediately after the end of the Cold War most of the states of the region were confronted with the need to reject the socialist ideology and to adopt a new one with the aim to distinguish themselves from the others by creating a sense of belonging. In the case of the Black Sea region “it seems that the countries may have not been able to construct their particular identities without resorting to constant – even highly conflictual – references to their neighbours. It is indeed rivalries such as those between Armenia and Azerbaijan, Russia and Ukraine, Georgia and Abkhazia and South Ossetia that have raised identity issues, turning the Black Sea region into what is termed ‘conflict formation’. Lastly, one could also say that a direct effect of the August 2008 war between Russia and Georgia has been the hardening of the national identities of the conflicting parties”.\textsuperscript{313} King notes that “there are few European regions in which school children know less about their neighbours than around the Black Sea: Romanian, Bulgarian, Ukrainian, Georgian and Turkish pupils have far more knowledge about the history, culture and language of France, Germany and the United States than about their own neighbours”.\textsuperscript{314}

Although a regional identity is not present on the Black Sea as even Ambassador Traian Chebeleu admits\textsuperscript{315}, a region does exist. As Pavliuk puts it,

\begin{itemize}
\item Azerbaijan is not a European country as it is located in Asia, but it belongs to the Black Sea region.
\item Ibidem, p.7
\item Tsantoulis, Yannis, Geopolitic, (sub)regionalism, discourse and a troubled ‘power triangle’ in the Black Sea, in Southeast European and Black Sea Studies, vol.9, n.3, Routledge, 2009, pp.248-249
\item 134\textsuperscript{th} Bergedorf Round Table, The Black Sea Between the EU and Russia: Security, Energy, Democracy, June 23-25 2006, Odessa, Bergedorfer Gesprächskreis, p.26
\item Interview with Ambassador Traian Chebeleu, Deputy Secretary General of the BSEC, Istanbul 10/3/2011
\end{itemize}
“historically the Black Sea basin has been known for efforts to build bridges, establish rapprochement among neighbouring nations, and develop mutually beneficial trade relations and contacts.”

According to him, the Black Sea basin has never constituted a coherent political and economic entity, but it has been a distinct region with its dynamics of interaction, conflict and coexistence. He states that today the Black Sea basin is a region much more than some years ago because of geographical proximity, shared interests and concerns such as economic development, environmental protection and security threats. All these factors make them natural partners.

During the Cold War the connections between the various parts of the region were very difficult because the relations among the states of the region were characterized by mutual suspicion and mistrust. The iron curtain that divided the two opposing political and military blocs, also passed through the Black Sea region cutting off the connections among the regional actors and separating the northern and southern shores of the sea. It was only after the end of the Cold War that the Black Sea region states “won a new chance to revive the cooperative spirit of the area” which was historically based on trade, as it has been argued above.

From this perspective, the establishment of the BSEC must be seen as instrument to mitigate the tensions among the countries of the area and to overcome the Cold War divisions. According to Ivanna Klympush-Tsintsade, the potential of the BSEC to overcome new divisions is becoming increasingly important because some of the regional countries will be left outside the EU for long time to come. Consequently, for them it is very important to be part of a multilateral organization in terms of security and economic advantages.

The BSEC was created by the Turkish initiative based on geopolitical calculations and national interests. The end of the Cold War gave powerful states the possibility of finding new and more efficient ways of exerting their power in their area. Turkey didn’t lose the chance to become a regional power. To achieve this aim, it was necessary to strengthen its economic relations with the neighbours.

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316 Pavliuk, Oleksandr, Klympush-Tsintsadze, Ivanna, op.cit., p.7
317 Ibidem, p.7
319 Pavliuk, Oleksandr, Klympush-Tsintsadze, Ivanna, op.cit., p.37
The end of the Cold War coincided with the term in office of Turgut Özal as President (1989-1993). Philip Robins defines him as “a man of vision and quick wits as its helm”. The journal *The Economist* also described him in enthusiastic terms saying that “as prime minister since 1983 [until 1989], and steersman of the economy for most of the three years under military rule before that, he has done more than any other man in 50 years (…) to shape the Turkey of today and make it ready for Europe tomorrow”. The *Economist* also described Özal’s foreign policy recipe in a few words: “free the economy, and force it to compete”. Nicholas Danforth outlines the two main features of Özal’s foreign policy. The first was the exploitation of the opportunities coming out from the end of the Cold War to advance Turkish interests by enhancing the Turkey’s regional influence and economic position. The second one was the importance of the US and NATO for Turkey that Özal sought to demonstrate in spite of the diminishing of the Soviet threat. Danforth explains Özal’s activism with the need to take advantage of the new possibilities brought by the Soviet collapse and to minimize the negative consequences which this could also bring.

As Danforth puts it, “the BSEC stands out as a prime example of Özal’s desire to seize new political and economic opportunities. Founded in 1992 at Özal’s initiative, it was an attempt to institutionalize a new and profitable relationship with countries that had almost all previously been trapped behind the iron curtain”. Danforth explains that Özal adopted the same strategy towards Central Asia. Indeed, he says that “in reaching out to the Turkic republics of Central Asia, Özal was making contact with an area that had previously been off-limits to Turkish diplomacy. In both cases, there was a powerful economic incentive driving Özal’s policy. Özal’s term as president saw the fruition of the economic reforms he had instituted while prime minister. As a result, by the late 1980s, the Turkish economy was not only increasingly dynamic, but also increasingly export-oriented and more deeply integrated into the world economy. Özal was quick to see that many of Turkey’s neighbours could serve as much needed markets for Turkish goods, and that enhancing political ties would be the natural first step toward consolidating a profitable economic relationship. By bringing a sizable delegation of businessmen along with him whenever he travelled abroad, Özal

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322 Ibidem
323 Danforth, Nicholas, *Ideology and Pragmatism in Turkish Foreign Policy: From Atatürk to the AKP*, in *Turkish Policy Quarterly*, vol.7, issue 3, 2008, pp.88-89
324 Ibidem, p.89
showed his commitment to putting Turkey’s regional relations in the service of its economic interests”.  

It is in this perspective that in November-December 1990 Özal organized in Ankara several meetings of delegations from four countries along the Black Sea’s shores, namely Turkey, Romania, Bulgaria and the Soviet Union. These meetings revealed the existence of a political support for the establishment of cooperation among the four countries especially in the social, economic and environmental sectors. The result of those meetings was a draft document on the BSEC signed in 1991.  

Turkey proposed that Yugoslavia should also be included in the project of the BSEC, too. National interests prevailed also in this case. Turkey was well disposed towards Yugoslavia especially because of its criticisms towards Zhivkov’s policy towards the Turkish minority in Bulgaria. During their meetings Özal and Zhivkov discussed about both controversial and cooperative issues. The dialogue among them was particularly fruitful in the case of the economic sector where the two countries were more willing to cooperate.  

In addition, Turkey had strong interests in the stability in the Balkans because a protracting war in Bosnia-Herzegovina could have serious consequences near its borders as it could spread to Macedonia which Greece and Bulgaria, Turkey’s Balkans neighbours, had very bad relations with. 

The collapse of the Soviet Union brought about enormous changes in the international system and opened up the way to new options for rethinking the relations among states. In the case of the BSEC for instance the scope of the project changed. The newly independent states in the region quickly showed their great interest in the project as it was a great opportunity to facilitate their transition process to modernization and market economy as well as to be easily integrated in the world economy and ensure stability and security in the region. Furthermore, the BSEC offered them the possibility to be actively involved in international politics on a multilateral level. At the same time, the demise of the Soviet Union gave the former Soviet republics the opportunity to exploit the new political dimension represented by the BSEC for their national interests. Azerbaijan for instance hoped to counterbalance the Russian influence through its participation in the BSEC project and the presence of Turkey. By contrast, Russia aimed at limiting the power of Turkey in the region. As Lenore Martin and Dimitris Keridis put it, “the strategic importance of Turkey’s military role in the Western camp declined mainly because of the Soviet threat to the west; at the same time the collapse

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325 Danforth, Nicholas, *op.cit.*, p.89
326 Cottey, Andrew, *op.cit.*, p.128
327 Zhivkov was a Bulgarian communist leader from 1954 until 1989.
328 Robins, Philip, *op.cit.*, pp.354-355
329 *Ibidem*, p.351
331 *Ibidem*, p.129
of the Soviet Union created a vacuum of power in Eurasia and offered Turkey an opportunity to exert its economic and political influence over the newly-independent post-Soviet states." Consequently, Russia wanted to prevent Turkey from becoming too influential in the region. Nevertheless, their foreign policies orientations coincided as both of them aimed at becoming ‘great powers’ in the region. In order to achieve this, they needed to establish closer ties with the Western institutions which began playing an important role in the new European architecture. Turkey and Russia shared the same values as the basis for their pro-Western foreign policy orientation. They were summarized as follows by Foreign Minister Kozyrev speaking about post-Soviet Russia: the new state “should transform itself into a democratic state, set up an effective economy, and guarantee the rights and freedoms of its citizens”.

Thus, Turkey and Russia were pushed to establish friendly relations. Foreign Ministers Hikmet Çetin and Andrei Kozyrev exchanged official visits in Ankara and Moscow in early 1992. The official visit to Moscow by Prime Minister Süleyman Demirel was particularly fruitful as a Turkish-Russian Treaty of Friendship and Cooperation was signed. It declared that the two parties based their relationship on good neighbourliness, cooperation, and mutual trust.

The improvement of the Ankara-Moscow relations was clear when Russian president Boris Yeltsin visited Istanbul on the occasion of the first summit meeting of the BSEC organization. As Martin and Keridis put it, “the diplomatic climate created by the BSEC contributed to the development of economic relations between Turkey and Russia”.

Nevertheless, the relations between them were good in the economic field, but not in the political sphere as both of them sought to become hegemonic powers in the region. Thus, “while the economic dimension of relations between Turkey and Russia, were framed in ‘win-win’ or ‘non-zero-sum’ game terms, their political relations were formulated in ‘win-lose’ or ‘zero-sum’ game terms”.

In this context the role of the Western institutions, especially NATO and the EU, played an important role in the region-building process along the Black Sea, as it has been argued above. The end of the Cold War pushed the countries which had belonged to the communist bloc to strengthen their relationship with the West by applying for the EU and the NATO membership. Renata Dwan notes that the perspective of joining NATO, but above all the EU, has always been a strong motivation at the base of the cooperation among states in Central and Eastern Europe in order to strengthen their efforts to acquire the EU and NATO membership as soon as possible. At the same time, the pursuit of these two memberships can in some cases (e.g.

333 Ibidem, p.134
334 Ibidem, p.134
335 Ibidem, p.134
336 Ibidem, p.135
Armenia) prevented states from cooperating with other countries. The reason was that they did not want to give the impression that they were satisfied with regional arrangements other than with the EU and NATO membership.\footnote{Dwan, Renata, Building Security in Europe’s New Borderlands, Subregional Cooperation in the Wider Europe, EastWest Institute, New York, 2004, p.4}

In spite of this, the former communist countries have participated in the establishment of some other organizations in the region such as GUAM-ODED (Georgia, Ukraine, Azerbaijan, Moldova-Organization for Democracy and Economic Development), CDC (Community of Democratic Choice), SEECP (South-East European Cooperation Process) and BSF (Black Sea Forum for Dialogue and Partnership). Ambassador Traian Chebeleu argues that these organizations do not obstruct the work of the BSEC. According to him, they help it to implement its cooperative projects in the region like in the case of tourism.\footnote{Interview with Ambassador Traian Chebeleu, Deputy Secretary General of the BSEC, Istanbul 10/3/2011} By contrast, the research in this study demonstrates that these regional schemes compete with the BSEC creating instability along the Black Sea. The case of GUAM-ODED is particularly evident in this context as it has always been perceived as anti-Russian. As a consequence, Russia looks at it with mistrust and hostility. This creates tension in the region. Although these organizations are quite active in the region, the BSEC remains the most important one in terms of scope and impact on the regional political and economic dynamics.

The BSEC

The BSEC was established on 25 June 1992 at the meeting of Heads of State and Government of eleven countries.\footnote{Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine} They signed two basic documents, namely the Summit Declaration on the Black Sea Economic Cooperation and the Bosphorous Statement. These two documents emphasise that the establishment of the BSEC is strongly bound over the Helsinki Final Act, the United Nations (UN) charter and the OSCE document as well as the Charter of Paris for a New Europe. The Summit Declaration defines the purpose of the BSEC as the achievement of “further development and diversification of both bilateral and multilateral cooperation among them [among the eleven member countries] as well as with other interested countries, to foster their economic, technological and social progress, and to encourage free enterprise”.\footnote{BSEC, Summit Declaration on Black Sea Economic Cooperation, Istanbul, 25 June 1992} On the basis of this, the BSEC aims at “creating adequate condi-
tions for a mutually beneficial prosperity” and at transforming the Black Sea region “into a region of peace, freedom, stability and prosperity”. In this regard, the Bosphorous Statement contains the acknowledgment of the Heads of State and Government that recognized the presence of serious conflicts and the danger of new tensions arising in the region. Thus, they reiterated “their commitment to act in a spirit of friendship and good neighbourliness and enhance mutual respect and benefit, cooperation and dialogue in the relations between them”. Another important point stressed by the Heads of Government was their commitment to develop economic cooperation “in a manner not contravening their obligations and not preventing the promotion of the relations of the Participating States with third parties, including international organizations as well as the EC [the European Community, now called European Union] and the cooperation within the regional initiative”.

The Summit Declaration like the Bosphorous Statement, gives priority to economic cooperation and points out the areas of cooperation which are: “transport and communications, including their infrastructure; informatics; exchange of economic and commercial information, including statistics; standardization and certification of products; energy; mining and processing of mineral raw materials; tourism; agriculture and agro-industries; veterinary and sanitary protection; health care and pharmacetics; science and technology”.

The Summit Declaration also envisages the possibility for the states observing its provisions of joining the whole process of cooperation with the approval of the Participating States. In addition to this, “organizations, enterprises and firms of third parties will also be given the possibility of indicating their interests in projects of common interest and, in case of agreement, of taking part in their implementation. Regional and international economic and financial institutions may also contribute in the carrying out of these projects”.

The BSEC was not a de jure organization when it was established. In 1992 the participating states agreed that at that stage of cooperation it was necessary ‘to ensure institutional flexibility’ and that, consequently, decisions should be only recommendatory. It was only in 1998 that the participating states decided to give the BSEC a de jure status. Indeed, the Yalta Summit Declaration states that “we all share the conviction that the consid-

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342 BSEC, The Bosphorous Statement, op. cit.
343 Ibidem
344 BSEC, Summit Declaration on Black Sea Economic Cooperation, Istanbul, 25 June 1992
345 Ibidem
346 Ibidem
347 Cottey, Andrew, op. cit., p.129
erable progress achieved in our multilateral economic cooperation contributes to enhancing peace, stability and security to the benefit of our peoples, and that time has come to consolidate the international legal personality of the BSEC”.\footnote{Yalta Summit Declaration, 5 June 1998} To this end, they signed the Charter of the Organization of the Black Sea Economic Cooperation, which transformed “the existing intergovernmental mechanism into a fully-fledged regional economic organization”\footnote{Ibidem}. The creation of the Charter was a very difficult task because of the huge differences among the participating states, their historical experiences, culture and economies.\footnote{Pavluk, Oleksandr, Klympush-Tsintsadze, Ivanna, \textit{op.cit.}, p.29} The then BSEC Secretary General Valeri Chechelashvili said that “now that the difficult stage of organizing our institution is over, we are at a turning point, where we enter a new stage and face new challenges”.\footnote{Turkish Daily News, 26 June 2000. See also Pavluk, Oleksandr, Klympush-Tsintsadze, Ivanna, \textit{op.cit.}, p.29} The Turkish Daily News wrote indeed that “Critics have accused the BSEC of slow progress and have said that the BSEC has given the image of a ‘sleeping beauty’. But since the organization has finally completed its conceptual and organizational structuring, BSEC leaders predict project oriented activities will be intensified.\footnote{Turkish Daily News, 26 June 2000}

The Yalta Summit Declaration and the Charter of the Organization of the Black Sea Economic Cooperation outline the aim of the BSEC which was already contained in the founding documents signed in 1992 and mentioned above. Also, the new documents expressly cite the international organizations and bodies which the BSEC aims at further developing its cooperation with, namely the European Commission, OSCE, World Trade Organization (WTO), United Nations Economic Commission for Europe (UNECE) and the United Nations Industrial Development Organization (UNIDO). The cooperation with regional organizations is also important for the BSEC. The Central European Initiative (CEI), the Royaumont Process of Stability and Good-Neighbourliness in South-Eastern Europe, the Process on Stability, Security and Cooperation in South-Eastern Europe, the South-East European Cooperative Initiative (SECI) are explicitly mentioned in the Yalta Summit Declaration because they have established cooperative links with the BSEC.

The relationship with the EU is defined from the two documents as particularly important. The areas of cooperation are transport, energy, telecommunication networks, trade, ecology, sustainable development, and justice and home affairs. The ultimate aim of their cooperation is to progressively shaping the EURO-BSEC economic area.\footnote{Yalta Summit Declaration, 5 June 1998} The intention of strengthening the relations with the EU had previously been underlined in the Moscow Declaration of the Heads of State or Government of the Participating States of the Black Sea Economic Cooperation signed in Moscow in 1996. The

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\footnote{Yalta Summit Declaration, 5 June 1998} \footnote{Ibidem} \footnote{Pavluk, Oleksandr, Klympush-Tsintsadze, Ivanna, \textit{op.cit.}, p.29} \footnote{Turkish Daily News, 26 June 2000. See also Pavluk, Oleksandr, Klympush-Tsintsadze, Ivanna, \textit{op.cit.}, p.29} \footnote{Turkish Daily News, 26 June 2000} \footnote{Yalta Summit Declaration, 5 June 1998}
\end{thebibliography}
participating states affirmed in this document the willingness to cooperate with the EU in the fields of common interest and to intensify contacts and exchange of information.\textsuperscript{354} The European Commission also expressed its strong interest in a profitable cooperation with the BSEC in a Communication in 1997, which assessed the potentials of the region and made a number of positive observations such as the emergence of promising synergies in the Black Sea region.\textsuperscript{355} Later, in 1999 the Platform for Cooperation between the BSEC and the EU was adopted by the BSEC Council of Ministers of Foreign Affairs (CMFA). Since then many documents were adopted and many meetings between the EU and the BSEC were held, but they were not always fruitful.

The documents mentioned here are the beginning of the institutional contacts between the EU and the BSEC. The historical account of the institutional dimension of the EU-BSEC relations will not be made here. Although mentioning some of the initial documents the two bodies have adopted is necessary for a better understanding of their relations, the geopolitical dimension is much more interesting and useful to the purposes of this thesis. As Japaridze, Manoli, Triantaphyllou and Tsantoulis put it, “during the 1990s the EU’s approach towards its eastern neighbourhood revolved around the question of membership/non-membership and was essentially limited to providing financial and technical assistance distributed through a range or programmes. In this regard, the BSEC (...) was basically ignored. The only reference to the Organization (...) was in the EC Communication of 1997”.\textsuperscript{356} They also argue that “in the EU’s thinking, the BSEC was perceived as a regional organization with a specific mandate (economic cooperation), limited institutional capacities and resources, located in a troubled region and last but not least driven primarily by the interests of the Russian Federation and Turkey”.\textsuperscript{357} It was only since the enlargement to central and eastern European countries in 2004 that the EU has tried to define its own strategy toward the region through the European Neighbourhood Policy (ENP-2004), the Black Sea Strategy (BSS-2007) and the Eastern Partnership (EaP-2008). The BSS is the only policy recognizing a great importance to the BSEC considering it not only a regional cooperation scheme, but also the engine that can make the countries of the region closer to the EU.\textsuperscript{358}

\begin{thebibliography}{99}
\bibitem{354} Moscow Declaration of the Heads of State or Government of the Participating States of the Black Sea Economic Cooperation, 25 October 1996. See also Japaridze, Tedo, Manoli, Panagiota, Triantaphyllou, Dimitrios, Tsantoulis, Yannis, \textit{The EU’s Ambivalent Relationship with the BSEC: Reflecting on the Past, Mapping out the Future.} ICBSS Policy Brief, n.20, January 2010, p.6
\bibitem{356} Japaridze, Tedo, Manoli, Panagiota, Triantaphyllou, Dimitrios, Tsantoulis, Yannis, \textit{op.cit.}, p.20
\bibitem{357} \textit{Ibidem}, p.13
\bibitem{358} \textit{Ibidem}, p.15
\end{thebibliography}
theless, the three policies are complementary and overlapping at the same
time. For this reason they have been strongly criticized from those accusing
the EU of not being able to define a clear strategy towards the region. The
strong interest of the EU as well of outsiders in the BSEC shows that the
attractiveness of the organization has grown. At the same time, the geopoliti-
cal developments both in the region and in the international system have
downplayed the enthusiasm in the project, as it will be shown later.

The structure of the BSEC

The highest decision-making body of the BSEC is the Council of Minis-
ters of Foreign Affairs of the Member States. The Council regularly holds
two annual meetings, in May/June and November/December. They are being
held in the Member States on a rotation basis and are regulated by the BSEC
Chairmanship-in-Office. In particular cases special or informal meetings are
convened upon the request of one or more Member States, subject to consen-
sus of the Member States. In 1995 the mechanism of Troika, including the former, present and future
chairman in office, was established.

Decisions on all key issues such as the ones concerning the BSEC’s func-
tioning, the admission of new members, the granting of an observer status,
the creation of new bodies and the framing of the agenda of the meetings are
taken by consensus. Other decisions can be taken by a two-thirds majority
vote.

The BSEC has three types of partners. The observers are: Austria, Bela-
rus, Croatia, Czech Republic, Egypt, France, Germany, Israel, Italy, Poland,
Slovak Republic, Tunisia, USA, International Black Sea Club, Energy Char-
ter Secretariat, Black Sea Commission, EU. The membership of the EU is
opposed by Turkey and Russia that do not want it to have an equal say in the
organization. The Sectoral Dialogue Partners are: Hungary, Iran, Jordan,
Japan, Korea, Montenegro, Slovenia, Great Britain, Black Sea International
Shipowners Association (BISNA), Black & Azov Seas Ports Association
(BRASS), Black Sea Universities Network (BSUN), Conference of Periph-
eral Maritime Regions of Europe (CPMR), Danube Commission, Interna-
tional Network for SMEs (INSME). The distinction between these two cat-
gories was made because the Member States disagreed on the countries that

359 See the BSEC’s website at http://www.bsec-organization.org/COMOFA/Pages/default.aspx
360 See the website of the Ministry of Foreign Affairs of the Republic of Armenia at
http://www.mfa.am/en/international-organisations/BSEC/
361 Pavliuk, Oleksandr, The Black Sea Economic Cooperation, in Cottey, Andrew, op.cit.,
pp.129-130
362 Interview with Mr Bosphorous, Kadir Has University, Istanbul 5/03/2011
could become observers of the organization.\textsuperscript{363} The Observer status may be granted, suspended or terminated by the Council in accordance with the Rules of procedure.\textsuperscript{364} As Pavliuk points out, “the further enlargement of the BSEC has, however, proved quite problematic, and the issue has become one of the most contentious within the group. The problems with the accession of new members result not so much from an exclusionary attitude toward outsiders, but rather from the BSEC’s diversity and from the political tensions in the subregion”.\textsuperscript{365}

The third category is composed of international organizations: UN, UN/ECE, UNDP, UNEP, UNIDO, UN/FAO, World Bank, WTO, Energy Charter Secretariat, EAEC, ICG TRACECA, CEI-ES.

The budget is composed of the financial contributions from the Member States determined by the resolutions of the Council and is decided on an annual basis.\textsuperscript{366}

The official language of the BSEC documents is English, while the BSEC official meetings are conducted in English and Russian. In the case of ministerial meetings simultaneous translation is provided in English, French and Russian.

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\textsuperscript{363} Interview with Ms EUBlackSea, EEAS, Brussels, 19/04/2012
\textsuperscript{364} The term of the Observer status varies according to the entity it is accorded. It is granted to a state for a period of two years and to an international organization for an unlimited period. In both case the status can be accorded by the Council for all or only for selected activities of the BSEC. Furthermore, according to art.21, “Observers attending the meetings of the BSEC may be authorized by the Chairman-in-Office:

a) to address the BSEC meetings;

b) to participate in the discussions of technical or expert level meetings;

c) to receive official BSEC documents;

d) to submit written statements on particular items of the agenda”.

Rules of Procedure of the Organization of the Black Sea Economic Cooperation (BSEC), 22 October 2007, Kiev

\textsuperscript{365} Pavliuk, Oleksandr, \textit{The Black Sea Economic Cooperation,}, in Cottey, Andrew, \textit{op.cit.}, p.131

\textsuperscript{366} The financial year runs from 1 January to 31 December. Art.26 states that “Special funds may be created upon the resolutions of the Council. To this purpose, contributions on voluntary basis from the BSEC Member States, group of States, Observers, third parties-donors shall be welcomed, provided that the conditions attached to such voluntary contributions are consistent with the principles and objectives of the BSEC. Each special fund shall be governed by specific rules and regulations adopted for such fund by the Council.

Charter of the Organization of the Black Sea Economic Cooperation, 1 May 1999

\textsuperscript{367} Art.9 states that “The Member States shall be free to make, on their own expenses, special arrangements for simultaneous or consecutive translation to and from the working languages of their choice.

Rules of Procedure of the Organization of the Black Sea Economic Cooperation (BSEC), 22 October 2007, Kiev
\end{flushright}
The BSEC Permanent Secretariat

In 1994 the Permanent International Secretariat (PERMIS) of the BSEC located in Istanbul was established. It functions under the authority of the Chairman-in-Office. The Secretary General of the PERMIS must execute that authority. The functions of the PERMIS are the following:

"a) to prepare drafts and distribute the BSEC documents in accordance with the mandate given by the Chairman in Office; b) to circulate the BSEC documents made available by the Member States; c) to carry out correspondence pertaining to secretarial services; d) to maintain the archives and documentation of the BSEC; e) to provide administrative support to the BSEC meetings; f) to attend the BSEC meetings and the BSEC events; g) to attend other relevant meetings with the consent of the Chairman-in-Office; h) to provide information regarding the BSEC, when needed, to the Member States and to third parties; i) to carry out administrative and technical functions assigned by the Council, Chairman-in-Office, the Secretary General or by relevant regulations of the BSEC; j) to prepare Progress Reports on its activities for submission to the Council; k) to monitor and facilitate progress in the elaboration and implementation of projects and programs of common interest; l) to conduct consultations with the Member States, Observers, and non-governmental organizations (NGOs), involved in the BSEC activities and to maintain consultations and carry out coordination and cooperation activities with the BSEC related bodies; m) to maintain dialogue with international organizations and third countries under mandate given by the Council and in consultation with the Chairman-in-Office; n) to recruit supportive staff and to hire consultants; o) other functions upon the approval by the Council".

The PERMIS has nineteen Working Groups in charge of coordinating the cooperation in specific sectors. Each Working Group has a Country-Coordinator appointed for a period of two years and responsible to the CSO for the Plan of Action and the achievements obtained at the end of the term. At least one meeting per year of the Working Group must be convened annually.

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368 Charter of the Organization of the Black Sea Economic Cooperation, 1 May 1999
369 Regulations for the staff of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation, Thessaloniki, 27 October 1999
See the the BSECs’ website at http://www.bsec-organization.org/aoc/countrycoord/Pages/information.aspx
BSEC related bodies

The BSEC has related bodies which have their own budgets and shall perform their functions in accordance with their basic instruments.  

The Parliamentary Assembly of the BSEC (PABSEC) was created in Istanbul in 1993 as an inter-parliamentarian consultative body with the following tasks: “to secure the understanding and adoption by the peoples of the ideals and aims of the Black Sea Economic Cooperation; to provide a legal basis for economic, commercial, social, cultural and political cooperation among the member countries; to enact legislation needed for the implementation of decisions taken by the Heads of State or Government or by the Ministers of Foreign Affairs; to provide assistance to national parliaments so as to strengthen parliamentary democracy; to promote cooperation with other international and regional organization”. 

The Black Sea Trade and Development Bank (BSTDB) was created in Thessaloniki in 1999 as the financial pillar of the BSEC with the following functions: “operate on the principles of a private bank; cooperate closely with EBRD, EIB, other banking and financial institutions; open to international banking and financial institutions; co-financing in bankable projects aiming any group of Member States; encourage bankable projects from third parties targeting any group of Member State”.

The BSEC Business Council was established in Istanbul and is composed of the representatives from the business circles of the Member States. Its engine is the private sector. Indeed, “the Business Council, as a center for interaction in between business circles from the BSEC Member States, will help to incubate joint ventures and other business-oriented initiatives. These will help to shape the outcome of a new multinational BSEC business world”.

BSEC Affiliated Centres

The BSEC Affiliated Centres are established upon approval of the Council to support the Member State in specific areas of cooperation. The results of the centres activity only have a consultative value.

The International Centre for Black Sea Studies (ICBSS) was founded 1998 as a non-profit organisation located in Athens. It is an expert on the

371 See the the BSECs’ website at http://www.bsec-organization.org/Relatedbodies/Pages/relatedbodies.aspx
372 “The working languages of the Assembly are English, French, Russian and Turkish; the official language of the PABSEC documents and correspondence is English”. See the website of the Parliamentary Assembly of the Black Sea Economic Cooperation at http://www.pabsec.org/Introduction.asp
373 See the the BSECs’ website at http://www.bsec-organization.org/Relatedbodies/Pages/bstdb.aspx
374 See the the BSECs’ website at http://www.bsec-organization.org/Relatedbodies/Pages/businesscouncil.aspx
Black Sea region and has two functions: “a) as an independent research and training centre the ICBSS pursues applied, policy-oriented research, builds capacity and promotes knowledge on the Black Sea region both within and outside its boundaries; b) as a related body of the Organisation of the Black Sea Economic Cooperation (BSEC) it strives to fulfil in the best possible way its institutional role and the assignments received by carrying out studies, offering policy advice and coordinating activities”. It aims at fostering multilateral cooperation among the Member States by researching on specific issues such as the EU-BSEC relations, economic development, international relations, energy and others.

The Centre for Statistics was established in Ankara in 1993 by the BSEC Working Group on Exchange of Statistical Data and Economic Information. It collects statistics and economic data, elaborates them and circulates them to the Member States. It also aims at collecting data in order to publish main social and economic indicators of the Member States. This project is under progress because the different statistical systems in the region are an obstacle in the preparation of these studies.

The Baltic Sea and the Black Sea region compared

The two sections above have discussed the emergence of the phenomenon of regionalism on the Baltic Sea and on the Black Sea with a focus on the historical and the geopolitical reasons that have led to the establishment of the two regions. The role played by the CBSS and the BSEC within the regional context has also been described. The aim of this section is to complete the overall analysis of the two cases through the neorealist lenses and from a comparative perspective. To accomplish this task, it is necessary to try to better understand first the impact that the changes occurred in the structure of the international system at the end of the Cold War had on the geopolitical asset in the two regions. As already stated in the Overview of the thesis, the redistribution of material capabilities among the big states determined the passage from a bipolar to a multipolar system. The collapse of the Soviet Union meant for Russia the passage from being part of a federation that was considered a super power to another one, the Russian Federation, that is a great power. This opened the way to new possibilities of rethinking the geopolitical equilibrium in the two regions. In the case of the Baltic Sea region, the smaller states, namely Estonia, Latvia, and Lithuania adopted geopolitical strategies to escape from their past and to distance themselves from their big neighbour, the Russian Federation. For this reason, together with Poland

375 See the BSECs’ website at http://www.bsec-organization.org/Relatedbodies/Pages/icbss.aspx
376 See the BSECs’ website at http://www.bsec-organization.org/Relatedbodies/Pages/center.aspx
that had belonged to the communist bloc, they decided to apply for the Western institutions (the EU and NATO) membership and to strengthen their ties with the other countries in North-western Europe through the region-building process and the establishment of the CBSS. The Black Sea region experienced very similar developments as a region was created and some of the regional states applied for the Western institution membership. This case is however more complex because of the historical, political, economic and cultural differences among the countries in the region, as it has been argued. Indeed, tensions and conflicts make the relations among the states very difficult and the geopolitical equilibrium in the region quite unstable and weak. However, the two cases have in common the fact that the smaller states who use the CBSS and the BSEC as an instrument to be protected from stronger states. In the Baltic Sea region this especially involves the three Baltic Republics that perceived the threat coming from the presence of Russia since regaining their independence. In the Black Sea region this involves most of the regional states which used the formation of the BSEC to be attached to the hegemons (Turkey and Russia) hoping to receive special rewards. This is what neorealists call ‘bandwagoning’ in their jargon.

The emergence of regional hegemons is another consequence of the redistribution of material capabilities brought about by the end of the Cold War, but this happens only in the Black Sea region. As Tsantoulis puts it, “regionalism in the case of the Black Sea has been closely linked to the concept of the regional/local hegemon(s)”. Keohane explains that a state can be a hegemon if it has three attributes: “the capability to enforce the rules of the system; the will to do so; and a commitment to a system that is perceived as mutually beneficial to the major states”. The conditions for ‘hegemonic regionalism’ are very well explained by Thomas Pedersen as summarized by Tsantoulis: “the regional distribution of capabilities, in the sense that multipolar regions lack an actor with an intrinsic interest in regional institutionalization; the balance of fear from the point of view of the smaller states towards the hegemon; the external constellation of power; the capacity for power-sharing and the willingness of the largest state to share power; the degree of asymmetry. On the one hand, the resources asymmetry should not be too big because this would prevent smaller states from cooperating, since they will fear the whole process being dominated by the hegemon; on the other hand, it should not be too small, because in order to stimulate bandwagoning there should be a hegemon capable of commanding resources demanded by neighbouring states”.

The case of the Black Sea region is unique because there are two hegemons, namely Turkey and Russia. As hegemony is “perceived as a situa-

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377 Tsantoulis, Yannis, op.cit., p.247
378 Ibidem, p.247
379 Ibidem, p.247
380 Ibidem, p.247. See also Pedersen, Thomas, Cooperative hegemony: power, ideas and institutions in regional integration, in Review of International Studies, vol.28, n.4, 2000
tion where a state is powerful enough to maintain the essential rules governing interstate relations and willing to do so,

it is possible to assert that both Turkey and Russia are powerful states that are able to exert a significant influence on the region by maintaining the rules regulating the relations among the states in the area.

If the relations between Turkey and Russia are analysed from an institutional neoliberal point of view, it could be argued that they are interdependent (especially for their trade and energy relations that will be discussed in later chapters). Indeed, according to Keohane, “there is nothing new about certain kinds of interdependence among states. Athens and Sparta were interdependent in military security at the time of Thucydides. The United States and the Soviet Union have been similarly interdependent throughout the postwar period”. Compared to these two cases, the interdependence of Turkey and Russia is a special one because of their different status in the international system. Russia is a great power, while Turkey is a regional power. Although it is true that they have established closer relations in recent years, Turkey and Russia are not interdependent in the sense institutional neoliberals mean. Their aim is to preserve themselves within the international system and to increase their power. It can however been argued, as Fatih Özbay does, that “Turkey and Russia are working to transform their century-long geopolitical disputes into a geo-economic partnership. From the 2000s onwards, there have been rapid improvements in the political-diplomatic relations between the two countries. In recent years, Turkey-Russia relations have been gradually transforming thanks to the constructive approaches embraced by Ankara and Moscow”. In this context, the emerging of geo-economics postulated by Edward Luttwak is right where the shifts occurred in the post-Cold War period geopolitical strategy have transferred the competition and the conflicts among states in the economic sphere.

Table 3 evidently shows that the geopolitical situation in the Baltic Sea region is different. Here the post-Cold War changes in the distribution of capabilities among states are more balanced. Therefore, the creation of hegemonic power has not occurred. Pertti Joenniemi argues for instance that “the German-Russian setting alone contains a certain guarantee that one-sided, hegemonic structures cannot emerge in the Baltic Sea region. Besides cooperating, these two powers also will balance out each other. It may seem that, in its present state, Russia is far too weak and fragmented to counterbalance the growing influence of a unified Germany”. The two countries, that have

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382 Ibidem, p.42


385 Joenniemi, Pertti, *Cooperation in the Baltic sea Region*, op.cit., p. 171
historically played a significant role in the area, have established more cooperative ties benefitting the Baltic Sea region. Joenniemi also states that for Russia stronger cooperative links in the Baltic Sea region are more convenient because the Baltic Sea is its main route to Europe. In addition to this, the presence of the Kaliningrad exclave on the Baltic Sea makes it a strategic area for Russian geopolitical strategies.

In both cases external actors, namely the EU and NATO, have exerted a strong influence on the geopolitical equilibria in the region. Both the Baltic Sea and the Black Sea region contain states that are EU and NATO members and states that are not. It is therefore possible to argue that this creates dividing lines in the two regions. Nevertheless, the two external actors involve in their activities and strategies even those countries that are not their members. For instance, the EU has elaborated the Baltic Sea Strategy and the Northern Dimension for the Baltic Sea region and the Black Sea Synergy, the Eastern Partnership and the European Neighbourhood Policy for the Black Sea region. NATO tries to involve non member countries through some specific programs such as the Partnership for Peace. The relations with Russia are regulated separately by specific documents in the case of the EU (Partnership for Modernization) and by ad-hoc bodies in the case of NATO (NATO-Russia Council).

### Table 3. Impact of variables on the region-building process on the Baltic and the Black Sea

<table>
<thead>
<tr>
<th>Variables</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of power among the big states</td>
<td>Balance of power</td>
<td>Security dilemma</td>
</tr>
<tr>
<td>Geographical location</td>
<td>Closer relations between Baltic and Nordic countries</td>
<td>bandwagoning</td>
</tr>
<tr>
<td>Historical legacy of the regional actors</td>
<td>Hanseatic league</td>
<td></td>
</tr>
<tr>
<td>Involvement of external actors</td>
<td>EU and NATO membership</td>
<td>EU and NATO membership</td>
</tr>
<tr>
<td>International regimes</td>
<td>Agenda and negotiation phase developed according to Young’s model</td>
<td>Agenda and negotiation phase developed according to Young’s model</td>
</tr>
</tbody>
</table>

100
Another feature that the two cases have in common is the formation of a regime which corresponds to the Baltic Sea and the Black Sea region. The regime in both areas is obviously created through the institutionalization process which includes the CBSS and the BSEC. The two organizations reflect the geographical space of the two regimes and provide the platform for decision-making and defining cooperation strategy.

In order to explain why the two regions are considered regimes, it is necessary to apply Krasner’s definition, which is the one chosen in this research, to the two cases. As it has been argued in Chapter 1, for Krasner regimes are ‘implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area of international relations. Principles are beliefs of fact, causation, and rectitude. Norms are standards of behaviour defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice’.

The principles of the two regimes are contained in the official documents of the CBSS and of the BSEC and of the bodies affiliated to them. In the case of the CBSS ‘dialogue’ is the key word. The Terms of Reference 2009, for instance, states that “the CBSS encompasses all multilateral intergovernmental regional cooperation in areas agreed by its Members and serves as a forum for political dialogue”. The same concept is used not only for the principles which the ties among the regional actors shall be based on, but also for the relationship among the CBSS and some other bodies such as the BSPC. The 21st BSPC Resolution calls in fact “on the governments in the Baltic Sea Region, the CBSS and the EU, as well as other organizations, civil society, private sector, communities and NGOs (...) to provide stable and long-term resources to CBSS, and to continue to support an ongoing dialogue with BSPC on political priorities as well as operational activities”. This principle vividly emerged in the early years of the existence of the CBSS. ‘Bringing people closer together’ through dialogue, strong ties and cooperation have always been key concepts in the statements of politicians and experts as well as in the official documents of the organization. Stability, security, democracy and prosperity of the region are also fundamental principles stressed in the documents and speeches. At the Fourth Parliamentary Conference on Cooperation in the Baltic Sea Area held in Ronne in 1995 Sergei Krylov, former Russian Deputy Minister for Foreign Affairs, argued indeed that “a new situation which has arisen recently in the Baltic Sea region contains a considerable potential for positive development of international relations. The Baltic Sea region now has a historic opportu-

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386 21st BSPC Resolution, St Petersburg 26-28 August 2012
nity to become a region of stability, partnership and cooperation”. He also added that “Russia considers independence and prosperity of its Baltic Neighbours as its long-term objective. (…) The value of the CBSS is that it embodies and concretizes regionally the uniting processes taking place on the continent, incarnates all-European ideals, orientates its activities towards reviving and capitalizing all values, that have been created by our ancestors during century-old history of relations”. At the 20th anniversary of the Council in 2012 the German Presidency of the CBSS declared that “the Council has done a great deal towards achieving the aim it set itself: ‘to recreate a genuine democratic community around the Baltic Sea’” which was set as a priority in 1992.

The principles of the regime contained in the official documents and statements of the BSEC are very similar to the case of the CBSS. According to the Bosphorous Statement, for instance, “the heads of State and Government reiterated their commitment to act in a spirit of friendship and good neighbourliness and enhance mutual respect and benefit, cooperation and dialogue in the relations between them”. The Moscow Declaration also states that the Heads of State and Government “will promote the development of the Black Sea region as an area where the principles of free international cooperation and partnership, democracy and market economy prevail. They will work to ensure that the Black region finds an appropriate place in a new Europe of cooperation and integration”. The commitment of the Member States to respect the principles of the organization was confirmed by the participants in the 20th anniversary of the BSEC. Russia’s President, Vladimir Putin, declared his conviction that “further consolidation of the BSEC will open up broad opportunities to make the Black Sea region stable and prosperous, which corresponds to the interests of our countries and nations”. The importance of the cooperation and the dialogue for the stability of the region had been underlined by Evgenii Borisenko, former deputy secretary of the BSEC, who stated that the Black Sea region was “part of the new twenty-first century architecture of Europe without any economic, military, or political dividing lines”. However, a ‘mutually advantageous economic cooperation’ is also a very important principle contemplated in some documents such as the Summit Declaration on Black Sea Economic Cooperation. This document states that “the economic cooperation will be pro-

388 Ibidem, p. 85
389 German Presidency of the CBSS, Programme of work 2011/2012, p.3
390 Declaration of the first Conference of Foreign Ministers of the CBSS, Copenhagen, 5-6 March 1992
393 Pavliuk, Oleksandr, Klympush-Tsintsadze, Ivanna, op.cit., p.37
moted gradually and, while determining the priorities in this process, they will take into account the specific economic conditions, interests and concerns of the countries involved, and particularly the problems of the countries in transition to market economy”.

The principles, norms, rules and decision-making procedures, too, are all defined by the statutory documents of the CBSS and the BSEC and by the documents establishing their Permanent Secretariats. All these documents have been discussed above. Hence, norms, rules and decision-making procedures are defined by the structure of the two organizations and their functioning. Rights, obligations, action plans and decision-making processes are indeed regulated by the documents which the Member States of the two organizations have agreed upon in order to cooperate according to specific procedures under the banner of common principles and values.

Furthermore, the two regimes have been created through the three stages of Young’s ‘model of regime formation’, i.e. agenda formation, negotiation and operationalization. The agenda formation is very similar both in the Baltic Sea and in the Black Sea region. In fact, in both cases several meetings were organized among the participating states in the two projects. These meetings defined the participants (though in the case of the Baltic Sea Iceland joined only some years later) and the main goals of the regimes, namely closer ties among the states of the region as well as stability and prosperity. As already stated, in the Black Sea case the economic aspect is also an essential one. Although these meetings can be certainly considered as the core of the agenda formation, it would not be wrong to assert that Gorbachev’s speech in Murmansk in 1987 constitutes the beginning of this first stage of the regime formation, like in the case of the Barents Euro-Arctic Council analysed by Young.394 The reason is that Gorbachev’s speech was the watershed marking the end of an era of Cold War and the beginning of a new one where the relations among states were rethought and redefined and the interest in international cooperation began to grow. Agenda formation and the regime formation as a whole are an attempt to solve the problem of redefining the relations among states which is the product of the redistribution of material capabilities. Agenda formation is a geopolitical issue. But it is also “a more open-ended process involving efforts to define the basic nature of the problem and to convince attentive publics of its importance”.395 In this context, distinguishing agenda formation from negotiation is difficult. If defining the issues to be dealt with is part of the agenda formation, then deciding which issues should be chosen can also be part of the negotiation stage because reformulations are not out of bound. It can be argued that in both cases the participants decided not to include hard security and that when the CBSS Permanent Secretariat was established the sectors of cooperation were reformulated in more structured manner. As Young points out,

394 Young, Oran, Creating regimes, op. cit., p.54
395 Ibidem, p.25
“unlike bargaining in most legislative settings, the institutional bargaining characteristic of the negotiation stage of regime formation aims at building consensus among as many participants as possible rather than putting together winning coalitions.” 396 Young stresses that this feature of the process has relevant implications because it gives the participants real bargaining leverage. 397 In the Black Sea and the Baltic Sea region negotiation has taken place among the group of states defined during the formation agenda stage. The results of this were the founding documents of the CBSS and of the BSEC whose geographical scope corresponds to the respective two regions. It is in this context that the region-building process has developed.

Furthermore, Young’s model of regime formation assumes that the success or the failure of institutional bargaining depends on the presence of an effective leadership. At least two kinds of leadership must be present and these leaders must be individuals. In the case of the Baltic Sea region there were indeed two leaders, the Danish Foreign Minister Uffe Ellemann-Jensen and his German counterpart Hans-Dietrich Genscher, who took the initiative for the regime formation. In the case of the Black Sea region only one leader proposed the creation of the regime, namely the Turkish President Turgut Özal. However, the effective leadership aspect is not taken into consideration in this study that is conducted from a neorealist point of view. It is instead relevant to emphasize that in the CBSS case material conditions, interests and even ideas prevailed, while in the BSEC one there was the pre-eminence of material conditions and interests. Denmark, that is a Nordic country, was interested in reinvigorating Norden though in a broader context of the Baltic. The inclusion of the EU in the project was clearly a geopolitical reason leading to the Danish proposal. At the same time, the idea of a New Hansa stemming from the historical Hanseatic League was also contemplated. In the case of Germany material conditions constituted the basis of its initiative. Regaining power after the reunification on the international scene was essential for Germany. Economic reasons were obviously relevant. In the case of the Black Sea region geopolitics and national interests were strictly intertwined, as it has been argued.

The last stage of the regime formation is operationalization. This research focuses on the international component of this stage. It “centers on the processes involved in moving from the signing of an agreement to the emergence of a set of procedural arrangements or programmatic activities at the international level”. 398 It often implies the creation of organizations “called for under the provisions of a regime (…) to carry out the ongoing tasks envisioned by the regime’s creators”. 399 In the case of the Baltic Sea and of the Black

396 Young, Oran, Creating regimes, op.cit., p.12
397 Ibidem, p.13
398 Ibidem, p.17
399 Ibidem, p.17

104
Sea region the CBSS and the BSEC have been established with the aim of pursuing the goals for which the two regimes have been created. The regime formation ends with the completion of the operationalization stage. The issue concerning the effectiveness of the two regimes will be discussed in later chapters.

Conclusion

This chapter has analysed the establishment of the Baltic and of the Black Sea regime from a geopolitical and an historical perspective. The establishment of the CBSS and the BSEC has played a fundamental role in the region-building process. In both cases, they are the engines of the region-building process in the two cases because they provide the administrative structure and a platform for dialogue. The scope of each organization corresponds to the realities of the region where it is located. At the same time each region is an international regime whose elements, namely principles, norms, rules and decision-making procedures, have been fundamental to the region-building both on the Baltic and on the Black Sea. They are contained in the founding documents of the two organizations. Thus, the establishment of the CBSS and of the BSEC shapes the two regimes in terms of organizational structures and material resources fostering the regimes themselves. The establishment of a Permanent Secretariat has strengthened the capacity for action of the two organizations which at a later stage were given a legal status by the decision of the Member States.

The analysis has shown that the creation of the Baltic Sea and of the Black Sea regions or regimes can be better explained by the neorealist theory. In particular, three elements have emerged from the analysis: 1) the redistribution of material capabilities brought about by the end of the Cold War. It has been argued that end of bipolarism and the beginning of multipolarism where Russia was not a superpower any longer but a great power had a major impact on the geopolitical dynamics in the two regions. New equilibria were established among states and new opportunities for strengthening the relations among them emerged. 2) Neorealist element is also linked to the geopolitical reasons which led the regional states to apply for EU and NATO membership. This created new dividing lines in the Baltic Sea and in the Black Sea region. 3) Both big and small states exploit the CBSS and the BSEC for geopolitical reasons. If the big actors such as Turkey and Russia consider these organizations as instruments to exert their influence on the two regions, the smallest states use them as instruments for bandwagoning.

In spite of these similarities, the two regions are very different. The historical and geopolitical analysis of the region-building process has demonstrated that the relations among the regional actors in the two cases are diverse. In both regions of the Baltic Sea and of the Black Sea states have tried to establish ties which were essentially based on commerce. Nevertheless, in
the Black Sea relations have always been characterized by tensions and conflicts, much more than on the Baltic Sea. Another difference concerns the presence of hegemons in the Black Sea region. This difference can be explained by referring to the two strands of the neorealist theory, namely defensive and offensive realism. In the Baltic Sea region the relations among states and geopolitics are characterized by the balance of power because there is a more homogeneous distribution of power among the actors at stake. There is no state that is strong enough to dominate the others. Russia, which is a great power, is not a hegemon in the Baltic Sea region, but is a hegemon in the Black Sea region together with Turkey. In fact, geopolitics in the Black Sea is better explained through the offensive realism because states do not aim to defend their position like in the Baltic Sea region, but they are ‘power-maximizers revisionists’.
Chapter 3
The Case of Hard Security

Introduction

The Baltic and of the Black Sea regions can be considered as two international regimes dealing with specific areas of cooperation that however do not include hard security. Nevertheless, hard security plays a relevant role in the definition of the geopolitical situation in the two regions. It affects the relations among the regional actors and their strategies towards the region. This examines the main hard security issues in the Baltic and the Black Sea region and their geopolitical implications. It will be argued that a regime in the field of hard security does not exist in the two regions for historical and geopolitical reasons. The starting point will be Krasner’s ‘consensual definition’, but the conditions for the creation of a security regime outlined by the neorealist Robert Jervis will be the point of reference.

Despite the fact that institutions dealing with hard security issues do not exist either on the Baltic Sea or on the Black Sea, agreements for cooperation in this area are evidently present. In both cases actors are involved in hard security issues according to different logics which respond to the geopolitical situations emerging after the end of the Cold War. The Baltic Sea region has known conflicts and war in the past, but at the present the relations among its actors are characterized by a certain level of stability although some tensions and fears linger on. The geopolitical situation in the Black Sea region is much more complex as military conflicts have often exploded in the area during the time. Here the relations among the states have always been characterized by tensions and mutual distrust.

These considerations are at the basis of the following questions which this chapter tries to answer: how does neorealism explain the security links in the Baltic Sea and the Black Sea region? What is the impact of security issues on the relations among the states in the Baltic and in the Black Sea? Do the CBSS and the BSEC play a role in shaping the security picture in the two regions?


The areas of cooperation in the CBSS are: Environment, Economic development, Energy, Education and culture, Civil Security and the Human Dimension.
The answers to these questions are found in the ensuing three sections. The first and the second section are an attempt to analyse the geopolitical dynamics in the Baltic Sea and the Black Sea region respectively with a particular attention on hard security. The third paragraph focuses on a comparison between the results of the analysis obtained from the study of each region by using the neorealist approach.

Security in the Baltic Sea region

In his statement at the Ministerial meeting of the CBSS in Riga in 1997 former Estonian Minister of Foreign Affairs Toomas Hendrik Ilves argued that “entering our sixth year of CBSS co-operation, we can see how much the region has changed, and with that, the challenges faced by the CBSS”. His words stressed the deep changes occurred in the Baltic Sea region’s security environment when compared to the erstwhile Cold War setting. As Regina Karp puts it, “individually and collectively, states in the region have been challenged to reconceive the political, military and economic boundaries of their respective relationships with intra-regional, European transatlantic and bilateral partners. Perhaps, the most basic change brought about by the end of the Cold War is one of geopolitical orientation, eroding, if not eliminating, a Nordic sense of separateness from the travails of European integration and transatlantic security building”. She continues saying that “as Bo Huldt explains, ‘the region is the meeting place of NATO, EU, Russian, Baltic, Nordic and Central European interests’”. This picture emerged in the period immediately after the end of the Cold War when the new geopolitical situation “enabled political actors to reduce tensions originating from concepts of sovereignty, hard security and state borders (…) Peace, stability, soft and comprehensive security and cooperation appeared at the core of the new regional entity”.

Weak cooperative attempts in the security sector had previously been made from Estonia, Latvia and Lithuania during the Soviet era. It is the case,

\[401\] Toomas Hendrik Ilves is the President of Estonia since 2006. He has been confirmed as the 4th President of Estonia until 2016.

\[402\] In his speech, Ilves underlined in particular the fact that “when the CBSS was launched in 1992, the states along the Baltic rim had dramatically differing economic systems, levels of development, qualities of democratic institutions, trade policies and orientations, as well as policies and attitudes toward foreign investment and the private sector”. See the website of the Ministry of Foreign Affairs of the Republic of Estonia at http://www.vm.ee/?q=en/node/3533


\[404\] Ibidem, p.7

for instance, of the Baltic Entente of 1934. The three Republics signed the trilateral Treaty on Concord and Cooperation which foresaw cooperation of their foreign policies on matters of common importance and biannual conferences for foreign ministers. These efforts did not receive much attention from the international community. It was instead at the beginning of the 1990s that they realized that cooperation would benefit them both because it would consolidate their position in the international arena and because it would help them to face political, economic and social challenges. Estonia, Latvia and Lithuania had common foreign policy goals which coincided with the consolidation of their statehood at the beginning and later with the integration into the Western institutions. These goals were supported by the Nordic countries whose main interest was maintaining security and stability in the region. Clive Archer analyses the policy pursued by the Nordic countries (with the exception of Iceland that, as argued in the previous chapter, is not always included in the Nordic countries by researchers) towards the three states in the period immediately after the collapse of the Soviet Union. He explains that “since the three Baltic states regained their independence in 1991, the Nordic countries have, both separately and collectively, targeted them in their policies towards the East and Central European states. Of the four main Nordic countries (Iceland not being included), Sweden and Denmark have been the largest donors of bilateral assistance, with Finland concentrating much of its efforts on Estonia, and Norway showing an increased interest in the area”. All the four Nordic countries have helped the three Baltic states through a number of programmes within the Nordic Council context and have been very active within the CBSS. They have coordinated their security aid packages and have worked with other Western countries to give them security advice and assistance. Archer argues that the Nordic countries have been very committed in providing help to the Baltic states both by establishing themselves as important trade partners and by directly contributing to the security and defence policies of Estonia, Latvia and Lithuania with finance and in kind, in particular in projects concerning a Baltic peace-keeping battalion, air surveillance and control, a Baltic minesweeper squadron and a defence college.

Although the four Nordic countries cooperated to provide support to Estonia, Latvia and Lithuania, each of them reacted to their independence differently. The first two Nordic countries to recognize them were Iceland fol-

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406 Jurkynas, Mindaugas, op.cit., p.7-8
407 Ibidem, p.9
409 Archer, Clive, op.cit., p.48
410 In 1995 the four Nordic countries were the major importers and exporters to Estonia and the larger importers of Latvian goods.
411 Ibidem, p.48
lowed immediately by Denmark. The Danish security policy towards the three Baltic states was essentially based on a strong support for their NATO and EU membership and on a deep engagement in the building up of their security. \(^{412}\) At the same time, Denmark supported the cooperation between NATO and Russia as this would bring about security benefits to the region. Thus, “Denmark’s Baltic policy has been embedded in its wider policy towards NATO, which perceived that organization as providing residual aspects of collective defence for small members such as Denmark, offering cooperative security to other European states and promoting strong links between Russia and the main European institutions”. \(^{413}\)

Swedish response was more cautious than the Danish one. The Baltic Sea was considered ‘as being the sea most tangibly affecting Swedish security interests’. That was the reason why the Swedish Ministry of Defence stated that it was in the interests of the country to be engaged in the regional security policy. In spite of this, a parliamentary defence report stressed the fact that Sweden could not militarily guarantee the security of the Baltic States, though their independence was in the interests of Sweden. At the same time, it underlined the need to include Russia and the Western powers in any form of cooperation in the Baltic Sea region and that any pressure on the three Baltic States would affect cooperation of Sweden and other countries of the area with Russia. \(^{414}\) Denmark considered NATO as the main actor providing security in the region and as a means to deal with the hard security issues of the Baltic States, while it saw the EU as the main instrument to deal with soft security issues. \(^{415}\)

Finland was the most conservative among the Nordic countries until 1991. It pursued ‘Soviet first’ policy meaning that Finland was very careful when dealing with the emerging political structures in the Baltic States. Russia (the USSR until 1991) had always been the main worry for Finland since the Winter War in 1939. In 1948 Finland and Russia stipulated the Agreement of Friendship, Cooperation and Mutual Assistance (FCMA treaty), whose aim was the joint defence of the two countries from West Germany in case of an attack through the Finnish territory. This treaty led the Western powers to doubt whether Finland “should be regarded as an unqualified member of the Western camp”. \(^{416}\) The FCMA treaty lasted until 1992. As Archer argues, since then “Finland perceived its security as depending on a number of external factors as well as the country’s own capabilities”. \(^{417}\) Finland considered stability in Northern Europe of overriding importance for its security and as depending on “Russia’s willingness to commit itself to

\(^{412}\) Archer, Clive, *op.cit.*, p.50  
\(^{413}\) *Ibidem*, p.51  
\(^{414}\) *Ibidem*, p.54  
\(^{415}\) *Ibidem*, p.59  
\(^{417}\) Archer, Clive, *op.cit.*, p.55
European values and norms and broad cooperation with other countries; the
US commitment to defending Norway and Denmark; the growing import-
ance of Germany and Poland; Sweden’s military non-alliance and strong
defence; adjustments in Nordic cooperation; and ‘reinforcement of the Baltic
States’ independence and capability” \(^{418}\). The importance of cooperation in
the Baltic Sea region was a key point also in the 1997 report setting out the
guidelines for Finnish defence and security policy. The inclusion of the Baltic
states in the cooperative schemes of the region such as the CBSS was
considered essential. The EU membership of Estonia, Latvia and Lithuania\(^{419}\) was also considered as fundamental for the stability and the security of
the region. \(^{420}\) As for NATO, the Finnish position like that of Sweden that
preferred to stay out of the organization that according to Archer has avoided
new security dividing lines in Europe.

Norway’s interest in the Baltic states was the less intense. Its main priority
was instead to engage Russia in a cooperative and constructive dialogue in
the Barents region. This became concrete in 1993 when the Barents-Euro
Arctic Council was established in 1993. At the same time, as Norway con-
sidered the Baltic Sea region as part of its vicinity, it applied for the CBSS
membership in 1992. After 1994 Norwegian governments pursued a security
policy stressing the importance of NATO, but also regional initiatives in the
Arctic, the Barents and the Baltic region. \(^{421}\)

Thus, the end of the Cold War deeply changed the geopolitical strategies
pursued by the Nordic countries in the region. They understood that it was
necessary to rethink their relations with their neighbours to ensure regional
stability and security. The Baltic States also based their foreign policies on
the same premises and especially in relation to the readjustment of Russia’s
strategy in the area. As Heikka Hemikki puts it, as a whole, the reaction of
the small democracies in the Nordic-Baltic region to Russia’s strategic read-
justment was to use the opportunity to integrate themselves into European
and transatlantic security structures”. \(^{422}\) The EU and NATO membership
served this purpose. Sweden and Finland joined the EU but not NATO, as it
has been argued. Denmark, Iceland and Norway are instead among the
founding members of NATO. Estonia, Latvia and Lithuania opted for both
the EU and the NATO membership in 2004. For the three Baltic states this
meant not only the affirmation that they belong to the Western world, but
also to ensure their security and protection from Russia. After presenting the

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\(^{418}\) Archer, Clive, \textit{op.cit.}, p.55
\(^{419}\) Finland supported the idea that the Estonian EU membership should be given priority,
while Denmark and Sweden preferred that the three Baltic states began the negotiations at the
same time.
\(^{420}\) \textit{Ibidem}, p.56
\(^{421}\) \textit{Ibidem}, p.56
\(^{422}\) Hemikki, Heikka, \textit{Grand strategies and the ND of European security, Four scenarios
2010}, Programme on the ND of the CFSP, FIIA, 2003, p.158
NATO accession documents in 2004 former Estonian Prime Minister Juhan Parts stated “Estonia will now feel more secure. More secure than ever before in the course of our history”.423

Thus, for the three Baltic states NATO represents the most important means towards security. Consequently, integration in the European Security and Defence Policy (ESDP)424, that is to say an autonomous European defence system, “has had a lukewarm reception in these states. Their Atlanticism has been strong and clear and they have viewed the ESDP as being more about ‘soft’ security than defence”.425 Indeed, the positions of the three Baltic states are similar. Estonia has actively participated in ESDP operations since the beginning, but considers it as primarily a crisis management tool, while NATO is considered as the main guarantee for national security. As Jaan Murumets argues, “the primary policy goal of Estonia is to pursue its ‘NATO first’ policy and do its utmost to avoid jeopardizing the trans-Atlantic link”.426 He also states that the active Estonian participation in ESDP is due to its unwillingness to be marginalized within the EU. Latvia is interested in a strong ESDP developing in close cooperation with NATO. Latvia underlines that it is necessary to avoid duplication, to develop mutual beneficial structures and that it will not support initiatives which could undermine NATO. Lithuania gives the EU and NATO two different roles. The EU has civil power as it is engaged in the promotion of democracy by trade, foreign aid and peacekeeping, while NATO provides security in terms of military power. The two powers complement each other in Lithuania’s view.425

Denmark, Finland, Norway and Sweden have different positions in relation to the ESDP. Denmark and Norway don’t see ESDP as fundamental in their national security policy discourse. By contrast, NATO is seen as essential for their security. Denmark has always been very active within the EU foreign policy, but has been very reluctant to participate in the ESDP. Henrik Larsen argues that Denmark participates in the general discussions within EU about security like in the case of the draft of the EU Security Strategy of 2003, but it has a low profile in the military field.428 Like Denmark, Norway does not consider the ESDP as important for its security policy which instead focuses on NATO. However the ESDP enters the political debate in situations where Norway claims a leading role. This reflects the way Norway conceives its geopolitical context, which it has formulated “in a triangular

423 See the website of the Ministry of Foreign Affairs of the republic of Estonia at http://www.vm.ee/?q=en/node/8327
424 The ESDP came into being at the Helsinki European Council in 1999 to find a solution to the problem of the weakness of the EU to deal with crises as the Iraqi invasion of Kuwait in 1990 and the collapse of Yugoslavia in 1991 had demonstrated.
426 Murumets, Jaan, Hard questions about European defence, ibidem, p.187
427 Miniotaite, Grazina, Lithuania’s security and defence policy, ibidem, pp.162-166;189
428 Murumets, Jaan, op.cit., p.182
fashion, with Russia, the US and Europe representing each of the three corners”.  

Finland and Sweden have a different point of view on the ESDP, which plays an important role in their national security ad defence policy. Neither is a NATO member. Finland, as Hanna Ojanen very well explains, “joined the EU for reasons of security, but in a rather special sense. It did not join in order to enhance its security: it joined because it felt safe enough to do so”. The White Paper of 2004 clearly recognizes the central position of the EU in the security and defence policy of Finland and defines it as a ‘security community’. Sweden is today one of the staunchest supporters of the ESDP. The initial reluctance to be involved was essentially due to Sweden’s security policy tradition which was deeply rooted in non-alignment.

Lars Wedin stresses the importance of two official documents which outline the main characteristics of the security and defence policy of Sweden. They are the Foreign Policy Declaration from the Government to Parliament of 15 February 2004 and the Government White Paper for defence reform from September 2004. These two documents link Swedish security and defence to the EU and underline the importance of cooperation in this context. The Declaration states that “these threats [terrorism, natural catastrophes and attacks against Swedish embassies] must be met by an increased readiness to handle crisis and by a much broadened cooperation, as within the EU or UN”. The White Paper states that “Sweden supports the reinforcement of cooperation in the field of security and defence policy in accordance with the EU Security Strategy”. The White Paper also recognizes the role of the EU as a political alliance and as a growing global actor. Furthermore, another interesting element in Sweden’s security policy is the presence of Russia in the region. As Wedin argues, this has two consequences. The first one is that the presence of the US in Europe and in the Nordic region makes a mutual friendship important. The second one is that the geographical proximity to Russia suggests that the Nordic region must be understood as part of Europe as a whole, not as a region apart.

The case of Iceland is very special. It has not a standing military of its own, but it is a founding member of NATO. In 1949 Iceland, like Denmark and Norway, considered the participation in NATO’s collective commit-

430 Ojanen, Hanna, Finland and the ESDP, ‘Obliquely forwards’, in Archer, Clive, op.cit., p.56
432 Wedin, Lars, Northern Europe and the ESDP, The case of Sweden, in Archer, Clive, op.cit., p.41
433 Ibidem, p.41
434 Ibidem, p.39

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ments as necessary in order to assure security in the North Atlantic region. The military use of the area was indeed very relevant throughout Cold War, too, because the peculiar geographic location of Scandinavia, the Baltic and the Arctic makes them strategically very important as from there military operations could reach almost every point in the Northern regions of the globe. In 1989 the Kola Peninsula was the most militarized area in the North of Europe and contained the largest nuclear armaments in the world. The reason was that the Soviet Union feared an attack from the NATO territories of Norway and Denmark. Naval and air bases were present also in the Baltic Republics, Estonia, Latvia and Lithuania. In the 1950s the Baltic Fleet was the most powerful of the Soviet fleets. However, in the 1960s more emphasis was put on the Northern Fleet located in Murmansk as a result of the shift within the Soviet naval strategy which passed from a coastal and home-water defence to global naval operations.

The situation in Northern Europe began changing at the end of the 1980s when Gorbachev pursued a policy of normalizing the relations among the actors of the area. Gorbachev’s Murmansk Initiative in 1987 represented in fact the main attempt to transform the North of Europe in a ‘zone of peace’ through the denuclearization of the area (in particular of the Arctic). Gorbachev’s speech contained eight initiatives, three of which concerned military issues and were primarily directed towards the Arctic, while the other five initiatives concerned the civilian sphere and had a wider geographical scope as they were related to the North of Europe as a whole. Gorbachev’s initiative, which was conceived as part of the perestrojka, had a strong effect on the geopolitics of Northern Europe for two important reasons. Firstly, it contributed to diffuse tensions in the area. Secondly, it has facili-

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437 Ibidem, p. 77
438 Ibidem, p. 76
441 Ibidem, p. 272
443 The three initiatives concerning the military sector were: denuclearization, naval arms limitations, and confidence building measures. The five initiatives concerning the civilian sphere were: resource extraction, scientific exploration, indigenous peoples, environmental protection, and marine transportation.
444 Ibidem, p. 296-305
445 Ibidem, p. 290
tated the development of the cooperation in Northern Europe.\textsuperscript{445} In fact, Gorbachev’s initiative contained the idea of building a “common European home”\textsuperscript{446}, which should be realized by increasing the interdependence among the nation states.\textsuperscript{447} This aim would be achieved primarily by clearing Europe of the confrontation between the two blocks.\textsuperscript{448} In spite of this, the Russian were troops stationed in the Baltic Republics for several years even after the collapse of the Soviet Union, until after 1994, when the three Baltic countries and Russia signed an agreement for the withdrawal of the Russian troops the same year. Since then the relations between the Baltic states and the West deepened, particularly when they entered the EU and NATO, which Russia hardly accepted. This is true especially in the case of NATO which Russia viewed as anti-Russian. Valery Loshchinin, Director of the Second European Department in the Russian Foreign Ministry argued that “the enlargement of NATO will result in the appearance of new watersheds and division lines in Europe. This will effect our inner-political situation as well. Defence expenditures will increase and the demilitarization process will be slowed down. This will also influence the already signed agreements on disarmament and those which are only being prepared at the moment. All this will inevitably aggravate the tension and lead to confrontation. We are against such a development of events”.\textsuperscript{449} A similar event has not happened and Russia established a cooperative structure with NATO, namely the NATO-Russia Council (NRC) in 2002, where both sides are equal and which no other state has. It “provides a framework for consultation on current security issues and practical cooperation in a wide range of areas of common interest. Its agenda builds on the basis for bilateral cooperation that was set out in the 1997 NATO-Russia Founding Act.”.\textsuperscript{450} The NRC, which is developed through various working groups and committees, provides a framework for cooperation in key areas such as “the fight against terrorism, defence reform, military-to-military cooperation, counter-narcotics training of Afghan, Central Asian and Pakistani personnel, theatre missile defence/missile defence, counter-piracy, crisis management, non-proliferation, airspace management, civil emergency planning, scientific cooperation and

\textsuperscript{445} Åland, Kristian, \textit{op.cit.}, p. 305
\textsuperscript{446} Gorbachev, Mikhail, \textit{Mikhail Gorbachev’s speech in Murmansk at the ceremonial meeting on the occasion of the presentation of the order of Lenin and the gold star to the city of Murmansk}, Murmansk, 1987, p. 4
See the website of the Barents region portal at http://www.barentsinfo.fi/docs/Gorbachev_speech.pdf
\textsuperscript{447} Kudryavtsev, Andrei, Shchenin, Romil, \textit{A common European home: the Soviet view}, in \textit{International Relations}, vol. 9, n. 6, 1989, pp. 523
\textsuperscript{448} \textit{Ibidem}, pp. 524-525
\textsuperscript{449} Browning, Christopher, \textit{The Region-Building Approach Revisited: The Continued Othering of Russia in Discourses of Region-Building in the European North}, Working Papers n.6, Copenhagen Peace Research Institute, Copenhagen, 2001, p.38
\textsuperscript{450} See the NATO’s website at http://www.nato.int/cps/en/natolive/topics_50090.htm?
environmental security”. In 2008 NATO condemned the Russian intrusion into Georgia and threatened to suspend the NRC. Russia decided to step out on its own accord, but the NRC began working again in 2009.

Despite the fact that NATO and Russia have established a cooperative scheme in several relevant sectors, the latter still considers the enlargement of NATO as a serious threat to Russian security. According to Browning, Russia’s mistrust of NATO is essentially due to two factors. NATO does not consider Russia as an equal partner despite its rhetoric. NATO has re-formulated its role on the international scene so that it is no longer a military alliance but a ‘security community’. Thus, new member states are not seen merely as “allies in the traditional sense, but as societies which naturally belonged to NATO by dint of their political structure and cultural values.”

In order to face the new geopolitical situation, in 2008 former President Medvedev launched the Foreign Policy Concept which contains the main priorities of Russian foreign policy. Among them some merit to be mentioned here, such as safeguarding the security and the integrity of the territory, the creation of good-neighbourly relations with adjacent states, and ‘seeking consensus and coinciding positions with other states and international organisations’ in relation to issues defined by Russian’s national interests’. As Oldberg states, “the Concept further describes Russian foreign policy as balanced and ‘multi-vector’ as a result of Russia being a vast Eurasian country. It claims Russia bears a responsibility for upholding security both on a global and regional level and is ready for common action”.

Following this line of action and as a sort of counterweight to NATO, Russia cultivates its relations with the EU through the ‘common spaces’ and the Modernization Partnership which was launched at the Rostov-on-Don Summit in 2010. As European Commission President José Manuel Barroso remarked, “the EU-Russia Partnership for Modernisation was a common vision at the last Summit in Stockholm. Today, we launched its concrete priorities. This Partnership is a shared modernisation agenda to advance our economies and bring our citizens closer together. This ambitious venture will also contribute to the global recovery and stronger international

451 See the NATO’s website at http://www.nato.int/cps/en/natolive/topics_50090.htm?
453 Browning, Christopher, op.cit., p.39
454 Oldberg, Ingmar, op.cit., p.3
455 In 2003 “the EU and Russia agreed to reinforce their cooperation by creating in the long term four ‘common spaces’ in the framework of the Partnership and Cooperation Agreement and on the basis of common values and shared interests”. The ‘common spaces’ cover the following areas: economic issues and environment; freedom, security and justice; external security; research and education. See the website of the European Action External Service at http://eeas.europa.eu/russia/common_spaces/index_en.htm
economic governance”. Like in the case of NATO, Russia prefers bilateral relations with the EU and to be treated as an equal partner. This is why Russia refused to participate in the European Neighbourhood Policy (ENP) developed in 2004. Nevertheless, Russia is actively involved in the Northern Dimension (ND), which is no longer an EU policy any more since 2006. It was proposed in 1997 by the Finnish Prime Minister Lipponen and was implemented in 1999. The EU defines it as “a common policy shared by four equal partners: the European Union, Norway, Iceland and the Russian Federation”. Other participants are the Barents Euro-Arctic Council (BEAC), the Council of the Baltic Sea States (CBSS), the Nordic Council of Ministers (NCM), the Arctic Council (AC) as well as the International Financial Institutions operating in the North and the other EU institutions and bodies and those of the other ND partners. Its geographical coverage is very wide from the Arctic to the southern shores of the Baltic Sea and from north-west Russia to Iceland and Greenland. The main objectives of the ND are: providing a common framework for the promotion of dialogue and concrete cooperation, strengthening stability, wellbeing and intensified economic cooperation, promotion of economic integration and competitiveness and sustainable development in Northern Europe.

The Northern Dimension Policy Framework Document stresses the focus of the ND policy on north-west Russia, which is the largest territory involving specific challenges like the Kaliningrad oblast. Also, it points out that the ND is “a regional expression of the Common spaces EU/Russia” that “will

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459 These are the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB) and the World Bank (IBRD) which contribute to supporting the policy, and any other International Financing Institution that may in the future implement programmes in the area.
461 Ibidem
462 Ibidem
463 Ibidem
make the ND a cross-cutting topic and a tool where appropriate for the implementation of the road maps for the Common Spaces with full participation of Iceland and Norway in matters relevant to Northern Dimension. The ND policy is co-financed by the ND partners as well as from international and private institutions.

The EU has also launched another initiative which has a narrower scope than the ND and which is specifically directed towards the Baltic Sea region, namely the Baltic Sea Strategy (BSS). It was initiated by the European Parliament (EP) in 2006, three years before the European Commission presented the strategy to the Council of the EU in 2009, points out four main objectives representing four challenges for the EU. They are the improvement of the environment in the area and especially of the sea, to make the region more prosperous, to make it more accessible and attractive not only for its inhabitants but also for competent labour force and tourists, to make the area safer and more secure. According to the Commission these goals will be realized through the coordination of the regional actors like organizations, states, non governmental bodies, financing institutions, etc. The Commission’s document states that “the strategy covers the macro-region around the Baltic Sea”, which refers to the eight countries on its shores, but that the geographical coverage depends on the topic. For example, in the case of economic issues the strategy would involve the eight countries, while in the case of water quality issues the strategy would include only the countries concerned. In addition, the document underlines the importance of a close cooperation between the EU and Russia to tackle many of the regional challenges. Also, another important point to underline is the fact that the Commission’s document identifies the ND as the external dimension of the Baltic Sea Strategy.

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464 Iceland is a EU candidate country at present.
466 The Council of the EU gave the Commission the mandate to present a strategy for the Baltic Sea region in 2007.
468 Ibidem, p. 7
469 The document defines a macro-region as “an area covering a number of administrative regions but with sufficient issues in common to justify a single strategic approach”.
470 Denmar, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden.
471 The document also mentions Norway and Belarus as important partners of the EU.
The two policies described above don’t refer to security even though the involvement of Russia in the ND as an equal partner and the need of close cooperation with the great power explicitly advocated by the EU in the BSS documents are the expression of security worries. It can also be argued that in the case of the ND and of the BSS it is soft security that prevails, not hard security, but soft security is also part of the hard security strategy. The involvement of Russia in the cooperation in the region is a way to ensure stability in the area. In this context, Kaliningrad oblast is a special case. It was a very militarized area during the Soviet era and is still strategically important for Russia still today. When the USSR collapsed in 1991, Kaliningrad became an exclave surrounded by Lithuania and Poland, which are both EU and NATO members. Thus, it has no borders in common with Russia. Thus, Kaliningrad is in a particular geographical location which has given it “a unique position as a Russian outpost near the heart of Europe, closer to Berlin, Brussels, Vilnius and Warsaw than it is to Moscow”\(^{472}\). At the same time, its particular geopolitical location makes Kaliningrad isolated. The Schengen wall and the NATO membership of the countries encircling it isolate Kaliningrad from its neighbours and from European integration more generally. In addition, the problems concerning Kaliningrad are often seen in terms of EU/West-Russian relations.\(^{473}\) According to Christopher S. Browning and Pertti Joenniemi, the marginality of Kaliningrad is an element that can influence the relationship between the EU and Russia. They argue that the discourse of marginality is used functionally to gain more economic and political advantages and to lead the EU and Russia to a vis-à-vis confrontation\(^{474}\).

The importance of Kaliningrad has grown not only from a geopolitical point of view, but also from a military one. Christian Wellmann points out that “as a forward surveillance, air defence and naval base it compensates Russia somewhat for the evacuation from East-Central Europe. The Kaliningrad harbours in particular, are of the outmost importance to Russia as they provide its Baltic Fleet with the only suitable operational base remaining in the Baltic Sea”.\(^{475}\) He also explains that “the Kaliningrad exclave is of significance to Russian politics as a bargaining chip and counter-position in arms control negotiations and the debate on how a new European security architecture should look”.\(^{476}\) Russia has however unilaterally reduced its military potential in the Kaliningrad area and already in 1994 Russia’s over-

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\(^{473}\) Ibidem, 59


\(^{476}\) Ibidem, p.170-171
all forces in the exclave were below the limits Russia was allowed by the European arms control regime, the Treaty of Conventional Armed Forces in Europe (CFE)\textsuperscript{477}, which influences the military balance in the region.\textsuperscript{478} Denmark, Iceland, Norway, Germany, Poland and Russia have signed and ratified the treaty, while Estonia, Latvia and Lithuania decided not to join the CFE Treaty after they regained their independence. Despite its initial reservations, Poland accepted the choice of the Baltic states\textsuperscript{479}. The Treaty gives Russia the highest ceiling of military equipment as it is the largest country in the region. Finland, Sweden and the Baltic states have used the provisions of the Vienna Documents 1992, 1994 and 1999 to enhance their military security.\textsuperscript{480} These documents provide the framework for confidence and security building in the region by reducing the dangers of conflicts and by increasing the military transparency. Indeed, “the most important confidence- and security-building measures include the annual exchange of information on military forces and major weapon systems, the annual exchange of information on defence planning, compliance and verification inspections and evaluations, and the prior notification and observation of certain military activities”.\textsuperscript{481} Another important factor of the Vienna Documents is the bilateral framework for establishing confidence and security-building measures between the countries of the region.

Nevertheless, the CFE Treaty and the Vienna Documents are not the only provisions regulating the military situation of the region. In 1994, when Russia withdrew its troops from the Baltic states, Estonia, Latvia and Lithuania concluded a tri-national Agreement on the establishment of a joint peacekeeping unit. In this context, they initiated the BALTBAT (Baltic Battalion) project, which “was developed from a vague concept into a viable project of great visibility and political significance for the three Baltic countries.”\textsuperscript{482} As Sapronas remarks, “The architects of the BALTBAT project fully took into account the context of the [NATO Partnership for Peace] PfP world of its early days. The BALTBAT was a multinational unit trained for UN peacekeeping purposes and established in the former Eastern bloc”.\textsuperscript{483} This project

\textsuperscript{477} The CFE Treaty was signed in 1990 to secure the balance of conventional forces between NATO and the Warsaw Pact. “It limited the number of tanks, artillery, armoured combat vehicles, combat aircraft and attack helicopters in an area stretching from the Atlantic Ocean to the Urals. The CFE also set important sub-limits to the military equipment in flank zones that covered Norway, Iceland and Leningrad Military District in the north, and Turkey, Greece, Odessa and transcaucasus Military Districts, Bulgaria and Romania in the south”.


\textsuperscript{478} Ibidem, p.17

\textsuperscript{479} Ibidem, p.17 See also Wellmann, Christian, \textit{op.cit.}, p.168

\textsuperscript{480} Männik, Erik, \textit{op.cit.}, p.19 See also OSCE, \textit{Vienna Document 1999 of the negotiations on confidence- and security-building measures}, FSC.DOC/1999, Istanbul, 1999

\textsuperscript{481} Ibidem, p.19

\textsuperscript{482} Sapronas, Robertas, \textit{BALTBAT and development of Baltic Defence Forces}, in Baltic Defence Review, n.2,1999, p.56

\textsuperscript{483} Ibidem, p.56-57
was supported by Denmark, Finland, Norway and Sweden and later on also by the US, Great Britain, Germany, France and a number of other Western nations. Their support was fundamental for the development of the BALT-BAT.

Furthermore, some other projects have been developing in the context of the three Baltic states’ military framework. In the following years Estonia, Latvia and Lithuania deepened their military cooperation by initiating some other projects. The Baltic Air Surveillance Network (BALTNET) was created in 1996 with the aim to gather and coordinate airspace surveillance information. The Latvian Ministry points out that “the goal of the initiative is to establish a unified air space surveillance system in all three Baltic countries and make it compatible with similar Western and NATO air defence systems”.484 The Baltic Naval Squadron (BALTRON) was established in 1997 “to enhance the capabilities of the Baltic Naval Forces and coordinate the implementation of various naval tasks”.485 In particular, it “conducts mine clearance activities and search-and-rescue operations in the Baltic Sea, and seeks to bring the Baltic Navies in line with relevant NATO standards”.486 In 1998 Estonia, Latvia and Lithuania initiated another project called Baltic Defence College (BALTDEFCOL) to provide training for senior staff officers and civilians. The College, located in Tartu, prepares people for “work on international staffs, serve as chiefs of staff of military regions or at infantry brigade level, work in policy-making and long-term planning positions in the Ministry of Defence or on the General Staff, or train officers in their respective national armed forces”.487 Other projects have been initiated. They concern the setting up a Registration and Management System for Persons Subject to Military Service (BALTPERS), the establishment of a Baltic Medical Unit (BALTMED) and a joint Baltic Logistics System (BALTLOG). Recently a unified Baltic information system (BALTCCIS) and the Baltic Distance Learning (BALTDISLEARN) have been established. Cooperation is being established even in the areas of military environmental protection and operational planning.488

Among the Baltic states, Estonia is part of the Nordic Battle Group of the CFSP, which Sweden, Finland, Norway and Iceland participate in. Denmark has opted out of the CFSP, while Norway has negotiated with the EU an opt-in though it is not a member state. Established in 2007 the Nordic Battle Group operates under the auspices of Sweden that is the Framework Nation. As the Swedish Minister for Foreign Affairs Carl Bildt stresses, “Sweden

484 See the website of the Ministry of Foreign Affairs of the Republic of Latvia at http://www.mfa.gov.lv/en/?id=4498
485 Ibidem See also the website of the Estonian Defence Forces at http://www.mil.ee/index_eng.php?u=baltron
486 See the website of the Ministry of Foreign Affairs of the Republic of Latvia at http://www.mfa.gov.lv/en/?id=4498
487 Ibidem
488 Ibidem
has the overall responsibility for the preparatory work involved with the Nordic Battle Group (NBG). This includes responsibility for both political and military aspects of the cooperation with the other countries. Sweden also contributes the main portion of the force, the core of which is a mechanised infantry battalion.\(^{489}\)

Like the Baltic States, also the Nordic states have established several cooperative frameworks in the field of hard security. In 1994, following Finland’s and Sweden’s entry into the NATO’s Partnership for Peace (PfP), the Nordic nations established the Nordic Armaments Cooperation (NORDDAC). Its purpose was to achieve financial, technical and/or industrial benefits for all four countries within the field of defence materiel. In 1997 the Nordic Coordinated Arrangement for Military Peace Support (NORDCAPS)\(^{490}\) was created to enhance coordination and cooperation in the growing number of peace support operations. Later, in 2007 the armed forces of Sweden and Norway published a study which stressed the utility of a partnership to increase cost-efficiency and to enable their militaries to retain the full range of military capabilities. The cooperation would become a complement to the countries’ cooperation within NATO and the EU. As a follow-up on the report, the five Nordic countries in 2008 established the Nordic Supportive Defence Structures (NORDSUP) whose purpose was to harmonise the equipment and training of the Nordic armed forces. In 2009 the Stoltenberg Report envisaged the possibility of enhancing foreign and security policy cooperation between the Nordic countries. It contained 13 proposals among which most attention was given to the following ones: a Nordic stabilization task force with a permanent command; a maritime monitoring system; joint surveillance of Iceland space, a satellite system; an amphibious space; a Nordic ‘mutual declaration of solidarity’\(^{491}\). The last of these was politically the most far-reaching of Stoltenberg’s proposals which received positive responses in deepening cooperation was concerned, but with reservations in respect of the most ambitious proposals.\(^{492}\) Meanwhile, the Nordic states continued to take institutional steps to deepen their cooperation between their respective defence ministries and armed forces. Thus, the same year as the Stoltenberg Report the three separate structures for defence cooperation (NORDCAPS, NORDAC and NORDSUP) were merged into Nordic Defence Cooperation (NORDEFCO). Its purpose was “to explore synergies and facilitate common solutions in a comprehensive man-

\(^{489}\) See the website of the Swedish government at http://www.government.se/sb/d/9133/a/82276

\(^{490}\) Iceland became a member of NORDCAPS in 2003. NORDEFCO, Military Coordination Committee Annual Report, 2012, p.4 available on the website of the Nordic Defence Cooperation at www.nordefco.org

\(^{491}\) Forsberg, Tuomas, The rise of Nordic defence cooperation: a return to regionalism?, in International Affairs, vol.89, n.5, 2013, p.1161-1169

\(^{492}\) Ibidem p.1170
ner”. The defence ministers and the chiefs of defence deal with political coordination. Table 4 illustrates the distribution of the CBSS members among the defence and security arrangements present in the region.

Table 4. Illustration of the geopolitical relevance that the defence and security arrangements play in the foreign policy of the CBSS member states

<table>
<thead>
<tr>
<th>Defence and security arrangement</th>
<th>NATO O</th>
<th>ESD P</th>
<th>NATO O and ESD P</th>
<th>NOR-DAC, NORD-CAPS, NORD-SUP, NOR-DEFCO</th>
<th>Nordic Battle Group</th>
<th>CFE</th>
<th>BALTBAT, BALTRON, BALTDEF-COL, BALT-PERS, BALTMED, BALTLOG, BALTCCIS, BALTDIS-LEARN</th>
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<td>Denmark</td>
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<td>X</td>
<td>X</td>
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<td>BALTBAT, BALTRON, BALTDEF-COL, BALT-PERS, BALTMED, BALTLOG, BALTCCIS, BALTDIS-LEARN</td>
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<td>Estonia</td>
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<td>Russia</td>
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<td>Sweden</td>
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</tbody>
</table>

In this context the role of the CBSS is extremely marginal. As it has been argued in the previous chapter, this organization only deals with soft security issues. Indeed, the CBSS official documents contain the word ‘security’ only with reference to this kind of issues like in the case of civil society security. Nevertheless, in practice the reasons for the establishment of the CBSS are also rooted in hard security considerations strictly linked to geopolitics as argued here. The end of East-West divide and the inclusion of Russia in the cooperation in the region to increase the security and the stability of the region are the two main examples. The last point, which is very relevant even in the establishment of the ND and for the development of the BSS as it has

493 Forsberg, Tuomas, *op. cit.*, p.1172
been argued, is particularly important in the work of the CBSS as an organization that can strengthen the links within all the actors of the region through the active involvement of a regional power which is also a great power. In spite of this, in 2004, in the light of the EU and NATO enlargement, a debate on the future of the CBSS emerged. As Browning and Joenniemi put it, “on the one hand, there are those arguing that the CBSS has done its work. The transition process is over and there is no longer any need to support the introduction of democracy to the previous East and to standardize the Baltic Sea area through the activities of a particular institution. On the other hand, however, others claim that while the region-building process has so far taken place mainly through a variety of ad hoc processes of a bottom-up type, much more concerted top-down-focused measures are now required. According to the latter views, the institutional structures are far too haphazard, weak and overlapping to really enhance the position of Europe’s North in the overall European dialogue”. Thus, the CBSS should be strengthened by providing it with more decision-making power and with think-tank functions.

It can be argued that the geopolitical situation in the Baltic Sea region sees no potential military conflicts, except for tensions in the case of the relations between the Baltic states and Russia essentially due to historical reasons, and to the continued presence of Russian minorities in Estonia, Latvia and Lithuania. Russia exploits the presence of a Russian-speaking population in those countries in exerting political pressure over them. However, the EU and NATO membership of the Baltic states represents a good protection from Russian military intervention.

Thus, though the Cold War has come to an end, Russia still remains the main worry for the actors in the region. This is the reason why the Nordic and the Baltic countries as well as the EU consider its involvement in the cooperation in the area as essential for the security and the stability in the Baltic Sea region.

The ‘Moscow factor’ has influenced also the German foreign and security policy towards the Baltic Sea region since the establishment of the CBSS in 1992. The relations with Russia were of fundamental importance to Germany that was very careful not to irritate the big neighbour for instance by giving strong support to the Baltic states or to become more involved in the Kaliningrad oblast issue. As Tobias Etzold puts it, “the country tried to avoid actions (…) ‘that could have given Russia any sense of German ambitions to play a dominant role in the region, lest these reawaken the still fresh memories about the German past. Bearing this in mind, Germany avoided making the impression that it had any ‘great-power ambitions’ in or around

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495 Ibidem, p.227
the BSR”. Etzold also explains that Germany which is in the heart of Europe considers the Baltic Sea region as a marginal area. Indeed, “for Berlin the region was and is only one of many fields within Germany’s foreign relations; the country’s foreign policy priorities are different”. At the same time, for the states along the Baltic Sea the region is of great importance. Etzold argues that “even more than the German federal government, they played and still play a pivotal role in regional cooperation on the sub-national level and even beyond. They may be regarded as a vital link between Bonn/Berlin and the region. Economically, Germany is deeply integrated in the region and is the most prominent trading partner for most of the countries of the BSR. To some extent, Germany has also contributed to the development of the region and regional cooperation”.

As it was argued, in the previous chapter, the establishment of the CBSS was a joint German and Danish initiative.

Security in the Black Sea region

In the period after the end of the Cold War and especially after 2001 the Black Sea region emerged as a ‘geopolitical hub’ and a ‘geopolitical axis’. As Alexander Goncharenko points out, “from a classical geopolitical point of view, the wider Black Sea region is one of the cornerstones of Euro-Asian stability and security. It is part of an extremely important and sensitive area-with huge natural resources and major strategic transport and energy corridors-on the frontier between the Heartland and the Rimlands. Control over this region determines control of Euro-Asia both today and in the future. For this reason the Black Sea area…has been a centre of gravity for the geopolitical, political-military, financial-economic and other interests of the main global and regional powers”.

Many scholars define the Black Sea region in geopolitical terms as a ‘regional security complex’ (RSC). This concept was created by Barry Buzan

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497 Etzold, Tobias, A country in the brink of a region? Germany’s Baltic Sea policies, Kas International Reports, n.5, 2012, p.10
498 Ibidem, p.6
499 Ibidem, p.7
500 During the years of the fall of the Berlin Wall and of the German reunification, several German actors such as sub-state actors (e.g. counties) acted as driving forces for regional cooperation. In the same period think tanks explored the possibilities of developing practical cooperation. In particular, “the Denkfabrik Schleswig-Holstein, a think tank composed of renowned researchers, outlined the composition of the new BSR and produced background material”.
502 Ibidem, p.23
503 Triantaphyllou, Dimitrios, op.cit., p. 5
who defined it as “a group of states whose primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from one another”.\textsuperscript{504} This definition was applied by scholars to a number of cases and the Black Sea region is one of them. Felix Ciutà, for instance, assumes that the understanding of the region as an RSC is clear “from the numerous formulations of the project, which underscore the region’s security linkages, which are taken as the starting point for the articulation of common policies”.\textsuperscript{505} Yannis Tsantoulis also defines the Black Sea region as a RSC because the presence of protracted conflicts in the area and the energy security paradigm make the security interlinkages between the regional actors very clear.\textsuperscript{506} Tsantoulis also states that the geopolitical landscape of the region was redrawn when the dissolution of the Soviet Union removed the ‘overlay’\textsuperscript{507} patterns of great power influence.\textsuperscript{508} Indeed, until then the Black Sea region had been the scene of the confrontation between East and West which provided some stability. When the bipolar system collapsed, the region became unstable because the tensions that had been suppressed for a long time during the Cold War thawed making the relations among the regional actors complicated. The picture has become more complex because of the conflicts in Transdnistria/Moldova, Nagorno-karabakh/Azerbaijan, Chechnya/Russia, Abkhazia/Georgia and South Ossetia/Georgia as well as the war between Georgia and Russia on the one hand and the tensions between Ukraine and Russia on the other one. This has made the geopolitical situation in the area very difficult to manage and the prospects for cooperation rather dim. The conflicts in the region have involved not only the parts directly interested (e.g. Armenia and Azerbaijan in the case of Nagorno-karabakh), but also the regional powers like Turkey and Russia (which is also a great power) and external actors such as the EU and the US. Indeed, the removal of the iron curtain which divided the region into two blocks has made the geopolitical dynamics on the Black Sea much more fluid and changing. This has given powers the possibility to rethink and to redefine their policies and their strategies in the region. External actors have begun to interact both with small and big actors in the region. As a result, interests and policies of small and big powers are strictly intertwined creating a complex network of bilateral and multilateral relations which have an


\textsuperscript{506} Tsantoulis, Yannis, \textit{Geopolitics, (sub) regionalism, discourse and a troubled ‘power triangle’ in the Black Sea}, in Tryantaphillu, Dimitrios, \textit{op.cit.}, p.22

\textsuperscript{507} Buzan and Wæver define the overlay as the situation where "great power interests transcend mere penetration, and come to dominate a region so heavily that the local pattern of security relations virtually ceases to operate".

\textsuperscript{508} Tsantoulis, Yannis, \textit{op.cit.}, p.21
impact on both the regional and the international level. As a consequence, the geopolitics of the region has changed. This is true especially for the period after the war between Russia and Georgia in 2008. As Oksana Antonenko puts it, in the 1990s, immediately after the collapse of the Soviet Union when the instability in the region was highest the Black Sea region did not existed as a clearly defined geopolitical entity. She argues that “its formation coincided with an unprecedented period of stability and growing security throughout the past decade, when NATO and EU enlargement and high economic growth reinforced the false perception of stability: territorial and ethnic conflicts have been simmering behind the scene, while energy projects and the growing faith in postmodern institutionalism have claimed the front pages”.\(^{509}\) Antonenko also adds that “the Rose and the Orange Revolutions in Georgia and in Ukraine, respectively, although they provoked some tensions with Russia, have been portrayed as a sign that the era of ‘democratic peace’ could soon make the regional security agenda irrelevant. Russia has been increasingly isolated in a region set on course to EU and NATO membership, where Moscow’s assertive unilateralism is effectively counterbalanced by a growing US presence”.\(^{510}\) Antonenko points out that the war in Georgia has shown that security in the region is strictly linked to conflicts between states and that it has had a huge impact in redefining the role of ‘regional security actors’\(^{511}\) in the Black Sea region such as Turkey and external actors like the EU. Furthermore, another consequence of the war was that Russia has increased its stakes in the region. It became clear that the creation of the new military bases in Abkhazia and South Ossetia after the recognition of these territories by Georgia and the use of force by Russia meant that the latter had lowered its threshold to unilaterally use force against one of the states in the region.\(^{512}\) The war also led to a disillusionment of the role of external actors such as the US which had supported Georgia’s NATO membership aspirations but could not prevent the Russian attack on South Ossetia.\(^{513}\) The presence of Russian military bases represents a great threat for Georgia making its striving for NATO and EU membership quite complicated.\(^{514}\) As Ingmar Oldberg puts it, “Georgia is clearly the country most exposed to Russian military activities”.\(^{515}\) This was already clear in early 1990s when Georgia tried to retake Abkhazia and South Ossetia. Russian peacekeeping forces were stationed there formally as a CIS

\(^{509}\) Triantaphyllou, Dimitrios, op.cit., p.42
\(^{510}\) Ibidem, p.42
\(^{511}\) Ibidem, p.43
\(^{513}\) Antonenko, Oksana, ibidem, p.260
\(^{514}\) Kanet, Roger, Russian Foreign Policy in the 21st Century, Palgrave Macmillan, Hampshire, 2010, p.45
\(^{515}\) Ibidem, p.46
force with UN observers and under an OSCE mandate. The reality was that the Russian forces supported the separatist regimes. To this end they engaged in intermittent fighting with Georgian forces and in illicit arms trade. The number of incidents between them increased when the Georgian intentions to join NATO became clear in 2008.\footnote{Kanet, Roger, \textit{op.cit.}, p.47}

Russia has often used its military bases in the Community of Independent States (CIS) countries as a potent means of pressure against them. In the case of Sevastopol, for instance, an agreement stipulated in 1997 allowed Russia to rent a part of the port to relocate the old naval headquarters of the Black Sea Fleet. The proposal of moving the base to Novorossisk was not accepted not only for economic and logistical problems but also because Russia intended to use the naval base to frustrate Ukrainian President Yushchenko’s efforts in joining NATO.\footnote{Ibidem, p.45}

Although Russia dismantled its military bases in all the Warsaw Pact countries and in some other countries such as Cuba and Vietnam in early 1990s, ghosts of the Cold War had returned to haunt again. This was evident when the US backed up Georgia and established an antiballistic missiles basis in Poland in 2008. Russia considered that as a real threat. In response to it Russia decided to strengthen its ties with Cuba, Venezuela and Libya that were all against the US, and obtained the access to a port in Syria. The CIS situation is different because Russia has retained (and stil retains) certain military bases in all countries with the exception of Uzbekistan and Turkmenistan.\footnote{Ibidem, p.44}

The CIS that includes some of the Black Sea region countries (Armenia, Azerbaijan, Georgia, Moldova, Russia, Ukraine), was created in 1991 “as an organization designed to manage the Soviet breakup and preserve many of the pre-existing economic, political, and military ties among the Soviet republics”.\footnote{Rubicek, Paul, \textit{The Commonwealth of Independent States: an example of failed regionalism?}, in \textit{Review of International Studies}, vol.35, special issue, 2009, p.237} The importance of the CIS for the security interests of Russia is emphasized in a number of decrees, leadership statements, interviews and articles, but the most straightforward document is the Russian President Yeltsin’s decree “On Affirming the Strategic Course of the Russian Federation with the Member States of the Commonwealth of Independent States”. This decree states that Russia has ‘vital interests’ in the CIS area and that “Russia’s CIS policies are inextricably linked to Russia’s effort to see itself included in ‘world political and economic structures’”.\footnote{Olcott, Martha Brill, Åslund, Anders, Garnett, Sherman, \textit{Getting It Wrong, Regional Cooperation and the Commonwealth of Independent States}, Carnegie Endowment for International Peace, Washington, 1999, p.79} The idea of a closer economic cooperation was strongly supported by the CIS members while Russia pushed for security cooperation. In 1992 six countries (Armenia,
Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan) signed the CIS Collective Security Treaty. The Russian doctrinal document ‘Basic Directions of Foreign Policy’ described the Russian role as the defender of the unity of the CIS and contained three goals of Yeltsin’s policy, namely “to strengthen the CIS itself, to consolidate relations with its core states, and to ‘bilateralize’ relations”. The strategic importance of the CIS was confirmed even later by Russian Foreign Minister Sergei Lavrov at the end of 2008 when he stressed the ‘unique relations’ bounding Russia and the post-Soviet CIS. He called those relations a ‘civilizational unity’ which included the territories belonging to the Union of Soviet Socialist Republics (USSR) and before that to the Russian empire. In addition to this, the recognition of Russia’s primacy in the CIS from the US was put as a condition for contributing to ‘ensuring order’ in Europe. For its part, Moscow would accept the West-orientation of Central European countries, not oppose the entry of the Baltic States into NATO and the EU, withdraw from the Balkans and tentatively tolerate US military bases in Central Asia and a US military program in Georgia aiming to train and equip its military.

The CIS is however considered a case of ‘failed regionalism’ and has often been accused of being an instrument in the hands of Russia to recreate the USSR. It has an elaborate institutional structure and its members have signed a number of agreements, but most of the problems which led to the establishment of the CIS have remained unresolved. In addition, two important reasons for its failure were the fear and suspicion of Russia and the willingness of privileging national interests even if it came at the expense of a neighbour.

The so-called ‘splinter movements’ within the organization are another problem that the CIS has to cope with. The most important one is GUAM-ODED (Georgia, Ukraine, Azerbaijan, Moldova-Organization for Democracy and Economic Development), established in 1998. As Bertil Nygren puts it, “the GUAM (…) was the driving factor behind which was a pro-West orientation and general mistrust of Russia. In general, Russia perceived

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521 Nygren, Bertil, The rebuilding of greater Russia, Putin’s foreign policy towards the CIS countries, Routledge, New York, 2008, p.24
522 Trenin, Dmitri, Russia’s Spheres of Interest, not Influence, in The Washington Quarterly, Center for Strategic and International Studies, October 2009, p.4
523 Ibidem, p.10
524 Nygren, Berti, op.cit., p.25
525 Olcott, Martha Brill, Aslund, Anders, Garnett, Sherman, op.cit., p.17
526 Uzbekistan joined the organization in 1999 at the NATO summit. The organization became GUUAM, but it became GUAM again in 2002 when Uzbekistan announced its withdrawal. The Uzbekistani Foreign Minister Abdulaziz Kamirov explained that the decision was made because the organization had failed in becoming an important instrument to strengthen the ties among the five members, nor did it achieved an effective cooperation or economic integration among them.

GUAM as a pro-Western organization intended to undermine the CIS from within.\textsuperscript{527} A similar opinion is expressed by Istanbul 1 who says that GUAM is an American game to put Russia aside and that the only element that its members have in common is the fact that they dislike their big neighbour.\textsuperscript{528} Ivanna Klympush-Tsintsadze argues that, unlike BSEC, GUAM emerged as a forum for political cooperation with some elements of security. She states that “to some extent it was created to address the issues that BSEC was either unwilling or unable to deal with.”\textsuperscript{529} By contrast, Ioannis Stribis argues that though the BSEC has a clear economic orientation as an organization and “despite its explicit aim in promoting regional stability through economic cooperation, recent developments in the BSEC framework have introduced issues related to security concerns.”\textsuperscript{530} As Stribis points out, the operational part of the Charter of the Organization of the BSEC does not contain any reference to security issues, “which is not surprising taking into account the main premise on which the BSEC was established”.\textsuperscript{531} Ambassador Chebeleu confirms that the BSEC does not deal with political issues, but only with economic issues since the organization has not received the mandate for discussing issues concerning hard security problems. At the same time, he stresses that these latter (e.g. war between Georgia and Russia) sometimes create problems for cooperation in the BSEC context.\textsuperscript{532} This is confirmed by Istanbul 1 who argues that the bad functioning of the BSEC is essentially due to the political problems affecting the region.\textsuperscript{533} For Istanbul 2 the BSEC is just a framework which do not manage to produce so many positive results.\textsuperscript{534}

Nevertheless, the preamble of the Charter contains some references to security concerns. Indeed, signatories share “the common vision of their regional cooperation as a part of the integration process in Europe, based on human rights and fundamental freedoms, prosperity through economic liberty, social justice, and equal security and stability which is open for interaction with other countries, regional initiatives and international organizations and financial institutions”.\textsuperscript{535} Also, they recognize “the desire of their countries and peoples for constructive and fruitful collaboration in wide ranging fields of economic activity with the aim of turning the BSEC Region into

\textsuperscript{527} Nygren, Bertil, \textit{op.cit.}, p.26
\textsuperscript{528} Interview with Istanbul 1, Kadir has University, Istanbul 11/03/2011
\textsuperscript{529} Pavliuk, Oleksandr, Klympush-Tsintsadze, \textit{op.cit.}, pp.45-46
\textsuperscript{531} Ibidem, p.131
\textsuperscript{532} Interview with Ambassador Traian Chebeleu, Deputy Secretary General of the BSEC, Istanbul 10/3/2011
\textsuperscript{533} Interview with Istanbul 1, Kadir Has University, Istanbul 11/03/2011
\textsuperscript{534} Interview with Istanbul 2, Bilgi University, Istanbul 3/03/2011
\textsuperscript{535} BSEC, \textit{Charter of the Organization of the Black Sea Economic Organization}, 5 June 1998, Yalta

130
one of peace, stability and prosperity”.\textsuperscript{536} However, references to security and stability were already present in the Summit Declaration on Black Sea Economic Cooperation held in Istanbul in 1992. This document affirms the willingness of the signatories to establish an economic cooperation with the aim to “shape a new era of peace and security”\textsuperscript{537} and to achieve “equal security in all countries”.\textsuperscript{538} As Stribis puts it, “in this context, security was therefore addressed indirectly in the sense that regional economic cooperation can avert or settle conflicts, while there was by no means mention to fighting against an actual threat”.\textsuperscript{539} The importance of security is emphasized in the section entitled ‘regional stability’ of the Moscow Summit Declaration of 1996, which states that “the Heads of State or Government view the economic cooperation and partnership as the cornerstone of lasting regional stability”.\textsuperscript{540} This document also refers to ‘soft security measures’ as it explicitly mentions organized crime, violence, terrorism, illicit drugs, radioactive material trafficking and illegal migration.\textsuperscript{541} Later, the Istanbul Summit Declaration in 1999 emphatically noted that the BSEC members “share a common view that during its seven years of existence the BSEC has contributed substantially to the process of enhancement of peace and security in the BSEC area by applying the pragmatic concept that economic cooperation is an effective confidence-building measure and serves as a pillar in the new European architecture”.\textsuperscript{542} On these grounds, the BSEC members “solemnly reaffirm[ed their] political will to contribute to peace and security in the BSEC area by means of multilateral economic cooperation”.\textsuperscript{543} Furthermore, another interesting and meaningful point which must be highlighted is the relevance that the signatories attribute to the cooperation between the BSEC and the OSCE. Indeed, the document states that the BSEC members “believe that the new Charter for European Security, to be adopted within the framework of the OSCE, will strengthen the non-hierarchical and mutually beneficial cooperation among the OSCE and other organizations and institutions. In that context enhanced cooperation between the BSEC and the OSCE in their respective fields of competence will serve the goals of a stable peace and prosperity in the whole of the OSCE area”.\textsuperscript{544} The reference to security is present in all summit declarations of the BSEC. In particular, the Istanbul Summit Declaration on the Occasion of the Twentieth Anniversary of the BSEC of 2012 underlines that “share the conviction that our multilateral economic cooperation is an important contribution to enhancing

\begin{thebibliography}{99}
\item BSEC, \textit{Charter of the Organization of the Black Sea Economic Organization, op.cit.}
\item BSEC, \textit{Summit Declaration on Black Sea Economic Cooperation, Istanbul, 1992}
\item \textit{Ibidem}
\item Stribis, Iannis, \textit{op.cit.}, p.132
\item BSEC, \textit{Moscow Summit Declaration, Moscow, 1996}
\item \textit{Ibidem}
\item BSEC, \textit{Istanbul Summit Declaration, Istanbul, 1999}
\item \textit{Ibidem}
\item BSEC, \textit{Istanbul Summit Declaration, Istanbul, 1999}
\end{thebibliography}
peace, stability, security, dialogue and prosperity in the region to the benefit of our peoples”. However, Stribis is right when he argues that “security has never been an issue of the regular business of the BSEC. This is also confirmed by the study of the activities of the BSEC Working Groups. This leads to the conclusion that since the foundation of the BSEC the focus of interest of the participants has been the economic aspect of the organization and its prospects in the context of the newly launched cooperation process”.  

Security and stability have always been considered ‘high politics’ issues and have not been implemented at the operational level of the BSEC. In spite of this, the organization has established a cooperative scheme for security matters together with another regional arrangement, namely the Stability Pact for South Eastern Europe (SCSP). Turkey, Albania and Serbia, which are BSEC members, are among the SCSP signatories. Cooperation with the SCSP is important for the BSEC as “it can be considered as an outside ‘push’ that triggered an internal reaction, the upshot of which has not been yet fully examined but has undoubtedly influenced the subsequent thinking on security in the BSEC”. The relevance of the BSEC in the area is explicitly recognized in the paragraph 35 of the SCSP Constituent Document signed in Cologne in 1999, stating that the signatories “note the role of the Organization of the Black Sea Economic Cooperation in promoting mutual understanding, improving the overall political climate and fostering economic development in the Black Sea region. Welcoming its engagement to peace, security and stability through economic cooperation, we invite the BSEC to contribute to the implementation of the Stability Pact for South Eastern Europe”. Nevertheless, the involvement of the BSEC in the security issues of the area raised some concerns by its member states. The official view of the BSEC was the following one: “the Organization can also participate in the Working Tables on democratization and human rights and on security issues based on its overall experience in confidence-building through economic cooperation and in particular on the implementation of the Agreements of the BSEC Member States on Combating Crime and on Emergency Response”. The reluctance to involve the organization in security matters was clear at the meeting of the Working Table on security issues

545 BSEC, Istanbul Summit Declaration on the Occasion of the Twentieth Anniversary of the BSEC, Istanbul, 2012
546 Stribis, Ionannis, op.cit., pp.134-135
547 The Stability Pact for South Eastern Europe was established in Cologne in 1999 “in response to the European Union's call to adopt a Stability Pact for South Eastern Europe” and to “develop a shared strategy for stability and growth of the region and to cooperate with each other and major donors to implement that strategy”.
http://www.stabilitypact.org/constituent/990610-cologne.asp
548 Stribis, Ionannis, op.cit., p.135
549 SCSP, SCSP Constituent Document, Cologne, 1999
http://www.stabilitypact.org/constituent/990610-cologne.asp
550 Stribis, Ioannis, op.cit., p.136
organized in 1999 when Greece, representing the BSEC, argued that “the BSEC participation in the said Working Table cannot find justification in the character of the Organization which is primarily of an economic nature and therefore a BSEC participation cannot take place. The fact that issues of BSEC concern, like Justice and Home Affairs, are included in the Draft Agenda of the Meeting cannot counterbalance the inclusion of items dealing with issues completely out of BSEC’s reach like Defence and Security”.\textsuperscript{551} The Greek opinion stemmed not only from the discussions going on within the BSEC and the uncertainty coming out from them, but also from the ‘principle of speciality’ which is applied to the activities of international organizations.\textsuperscript{552} As Stribis puts it, “according to this principle international organizations exercise only the attributions conferred expressly by their constituent treaties as well as implied powers to the extent they are necessary for the efficient performance of the statutory functions”.\textsuperscript{553} In this context it is sufficient to look at the Third Working Table of the SCSP to understand the doubts raised within the BSEC. It discussed three sets of issues: ‘1) justice and home affairs, migratory issues, combating organized crime, corruption, terrorism and all criminal and illegal activities, trans-boundary environmental hazards; 2) transparency and confidence-building measures in the region (as well as arms control); 3) defence/military issues and conflict prevention and management’.\textsuperscript{554} Applying the ‘principle of speciality’ to the BSEC it is immediately evident that according to its statutory documents the BSEC could participate only in the first set, while the third one is not included in the attributions of the organization. The BSEC would have been able to participate in the cooperation involving the second set of attribution only after the examination of These conclusions are contained in the resolutions of the 1\textsuperscript{st} Meeting of the Council of Ministers of Foreign Affairs in Thessaloniki in 1999 concerning the contribution of the BSEC to the achievement of the SCSP’s goals.\textsuperscript{555} The Council decided that “in accordance with the BSEC principles and objectives defined in the Charter, and with reference to the article 16 of the Stability Pact, the BSEC is ready to participate actively in the working table No.2 concerning the economic reconstruction, development and cooperation, as well as in the working table No.3 on justice and home affairs”.\textsuperscript{556} In spite of this, the BSEC members expressed their “appreciation for the role attached to the BSEC by the Stability Pact for South Eastern Europe in promoting mutual understanding, improving the overall political climate and fostering economic development in

\textsuperscript{551} Stribis, Ioannis, \textit{op.cit.}, p.136
\textsuperscript{552} Ibidem, p.136
\textsuperscript{553} Ibidem, p.137
\textsuperscript{554} Ibidem, p.137
\textsuperscript{555} Ibidem, p.137
the BSEC area”. They also welcomed “the fact that the Stability Pact emphasizes the BSEC engagement to peace, security and stability through economic cooperation and invites our Organization to participate in its implementation”. The member states have strongly insisted on observing of the principles and the objectives of the BSEC in two documents adopted on the occasion of the Thessaloniki Council and of the Istanbul, both held in 1999. In particular, the latter “introduced legally binding lists of BSEC principles and objectives as well as areas of cooperation”. Stribis explains that “the implication of the transformation of the informal BSEC structure into a full-fledged international organization both in the 1999 Istanbul Summit Declaration and in the legally binding resolutions of the 1st Council of Ministers of Foreign Affairs”. The discussion on the Stability Pact revealed how security issues within the BSEC were difficult and complex.

The BSEC has established cooperative links also with some other organizations operating in the area such as the Central European Initiative (CEI) and the Adriatic-Ionic Initiative (AII). Although the official vision of the BSEC is that the other organizations help cooperation in the region, regional arrangements such as GUAM-ODED obstruct it because of the grounds on which they were established. It is not a case, for instance, that BSEC, the most successful organization in the region, avoids dealing with security issues while GUAM-ODED deals with it with serious consequences at the political level especially in relation to Russia, as explained above.

GUAM-ODED members see the organization’s initiatives as complementary with the EU’s policies, especially the Eastern Partnership (EaP) which will be illustrated later in this paragraph. They have declared interest in intensifying their cooperation with the EU especially in the field of energy security and in jointly implementing “precise projects in the field of energy saving, the production and transportation of energy resources, the diversification of energy sources including development of the Southern Corridor”.

The EU is involved in all the activities and the projects of all the arrangements in the area, but the BSEC is particularly relevant for the EU’s strategies and policies in the region not only because it is the most important organization on the Black Sea, but also because Russia is a member of it.

The relationship between the EU and the BSEC, which dates back 1996, is not regulated by a former agreement but has been reflected in a number of documents. The EU holds an observer status through primarily the European

558 Stribis, Ioannis, ibidem, p.138
559 Ibidem, p.138
560 Ibidem, p.138
561 Interview with Ambassador Traian Chebeleu, Deputy Secretary General of the BSEC, Istanbul 10/3/2011
562 Interview with Ambassador Traian Chebeleu, Deputy Secretary General of the BSEC, Istanbul 10/3/2011
563 See the website of the GUAM organization at http://guam-organization.org/node/1212
Commission and its membership within the BSEC is not an issue at the moment for the geopolitical situation in the region.

Geopolitical considerations have had a strong impact on the relations between the EU and the BSEC. In early 1990s the approach of the EU towards the Black Sea region was essentially based on the membership or non-membership question and it consisted in providing financial and technical assistance through specific programmes. The EU ignored the BSEC until 1997 when the organization was mentioned in a Communication containing “an assessment of the region’s potential and several pertinent observations such as the emergence of valid and promising synergies in the Black Sea region as well as the possibility to identify concrete fields for constructive interaction between the EU and the BSEC as a regional organisation”. The same year the Council of the EU published its Conclusions in which it emphasized the importance of the BSEC for the EU from a strategic point of view and outlined some possible objectives for cooperation. For their part, the Member States of the BSEC expressed their appreciation of the EU Council’s Conclusions by stating: “we welcome the Conclusions of the EU Council of Ministers of last December as a first step in the elaboration of a comprehensive strategy of the EU towards the BSEC and its Participating States. We fully share the view that the BSEC-EU cooperation in the fields of transport, energy, telecommunication networks, trade, ecology, sustainable development, justice and home affairs has a promising future. The ultimate aim is to progressively shape the EURO-BSEC economic area”. Since then a number of documents prepared both by the EU and by the BSEC helped to establish a more coherent relationship. Nevertheless, “during the 1990s the Black Sea was perceived as being too far away and too messy for the EU, while it was considered to be too close to and important for both Russia and Turkey. At the time, the Union’s priority was managing the war torn Balkans. The BSEC was to a certain degree trapped in the same logic with the same (mis)perceptions”. In 2004 the enlargement of the EU to ten countries called for new strategies which could give the EU the possibility of a greater involvement in the region. The European Neighbourhood Policy (ENP), the Black Sea Synergy (BSS) and the Eastern Partnership (EaP) are the product of this reasoning.

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564 Tryantaphyllou, Dimitrios, Japaridze, Tedo, Manoli, Panagiota, Tsantoulis, Yannis, The EU’s Ambivalent Relationship with the BSEC: Reflecting on the Past, Mapping out the Future, ICBSS Policy Brief n.20, Athens, January 2010, p.12

565 Ibidem, p.6 See also Commission of the European Communities, Regional co-operation in the Black Sea area: State of play, perspectives for EU action encouraging its further development, COM (1997) 597 Final, Brussels, 14 November 1997

566 Presidency of the European Council, Conclusions, para. 67, Luxembourg, 12-13 December 1997


568 Tryantaphyllou, Dimitrios, Japaridze, Tedo, Manoli, Panagiota, Tsantoulis, Yannis, op.cit., p.13
The ENP was established in 2004 “with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours and instead strengthening the prosperity, stability and security of all”.\(^{569}\) Russia refused to participate in the ENP because it wanted to be treated as an equal partner by the EU and did not want to be inserted in the same category as Ukraine or Morocco.\(^{570}\) This is why Russia prefers establishing bilateral relations with the EU, but this can be considered as the general rule that Russia follows to shape its own foreign policy. Panagiota Manoli argues that Russia “seems unwilling to nourish multilateralism and regionalism in its common neighbourhood with the EU, advancing bilateralism as a preferred policy”.\(^{571}\) According to Margot Light, the preference for bilateralism “can be traced to the Soviet-era Warsaw Treaty Organization which was, in fact, more of a web of bilateral agreements than a truly functional multilateral organization”.\(^{572}\)

The preference for bilateralism also reflects the Russian leaders’ willingness to restore Russia’s great power status after the collapse of the Soviet Union. Andrei Zagorski argues that “by acting on the basis of bilateral arrangements, Moscow hopes to achieve a bigger and more obvious impact and to prevent its contributions from being rendered less noticeable as a consequence of a more multilateral approach”.\(^{573}\) Thus, “participation in multilateral organizations outside of Russian control that do not acknowledge its ‘great-power’ status is firmly rejected”.\(^{574}\) Also Ingmar Oldberg argues that bilateral relations play a key role in Russia’s foreign policy. He explains that Russia is engaged in many international organizations around the world, but that Russia “exploits differences among the members inside the organizations in the classic game of divide-and-rule”.\(^{575}\) In spite of this, Russia considers its engagement in the regional organizations in its neighbourhood as fundamental to exert its influence there and to affirm itself as both a great power and a regional one.

In 2007 the EU developed the Black Sea Synergy (BSS). According to the Communication from the Commission to the Council and the European Par-

\(^{569}\) The ENP includes Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine. 
http://ec.europa.eu/world/enp/policy_en.htm


\(^{571}\) Manoli, Panagiota, Black Regionalism in Perspective, in Neighbourhood Policy Paper, CIES, Istanbul, December 2011, p.3

\(^{572}\) Wilson Rowe, Elana, Torjesen, Stina, op.cit., p. 11

\(^{573}\) Ibidem, p. 11

\(^{574}\) Ibidem, p. 10

\(^{575}\) Oldberg, Ingmar, Aims and Means in Russian Foreign Policy, in Kanet, Roger, op.cit., p.36
liament, Black Sea Synergy-A new regional cooperation initiative the aim of the Commission was not to create an independent strategy as the EU policy towards the area is based on the pre-accession strategy with Turkey, the ENP, and the Modernization Partnership with Russia. By contrast, its goal was to set up an initiative complementing to the already existing policies which would stress the political relevance of the region and reinforce the ongoing cooperation processes. The document points out that the primary task of the strategy is to invigorate the cooperation within the region and between the region as a whole and the EU. The document defines the region as an area including Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Georgia, Armenia, Azerbaijan, and Turkey. Nevertheless, the scope of the strategy goes beyond the region as it concerns many activities involving neighbouring regions like the Caspian Sea, Central Asia, and South-Eastern Europe. The document also states that the main interlocutors of the Commission will remain the regional states both in a bilateral framework and in discussions at the regional level. At the same time, the EU is ready to strengthen its relations with regional organizations and in particular with the Black Sea Economic Cooperation (BSEC). The aim is to improve and reinforce the dialogue within the region. What is important for the EU is to strengthen the cooperation among the countries in the region and between them and itself. The BSS is the first EU document to deal exclusively with the Black Sea region and to give the BSEC a prominent role. As Tryantaphyllou, Japaridze, Manoli, and Tsantoulis put it, “the BSS managed for the first time to put the Black Sea region on the radar screen of the EU as a single distinct policy area, a unit of analysis and not a vague geographic space. It also recognised the BSEC as a regional partner to the EU. It did so by raising the policy profile of the region—and of the BSEC in particular—and since then paving the way for a more coherent EU approach towards the region as a whole. The traditional state-by-state approach was considered complementary.” They also state that the BSS strongly contributed to promote the concept of regional cooperation not only between the EU and

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578 Tryantaphyllou, Dimitrios, Japaridze, Tedo, Manoli, Panagiota, Tsantoulis, Yannis, op.cit., p.14
the region, but also within the region itself. The BSS promoted also a project-oriented approach with a particular emphasis on transport and environment. At the same time, it created the conditions for cooperation in the sector of energy and security.\textsuperscript{579}

In 2008 the EU developed another policy, namely the Eastern Partnership (EaP), as a response to the ‘failure’s of the ENP and to the limited success of the BSS. The EaP introduced a multilateral dimension in the relationship between the EU and the six countries involved (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine) in the policy while offering at the same time also a bilateral platform to develop the policy. The aims of this EaP are not only to promote democracy, good governance, and environment protection, but also to strengthen energy security as well as contacts between people and to support social and economic development.\textsuperscript{580}

Many see the EaP as an effort to overcome the divisions that occurred after the end of the Cold War leading to disputes and conflicts and partly culminated into the Russia-Georgia war in 2008. Some others see this policy “as an endeavour of the EU to raise the visibility of the Black Sea region in the eyes of the Europeans and and refresh their dormant awareness towards Europe’s eastern “near abroad”\textsuperscript{581} For those countries with EU membership aspiration the EaP means the possibility for internal transformation and readjustment to satisfy the EU criteria for membership. The EaP is also perceived by many others and especially from Russia as an attempt to isolate it and to ignore its regional interests.\textsuperscript{582}

In this context, the statement of the former Russian President Dmitri Medvedev said to Belorussian journalists in 2009 are significant: “I don’t see anything extraordinary in the Eastern Partnership. I don't find any usefulness either (…) I also don't see anything being done against our country - but if anti-Russian subjects are discussed, that would not make me happy”\textsuperscript{583} The same year the Russian Foreign Minister Sergei Lavrov reminded that Russia has special relations with eastern European countries because of ‘hundreds of years of common history’ and provocatively wondered whether the EaP was not an ‘attempt to extend the EU’s

\textsuperscript{579} Tryantaphyllou, Dimitrios, Japaridze, Tedo, Manoli, Panagiota, Tsantoulis, Yannis, \textit{op.cit.}, p.15

\textsuperscript{580} These goals will be reached through the financial help envisaged by the European Neighbourhood and Partnership instrument (ENPI) whose funds will benefit different actors, among which the most important are ‘state level public administrations’, but also local level public administrations, civil society organizations and small and medium enterprises. These funds, which will cover a four years period (2010-2013), are allocated on the basis of the needs and of the reforms the partner countries have managed to implement. See the website of the European Action External Service at http://www.eeas.europa.eu/eastern/index_en.htm

\textsuperscript{581} Tryantaphyllou, Dimitrios, Japaridze, Tedo, Manoli, Panagiota, Tsantoulis, Yannis, \textit{op.cit.}, p.16

\textsuperscript{582} \textit{Ibidem}, p.16

\textsuperscript{583} See the website of the EU business at http://www.eubusiness.com/news-eu/russia-diplomacy.1lz
sphere of influence’. Indeed, as Hannes Adomeit states, Moscow officials consider the eastern neighbourhood of the EU as part of their sphere of influence and interests and the relationship between the EU and Russia as a ‘zero-sum game’ in which the gain of one party is the loss of the other. He also argues that the EU attempts to persuade Russia to cooperate in the common neighbourhood instead of considering their relations as a ‘zero-sum game’ have been to no avail. Indeed, “the EU’s activities on post-Soviet space are seen in Moscow in geopolitical terms, as a struggle over spheres of influence where ‘power vacuums’ cannot exist for long and attention needs to be paid to the ‘balance of power’”. 

According to Adomeit, Russian perceptions of the post-Soviet space as its sphere of influence have not changed since Yeltsin era. Even though the policies of Russia have varied over time, their essence has always been the same. While Yeltsin declared in 1992 that ‘policy considerations in relation to other CIS countries have priority’, in 2005 Putin considered the collapse of the USSR as ‘a national tragedy of immense proportions’ as well as ‘the biggest geopolitical catastrophe of the 20th century’.

However, Dmitri Trenin differs from Adomeit on this issue. He states that since the mid-2000 Russia has been pursuing a policy of sphere of interests, not of influence because “Moscow’s influence, although considerable, is nowhere dominant”. He argues that “compared to the Soviet Union’s, the Russian Federation’s sphere is not only much smaller, but also much ‘lighter’—‘interests’ after all are not as compelling as ‘influence’”. The reason for this is to be found in the reduced resources for Russia after the collapse of the USSR. For instance, since the end of the Cold War “the military presence of Russia in the CIS has become reduced exclusively to the Black Sea Fleet base in Sevastopol Crimea, two army bases in Armenia and Tajikistan, a peacekeeping-cum-storage guards unit in Transdnistria, a small air base in Kyrgyzstan, and a sprinkling of military installations in Belarus and Kazakhstan. Not a single country is militarily ‘occupied’ by Russia, or feels that way”.

Despite the fact that its economic and military capabilities have diminished after the collapse of the Soviet Union determining its passage from a superpower status to a great power one, Russia still plays an influential role in its neighbourhood. Its resources are still considerable and the economic dependence of the former Soviet countries on Russia has remained quite

584 Adomeit, Hannes, *Russia and its Near Neighbourhood: Competition and Conflict with the EU*, Natolin research Papers, 4/2011, College of Europe, Natolin, p.9
585 Ibidem, p.1
586 Ibidem, p.1
587 Ibidem, p.7
588 Ibidem, p.9
589 Trenin, Dmitri, *op.cit.*, p.13
590 Ibidem, p.12
591 Trenin, Dmitri, *op.cit.*, p.13
significant. This translates into Russia’s political influence on its neighbourhood as well as into a reduced role of the EU in spite of its increased presence in the region thanks to the policies discussed above. As Elena Gnedina and Nicu Popescu put it, “EU influence is undermined by Russian activism in the neighbourhood”.

They argue that a clear example is the Customs Union created in 2010 by Russia together with Belarus and Kazakhstan (Ukraine was also invited to participate) with the ambition to lay the ground for a future Eurasian Union as acceptance by Ukraine would be not compatible with the agreement with the EU to establish a Deep and Comprehensive Free Trade Area (DCFTA). They also point out that the main scope of the neighbouring states is not to integrate with the EU or Russia. The reason is that they consider it more convenient and profitable to manoeuvre between the several powers competing for the influence in the region. Indeed, “as they get closer to the EU, they feel they could extract concessions from Russia. As they turn towards Russia, the EU is often ready to weaken its conditionality, soften its criticisms and offer more beneficial deals. In other words, the EU’s neighbours enjoy engaging in bargaining with all powers in the region, with the EU being one, but not only game in town”.

Ukraine is a case in point. As Elena Gnedina and Evghenia Sleptsova point out, “Ukraine has long been standing at a crossroad between closer integration with either Russia or the EU without choosing either-known as ‘multi-vector’ foreign policy.” They argue that since he came to power in 2010, President Yanukovych adopted an ambivalent strategy towards the EU and Russia as he avoided to give clear signals as to which direction Ukraine should take. In this context, the ‘multi-vector’ foreign policy serves as a policy of balancing between Russia and the EU “used by the domestic elites as leverage in bargaining with Russia and the EU and for extending their room for manoeuvre with both external actors”.

Ukraine is the most important country in the competition between Russia and the EU in Eastern Europe for reasons of its strategic location as a transit country of Russian gas to Europe, the presence of Russian Black Sea Fleet, the size of its population and of its territory, its numerous Russian minority, a long history of common statehood together with Russia, Russian as lingua franca in most of the country and a number of Russian TV programs provid-


593 The negotiations for a DCFTA were launched in 2008 and have already been concluded. It will be part of an Association Agreement which will replace the 1998 Cooperation and Partnership Agreement between the EU and Ukraine. The negotiations for the Association Agreement took place in Brussels in March 2012 while the DCFTA ones in July. See the website of the European Commission at http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/ukraine/

594 Gnedina, Elena, Popescu, Nicu, *op.cit.*, p.5

595 Ibidem, p.1

596 Gnedina, Elena, Popescu, Nicu, *op.cit.*, p.2

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ing Russia with ‘soft power’. At the same time, the EU and NATO membership is an attractive prospect for Ukraine as well as for Georgia, Moldova and Armenia. The case of Georgia has already been discussed above. For Moldova, EU integration is attractive for not only for cultural, economic, political and social reasons, but also for security considerations. As it was not invited to the Trade Agreement CIS Summit in Yalta in 2003, Moldova understood that being in the CIS could not guarantee a stable economy and security. By contrast, the EU membership could provide both of them.

Armenia is defined by the EU as a priority partner within the ENP and its relations between them are regulated by the Partnership and Cooperation Agreement (PCA). However, for Armenia, the key for security is Russia. As Charles Ziegler puts it, “while Moscow may not prove useful in securing a resolution to the Nagorno-Karabakh dispute that is to Yerevan’s liking, Moscow’s support is still vital in restraining Azerbaijan and Turkey”. The dispute in Nagorno-Karabakh is one of the three main problems in Armenia-Turkey relations. The armed conflict between Azerbaijan and Armenia affected the relations between Turkey and Armenia very negatively and had heavy repercussions even on the relations between Turkey and Russia, which defended the Armenian position and which Armenia established closer political and military ties with. By contrast, Azerbaijan “enjoys a strong partnership [with the US] founded on shared interests in global and regional security, energy and economic development, democratic reforms and respect for human rights”.

Adomeit, Hannes, op.cit., p.50
Verdun, Amy, Chira, Gabriela, From neighbourhood to membership: Moldova’s persuasion strategy towards the EU, in Southeast European and Black Sea Studies, vol.8, n.4, 2008, p.434
Kanet, Roger, op.cit., p.172
Ziegler, Charles, Russia, Central Asia, and the Caucasus after the Georgia Conflict, in Kanet, Roger, op.cit., p.172
Verdun, Amy, Chira, Gabriela, From neighbourhood to membership: Moldova’s persuasion strategy towards the EU, in Southeast European and Black Sea Studies, vol.8, n.4, 2008, p.434
See the website of the European Action External Service at http://eeas.europa.eu/delegations/armenia/eu_armenia/political_relations/index_en.htm
See the website of the Embassy of Azerbaijan in the US at http://www.azembassy.us/2/23.html
See the website of the US Department of State at http://www.state.gov/p/us/rm/2009a/129375.htm
Azerbaijan has given the US the possibility to use its facilities on an ad-hoc basis, but it has not granted Washington permanent basic rights fearing a reaction from Moscow. The US avoids a deeper commitment in Azerbaijan’s security as this would mean a stronger involvement in the Nagorno-Karabakh conflict. A similar eventuality would induce Russia to strengthen its relations with Armenia whose dependence on Russia would inevitably increase. Consequently, regional instability in the South Caucasus would be exacerbated.

The second problem affecting Armenia-Turkey relations concerns the border recognition. While in 1991 the Armenian Parliament adopted a resolution stating that it refuses the validity of the Treaty of Alexandropol of 1920, Turkey has clearly declared that the recognition of borders is a precondition for the normalization of their relations.

The third problem which strongly influences the relations between the two states is the genocide issue which Turkey, as well as Azerbaijan, refuses to recognize although Russia and 43 countries of the US recognized the genocide in 2011. Furthermore, as Aybars Görgülü argues, the genocide issue plays a role in the relations between Turkey and the EU. The European Parliament and the Commission have however different positions on it. The EU recognized the Armenian genocide in 1987 and asked Turkey to impose it as a precondition for membership. At the same time, the EU expressly said that Turkey could not be considered as responsible for what was committed by the Ottoman Empire. Recently the EP’s position has changed as it appreciated the establishment of a commission to investigate the genocide. The Commission has a different view on the issue. It assumes that the recognition of the genocide cannot be considered as an absolute precondition for membership. Furthermore, this issue also is being discussed by the US Congress that is evaluating the Armenian Genocide Resolution. As Stephen Larrabee puts it, “if the House passes the Genocide resolution, it could not only have a negative impact on US-Turkish relations but could also possibly derail the process of Turkish-Armenian reconciliation”.

In spite of these three problems, both Turkey and Armenia consider the improvement of their relations as very important for several reasons. Turkey has deep historical, cultural, political and economic ties with the Caucasus which is historically the area where big powers have competed for political and economic influence and is the crossroads for transportation-trade routes. Thus, Turkey tries to play an active role in the region. From a geographical point of view, Turkey represents for those countries the window on the West and its values. The Turkey’s “constructive policies towards the maintenance

605 Larrabee, Stephen, The United States and security in the Black Sea region, in Triantaphyl- lou, Dimitrios, op.cit., p.88
606 Ibidem, pp.88-89
607 Görgülü, Aybars, ibidem, pp.13-17
608 Ibidem, p.20
609 Larrabee, Stephen, op.cit., p.89
of peace in the Caucasus region have proven helpful in all the Caucasian countries except for Armenia. Nevertheless, both Turkey and Armenia have tried to normalize their relations. A clear example is the Turkish invitation to Armenia to participate in the BSEC as a founding member in 1992. The presence of the then Armenian President at the BSEC summit meeting that year was perceived as the demonstration of the willingness of Armenia in improving its relationship with Turkey. Nevertheless, as already stated, the path for achieving of normalized relations between the two countries is still very long way off.

Turkey has difficult relations with Greece, too, which have always been characterized by mistrust and suspicion. Cyprus and the Aegean Region are the major problem between the two countries. The dispute over the sovereignty of two small islands (Imia/Kardak) situated in the Aegean Sea has lasted for over thirty years and has brought Greece and Turkey to the brink of war in 1996. This quarrel encompasses four facets: the extent of territorial waters within the Aegean, continental shelf rights, jurisdiction over airspace, and concerns over the militarisation of certain Aegean islands. The issues over territorial waters and continental shelf issues are perhaps the most contentious. The Cyprus issue is another thorny problem worsening the relations between the two countries. It is the main obstacle for reconciliation between them and is among the main reasons pushing Greece to put a veto on Turkey’s EU membership. However, in 1999 Greece and Turkey improved their relations when they experienced successive earthquakes which led to mutual help. The mutual sympathy that emerged and the improved relations were called ‘earthquake diplomacy’ between Greece and Turkey.

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611 Görgülü, Aybars, op.cit., p.10
612 In 1960 Cyprus was declared to be as an independent state according to an agreement signed between the guarantor powers of Great Britain, Greece, and Turkey. In 1964, in response to violent clashes between extreme elements of the Greek and Turkish communities, the Turkish Cypriots established protective enclaves. In 1974 Greece supported a coup to overthrow Archbishop Makarios’ regime and to set the course to Cyprus’ unification with Greece. In response to it, Turkey intervened with the aim to re-establish the state of affairs guaranteed by the basic articles of the 1960 Constitution and effectively reified the separation of the island. Today a UN buffer zone separates the conflicting parties, namely the Greek Cypriot and Turkish Cypriot states. While the former is recognized by the international community despite the domestic legitimacy deficit (the 1960 Constitution factually ceased to exist in 1963, 11 years before the Turkish invasion), the latter may be legitimate in the eyes of the Turkish Cypriots, but represents an outlaw rebellious entity for the rest of the world.

These events have been characterized by the interference of the EU, of NATO and of the US. This latter has intervened on several occasions especially when the two countries were dangerously close to war. While NATO has not managed to have a real positive impact on the conflictive relations between Greece and Turkey, the EU has influenced the development of a good relationship between them since the late 1990s. Indeed, the 1999 Helsinki European Council decisions linked the progress of Turkish EU membership to the resolution of its border issues with Greece. It also put in place a calendar and a framework through which the two parties should carry out their conflict resolution efforts. By contrast, NATO efficiently intervened in the war between Albania and Serbia for the sovereignty over Kosovo, while the EU commitment failed to bring the conflict to an end. NATO intervention led to the end of Serbia’s direct rule over Kosovo and instituted UN administration. Thereafter, when Kosovo declared independence in 2008, it was quickly recognized by the USA and by most EU states. The reason was the need to formulate an exit strategy in response to growing instability on the ground.

The situation in the Black Sea region is complicated by the presence of NATO in the region, which has always been opposed by Russia and whose role in the area is part of the broad debate on how to increase the stability and the security in the area (the distribution of the BSEC members among the defence and security arrangements in the region is illustrated in table 5). As former US diplomat Ronald Asmus argued, this issue was already discussed in the 1990s at the time of the first enlargement to Central and Eastern Europe, but since then many things have changed. At that time Russia was weak and had less leverage in Eastern Europe in the 1990s than in the Black Sea region today. The qualifications for NATO membership of the

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615 Rumelili, Bahar, op.cit., pp.21-22
616 Both Serbs and Kosovo Albanians point to ancient claims of the territory. However, the modern roots of the conflict can be traced back to the First Balkan War, in 1912. After the defeat of the Ottoman forces, Kosovo was divided between the kingdoms of Serbia and Montenegro. In 1918, Kosovo became part of the new Kingdom of Serbs, Croats and Slovenes—renamed Yugoslavia in 1929. The area was reincorporated into Serbia with the creation of the Federal People’s Republic of Yugoslavia at the end of the Second World War, this time as an autonomous region called Kosovo and Metohija (Kosmet for short), a process that also saw the demarcation of Kosovo’s present-day boundaries. Kosovo’s Albanians demanded to be recognized as a nation within Yugoslavia, and for Kosovo to become the seventh Yugoslav republic—alongside Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Slovenia. This request was not accepted by Marshal Tito and by the Yugoslav government because the existence of an independent Albania precluded the recognition as a nation. Instead, the Kosovo’s Albanians were recognized as a nationality. The collapse of Yugoslavia transformed the debate in Kosovo that demanded statehood. This claim was unrecognized by the international community. After the war in 1999 the situation was still very unstable as Kosovo continued asking for independence.


617 Larrabee, Stephen, op.cit., p.84
Central and Eastern Europe countries were higher than the Black Sea region countries’ ones. The identity issue plays a much more relevant role today than before, whereas nobody doubted that the Central and Eastern countries were European, today many NATO members consider states such as Georgia and Ukraine as not being European. Finally, now the role of NATO is much less clear and certain than before. Indeed, in the 1990s NATO was considered as the pre-eminent security organization in the West. By contrast, nowadays the EU attracts more attention.\textsuperscript{618}

The presence of NATO has created instability in the region especially in relation to specific issues such as the proposal to extend NATO’s Operation Active Endeavour targeted against the movement of terrorists and trade in weapons mass destruction from the Mediterranean to the Black Sea. Turkey and Russia objected that BLACKSEAFOR\textsuperscript{619} and Operation Black Sea Harmony\textsuperscript{620} were perfectly able to intercept suspicious shipping in the Black Sea. Also, while Russia opposed the presence of the US in the region, Turkey argued that NATO was already present in the area through the Turkish, Bulgarian and Romanian navies. Turkey was afraid that the Montreux Convention\textsuperscript{621} of 1936 could be revised.

Turkey is opposed to extra-regional penetration of NATO in the region both because there is no need for it to enter the area as regional structures are adequate and cooperating with NATO and because regional initiatives must include Russia.\textsuperscript{623}

\textsuperscript{618} Larrabee, Stephen, \textit{op.cit.}, p.84
\textsuperscript{619} The BLACKSEAFOR was established in 2001 by Bulgaria, Georgia, Romania, Russian Federation, Turkey, and Ukraine with the “the purpose of enhancing peace and stability in the Black Sea area, by increasing regional co-operation, and improving good relationship”.
\textsuperscript{620} The Operation Black Sea Harmony was established in 2004 on the Turkish initiative with the aim to deter terrorism and increase security in the region.
\textsuperscript{621} The Montreux Convention is one of the cornerstones of Turkish foreign policy. It regulates access to Bosphorus and Dardanelles. It gives the control of the Straits to Turkey. It allows free passage to merchant vessels while war vessels are subject to some restrictions which vary depending on whether those vessels belong to the Black Sea riparian states or not. Some of the restrictions concern for instance the maximum aggregate tonnage and the duration of stay in the Black Sea.
\textsuperscript{623} Kiklioğlu, Suat, Morkva, Valeriy, \textit{An anatomy of Turkish-Russian Relations}, in Southeast European and Black Sea Studies, vol.7, n.4, 2007, p.543
Table 5. Distribution of the BSEC members among the defence and security arrangements in the region

<table>
<thead>
<tr>
<th>Defence and security arrangements</th>
<th>CIS Collective Security Treaty</th>
<th>GUAM-ODED</th>
<th>NATO</th>
<th>SCSP</th>
<th>BLACKSEAFOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>States</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Withdraw in 1999</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>Withdraw in 1999</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moldova</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serbia</td>
<td>Observer</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Turkey’s strategic alliance with the US is a key dimension of Turkish foreign policy since sixty years. During the Cold War their relationship had a geostrategic connotation for both countries. Today security issues continue to shape the relations between them. In addition to this, Ankara and Washington recognize that their relationship needs to be substantially redefined and renewed to remain relevant in the twenty-first century. The US’ approach to Turkey is a strategic one when compared to the EU’s one which is much more political. As Ian Lesser argues, “the relationship continues to be strategic in several senses: strategic in terms of the primacy of security matters; strategic in terms of enduring and broad-based cooperation; and strategic in terms of Turkey’s role in the broader geopolitical equation.”625. The last dimension has, according to him, become more significant after the end of the Cold War. The US indeed “views Turkey, and measures Turkish coopera-

625 *Ibidem*, p.84
tion, through the lens of a global power, and in this context, Turkey’s trans-regional position is significant”. In fact, since early 1990s the interest of the US in Turkey has become more diverse. Washington would like a stable and prosperous Turkey that ‘fits’ the Western institutions as an unstable Turkey would make it a difficult partner for the West. This is the reason why the US has pressed for Turkey’s EU membership. This objective reflects the idea of Turkey as a ‘pivotal’ state because what happens there has consequences both in the regional and in the international context. Thus, Washington would like that Turkey plays a positive role in the regional development and security. This would serve US’ interests as a global power as Turkey could contribute to its freedom of action both diplomatically and militarily in the region. The Black Sea region is geopolitically important for the US. Security, energy and political development make the region a critical one, but also relevant for political and economic reasons. Lincoln Mitchell summarizes the interests and goals of the US as follow: “reduce the possibility that any part of the region emerges as a node for global terror; ensure the supply of Caspian oil to Europe and the West; support the evolution of increasing regional trade and integration; increase the level of political stability and democracy within the various states of the region; limit the extent to which Russia’s increasing strength in the region can undermine US and European economic and security interests”.

Nevertheless, in recent years the relations between Turkey and the US has been redefined toward more autonomy from Washington. This was especially evident when Turkey refused to let the US invade Iraq from the north in 2003. At the same time, the EU membership seems unlikely in the near future. These developments have been acknowledged by Russia with visible satisfaction. It considers Turkey as economic partner but also as a key regional player whom it is important to work with. Turkey and Russia have been competing in the Black Sea region for centuries. The Ottoman and the Russian empire have fought for dominating the area. After a long period of stability during the Cold War, Turkey and Russia began competing again immediately after the collapse of the USSR. It was only in 2001 (in concomitance with Putin’s rise) that cooperation on regional affairs became concrete with the Eurasia Action Plan. It envisaged an increased dialogue on issues such as trade, culture and tourism, but it also advocated regular political consultations. Since then, the cooperation between the two countries in the fields of energy, trade, tourism and defence expanded enormously. While 2004 marked a monumental event of Putin’s visit to Turkey (the first Russian one of a head of state after 32 year), 2005 was an annus mirabilis for the

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626 Lesser, Ian, op.cit., p.84  
627 Ibidem, p.85  
629 See the website of the Carnegie Europe think tank at http://carnegieeurope.eu/strategiceurope/?fa=49123
relations between Turkey and Russia as President Putin and Prime Minister Erdoğan met four times. The visit was crowned by the signing of a Joint Declaration on the ‘Deepening of Friendship and Multidimensional Partnership’ between the two countries. In 2007 a Turkish foreign ministry official stated that “without Russia we cannot fulfil our objectives. Russia needs to be on board.” In Turkish view, antagonizing Russia would destabilize the region. In spite of this, the convergence of Turkish and Russian interests slowed down in the last years and some divergences have emerged instead especially in relation to some delicate issues such as the Kurdish issue. Russia is reluctant to recognize the PKK as a terrorist group much to the disappointment of Turkey, while the US and the EU have already done it. More relevant in the relationship between Turkey and Russia are the issues pertaining to Syria and missile defence against Iran. As Younkyoo Kim and Stephen Blank put it, “in the 1990s, Turkey viewed the Russian-Iranian partnership as a counterweight to Turkish influence in the Caucasus and Central Asia; in the early 2000s, Moscow showed signs of anxiety over the rapid improvement in Turkish-Iranian contacts. Turkey was left a bitter impression that an old friend of the West was turning away.”

Iran plays an important role in Turkish foreign policy for different reasons. It is one of the largest trade partners of Turkey with which it has recently strengthened its bilateral relations through a trade agreement in spite of the UN sanctions imposed because of Iran’s alleged nuclear weapons program. Although these developments have positively affected the relations between Turkey and Iran, they geopolitically compete in the Black Sea region/Caucasus. Azerbaijan is culturally and ethnically very near to Turkey. As Bayram Sinkaya argues, “the ethnic dimension was compounded by the fact that the Azeris were locked in a conflict with Armenians, Turkey’s age-old foe”. Azerbaijan also shares a border with Iran where a numerous Azerbaijani population has created the potential for a separatist movement. In addition to this, for Turkey Azerbaijan is a gateway to the Caspian Sea and to the rest of Central Asia especially for oil. It can be argued that “competition over Azerbaijan between Iran and Turkey manifested itself in the geopoliti-
cal and commercial areas, within the context of the Karabakh conflict and oil/gas production and transportation negotiations. In conclusion, the geopolitical situation in the Black Sea region is very complex and complicated. Security issues link the states in the region very closely. In this context, the BSEC does not play any role in security issues, but their importance is recognized in its official documents, as it has been shown above.

The Baltic Sea and the Black Sea region compared

The previous sections have discussed the impact of security issues on the relations among the states in the Baltic and in the Black Sea and whether the CBSS and the BSEC play a role in shaping the security picture in the two regions. It has been argued that hard security issues are present in both regions, but that sometimes they have translated into military conflicts in the Black Sea region like in the case of the war in Georgia and in Nagorno-Karabakh as well as in Kosovo. It has also been argued that the CBSS and the BSEC do not have any influence on the hard security issues in the two regions as they deal exclusively with soft security matters. Nevertheless, the official documents of the BSEC contain explicit references to hard security.

The discussion conducted in the preceding sections leads to some considerations in the application of neorealist concepts to the geopolitical situation on the Baltic and on the Black Sea. Before proceeding any further, it is interesting to highlight that the two regions belong to the same geographical space as already argued, namely the European one. Some of the actors playing a role in the history and the geopolitics of this stretch of land belong to both regions. It is the case of Russia, the EU and NATO that are a strong tie between the Baltic and the Black Sea region. Of course, each region has its own internal dynamics essentially based on the interaction among its actors. The outcome resulting from the differences in the historical and geopolitical relations among them in the two regions is the focal point.

None of the two regions can be considered a security regime. Krasner’s consensual definition cannot be applied to the case of security in the Baltic and the Black Sea region. In fact, ‘implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area of international relations’, which is security in this case, are not existent. The CBSS and the BSEC do not deal with hard security nor have established a framework of relations based on cooperation in the hard security field. In the same way, if the model provided by neorealist Robert Jervis on the conditions for the creation of a security regime is applied to the Baltic and the Black Sea region, the conclusions are very similar. He argues that “the great powers must want to establish it—that is, they must

635 Sinkaya, Bayram, op.cit., p.13
prefer a more regulated environment to one in which all states behave individually. Secondly, the actors must also believe that others share the value they place on mutual security and cooperation—if a state believes it is confronted by a Hitler, it will not seek a regime. Jervis argues that while in theory this is simple, in practice it is very difficult to determine whether a state wants to forcibly expand or not. The third condition is that “even if all major actors would settle for the status quo, security regimes cannot form when one or more actors believe that security is best provided for by expansion (…). The fourth condition for the formation of a regime is a truism today: war and the individualistic pursuit of security must be seen as costly. If states believe that war is a good in itself (…) they will not form a regime to prevent it, although it would still be possible for them to seek one that would impose certain limits on fighting”.

These conditions are not satisfied either on the Baltic or the Black Sea. In the Baltic Sea region the regional actors have different ideas about the best way to ensure their national security. Some of them belong to NATO, some others have signed the CFE Treaty and some military projects have been initiated between some of the countries of the area, e.g. the Baltic and the Nordic States. The different choices of the regional actors stems from both geopolitical and historical considerations. In the case of Estonia, Latvia and Lithuania, their close geographical location to Russia and their communist past explain their willingness to integrate with the western institutions. The five Nordic countries have chosen different solutions in relation to their military strategies by taking into consideration both their geographic location and their historical experiences. The case of Finland is particularly illuminating. Its fears of Russia that were translated into the FMCA-Treaty in 1948, have pushed it to opt for non-alignment. Like Finland, Sweden has always chosen a cautious path by following non-alignment while Norway, Denmark and Iceland are NATO members.

It is clear that Russia, a great and regional power, is not willing to establish a security regime in the area. It has a bilateral relationship with NATO through the NATO-Russia Council and it is part of the CFE Treaty, but it is not interested in military cooperation with the other countries in the region. In spite of the presence of NATO and of the agreements stipulated, the relations among the states in the region are quite stable albeit some tensions do exist like in the case of Russia and the Baltic states, especially Estonia and Latvia.

In the Black Sea region the geopolitical situation is very different. While the regional states are not willing to establish a security regime similar to the Baltic Sea region, the Black Sea region contains an element which makes its geopolitics peculiar, namely the presence of two hegemons, Russia and Turkey. Dimitriosis Triantaphyllou argues that “when the attention of ‘regional

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637 Ibidem, pp.361-362
heavyweights’ such as Russia and Turkey is directed towards the region, their objective has been traditionally how this region could potentially become part of their respective spheres of influence. The Black Sea region has always been an important part in the history of the two countries that have fought several times in the area in the past. That’s the reason why it is considered as its ‘near abroad’ by Russia and from time to time as a Turkish lake from Turkey. At the present time, it is also conceived as the ‘West’s new frontier’.

Russia and Turkey possess the bulk of the regional military resources and they can be considered the two main poles (or two main powers) in the Black Sea region. The policies followed by Armenia and Azerbaijan are two cases in point. The former sees Russia as the main source of its security, while its relations with Turkey are difficult for reasons discussed earlier. By contrast, Azerbaijan has intensified its relations with Turkey immediately after the collapse of the Soviet Union with the aim of politically distancing itself from Russia.

The second condition for the formation of a regime is not present in either of the two regions. As argued in the first chapter, the Polish proposal of including military security in the CBSS fields of cooperation was not accepted and in the case of the BSEC the matter was not even taken into consideration. In addition, each state tries to provide military security by different means, that is to say by NATO membership or by signing agreements with other countries.

The third and the fourth conditions are connected. In the Baltic Sea region these two conditions are satisfied as in the present situation none of the states would try to expand or consider war as ‘a good in itself’. Even Russia, the biggest power in the region, would not initiate a war against another state. However, it is not possible to speak about a security regime because the first two conditions are not present. Whereas in the case of the Black Sea region, armed conflicts have often affected the relations among the regional actors as evidenced in the war between Russia and Georgia, Russia and Ukraine, Armenia and Azerbaijan in Nagorno-Karabakh, and Serbia and Albania in Kosovo. In the Black Sea region Russia uses power to exert pressure on the other states and to extend its ‘sphere of influence’.

Mearsheimer’s offensive realism can explain the geopolitical situation and the attitude of Russia in the Black Sea region. His argument is that conquest, which means territorial expansion, can improve a state’s power posi-

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639 Ibidem, p.235
640 In 2011 the military expenditure of Turkey was 18,687 billion US dollars, while the one in the case of Russia was 64,123 billion US dollars. SIPRI, Military expenditure database, Stockholm, 2012
tion. Like Waltz, he argues that power is a means not an end. Survival is the ultimate goal of states. When speaking of great powers politics, which is the case of Russia, he states that “even when a great power achieves a distinct military advantage over its rivals, it continues looking for chances to gain more power. The pursuit of power stops only when hegemony is achieved". But he points out that great powers act offensively even when they lack hegemonic aspirations because states feel more secure with more power than with less power. They tend to have a zero-sum mentality when they have to deal with each other because the gain of one state is the loss for the other. In addition, as Detlef Nolte puts it, “from the perspective of regional powers, global and regional institutions comply with different functions. They may be used, in the first case, as an instrument to balance other great powers or the US, and in the second case, they may be an instrument of domination and a mechanism to keep other powers out of the region”. This is evident in the case of the Black Sea region where the EU is kept out of the regime. It is just an observer in the BSEC. The EU is however an external actor but, like NATO, it exerts a huge influence on the region as most of the countries in the area have its membership. The relevance of external actors is captured by Arthur Stein. According to him, “extraregional context or structure can determine the constellation of preferences among intraregional actors. Great powers can often structure the choices and preferences of minor powers and thus shape regional outcomes”. In the Black Sea region the EU and NATO membership of some of the states and the aspirations of some others to get it exert a huge influence on the geopolitical dynamics in the region. Ukraine and Georgia are two cases in point. As argued above, Ukraine has adopted an ambivalent policy towards Russia and the EU in order to bargain with them and have more room for manoeuvre. At the same time, Ukraine is a key actor in the competition between the EU and Russia in Eastern Europe for its strategic location and its role as a transit country for gas to the EU. These hard security elements are accompanied by soft security issues such as the presence in Ukraine of a copious Russian minority which Russia exploits to exert its influence on Ukraine. However, in this case soft and hard elements are strictly intertwined. Ukraine has very strong

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642 Ibidem, p.34
643 Ibidem, p.34-35
644 Detlef Nolte’s research focuses on power politics and governance in International Relations.
646 Arthur Stein specializes in International Relations Theory and in particular in issues such as ethnic conflict, terrorism, economic relations, and global governance.
cultural, historical and economic links with Russia. While ethnic Russians and people living in the Eastern part of the country are concerned about a possible EU and NATO membership because they want a good relationship with Russia, those living in the Western part are instead enthusiastic about such opportunity. If on one hand the EU and NATO “exert a magnetic attraction toward the Euro-Atlantic community”, on the other one Russia “has become more assertive and intrusive in tugging toward a Eurasian direction”.

According to Simon Jeffrey, to foster political stability in Ukraine is a challenge for the US especially because the EU, which enjoys more support than NATO in the country, has clearly indicated that Ukraine is not yet ready for membership. By contrast, Ukraine is a candidate country for the NATO Membership Action Plan (MAP) since 2008. However, it is of course also in the interests of the EU to have a stable and prosperous neighbourhood, but it does not foresee a possible membership in the near future because of the political, economic and social inadequacy of Ukraine at the present time.

The implications for the security geopolitical dynamics of the Black Sea region are even more evident in the case of the war in Georgia. Oksana Antonenko is right when she argues that the Orange Revolution in Ukraine, like the Rose Revolution in Georgia, triggered tensions with Russia without deeply altering the security equilibrium in the region. They were depicted as the sign that a ‘democratic peace’ would have made the security agenda in the region irrelevant. The war between Russia and Georgia made evident that hard security in the region is strongly linked to unresolved and protracted conflicts and that threats are real and potent. Nevertheless, the most important thing to underscore is the redefinition of the role of regional powers, namely Turkey and Russia, and of external actors, in particular the EU. Antonenko states that the Russian use of force in Georgia and its recognition of Abkhazia and South Ossetia as well as the deployment of military bases there made Russia a major stakeholder in the region and increased the perception of Russia as a threat on the part of the other states. Turkey’s active role during and after the crisis has demonstrated that it is a key diplomatic power in the region. The EU engagement in the region through the promotion of a ceasefire agreement, the deployment of over 200 monitors

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648 Jeffrey, Simon, Ukraine needs to decide its strategic alignment, in Southeast European and Black Sea Studies, vol.9, n3, 2009, p.367
649 Ibidem, p.377
650 Ibidem, p.377
651 Simon Jeffrey’s research focuses on terrorism and political violence.
652 Ibidem, p.378
653 Oksana Antonenko is a senior fellow for Russia and Eurasia at the International Institute for Strategic Studies in London. Her current projects include security and counter-terrorist policies in Russia and Eurasia, frozen conflicts in the South Caucasus (Georgian-South Ossetian Dialogue on conflict resolution), the Shanghai Cooperation Organization, and security in Central Asia.
654 Antonenko, Oksana, op.cit., p.263
under a European Security and Defence Policy (ESDP) mission inside Georgia has increased the importance of its role in the region as well as its expectations towards the region. The crisis showed that the prospects for the NATO enlargement in the region had become less probable in the foreseeable future.655

Furthermore, another element that Antonenko stresses is the peculiarity of the geopolitical environment of the Black Sea region. She states that even before the war “the traditional balance of power approach was irrelevant to the regional security agenda, largely because two regional powers – Russia and Turkey – were unwilling and unable to provide their regional security umbrella”.656 There are two basic reasons for this. First, neither Russia nor Turkey wanted to assume such a role because the region was not central to their interests, especially in the security sphere. Second, some countries like Greece, Romania and Bulgaria did not want to accept their dominant role in the region. This is the reason why they established strong ties with the transatlantic institutions.657

Table 6. Security dynamics on the Baltic and the Black Sea

<table>
<thead>
<tr>
<th>Variables</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of power among the big states</td>
<td>Balance of power</td>
<td>Security dilemma</td>
</tr>
<tr>
<td>Geographical location</td>
<td>NATO membership, ESDP</td>
<td>Two hegemons: Russia and Turkey</td>
</tr>
<tr>
<td>Historical legacy of the regional actors</td>
<td>Strong power of Russia</td>
<td>Organizations to counterbalance Russia (e.g. GUAM) and NATO membership</td>
</tr>
<tr>
<td>Involvement of external actors</td>
<td>aiming at imposing its influence on the region</td>
<td>Strong power of Russia</td>
</tr>
<tr>
<td>International regimes</td>
<td>No security regime</td>
<td>aiming at imposing its influence on the region</td>
</tr>
</tbody>
</table>

By contrast, the balance of power characterizes the geopolitical situation in the Baltic Sea region (see table 6 for a comparison with the Black Sea region). Here there is only a regional power that also is a great power, Rus-

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655 Antonenko, Oksana, op.cit., p.265
656 Ibidem, pp.262-263
657 Ibidem, p.263
sia. In spite of its military superiority, Russia would not use it physically even against the three Baltic states. Russia failed to include them into its sphere of influence and to prevent them from moving westward politically and from establishing close relations with the US. Despite their EU and NATO membership, the three Baltic States still perceive Russia as a major threat. This is essentially due to the fact that their mutual relations are influenced by historical past and by geographical proximity which makes the Baltics’ position geostrategically important. As Janina Šleivytė explains, “spheres of influence are considered as a means for the accumulation of Russian power which opens the door for its penetration into economic and political processes of the neighbouring states. It is for this reason that the Baltic countries perceive an increasing Russian power as a negative factor for their mutual relations. The Russia-related threats to the Baltic States manifest in several different forms of pressure: economic (especially in energy sector), political and cultural.” 658 Moscow cannot include the Baltic States in its sphere of influence, but it tries to exert political pressure on them in ‘low politics’ sectors. Indeed, Russia tries to increase the geo-economic dependence of the Baltics especially in the energy sector. While Euro-Atlantic institutions protect them from hard security threats, the Baltic States are subjected to Russian pressure through soft security threats and challenges. 659 Thus, as argued above, the relations between Russia and the Baltic are the most complex and complicated in the region.

Estonia, Latvia and Lithuania enjoy the great support of the Nordic countries that have promoted soft security in the region by providing economic assistance in the period immediately after the collapse of the Soviet Union in order to ensure stability and prosperity in the region. To the same end, the Nordic countries have promoted cooperation with Russia. The Northern Dimension discussed in the first section of this chapter is a case in point. It was initiated in 1997 by the former Finnish Prime Minister Lipponen not only to give Finland the opportunity to play a more active role in the EU and economically compete with the other Nordic countries, but also to involve Russia in a fruitful cooperation in soft security matters to enhance overall security and the stability in the region.

Like the other states around the Baltic Sea, Russia aims at maintaining its position in the region. In this case it is a defensive position according to the defensive realists. Thus, it is not a maximizer-revisionist power as offensive realists define states aiming at increasing their power. Russia plays instead the role of a maximizer-revisionist power in the Black Sea region where the security dilemma well describes the geopolitical situation in the area. Russia tries to accumulate power by expanding its sphere of influence through hard

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659 Ibidem, p.196
power and, like Turkey, also through soft power. The economic and the energy dependence of regional actors on Russia and Turkey are two examples.

GUAM can be considered as a response to the security dilemma in the Black Sea region. It deals, among other issues such as transport, commerce, technology, also with security problems like the resolution of conflicts, the strengthening of the independence and the sovereignty of the former Soviet Republics, and other threats and risks. The aim is to increase the security in the region. As explained above, it is viewed from Russia as an alliance against it. In this context GUAM can be defined as an alliance of small states to increase their power and protect themselves from the threat of a great power.

The relationship between regional powers and small powers is a relevant aspect to understand the geopolitical dynamics in the Baltic and the Black Sea region. The main factor to keep in mind is the disparity of power. Neorealism Olav Knudsen defines it as “a significant power differential between great powers and small states”. Håkan Wiberg identifies four choices which small states make to increase their security: “1) a bilateral alliance with a major power; 2) an alliance of two or several small states; 3) membership of a multilateral alliance around one or more major powers; 4) non-alignment, whether aiming at neutrality in any war or without such a generalised commitment”. An example of choice 1 is the FMCA Treaty between Finland and Russia in the post-war period while choice 4 can be applied to the case of the abstention of Sweden and Finland from getting the NATO membership. GUAM is instead an example of choice 2. By contrast, there are no examples in either of the two regions for choice 3. It could be argued that the CBSS and the BSEC contain one or more major powers - i.e. Russia in the first case and Russia and Turkey in the second one. This chapter has demonstrated that the CBSS and the BSEC are not alliances, but organizations and they do not deal with hard security matters, as argued.

Small states attach greater importance to international institutions because they “make resource-based power effects more visible because norms and rules are formalized and thus require justification. This is a key reason why small states highly value international law and international regimes.” Indeed, as argued in the previous chapter, Poland and the Baltic States proposed to introduce hard security issues onto the CBSS agenda but they changed their mind in 1994 as this would have obstructed the obtainment of the NATO membership.

Furthermore, another interesting consideration pertains to two aspects emphasized by neorealism in its analysis of the international relations and

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660 Knudsen, Olav, Bauwens, Werner, Cless, Armand. Small states and the security challenge in the new Europe, Brassey’s Atlantic Commentaries, n.8 1996, p.5
661 Håkan Wiberg was a major influence in peace research, not only in the Nordic countries, but also internationally.
662 Ibidem, p.36
663 Knudsen, Olav, Bauwens, Werner, Cless, Armand, op.cit., p.2

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that are crucial in the debate with its main challenger, namely neoliberal institutionalists, that is to say the problem of relative and absolute gains and the problem of cheating. The absence of a regime in the hard security sector can be easily explained through the neorealist approach that the concern over other states gaining more from the cooperation within such an institution prevents a state from initiating such a project. This is true both for the Baltic Sea and for the Black Sea region where states are independent because their choices in the hard security sphere affect only their own gains, not the others gains. As it has been explained, this happens because regional states’ geopolitical strategies differ according to their specific foreign policy goals. Of course, the links existing among some states like in the case of the Baltic countries can have influenced their strategies, but this does not contradict the general principle that states act in self-interest (e.g. the three Baltic States). This can be explained through geopolitics and historical legacy. Both on the Baltic and on the Black Sea regional states have adopted different strategies for pursuing their survival. As for the problem of cheating, neorealists argue that it can be mitigated by institutions though it is never completely solved. In this case, the absence of a security regime does not accomplish this task.

Consequently, neorealism can explain the lack of cooperation in the field of security in none of the two regions because it does not deal with hard security. Additionally, it can be argued that, if a distinction is again made within neorealism between its defensive and offensive strands, the conclusions of the former are closer to neoliberal institutionalism’s ones when it is applied to the geopolitical situation around the Baltic Sea. Indeed, both of them argue that “often states would be willing to settle for the status quo and are driven more by fear than by the desire to make gains”.664 In the case of the Baltic Sea region, the similarity between the defensive realism and neoliberal institutionalism is essentially due to the fact that the security dilemma is not an immediate concern. However, even though defensive realism could identify a possibilities of cooperation in the region, it does not have much faith in the ability of states to reach common interests as neoliberal institutionalists would argue.

The security dilemma is instead an immediate concern in the case in the Black Sea region where states are very sensitive to it and Russia, one of the two hegemons in the area which is a maximizer-revisionist state. In spite of their different geopolitical situations, the actors of both regions believe that the creation of institutions cannot ensure any benefits. This is the reason why none of them haahave attempted to create a regime in the field of security.

Conclusion

Hard security affects the relations between the states in the Baltic and in the Black Sea region. In spite of the relevance of the issue, the CBSS and the BSEC do not deal with it. The reason is that the regional actors pursue different geopolitical strategies which are determined by the new configurations in the international system after the end of the Cold War. While some of them have entered NATO, some others prefer non-alignment (e.g. Sweden and Finland) or to create organizations (e.g. GUAM) to create alliances against a particular state. Russia, which is simultaneously a great and a regional power, tries to exert its power on its old sphere of influence. This is especially evident in the Black Sea region where Russia pursues an aggressive policy towards some of its neighbours.

The end of the Cold War has generated new possibilities for states to assert their power in their neighbourhood. This is the case of Turkey that has acquired a hegemonic status in the Black Sea region together with Russia.

This chapter has shown that neorealism can explain the internal dynamics in both regions from the point of view of hard security. While defensive realism suits the geopolitical dynamics around the Baltic Sea, offensive realism provides a better explanation of the difficult relations among the states in the Black Sea region. States around the Baltic Sea states aim to maintain the present geopolitical situation, while around the Black Sea states such as Russia aim at maximizing their power. In the former case the relations among the regional actors are characterized by stability and peace though some tensions are present. By contrast, in the latter case the relations among states are very conflictive and tense. This difference is reflected even in the official documents of the CBSS and of the BSEC. The BSEC documents contain several references to the need of ensuring security in the region, and the organization has established a cooperative scheme for security matters together with some other regional arrangement such as the SCSP, the CEI and the AII. This does not happen in the case of the CBSS instead.

This chapter has also argued that defensive realism has an element in common with the neorealist main challenger, namely institutional neoliberalism. It is the fact that states sometimes prefer to maintain the status quo. In this sense defensive realism and neoliberal institutionalism can explain the stability of the geopolitical dynamics on the Baltic Sea. Neoliberal institutionalism cannot however explain the lack of cooperation in the hard security matters in the two regions.

In conclusion, the Baltic and the Black Sea region have not created a security regime because states could realize greater gains by pursuing their own strategies independently rather than through cooperation with neighbours. For this reason including hard security matters in cooperation among CBSS and BSEC states would jeopardize their main aim – i.e. security.
Chapter 4
The Case of Energy

Introduction

Energy is one of the most important areas of cooperation both in the Baltic and in the Black Sea regions because of its geopolitical implications both at the regional and at the international level. Its importance has grown since the end of the Cold War when the end of bipolarism made states free to pursue their own interests and strategies regarding energy.

The aim of this chapter is to analyse how the energy sector affects the relations among the states in the Baltic and in the Black Sea region. This is achieved by following two lines of approach in both cases: 1) The state-of-the-art of the cooperation in this area. The CBSS and the BSEC have included energy in the sectors of their competence and have established a Working Group for Energy to deal with it. 2) The regional dynamics in the area of energy are analysed. A special attention is devoted to gas and oil pipelines which are particularly relevant for the geopolitical dynamics in the two regimes, and which also show how historical legacy influences the policies and the strategies adopted by the states in the field of energy in the regional context. The Nord Stream project is the focus of attention in the Baltic Sea region. The situation around the Black Sea is more complicated because of the presence of several pipelines which make the geopolitical situation in the region quite complex.

Russia is a key actor in both regimes as its role as ‘energy superpower’ makes it a key actor that is able to influence the strategies of the other states in the two regions. At the same time, the role played by the external actors such as the EU and the US is also taken into consideration. They are strongly involved in the energy dynamics in both regions. Their commitment to the construction of the pipelines is in line with their geopolitical aims in the two regions. However, it is necessary to underline that the US has much stronger interests in the Black Sea region, while the EU has major interests in both regions.

The analysis is conducted by trying to answer the following questions: what is the role of the CBSS and of the BSEC in the cooperation in the energy sector in their respective region? How can cooperation in the field of energy in the Baltic and in the Black Sea region be explained by neorealism?

The chapter has been divided into three sections. The first and the second one discuss the state-of-the-art of regional cooperation in the energy sector within the context of the CBSS and the BSEC, but they also focus on the pipeline projects involving the regional states as well as external actors. The third section compares the Baltic and the Black Sea region from a theoretical
A comparative neorealist approach is applied to the two cases to discuss whether it provides a good explanation for cooperation in the energy sector in the two regions.

**Energy in the Baltic Sea region**

Energy is a sensitive area of cooperation in the region. Since the establishment of the CBSS in 1992, the communiqués issued by the CBSS ministerial meetings in this area have emphasised the importance of energy for the political stability, the sustainable development and the economic growth of the Baltic Sea region. The priority over energy was recognized as early as the 1992 CBSS 1st Ministerial Session Communiqué, which states that “the Ministers [of the member states] recognized that cooperation in the field of energy is an integral part of the efforts to improve the environment in the region and to ensure sustainable economic growth. They noted that improved cooperation in the field of energy is essential to ensure the best and most efficient production and use of limited energy resources. They also underlined the high priority of intensified cooperation in energy saving measures”.665 The relevance of energy for the economic development and for the protection of the environment in the region is also stressed in the Communiqués that followed. The most recent one adopted at the meeting of energy Ministers in Berlin in 2012, for instance, states that the “continuation of their close co-operation is essential for efficient and sustainable growth in the Baltic Sea Region”.666 It also states that “the Parties expressed their commitment to further develop and strengthen the energy co-operation in the next co-operation period 2012-2015, in order to sustain integration of the energy markets and the development of energy infrastructure as well as to ensure competitive, stable and secure energy supply and predictable demand in the Baltic Sea Region”.667

The cooperation in the field of energy became more effective in 1998 when the Baltic Sea Region Energy Cooperation (BASREC) was established by the energy ministers of the CBSS members together with a representative of the EU Commission at their first meeting in Norway, which is a major energy producer.668 The BASREC, which is under the umbrella of the CBSS and is an instrument of the ND, was created “in order to pursue sustainable development in the region and develop regional solutions to the challenges

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665 CBSS, CBSS 1st Ministerial Session Communiqué-Copenhagen Declaration, Copenhagen 4-5 March, 1992, p.2
667 Ibidem, p.1
of economic growth and security of supply and climate".  The BASREC is a ministerial process with a mandate for a three year period. The ministers for energy meet to adopt a communiqué defining the fields of activity which the cooperation must pursue until the next meeting. The decisions and the recommendations made by the energy ministers are implemented by the Group of Senior Energy Officials (GSEO). The Executive Committee assists the presidency in its work and ensures continuity in the work during the presidency.  The BASREC has a separate budget, primarily financed by the Nordic Council of Ministers and the EU. The budget for the period 2012-2014 is the same as for the previous three years, one million euros. The primary aims of the BASREC are to secure energy supply, seen as ‘fundamental’ for economic growth, to develop and integrate the energy infrastructure through the creation of an efficient market competition and through the interconnection with the European energy network as well as to promote energy efficiency and savings, the use of renewable sources, thus reducing dependency on imported fuels. The BASREC jointly implements the Energy Training and Partnering in the Baltic Sea Region (BALREPA) with the Nordic Council of Ministers. It is “a dynamic forum for exchange of knowledge and expertise among energy planners”. Its objectives are sharing experience in energy planning, promoting renewables and energy efficiency and promoting regional cooperation. Authorities, energy companies, research institutions and NGOs meet in the yearly hosting country/region to engage in common training and exchange of expertise to discuss the current energy planning issues. In addition to this, the cooperation in the field of energy in the region has been strengthened with the Baltic Ring Electricity Cooperation (BALTREL). It is a high-level advisory body for cooperation, research and consultation. It consists of leading persons from electricity supply industry in the Baltic Sea region. BALTREL encompasses 18 organisations with operations in Belarus, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia and Sweden. BALTREL’s goal is the

669 See the website of the Baltic Sea Region Energy Co-operation at http://basrec.net/index.php/ministerial-meetings
670 ExCom consists of the GSEO members from the presidencies for the three-year period between the ministerial meetings. See the website of the Baltic Sea Region Energy Co-operation at http://basrec.net/index.php/about-basrec
672 See the website of the Energy Training and Partnering in the Baltic Sea Region at http://www.balrepa.org/
674 See the website of the Energy Training and Partnering in the Baltic Sea Region at http://www.balrepa.org/
creation of a common power market of the Baltic Sea region countries\textsuperscript{675} to strengthen economic development, reliability of electricity supply and the environmental situation in the region.

The meetings of the energy ministers of the CBSS member states are also attended by other bodies such as the Federal Network Agency of Germany, the International Energy Agency (IEA), the Nordic Environment Finance Corporation (NEFCO), the Nordic Council of Ministers, the Nordic Investment Bank (NIB) and the World Bank, and the Energy Charter Secretariat. The presence of other bodies to the CBSS ministerial meetings is a peculiarity of the energy field. The meetings in the other fields of cooperation are not attended by other bodies indeed. This means that the field of energy is of particular relevance and has huge geopolitical implications at the international level.

Some other energy projects are also present in the region such as the Baltic Energy Market Interconnection Plan (BEMIP), which was created by the High Level Group (HLG) set up by the European Commission and chaired by the Commission on Baltic Interconnections. Participating countries are Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Sweden and, as an observer, Norway. It is “a comprehensive Action Plan on energy interconnections and market improvement in the Baltic Sea Region”.\textsuperscript{676} The 4\textsuperscript{th} Report of 2012 assesses the progresses made in the sectors of electricity, nuclear power and gas made by the states involved in the Action Plan. It notes progress has been made in the field of electricity, while more efforts are needed in the sector of nuclear power but especially in the gas one. In this sector the report makes a distinction between the western and the eastern part of the Baltic Sea by noting that “the work in the West Baltic area should continue on the basis of cooperation of all stakeholders. In the East Baltic area further effort and cooperation is required to achieve tangible progress, especially concerning new supply routes”.\textsuperscript{677}

The CBSS also recognizes the work of the BEMIP and the advancement of the electricity market integration. Indeed, the 6\textsuperscript{th} Ministerial Meeting’s Communiqué states that “the Parties recognized the progress in implementing the Baltic Energy Market and Interconnection Plan (BEMIP). The parties confirmed the need for continued work on identification of solutions for and removal of barriers of market integration and development of energy infrastructures in the Baltic Sea Region”.\textsuperscript{678}

Although Russia, like Iceland (which is a CBSS member, too), is excluded from the project, the parties involved have initiated the negotiations for an agreement with it and Belarus to face common challenges with regard

\textsuperscript{675} CBSS, Baltinfo n.41, The official newsletter of the CBSS, Stockholm, 2001, p.2
\textsuperscript{677} Ibidem, p.30
\textsuperscript{678} CBSS, 6th Meeting of the CBSS Energy Ministers, Communiqué adopted at the Baltic Sea Region Energy Co-operation (BASREC), Berlin, 14-15 May 2012, p.2
to energy and electricity in particular. At the Eurelectric – CIS Power Council conference held in Brussels in 2012, the EU Commissioner for Energy Günther Oettinger stated that “such an agreement will bring a number of advantages, such as clear and stable rules on how the Baltic electricity systems and the interconnections with Russia will be operated. This will enhance security of supply and allow for better planning inside Russia, and in the Baltic States. The agreement will bring more transparency in investments and should facilitate the exchange of information on both sides”.\(^{679}\)

The EU and Russia had previously initiated a ‘dialogue’ in the sector of energy at the 6\(^{th}\) EU-Russia Summit in Paris on the 30\(^{th}\) of October in 2000. The main objective of this dialogue was “to provide reliability, security and predictability of energy relations on the free market in the long term and to increase confidence and transparency on both sides”.\(^{680}\) It is led by the Commissioner for Energy Günther Oettinger and by the Russian Minister for Energy Sergey Shmatko. They signed three documents to strengthen and improve the cooperation between the EU and Russia: an upgraded EU-Russia Early Warning Mechanism in the field of energy, a Joint Statement to Create a Joint Gas Advisory Council and a Common Understanding on the Preparation of the Roadmap of the EU-Russia Energy Cooperation until 2050.\(^{681}\) The first document’s objective is to ensure a rapid reaction in case of emergency or of a threat of such a situation. This kind of measure was introduced after the Russia-Ukraine gas dispute in 2009, when Russia cut off the transit of gas to Ukraine by interrupting supplies to southeast Europe and partially to other parts of the continent. According to the Early Warning Mechanism, if such a case should occur both partners would assess the situation and elaborate recommendations. If the situation cannot be resolved by these assessments, consultations should take place within the Expert Working Group on the Early Warning Mechanism.\(^{682}\) The Joint Statement to Create a Joint Gas Advisory Council has established “a mechanism to jointly assess future trends in the gas markets in order to reduce risks and exploit opportunities in EU-Russia cooperation in the gas sector”.\(^{683}\) This document was signed the same day as the Common Understanding on the Preparation of the Roadmap of the EU-Russia Energy Cooperation until 2050. The main objective here is to study and analyse the different scenarios in the field of energy.

\(^{679}\) Oettinger, Günther, Integration of the EU and CIS Electric Power Systems and Markets – A way of increasing security of supply, Speech/12, Brussels, 31\(^{st}\) October 2012, p.4

\(^{680}\) See the website of the European Commission at http://ec.europa.eu/energy/international/russia/dialogue/dialogue_en.htm

\(^{681}\) Ibidem

\(^{682}\) The Expert Group consists of EU and Russian Representatives, including members of the Energy Strategies, Forecasts and Scenarios Group and the Market Developments Group. Ibidem

\(^{683}\) European Commission, Russian Federation, Joint Statement on Creating a Mechanism to Assess Future Trends in the Gas Markets within the Framework of the EU-Russia Energy Dialogue, 24\(^{th}\) February 2011, p.2
energy and to point out the challenges and opportunities for the EU-Russia cooperation.684

Russia is the biggest supplier of oil, oil products, gas, uranium, coal and electricity to the EU, whose imports of energy goods and products represent 74% of its total imports from Russia. The energy imports from Russia have increased since the fifth enlargement when many of countries which were part of the Russian traditional sphere of influence entered the EU. Their energy dependence from the great power affects their foreign policies as well as the geopolitical strategies of all the regional and external actors. For this reason Russia remains a key actor in the region in the energy sector. In the case of Estonia, Latvia and Lithuania, for instance, their dependence on the energy supplies from Russia is a national security problem. As Tomas Malmlof puts it, this happens in spite of their integration in the Euro-Atlantic structures. He explains that “Russia has also pushed for a downstream integration of Baltic energy systems and companies through substantial targeted investments. On the contrary, with regard to the EU internal market, the Baltic States have been characterized as isolated energy islands, and their energy infrastructure has attracted fewer direct Western investments”.

Estonian energy dependence on other countries is the lowest in the region. It is even a net exporter of electricity. However, it depends on Russia for gas and oil. Latvia also depends on energy imports from Russia, Estonia and Lithuania for two-thirds of their needs. Lithuania has traditionally been a net exporter of electricity, but since some units of the Ignalina Nuclear Power Plant have been decommissioned its dependence on energy supplies from Russia have increased significantly. Finland, Poland, Germany also strongly rely on Russian oil and gas imports.686 Sweden depends on oil imports from Russia and on gas imports from Denmark. Finland and Poland depend on Russia since the Soviet times, while Germany and Sweden have increased their imports from the Russian Federation in the last years.

Russia has the biggest gas reserves and is a world energy power in producing and exporting gas, oil and nuclear power. For these reasons it is par-

684 The detailed goals of the roadmap contained in the document. The roadmap should:

-include an analysis of different scenarios and their impact on EU-Russia energy relations;

-look into the consequences of different scenarios for specific sectors, such as oil, gas, electricity, nuclear and renewable energy resources;

-elaborate long-term opportunities and risks of the development of gas production and transportation;

-elaborate long-term opportunities and risks of the overall energy supply and demand situation;

-investigate the potential for long-term cooperation on efficient energy technologies; including on research”.

European Commission, Russian Federation, Common Understanding on the Preparation of the Roadmap of the EU-Russia Energy Cooperation until 2050, 24th February 2011, p.2


686 Ibidem, p.31
particularly interested in the energy cooperation within the CBSS. As Ingmar Oldberg argues, “the Russian interest in maintaining and expanding its influence in the energy sector is also mirrored in the CBSS framework. When Russia took over the chairmanship of the CBSS and BASREC in 2001, an official of the Ministry of Energy counted on growing needs of power and natural gas up to 2030, and wished to maintain Russia’s leading role in supplying the Baltic Sea countries with gas coupled with wider involvement of foreign investors in Russian gas production”. 687 The official of the Ministry of Energy mentioned pipelines and gas storage facilities as examples and praised the BALTREL project of creating a common power market in the region. He also added that Russia was interested in energy savings, but admitted that it lacked skilled personnel to plan and implement measures. For this reason he stressed his appreciation that EU centres in Russian regions spread knowledge in the field. 688

The EU has a specific energy strategy which envisages the so called Third Energy Package and the Energy Charter Treaty. The former aims at “making the energy market fully effective and to create a single EU gas and electricity market”. 689 This measure helps to keep prices as low as possible and to increase standards of service and security of supply. The latter “establishes a framework for international cooperation between European countries and other industrialised countries with the aim of developing the energy potential of central and Eastern European countries and of ensuring security of energy supply for the EU”. 690 Russia is not part of the Energy Charter Treaty. The reason is that it should conduct geological exploration with greater attention to environmental conservation and to the impact of such activities on indigenous populations and wild life. This would be extremely costly for Gazprom, the biggest gas company in Russia and one of the largest ones in the world. Indeed, Gazprom would need to reinvest most of its profits over a long period of time which translates into reducing its federal budgetary size for other purposes. 691

Gazprom is involved in the construction of one of the most important gas pipelines in the region and in Northern Europe as a whole, namely the Nord Stream project, which was previously known as the North European Gas Pipeline (NEGP). Its route is 1200 km long and goes from Vyborg in Russia to Greifswald in Germany and it is among the longest offshore pipelines of the world. The twin pipeline passes through the exclusive economic zones of

687 Oldberg, Ingmar, op.cit., p.28
688 Ibidem, p.28
690 See the website of the European Commission at http://ec.europa.eu/energy/international/organisations/energy_charter_en.htm
Russia, Finland, Sweden, Denmark and Germany and the territorial waters of Russia and Germany. The pipeline began functioning in October 2012.

Figure 3. The Nord Stream project

![Map of the Nord Stream project](http://www.invisible-dog.com/guerra_gas.html)


The construction of the Nord Stream pipeline has been quite controversial. The states of the region and the actor involved more generally have had different attitudes towards it depending on their geopolitical considerations and economic interests but also on their historical experiences. The proponents of the Nord Stream, namely Germany, Russia and the Nord Stream Consortium, argued that it was a common European project which all the member states should embrace because it will ensure large gas supplies to

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692 The exclusive economic zones kilometres per country are the following: Russia 96, Finland 369, Sweden 482, Denmark 149, Germany 33. The territorial water kilometres crossed by the Nord Stream project are the Russian (22) and the German ones (45) only. Friedrich, Sven, Neumüller, Jürgen, North European Gas Pipeline, Working Paper 2007, CIVPRO, Civil Protection Network, Helsinki, 2007, p.3

693 See the website of the Nord Stream project at [http://www.nord-stream.com/pipeline/](http://www.nord-stream.com/pipeline/)

694 The shareholders of the Nord Stream Consortium are OAO Gazprom, Wintershall Holding GmbH (a BASF subsidiary), E.ON Ruhrgas AG, N.V. Nederlandse Gasunie and GDF SUEZ. See the website of the Nord Stream project at [http://www.nord-stream.com/about-us/](http://www.nord-stream.com/about-us/)
them. Indeed, the pipeline has the capacity to supply 55 billion cubic metres (bcm) of natural gas each year. The documents of the Nord Stream state that “it is evident that without Nord Stream, the EU will not be able to cover its gas needs. Therefore, Nord Stream is an important contribution to security of supply, as it will meet a quarter of additional import needs of Europe”. 695 The increased need for gas in the EU is a matter of fact which nobody denies. In its Green Paper of 2006, the EU acknowledges that “Europe has entered into a new energy era” 696 and that its import dependency is rising. 697 To underline the importance of the Nord Stream pipeline, in 2000 the EU gave it the priority project status under the Trans-European Energy Network (TEN-E) guidelines whose objective is to help increase competitiveness in the energy market and increase the security of supply. This status was confirmed in 2006 by the former Energy Commissioner Andris Piebalgs who spoke in favour of the project. He said: “I see this pipeline as very positive for the supply security of Europe. The more possibilities we have for the transport of gas, the better. The more pipelines we have, the more pipelines we will have, the better. The more pipelines we have, the better.” 698

As Bendik Solum Whist puts it, “by giving priority to certain projects, the EU aims to ‘accelerate the implementation and construction of connections and to increase the incentives for private investors’” 699 However, he also clarifies that “although TEN-E status may be necessary to attract investors in an early phase, it is by no means sufficient and does not automatically imply that the pipeline will be constructed”. 700 The EU also extended support from the European Bank of Reconstruction and Development (EBRD) 701.

At the same time, the European Parliament (EP) recognizes that the project will increase the leverage of Russia on the EU. In a briefing paper of 2008 entitled Security Implications of the Nord Stream Project the EP states that “on international spot markets for oil, this issue would be handled by the price mechanism related to supply and demand, but when it comes to regional gas trade, there are risks of Russia attaching a political premium to its energy supplies in the same way as it has done before against the Eastern EU and the Commonwealth of Independent States (CIS). Russia has the ability

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695 Solum Whist, Bendik, Nord Stream: Not Just a Pipeline, An analysis of the political debates in the Baltic Sea Region regarding the planned gas pipeline from Russia to Germany, Fridtjof Nansen Institute, FNI/Report 15, November 2008, Lysaker, p.9
697 Ibidem, p.3
698 Ibidem
700 Ibidem, op.cit., p.11
to do this today, but the Nord Stream project will, to some extent, increase Russian ability to tamper with gas flows and apply an arbitrary price policy without affecting the most important customers in Moscow’s view, for example Germany”. In particular, the EP underlines that the project would raise the sensitivity of some states to the energy issue. It argues that “there are reasons to believe that states with strained relations with Russia will have to stand back in their imports of energy. This has been the case within the Baltic and the CIS. Practically speaking, this decreases the bargaining position of the EU-members Estonia, Latvia, Lithuania and Poland, but also Belarus and Ukraine vis-à-vis Russia”. Among all the EU member states, the Nord Stream benefits Germany the most as the bulk of the gas is earmarked for the German market. According to Filippou Proedrou, this has prompted Gazprom’s decision to redirect gas from the Shtokman field in the Barents Sea to the German market instead of the US. Consequently, Germany has strong interests in the project because E.ON Ruhrgas and BASF/Wintershall are two German owned companies with second largest holdings in the Nord Stream project. In spite of this, some political factions within the country as well as some analysts outside it are concerned about an increased dependence on Russia in the energy sector. The German government considers instead the project as a good solution for the energy needs of the EU.

In an interview by Süddeutsche Zeitung, one of the most important German newspapers, President Vladimir Putin was asked what he thought about the concerns about an increased dependence of Germany on Russia. He answered: “No, I don’t understand that. It is artificially politicised. There are people that are trying to heat up this issue to gain from it politically. These people are either provocateurs or very stupid. I say this quite often, even if it sounds harsh. It is, however, the fact that when we have a common pipeline system, we are equally dependent on each other”. As Solum Whist argues, the argument of interdependence is not new. According to him, despite the fact that Putin gives a descriptive argument of it, even a normative one does exist, namely that ‘interdependence fosters peace’. The interdependence argument is very popular in Germany. The former Foreign Minister Steinmeier for instance stated that deepening the economic and trade relations with Russia is important for amicable relations. It is in this context that the assumption made by some politicians like the former Swedish ambassador to Russia Sven Hirdman should be given consideration. He stated that “the more economic and industrial cooperation we have in Europe, the better.

703 Ibidem, pp.3-4
705 Solum Whist, Bendik, op.cit., p.15
Nord Stream is comparable to the European Coal and Steel Community [ECSC] back in the days." The analogy is too ambitious, and some have questioned its accuracy. The main objection is that interdependence should be a balanced one to promote peace. Indeed, the relationship between Germany and Russia is an asymmetric one as Russia is an energy power. However, as Solum Whist puts it, the “Germany’s position as a priority partner for Russia should not be exaggerated, especially in light of the Russo-Belarusian energy dispute, before which Moscow did not warn Berlin.  

The Nord Stream has been strongly criticized by some other states for different reasons. In fact, the project’s ‘pan-European’ status has been questioned on a number of occasions, and ‘critics within the European Union have complained that Germany is guilty of putting its own interests above those of other member states’. At the conference in Brussels in 2006 the Polish Minister of Defence Radoslaw Sikorski even compared the Nord Stream to the Molotov-Ribbentrop of 1939 which divided Poland between Germany and the Soviet Union. The former Head of Poland’s Security Service Zbigniew Siemiatkowski referred to the project in the following words: “Russia’s new imperialism—yesterday tanks, today oil”. Similarly, the former Lithuanian President Vytautas Landsbergis called the project a Russo-German pact and argued that cooperation between Russia and Germany has always caused problems to the countries between them.

Like Poland, Estonia, Latvia and Lithuania have always been sceptical of the Nord Stream project. Their concerns pertain to increased vulnerability, loss of money and counter-leverage, environmental worries and the fact that the project does not benefit them in any way. The three Baltic countries have been affected by the heavy-handed energy policy of Russia. According to Robert Larsson, Estonia “has been somewhat better treated compared to Latvia and Lithuania, but it has nonetheless pushed for a gas pipeline to Finland to get an additional import route even if also that one would carry Russian gas”. Mati Murd of the Estonian Ministry for Foreign Affairs explains that “the main issue is that all the Baltic countries, as well as Finland, have only one supplier, which is Russia. Technically, we are not connected to the rest of Europe”. However, Finland’s opening of a third

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707 Solum Whist, Bendik, op.cit., p.16
708 Ibidem, pp.16-17
709 Ibidem, p.18
710 Larsson, Robert, op.cit., p.52 See also Monaghan, Andrew, Russia’s Energy Diplomacy: A Political Idea Lacking a Strategy, in Southeast European and Black Sea Studies, vol.7, n.2, 2007, p.276
711 Solum Whist, Bendik, op.cit., p.18
713 Ibidem, p.53
714 Solum Whist, Bendik, op.cit., p.26
nuclear reactor in Pyhäjoki by Fennovoima, the company behind the project, is meant to reduce its energy dependence on Russia.\textsuperscript{715}

Like Finland, Poland has attempted to diversify its energy imports by buying energy from Norway without much success. Thus, its fears that Russia could turn off gas are still real.\textsuperscript{716} Thus, in Poland’s view Nord Stream increases Russian leverage on the country.

In the case of Latvia, some observers have argued that its opposition to the project is less harsh because of the possibility of a spur pipeline from the Nord Stream that could connect with the gas storage facility and thereby enhance Latvia’s energy security. This is however not part of the official plans of Nord Stream.\textsuperscript{717}

Lithuania has become more dependent on Russian energy supplies since its two Soviet Ignalina power plants were closed in 2004 and 2009. Their closure was a condition for EU membership. The Ignalina power plant provided 70\% of gas to the country. Consequently, until it is not substituted by a new power plant Lithuania will be entirely dependent on Russian gas. A new reactor is under planning, but it will be operational not before 2018-2020.\textsuperscript{718}

Energy dependence has been used by Russia as a geopolitical tool on several occasions. In 2003 Russia suspended its gas delivery to the Latvian port of Ventspils. The official reason was that the tariffs of the port were much higher than the ones at Russian Primorsk port. However, as Solum Whist notes, the embargo coincided with the refusal of Latvia to sell its transit oil company Ventspils Nafta to the Russian oil company Transneft. Many considered this case as the proof of the Russian willingness to punish Latvia for its insubordination.\textsuperscript{719}

Lithuania experienced a similar situation. Between 1998 and 2000 Transneft cut off oil supplies in order to stop the Lithuanians from selling their port, pipeline and refinery to the American company Williams International. Later, in 2006 the deliveries of crude oil from the Druzhba pipeline to the Mažeikiu Nafta refinery were interrupted. The refinery is the biggest commercial actor and taxpayer in the country. Thus, the economic consequences of the cut-off were very significant.\textsuperscript{720}

Russia also cut off gas supplies to Estonia in 1993 when Estonia implemented a new law on citizenship. According to this law, Estonian citizenship is granted only to those whose families had been living in the country before the annexation by the Soviet Union in 1940 while the other should have

\textsuperscript{715} See the website of the Barents Observer at http://barentsobserver.com/en/briefs/finland-locates-new-reactor-pyhajoki
\textsuperscript{716} Larsson, Robert, op.cit., pp.52-53
\textsuperscript{717} Solum Whist, Bendik, op.cit., p.27
\textsuperscript{718} Melchiorre, Tiziana, Lettonia, in Privitera, Francesco, Guida ai Paesi dell’Europea centro-orientale e balcanica, Annuario politico-economico 2010, Il Mulino, 2010, p.153 See also Solum Whist, Bendik, op.cit., p.27
\textsuperscript{719} Solum Whist, Bendik, op.cit., pp.22-23
\textsuperscript{720} Ibidem, p.23

170
lived in the country for two years and pass a test language. The result was that about 600,000 became stateless. The law infuriated Moscow that called it ‘a form of ethnic apartheid’. Nevertheless, among the three Baltic States, Estonia is the least dependent on Russian energy and the relations with it are strategically less important for Russia.

The Swedish point of view is different from the Baltic states as it follows another kind of considerations. They are very well illustrated by the statement by the Swedish Defence Minister Michael Odenberg of 2006: “we will get a gas pipeline that motivates Russian naval presence in our economic zone, and that the Russians, if they feel like it, can use for intelligence gathering. Of course this is a problem”. Indeed, the Nord Stream project has military and political-military dimensions which are quite problematic for Sweden. The pipeline was protected militarily by the Russian Baltic Sea Navy both during its construction and during the operation phase. Furthermore, the Swedish Defence Research Agency has argued that since the pipeline would pass through the exercise area of the Finnish armed forces, the Russians could possibly “monitor Finnish, Swedish and NATO exercises and naval activities without any apparent presence of military vessels or submarines”.

In a television interview in 2006 President Vladimir Putin stressed that an increased presence of the Russian Navy in the Baltic Sea would have a very positive impact on the Russian economy. He stated that “the Baltic Fleet also has the task of ensuring our economic interests in the Baltic Sea. We have enough of them. … [Nord Stream] is a major project, very important for the country’s economy, and indeed for all Western Europe. And of course we are going to involve and use the opportunities offered by the navy to resolve environmental, economic, and technical problems because since the Second World War no one knows better than seamen how to operate on the bottom of the Baltic Sea”.

Thus, military and energy get intertwined. This is clear even from the involvement of NATO in the energy dynamics in the Baltic Sea. As Arūnas Molis argues, “today, NATO members already agree that challenges and threats in the sphere of energy security may have a negative impact on military, economic, social and cyber security. Terrorism, pirating, environmental

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721 Solum Whist, Bendik, *op.cit.*, p.23
722 Latvia has an underground storage facility for natural gas, which supplies the St. Petersburg region during wintertime, and Lithuania transports gas from Russia to the exclave Kaliningrad region.
723 *Ibidem*, p.24
725 Friedrich, Sven, Neumüller, Jürgen, *op.cit.*, p.18. See also Solum Whist, Bendik, *op.cit.*, p.34
pollution—all of these threats may be related to interruptions in the supply of energy resources. In order to avoid negative consequences, members of the Alliance conduct political discussions and consultations on issues of energy security. The energy factor is included in regular and ad hoc training exercises, elaborating training scenarios, planning the response to possible incidents, etc."  

In the context of NATO, in 2011, Lithuania established the Energy Security Centre under its Ministry for Foreign Affairs which, inaugurated in 2012, is NATO Centre of Excellence for Energy Security (ENSEC CoE). It is “a multi-nationally funded institution that assists NATO, Nations, Partners and other bodies by supporting NATO’s capability development process, mission effectiveness, and interoperability by providing comprehensive and timely expertise on aspects of energy security.”  

In conclusion, though cooperation in the field of energy is quite developed in the context of the CBSS, geopolitical and historical considerations, military and national interests prevail preventing the realization of a steady and fruitful coordination among regional states in this area.

**Energy in the Black Sea region**

At the beginning of the 20th century, Halford Mackinder, an early modern geopolitical thinker, wrote that whoever controlled East Europe could control the extensive resources of the Heartland (which means Russia and most of the Black Sea region), and could thereby dominate the world. Later, a rewording of Mackinder declared that “who controls the export routes, controls the oil and gas; who controls the oil and gas, controls the Heartland.” Indeed, the Black Sea area, together with the Caspian basin, is acquiring utmost importance in terms of energy production, transportation and distr-

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727 The tasks of the Centre include “technical, scientific and academic research that contributes to risk assessment and analysis; recommendations and proposals for effective and cost-efficient solutions for operational energy issues in support of military requirements; supporting the investigation of alternative energy sources and the development of environmentally-friendly and efficient military capabilities; engaging in education and training exercises; and providing scientific, technical and academic analysis on various aspects of energy supply and critical energy infrastructure”.  
Therefore, energy policy is one of the main areas of cooperation in the Black Sea region. The BSEC, like the CBSS, has included energy in its activities. Because of its geopolitical and economic implications, it is not among the most successful sectors of cooperation. As Sergiu Celac argues, “the statistics of sectoral BSEC meetings at ministerial and working group levels show that the largest number by far were devoted to energy issues. The result, however, have been meagre, to put it mildly. Some project ideas may have been unrealistically overambitious, adequate funding was not readily available and, above all, the political will to move ahead in a regional format was not there. Geopolitical rivalries, protracted regional conflicts and the use of energy as leverage for political ends also played an inhibitive role”.

In spite of this, the BSEC has initiated several projects and has established the Working Group on Energy which coordinates the activities of the Member States in this field. At the time of writing the country coordinator for this Working Group is Bulgaria. Within the field of energy the BSEC has also created two other groups, namely the Working Group of Experts on Electrical Networks and the Working Group on Cooperation among BSEC Member States in Exploration and Extraction of Hydrocarbon Resources. The country coordinator for these two groups is Turkey at the time of writing.

The relevance of the energy field is emphasized on the BSEC website which states that “vast energy resources of the region, including the Caspian basin, second only to the Gulf area in the world, are not only a major, strategic asset but also an unavoidable subject in bilateral and multilateral economic cooperation”. The Ministers for Energy of the BSEC Member States have stressed the need to focus on the following sectors: energy efficiency, renewable energy, oil and gas transportation, creation of a data bank on energy programs, other energy related. Other two important fields are electrical networks and hydrocarbon resources.

In order to improve the cooperation in the region in all these sectors, the 2007-2009 BSEC Action Plan of the Working Group on Energy foresees the promotion of the “gradual harmonization of the relevant national legislations of the BSEC Member States toward the establishment of an integrated BSEC energy market”.

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731 See the BSEC’s website at http://www.bsec-organization.org/aoc/Energy/Pages/information.aspx
732 Ibidem
the actions to be undertaken: “following studies of best practices and experiences of the BSEC Member States, experts will consider issues pertaining to the improvement of the relevant national regulations and come up with proposals on possible streamlining of appropriate actions to bring national regulations in the field of energy into conformity with the appropriate international and European norms and regulations”. In this context, close cooperation with PABSEC, BSEC Business Council, ICBSS, IEA, the EU, Energy Community for South-East Europe and other international organizations and specialized agencies is of utmost importance.

At the meeting in Sofia in 2010 the Ministers for Energy decided to strengthen the cooperation among the BSEC Member States to establish an efficient energy market in the region, to study the possibility of approximation of the national legislation of the BSEC members and to enhance the cooperation with the EU and other international institutions. These goals were confirmed at the meeting of the Ministers for Energy held in November 2012. On that occasion “the Working Group members exchanged views on the possibilities of improving the investment opportunities in the energy sector in the Member States for upgrading infrastructure and promoting energy efficiency in the region. In this framework, the proposal of establishing a Regional Energy Infrastructure Fund, an idea which was first launched at the Meeting of the BSEC Ministers of Energy in 2010, in Sofia, was discussed”. For the period 2013-2015 the Working Group on Energy has expressed its readiness to cooperate on the basis of the priorities outlined by the BSEC in the document ‘The Way Forward on the Implementation of the BSEC Economic Agenda’. They are the following ones: “a) enhancing cooperation among the BSEC Member States in the energy sector, including through the elaboration of common approaches (i.e. Green Energy Strategy) and projects, where possible; b) developing a competitive regional energy market through supporting investments in energy infrastructure, with the view to increase energy security, interconnectivity and further diversify energy sources and routes; c) further promoting the development of the projects on interconnection of electric power systems of the BSEC Member States”. The necessity of increasing and improving the cooperation in the

http://www.bsec-organization.org/aoc/Energy/Pages/ActionP.aspx

734 Ibidem


174
energy sector had already been underlined by the Working Group in its Report of 2012. In particular, the Report stresses the importance of strengthening cooperation in developing electrical interconnections among the BSEC member states, in exploring and extracting hydrocarbon resources of the Black Sea, in enhancing the gas infrastructure development. The improvement of investment opportunities in the energy sector for upgrading infrastructure and promoting energy efficiency in the BSEC region as well as strengthening cooperation between BSEC and other international organizations and agencies (e.g. OSCE) in the field of energy is also recognized. Like in the case of the CBSS, some other bodies participate in the meetings of the Working Group of Energy such as the Office of the Coordinator of OSCE Economic and Environmental Activities, the Energy Policy and Development Centre and the Energy Charter Secretariat.

The objectives of the BSEC contained in the reports of the Working Group of Energy are very ambitious as the field of energy is a very sensitive one. Regional actors have strong interests in energy as it affects their relations with neighbours as well as their economy. This is the reason why the cooperation in this sector has not been very successful until now, as argued above.

The Black Sea region geopolitics is particularly affected by the presence of several pipelines which play a relevant role in the relations among the actors in the region. As Dimitrios Triantaphyllou puts it, the Black Sea region is “the principal transport route of energy resources from the Caspian Sea and Russia to the West-it is also a testing-ground for the pattern of relationships among the producer (e.g. Russia, Azerbaijan, Turkmenistan), the transit (e.g. Russia, Georgia, Turkey, Ukraine) and the consumer countries”.

The struggle for the control over the resources of the Caspian Sea is often referred to by scholars as the ‘Great Game’, which recalls the nineteenth century’s competition for them. At that time, the rivalry between Russia and the Great Britain (UK) was played out on the territory extending between the Balkans and Afghanistan. In the twentieth century, the players of the ‘Great Game’ were transformed twice. Firstly, when the Russian empire disappeared after the revolution in 1917 by giving way to the Soviet Union. Secondly, after the World War II when the UK’s role in containing the expansion of the Soviet Union was taken over by the US. After the end of the Cold War, many changes – such as the collapse of the Soviet Union

740 The term was originally coined by Rudyard Kipling to describe the rivalry between Russia and Great Britain in Central Asia in the nineteenth century.
and the emergence of a number of very different, mostly Turkic-speaking and Muslim republics in Transcaucasia and Central Asia – have transformed the ‘Great Game’\textsuperscript{741}. Today scholars speak about the ‘New Great Game’, but they do not agree on the key players. As Kuniholm argues, “the new game has been variously characterized as being between Turkey and Iran; between Turkey and Russia, with Iran an occasional supporter; or between the United States and Turkey on the one hand, and Russia and Iran on the other”;\textsuperscript{742} Nevertheless, all these actors play a role in the game together with the newly independent states of the Caucasus and Central Asia (Azerbaijan, Georgia, Armenia—that are BSEC members—, Kazakhstan and Turkmenistan), the United States, some international oil firms\textsuperscript{743} as well as international financial institutions such as the World Bank Group.\textsuperscript{744}

Figure 4. The ‘Great Game’


\textsuperscript{742} Kuniholm, Bruce, \textit{The Geopolitics of the Caspian Basin}, in \textit{Middle East Journal}, vol.54, n.4, 2000, p.547
\textsuperscript{743} Udum, Şebnem, \textit{The Politics of Caspian Region Energy Resources: A Challenge for Turkish Foreign Policy}, in \textit{Perception}, vol.6, n.4, 2002, p.36
\textsuperscript{744} The World Bank Group financed the Baku-Tbilisi-Ceyhan (BTC) pipeline. Lussac, Samuel James, \textit{Ensuring European energy security in Russian ‘Near Abroad’: the case of the South Caucasus}, vol.19, n.4, 2010, p.608
Emmanuel Karagiannis is right when he states that “the new Great Game is a highly fluid, far-moving and unpredictable one. The cast of players is many, the rules do not appear to be fixed, and there are elements of competition as well as cooperation between various players”. He also argues that “there are some elements of cooperation in the new Great Game. (…) While, for example, Turkey and Russia are competitors with regard to the transportation of Azerbaijan oil, they are also partners concerning the conveying and consumption of natural gas”.

Russia, that is a leading energy producer and exporter, emerged as an ‘energy superpower’ in 1999. However, the main documents adopted at the beginning of Vladimir Putin’s tenure as President of Russia in 2000 define the position of Russia in the ‘New Great Game’ and state that “the complex dynamic processes of interaction do not allow Russia a hegemonic role in the region”. In spite of this, energy plays a key role in the foreign policy strategies of Russia. As Lavrov stated in 2007 referring mainly to energy geopolitics, “Russian foreign policy today is such that for the first time in its history, Russia is beginning to protect its national interests by using its competitive advantages”.

Russia’s interests in the region certainly are economic and oil-related, but geopolitical considerations are also at stake. As Karagiannis puts it, “Turkey has been the new geopolitical obsession for Moscow, particularly because of its special ties with Azerbaijan and Georgia. Indeed, one of the most important Russian policy aims in the region has been the containment of an Azerbaijan-Georgia-Turkey political axis along the transportation of Azerbaijan’s oil to Western markets”. Azerbaijan’s importance to Russia stems from the country’s location. It is a buffer state between Russia, Turkey and Iran and the control of its territory is crucial to maintain Russian control of the Caucasus region. To this end, Russia has constantly tried to undermine Azerbaijan’s efforts to develop its oil industry in three ways: “maximizing the role for Russian companies in the area; controlling oil transport out of the country; using the uncertain status of the Caspian Sea to undermine confidence in or to prevent unilateral offshore oil developments by arguing that resource projects are unacceptable in the area unless sanctioned by all five

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746 Ibidem., p.2
747 Monaghan, Andrew, op.cit., p.275 See also Khrushcheva, Olga, Controversies of Putin’s energy policy: the problem of foreign investment and long-term development of Russia’s energy sector, in Central European Journal of International and Security Studies, vol.6, n.1, 2012, p.164
748 The documents in question are the National Security Concept, the Russian Military Doctrine and the Foreign Policy Concept. All of them were adopted in 2000.
749 Freire, Maria Raquel, Kanet, Roger, Key Players and Regional Dynamics in Eurasia, Palgrave MacMillan, London, 2010, p.2
750 Ibidem., p.2
751 Karagiannis, Emmanuel, op.cit., p.112
surrounding states including Russia, Azerbaijan, Kazakhstan, Iran and Turkmenistan".\footnote{In 1994 the Russian press published some articles stating that before Baku and a group of Western companies signed the ’Contract of the Century’, ex president Yeltsin signed a secret directive entitled ’On Securing the Interests of the Russian Federation in the Caspian Sea’. This document examined possible economic measures against Azerbaijan if it proceeded to implement the proposed contract with foreign oil companies. One of the measures was the banning of Azerbaijani vessels from entering Russia’s territorial waters. This meant creating a serious obstacle on the way to transporting heavy equipment for Caspian offshore platforms. Karagiannis, Emmanuel, \textit{op.cit.}, pp.114-117}

Georgia also holds a strategic geographical location in the pipeline politics of the Caucasus. It is “the most logical and economical export route for oil from Azerbaijan to the Black Sea”.\footnote{Ibidem, p.125} For this reason, Georgia tried to rebuild its oil transportation industry already in 1991 when the government initiated a plan to reconstruct the Baku-Batumi pipeline bringing kerosene and crude oil from the Caspian region to the Georgian Batumi oil terminal on the Black Sea. The wars in Abkhazia and Ossetia interrupted the construction of the pipeline. The efforts of Georgia to play an important role in regional energy transportation succeeded in 1995, when the Baku-Supsa pipeline was built. It transports oil from Sangachal Terminal near Baku to the Supsa terminal in Georgia. It is an important route for the transportation of Azerbaijan’s oil to the Western markets. As a senior Georgian diplomat stated, “the pipeline is the crucial and decisive factor for the future of the Georgian economy. Let’s put it straight for the future of Georgia. Georgia may become the main transit country for the transport of oil from Azerbaijan”.\footnote{Ibidem, p.124} At the same time, he stressed the geopolitical aspect of the pipeline issue. Indeed, he stated that “(…) issues related to pipeline and oil for Georgia…go beyond oil \textit{per se}. Our independence is at stake here. If we succeed in this direction and involve many interested countries in these projects, and if Azerbaijan manages to transport its oil to the world markets, than it will mean that Georgia and Azerbaijan remain independent”.\footnote{Ibidem, p.124}

Like Georgia, Turkey is an oil transit country. It is a natural geographic bridge between Azerbaijan, Iran, Iraq, Turkmenistan and Europe. It is considered as a reliable partner in the transportation of energy resources in the international arena. As Babali argues, “the successful completion of projects such as the Kirkuk-Ceyhan oil pipeline, Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum natural gas pipeline, and Turkey-Greece(-Italy) Gas Interconnector projects attest to Turkey’s reputation as a responsible and dependable partner. As a result, it is natural that Turkey is still regarded as the most feasible and viable route both politically and economically, in
transporting natural gas from not only Azerbaijan, but also Iran, Iraq and Turkmenistan”.756

Unlike Georgia, Turkey has improved its relations with Russia since the early 2000s. During the 1990s the relations between the two countries were characterized by a lack of trust between them. Russia evaluated its relations with Turkey not in terms of global politics, but of regional politics by attributing a secondary importance to its relations with Turkey. By contrast, Turkey viewed Russia previously a superpower and as a neighbour of primary importance. However, during the 2000s the situation changed. The two regional powers improved their relationship especially in relation to the energy sector. Turkey imports around the 70% of energy from Russia.757 Both countries attach great importance to the principle of ‘mutual benefit’ in energy relations. Thus, all projects must serve the interests of both states, but natural gas is only one of the aspects of their comprehensive relationship. As Tuncay Babali explains, during the crisis between Russia and Ukraine in 2008 and 2009 and when Iran cut gas supplies to Turkey in 2007 and 2008, Russia provided gas supplies to Turkey to avoid possible negative impacts of shortages. This is an example of Russian loyalty to the principle mentioned above and to its commitment as a ‘reliable supplier’.758 As Babali puts it, “the mutual benefit or “win-win” principle, often referred to by Prime Minister Erdogan, aims to establish a balanced interdependence between the two countries, which makes it possible for Turkey and the RF to cooperate on such large projects as the Blue Stream pipeline and more recently the Akkuyu nuclear power plant project”.759

An issue of concern for Turkey is the Bosphorus and Dardanelles one. The control of the Straits is crucial for Turkey as it is linked to the control of oil exports from Azerbaijan. The prevention of tanker accidents in the Straits is another relevant problem for Turkey. An accident would not only threat human life, the vast cultural heritage of Istanbul and the marine environment of the Straits, but it would also disrupt oil transportation through the Straits.760 For this reason, bypassing the Straits through the realization of the Samsun-Ceyhan pipeline761 or another project is of utmost strategic and economic importance for Turkey. Russia saw this project as an opportunity to bring a ‘basket deal’ to bilateral energy negotiations which included demarcation of the South Stream route through Turkey’s Exclusive Economic Zone (EEZ), the nuclear power plant deal, and gas distribution rights in Turkey.

756 Babali, Tuncay, The Role of Energy in Turkey’s Relations with Russia and Iran, Centre for strategic and International Studies, Washington, 2012, p.6
757 Ibidem, p.4
758 Ibidem, p.4
759 Ibidem, p.4
760 Babali, Tuncay, op.cit.,p.4
761 The Samsun-Ceyhan pipeline is a planned crude oil pipeline transporting oil from the Black Sea to the Mediterranean.
The improved relations between Russia and Turkey did not prevent them from experiencing some tensions. When Turkey decided to host NATO radar installations in its eastern city of Malatya, Russia reacted harshly by creating a linkage between its support for allied collective self-defense efforts and the energy sector, announcing that it would suspend talks on the Samsun-Ceyhan project. Earlier in 1998 the Presidents of Azerbaijan, Georgia and Turkey met in the Black Sea port of Trabzon to reaffirm their support to the Baku-Tbilisi-Ceyhan (BTC) route for the Main Export Pipeline, which bypasses Russia. The Russian daily newspaper Izvestiia argued that the Trabzon meeting cemented the ‘Triple Alliance’ between the three countries. It stated that “Moscow will be excluded from more than just the [pipeline] plans… the issue is even broader and concerns whole transportation corridors that will bypass Russia (…). This would not only cause financial losses to Russia, but have geopolitical costs for it as well”.  

Therefore, the control of energy resources is obviously crucial for Russia from a geopolitical point of view. The ‘gas wars’ between Russia and Ukraine are a case in point. In 2005 and 2009 Russia cut off gas supplies to Ukraine, which is a transit country. The dispute concerned the price of natural gas and of transit. However, the real reason lies on the governmental attempts in those years to integrate the state into the Western institutions. The White Book of State Policy Ukraine in 2008: Processes, Results, Perspectives, which contains the official Ukrainian view on Ukrainian–Russian relations and Russian foreign policy in particular, states that “the Russian Federation strives for recognition on the part of NATO states of its ‘special’ zone of interests which security will be her responsibility (by her own guarantees, in the framework of Treaty of CSTO or in the format of future treaty on European security initiated by Russia)”. The document also stressed that the settlement of the bilateral relations between the two countries was being hampered by Russia and underlined in an alarmist tone that “Russia’s aspirations to fix a zone of “special interests” in regions neighbouring Russia… pose not only a risk of permanent intervention in Ukraine’s domestic affairs but directly threatens its national sovereignty and territorial integrity”.  

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762 Babali, Tuncay, op.cit., p.5  
763 Karagiannis, Emmanuel, op.cit., pp.137-138  
764 The ‘gas wars’ are not the only example of Russia’s coercive energy policy against Ukraine. In 1993, for instance, Russia cut off 25% of gas supplies to Ukraine. The reason was the ultimatum Russia imposed to Ukraine to give up its remaining nuclear weapons to Russia and transfer the Black Sea Fleet to it. Two years after in 1995, Russia raised the gas prices for Ukraine above the world market price and it proposed at the same time that Ukraine should join the CIS Customs Union the same year.  
766 Ibidem, p.369
Russia has exerted its influence on Ukraine by playing ‘pipelines politics’. Its dependence on Russian gas is a weakness for Ukraine especially because the former uses Gazprom as a tool of foreign policy. For instance, after the dispute between Russia and Ukraine, Gazprom undertook a number of projects to diversify and secure the access of Western markets to gas, bypassing Ukraine. The projects Yamal I and Yamal II, Blue Stream, Nord Stream and South Stream are some examples. They carry gas from the Yamal-Nenets autonomous district and the Yamal Peninsula, Russia’s largest known untapped reserves.767

As Sergey Bozhko explains, “Ukraine has also used its geostrategic position as a transit country for Russian gas to Europe (Russia relies on Ukraine to transit about 70 percent of its gas to Europe) as a bargaining tool in order to gain concessions on cheaper gas from Russia. This has not stopped Russia from playing ‘pipeline politics’ in recent years, however, as Moscow has often undermined its business interests with the EU in the pursuit of political leverage over Kyiv”.”768

The EU is a key actor in the energy geopolitical dynamics in the region. In recent years the concept of ‘energy security’ has emerged as one of the cornerstones of the EU’s foreign policy. As Oscar Pardo Sierra puts it, “the aim of the EU’s external energy policy is to create a transparent, secure and stable regional energy market that guarantees the EU’s energy security. In order to do so, it need to bring together producing and transit countries with different interests and located in politically unstable regions. The main pillar of this strategy is integration rather than the search for bilateral cooperation”.”769

The European Commission began formulating an energy policy for the EU in its Green Paper of 2000, but it was only in 2006 when the first ‘gas war’ between Ukraine and Russia exploded that the Council considered consolidating the external energy policy of the EU as a top priority. The 2009 ‘gas war’ made even clearer this necessity.770

EU’s energy needs are met through imports of oil and gas, 35 per cent of which comes from Russia. The energy dependence on this latter has increased especially since the last two enlargement waves in 2004 and 2007. Consequently, the diversification of energy supplies is a key objective for the EU.771 In order to achieve this goal, the EU aims at importing gas from the Caspian Basin through the Southern Energy Corridor (SEC), which is an initiative of the European Commission. The objective of the corridor is to link the Caspian basin, and potentially the energy resources from Iran and

768 Bozhko, Sergey, op.cit., p.369
770 Ibidem, p.650
771 Ibidem, p.643
Iraq, to Europe through Southern Caucasus and Turkey. It is composed of four gas pipelines projects: the Interconnection Turkey-Greece-Italy (ITGI), Nabucco, the Trans-Adriatic Pipeline (TAP), and White Stream (from Georgia to Ukraine and Poland). Furthermore, in order to secure adequate and reliable energy resources, in 1996 the EU launched the Interstate Oil & Gas Transport to Europe (INOGATE) which includes the following sectors: gas, electricity, energy efficiency and renewable energy sources. The four objectives of INOGATE are: convergence of energy markets on the basis of EU principles, enhancing energy security, supporting sustainable energy development, and attracting investments towards energy projects of common and regional interest.

The effectiveness of the EU’s approach towards energy security in the Black Sea region depends on three factors: EU institutional coherence, regional geopolitical competition and domestic conditions. The first element refers to the coherence between EU and member states’ policies and interests in the sector. As Diana Bozhilova and Tom Hashimoto argue, while the EU does not speak with one voice, “Russian officials have demonstrated, at least in public a ‘very united and determined’ foreign policy vis-à-vis the EU”. In the case of the EU, Mark Leonard and Nicu Popescu have identified five distinct policy approaches to Russia shared by old and new EU member states: ‘Trojan Horses’ (Cyprus and Greece) who often defend Russian interests in the EU system, and are willing to veto common EU positions; ‘Strategic Partners’ (France, Germany, Italy and Spain) who enjoy a ‘special relationship’ with Russia which occasionally undermines common EU policies; ‘Friendly Pragmatists’ (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia and Slovenia) who maintain a close relationship with Russia and tend to put their business interests above political goals; ‘Frosty Pragmatists’ (Czech Republic, Denmark, Estonia, Ireland, Latvia, the Netherlands, Romania, Sweden and the United Kingdom) who also focus on business interests but are less afraid than others to speak out against Russian behaviour on human rights or other issues; and ‘New Cold Warriors’ (Lithuania and Poland) who have an overtly hostile relationship with Moscow and are willing to use the veto to block EU negotiations with

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772 Sierra, Oscar Pardo, *op.cit.*, p.656
773 The countries involved in the programme are: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan. Russia is an official observer.
775 Sierra, Oscar Pardo, *op.cit.*, p.648
776 Bozhilova, Diana, Hashimoto, Tom, *op.cit.*, p.629
Russia”. The second element refers to the fact that the EU capacity to fulfil its foreign policy goals is limited by geopolitical tensions, which are described here. As the EU has not developed the necessary tools to deal with hard realpolitik, some sharp analyses have pointed out that “the EU itself represents, for many of its members, a vehicle for checking and diminishing geopolitical tensions among themselves, rather than a fully fledged alliance for projecting power in order to defend common interests”.778 The third element concerns the domestic context of partner countries and their link to the regional context. The focus in this case is not only the implementation of EU rules in partner countries, but also and above all on two variables conditioning the EU’s approach, namely path dependence and interdependence. Path dependence refers to the effect of institutions and to political or economic decisions that once set in motion “result in ‘increasing returns’ that make it difficult to reverse the process or change it”.779 The institutionalisation of the energy policy of the EU and the Energy Charter are two examples. Interdependence refers to the levels of political, economic and social ties between a partner country and the EU, which increase the dependence of the former on the latter and makes the influence of the EU stronger.780

Furthermore, in order to counterbalance the presence of Russia in the Black Sea region, the EU supports the presence of the US and its involvement in the pipeline construction. It is also in the interests of the US to oppose the monopoly of Russia especially in relation to the pipeline issue781. The energy strategy of the US towards the Black Sea region grew out of the successes obtained from the Caspian basin. The US supports a series of pipeline projects aiming to transport Caspian oil and gas from the Caspian region to the West. In this context the Baku-Tbilisi-Ceyhan (BTC) and the South Caspian Gas Pipeline (SCP), both completed in 2006 by an international consortium of private companies, are particularly significant. They provide a non-Russian-controlled export option for Caspian energy-producing states stretching from Azerbaijan across Georgia and into Turkey.782 In the case of the BTC, the strong commitment of the US in the project is demonstrated by the US training of the Georgian armed forces and of a special surveillance unit for the pipeline.783

Thus, the interests of the US are not just of an economic nature, but also of a geopolitical and strategic one. As Stephen Blank puts it, “Caspian energy is crucial to the security and stability of the new states, which is ‘a vital

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778 Sierra, Oscar Pardo, op.cit., p.648
779 Ibidem, p.649
780 Ibidem, p.649
781 Karasac, Hasene, op.cit., p.20
783 Sierra, Oscar Pardo, op.cit., p.651
American interest’. They are a vital US interest because of the Eurasian state’s proximity to Russia, Iran, Turkey, and China. Their independence constitutes a bulwark against Russian neo-imperialism and a check upon Iranian pretensions in the Muslim world." 784 For these reasons the US supports the independence of these countries, develop bilateral security relationships with them and the entire region and create a ‘win-win energy policy’ based upon multiple pipelines in order to avoid that a single power dominates the region and to ensure that all states can share equally in the energy wealth. 785 In addition, the US sees Eurasia as an alternative to the Middle East whose volatility threatens energy prices, Western economies and the relationship between great powers. 786

It is in this perspective that the US strongly supports the construction of the Nabucco pipeline connecting the Caspian basin and the Middle East to the EU markets. It will link Turkey to Austria via Bulgaria, Romania and Hungary. The Nabucco pipeline has a strategic value also for the EU that has made it “one of its European Interest Projects, labelling it ‘the EU’s most important gas supply project’”. 787

The US considers as strategic for its policy in the Black Sea region also two other projects, namely the Turkey-Greece-Italy (TGI) and the Georgia-Ukraine-EU (GUEU) pipeline. These two projects, which are strongly supported by the EU, aim to diversify away from Russian gas. 788 This is a very important objective both for the US and for the Central and European countries, which are concerned about the growing energy dependence of the EU on Russia’s supplies. They also fear that Russia might deal with the EU member states like it has dealt with its neighbours as well as with Estonia in 2007 when tensions between the two countries emerged on the occasion of the moving of the statue of a Russian soldier to the periphery of the capital Tallinn. 789

Roger Kanet states that “this attempt to contain Russia’s future economic and political role in Central Asian and European gas markets was, in fact, part of the US commitment to maintain its global position in relationship with the Russian Federation”. 790

Furthermore, in the context of the energy dynamics around the Black Sea it is necessary to underline the role played by Azerbaijan that is a member of the BSEC and a pivotal country in the region. As Elkhan Nuriyev puts it, “Azerbaijan is a plausible location from which to influence economic and

784 Blank, Stephen, *International Rivalries in Eurasia*, in Freire, Maria Raquel, Kanet, Roger, *op.cit.*, p.31
785 *Ibidem*, p.31
786 *Ibidem*, p.31
787 Baran, Zeyno, Smith, Robert, *op.cit.*, p.268
788 *Ibidem*, p.268
790 *Ibidem*, p.85
political trends not only in Central Asia and the Caspian basin but also in the Middle East, where Western democracies are in a serious quandary over Iran’s nuclear programme”. Azerbaijan enjoys warm relations with the bigger players in the region, namely Russia, Turkey, the US and the EU. Azerbaijan tries to make its geopolitical position more powerful by improving its relations with Iran while maintaining a strategic partnership with the US. The relationship with Russia is also important to defend its interests in the region.

Azerbaijan has always managed to play a quite independent role both because it is rich in energy resources and because it has a very experienced political leadership. However, the attempts of Azerbaijan to strengthen its relations with the Euro-Atlantic structures are regarded with concern by Russia and Iran that consider them as a potent challenge. At the same time, “Azerbaijan’s perceived willingness to cooperate closely with the enlarged Euro-Atlantic alliance has attracted an unprecedented level of international attention to the country. The country’s energy wealth constitutes an important counterweight to the volatile Persian Gulf for Western democracies, which will help Europe to diversify its energy imports”. Currently, Azerbaijan exports oil and gas via the Baky–Supsa oil pipeline to Georgia, the Baky–Novorossiysk oil pipeline to Russia, via the main export oil pipeline Baky–Tbilisi–Ceyhan (BTC) to Georgia, Turkey and the world market and the Baky–Tbilisi–Erzurum (BTE) gas pipeline to Georgia and Turkey. From the Turkish network Azerbaijan exports oil and gas to Europe. The BTC and the BTE pipelines, which have essentially been built to diminish the Western world’s oil and gas dependency on the Middle East, are particularly important for Azerbaijan from a geopolitical point of view. Indeed, it stresses the key role played by Azerbaijan on the European energy market.

The area where cooperation has developed much more easily in the region is the electricity one. The reason is that electricity is less entangled with political concerns than oil and gas making it easier to realize cooperation. Many projects are being implemented with the aim to integrate the electricity grids in the Black Sea region and thus to reduce vulnerability and consumer prices.

In 2006 the European Union and the energy and economic ministers of Southeast Europe established a European Community through the Treaty

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791 Nuriyev, Elkhan, op.cit., p.166
792 In recent years the dispute between Azerbaijan and Iran over the division of the Caspian Sea has caused sever tensions between them and has led Iran to violate Azerbaijani territorial waters and airspace. Iran’s aggressive attitude towards Azerbaijan has solidified the Azerbaijani-Turkish relations.
793 Ibidem, p.157
794 Ibidem, p.159
for the Energy Community of South East Europe signed in 2004. The goal is to integrate the markets of these countries with that of the EU. The Black Sea Regional Electricity Transmission Planning Project, which works with the BSEC to develop an integrated grid around the Black Sea, supplies electricity to the European Community.

Likewise, GUAM is considering a Danube Energy Transportation Bridge covering all facets of energy security in the region. The goal is to enhance integration and reliability of GUAM member electricity networks and their merger with other BSEC members. Temuri Yakobashvili explains that “numerous connections between neighbors form the basis of larger regional grids. For example, Turkey has interties with Bulgaria and Georgia (and with its eastern neighbors), and a study is underway for large-scale synchronous interconnections through Greece and the Balkans to Western Europe’s UCTE network. Georgia has interties, as well, with Russia, Azerbaijan, and Armenia, and has the potential for substantial seasonal electricity exports”.

In 2007 Georgia and Azerbaijan agreed upon a plan for synchronizing their grids, which was followed by a similar agreement between Georgia and Turkey in 2008. Through these networks, European customers will be able to negotiate electricity-supply contracts with suppliers geographically distant from them, enhancing their energy security.

Russia strongly supports the integration in the field of energy. At a Balkan energy summit in 2008 President Vladimir Putin called for the creation of an electricity ring which should integrate the electricity systems of Western Europe, the Baltic States, and the CIS.

In conclusion, the case of energy in the Black Sea region is very much linked to the geopolitical competition between the biggest players, namely Russia, Turkey, the US and the EU. The other countries of the region also play an important role in the game, but they rarely manage to defend their interests. Azerbaijan is the only exception because it is a producer of gas and oil that is exported to Europe. Evidently, the BSEC is trying to strengthen cooperation in the area of energy without much success.

The Baltic Sea and the Black Sea region compared

Energy is a crucial sector in cooperation activity in the Baltic and the Black Sea regions. The CBSS and the BSEC have established a Working Group to coordinate the projects of the member states in this field. Despite

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797 Ibidem, pp.96-97
798 Ibidem, p.97
799 Ibidem, p.97
the fact that both organizations have initiated several projects, cooperation in the energy sector is elusive. A distinction must however be made between gas and oil on the one hand and electricity on the other one. In both regions cooperation in the field of electricity is easier as geopolitical and historical considerations have greater impact on gas and oil. Consequently, these two aspects have also a strong impact on the international regimes formed on the Baltic and the Black Sea by reducing their effectiveness in the field of energy. The regional actors’ strategies are dictated by the power relations among them, their geographical location and by their historical legacy. In the case of the Baltic Sea region the Nord Stream project is a case in point as these three variables influence the response of regional actors towards the project. As Solum Whist puts it, “for the Finns, who share a 1340 km border with the eastern giant, a pipeline will hardly make a military-strategic difference. By contrast, Nord Stream would undoubtedly bring Russian interests closer to Sweden, perhaps particularly if the platform were to be realised”.

The influence of the three variables on the relations among the states in the Baltic Sea region is also evident in the case of Finland and Estonia and their relationship with Russia. Finland’s experience during the Cold War has played a critical role in defining its behaviour towards Russia. Solum Whist explains that “during these difficult years the Finns acquired crucial knowledge about how they could deal with the Russians, and whilst most Estonians would claim that there is no negotiating with Russia, there is in Finland a feeling that one can in fact secure Finnish vital interests through dialogue with Moscow”. The case of Finland is symbolic. When the discussions over the construction of the Nord Stream pipeline began, it seemed that the only concern in Finland was its environmental impact. Nonetheless, within the Finnish government there were many worries about increasing Russian military presence in the Gulf of Finland and in the Baltic Sea if the project was implemented. This anxiety was present in Finland as well as in Sweden, although the former did not make it public. As Jakub Swiecicki, associated researcher at the Swedish Institute for International Affairs, argues, this happens because “Finland is in a much more sensitive position than Sweden. And this has to do with historical experiences … The Finns would also like to stop this project, but then again, Finland is more susceptible to Russian pressure”.

Nevertheless, Swedish geopolitical considerations in relation to the Nord Stream project were also influenced by its historical experiences – for example, the several Soviet submarine intrusions into Swedish waters during the Cold War are an example. In spite of this, Sweden preferred to keep its non-aligned policy. The collapse of the Soviet Union and the end of bipolarism led Sweden to rethink its defence system by reducing the number of soldiers.

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800 Solum Whist, Bendik, *op.cit.*, p.35
801 Ibidem, p.36
802 Ibidem, p.37
The military reform and the strained relationship it had with Russia during the Cold War have strongly influenced the Swedish debate on the Nord Stream project.803

Geopolitical and historical considerations have a strong impact on the internal dynamics of the region also in the Black Sea region. In the case of Russia, for instance, this is particularly evident. As it has been argued in the previous section, Russia uses Gazprom as a tool of foreign policy in order to achieve its geopolitical objectives. In this context, the concept of ‘spheres of influence’ is important as it helps to explain the policy which Russia pursues in the region. That concept contains a clear reference to history and to geographical location as it concerns all the territories previously belonging to the Soviet empire. In addition to this, official documents from early 2000 when Putin became President of the Russian Federation clearly indicate the willingness of the government to give Russia a hegemonic role in the Caspian/Black Sea region in the energy sector. Indeed, the presence of several pipelines in the area, some of which bypass Russia, make the objective quite ambitious. Another element obstructing this goal is the key role played by external actors like the EU and the US. The previous section has shown that they have strong interests in the region. Both of them try to undermine the power of Russia in the region in two ways. The first is through construction of several pipelines to diversify the sources of energy supply to reduce dependence of the EU and of the regional states on Russia. The second one is the enlargement of the EU and NATO. Also in this case the goal is to counterbalance the Russian influence in the area.

Table 7. The impact of the variables on the relations among states in the field of energy

<table>
<thead>
<tr>
<th>Variables</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of power among the</td>
<td>Strong power of Russia</td>
<td>Strong power of Russia</td>
</tr>
<tr>
<td>big states</td>
<td>Opposition of the states to the</td>
<td>Involvement of small states in the</td>
</tr>
<tr>
<td>Geographical location</td>
<td>construction of the pipeline</td>
<td>construction of pipeline to</td>
</tr>
<tr>
<td>Historical legacy of the</td>
<td>Strong power of Russia</td>
<td>counterbalance the power of Russia</td>
</tr>
<tr>
<td>regional actors</td>
<td>aiming at imposing its influence on the region</td>
<td>Strong power of Russia aiming at imposing its influence on the region</td>
</tr>
</tbody>
</table>

803 Solum Whist, Bendik, op.cit., pp.38-39
Furthermore, the case where geopolitics affects the relationship between countries more than historical legacy is the relationship between Turkey and Russia, the two regional powers. They are historically rivals. They have fought with each other several times. But they have managed to improve their relations especially in the context of the energy sector. Geopolitical combined with economic interests are sometimes stronger incentives for states to improve the relations with other states than just historical rivalries and resentment. In spite of this, geopolitical considerations have indeed created some tensions between the two, especially when Turkey accepted to host NATO radar installations in its eastern city of Malatya and when the Presidents of Azerbaijan, Georgia and Turkey met in the Black Sea port of Trabzon to reaffirm their support to the Baku-Tbilisi-Ceyhan (BTC) route for the Main Export Pipeline, which bypasses Russia. Additionally, it is necessary to emphasize that geographical location affects the relations between Turkey and Russia. Two factors well illustrate this statement. The first one concerns the strategic and economic importance that the Bosphorus and the Dardanelles have for Turkey. The oil spills that would threaten human life and the bypassing via the Samsun-Ceyhan pipeline are the main geographical reason. Russia uses the project as a tool to negotiate with Turkey on energy issues. The second one concerns the strategic geographical location of the two countries which make them geopolitically important to each other. Russia is a gas and oil producer while Turkey is a transit country and a conduit between Azerbaijan, Iran, Iraq, Turkmenistan and Europe.

Geographical location has been exploited by a small power, Georgia, to increase its strategic relevance in the regional energy transportation. The construction of the Baku-Supsa pipeline in 1995 has served this purpose. It transports oil from Sangachal Terminal near Baku to the Supsa terminal in Georgia. Another small power that tries to take advantage of its geographical location to increase its power in the field of energy is Azerbaijan. It is an energy producer and a participant in the political axis along the transportation of Azerbaijan’s oil to Western markets via Georgia and Turkey. It is a buffer state between Russia, Turkey and Iran and the control over its territory is crucial to maintain Russian control over the Caucasus region. To this end, Russia has constantly tried to frustrate Azerbaijan’s efforts to develop its oil industry. Evidently, Azerbaijan’s importance to Russia stems from the country’s geographic location.

Energy can be included in hard security issues both on the Baltic and on the Black Sea. As it has been shown, geopolitics and military issues prevail
in both regions. The fact that several countries within the two regions have succeeded in cooperation efforts in the field of energy appears to contradict neorealism. Examples of this are BEMIP, BALTREL and the BASREC (which is also an instrument of the ND exclusively dealing with soft security matters) in the Baltic Sea region and the initiatives in the electricity sector in the Black Sea region. However, these examples do not contradict the neorealist theory. According to neorealism, cooperation is not impossible but very difficult to achieve because state survival is the main objective of states that shapes behaviour. Whereas in the cases mentioned above survival is not at stake and geopolitics and history do not have any negative influence on state’s evaluations in their relations with the others. Consequently, cooperation has been possible.

This reasoning is strictly connected to the neorealist problem of absolute and relative gains as discussed by neorealism. This is particularly relevant in order to analyse the case of energy on the Baltic and on the Black Sea. As earlier noted in the introduction chapter, neorealism assumes that states are largely concerned with relative gains. Given the definition of international anarchy provided by neorealists, neorealist Robert Powell effectively explains the logic behind the relative gains logic. He states that “if the use of force is at issue because the cost of fighting is sufficiently low, cooperation collapses (...). This is keeping with the expectations of structural realism. But if the use of force is no longer at issue, cooperation again becomes feasible”.

Powell also explains that “in keeping with the expectations of structural realism, states are concerned about relative gains when the possible use of force is at issue. (...) If the use of force is no longer at issue, then a state’s relative loss will not be turned against that state. Relative gains no longer matter, and cooperation now becomes feasible”.

Now it becomes clear in the case of energy how the neorealist approach can better explain the quite unsuccessful cooperation efforts in the Baltic and in the Black Sea region. Regional actors are concerned with relative gains. As Waltz argues, “who will gain more?” is the question they are compelled to ask when they must choose whether to cooperate or not. Indeed, neorealists emphasise the distributional aspects of cooperation. Also, geopolitical interests and the historical legacy, whose relevance has already been underlined above, play a key role when asking this question. The construction of the Nord Stream and of pipelines such as the Baku-Tbilisi-Ceyhan (BTC) pipelines bypassing Russia has enormous implications for the relations between Russia and Turkey. At the same time, cooperation within the context of the CBSS and the BSEC can be explained with a balance between states’ concerns about relative and absolute gains. Neorealism focuses on relative

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805 Ibidem, p.229
806 See Chapter 1, p.20
gains, but it does not totally exclude the interest of states for absolute gains. However, it is necessary to note that in this case cooperation is possible only if it does not alter the previous balances of capabilities, as Grieco has argued. This can explain the cooperative networks established within the CBSS and the BSEC, but not the failure of cooperation in the energy sector in the two cases.

These aspects clearly illustrate that the two international regimes created in the Baltic and in the Black Sea region are ineffective. Indeed, the CBSS and the BSEC work on several projects in the energy field, making the operational phase of Young’s regime formation concrete, but the objectives for which the Working Group for Energy are not always achieved. In addition to this, the projects that do not come under the scope of the two organizations such as the construction of gas and oil pipelines are often accompanied by tensions among the regional countries as shown above. The two regimes do not produce results that are efficient and sustainable.

They are not ‘resilient’ or ‘robust’ because external challenges make them weaker. The strong interests of external actors such as the EU and the US in the pipelines in the Baltic and the Caspian/Black Sea region illustrate very well this point. The EU and the US pursue a specific geopolitical policy in the two regions aiming to counterbalance the power of Russia and at economically benefiting from the construction of gas and oil pipelines.

The case of cooperation in the energy sector in the Baltic and the Black Sea region shows that the incentives of states to cooperate are quite weak if compared to the relevance of geopolitical interests in the two regions. Cooperation between some countries in the construction of specific pipelines in the Black Sea region is, for instance, the product of geopolitical and historical considerations that enter into states’ calculations. The three variables, namely the distribution of power among the big states, the geographical location and historical legacy, prevent states from effectively cooperating in the context of the CBSS and of the BSEC.

By applying Krasner’s reasoning to the case of energy in the Baltic Sea region, it becomes clear that all players (the CBSS Member States) agree on the ‘common aversion’, which in this case is the use of limited energy resources. Thus, cooperating in the energy area is important in order to ensure the best and most efficient energy production. In effect some efforts to cooperate within the context of the CBSS have been made (e.g. the creation of the Working Group for Energy and BASREC), but cooperation in the field of energy is not always successful. The Nord Stream project is a case in point. It is not a project promoted by the CBSS but it is essential for the regime as a whole as it involves many of the states of the region. I have consistently argued that geopolitical and historical considerations are at the basis of the positions of the countries in relation to the project. Furthermore, Russia uses its power and geopolitical influence to obtain more gains from the cooperation in the construction of the Nord Stream project. The increased military
In the Black Sea region the ‘common aversion’ is not about limited energy resources, but the control of abundant energy resources in the Caspian basin – it is strictly limited to the geopolitics of the Black Sea region. Like in the case of the Baltic Sea region, cooperation in the field of energy has not been successful for the very same reasons. In addition, cooperation in this sector is pretty fragmented especially in relation to the number of pipeline projects in the region. Geopolitical interests and historical legacy play a key role in this context, as demonstrated above. Like in the Baltic Sea region, Russia uses its power and strong geopolitical influence to maximize power gains and economic profits. This also explains the ‘gas wars’ with Ukraine are emblematic in this context. The result is a failure of the regime in the energy sector also in this case.

Furthermore, the lack of successful cooperation and the willingness of states to control energy resources are contingent on the absence of an overarching authority that could ensure the access to them, that is to say the international system that is characterized by an anarchical structure. As neorealist Robert Jervis puts it, “if there were an international authority that could guarantee access, this motive for control would disappear. But since there is not, even a state that would prefer the status quo to increasing its area of control may pursue the latter policy [to control resources].”

However, for neorealists the absence of an overarching authority in the international system does not convincingly explain why states rarely cooperate. The lack of a common government means that there is no central agency that guarantees states their survival as independent units of the system. States try to avoid relative losses both because survival is their main aim and because their sovereignty is fundamental for them. In this regard, it should be stressed that neorealists have different views. For instance, the defensive realist position of Grieco is different from that Mearsheimer who is an offensive realist. While Grieco argues that states tend to defend their position, Mearsheimer points out that states aim at maximize their power. The different positions of Grieco and Mearsheimer correspond to the geopolitical situation in the Baltic and the Black Sea respectively. In the former case states aim at maintaining the status quo in the region. The concerns that several states have expressed in relation to the Nord Stream project shows that the countries involved fear a change in the capabilities distribution in the Baltic Sea region. The main worry is a raised Russian military presence in the Baltic Sea, which could inevitably increase its power both in geopolitical and economic terms. The result would be a reduced power for other actors.

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808 Hasenclever, Andreas, Mayer, Peter, Rittberger, Volker, op.cit., p.202
By contrast, in the Black Sea region states try to increase their power. The case of Russia and its aggressive behaviour is the most evident example of this. As it has been argued above, Russia uses Gazprom for its foreign policy goals, not to forget the ‘gas wars’ with Ukraine. At the same time, the several pipeline projects clearly demonstrate that the other regional states like Turkey and Azerbaijan also try to increase their power in the field of energy. The huge involvement of external actors such as the EU and the US in the energy dynamics in the region is another important element. It demonstrates that the neorealist assumption of the importance of power distribution (which is “a function of poles in the system, and their relative power”\(^{809}\)) influencing the relations among states is a good tool to analyse geopolitics in the Black Sea region. The offensive realist point of view is useful also in this case to explain why the EU and the US try to increase their power at the expenses of Russia. In this context offensive realist Robert Gilpin’s argument about international anarchy is appropriate. He states that the fundamental nature of international politics is “a recurring struggle for wealth and power among independent actors in a state of anarchy”.\(^{810}\)

Another interesting point which can help explain the geopolitical dynamics in the Black Sea region is the one concerning hegemony. As already explained, this study defines the hegemonic power as the state that “uses multiple dimensions of power in order to create and manage a system’s order in favour of its own preferences, values and norms”\(^{811}\). However, it is interesting to take into consideration Mearsheimer’s definition as some aspects of his reasoning are relevant for the analysis of this study. He says that a hegemon is “a state that is so powerful that it dominates all the other states in the system”.\(^{812}\) According to Mearsheimer, “hegemony means domination of the system, which is usually interpreted as the entire world…[but] it is possible to apply the concept of a system more narrowly and use it to describe particular regions, such as Europe, North-East Asia and the Western Hemisphere”.\(^{813}\) However, he explains that world hegemony is very difficult to achieve because having massive force through the oceans is too hard. Consequently, regional hegemony is the principal aim that states try to achieve. Two strategies are possible to realize this goal. The first type involves direct attempts to gain relative power, while the second one consists of preventing other states from making gains. Mearsheimer points out that the main way to gain power is war, but rational states choose it only if the benefits outweigh


\(^{812}\) Mearsheimer, John, *Back to the Future, op.cit.*, p.86

\(^{813}\) Ibidem, p.80
the costs. In other cases states aiming at gaining power choose blackmail, which is effective only against minor states. This is typical in the Black Sea region where Russia uses blackmail and retaliation to increase its power - e.g. Ukraine. Similarly, blackmail translating into retaliation explains also the Russian cut off of gas supplies by Russia to Latvia in 2003 and to Lithuania in 2006. The difference is that in the Black Sea region Russia adopts an aggressive attitude by even choosing open aggression as in the cases of Georgia and Ukraine. Furthermore, in the Baltic Sea region Russia cannot be considered a hegemon as the balance of power creates an equilibrium among the regional states creating a structure that inhibits conflicts. The distribution of power among actors is more equal than in the Black Sea region where Russia is one of the two hegemons together with Turkey, as explained in the previous chapter.

In conclusion, though the CBSS and the BSEC provide a platform for improving and strengthening the cooperation in the energy sector in their respective region, the two regimes are neither effective nor robust. Neorealism with its two strands, namely offensive and defensive realism, provides a good explanation of the reasons why the two regimes fail in their effort to strengthen cooperation in the energy field. However, geographical location and historical legacy complement the tools provided by neorealism to analyse regional cooperation on the Baltic and on the Black Sea.

**Conclusion**

This chapter has shown that the CBSS and the BSEC play a marginal role in strengthening regional cooperation in the field of energy. They provide a platform for cooperation, but geopolitical and historical considerations make it quite unsuccessful. Regional cooperation in the field of energy essentially develops outside the framework of the CBSS and of the BSEC.

The analysis was focused on gas and oil pipelines, which make the energy sector very sensitive and which are key elements in the geopolitical strategies of states. Thus, they affect the relations among regional states both around the Baltic and the Black Sea. The case of Russia is surely the clearest one as it uses its enormous gas resources to exert its influence over other states both in the Baltic and in the Black Sea region. External actors also follow their own strategies to assert their geopolitical interests in the two regimes. This is the case of the EU and of NATO in the Baltic Sea region and of the EU and the US in the Black Sea region. At the same time, the fragmented cooperation among groups of countries in the region to construct pipelines also demonstrates that these latter are used for geopolitical goals and that historical legacy influences the choice of states when they establish

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cooperative links within the region. This also illustrates that cooperation develops very much outside the framework of the CBSS and of the BSEC.

Furthermore, this chapter has shown that the neorealist approach can explain the lack of effectiveness of the two regimes in the field of energy. Relative gains are the main worry of states both in the Baltic and in the Black Sea region. They explain fragmented cooperation as well as geopolitical strategies and calculations. However, as the geopolitical situation in the Baltic and in the Black Sea region is different, it is necessary to distinguish between defensive and offensive realism in order to make a comprehensive analysis of the two cases. The former well describes the Baltic Sea region case while the latter well suits the Black Sea region one. While in the Baltic Sea regime states are defensive in maintaining their status, states in the Black Sea regime are power-maximizer revisionists.

While neorealism has been a powerful explanatory framework, it had to be complemented with two other variables – geographic location and historical legacy – without which the analysis would be partial and unsatisfactory.
Chapter 5
The Case of Economic Development

Introduction

This chapter analyses the geopolitical implications of the cooperation in the economic sector in the two regions. To this aim, the starting point is the role played by the CBSS and the BSEC in this context. They have established an ad hoc Working Group to face the challenges of economic development in their respective region. In order to achieve their goals, not only have they implemented many projects in the fields related to economics, but they also actively cooperate with a number of organizations dealing with economic issues in the region.

The analysis will show that the economic and financial crisis of 2008 has negatively affected the growth that the two regions had been experiencing since the end of the Cold War. Nevertheless, this is not the only aspect slowing the economic development of states. Hard security issues and geopolitical considerations play an important role. Historical legacy is another relevant factor defining the economic relations among the countries in the two regions.

The involvement of external actors in the economic development of the region is also important to understand the relations among the regional states. The economic relations with the regional countries and its policies towards the two regions make the EU’s strategic objectives particularly significant among the external actors acting in the Baltic Sea and in the Black Sea area.

Given these considerations, the questions that this chapter tries to give an answer are the following: how do the CBSS and of the BSEC implement cooperation in the economic development sector in their respective region? How do geopolitics and historical legacy influence the cooperation in the energy sector? How can neorealism explain cooperation in the field of economic development in the Baltic and in the Black Sea region?

The ensuing three sections answer these questions. The first two sections focus on the economic development in the Baltic Sea and the Black Sea region respectively. The specific sectors examined are those that fall within the scope of the CBSS and of the BSEC: trade, transport, tourism, and small and medium enterprises. A particular attention is also devoted to the organizations dealing with economic issues in the two regions mentioned above. The reason is that many of them actively participate in the activities and projects of the CBSS and of the BSEC. Thus, the picture of the two regions would be incomplete without at least mentioning their contribution to economic cooperation. Furthermore, the economic and financial crisis of 2008 is also im-
important to understand the economic and geopolitical dynamics developing on the Baltic and on the Black Sea. The role of external actors and especially of the EU is also discussed. The third section of this chapter focuses instead on the comparison between the two regions or regimes from a theoretical perspective.

**Economic development in the Baltic Sea region**

The CBSS is very active in promoting economic initiatives with the aim to strengthen the ties among the states in the region and to enhance their economic development. It provides the necessary platform for the coordination of the activities in the field. Several projects are in the process of being implemented and some others have been successfully concluded. It is the case of the Baltic Sea Labour Network (BSLN), which was a transnational cooperation project of 22 partners and associated partners from 8 countries in the Baltic Sea Region and was partially financed by the European Regional Development Fund of the European Union. One of the main objectives of the BSLN was to develop a *Political Agenda for Sustainable Labour Markets in the Baltic Sea Region*. The Agenda was prepared by employer organizations, trade unions, politicians, academics and various labour market experts who worked in strict cooperation. Thus, the BSLN Political Agenda was “a combination of strategies, policy recommendations and practical solutions developed during the duration of the project”. The CBSS was a partner of the BSLN. It was represented in the BSLN’s decision-making structures by the Steering Committee and Facilitator Team. The CBSS created an important political dimension of the BSLN as it helped to establish direct contacts among the governments of the Baltic Sea Region. The BSLN achieved many of its goals and has been replaced by the Baltic Sea Labour Forum (BSLF), “which is a network for cooperation between employer and trade union confederations, governmental and parliamentary institutions and organizations”. Its central aim is “the promotion of social dialogue and tripartite structures and cooperation as a crucial element of sustainable economic growth and social development in the Baltic Sea Region. (…). The Forum is a network for exchange of experience and communication aiming at promoting cooperation between the key actors”.

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815 The eight countries are: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and Sweden. See the website of the Baltic Sea Labour Network at http://www.bslabour.net/

816 See the CBSS’ website at http://www.cbss.org/Economic-Development/baltic-sea-labour-network-project

817 Ibidem

818 Baltic Sea Labour Forum, Memorandum of Understanding, Germany, 15th November 2011, p.1

819 Ibidem, p.1
the Forum is the Annual Round Table in which all trade union confederations, employer organizations as well as governmental and parliamentary institutions in the Baltic Sea region are invited to participate.

Another recent project is the CBSS Project Support Facility (PSF), which was created in 2012 with the aim to co-finance the development and implementation of macro-regional cooperation projects in the Baltic Sea region. As the CBSS Director Jan Lundin writes in his overall introduction letter published on the organization’s website, “the philosophy of the PSF is to support cooperation in a flexible way, and to pave the way for larger regional cooperation projects in the future, funded by much bigger funds existing in the region”. The PSF is used to facilitate and implement projects in all the areas of cooperation of the CBSS.

One of the objectives of the CBSS is to contribute to strengthen global competitiveness of the region and to foster its economic sustainability. To this end, the CBSS Secretariat has proposed a two-year network project on regional cooperation in the field of Public-Private Partnerships (P3). The network is implemented by the senior civil servants responsible for the project in each country. The chairmanship follows the CBSS rotation, while the administrative support is provided by the CBSS Secretariat. The goal of the P3 is to establish a platform to public and private actors (e.g. actors, such as civil society, NGOs, transnational SMEs, IFIs, development organisations, local and regional authorities) to exchange experience and information on their projects and discuss about their problems and needs. Consultations with the CBSS Expert Group on Sustainable Development – Baltic 21 are emphasized as an important component in the implementation of the P3. Coordination between P3 and another newly launched CBSS project, namely the South East Baltic Area modernisation project (SEBA) is also indicated as mutually beneficial.

SEBA was launched under the auspices of the CBSS in 2012 with a two-year time-frame with special focus on the Kaliningrad region and its neighbourhood. Its principal priority is “to be an attractive area for small and medium entrepreneurs (SME) and public-private partnership (PPP) as well as for other investors by using: networks between stakeholders, regional authorities, private partners and other interested parties political support for the promotion and implementation of the new ideas channels of communication”.

In 2012 the CBSS initiated another project within the framework of SEBA in cooperation with the Swedish Institute, namely the Balticlab. The

820 See the website of the CBSS at http://www.cbss.org/Economic-Development/project-support-facility
821 Lundin, Jan, Project Support Facility, 4th March 2013, Stockholm
822 See the website of the CBSS at http://www.cbss.org/Economic-Development/public-private-partnerships
CBSS website describes the project in these terms: “this network has three qualities that none of the other networks in the region have had before: 1) it offers an entrepreneurial mindset that crosses disciplines, gender and borders in a broad and unique way; 2) it can reinvent itself and the relationships between its actors (participants, stakeholders, organizers) and thus it can acquire diverse forms, either temporary or long-term; 3) it is available to be used as a database for creativity and creative entrepreneurs in the Baltic Sea region”.\textsuperscript{824} In a document called \textit{An update from Balticlab}\textsuperscript{825} the CBSS stresses the launching of the project as a recognition of the lack of networks for young creative minds that are not civil servants or politicians, but entrepreneurs, artists and opinion makers and that are interested in providing new perspectives for innovation and integration in the region. The document also points out that “Balticlab initiators are organizations that are working on various cooperation issues in the Baltic Sea region and are both actively engaged in the implementation of the EU Strategy for the Baltic Sea Region (EUSBSR). They have identified specific current concerns in the region, and browsed through the Balticlab Network as a database with an aim to harness the energy, ideas and knowledge of the network and channel those assets into innovative measures to address these concerns”\textsuperscript{826}

The CBSS also attaches much importance to the development of small and medium enterprises as they can positively contribute to the economic growth of the region. Bearing this in mind, the organization launched the Pilot Financial Initiative (PFI) in late 2012, which the CBSS defines as a “first step to pen financial platform, which is intended to attract financial partners and financial resources for projects in the geographic area of the CBSS”.\textsuperscript{827} The partners are the CBSS Secretariat and Russian as well as German investment banks: Vnesheconombank (VEB) and KfW respectively. The initiative that initially focuses on Russia and on North West Russia intends to expand into other parts of the region depending on the interest and additional partner financial institutions to the PFI. During the first phase the KfW provides Vnesheconombank with long-term loans for the implementation of projects approved by the Steering Committee consisting of representatives from PFI Partners. Later on, the initiative will be extended to the other financial partners to join the initiative.\textsuperscript{828}

The economic development of the region is central to the Baltic Development Forum (BDF) which aims at making “the Baltic Sea Region as a

\textsuperscript{824} See the website of the CBSS at http://www.cbss.org/Economic-Development/balticlab
\textsuperscript{825} The document is available on the website of the CBSS at http://www.cbss.org/Economic-Development/balticlab
\textsuperscript{826} \textit{Ibidem}, p.1
\textsuperscript{827} CBSS, \textit{Press Release, The Russian Vnesheconombank and the German KfW Bakengruppe will sign the first finance facility agreement for support of SMEs dealing with innovative projects in the Baltic Sea area}, 8 November 2012, Stockholm, p.1
\textsuperscript{828} See the website of the CBSS at http://www.cbss.org/Economic-Development/pilot-financial-initiative
global center of excellence and establish the Region internationally as a strong and attractive place brand.\textsuperscript{829} by stimulating growth, innovation and competitiveness. The BDF was established in 1998 with former Danish Minister for Foreign Affairs Uffe Ellemann-Jensen as Chairman, who is one of the CBSS founders. It is a platform gathering not only politicians, but also business, academia and media to exchange ideas and knowledge about the issues of major interest.\textsuperscript{830}

A strategic partner of the CBSS is the Baltic Sea Trade Union Network (BASTUN), which also cooperates with the Baltic Sea Parliamentary Conference (BSPC). It includes 22 trade union confederations from around the Baltic Sea.\textsuperscript{831} Its presidency, each term of office is for a period of one year, and rotates according to the presidency of the CBSS. BASTUN “influences political decision making processes and social development in the region, coordinates joint projects and raises issues related to the Baltic Sea region within the international trade union family.”\textsuperscript{832} In addition to this, BASTUN promotes economic development and growth through social dialogue and collective bargaining.\textsuperscript{833}

Another significant initiative is the Visions and Strategies Around the Baltic Sea (VASAB), created in 1992. Its objectives are: “to support the development of networks for cooperation in the Baltic Sea region; to provide a practical forum for the transfer of competence to the countries in transition to democratic market economies; to improve the level of information in BSR countries on current trends and problems in other countries of the region; to assess important infrastructure projects to receive international financial contributions; to promote spatial planning in the participating countries and regions”.\textsuperscript{834} It is in this perspective that in 2001 the CBSS set up a Fund for Sub-regional Development, based on voluntary contributions from member states. The CBSS also launched the Moscow Action plan to make the region a common investment area characterized by transparency, predictability and the rule of law, and combating corruption. Kaliningrad would be the most illuminating example of a fruitful cooperation between the EU and Russia.\textsuperscript{835}

Furthermore, the CBSS has included the maritime policy in its strategy for the economic growth of the region. It established an Expert Group on  

\textsuperscript{829} See the website of the Baltic Development Forum at http://www.bdforum.org/activities/
\textsuperscript{830} See the website of the Baltic Development Forum at http://www.bdforum.org/baltic-development-forum-introduction/history-baltic-development-forum/
\textsuperscript{831} The trade union confederations belong to the following countries: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia, and Sweden. See the website of the Baltic Sea Trade Union Network at http://www.bastun.nu/about-bastun/bastun-members-12115435
\textsuperscript{832} See the website of the Baltic Sea Trade Union Network at http://www.bastun.nu/
\textsuperscript{833} See the website of the Baltic Sea Trade Union Network at http://www.bastun.nu/about-bastun-10957229
\textsuperscript{834} See the CBSS’ website at http://www.cbss.org/Economic-Development/vasab
Maritime Policy whose task is “to contribute to sustainable growth and employment in the maritime sector, to combine and better coordinate all sea related activities and tasks, as well as to strike an appropriate balance between economic, social and ecological aspects”.

As it is cross-sectoral, this group works in accordance with the priority areas of Economic Development and Environment. The Expert Group works on the development of a Virtual Communication Platform on maritime policy in the Baltic Sea Region to enhance knowledge about the current developments within the maritime policy in the Baltic Sea region. In this context the Baltic Ports Organization (BPO) is important. Its main objective is to “improve the competitiveness of maritime transport in the Baltic region by increasing the efficiency of ports, marketing the Baltic region as the strategic logistics centre, improving the infrastructure within the ports and the connection to other modes”. The organization, which includes forty ports from nine of the countries in the Baltic Sea region, was established in 1991 immediately after the fall of the Berlin wall and the demise of the Soviet Union to facilitate the cooperation among ports and take care of shipping in the region. Initially, the Western ports played a very important role to spread knowledge eastwards, but after the EU enlargement and the expansion of the Baltic Sea region as a market the BPO has developed further and entered new phases.

The CBSS works in cooperation with other bodies in the region like the Baltic Sea Parliamentary Conference (BSPC) and the Baltic Sea States Sub-regional Cooperation (BSSSC) to ‘make the Baltic Sea region a maritime model region in Europe’.

The BSPC and the BSSSC are two of the several bodies that contribute to the economic development of the region. The BSPC was established in 1991 as a forum for political dialogue between the parliamentarians from the Baltic Sea region. Its main goal is to raise awareness and opinions on matters of common interest and importance for the region. It promotes several initiatives to support a sustainable environmental, social and economic development of the Baltic Sea region. As the BSPC assembles (once per year) parliamentarians form eleven national parliaments, eleven regional parliaments and five parliamentary organizations, it “constitutes a unique parliament-
tary bridge between all the EU- and non-EU countries of the Baltic Sea Region”.\textsuperscript{841} BSPC also includes parliamentary, governmental, sub-regional and other organizations in the Baltic Sea Region and the Northern Dimension area, among them CBSS, HELCOM, the Northern Dimension Partnership in Health and Social Well-Being (NDPHS), the Baltic Sea Labour Network (BSLN), the Baltic Sea States Sub-regional Cooperation (BSSSC) and the Baltic Development Forum.\textsuperscript{842}

The BSSSC is a ‘political network for decentralised authorities (subregions) in the Baltic Sea Region’. The organization, which was established in 1993, is composed of the regional authorities (level immediately below the national level authorities) from ten countries shoring the Baltic Sea.\textsuperscript{843} The guiding principles of the BSSSC are: “to be a credible organisation representing the views of sub regions in the BSR; to be a knowledge based organisation; to be a visible and recognisable organisation; to be an organisation, which is flexible and receptive to changes”.\textsuperscript{844} Furthermore, the BSSSC values close cooperation with other bodies such as the Committee of the Regions of the European Union with which it has signed a Declaration of Common Interest. Cooperation with other bodies in the region such as the CBSS, the Union of the Baltic Cities (UBC) and the B7 Baltic Islands (B7) is also important.

The UBC “is a voluntary, proactive network mobilizing the shared potential of over 100 member cities for democratic, economic, social, cultural and environmentally sustainable development of the Baltic Sea Region”.\textsuperscript{845} The Statute of the Union states that the members have established the organization because, mindful of the historical tradition of economic and cultural cooperation among the towns in the region, they put value on the development of European cooperation and because they are “convinced that

\begin{center}
\textsuperscript{841} See the website of the Baltic Sea Parliamentary Conference at http://www.bspc.net/page/show/8
\textsuperscript{842} Ibidem
\textsuperscript{843} The ten countries are: Germany, Denmark, Finland, Sweden, Norway, Poland, Latvia, Lithuania, Estonia and Russia. The organizational bodies of the BSSSC are: the Chairperson (elected by the Board on a rotational basis for a two-year period), the Board consisting of two representatives of each of the BSR countries, the Secretariat, which follows the Chairperson and ad hoc Work groups. The BSSC is an open network with no membership fee. Each region covers its own costs in relation to its active participation in the BSSSC work.
\textsuperscript{844} Ibidem
\textsuperscript{845} The member countries are: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia, Sweden.
\end{center}
strengthening the cooperation between the Baltic Sea Region cities may contribute in a major way to the development of this region and foster peaceful and harmonious relations between the European nations in the spirit of, and in accordance with the provisions of the Conference on Security and Cooperation in Europe”.\footnote{846} To this end, the Union promotes a systematic exchange of experience among the cities in the region in the fields of interest and foster communication ties among them.

The B7, which was established in 2000, is an organization representing seven islands in the Baltic Sea region: Bornholm (Denmark), Gotland (Sweden), Hiiumaa (Estonia), Rügen (Germany), Saaremaa (Estonia), Öland (Sweden), Åland (Finland). Its aim is to exchange knowledge and experiences among the seven islands in the fields of interest such as sustainable development and culture.

Furthermore, another sector of utmost importance for the economic growth of the region is tourism. The Baltic Sea Tourism Commission (BTC) has been created with the objective of promoting tourism by increasing the region’s attractiveness. To achieve this goal the organization has become ‘a link between the project, the academic and the commercial world’.\footnote{847}

These organizations are not the only ones in the region, but they are among the most important ones. The big number of organizations shows that economic cooperation in the region is flourishing. The commitment of the CBSS in many of these initiatives is also an indicator of this.

The CBSS contributes to the economic development of the region also through its Expert Group on Sustainable Development – Baltic 21. Its multi-stakeholders and multi-sectoral approach to sustainability makes it an important actor in creating partnerships and facilitating actions which help the region to make concrete progresses towards sustainable development.\footnote{848} In the period 2010-2015 the Expert Group on Sustainable Development – Baltic 21 focuses on four strategic areas of cooperation: climate change; sustainable urban and rural development; sustainable consumption and production; innovation and education for sustainable development. It “provides a policy and project platform”.\footnote{849}

On the policy side, it regularly contributes to the work of the CBSS and of the EU. It is for instance on of the catalysts of the EU Strategy for the Baltic Sea region providing input to the Northern Dimension Partnership. It also provides policy inputs to the OECD and the UN Commission on Sustainable Development. On the project side, Baltic 21 awards regional initiatives the quality label of Baltic 21 Lighthouse Project. These projects are visible tools for demonstrating sustainable development in practice. Many of these projects are mentioned as flagship projects contained

846 See the website of the Union of the Baltic Cities at http://www.ubc.net/documentation,55,194.html
847 See the website of the Baltic Sea Tourism Commission at http://balticsea.com/about-btc/
849 Ibidem, p.1
in the Action Plan accompanying the EU Strategy for the Baltic Sea region and have been successful in securing funds from the EU and its Baltic Sea Region Programme 2007-2013. Baltic 21 tries to involve the other Expert Groups of the CBSS in its activities and projects.

The cooperation in the economic field which began in the years immediately after the collapse of the Soviet Union has made it possible for the Baltic Sea region to grow and prosper. The Nordic countries enormously increased their investments in Estonia, Latvia and Lithuania since 1991. They invested in companies and infrastructure projects. In particular, Swedish and Finnish ventures helped the modernizations of the banking and of the communication sector and invested in the services, especially in businesses, hotels and restaurants. The Nordic countries invested despite bureaucratic obstacles and the lack of visa-free travel. Between 1996 and 2000 the Nordic countries were the biggest investors in the Baltic countries, accounting for 37.6% of investment in Estonia, 32.3% in Latvia and 17.3% in Lithuania.

The direct investments in the Baltic countries were substantial, but it was minimal if compared to the total Nordic outward direct investment. The Swedish direct investments’ share in Finland was 50.1%, 32.3% in Norway, and 22.7% in Denmark. German direct investments in the region were generally modest, though they accounted for 13% in Poland that invested very little in the other countries of the area. Latvia was unique in attracting huge Russian investments. Estonia had significant investment rates in both Latvia and Lithuania. This latter was the leading foreign investor in Kaliningrad.

Trading patterns varied very much in the region. Germany was Poland’s main partner. Their trading relations with the Nordic countries were very limited. Intra-Nordic trade was very well developed, but the Nordic countries had commercial links also with the EU. The Nordic states accounted for around one-half of Estonian imports and exports, but less than 25% with Latvia and Lithuania. Commercial links with Russia developed slowly because of its corruption and economic mismanagement. In early 1990s the economies of the Baltic States were still integrated into the Russian economy, but the situation changed in ten years when they turned to the West. The Russian economic crisis in 1998 exacerbated the situation as the decline in the value of the rouble made the Baltic and the Nordic goods too expensive for the Russian market. Nevertheless, Russia remained an important market both because of its size and abundant reserves of natural resources.

The link between the Baltic and the Nordic countries has become even stronger over time. In 2004, some months before the Baltic States entered the EU, Estonia, Latvia and Lithuania signed an agreement to become mem-

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850 CBSS, CBSS Sustainable Development Strategy adopted with revision 110110 by B21, op.cit., p.2
852 Ibidem, p.42
bers of the Nordic Investment Bank (NIB) in 2005. Since then the Bank has been taking part in the financing of cross-border intra-Baltic business activity and of infrastructure of the new member countries to develop a more integrated Nordic-Baltic economy. The Baltic membership has also broadened the scope for intensified cooperation with Russia and for a close cooperation with Ukraine and Belarus. The NIB finances projects to “strengthen competitiveness and enhance the environment”. In 2012 the NIB financed a significant number of infrastructure projects in energy, transportation, logistics and telecommunications, but also projects related to innovation.

The international economic and financial crisis in 2008 has slowed down economic growth in the region. The economic and social situation drastically worsened, unemployment and inflation increased and the GDP of states declined. A report of the BDF notes that in spite of this “the Baltic Sea Region’s solid economic performance in 2011 has been a reward for its strong response to the 2008/2009 global crisis. Both exports and domestic demand contributed to growth”. Exports within the region as well as towards other parts of the world economy have grown. Domestic factors such as higher employment rates and a more stable fiscal outlook which supported private demand also played an important role. At the same time, the economic differences among the countries of the region, which CBSS General Director, Jan Lundin, observes that the economic differences among the countries of the region as a destabilized factor became more visible. This has happened in the more developed Northwest states and the less developed ones in the Southeast. Sweden did well but had to struggle to reduce unemployment rate. Denmark had to work hard because of the weaknesses in its banking system and to pursue a good fiscal policy. Even Finland had also to deal with fiscal adjustments while Norway continued to follow its oil and gas-fuelled course. Iceland recovered but dissatisfaction and anger about the financial meltdown remains deep-seated in the society. Germany is still benefiting earlier policy reforms, but concerns about external shocks remain. The BDF report states that Poland had established its place as a stable economy although it had to face several economic challenges. Finally, Russia was (and still is) going through a difficult political period with Vladimir Putin again as

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853 The Nordic countries that are members of the NIB are Denmark, Finland, Iceland, Norway and Sweden.
See the website of the Nordic Investment Bank at http://www.nib.int/news_publications/press_releases/baltic_membership_background
854 Ibidem
855 See the website of the Nordic Investment Bank at http://www.nib.int/about_nib
856 Nordic Investment Bank, Annual Review 2012 available on the website of the Nordic Investment Bank at http://annual.nib.int/2012/
858 Interview with Jan Lundin, Director of the CBSS 22/03/2011
President. Its institutional weaknesses bear heavily on its economic development which mainly depends on oil and gas.  

The BDF report stresses that the small size of most of the countries in the Baltic Sea region makes them dependent on the rest of Europe which is their largest economic partner. The competitiveness of the Nordic countries and of Germany remains quite solid because they have strong institutions that have supported good macroeconomic policies and sound business environments. The Baltic States have used their EU membership as ‘a major boost’, improving their competitiveness, but still need comprehensive strategies to reach a sustainable path. Poland has done better than the Baltic States but continues to struggle with high unemployment rate and a significant budget deficit. Its competitiveness is on par with the Baltic States. Russia needs to improve its institutional conditions which are at the heart of many of its competitiveness problems.

Competitiveness is one of the major issues raised by the CBSS in its sixth ministerial meeting even before the crisis in 2007. The Conclusions of the meeting stress the importance to improve the business environment by developing coordinated actions in areas of special relevance to the competitiveness of the region. A more recent document submitted by Baltic 21 to the organization in 2011 also points out the importance of regional competitiveness by stressing the key role played by enterprises in this context. It states that “small and medium sized enterprises (SMEs) are important actors in changing unsustainable patterns of consumption and production as they constitute a large share of production worldwide. For SMEs, eco-innovations can create competitiveness advantages and new business opportunities that at the same time reduce negative environmental impacts.”

With the exception of Iceland, Norway and Russia, the other countries of the Baltic Sea region are members of the EU. According to a study accomplished by the Hamburg Institute of International Economics, the Baltic Sea region contributes to some 29,3% of EU’s GDP. Thus, the region is economically important in Europe. The special importance of the region is the subject of the EUSBSR endorsed by the European Commission in 2009. It is “the first comprehensive EU strategy to target a ‘macro-region’” and includes eight countries (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland). The EUSBSR focuses on a number of priority

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859 Baltic Development Forum, op.cit., 153
860 Ibidem, p.154
861 CBSS, Conclusions of the Chairman of the 6th CBSS Ministerial Conference on Trade and Economy, May 23, 2007, p.2
864 http://ec.europa.eu/regional_policy/cooperate/baltic/index_en.cfm
areas aiming to “save the sea, connect the region and increase prosperity”. Each area is accompanied by concrete flagship project and by clearly identified targets and indicators. The strategy is a useful tool to mobilise all relevant EU funding and policies and to coordinate the actions of the European Union, EU countries, regions, pan-Baltic organisations, financing institutions and non-governmental bodies to promote a more balanced development in the Baltic Sea Region. The EU aims to achieve: “support for new projects, including cooperation between farmers to reduce eutrophication and improved planning for transport infrastructure; greater involvement of Russian partners in areas like environmental protection, water quality and innovation; improved cooperation between regions and other partners, including the private sector”.

Prior to EUSBSR the EU had launched another policy, namely the Northern Dimension. It was initiated in 1999 and renewed in 2006. It is now a joint policy between the EU members, Russia, Iceland and Norway, and also includes a number of organizations and institutions: Regional Councils such as the CBSS, the Arctic Council (AC), the Barents Euro-Arctic Council (BEAC) and the Nordic Council of Ministers (NCM); international financial institutions like the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB) and the Nordic Environment Finance Corporation (NEFCO) as well as other financial institutions; universities and research centers and business community; Canada and the United States participate as observers; Belarus participates in practical cooperation.

The ND’s main objectives are to “promote dialogue and concrete cooperation; strengthen stability, well-being and intensified economic cooperation; promote economic integration, competitiveness and sustainable development; encourage innovation and entrepreneurship; make it easier for companies and people to move across borders; improve transport infrastructure; improve energy and resource efficiency; protect the environment and natural resources; improve maritime safety and security; combat cross border crime.”


ND cooperation is based on the principle of co-financing. Nicola Catellani points out that the absence of budget line has transformed the ND in a ‘non-policy’. The logic behind the behaviour of the EU was that it was necessary to make a huge human and financial effort to make it as a policy. Nevertheless, the absence of a budget has also had positive consequences since it has fostered the creation of new ways for securing financing for projects like the Northern Dimension Environmental Partnership (NDEP).


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865 The priority areas are: nutrient inputs to the sea; natural zones and biodiversity; hazardous substances; model region for clean shipping; climate change; internal market and cooperation in the customs and tax areas; research and innovation; entrepreneurship, SMEs and human resources; agriculture, forestry and fisheries; energy markets, transport links; education and youth, tourism, culture and health; maritime safety and security; maritime accident response capacity; cross border crime.

866 See the website of the European Commission at http://ec.europa.eu/regional_policy/cooperate/baltic/index_en.cfm

867 Ibidem

868 ND cooperation is based on the principle of co-financing. Nicola Catellani points out that the absence of budget line has transformed the ND in a ‘non-policy’. The logic behind the behaviour of the EU was that it was necessary to make a huge human and financial effort to make it as a policy. Nevertheless, the absence of a budget has also had positive consequences since it has fostered the creation of new ways for securing financing for projects like the Northern Dimension Environmental Partnership (NDEP).
In order to achieve these goals and to implement the ND’s projects more effectively, four partnerships have been established to deal with the challenges along the following thematic issues: environment (NDEP); public health and social well-being (NDPHS); transport and logistics (NDPTL); culture (NDPC).

As Nicola Catellani points out, “the ND was not the first initiative taken by the EU in its Northern neighbourhood, but it was with the Northern Dimension that the Union engaged with it for the first time through a comprehensive regional initiative. (...) the Northern Dimension originated in the ‘soft’ competitions that emerged among the Nordic countries a result of the political opportunities opened up by the enlargement of the EU to include the European Free Trade Area (EFTA) countries”. The ND is the expression of the increasing relevance that the EU attaches to its ‘neighbourhood policy’. In this context the inclusion of Russia is particular significant since it is not part of the ENP. This evidently implies that including Russia in soft security matters in the region.

In conclusion, economic cooperation is flourishing in the Baltic Sea region. The CBSS has implemented a number of initiatives some of which have been successfully concluded. The CBSS also cooperates with other bodies dealing with economic issues in the region. This has created a well functioning network fostering economic growth and development. The EU plays an active role in this context through the EUSBRS and the ND which contribute to strengthen the links among the states in the region. The ND has geopolitical significance as it includes Russia and other non member states such as Iceland (that is a candidate country) and Norway.

**Economic development in the Black Sea region**

The economic sector is of utmost importance for the BSEC. The adjective ‘economic’ is even included in the name of the organization. This reflects the fact that the economy has historically been the unifying factor in the area which remains however very fragmented for political, historical, cultural and even economic reasons. Unlike the CBSS where the area of cooperation called ‘economic development’ has a broad scope covering several sectors (e.g. tourism, maritime policy, trade and transport) as it has been shown in the previous section, the BSEC has identified some subcategories corresponding to specific areas. Like the CBSS, the BSEC has established a

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669 See the website of EEAS at http://eeas.europa.eu/north_dim/index_en.htm
670 Ibidem
671 The EFTA’s member states are: Iceland, Lichtenstein, Norway and Switzerland.
672 Catellani, Nicola, op.cit., p.1
673 Ibidem, p.38
group ad hoc to deal with the issues related to this field, namely the Working Group for Trade and Economic Development.

In 2011 the Ministers in charge of Economy adopted a Joint Declaration which addresses the main trade and economic challenges and which provides the measures that the BSEC members should take for the growth and the prosperity of the region. These measures include facilitating trade and economic cooperation in the region by enhancing human resources and natural capacities as well as the expansion of investment opportunities in the BSEC member states and of intra-regional investments. Other multilateral measures consist of establishing an institutional framework for the creation of a favourable investment and business climate by identifying the obstacles and the ways forward, in promoting innovation among the member states as basis for sustainable growth and economic development and encouraging technical cooperation on institution building in foreign trade, investment promotion and export credit insurance issues among the BSEC Member States on a multilateral basis.  

The Action Plan 2012-2013, prepared by the BSEC PERMIS and based on the Declaration, contains the priority issues for this period. In addition to the measures mentioned above (which are the goals contained in this document), the Action Plan also stresses the importance of the following goals: “promoting the cooperation with the European Union, other international and regional organizations, associations, programmes and initiatives; enhancing the role of the private sector in BSEC trade and investment cooperation; addressing the issue of setting up an efficient BSEC Mechanism for the exchange of information and data relevant for the development of intra-regional trade and intra-regional investment; exchange of views on the impact of the current economic crisis”.  

Other objectives concern the need for cooperating with international organizations and institutions for more research on the interaction of the economies of the member states. The aim is to implement projects on the trade and economic development to cope with the 2008 economic and financial crisis in the region. The cooperation of the Working Group with the BSEC related bodies is also considered essential to the achievement of these goals.

Studying the 2008 crisis is important to find solutions to the enormous problems confronting the states in the region. As Dimitrios Triantaphyllou argues, the international economic and financial crisis is a common challenge to the Black Sea countries which affects them collectively as well as individually. The crisis has resulted in economic stagnation in the region that adopted a market economy after the fall of the Soviet Union. Panagiotis

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875 See the BSEC’s website at http://www.bsec-organization.org/aoc/TradeEconomic/Pages/Information.aspx
876 See the BSEC’s website at http://www.bsec-organization.org/aoc/TradeEconomic/Pages/aPlan.aspx
877 Papava, Vladimer, The economic development complex in the Black Sea area: the impact of the global financial ad economic crisis, Xenophon Papers, n.9, ICBSS, Athens, p.7

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Gavras divides the ‘region’s economic performance’ in four phases (see Table 7). The first phase lasted until 1995 and constituted the initial economic transition of the Black Sea states. This period was characterized by economic decline owing to a number of factors: collapse of the old systems of production and distribution, the weak or non-existent legal frameworks, the non-functioning financial sector, and the macro-economic instability (e.g. high inflation and lack of fiscal control).\(^{878}\)

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*Source: Gavras, Panagiotis, 2010*

The five former Soviet countries (Armenia, Azerbaijan, Georgia, Moldova, and Ukraine) suffered from a much deeper recession in the region because the collapse of the Soviet Union eliminated the traditional economic linkages.\(^{879}\) The second phase lasted until the end of the 1990s and was characterized by stabilization and consolidation as the market-oriented structural reforms began to have a positive economic impact on the states.\(^{880}\) As Vasily Astrov and Peter Havlik point out, the Black Sea region enjoyed a fairly rapid economic recovery. Growth was faster in the countries that had previously suffered the most like Azerbaijan, Armenia, Georgia, and Ukraine. GDP more than doubled in Azerbaijan and Armenia and grew by more than

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\(^{880}\) Gavras, Panagiotis, *op.cit.*, pp.6-7
50 percent in Georgia and Ukraine. In the other countries of the Black Sea region the economic growth has ranged between 30 percent (in Turkey) and 40 percent (in Romania and Russia). Astorv and Havlik explain that the source of economic growth differed in each country. In Azerbaijan it primarily originated from the booming export-oriented oil and gas sector. The launch of the Baku-Tbilisi-Ceyhan pipeline in 2006 is an example. In Georgia and Armenia it was due to rising domestic demand, financed largely by loans and transfers from abroad. In the case of Georgia the Rose Revolution in 2004 leading to liberal reforms such as a large-scale privatization program and the abolition of customs duties also played a key role. In Russia and Ukraine the economic growth was due to the devaluation of their currencies in 1998-1999 following the Russian financial crisis (which opened the way to new opportunities initially for the domestic food-processing industry but later also for other sectors), and also rising energy (Russia) and metals (Ukraine). In the case of Romania and Bulgaria the economic growth was determined by their integration into the EU which happened later in 2004. The adoption of the *acquis communautaire* and the trade agreements with the EU before that date had a positive impact on their economy. The good economic performance of Turkey was also due to the reform package launched in 2002 (in the third phase). The reforms aimed at improving the fiscal situation and curbing inefficiencies in the industrial sector. Moldova also recovered from economic recession in the first phase on account of the trade liberalisation and responsible monetary policies that brought a quick end to hyperinflation in early 1990s. These measures paved the way for Moldova to become one of the first CIS countries to join the World Trade Organization (WTO). Serbia moderately recovered from the recession of the early 1990s because of the 1994 reform package that put an end to hyperinflation. Nevertheless, the war with NATO over Kosovo in 1998-1999 led to a decline in GDP. Greece’s economic performance in early 1990s was not satisfactory as inflation was very high (18.9%) and economic

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881 Astrov, Vasily, Havlik, Peter, *op.cit.*, pp.126-129
885 Šabić, Dejan, Vujadinović, Snežana, Miliničić, Miroljub, Golić, Rajko, Stojković, Sanja, Joksimović, Marko, Filipović, Dejan, Šećerov, Velimir, *op.cit.*, p.70
growth was very low (0.9% on average). However, in the mid-1990s the Greek government pursued fiscal and monetary policies which “led to a high degree of macroeconomic stability and fostered an improved environment for investment and faster output growth. Greece’s adoption of the euro marks the end of a long stabilisation effort and the beginning of a new era of opportunities and challenges” 886.

The case of Albania is also dramatic as two events had a very negative impact on its economy, namely the war in Kosovo and the pyramid scheme phenomenon which brought about an unprecedented financial crisis in 1997. The scheme wiped out almost all domestic savings of the citizens 887. These two events had huge social consequences as they caused the death and the impoverishment of many people.

During this phase, the Black Sea economies had to deal with shocks (1998 Russian financial crisis, the 1999 earthquake in Turkey, and volatile of energy prices). The third phase that began in 2000 and lasted until the third quarter of 2008, characterized by sustained growth essentially due to the shift to a market-oriented system, positive impact of the earlier reforms, and improvement in macroeconomic stability (e.g. greater credibility of governments, declining inflation, smaller fiscal deficits, and reduced external debts). During this period the real GDP growth averaged 6 percent per annum corresponding to a cumulative economic expansion of 68 percent. As a consequence, living standards rose, poverty rates dropped, trade and investment picked up, and the Black Sea region’s societies became more integrated with the broader European and global economy 888.

The fourth phase began with the international economic and financial crisis of 2008. It halted the economic growth of the region and especially affected those countries that were more vulnerable because inflows of foreign capital ceased. External financing became very difficult or impossible to obtain compounded by large foreign debt and a sizeable current account deficit were seen as significant disadvantages 889. This study does not enter into the 2008 crisis in detail as it is not the aim here. However, it is important to mention the impact of the international crisis on the countries in the Black Sea region, and the implications from a geopolitical point of view. Armenia is one of the hardest hit countries by the crisis. A sharp decline in foreign direct investments, a falling demand for Armenian commodity exports, and a negative GDP already in the fourth quarter of 2008 are among

888 Gavras, Panagiotis, op.cit., p.7
889 Ibidem, p.8
the most serious effects of the crisis. There is broad consensus among experts that Azerbaijan has suffered the least from the crisis because of an underdeveloped financial sector and of the domination of the oil and gas sector.

The international crisis has affected Bulgaria quite significantly. The GDP declined in 2009 and the industrial sector saw a drop in sales. It is necessary to note that Bulgaria entered the EU in 2007 and therefore had not been fully integrated into the EU market. Additionally, the Bulgarian monetary policy was constrained by the currency board arrangement pegging national currency to the euro. This means that Bulgaria could not adjust its exchange rate to face economic difficulties. Like Bulgaria, Romania was not fully integrated into the EU market at the time of the 2008 crisis. The significant performances registered in the political, economic and legal sphere that had contributed to economic development on account of the EU membership, were halted by the crisis. GDP decreased and the production in heavy industries (mining and quarrying) significantly decreased. In Georgia the economic troubles were due not only to the international crisis, but also to the August war with Russia and to the governmental economic policies. However, Georgia benefitted from financial assistance provided by the international community (e.g. IMF) in response to the Russian aggression. This has made the economic consequences less heavy for Georgia.

The case of Greece is particularly dramatic as the 2008 international crisis has exacerbated its national economic crisis with devastating effects on the society. Greece has the highest levels of public debt in the Eurozone, and one of the biggest budget deficits. In 2009 the new government led by Prime Minister George Papandreou revealed that the previous governments had under-reported the budget deficit. As investors became increasingly nervous over the government’s high debt, they demanded higher interest rates on Greek bonds. This drove up Greece’s borrowing costs, exacerbated its debt levels, and put Greece on the path to default. The European Commission,
the European Central Bank and the IMF decided to intervene in the form of bailout loans to rescue Athens from insolvency.

For Moldova, that is by far the poorest country in Europe, 2009 was particularly difficult as the international crisis resulted in a significant decline in GDP by 6.9% already in the first quarter 2009 compared with the first quarter 2008. The impact was particularly strong in agriculture and industry.\(^897\) The economic growth of Moldova is dependent on EU trade preferences and must now face difficult challenges – political uncertainty, weak administrative capacity, higher fuel prices and the concerns of foreign investors as well as the presence of an illegal separatist regime in Moldova’s Transdniestria region.\(^898\)

The Russian economy, which grew at an impressive pace since the financial crisis in 1998, has been severely affected by the international crisis in 2008. This was already visible in the summer that year because almost half of the assets on the Russian stock exchange came from non-residents, including a large number of Americans, who started to withdraw their capital. This led to a drop in the securities prices like the ones of oil and gas on the international market. The GDP contracted and unemployment increased. However, the Russian economic crisis can be attributed also to domestic factors such as the structural problems of the industry sector as well as the technological deficiencies making the energy sector particularly important for the Russian economy.\(^899\) Indeed, in 2012 Russia adopted a new oil-price-based fiscal rule and a more flexible exchange rate policy which have improved its ability to deal with external shocks, including volatile oil prices. Additionally, high oil prices in 2011-2012 helped Russia reduce the budget deficit inherited from 2008-09.\(^900\)

The negative consequences on the Serbian economy were heavy though the banking system is mostly foreign owned and was well capitalised at the outset of the global financial crisis (a fact of utmost importance for maintaining financial stability). Serbian industry, in particular the metal producing and the processing sector, was very much affected by the crisis.\(^901\) However, Serbia can count on some factors which are favourable to its economic growth including a strategic location, a relatively inexpensive and skilled labour force, and free trade agreements with the EU, Russia, Turkey, and

\(^898\) See the website of the Central Intelligence Agency at https://www.cia.gov/library/publications/the-world-factbook/geos/md.html
\(^899\) Papava, Vladimir, *op.cit.*, pp.54-56
\(^900\) See the website of the Central Intelligence Agency at https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html
countries that are members of the Central European Free Trade Agreement (CEFTA).\textsuperscript{902}

Like the other countries of the region, Turkey has suffered a serious setback from the crisis. As Ercan Uygur argues, this is not surprising as Turkey is very well integrated in the global economy increasing the severity of the global recession. He also points out that foreign trade flows are a very important channel through which the international crisis has affected the Turkish economy.\textsuperscript{903} The significant decrease in industrial output was mainly due to the decrease of the demand on the international markets.\textsuperscript{904} As Turkish exports are heavily dependent on EU demand, the decline in the latter has had a negative impact on Turkish balance of payments.\textsuperscript{905} By contrast, the Turkish banking system has shown resilience to the international crisis as a result of the reform measures.\textsuperscript{906} In addition, before the crisis Turkey could benefit from its status as an EU candidate nation, as well as from the economic and political reforms it had undertaken to gain the EU membership, which boosted investor confidence and helped attract foreign investment.

Ukraine is one of the countries which have suffered the most from the international crisis as it has experienced the worst economic downturn among the states in the Black Sea region. The difficult economic and financial situation was aggravated by the continuous stalemate in the Parliament and, more generally, by the inefficiency of the governmental institutions.\textsuperscript{907} The other reasons are at the basis of the Ukrainian vulnerability to the crisis. Among them there is the fact that the Ukrainian economy has not been entirely reformed since the collapse of the Soviet Union and hence has reduced adaptive capacities. This has notably reduced its ability to counteract the international crisis. Moreover, the Ukrainian economy was essentially export-oriented and consequently dependent on the demand of the world market. The reverse of this trend on account of the crisis caused a deep downturn of the economy. Ukraine is also highly dependent on the energy resource imports especially from Russia. The ‘gas wars’ with the big neighbour have strongly contributed to deepen the crisis.\textsuperscript{908}

Like the other countries of the region, Albania was has been directly affected by the 2008 crisis, though the GDP growth rate increased of 3 percent in 2009.\textsuperscript{909} The sector which has suffered the most from the crisis is industry.

\textsuperscript{902} See the website of the Central Intelligence Agency at https://www.cia.gov/library/publications/the-world-factbook/geos/ri.html
\textsuperscript{903} Uygur, Ercan, The Global Crisis and the Turkish Economy, Third World Network Global Economy Series, n.21, Jutaprint, Pinang, 2010, p.14
\textsuperscript{904} Papava, Vladimer, \textit{op.cit.}, p.61
\textsuperscript{905} Uygur, Ercan, \textit{op.cit.}, p.56
\textsuperscript{906} Papava, Vladimer, \textit{op.cit.}, p.61
\textsuperscript{907} Ibidem, p.63
\textsuperscript{908} Paskhaver, Oleksandr, Economic Crisis in Ukraine: Effects and Efficiency of Anti-crisis Policies, Centre for Economic Development, Kyiv, 2009, p.5
\textsuperscript{909} Albanian Centre for International Trade, Social Dimension of the Global Crisis in Albania, The Fason Industry as a Case Study, Tirana, 2010, p.2
This is essentially due to the fact that the Albanian industry was inefficient, low productivity and structurally distorted as a result of its conditions during the Cold war when considerable investments and assistance were provided by the Soviet Union and other Socialist bloc countries. The crisis has worsened the industry conditions as investments have decreased. Consequently, exports have also declined. This was also due to the weakening of global demand. Albania’s main destination markets are Greece and Italy that have been particularly suffering from the crisis.  

Although the 2008 economic and financial crisis has strongly affected the Black Sea region states, a study of the Black Sea Trade and Development Bank (BSTDB) reveals that in 2011 the region started growing again. The average real GDP growth rate that year reached an estimated 4.1%. This indicates that “the region as a whole has reached and surpassed the levels of economic output up to mid-2008, just prior to the sharp economic downturn that resulted in the aftermath of the global financial crisis of September 2008”. However, the study also stresses that the second part of 2011 saw a decline of the economic growth of the region because of “a series of shocks including the Japanese earthquake and tsunami, which disrupted global supply chains, the Arab Spring which fueled upward volatility in energy prices, and most importantly, the continuing turmoil of the Eurozone crisis”.

This brief analysis clearly shows that the Black Sea region comprises of a heterogeneous group of countries which differ in size, institutional characteristics, are facing different problems and find themselves at different levels of development. Russia has the biggest GDP in the region given its natural resources, its wide territory and population, immediately followed by Turkey, while Moldova is the poorest country. The region also includes EU member states (Bulgaria, Romania and Greece), some post-communist countries which are not EU members (Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russia, Serbia and Ukraine) and Turkey which is negotiating its accession to the EU. The analysis shows that the EU members and Turkey are generally more developed and better integrated into the global economy, but they are exposed to a higher risk of economic shocks which have originated elsewhere. The post-communist countries are less

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910 Papava, Vladimer, *op.cit.*, p.36  
911 Albanian Centre for International Trade, *op.cit.*, p.7  
912 See the website of the Black Sea Trade and Development Bank at http://www.bstdb.org/countries/the-black-sea-region  
913 Ibidem  
914 Astrov, Vasily, Havlik, Peter, *op.cit.*, p.1  
915 For the year 2012 the GDP (Purchasing Power Parity) of the Black Sea region countries is: Russia $2.504 trillion; Turkey $1.125 trillion; Ukraine $335.4 billion; Greece $280.8 billion; Romania $274.1 billion; Bulgaria $103.7 billion; Azerbaijan $98.16 billion; Serbia $78.43 billion; Albania $25.86 billion; Armenia $18.95 billion; Moldova $12.27 billion. See the website of the Central Intelligence Agency at https://www.cia.gov/library/publications/the-world-factbook/index.html
integrated into the global market and often suffer from economic structural problems.916

This brief analysis opens the paths to two considerations. The first one pertains to the role of the BSEC in the establishment of a developed cooperation in the economic sector, and more specifically in the trade among its members. The BSEC has given an impetus to the strengthening of the intra-regional trade when it was established. Serdar Sayan has conducted an interesting study on this subject. He begins by observing that according to conventional trade theory regional arrangements are established with the aim to improve the welfare of members through a reduction or elimination of barriers to trade in the region. There will be welfare gains for the regional members as long as welfare-improving trade creation (TC) effects exceed welfare-reducing trade diversion (TD) effects. Sayan explains that “TC arises when domestic production in a certain sector of a member country is replaced, in part or as a whole, by imports from another member which has a comparative advantage in the production of that sector's output. Since the member with a comparative advantage is, by definition, a country which produces that output at a lower cost, i.e., more efficiently, there are welfare gains associated with trade creation”.917 On the other hand, TD “occurs when the elimination of barriers upon imports from partners lowers the cost of those imports below the cost of imports from more efficient third parties, as the latter remains artificially high due to the maintenance of restrictions on third party imports. Naturally, such a switch from more to less efficient producers would decrease the importing member’s welfare”.918 The BSEC could reverse trade diversion due to the peculiar characteristics of the regional states and increase TC effects only if it manages to reduce the structural barriers to trade among its members – i.e. lack or inefficiency of channels for trade such as the lack of a private sector and of a private capital accumulation, and poor transportation and communication infrastructure. By contrast, other structural obstacles like the ideological differences existing among the states during the Cold War era had been eliminated before the establishment of the Cold War. In its Summit Declaration of 1992, the BSEC emphatically states that “the economic cooperation will be promoted gradually and, while determining the priorities in this process, they will take into account the specific economic conditions, interests and concerns of the countries involved, and particularly the problems of the countries in transition to market economy”.919 The BSEC’s declaration also states that it aims at developing economic cooperation “as a contribution to the CSCE process, to the establish-

916 Gavras, Panagiotis, op.cit., p.15
918 Ibidem, p.2
919 BSEC, Summit Declaration on Black Sea economic Cooperation, Istanbul, 1992, p.2
ment of a Europe-wide economic area, as well as to the achievement of a higher degree of integration of the Participating States into the world economy”. 920 In this context it is important to improve the business environment and to stimulate individual and collective initiative of the enterprises and firms through, among other means, the progressive elimination of “obstacles of all kinds, in a manner not contravening their obligations towards third parties”. 921 As Sayan points out, these obstacles should not be intended as conventional barriers to trade (e.g. tariff barriers), but as the structural constraints mentioned above which prevented large volumes of pre-BSEC trade between its members, especially between transition economies joining BSEC, on the one hand, and Greece and Turkey, on the other one. Indeed, Greece was a EU member while Turkey was negotiating a Customs Union Agreement with it. Consequently, while the BSEC could not set conventional barriers to trade independently and without contravening the commitments with third parties, it could contribute to the removal of structural obstacles. According to Sayan, this has helped the BSEC members “improve their ability to link up with the global economy and created welfare gains through increased trade for its members”. 922 However, as argued above, most of the regional states are not well integrated into the global economy yet.

The second consideration from the preceding analysis concerns the fact that the conflicts and the tensions in the region prevent states from developing economic cooperation. This is clear for instance in the case of Armenia that has only two open trade borders, namely Iran and Georgia. The reason is that its borders with Azerbaijan and Turkey have been closed since 1991 and 1993, respectively, as a result of Armenia's ongoing conflict with Azerbaijan over the separatist Nagorno-Karabakh region. Consequently, Armenia is economically isolated from its two nearest neighbours, Azerbaijan and Turkey. 923 Other cases of Moldavia, Georgia, Ukrainia and Albania also illustrate this point. All these cases have geopolitical implications which have a strong impact of the economy of these countries and on the political and economic relations among them. The involvement of the two regional powers, namely Turkey and Russia, as well as of external actors such as the EU and NATO makes the picture much more complicated.

The EU is one of the most important actor in economic terms. Its decisions have a direct impact on the Black Sea region and often create an externality effect as they also influence non-EU members. Panagiota Manoli explains that regional cooperation involving transition economies “is not only impeded by the heterogeneity of the national transition processes of the EU integration but also by the bilateral relations with the EU as ‘conditionality creates asymmetries and tensions for which regionality cannot compen-
As Panagiotis Gavras puts it, “sometimes this is positive, but it can also be divisive or negative”. The EU is an important market for the Black Sea region as it is the main source of financing in the shape of lending, investment, and official assistance. The interest of the EU in the region has grown since Romania and Bulgaria got the EU membership. As a result, in the last years the EU members have established closer economic ties with the region where they seek expanding markets and new opportunities for investment. Gavras points out that “a key question concerns the terms on which this will happen, since the EU insists on ‘exporting’ its own rules, regulations and standards”. He argues that while in many cases the EU allows some sectors of the economy to develop with greater transparency, increased competition, and clear legal frameworks, in some others as in the agricultural policy the EU practices create more problems than they solve.

Furthermore, according to Gavras, the EU’s impact on cooperation in the Black Sea has not been altogether beneficial because it has developed its relations with the regional states bilaterally without taking into consideration the implications for the cooperation in the area. The EU has tried to develop some policies towards the region (EaP and the ENP) with the aim to strengthen its power and its political and economic influence there. Nevertheless, the EU’s strategy towards the Black Sea region is not clear and has often been accused of woolliness and lack of well defined objectives. Indeed, the EU’s policies overlap and are ineffective. They include some of the countries of the Black Sea region and deal with more or less the same sectors such as energy, transport, trade, environment, maritime policy and others. However, as Panagiota Manoli argues, “despite criticism of the EU’s external policies, the Union is an international actor whose external policies bring in elements of interaction, consultation and partnership. That is particularly the case when it comes to the implementation of neighbourhood policies”.

Additionally, the EU is a very important trade partner for the countries in the Black Sea region. While for Russia the EU is the major trading partner, for the EU however Russia is only the third largest trading partner. The EU is also the main trade partner of Turkey, Armenia, Azerbaijan (especially in

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924 Manoli, Panagiota, The Dynamics of Black Sea Subregionalism, Ashgate, Surrey, 2012, p.206
925 Gavras, Panagiotis, op.cit., p.20
926 Ibidem, p.20
927 Ibidem, p.21
928 Ibidem, p.21
929 Ibidem, p.21
931 See the website of the European Commission at http://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/
932 The trade relations between the EU and Turkey are regulated by the Customs Union Agreement of 1995.
the field of energy) and Georgia and is among Ukraine's most important commercial partner as it accounts for about one third of its external trade. The EU is Moldova's first trading partner with more than 40% of Moldova's total trade - followed by Russia and Ukraine. Serbia and Albania, which are potential candidate countries, regulate their trade relations with the EU through an Interim Agreement on Trade and Trade-related issues.

Furthermore, in order to understand the region’s trade (and more generally economic) framework it is necessary to take into consideration the intraregional trade dimension. As Panagiota Manoli argues, “one of the dominant features of intra-regional trade is its domination by Russia (due to its energy exports)”. In 2008 Russia’s trade with the region reached 87 billion USD, which counted for almost 28 per cent of total intra-BSEC trade flows. Turkey’s trade with the countries of the region reached 66.7 billion USD, representing 22 per cent of overall intra-BSEC trade. The third place in the ranking of the Black Sea partners in terms of the value of its regional trade is Ukraine that reached 50 billion USD counting for 16.5 per cent of intra-BSEC trade. For most countries, Russia is the main trading partner from the Black Sea group, while Turkey is the second most important intra-regional partner.

Russia and Turkey are important trade partners for each other. Russia is the second trade Turkish partner after Germany and is the main import source for the Turkish economy. Imports from Russia account for about 13% of overall imports. Turkey is an important partner for Russia, too. In 2007 it was Russia’s fourth main partner sharing 5% of Russian exports. An article published by *The Economist* in December 2012 defines Russia as “Tur-

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933 In 2011 trade with the EU represented 32% of overall trade for Armenia, 42.5% for Azerbaijan and 26.1% for Georgia.
934 See the website of the European Commission at http://ec.europa.eu/trade/policy/countries-and-regions/south-caucasus/
935 See the website of the European Commission at http://ec.europa.eu/trade/policy/countries-and-regions/countries/ukraine/
936 See the website of the European Commission at http://ec.europa.eu/trade/policy/countries-and-regions/countries/moldova/
937 For Serbia see Council of the European Union, *Interim Agreement on Trade and trade-related matters between the European Community, of the one part, and the Republic of Serbia, of the other part*, Luxembourg, 29 April 2008
938 For Albania see Council of the European Union, *Interim Agreement on Trade and trade-related matters between the European Community, of the one part, and the Republic of Albania, of the other part*, 8154/06, COWEB/73, Brussels, 22 May 2006
938 *Ibidem* p 164-166

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key’s top trading partner”. 940 It stresses that “this is mainly in Russia’s favour: the bulk of the transactions are made up of Russian natural-gas sales to Turkey” 941, but also that “Russia is the biggest market for Turkish contractors; Turkey is the top destination for Russian tourists”. 942

Furthermore, the EU is involved in some interstate programmes aiming at supporting the political and economic development not only in the Black Sea region but also in the Caucasus and Central Asia. An example is the Transport Corridor Europe-Caucasus-Asia (TRACECA), which was launched in 1993 and which includes 13 member states. 943 Its objective is to support “political and economic independence of the Republics by enhancing their capacity to access European and World markets through alternative transport routes, encouraging further regional co-operation among the partner countries and increasingly being a catalyst to attract the support of International Financial Institutions (IFIs) and private investors”. 944 At the moment of writing the EU has financed 62 technical assistance and 14 investment projects. TRACECA includes five expert working groups dealing with different sectors, namely aviation, security in all modes of transport, road and rail transport, transport infrastructure, and maritime transport.

In the Black Sea region there are several associations dealing with transport matters. The Black and Azov Seas Ports Association (BASPA), for instance, was established in 1999 with the initiative of the BSEC where it gained the status of ‘Sectoral Dialogue Partnership’. The creation of the Association was approved by the General Directorate for Energy and Transport of the European Commission. The aim of BASPA is to develop the Trans-Black Sea transport network and to organize the cooperation among the ports of the region as well as to promote the active participation of the ports of the region in the process of the formation of the transport policy of the European Union and the development of shipping lines with the access to the Mediterranean Sea and to the ocean transportation routes. The exchange of information and the organization of conferences and meetings with experts and specialists of ports is another important objective of BASPA. 945

941 Ibidem
942 Ibidem
943 Azerbaijan, Armenia, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan.
944 See the website of the TRACECA at http://www.traceca-org.org/en/countries/
946 See the website of the Black and Azov Seas Ports Association at http://baspabsc.org/en/assotsiatsiya
Furthermore, BASPA takes part in the meetings of the BSEC Working Group on Transport, which was created in 1992, when the organization was established. Indeed, the BSEC has paid particular attention to cooperation in the field of transport since its inception. This Working Group mainly focuses on “how to utilize effectively intra-region capacity and growing transit potential of the Black Sea region”. In addition, the Action Plan of the Working Group contains the main directions for cooperation, which consist in creating favourable conditions for international and private investments, the elaboration of concrete measures for the priority projects implementation aiming at the international transport infrastructure in the region, the harmonization of the transport legislation, the introduction of new technologies aiming at developing and accelerating the transport process, and the promotion of transport security conditions.

The projects implemented by the Working Group on Transport are a regional contribution to the extension of Trans-European Networks and the development of Euro-Asian transport links. At the same time, the Working Group explores new areas where it is desirable and realistic to initiate cooperation in a regional format in the transport sphere. In this context, cooperation with BSEC sectoral partners is particular important. They are the Union of Road Transport Association in the Black Sea Economic Cooperation Region (BSEC-URTA), the Black Sea International Shipowners Association (BINS), the Black Sea Region Association of Shipbuilders and Shiprepairers (BRASS), and BASPA discussed above.

BSEC-URTA was founded by the Associations of International Road Transporters in the eleven BSEC members in 2001. It aims at providing private sector contribution to the cooperation initiated in 1992 in the region by promoting dialogue and by providing channels for cooperation both within and outside the region. To achieve these objectives, the BSEC-URTA tries to promote expertise and information exchanges among its members and the BSEC through conferences and seminars as well as through regional projects and activities. BSEC-URTA, like BINS and BRASS, have the possibility to be associated in the management of concrete projects within the BSEC in the fields of their competence as well as to submit proposals for projects.

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946 In 1992 BSEC established the Working Group on Transport and Communications. In 1994 the Working Group was divided into two working groups – on transport and on communications. See the website of the BSEC’s organization at http://www.bsec-organization.org/aoc/Transport/Pages/Information.aspx

947 Ibidem

948 See the website of the BSEC’s organization at http://www.bsec-organization.org/aoc/Transport/Pages/ActionP.aspx

949 Ibidem

950 See the website of the BSEC’s organization at http://www.bsec-urta.org/en/pages/3/mission.html

951 BSEC-URTA, 22nd Meeting of the BSEC-URTA General Assembly, Chisinau, 3rd October 2012
to be financed through the BSEC Project Development Fund. As Panagiota Manoli argues, this multilevel approach has created a web of actors with some influence on policy making. An example is the inclusion on the BSEC agenda of the issue of visa facilitation for businessmen and lorry drivers engaged in international road transport of goods in the Black Sea region by the BSEC Business Council and the Union of International Road Transport Association in the BSEC (BSEC-URTA) region respectively. Other examples are the BSEC-URTA’s proposal to conclude an Agreement among the BSEC members on Mutual Recognition of Diplomas, Certificates and other evidence of Formal Qualification for Road Vantage Operators and Road Passenger Transport Operator, and the proposal on maritime transportation submitted by BINS and BRASS.\textsuperscript{952}

In this context the activities of the Conference of Peripheral Maritime Regions (CPMR) are particularly significant. Its activities focus on social, economic and territorial cohesion, Integrated Maritime Policy and transport accessibility. The CPMR “is striving to ensure a strong EU regional policy targeted at all of Europe’s regions and is also working towards the delivery of an integrated maritime policy designed to contribute towards Europe’s economic growth”.\textsuperscript{953} The CPMR is independent of the EU institutions.\textsuperscript{954}

Another important organization which is active in the region in the maritime field, but which includes only some of the BSEC members,\textsuperscript{955} is the Danube Commission. It is an international intergovernmental organization established by the Convention regarding the regime of navigation on the Danube signed in Belgrade in 1948. The main objectives of the Danube Commission are “to provide and develop free navigation on the Danube for the commercial vessels flying the flag of all states in accordance with interests and sovereign rights of the Member States of the Belgrade Convention, as well as to strengthen and develop economic and cultural relations of the said states among themselves and with the other countries”.\textsuperscript{956}

Furthermore, economic cooperation in the Black Sea region also focuses on small and medium enterprises, which are essential for the economic development of states. The BSEC Working Group on SMEs is a good example.

\textsuperscript{952} Manoli, Panagiota, \textit{Dynamics of Black Sea Subregionalism}, Ashgate, London, 2012,
\textsuperscript{953} See the website of the Conference of Peripheral Maritime Regions at http://www.crpm.org/index.php?act=1,1
\textsuperscript{954} The CPMR has 160 region members from 28 countries in Northern, South and Central Europe.
See the website of the Conference of Peripheral Maritime Regions at http://www.crpm.org/index.php?act=2,1
\textsuperscript{955} The Member States of the Danube Commission are: the Republic of Austria, the Republic of Bulgaria, Hungary, the Federal Republic of Germany, the Republic of Moldova, the Russian Federation, Romania, the Republic of Serbia, the Slovak Republic, Ukraine and the Republic of Croatia.
\textsuperscript{956} \textit{Ibidem}
Its basic goal is to facilitate the exchange of information for the promotion of entrepreneurship among the BSEC Member States. Thus, cooperation within the BSEC is devoted to the creation of an enabling business environment, to foster entrepreneurship, and to promote cooperation among SMEs in the BSEC region. The **BSEC’s Declaration on small and medium-sized enterprises at the dawn of the 21st century** underlines that “the BSEC Business Council is expected to play a special role in creating a forum for public-private dialogue between the business communities of Member States especially SMEs on one hand, and Government authorities on the other in order to stimulate debate and promote better mutual understanding of the different standpoints. This will contribute to the elaboration of supportive measures toward an economic environment conducive to business growth”.

The BSEC has established two other Working Groups aiming at improving the cooperation within the region, namely the Working Group on Banking and Finance and the one on Tourism. The most important achievement of the Working Group on Banking and Finance with the task to encourage the promotion of closer and more beneficial cooperation in the region, is the establishment of the Black Sea Trade and Development Bank.

The Working Group on Tourism aims at “finding ways and means for the overall valorization of the natural wealth and abundant heritage of the region” Its report of the meeting held in Yalta in February 2013 stresses that its activities should focus on “further strengthening cooperation of the Member States in the field of tourism, including enhancing dialogue on facilitation of visa procedures”. This is an essential condition for achieving the aims contained in the Terms of reference of the Working Group. Among them it is interesting to mention the promotion of the “cooperation among the Participating States in the fields of training, joint ventures, management, marketing and consultancy in tourism as well as the cooperation between the BSEC Participating States and third countries” and the planning of a “joint action in securing the financial support of the international financial institutions for the realization of tourism projects undertaken within the framework of the BSEC”. The relevance of the role of tourism for the economic development of the region is underlined by the **Declaration of the Ministers of**

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957 See the website of the BSEC’s at http://www.bsec-organization.org/aoc/smes/Pages/information.aspx
959 See the BSEC’s website at http://www.bsec-organization.org/aoc/Tourism/Pages/information.aspx
960 BSEC, Report of the Meeting of the BSEC Working Group on Cooperation in Tourism, Yalta, 28th February 2013, p.2
961 See the BSEC’s website at http://www.bsec-organization.org/aoc/Tourism/Pages/termsofref.aspx
962 Ibidem
Tourism or Heads of Delegations of the BSEC Member States. This document states that “the BSEC area has a great and very promising potential in tourism; tourism has a very significant and complex role to play in the economic, social and environmental fields of our countries; tourism is the major growing contributor to jobs, wealth, investments and cultural understanding” 963.

The BSEC and the other organizations mentioned above are not the only organizations aiming at contributing to the economic development in the region. GUAM is another relevant example. On March 28th-29th 2013, the GUAM Secretariat in Kiev hosted the 13th meeting of the Working Group on Economy and Trade where the participants agreed upon a draft of the Protocol on the procedure for the creation and activity of a working body to coordinate the actions of parties to the Agreement on Creating a Free Trade Zone between GUAM member states of 2002. 964 The commitment of the organization to strengthening of cooperation in the economic field was underlined by GUAM’s Secretary General. At the 6th Euro-Asian Road Transport Conference and Ministerial Meeting he underlined that the organization aims at increasing the competitiveness of its members. 965 In order to achieve this objective, he underlined the relevance of the transport sector. He said that “transport is a sector in which cooperation tends to generate big opportunities. It is particularly important for the countries participating in our organisation, as it better positions us in the network of international relations, upgrading the attractiveness of our transit potential for external partners”. 966 This is also why the fact that the GUAM’s territory covers “the most critical component of the wider TRCECA corridor – from the Caspian Sea to the EU’s eastern borders” 967 is particularly significant. Additionally the Secretary General stated that “the space of civilised partnership in the Black Sea-Caspian region, based on the European standards, criteria and practices, and the philosophy of the four freedoms (free movement of people, goods, capitals and services), is a key priority of our work. We consider our efforts to be a contribution to a European-wide system of safety and stability”. 968 An element that merits attention is that the budget of the organization, which is composed of the contributions of its members and of other recipients on a yearly basis, all worked out in US dollars. 969 This indicates to the involvement of the US in the cooperative framework in the region. Indeed, GUAM and the US have initiated a joint program aiming at facilitating regional security and economic development.

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964 See the GUAM’s website at http://guam-organization.org/en/node/1445
965 See the GUAM’s website at http://guam-organization.org/en/node/1170
966 Ibidem
967 Ibidem
968 Ibidem
969 See the GUAM organization’s website at http://guam-organization.org/node/617
Combating terrorism, transnational crime, enhancing border security, customs control and encouraging trade are among the main issues of the program\textsuperscript{970}. The involvement of the US in the work of the organization is particularly relevant especially in relation to Russia that considers GUAM as an anti-Russian alliance.

In conclusion, the BSEC is very much involved in the effort to improve and strengthen the cooperation among the regional actors in the field of economic development. Several organizations are part of the economic cooperation process in the region and some of them participate in the work of the BSEC. The EU’s involvement in the process of cooperation through its policies is rather fuzzy and unclear. In spite of this, the EU is a very important trade partner for the countries in the region and is very actively participates in some interstate programs such as TRACECA. Moreover, the crisis has had a huge impact on the economy of the regional countries halting their economic growth and making harder the work of the BSEC. Geopolitical issues stemming from conflicts and tensions among regional states also represent an obstacle to economic development.

\textit{The Baltic Sea and the Black Sea region compared}

The CBSS and the BSEC are deeply involved in the economic development of their respective region. Their Working Group on Economic Development\textsuperscript{971} is the body created to strengthen and improve regional cooperation in this sector. The two organizations have established a different structure to regulate economic cooperation. While the CBSS’ Working Group includes several issue-areas, the BSEC has established many Working Groups to deal with different matters. This is due to the necessity of facing in the most effective way as possible a number of challenges in a very fragmented region where countries differ in size, history, culture, political institutions and economic development. In both regions a number of organizations have been created with the aim to actively participate in the economic growth of the region as well as in the cooperation process initiated by the CBSS and the BSEC.

The case of economic development is particularly tricky for the neorealist approach to international relations. The reason is that the world is full of successful examples of cooperation in the economic field among states while neorealism argues that cooperation among states is not impossible, but very difficult to achieve. The World Trade Organization is just one of them. This is why it is not possible to analyse regional cooperation in this sector without

\textsuperscript{970} See the GUAM organization’s website at http://guam-organization.org/en/node/700
\textsuperscript{971} As explained above, in the case of the BSEC the exact name is Working Group on Trade and Economic Development.
referring to concepts of neorealism’s main challenger institutional neoliberalism which argues that states usually find it easier to cooperate in economic than in security matters. Neoliberal institutionalist Charles Lipson for instance says that “our analysis has emphasized the possibilities for strategic cooperation that foster the development of rules, norms, and political institutions in the world economy, and the more impoverished possibilities in security affairs”. Another neoliberal institutionalist, Brian Barry, also stresses the neorealist misunderstanding of anarchy by pointing out that “international affairs are not a pure anarchy in which nobody has any reason for expecting reciprocal relations to hold up. In economic matters, particularly, there is a good deal of room for stable expectations”. Keohane suggests that neoliberalism “insists on the significance of international regimes, and the importance of the continued exploration of the conditions under which they emerge and persist”. He also observes that “judging from the literature in international relations journals, this battle has been won in the area of international political economy: studies of particular international economic regimes have proliferated”. In effect, the number of projects implemented under the umbrella of the CBSS and of the BSEC (some of which have been already successfully concluded) as well as the numerous organizations operating in the region seem to contradict the neorealist assumption that international anarchy does not give cooperation so much room for manoeuvre.

However, in spite of the fact that it is historically true that cooperation is easier to realize in the economic sector where shared interests are usually greater than in other fields, it needs special mention that this often occurs for geopolitical reasons. The Marshall Plan and the creation of the European Coal and Steel Community (ECSC) are two examples in point. In the case of the Baltic Sea region the Nordic countries began investing in the three Baltic States not only to push the democratization and the modernization process but also to help them adopt a Western orientation. The stability and the prosperity of the region was another reason pushing the Nordic states to strengthen their relations with the Baltic States as well as with Russia whose inclusion in the regional cooperation served this purpose. On the Black Sea, Turkey took the initiative to establish the BSEC to expand its political and economic influence on the region. In all these cases, it is pretty evident that is power and security that overrides economic concerns.

Furthermore, in the case of economic development another element seems to contradict the neorealist approach to the study of international rela-

974 Ibidem, p.1
975 Grieco, Joseph, Cooperation among nations, Europe, America, and non-tariff barriers to trade, p.12
976 Ibidem, p.12
tions, namely the fact that most of the states are democracies (with the exception of Russia), which is another issue strongly supported by neoliberal institutionalists. For instance, when justifying his focus on relations among the advanced democracies, Keohane points out that states establish those relationships “where common interests are greatest and where the benefits of cooperation may be easiest to realize”.

Furthermore, as Grieco argues, “neoliberal theory also finds that cooperation among the advanced democracies is easier to achieve because particular collaborative ventures are typically ‘nested’ in a network of other economic and political joint arrangements”. Grieco’s statement can be divided into two parts. The first part, namely ‘cooperation among the advanced democracies is easier to achieve’, can be only applied to the Baltic Sea region as the Black Sea region states, which have a different historical and political background, are not advanced democracies in most of the cases. An example of this is Norden discussed in Chapter 1. Of course, this is not the only example as the relations among the Nordic states are historically very well developed. In 1952 and 1971 they have translated their strong links into two organizations, namely the Nordic Council and the Nordic Council of Ministers respectively. More recently, the cooperation within the CBSS shows their willingness to strengthen their relations in a broader context. At the same time, the inclusion in the CBSS of the countries which had belonged to the communist bloc aimed at making the region more secure and stable. Strengthening the economic links among the regional states served this objective like in the case of the huge investments the Nordic countries made in the Baltic States in the period immediately after the collapse of the Soviet Union, as argued above (see Table 8 for an illustration of the power relations among the states in the region). The willingness to cooperate responds to the material needs and considerations of states in the creation of a low tension area (Norden) leading to the Nordic Balance (before the end of the Cold War). This has been translated into the effort to make the Baltic Sea region secure after the end of communism and the collapse of the Soviet Union. This could be achieved not only through the different choices that the regional states have made in the military sector, but also through economic cooperation. The security of a state also depends on its economic strength. For this reason the Baltic States consider their EU membership not only as a mere geopolitical choice, but also as the best means to achieve security by ensuring their economic growth.

977 Grieco, Joseph, Cooperation among nations, op.cit., p.13
978 Ibidem, p.13
979 Bo Huldt explains the concept as following: the Nordic Balance is the notion of a particular pattern or system of security resulting from a combination of alliance membership, armed neutrality, and bilateral arrangements. The components of this multilayered buffer system have been three NATO members-Denmark, Iceland and Norway-, a strongly armed and quasi-neutral Sweden, and Finland”. Tiilikainen, Teija, Petersen, Damgaard, The Nordic countries and the EC, Copenhagen Political Studies Press, Copenhagen, 1993, p.31
especially vis-à-vis Russia from which they have been trying to assert their political and economic independence since 1991. Additionally, the theory according to which economic growth and democracy are strictly linked has been questioned by recent events. Bruce Bueno de Mesquita and George Downs argue in fact that “as events now suggest, the link between economic development and what is generally called liberal democracy is actually quite weak and may even be getting weaker. Although it remains true that among already established democracies, a high per capita income contributes to stability, the growing number of affluent authoritarian states suggests that greater wealth alone does not automatically lead to greater political freedom. Authoritarian regimes around the world are showing that they can reap the benefits of economic development while evading any pressure to relax their political control. Nowhere is this phenomenon more evident than in China and Russia”.

The second part of Grieco’s statement about neoliberalism, namely that some ventures are ‘nested in a network of other economic and political joint arrangements’, can be applied both to the Baltic and to the Black Sea region. In fact, the CBSS and the BSEC have implemented a number of projects some of which have already been successfully concluded. They often involve the cooperation with a number of other organizations. Additionally, in the case of the Black Sea region the BSEC’s Declaration explicitly states that one of the aims of the organization is to contribute to the CSCE process, to the establishment of a Europe-wide economic area and to the integration of its members into the world economy.

Nevertheless, in order to have a complete picture of cooperation in the field of economic development it is necessary to take into account the huge impact that conflicts and tensions have on the economic relations among states affecting the success of their cooperation. As Panagiota Manoli argues, “it is a common ground that security problems hinder collective action and the deepening of cooperative structures”. In the case of the Baltic Sea region the high taxes imposed on Estonian products by Russia in the 1990s is an example. In the Black Sea region ‘frozen’ and armed conflicts, tensions and rivalries are big obstacles to economic cooperation. As it has been argued in the previous part, in fact, political disputes have often undermined economic relations among the regional countries. The war in Kosovo, Georgia’s war with Russia, the CIS embargo imposed to Abkhazia during the Georgian-Abkhazian war (1992-1993) and the following interruption of Turkish-Abkhazian economic links, the Turkish closure of its land borders with Armenia in 1993, and the deterioration of the economic relations between Russia and Ukraine are some examples. These cases show that neoliberalism may have some limitations in explaining successful economic coopera-

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980 Bueno de Mesquita, Bruce, Downs, George, Development and Democracy, in Foreign Affairs, vol.84, n.5, 2005, pp.77-78
981 Manoli, Panagiota, op.cit., p.135
tion, but it can better explain how economics can be used for geopolitical aims. In this context, a distinction must be made between defensive and offensive realism which can explain the differences in economic cooperation around the Baltic and the Black Sea. In terms of defensive realism, strengthened economic relations have made the region more prosperous and secure. And in terms of offensive realism, hard security issues obstruct economic cooperation, as has been shown. In the Baltic Sea region the balance of power is reflected also in the economic relations among the regional states and economic cooperation does not alter the power equilibria existing prior to the establishment of the CBSS. Some tensions continue to persist in the region (e.g. between Russia and the Baltic States), but they do not represent an obstacle to economic cooperation in the Baltic Sea region where states actively defending their position in the regional system.

Whereas in the Black Sea region military conflicts have major impact on regional cooperation, here the security dilemma is driving states to increase their economic and military power. At the same time, states use not only military force but also economic strength against other states to increase their power and to achieve their geopolitical goals. The several Russian bans on wine and meat imports from Moldova and restrictions on agricultural trade with Georgia are some examples. Since countries are power revisionist-maximizers, offensive realism better explains the relations among states in the Black Sea region.

Furthermore, the presence of GUAM in the region is another element that can be explained through neorealism. Its economic involvement in the cooperation in the area is accompanied by a geopolitical dimension because of two features. The first one concerns the fact that its territory covers 'the most critical component of the wider TRCECA corridor'. This puts it into a direct relation with the EU’s sectoral multilateral efforts to get more involved in the geopolitical dynamics of the Black Sea region. The second feature concerns the involvement of the US in the activities of the organization whose budget is worked out in US dollars. This factor should not be downplayed since GUAM is seen as an anti-Russian alliance. This acquires a geopolitical meaning since it involves a great power that is the historical enemy of one of the two regional powers, namely Russia.

Furthermore, the analysis shows that in the Black Sea region there are two economic hegemons, namely Russia and Turkey. They are the most powerful states in the economic sector and the most important trading partners for the other countries in the region. By contrast, a hegemon is clearly absent in the Baltic Sea region. Most of the states are economically strong and are EU members.

The EU is an important (external) economic actor in both regions (see Table 8). Most of the Baltic Sea region states are part of EU economy while Iceland, Norway and Russia have developed bilateral relations with the EU. In the Black Sea region the EU is the most important actor in economic terms. It is for instance the main trade partner for many of the regional
states, among which there are two hegemons, Turkey and Russia. This obviously has important geopolitical implications because the EU has a strong influence over the economic dynamics of the Black Sea region not only through its bilateral relations with the regional countries, but also through its policies – the ENP and the EaP are indeed the EU’s instruments to achieve its geopolitical objectives in its neighbourhood. Similarly, the EU has created the ND and the BSS in the Baltic Sea region with the same intention. All these policies have an important characteristic in common, that is to say the fact that they deal with soft security issues. As already argued, hard security issues are not envisaged by regional cooperation in the two cases. Of course, the enlargement process can also be considered as a geopolitical instrument of the EU to assert itself as an important external actor in both regions. The adoption of the *acquis communautaire* and the trade agreements with the candidate countries are part of the EU’s strategy to extend its political and economic influence in its neighbourhood. It can be argued that EU’s trade and transport policies towards the two regions are really geopolitical instruments of soft security.

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<th>Regional arrangement</th>
<th>CBSS</th>
<th>BSEC</th>
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<tr>
<td>Distribution of power among the big states</td>
<td>Strong economic power of the Nordic countries</td>
<td>Two hegemons: Turkey and Russia (especially in the trade field)</td>
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<tr>
<td>Geographical location</td>
<td>Strong power of Russia</td>
<td>Power exerted by Russia on the Baltic States</td>
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<td>Historical legacy of the regional actors</td>
<td>Close ties between Nordic and Baltic countries</td>
<td>Russia and Turkey use its economic power to impose their influence on the region</td>
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<td>Involvement of external actors</td>
<td>Russia use its economic power to impose its influence on the region EU</td>
<td>US and EU</td>
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<td>International regimes</td>
<td>No robust regime</td>
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Interdependence is yet another useful concept to analyse regional cooperation around the Baltic Sea and the Black Sea region applied to economic cooperation. Scholars usually assume that interdependence implies harmony or cooperation. Helen Milner, whose research focuses on International Political Economy, argues that in part this depends on the links between international trade theory and interdependence. She explains that “an interdependent situation is seen as one where an extensive division of labor exists so that each part performs a different role and thus has complementary interests. Everyone gains from such a situation; it is a positive-sum gain”. Nevertheless, neorealist Thomas Schelling has pointed out that interdependent situations are mixed-motive games as both conflicting and harmonious interests are evident. Everybody gains from continuing the relationship, but the distribution of these gains involves struggle. Therefore, harmony is not the result of interdependence, but a mix of conflict and cooperation.

Milner also stresses that interdependence does not imply that power is not important. By contrast, as Schelling, Keohane and Nye have shown, “power is an intrinsic element of interdependence. An actor involved in such relations can manipulate them in order to prompt the other actors involved to do what he/she wants. For instance, relations involving asymmetric interdependence provide an essential means of exercising influence; the less vulnerable side can threaten, however subtly, to end the relationship in order to induce changes in the other side’s behaviour. Relative gains and losses from ending the relationship are here the central means of exercising leverage”.

It is necessary to underline that neorealists see the international system as an arena of self-help where states aim to be secure and not seek welfare. Waltz argues that interdependence increases the scope for conflict because it increases the frequency of contacts among states. Mearsheimer criticizes the neoliberal approach by pointing out that “the basic logic here is that if all the great powers are prospering, none has any incentive to start a war, because conflict in today’s interdependent world economy would redound to every state’s disadvantage”. According to Mearsheimer, there are three problems with this theory. A serious economic crisis in some important region or in the world at large would undermine the prosperity of states. This is what has happened with the 2008 crisis, which has had a tremendous impact on the economies of the countries in the Baltic and in the Black Sea region. Mearsheimer argues that “a war against one or even two opponents is unlikely to do much damage to a state’s economy, because typically only a tiny percentage of a state’s wealth is tied up in economic intercourse with

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983 Ibidem, p.164
984 Waltz, Kenneth, Teoria della politica internazionale, Il Mulino, 1979, p.203
any other state. It is even possible (…) that conquest will produce significant economic benefits”.986 The wars occurred in the Black sea region provide good examples of this. Finally, World War I shows that interdependence does not prevent war. States in Europe were economically more interdependent than is the case today before the War, and yet World War I broke out. Consequently, “a highly interdependent world economy does not make great-power war more or less likely. Great powers must be forever vigilant and never subordinate survival to any other goal, including prosperity”987.

Additionally, Milner points out that interdependence refers to both symmetric and asymmetric relationships. It is possible to argue that symmetric interdependence is a characteristic of the relations among the Baltic Sea region countries that consider break in economic links detrimental to their respective interests. The strengthening of the economic relations between Nordic and Baltic countries during the 1990s is an example. However, as said above, this is strongly tied to the security issue. At the same time, asymmetric interdependence can be applied to the trade relations between Russia and the Baltic States during the 1990s, especially in the case of Estonia mentioned above.

Apparently, relations among states in the Black Sea region are characterized by asymmetric interdependence as the small countries are vulnerable to the economic power of the bigger states (Russia and Turkey). The relations between Russia and Turkey (two poles of the region) are characterized by symmetric interdependence. In spite of the fact that Russia exports gas to Turkey, they are important trading partners for each other. In addition Turkey’s economic ties with the EU make it geopolitically stronger. This counterbalances the asymmetry which seems to exist in favour of Russia. Evidently, neorealism rather than neoliberal institutionalism clearly demonstrates that the economy is strictly linked to security issues.

The reasoning developed above clearly shows that the operational phase of Young’s model on international regimes is successful only to a certain extent both in the Baltic and the Black Sea region. Geopolitical concerns influence the economic cooperation outcome both positively and negatively depending on the relations among the regional states. In the case of the Baltic Sea regime cooperation in the economic development sector works better than in the case of the Black Sea one. The reason is that the geopolitical situation in the Black Sea region is characterized by conflicts among its actors. This element strongly diminishes the role of the BSEC in improving regional cooperation. In contrast, the CBSS works as a better functioning regime even though some tensions exist between the Baltic States and Russia. The case of the three Baltic States quite lucidly illustrates how geopolitics interest is governing their economic cooperation relations with with the Nordic countries and the EU.

986 Mearsheimer, John, The tragedy of power politics, op.cit., p.371
987 Ibidem, p.371
In both regions a number of organizations dealing with economic matters participate in cooperation. Nevertheless, they do not actually contribute to enhancing cooperation. This is the case of GUAM that coordinates economic activities only among its members and also has a security dimension. Furthermore, the presence of external actors like the EU strongly impacts economic cooperation. Its decisions and the policies influence the geopolitical and economic dynamics in the two regimes. All these factors make the two regimes less robust.

From a geopolitics perspective the small states face the problem of power disparity with bigger states. They tend to use the regime as a source of wielding economic power. The cooperative network created by the CBSS and the BSEC is used to benefit from the economic resources of the region in an easier and more profitable way. While this may have worked successfully in the case of the Baltic Sea regime, bilateral relations prevail in the Black Sea regime. This is essentially due to the peculiar geopolitical dynamics of the region where conflicts and tensions dominate.

The analysis has shown that historical legacy plays an important role in the economic relations among regional states. It affects economic cooperation both directly and indirectly. Trade has linked the countries around the Baltic and the Black Sea through time, and the Soviet past of some of the regional countries has made their economic structure inefficient and weak and thereby negatively affecting economic cooperation. The analysis also shows that although the relations among the regional states are historically characterized by trade links, it is geopolitics that heavily weighs in cooperation in the economic sector. Power is the most important factor defining the economic relations among regional states.

**Conclusion**

Economic cooperation in the Baltic and in the Black Sea region is influenced by security concerns and by the geopolitical strategies of the actors. By contrast, historical legacy does not help explain the internal dynamics in the two regions in the economic field. Both the CBSS and the BSEC are very active in their effort to develop and improve cooperation in their respective regions. Indeed, they have established a Working Group which has implemented a number of projects. The two organizations play a key role in the coordination of the numerous organizations that operate in the economic sector in the region contributing to economic development. However, the economic and financial crisis of 2008 has negatively affected the two regions halting their growth. In spite of this, during the last years regional states managed to respond to the crisis in bringing about economic and financial recovery.

In the Black Sea region Russia and Turkey are the main trading partners in the region. They also have a special economic relation with the EU, which
is an external actor in both regimes. The presence of the EU has a strong impact on the economic dynamics both on the Baltic and on the Black Sea. Most of the Baltic Sea states are EU members and the relations between the EU and Russia play a key role in the economic relations within this region. On the Black Sea only three states are members of the EU that influences the economic dynamics in the region through its bilateral relations with the regional countries. The EU policies via the ENP and the EaP also serve its geopolitical purposes, but their objectives are not clear nor well defined. At the same time, the BSEC recognizes the importance of the cooperation with the EU. It indeed includes this goal in the Action Plan 2012-2013. The EU has obviously created policies towards the Baltic Sea region, the BSS and the ND, which contribute to strengthen the economic links among the countries in the region.

The analysis has shown that neorealism can explain how economic cooperation is used by states for geopolitical purposes both around the Baltic and the Black Sea region. The most compelling reason for this is that states’ are driven by security concerns more than prosperity. Security issues prevail over economic needs. The former are determined by geopolitical considerations which consequently influence the economic relations among states in a region. Finally, the theoretical analysis of the two regions has shown that the two regimes are not successful in the economic field because geopolitical concerns negatively influence cooperation. This is especially true on the Black Sea where tensions and conflicts are an obstacle for the success of cooperation in the economic field. By contrast, economic relations are better around the Baltic Sea where the balance of power ensures economically beneficial cooperation.
Introduction

This chapter focuses on cooperation in the sector of environment around the Baltic and the Black Sea. This is a relevant issue-area which has acquired more importance since the early 1990s, when the European geopolitical asset dramatically changed giving way to an intense interaction among states to face the challenges coming from pollution. However, cooperation in the two cases already began in the 1960s when some of the regional states signed several declarations and conventions to identify the measures to adopt in order to protect the environment. They define the cooperation among states in the two regions though the CBSS and the BSEC try to play a role in the sector.

This chapter analyses how states in the Baltic and in the Black Sea region have developed regional cooperation both within and outside the organs of the CBSS and of the BSEC. The presence of external actors such as the EU and the United Nations, is also taken into account. They are important in deciding the measures adopted to protect the environment and often are the main source of funding.

The analysis assesses the effectiveness and robustness of the Baltic and of the Black Sea regimes by applying the neorealist approach. It is conducted by trying to answer the following questions: can the platforms provided by the CBSS and of the BSEC strengthen the cooperation in the environmental sector in their respective region? Can neorealism explain cooperation in this field in the Baltic and in the Black Sea region?

The chapter is organized into three sections. The first and second sections focus on regional cooperation in the field of environment around the Baltic and the Black Sea respectively. Cooperation since the last decades of the Cold War era is discussed in order to have a better understanding of the state of the art. The third section provides an analysis of the two cases from a theoretical perspective.

Environment in the Baltic Sea region

Regional cooperation in the field of environment dates back to 1972 when the United Nations Conference on the Human Environment was held in Stockholm. This conference, which highlighted the linkages between human well-being and health, the environment and economic growth, was the first effort to address the Baltic Sea regional environment as a regional...
public good. But it was in 1974 that for the first time the then seven Baltic coastal states made subject to a single convention ‘all the sources of pollution around an entire sea’. The Helsinki convention was signed in 1974 and entered into force in 1980. It was the first regional international agreement dealing with marine pollution from both land and sea-based sources. As a consequence of the political changes occurred in early 1990s and in the international environmental and maritime law, the 1992 Convention updated the 1974 agreement and entered into force in 2000. It was signed by all the CBSS members with the exception of Iceland and Norway. It expanded the scope of the treaty and strengthened the collaborative environmental policy. The governing body of the Convention is the Helsinki Commission - Baltic Marine Environment Protection Commission (HELCOM). As stated on its website, “the work of HELCOM has led to improvements in various fields, but further work is still needed”.

The Baltic Sea region countries have always been concerned about environmental issues. For instance, environmental activism was a central component of the pro-independence movements in Estonia, Latvia and Lithuania in late 1980s. When they regained their independence, one of their first steps was to join the 1974 Helsinki Convention for the protection of the Baltic Sea from pollution which they considered as their ‘common sea’ as the Estonian pro-independence activists stated in their slogan. As Stacy VanDeveer points out, the active participation of Estonia, Latvia and Lithuania in 1974 and in the 1992 Helsinki Convention was important for them because it asserted Baltic States sovereignty and independence from the Soviet Union. Baltic States representatives sit at the same negotiating table with Russians. Nevertheless, in the early 1990s “the environmental legacy of Soviet central planning, including dramatic examples of terrestrial, hydrological, and atmospheric pollution, left fear and frustration among Baltic officials about the environmental dangers associated with being Russia’s neighbours”. In the period between 1992 and 1994 when the three Republics negotiated the Soviet troop withdrawal, Baltic officials and activists repeatedly raised the

989 Denmark, Sweden, Finland, USSR, Poland, German Democratic Republic, and the Federal Republic of Germany.
990 See the HELCOM’s website at http://www.helcom.fi/Convention/en_GB/convention/
991 Ibidem
992 The present Contracting Parties to HELCOM are Denmark, Estonia, European Community, Finland, Germany, Latvia, Lithuania, Poland, Russia and Sweden.
995 Ibidem, p.236
environmental impacts of ongoing Soviet military activities. The environmental legacies of the Soviet era include not only large industrial brownfields, locally heavy coastal, riverine, lake and groundwater pollution, but also the memory of the 1986 Chernobyl disaster, its radioactive contamination and the concern among policymakers and publics over environmental quality on and around former Soviet military bases. Additionally, HELCOM was a welcoming international forum not only because of the sensitivity of the issue but also because the Nordic countries that had for long been the moral and financial supporters of the Baltics were also involved in the project. The Nordic countries, and in particular Finland and Sweden provided the resources necessary to support the maintenance of international cooperation during the interim period (1974-1980) and remained the leading states backing the development of HELCOM.

HELCOM is an intergovernmental organization with its headquarters located in Helsinki. Its permanent committees and working groups operate on a one country, one vote principle and decisions must be unanimous. Its Secretariat administers the many meetings and activities under the auspices of the agreements among the member states such as treaties, resolutions, recommendations and declarations. This makes HELCOM an important source of a variety of environmental policy networks that have developed to address a wide range of issues including pollution from ships and ports, land-based pollution and habitat protection.

The importance and the sensitiveness of the environmental issues are also recognized by the CBSS that has established the Working Group on Sustainable Development-Baltic 21, which is a regional expression of the global Agenda 21 adopted by the United Nations ‘Earth Summit’. It works on environmental protection and with all aspects of sustainable development and considers a changing climate, economic crises, unsustainable consumption and production patterns, as well as demographic changes caused by an aging population some of the greatest challenges for the Baltic Sea region. Thus, it does not target exclusively environmental issues, but also social and economic policies in an integrated way.

As stated on the CBSS website, the term Baltic 21 refers to the CBSS Expert Group on Sustainable Development and a network of around 200 partners from different levels and sectors working together in projects and policy for sustainable development in the Baltic Sea Region. The mission

997 VanDeveer, Stacy, op.cit., p.236
998 Ibidem, p.236
999 VanDeveer, Stacy, Networked Baltic Environmental Cooperation, in Journal of Baltic Studies, op.cit., p.40
1000 Ibidem, p.40
1002 Ibidem, p.4
1003 See the CBSS’s website at http://www.cbss.org/expert-group-on-sustainable-development-baltic-21/
of the Expert Group is “to contribute actively towards advancing sustainable development in the Baltic Sea Region by coordinating goals and activities, and by serving as a forum for cooperation across borders and between stakeholder groups”. It provides a platform for governments, organisations, communities and people seeking new partnerships and aiming to strengthen the existing ones. The members of the Expert Group are ‘various government ministries and agencies from CBSS member states, numerous intergovernmental and non-governmental organisations, academic institutions, as well as local, city and sector networks’.

At the time of writing the Expert Group works on the EFFECT project which aims to “map, communicate, foster and learn from good practice solutions on eco-efficiency in the Baltic Sea Region”. As stated on its website, “the project will attract and enable cities, villages and BSR sub-regions as well as other relevant actors from the local, regional, national and pan-Baltic level to jointly develop and implement policies and concrete actions on becoming more energy and resource efficient, sustainable and resilient, while stimulating a greener economy. In the long term these activities will contribute to the creation of resilient societies and the promotion of the Baltic Sea Region as a green region”. This project, which is contributing to the implementation of the CBSS Strategy on Sustainable Development 2010-2015, has been approved as part of the EU flagship ‘Lead, the Swedish National Board for Housing, Building and Planning’ in EUSBSR PA “Climate”. Another project that the Expert Group is implementing is AGORA 2.0. Its aim is to “expose the most attractive natural and cultural treasures of the whole area that will support the development of a common regional identity”. This would increase the visibility of the region as a whole and would serve as a precondition to market the region as a single tourism destination.

Sustainable urban and rural development is also a priority for the Expert Group that aims at integrating not only aspects of wealth and employment,
but also environmental ones in order to raise the overall living standard for both city and countryside inhabitants by enhancing sustainable development at the same time.\textsuperscript{1011}

Sustainable consumption and production is another relevant goal of the Expert Group. In this context, the goal is to integrate economic, environmental and social aspects into the overall consumption and production framework by targeting small and medium sized enterprises as important actors for sustainable production.\textsuperscript{1012}

It is interesting to note that already the CBSS founding declaration of 1992 had already stressed the need for sustainable development and recognized the relevance of environmental issues. Indeed, as the declaration states, “the Ministers expressed their deep concern about the pollution of the Baltic Sea and underlined that cleaning up of the Baltic Sea is a joint responsibility. They noted that the establishment of closer cooperation between their countries creates better possibilities for solving jointly the environmental problems. They noted with satisfaction that this work is progressing well within the Helsinki Commission”.\textsuperscript{1013} However, Ingmar Oldberg stresses that the CBSS did not do so much until 1996 when, under the Swedish chairmanship, the Working Group on Sustainable Development-Baltic 21 was initiated and an agenda was adopted to be implemented in cooperation with HELCOM.

In 2003 the Luleå declaration by the ministers of environment drew special attention to the need of harmonizing the environmental legislation between the EU and Russia and of using environmental assessments in the decision-making on investments, and to the threats to the Baltic Sea coming from eutrophication and increased shipping, especially oil transportation. This problem was essentially due to the growing number of Russian oil tankers mainly from its terminal Primorsk and in cargo transport from Ust-Luga. Both of them are situated in the Gulf of Finland.\textsuperscript{1014} In 2008 environment became the primary long-term priority for the Baltic Sea region. On the occasion of the seventh Baltic Sea States Summit held in Riga that year the heads of government expressed “profound concern about the state of the land and of the marine environment in the Baltic Sea Region and its adjacent areas and congratulated the Baltic Marine Environment Protection Commission (HELCOM) on the HELCOM Baltic Sea Action Plan, as recently adopted in Krakow, Poland, to restore the good environmental status of the Baltic Sea by 2021”.\textsuperscript{1015}

\textsuperscript{1011}See the CBSS’ website at http://www.cbss.org/environment-and-sustainability/sustainable-urban-and-rural-development/
\textsuperscript{1012}See the CBSS’ website at http://www.cbss.org/environment-and-sustainability/sustainable-consumption-and-production/
\textsuperscript{1013}CBSS, 1992 CBSS 1st Ministerial Session-Copenhagen Declaration, Conference of Foreign Ministers of the Baltic Sea States, 5-6 March, Copenhagen, 1992, p.2
\textsuperscript{1014}Oldberg, Ingmar, op.cit., p.32
\textsuperscript{1015}Latvian Prime Minister’s Office, 7th Baltic Sea States Summit, Chairman’s Conclusions, Riga, 4 June 2008, p.1
ognized by the CBSS ministerial council held in 2011 which explicitly appreciates its work and stresses the importance of the cooperation between HELCOM and the CBSS Expert Group on Sustainable Development for the strengthening of the cooperation in the region.\textsuperscript{1016} The Terms of Reference adopted by the CBSS Expert Group on Maritime Policy in 2009 state that “the Baltic Sea Action Plan of the Helsinki Commission (HELCOM), adopted in November 2007 at ministerial level in Krakow and based on the ecosystem and integrated policy approach, is an essential instrument to address environmental challenges of the Baltic Sea, thus contributing to an integrated maritime policy of the Baltic Sea region, sharing the same cross-sector approach, though with a more specific focus on aspects of protection”.\textsuperscript{1017}

Furthermore, the 1992 declaration linked energy cooperation to environmental protection stating that “the Ministers recognized that cooperation in the field of energy is an integral part of the efforts to improve the environment in the region and to ensure sustainable economic growth”.\textsuperscript{1018} When in 2000 environmental issues became increasingly important including climate change, the CBSS energy unit BASREC set up a testing ground for implementing flexible mechanisms under the Kyoto protocol\textsuperscript{1019}. Climate change is indeed a sensitive sector in which the CBSS tries to be active. To this aim, “Baltic 21 battles climate change by modernizing outdated practices that cause needless emissions, promoting bio-energy production as well as adapting the Baltic Sea Region to climate change”.\textsuperscript{1020} The CBSS stresses that the Baltic Sea region “has a large potential for innovations in renewable energy by using the sea, wind and biomass”.\textsuperscript{1021}

The link between environment and energy is a particularly sensitive issue especially in relation to the Nord Stream pipeline. Many concerns have been raised for the risks that its construction implies for the Baltic Sea. The Nord Stream’s website states that “Nord Stream meets the highest international environmental standards in implementing the pipeline project and observes national and international environmental, maritime and legal requirements during construction, testing and operation of the pipeline. It conforms to internationally recognised operational practices and the rigorous standards of the company and its shareholders”.\textsuperscript{1022} The website also states that “Nord Stream conducted the most comprehensive environmental studies of the

\textsuperscript{1016} See the website of the Norwegian Embassy in Germany at http://www.oslo.diplo.de/Vertretung/oslo/de/03/Ostseerat/Ostseerat__Oslo__Seite.html
\textsuperscript{1017} CBSS Expert Group on Maritime Policy, \textit{Terms of Reference, Adopted by the CBSS Committee of Senior Officials}, Copenhagen, 2 June 2009, p.2
\textsuperscript{1018} Ibidem, p.2
\textsuperscript{1020} See the website of the CBSS at http://www.cbss.org/environment-and-sustainability/climate-change/
\textsuperscript{1021} Ibidem
\textsuperscript{1022} See the website of the Nord Stream project at http://www.nord-stream.com/environment/
Baltic Sea to date” by investing more than 100 million euros on detailed studies and project planning to assess and thus minimise the environmental impact on the sea. In order to accomplish this task during and after construction, Nord Stream has developed five Environmental and Social Monitoring Programmes (ESMPs), one for each country involved in the pipeline project (Russia, Finland, Sweden, Denmark, and Germany). These programs have the aim of documenting the environmental impacts from the construction and operations of the pipelines in the jurisdictions of each of the five countries.1023

Despite the commitment of Nord Stream to respect the Baltic Sea environment, many voices have been raised against its construction. The statement by former Swedish ambassador Krister Wahlbäck very well elucidates the concerns about the Baltic Sea environment that rapidly spread across the region since 2006. He said that “the Russo-German pipeline … will become an immediate threat to the Baltic Sea … Whilst laying the pipeline, the Russo-German consortium will stir up poisonous bottom sediments and … they will have to remove all kinds of remnants [scrap] that has been laying quietly at the bottom since the Second World War, remnants that are filled with lethal substances: thousands of undetonated mines, great amounts of dumped munitions and chemical weapons. In other words: All the things that the environmental experts are telling us not to do, [Nord Stream] will be doing, and thereby create an immediate threat to the Baltic Sea”.1024

Several politicians and accredited personalities in the region expressed their unease about the project. Their concern stemmed essentially from the peculiarity of the Baltic Sea, which is widely known as ‘one of the most seriously polluted marine environments in the world’. This is due not only to the density of people, agriculture, industry, and trade, but also to the significant concentration of heavy metals in the seabed sediments which resulted from all the industrial waste discharged over the years. Additionally, the Second World War had a huge impact on the Baltic Sea’s environment as the sea was mined and after that the Allies dumped enormous amounts of German weapons in it.1025

A relevant issue concerning the environmental risks connected to the Nord Stream project is the disinterest of Russia for them. Sweden criticized Russia for this. The Swedish newspaper Aftonbladet stated that “Russia is the big problem…The decision-makers in Moscow have no wish to accept tough environmental demands”.1026 Ingmar Oldberg points out that during the 1990s Russia played a passive role in environmental cooperation within the CBSS notably for economic reasons. Subsequently, when presenting the priorities of the Russian presidency in 2001, former Foreign Minister Igor

1023 See the website of the Nord Stream project at http://www.nord-stream.com/environment/
1024 Bendik Solum, Whist, op.cit., p.40
1025 Ibidem, p.41
1026 Ibidem, p.44
Ivanov stated that environment should become an integral part of all future decisions on cooperation projects concerning energy, industry and transport, but he left the issue on the to-do list. Safe navigation and a cleaner marine environment should be dealt with by HELCOM. Like the other states of the region, Russia signed the 1991 Espoo Convention on Environmental Impact Assessment in a Transboundary Context, which “is a key step to bringing together all stakeholders to prevent environmental damage before it occurs”\(^\text{1027}\) and which entered into force in 1997. However, Russia did not ratify the Convention. It was only in 2005 that Foreign Minister Sergej Lavrov declared that environment was a priority and that preserving the unique ecology of the Baltic Sea was a joint task. He also underlined that extreme positions should be avoided and that the views of all countries should be taken into account. Foreign Minister Lavrov confirmed the importance of environment some years later. He stated that it was ‘an absolute priority’ for the Baltic Sea region, but he also meant that the main mechanism within which environmental cooperation should be implemented was HELCOM.\(^\text{1028}\)

In 2010 former Prime Minister Vladimir Putin participated in a HELCOM summit concerning its Action Plan for the Baltic Sea 2010 during which he underlined that Russia submitted almost all big projects to strict ecological control and confirmed the high praise for Russian environmental standards in building the Nord Stream gas pipeline.\(^\text{1029}\) Ingmar Oldberg concludes that Russia formally agreed with the other CBSS members about the relevance of environmental issues, but in practice it considered economic development more important and did not contribute much money to the environmental cooperation within the CBSS.\(^\text{1030}\)

Furthermore, geopolitical and historical reasons also played a role in the attitude of some of the regional states towards Russia. This is the case of Finland that officially supports the Nord Stream pipeline project and that has only raised environmental concerns only. The Finnish administration has criticized the Nord Stream consortium for not clarifying where in the Gulf of Finland the seabed will be dredged. Additionally, since the Russian seabed is the most polluted and the sea currents enter the Gulf of Finland in the south, much of the Russian toxic sediments enter Finnish waters making the environmental argument very strong for Finland. Nevertheless, as stated in chapter 3, within the government concerns about the Russian military presence in the Gulf of Finland and in the Baltic Sea were raised. The energy dependence on Russia was another reason for maintaining good relations with Russia. During a meeting with the Finnish Foreign Minister, the Russian counterpart Sergej Lavrov emphasised Russia’s appreciation that “Finland is not politicising the issue, but is demonstrating a purely pragmatic attitude in

\(^\text{1027}\) See the website of the UN Economic Commission for Europe at http://www.unece.org/env/eia/
\(^\text{1028}\) Oldberg, Ingmar, \textit{op. cit.}, pp.34-35
\(^\text{1029}\) Ibidem, p.35
\(^\text{1030}\) Ibidem, p.40
terms of environmental safety”. 1031 Historical legacy also plays a role in the
relations between Finland and Germany and is another reason not to oppose
the pipeline project. The Finns received significant military support from
Germany when fighting against the Soviet Union during the Second World
War. Finland would not have been secured without German help. Conse-
quently, Finland is susceptible to pressures from both ends of the pipeline.
As Bendik Solum puts it, “one can debate how much influence such an his-
torical relation has on current political issues”. 1032 He is right in stating that
an important factor to bear in mind that Finland, like Sweden, has been a
partner of Germany since 1995. Therefore, this is probably why it is impo-
rent for Finland to maintain good relations with Berlin.

By contrast, the Baltic States have been EU members since 2004. Direc-
tor of the Estonian Foreign Policy Institute Andres Kasekamp lucidly illus-
trates the difference with Germany by arguing that “we see the same pipeline
from the opposite ends. The Estonians see where it is coming from, and the
Finns look at where it is going...we see Russia; they see Germany’s needs”. 1033
However, in the case of Estonia the Nord Stream issue is also
linked to energy security and military security concerns. According to Esto-
nian Prime Minister Andrus Ansip, Estonia has no reason to join the Nord
Stream project in order to receive gas because this would not solve the prob-
lem of having a monopoly gas supplier. There would even be the risk of a
Russian installation on the Estonian territory, which would pose a military
risk. At the same time, the pipeline could also be beneficial for the country
as it could impose transit fees or a ‘lease’ allowing Gazprom to use the Esto-
nian territory. 1034

Another factor that is important to take into consideration when discus-
sing environmental cooperation in the Baltic Sea region is the involvement of
the EU. One of the pillars of the EU Strategy for the Baltic Sea Region
which, as previously stated in this study, includes only eight countries (Swe-
den, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland)
concerning environmental issues. Through its environmental pillar the strat-
egy aims “to make the Baltic Sea region an environmentally sustainable
place”,1035 and is “the first comprehensive EU strategy to target a ‘macro-
region’”. 1036 Among its achievements there are the support for new projects,
the improvement of cooperation between regions and other partners, includ-
ing the private sector, and a greater involvement of Russian partners in areas

1031 Bendik Solum, Whist, op.cit., p.45
1032 Ibidem, p.45
1033 Ibidem, p.46
1034 Kaljurand, Riina, Neretnieks, Karlis, Ljung, Bo, Tupay, Julian, Developments in the Secu-

1035 Ibidem, p.15
1036 See the website of the European Commission at
http://ec.europa.eu/regional_policy/cooperate/baltic/index_en.cfm

244
like environmental protection, water quality and innovation. Cooperation with HELCOM is an important factor for the achievement of the objectives in the environmental field.

The Northern Dimension Environmental Partnership (NDEP) is another EU instrument to deal with environmental problems in the Baltic Sea region. As stated on the website, the NDEP “is a result-focused initiative responding to calls from the international community, in particular Russia and Belarus, for concerted action to tackle some of the most pressing environmental problems in the Northern Dimension Area covering the Baltic and Barents Seas region”. For implementation of joint projects to protect and improve the environment in these regions, the NDEP promotes cooperation between the European Commission, partner governments (Russia, France, Canada, Germany, Sweden, Finland, UK, Denmark, Norway, Netherlands, Belgium, Belarus) and international financial institutions (EBRD, NIB, EIB, NEFCO and World Bank).

The relevance of the NDEP in the protection of the environment and in strengthening the cooperation with Russia (as well as with Belarus) is underlined in the Baltic Sea States Declaration on Environment and Sustainable Development adopted in 2003. The document states that “in the context of the new opportunities in Northern Europe with EU enlargement, environmental investments and the increasing close co-operation between the EU and the Russian Federation, we are determined to reinforce our efforts to promote sustainable development for the Baltic Sea Region”. It continues affirming that “the implementation of the second ND Action Plan 2004-2006 and the ND Environmental Partnership adds new opportunities for environmental and cross-border co-operation in the Baltic Sea Region between the EU countries and the Russian Federation”. The 7th Baltic Sea States Summit held in Riga in 2008 also stressed the key role that the NDEP plays in the region. The document states that “the Heads of Government looked forward to the future contribution of the EU Marine Strategy Directive to the environmental protection of the Baltic Sea. In this connection, they noted with satisfaction the successful activities of the Northern Dimension Environmental Partnership (NDEP) in the region. The NDEP continues to implement successful work using public grant funding to mobilise significant lending from international financial institutions”.

More generally, the document recognizes that “the Heads of Government noted with satisfaction

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1037 See the website of the European Commission at http://ec.europa.eu/regional_policy/cooperate/baltic/index_en.cfm
1038 See the website of the Northern Dimension Environmental Partnership at http://www.ndep.org/
1039 CBSS Ministerial Meeting, Baltic Sea States Declaration on Environment and Sustainable Development, 29 August 2003, Luleå, p.1
1040 Ibidem, p.1
1041 Latvia’s Prime Minister’s Office, 7th Baltic Sea States Summit, Chairman’s Conclusions, 4th June 2008, Riga, p.2
the successful development and the considerable potential of the Northern Dimension (ND) and its partnerships and drew attention to the important role of the CBSS as a participant in the ND. They also welcomed the increased attention paid by the EU to the opportunities and challenges of the Baltic Sea Region which is inter alia manifested by the Strategy for the Baltic Sea Region under preparation by the European Union.¹⁰⁴²

In addition to the EU, the US is also involved in the environmental cooperation in the region. An example is the Baltic Defence Environmental Cooperation (BALTDEC), also known as ‘Riga initiative’. Its roots are in a successful Baltic/Swedish/US defence environmental training program which began in 1999 and was concluded in 2003. The interest of Sweden and the US in the program was to help the three Baltic States become stable democracies and assist them in their aspirations for EU and NATO membership. The idea of a defence environmental conference was first proposed by the Latvian Ministry of Defence in 2000. In his speech at the conference, which was held in 2001, he appreciated the participation in the initiative of all the Baltic Sea region states and that a number of areas of cooperation were raised in which cooperation could be possible. He especially focused on the following ones: “the formulation of joint environmental protection provisions and regulations for the Baltic States military sectors, formulation of military base environmental management plans, civil-military cooperation in the resolution of issues, environmental education and training of military personnel, and research of polluted areas”.¹⁰⁴³ The initiative was a success and the second annual Baltic Environmental/Military Cooperation Conference was held in Riga in 2002. More than 60 participants from fourteen countries took part in the event (Denmark, Estonia, Finland, Georgia, Germany, Latvia, Lithuania, Norway, Poland, Sweden, Romania, Russia, Ukraine, the U.K. and the US) as well as representatives from NATO Headquarters. At the conference Deputy Chief of Mission at the US Embassy to Latvia Tracy Jacobson noted that no other geographic region’s militaries were discussing environmental cooperation in that way. The participants concluded with a consensus that strengthening military environmental cooperation in the Baltic Sea region was necessary to prevent duplication of effort, ensure optimum use of scarce environmental resources (personnel and funds) and to provide for information exchange. The next meeting, which was held in Vilnius in 2003, stressed that future work should take into account the lessons learned from other defence environmental cooperation such as the Arctic Military Environmental Cooperation (AMEC). It was during the plenary meeting held in Tallinn in 2005 that the structure of the

¹⁰⁴² Latvia’s Prime Minister’s Office, op.cit., p.2
¹⁰⁴³ Pocock, James, Smits, Kathleen, Developing alliances through regional defence environmental cooperation: building on successes on the Baltic Sea region, Institute for National Security Studies, Washington, 2005, p.2
BALITDEC was decided and the key objectives formulated.\textsuperscript{1044} Many projects and seminars have been successfully implemented and have earned BALITDEC international recognition.

The analysis of the environmental cooperation in the Baltic Sea region shows that the CBSS is very actively involved in strengthening and protecting the Baltic Sea, but the real driving force behind the process is HELCOM. Additionally, this section has shown that hard and soft security issues are strongly linked to the field of environment and that the external actors, namely the EU and the US, contribute to shape environmental cooperation in the Baltic Sea region.

\textit{Environment in the Black Sea region}

The environmental situation of the Black Sea is essentially defined by three features. The first one is of a geographical kind. The Black Sea is an ‘enclosed sea’, which is a feature recognized by law.\textsuperscript{1045} The limited size and the landlocked character of the sea make it particularly sensitive to accumulated contaminants and pollutants that essentially come from the rivers running into the sea, which are the drains of urban conurbations, industries and agriculture. The sea is surrounded by six states (Bulgaria, Romania, Ukraine, Russia, Georgia and Turkey) which are obviously more affected by pollution of the sea and of the coasts.\textsuperscript{1046} The second feature which influences the en-

\textsuperscript{1044} The structure of the BALITDEC consists of the Informal Secretariat with delegates or point of contact representing each country. The key objectives include: “establish a foundation for active defence environmental co-operation in the Baltic Sea region; structure the foundation as a forum sharing experiences on common issues, promoting bilateral and multilateral defence environmental agreements and work in the Baltic Sea region; regional co-ordination in order to promote efficient use of resources and to avoid duplication of efforts; promote defence environmental projects that can be used as models in other countries in the region; promote development of environmental knowledge and skill among military personnel at all levels, creating environmentally friendly and aware Armed Forces in the region without jeopardising their main military function; promote defence sector transparency and ensure close relationship and mutual understanding between military and civilian sectors in defence environmental work in the region; promote peace and stability in the Baltic Sea region through continuous cooperation between military and civilian experts and organisations of different countries; promote cooperation with existing environmental organizations in the region and within the European Union and NATO; share views and experiences on regional co-operation in this field and encourage other regions to develop regional and trans-regional cooperation”.

Pocock, James, Smits, Kathleen, \textit{op.cit.}, p.6

\textsuperscript{1045} Art.122 of the United Nations Convention on the Law of the Sea (UNCLOS) defines an ‘enclosed sea’ as “a gulf, basin or sea surrounded by two or more States and connected to another sea or the ocean by a narrow outlet or consisting entirely or primarily of the territorial seas and exclusive economic zones of two or more coastal States”.

\textsuperscript{1046} Doussis, Emmanuella, \textit{Environmental Protection of the Black Sea: A Legal Perspective,} in \textit{Southeast European and Black Sea Studies}, vol.6, n.3, 2006, pp.355-356
environmental situation of the Black Sea is its geopolitical relevance. Historically it has been a vital trade centre linking Europe and Asia. At present, it is very important not only for the riparian states but also for third countries with ships holding their flags and using this maritime route. Many rivers end up in the Black Sea. The Danube is a very good example. It is Europe’s second longest river and therefore connects many states. During the last fifteen years, the shipping and marine-located activity has increased mainly in oil and gas transport from the Caspian Sea to Western markets, both by pipeline and by tankers. It is estimated that pollution from the shipping activity will increase in the coming years since the Black Sea and the Aegean Sea are considered the most secure means of transportation. The third feature is related to the special economic and social significance of the Black Sea that provides the resources for numerous sectors of the riparian states’ economies. Tourism, commercial fishing, oil and gas exploration as well as the traditional use of navigation are some examples.

The importance of environment has made regional states to cooperate since the Cold War era. In 1959 Bulgaria, Romania and the former USSR signed the Varna Fisheries Agreement, which concerned solely fishing activities outside the territorial zones of the contracting parties. However, it did not contemplate regulation of fisheries, but focused on data gathering and exchange.

To cope with the environmental challenges, the BSEC has created the Working Group on Environment. Among its main tasks there are the following ones: the promotion of cooperative activities in the BSEC region in the field of environmental protection taking into account the BSEC Charter and its other documents; sustaining the development of regional environmental cooperation in intersectoral and thematic areas (e.g. biodiversity, waste management, urban management, integrated coast, etc); promote the integration of environmental protection into the economic and social policies of the BSEC Member States, as well as the development of innovative, environmentally friendly and resource saving technologies; and contributing to harmonization of the environmental legislation in the BSEC Member States. The Working Group on Environment is also in charge of strengthening the BSEC cooperation with “UNEP and UNEP/MAP, the International Maritime Organization and with other related international organizations, with the Environment General Directorate of the European Commission and other General Directorates of the Commission and with the similar type of regional institutions and organizations to discuss common concerns and to

\[1047\] Doussis, Emmanuella, *op.cit.*, p.356

\[1048\] *Ibidem*, p.356


share experiences, good practice and knowledge”.\textsuperscript{1051} Additionally, the Working Group must “improve the coordination with regional organizations, institutions and initiatives, in particular with the Commission on the Protection of the Black Sea against Pollution”.\textsuperscript{1052}

UNEP is the major actor at the regional level. The \textit{Regional Seas Programme}, established immediately after UNEP’s creation, “is based on an integrated approach of the environmental problems of specific regional marine environments”.\textsuperscript{1053} In this context, the strategy for the environmental protection is implemented through the practice of the framework conventions, which set general obligations related to basic rules that states must observe and that are outlined in the form of an initial compromise, and specialized obligations whose normative content is clarified and strengthened by technical protocols.\textsuperscript{1054} The Black Sea was one of the last seas to be incorporated into the UNEP’s programme although its marine conditions are deteriorating. This was due to the political distrust among the coastal states, most of which were part of the Soviet Union.

In 1986 the six coastal states began the negotiations for another convention on environmental protection. As Tunc Aybac puts it, “the opening of this chapter in cooperation was a direct consequence of ‘Perestrojka’ in the Soviet Union and marked a new era in relations with its neighbours which was to see dramatic developments in a short space of time”.\textsuperscript{1055} Six years later, in 1992, the six coastal states signed the Framework Convention on the Protection of the Black Sea against Pollution, also known as the Bucharest Convention, which was modelled on the format and the contents of the UNEP Regional Seas Conventions and which entered into force in 1994. According to article 5 of the Convention, the coastal states are bound to “take individually or jointly, as appropriate, all necessary measures consistent with international law to prevent, reduce and control pollution thereof in order to protect and preserve the marine environment of the Black Sea”.\textsuperscript{1056} The system established measures to be adopted in complementarity with the existing international instruments. They focus on ecological peculiarities and the other needs of the Black Sea.\textsuperscript{1057}

This system is complemented by the establishment of an institutional framework which comprises the so called Black Sea Commission, also known as the Istanbul Commission, and a permanent Secretariat based in

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{1051} BSEC, \textit{Terms of Reference of the Working Group on Environmental Protection}, Istanbul, 2013 available on the BSEC’ website at http://www.bsec-organization.org/aoc/environprotect/Pages/termsofref.aspx
\item\textsuperscript{1052} Ibidem
\item\textsuperscript{1053} Doussis, Emmanuella, \textit{op.cit.}, p.360
\item\textsuperscript{1054} Ibidem, p.360
\item\textsuperscript{1055} Aybac, Tunc, \textit{op.cit.}, p.139
\item\textsuperscript{1057} Doussis, Emmanuella, \textit{op.cit.}, p.360
\end{enumerate}
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Istanbul. The tasks of the Black Sea Commission are defined by article 18 stating that its main functions are “to promote the implementation of the Bucharest Convention, to make recommendations on necessary measures for achieving the aims of the Convention, to consider questions relating to the implementation of the Convention and the Protocols, to elaborate criteria pertaining to the prevention, reduction and control of pollution of the Black Sea marine environment and to cooperate with competent international organizations in order to achieve the purposes of the Convention”.\textsuperscript{1058} The long-term Action Plan of the Black Sea Commission was supported by the Global Environment Facility (GEF), a fund established in 1991 by the World Bank, the UN Development Programme and the UNEP. Recently, the European Commission has requested to become a full member, but the Black Sea Commission has declined on legal grounds. The opposition of Russia to the EU’s involvement has also played a key role.\textsuperscript{1059}

Nevertheless, the EU participates in the environmental cooperation in the region through its Programme of Community aid to the countries of Central and Eastern Europe (Phare), which is the main financial instrument of the pre-accession strategy for the Central and Eastern European countries (CEECs) that have applied for the EU membership, and its Technical Aid to the Commonwealth of Independent States (TACIS), which aims at encouraging democratisation, the strengthening of the rule of law and the transition to a market economy in those countries.\textsuperscript{1060}

Additionally, in 2001 the EU set up the Danube Black Sea Task Force (DABLAS) with the aim “to provide a platform for co-operation for the protection of water and water-related ecosystems in the Danube and Black Sea Region”\textsuperscript{1061}. The DABLAS Task Force comprised a number of actors such as the representatives from the countries in the Danube and Black Sea region, the International Commission for the Protection of the River Danube (ICPDR), the Black Sea Commission, International Financing Institutions (IFIs), the EC, interested EU Member States, other bilateral donors and other regional/international organisations with relevant functions. The European Commission DG Environment held the Secretariat of the Task Force during the period 2001-2011.\textsuperscript{1062}

Furthermore, the EU launched the Black Sea Environmental Partnership in 2010 under the auspices of the Black Sea Synergy. The EU website states that it “is established to support the efforts of the EU and its partners of the wider Black Sea region to find cooperative approaches to the common chal-

\textsuperscript{1058} Doussis, Emmanuella, \textit{op.cit.}, p.361
\textsuperscript{1059} Manoli, Panagiota, \textit{op.cit.}, p.49
\textsuperscript{1060} The countries involved in the TACIS programme are: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.
\textsuperscript{1061} See the European Commission’s website at http://ec.europa.eu/environment/enlarg/dablas/index_en.htm
\textsuperscript{1062} \textit{Ibidem}
In his opening speech at the Conference launching the initiative, European Environment Commissioner Janez Potočnik argued that “the Black Sea is not an EU sea. But it is ‘our’ sea; it belongs to all of us, it is shared by all its countries and neighbours, by all those who live in the region. We share the Black Sea and its challenges”.

Bulgaria, Romania, Turkey, Russia, Armenia, Azerbaijan, Georgia, Moldova, and Ukraine are partners of this initiative which is however open to all countries of wider Black Sea region. Additionally, the EU environmental law addresses the protection of the marine environment both directly (e.g. water quality, waste management, transport of hazardous waste) and indirectly (e.g. habitat protection, air pollution, right to information for environmental issues). These rules, which are part of the acquis communautaire, have been incorporated in the legislation of Bulgaria and Romania and consequently have an impact on the environmental measures adopted in the Black Sea region.

Other regional conventions are the Convention on Cooperation for the Protection and Sustainable Use of the Danube River (DRPC) and the Convention on the Conservation of European Wildlife and Natural Habitats. The former was signed in 1994 and entered into force in 1998 and was established as “a framework for bilateral or multilateral cooperation to protect the aquatic environment of the river Danube based on the precautionary principle, the polluter pays principle and the principle of sustainable management and for the prevention and control of pollution, conservation, improvement and rational use of water resources of the Danubian countries by establishing the International Commission for the Protection of the river Danube”. The latter was signed in 1979 and came into force in 1982. Its aim is “to conserve wild flora and fauna and their natural habitats, especially those species and habitats whose conservation requires the cooperation of several States, and to promote such cooperation”.

Furthermore, the Declaration of Environmental Quality Objectives also merits to be mentioned. It was signed by the six coastal states in Odessa in 1993. It is an innovative and pragmatic policy statement setting environmental goals and a time frame for guiding the management of the environmental regime and the associated investments. Tunc stresses that it is “the first policy agreement on regional seas to reflect the philosophy of UNCED [United Nations Conference on Environment and Development], Agenda 21, and the principles of sustainable development.”

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1064 Ibidem
1065 Doussis, Emmanuel, op.cit., p.362
1066 See the website of the European Commission at http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=587
1067 See the website of the Council of Europe at http://conventions.coe.int/Treaty/en/Treaties/Html/104.htm
and features a heavy emphasis on accountability, periodic review and public awareness". He also underlines that these features were important for those countries emerging from totalitarianism as it represented a major conceptual shift in a public statement from the regional countries. Indeed, the Odessa Declaration is remarkable for two reasons. The first one is the spirit of consensus. During the negotiations, Russia and Ukraine were engaged in a dangerous conflict about the ownership of the Black Sea naval fleet and Georgia was suffering civil war. When discussing about the Declaration former Ukrainian Minister for Environment said that environment has no political boundaries. The second reason concerns the fact that the Declaration represented a new approach to environmental policy making in the region which included much greater public participation and accountability. Additionally, the Declaration was the first public policy statement in the region to endorse the Precautionary Principle, which was a departure from the ‘earlier de facto acceptance of rivers and seas as waste receptacles’.

The work stemming from the Odessa Declaration was considered positive as the countries were willing and able to cooperate for the protection of the Black Sea environment. In this context, a key role was played by the Black Sea Environmental Programme (BSEP) which, established in 1993, was funded by the Global Environment Facility (GEF), by the EU as well as by other donors. The BSEP tasks concerned the improvement of the capacity of the regional states to assess and manage the environment, the support of the development and the implementation of new environmental policies and the facilitation of the preparation of environmental investments. The GEF also assists the Odessa Declaration in the implementation of a long-term plan of action.

Another example of environmental cooperation in the region is the Black Sea Strategic Action Plan, which complements the work of the Black Sea Commission. In 1996 it established an effective institutional framework with the aim of conducting thematic analyses of the Black Sea environmental problems. They were conducted at the national level and then integrated regionally. The group of regional and international actors in charge of the analyses constructed a Transboundary Diagnostic Analysis (TDA) of the Black Sea. This is a technical document which examines the root causes of the degradation of the Black Sea and proposes options for action which may be taken to address them. The environmental problems are studied by taking into consideration also social and economic causes. Nevertheless, despite the fact that the regional states are willing to cooperate in the TDA context, implementation lagging because the governments do not meet the deadlines they set for themselves. There are many reasons for this, among which there

\[1068\] Tunc, Aybac, *op.cit.*, p.142  
\[1069\] Ibidem, p.142  
\[1070\] Ibidem, pp.142-143
are the continuing economic difficulties confronted by many of the regional countries.\textsuperscript{1071}

Another element that it is important to take into consideration when analysing the environmental case in the Black Sea region is the presence of pipelines, which represent a huge risk for the sea. The oil is being transported through the Bosphorous Strait to the Mediterranean Sea to be distributed to the West. Any major oil spill in the ecosystem of the Black Sea would have catastrophic consequences. The danger of oil spill is especially acute for the Bosphorous Strait.\textsuperscript{1072} This has led Turkey to oppose increasing tanker traffic through the Bosphorous. By contrast, Russia has asserted the right of free passage under the Montreux Convention of 1936 accusing Turkey of hypocrisy in its interest in environment.\textsuperscript{1073} However, Turkey’s concerns are real as several ecological disasters have occurred in the Bosphorous in the past. Here there are some examples: in 1979 a collision between Romanian and Greek tankers spilled over 95,000 tons of oil into the straits and burned for weeks; in 1991 a Lebanese ship spilled over 20,000 tons of oil after a collision and sunk; in 1994 a Greek Cypriot tanker ruptured three of its ten tanks and spilled 20,000 tons of oil into the Straits causing the closure of the Bosphorous for a week.\textsuperscript{1074}

The environmental consequences of exploration, production and transportation of the energy resources is one of the main themes of the Black Sea Regional Energy Centre (BSREC), established by Albania, Armenia, Azerbaijan, Moldova, and the European Union in 1995. It aims at reinforcing the cooperation between the EU and the Black Sea region countries especially in the energy sector in order to strengthen the political and economic stability as well as to promote peace and greater prosperity in the region.\textsuperscript{1075}

Furthermore, not only the EU but also NATO is involved in the environmental cooperation in the region. The NATO Science for Stability Program sponsored two projects coordinated by the Middle East Technical University in Erdemil in Turkey. They dealt with Ecosystem Modeling as a Management Tool for the Black Sea (TU-Black Sea) 1993-1997 and Wave Climatology of the Turkish Coast: Measurements-Analysis-Modeling 1993-1998. The aim was to contribute to the improvement of the health of the Black Sea and, among others, the establishment of a database management system (DBMS) for environmental and oceanographic data, which is at the Marine Hydrophysical Institute at Sevastopol Ukraine. Another NATO initiative is

\textsuperscript{1071} Tunc, Aybac, \textit{op.cit.}, pp.144-150
\textsuperscript{1074} \textit{Ibidem}, p.97
\textsuperscript{1075} Ragaini, Andrea, \textit{op.cit.}, p.3. See also the website of the Black Sea Regional Energy Centre at http://www.bsrec.bg/
the Special Working Group 12 (SWG/12), which promotes cooperation between NATO and Partnership for Peace navies to implement national and international maritime environment protection regulations and to foster cooperative efforts for achieving environmentally safe ships and support facilities. The SWG/12 has assisted the Romanian and the Bulgarian ships and is helping to develop an oil-spill response contingency plan.\textsuperscript{1076}

As Manoli suggests, the case of environment is particularly interesting. Although it was expected that this sector would produce most of the cooperative response since pollution is a very urgent problem of the sea, the environmental regime in this region remains totally outside the BSEC organs for two reasons. First, consensus is very difficult to achieve because of the diversity of the BSEC members (five countries are not coastal states) even though they identify the Black Sea as the core of the BSEC’s geographic reference and the basis of its identity. An example is the failure of the BSEC in reaching an agreement on environmental issues relating to fisheries because it was not possible to fulfil the BSEC principle, i.e. the involvement of all eleven member states. Secondly, the EU has developed its own environmental policy towards the region bypassing the BSEC. As previously mentioned, the EU environmental legislation has been adopted by Bulgaria and Romania and, additionally, it will be adopted by Turkey as it is a candidate country. Another important aspect to consider is that the EU funding goes through the UNEP and is partly used for the implementation of the Bucharest Convention. Thus, the EU has not directly funded any BSEC environmental activity.\textsuperscript{1077}

In conclusion, despite the fact that cooperation in the field of environment was initiated during the Cold War, the BSEC has not managed to establish a fruitful cooperation within its organs. External actors are instead very active in dealing with environmental issues and in promoting cooperation in the region.

\textit{The Baltic Sea and the Black Sea region compared}

Environment is a sensitive issue in both cases analysed above. Both the CBSS and the BSEC deal with it through the Working Group they have established to deal with the environmental challenges in their respective region. However, the analysis has shown that the operational phase of the Baltic and of the Black Sea regimes is not effective because not many projects have been accomplished and because it remains outside the organs of the two organizations. In the case of the Baltic Sea region HELCOM guides the cooperation while in the Black Sea region a number of conventions and declarations form the regime. Additionally, when cooperation is implemented

\textsuperscript{1076} Ragaini, Andrea, \textit{op.cit.}, p.3
\textsuperscript{1077} Manoli, Panagiota, \textit{opcit.}, p.208
outside the CBSS and the BSEC, not all the states within the two regimes are involved. Iceland as well as Albania, Armenia, Azerbaijan, Greece, Moldova and Serbia are not concerned. This has a huge impact on the effectiveness of the two regimes especially in the case of the Black Sea. It is thus evident that geographical location negatively affects cooperation. On the Black Sea, for instance, the fact that some environmental issues often concern only the coastal countries has prevented them from reaching an agreement. This is directly connected to the problem of relative gains emphasized by neorealism. According to this logic, those states that are not riparian states have nothing to gain from agreements on the environmental issues related to the pollution of the Black Sea. Collective advantages cannot be realized because not all states are concerned with problems related to the pollution of the sea. Thus, the two regimes have not changed “the calculations of advantage that governments make”. Additionally, not all players (the CBSS and the BSEC member states) agree on the ‘common aversion’ making cooperation difficult to achieve. As already argued, cooperation occurs only among some of the states.

Environmental problems have serious consequences for states, but they are not among the most important ones of the list on the agenda of states. According to Mearsheimer, “although these dangers are a cause for concern, there is little evidence that any of them is serious enough to threaten the survival of a great power. The gravity of these threats may change over time, but for now they are at most second-order problems. Furthermore, if any of these threats become deadly serious, it is not clear that the great powers would respond by acting collectively. For example, there may be cases where the relevant states cooperate to deal with a particular environmental problem, but an impressive literature discusses how such problems might also lead to inter-state war”. In the case of the Baltic Sea regime, for instance, Russia has not been deeply committed in the environmental cooperation in the CBSS context though it has formally recognized the urgency and the relevance of the pollution of the sea. Russia even considers HELCOM a better network to effectively deal with the sea’s health. In the case of the Black Sea regime, cooperation remains outside the BSEC organs. However, the two hegemons (Russia and Turkey) are involved in agreements and conventions because they are directly concerned with the pollution of the Black Sea as they are among the six riparian states. In spite of this, the environmental problems are not among their priorities. All these elements make the two regimes ineffective (see table 9).

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1078 Keohane, Robert, After Hegemony, op.cit., p.26
1079 Ibidem, p.372
Table 10. Illustration of the impact that the variables have on the relations among states in the environmental field on the Baltic and the Black Sea

<table>
<thead>
<tr>
<th>Variables</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of power among the big states</td>
<td>Indirect power exerted by Russia through energy</td>
<td>Weak tensions between Russia and Turkey</td>
</tr>
<tr>
<td>Geographical location</td>
<td>No involvement of the countries not shoring on the sea</td>
<td>No involvement of the countries not shoring on the sea</td>
</tr>
<tr>
<td>Historical legacy of the regional actors</td>
<td>Fear of Russia (link with military presence of Russia because of the pipelines) EU and US</td>
<td>It does not have any influence</td>
</tr>
<tr>
<td>Involvement of external actors</td>
<td>EU and US</td>
<td>UNEP, EU and NATO</td>
</tr>
<tr>
<td>International regimes</td>
<td>Quite ineffective environmental regime</td>
<td>Ineffective environmental regime</td>
</tr>
</tbody>
</table>

Another factor which has a negative impact on the effectiveness of the two regimes but also on their robustness is the strong involvement of external actors in the environmental cooperation on the Baltic and on the Black Sea. In the case of the Baltic Sea regime the EU has deeply committed to actively participate in the activities to protect the sea. The NDEP and the BSS serve this purpose. The relevance of the involvement of the EU in the region is recognized also by the Luleå declaration which stressed the need of the harmonization of the environmental legislation between the EU and Russia. By contrast, the EU is less involved in the environmental cooperation in the Black Sea regime. Here a key role is instead played by the UN. NATO is involved in the cooperation in both regions, too. The EU, the US and NATO have managed to implement several programs and projects that contribute to make the cooperation in the field of environment quite fragmented. Thus, it is clear that in both cases the presence of external actors is essential in defining the cooperative dynamics in the environmental sector in the two regions.

Additionally, it is noteworthy that hard security and environment can be strictly intertwined because disputes for natural resources can lead to armed conflicts, but this is not the case neither on the Baltic Sea nor on the Black Sea. Here there are no conflicts over natural resources like instead in the case of the Arctic for example.
The distribution of power and the geographical location more specifically influence cooperation in the environmental sector in the case of the Baltic Sea region. Indeed, environmental issues were raised by Estonia, Latvia and Lithuania in the period immediately after they regained the independence. As argued above, one of their first reaction was to join the Helsinki Convention. This was important because it asserted Baltic States sovereignty and independence from the Soviet Union. Additionally, the Helsinki Convention membership was welcomed because of the participation in the project of the Nordic countries that had been the most important financial and moral supporters of the Baltic States.

The analysis has demonstrated that historical legacy plays a key role in the relations among states in the case of environment only indirectly as this variable is strictly connected to the negative effect that gas and oil pipelines have on the environment in the Baltic and in the Black Sea. This is particularly clear for Finland and Estonia, as argued in the first section of this chapter. In the case of Finland geopolitical worries are related to its energy needs which are satisfied by Russia. This explains its willingness to keep good relations with its neighbour. In this sense, Russia successfully uses Gazprom as a political tool. Historical legacy, which links Finland to Germany, is another good reason not to oppose the Nord Stream project. By contrast, in the case of Estonia both geopolitics and historical legacy concern its relations with Russia. Additionally, as argued in the chapter on energy, also some other countries of the region are concerned about the Nord Stream pipeline for geopolitical and historical legacy reasons. Sweden, for instance, links its environmental concerns to its fear of an increased military presence of Russia in the Baltic Sea. Environmental and energy issues are consequently strictly intertwined.

The analysis has shown that both regimes are ineffective when it comes to cooperate in the field of environment. This is especially true in the case of the Black Sea regime. The BSEC is unsuccessful fostering cooperation in this sector which is instead guided by another organization, namely the UN. On the Baltic Sea the CBSS has been more successful but environmental cooperation is mainly guided by the Helsinki Commission. This diminishes the relevance of the efforts that the CBSS makes in the field.

Additionally, the analysis has also demonstrated that neorealism can explain why cooperation in the field of environment does not succeed. States are not prone to cooperate in the field of environment because relative gains are not their main worry as well as because their survival is not at stake. Thus, neorealism can explain why riparian states are more interested in finding common solutions in this sector while non-riparian states avoid being involved in cooperation in the environmental field. Geographical location, which neorealism does not take into consideration, is important in this context as it complements the incomplete explanation given by neorealism.
Conclusion

The CBSS and the BSEC have not managed to establish a functioning and effective cooperation in the field of environment. Despite the fact that the pollution of the two seas is a very serious matter, not all the states are interested in actively participating in the cooperative networks. This is especially the case around the Black Sea where only six of the twelve members have a strong interest in tackling sea pollution as they are riparian states. In the case of the Baltic Sea instead, only Iceland and Norway are outside the sea shore. Consequently, cooperation essentially remains outside the CBSS and the BSEC organs. HELCOM on the Baltic Sea and UN on the Black Sea are the main providers of cooperative networks. The involvement of external actors also influences the development of environmental cooperation in the two regions. In the Baltic Sea region the EU has implemented the ENDP and the BSS to face the challenges coming from pollution. In the Black Sea region, instead, the EU can participate in the environmental cooperation only through its TACIS and Phare programs. NATO is also involved in the environmental activities in both regions.

This chapter has also shown that neorealism can provide only a plausible explanation of the failure of the two regimes in the field of environment. Survival, which is the ultimate goal of states, is not at stake though environmental issues are very serious. The problem of relative gains is the major concern of states. Consequently, it is sufficient to explain why states do not successfully cooperate in the two regions. In this context, geographical location is an important variable while historical legacy plays a role in the analysis only indirectly.
Chapter 7
Conclusions

This study has analysed the phenomenon of regionalism around the Baltic and the Black Sea by trying to define the role of the CBSS and of the BSEC as organizations guiding cooperation in their respective region from a comparative perspective and from a neorealist point of view. The two organizations define the geographical boundaries of the Baltic and of the Black Sea region.

This research has followed two main lines of reasoning. On the one hand, the similarities and the differences between the two organizations and more broadly between the two regions to which they belong have been outlined. These similarities and differences have emerged out of the analysis of regional cooperation in four sectors: hard security, energy, economic development and environment. On the other hand, the two cases have been discussed from a theoretical perspective.

The analysis has shown that the Baltic and the Black Sea region, which emerged as units of analysis in the period immediately after the Cold War. They are similar in some respects although they are politically, historically, culturally and economically very different both between and within them. They have some relevant characteristics in common that allow comparison on certain specific variables: distribution of power among the big states, the geographical location and the historical legacy. Their common characteristics are the institutionalisation process leading to the establishment of a regional organization (the CBSS and the BSEC), the presence of European big powers such as the EU and Russia, of the US/NATO, of former Soviet countries and of both EU and non-EU members (see Figure 5).
Furthermore, both regions as defined in this study are the result of the changes occurring in the structure of the international system in the early 1990s. As the distribution of capabilities among states has changed, the relations among them have concomitantly changed. This has pushed states to rethink their relations with the neighbours and has facilitated some states to emerge as regional powers. This is the case of Turkey that has ceased the opportunity to emerge as one of the most influential and powerful states in the Black Sea region where it shares the hegemon status together with Russia. While the power of Turkey has increased since the end of bipolarism, the power of Russia has diminished so that it has passed from the status of superpower to the great and regional power ones. Russia is a regional power both in the Baltic Sea and in the Black Sea region. The reasoning followed in this thesis has shown that it is not possible to study the phenomenon of regionalism without taking into consideration two levels of analysis, namely the regional and the international one. If on the one hand the global division of power has determined the emerging of multipolarism and, consequently, also of regional powers, on the other one the reformulation of the relationship among regional states has had a huge impact on the nature of regional cooperation. The CBSS and the BSEC are the products of the interplay between these two levels. They can be considered as a peripheral response to the changes that occurred at the international level. They have been established by some of the biggest states in the two regions for geopolitical reasons explaining why the smaller states have been so eager to participate in the project.

The two organizations operate in the context of their respective regime, i.e. the Baltic Sea and the Black Sea region and can be considered as regimes
along Krasner’s ‘consensual definition’. The argument put forth in the preceding chapters supports the contention that the CBSS and the BSEC are the organizations accompanying their respective regimes by providing practical support and guiding regional cooperation process. The organizations provide the platform for holding meetings, decision-making, and drafting and signing of agreements. They provide a physical space where politicians, experts and administrators can work together making the cooperation among the member states concrete. In order to accomplish these tasks, the CBSS and the BSEC have established a very clear structure. The Working Groups have specific tasks and each of them deals with a well defined area and also cooperates towards achieving efficiency and implementation of projects. Nevertheless, this study has demonstrated that the CBSS and the BSEC are not successful organizations in all the fields of their competence, which makes the Baltic and the Black Sea regimes quite ineffective.

The profile of the cooperation in both regions is essentially defined by the three main variables taken into consideration in the analysis, namely the distribution of power among the big states, the geographical location and historical legacy. These variables have affected the creation of the two regions, i.e. the region-building process around the Baltic and the Black Sea. Young’s model, which has been used to explain the formation of the two regimes along the concept of power that clearly shows that the geopolitical asset originating from the end of the Cold War and historical legacy have played a key role in this context. Both the Baltic and the Black Sea regimes have been created on the basis of the outside-in approach, which focuses on geopolitics and the application of neorealism when analysing regionalism. This is clear right from the first stage of the regime formation process, namely the agenda formation. In both cases overcoming the old divisions between West and East through cooperation was one of the reasons underlined by all the parties. Obviously, power and security are the most important reasons. The adoption of a Western orientation and the opportunity of including Russia in the cooperation process have also played a key role in this context. The EU and the NATO membership pushed the states in both regions, especially the smallest ones, to strengthen their relations with the other states in the region to speeden and improve the democratization and the modernization process. Involving Russia in the cooperation was important in order to try to normalize the relations with this big power. For its part, Russia considered the two initiatives very important in the context of the new twenty-first century architecture of Europe as they would contribute to eliminate economic, military and political dividing lines. In addition, fear of exclusion from the regional dynamics was a strong reason for Russian engagement.

This study has analysed how geopolitics explains Turkey’s initiative in establishing the BSEC. The other countries involved in the projects also considered the initiative geopolitically feasible and contributing to enhancing their national security and stability in the region. Moreover, the prospects
of transition to modernization and a market economy to easily integrate into the world economy are also important reasons, too. The same reasons are reflected in the Baltic Sea region when the CBSS was founded. Historically, European states have integrated themselves into the world economy so as to easily integrate into the world economy. However, the Baltic Sea region has also integrated itself into the world economy. In both cases, trade has connected regional states for several centuries. The legacy of the Hanseatic League is of significance among the regional states. The possibility of revitalizing it through the creation of a ‘New Hansa’ was central in the discussions about strengthening the relations in the region in early 1990s. Additionally, a common past between some of the regional states in particular between the Baltic and the Nordic states, has favoured the establishment of very strong ties in the period immediately after the end of the Cold War. Around the Black Sea, commerce has strongly linked the peoples living on its coasts, but the regional states are historically, politically, economically and culturally differentiated from the Baltic Sea. However, a common past has brought together some of the regional countries that belonged to the Ottoman empire and some others that belonged to the Russian empire and later to the Soviet Union. However, it is necessary to emphasize that cooperation in the case of the Black Sea region has been established not to rebuild the old ties among states, but to rethink them differently.

The distribution of power among the big states, the geographical location and the historical legacy have a strong impact on the cooperation in the sectors taken into consideration in this study. The previous chapters have shown that these three variables affect the cooperation in the field of energy, economic development and environment, both directly and indirectly. Despite the fact that the CBSS and the BSEC have established Working Groups ad hoc with the aim to effectively work, regional states cooperate to the extent that it brings them relative gains. This is evident in the case of environment, for instance. As it has been argued, states that are not involved in pollution problems are not prone to cooperate because only the riparian states would gain relatively from the cooperation. This is especially true for the Black Sea region where only six states shore on the sea and are interested in an effective cooperation. By contrast, in the Baltic Sea region all the countries are worried about the consequences of the sea pollution with the exception of Iceland and Norway. These two latter are indeed not members of HELCOM. Therefore, cooperation is essentially developed outside the bodies of the CBSS and of the BSEC. Furthermore, how power is distributed among states, geographical location and historical legacy also explain why cooperation in the field of environment is contingent to the relative gains of states. Geographical location in particular has the strongest impact on environmental cooperation in both regions. Historical legacy only plays an indirect role in this context as this variable is strictly connected to the environmentally negative effect of gas and oil pipelines in the Baltic and in the Black Sea.
The fact that environmental cooperation in the Black Sea region began in the late 1980s as a consequence of perestrojka and the willingness of Estonia, Latvia and Lithuania to be involved in the Helsinki Convention immediately after they regained the independence is a good demonstration of how geopolitics influences the internal dynamics of the two regimes.

Cooperation in the field of economic development is more successful where many projects have been implemented and some of them have been satisfactorily concluded. The CBSS and the BSEC cooperate with a number of smaller organizations in the region dealing with issues strictly related to economic development. This is due to the fact that regional states benefit from common projects to improve the economic situation of regional states especially since the economic and financial crisis of 2008 that has stagnated economic development in these states. Although historical legacy could have facilitated the beginning of cooperation in this sector, it indirectly obstructs economic development. The Soviet past in some of the regional countries has made their economic structure quite inefficient and weak. The distribution of power and the geographical location play a more relevant role in this context as economic power is sometimes used for foreign policy objectives (see Table 10). This is the case for instance of the embargos imposed by Russia on some of the Black Sea region countries. This happens also in the energy field. Gazprom is used by Russia as a foreign policy tool to achieve its geopolitical goals. Energy is also used in foreign policy goals also by the smaller countries in the Black Sea region. The construction of pipelines such as the Baku-Tbilisi-Ceyahan that bypass Russia and which has relevant implications on the relations between this latter and Turkey is a good example. Like the distribution of power, historical legacy also negatively affects cooperation in the field of energy as regional states want to become more independent from the gas supply which is used to exert Russian power on its ‘spheres of influence’. In the Baltic Sea region the Nord Stream project is a very good example of the negative impact that the three variables have on regional cooperation in the field. Thus, the gas and oil sector is very sensitive. A proof of this is the fact that in both cases cooperation in the electricity is more successful as the distribution of power, the geographical location and historical legacy do not affect this sector so much.

The CBSS and the BSEC and their respective regime have contributed to strengthen the cooperative links among the regional states, but hard security matters influence cooperation in soft security ones. This is evident in all the sectors investigated in this study. It has been demonstrated that hard security influences the relations among states much more than soft security. This is why this sector is not contemplated in the fields of competence neither in the CBSS nor in the BSEC. It has been included in the analysis because of its relevance in the relations among states in the two regions.

The preceding chapters have shown that the two organizations only deal with soft security matters as hard security is a stronger determinant of foreign policy and, consequently, states prefer to take decisions in this sector.
independently. The case of the CBSS is representative. At the time of establishment of the CBSS, the Baltic States and Poland proposed to include it in the CBSS’ fields of work, but later they changed their mind because they were afraid that it could halt their NATO membership, which was one of their foreign policy priorities together with the EU membership. The Nordic countries and Germany also opposed the introduction of hard security as area of competences as this would negatively affect cooperation in the other sectors. In the Black Sea region this possibility was not even contemplated. In spite of this, the BSEC’s documents include some references to the necessity of facing the security challenges present in the region. This means that hard security is a very sensitive issue as tensions often turn into armed conflicts, but the BSEC member states are aware of the difficult relations among the countries in the region. This is a significant difference with the CBSS whose founding documents don’t contain any reference to hard security matters. The reason is the different nature of the relationship among the regional states which are more peaceful and which do not lead to armed conflicts, though some tensions are present such as in the case of the relations between the Baltic States and Russia. This difference between the two regions stems from the distribution of power among the states which is more equal on the Baltic Sea than on the Black Sea.

Another important element which has been taken into account in the analysis is the presence of external actors in the Baltic and in the Black Sea region. It has been shown that the EU and NATO affect regional cooperation in both regimes. They are very different actors and therefore have a different impact on the two regions. In the Baltic Sea region the EU membership has been one of the main goals of the foreign policy of the states with a Soviet and communist past since early 1990s. At present, almost all the countries in the region are EU members with the exception of Iceland that is a candidate country, Norway that has rejected the EU membership option several times, and Russia that will very probably never enter the EU. Improving ties with the EU in the Black Sea region is one of the main means that states use to achieve national goals including economic development and raising living standards. Some of the regional states aspire for EU membership. This creates some divisions in the two regions and it is especially the case in the Black Sea region. For its part, the EU is keen on increasing its presence in the two regions. While it is easier in the case of the Baltic Sea because most of the states are its members and because the geopolitical situation is different, in the Black Sea it is more difficult because of Russia’s engagement in the reconfigured neighbourhood. Russia, for instance, is against the EU membership in the BSEC and in the Black Sea Commission. In both cases the EU has developed policies increase its influence in the two regimes. It is plausible to argue that the Baltic Sea Strategy is a coherent policy towards the region as defined by the EU, i.e. composed of six riparian states belong-

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1080 Manoli, Panagiota, The Dynamics of Black Sea regionalism, op.cit., p.215
ing to it (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland). The Northern Dimension also has clear objectives. It is a joint policy between EU, Russia, Norway and Iceland. The ND deals with regional organizations, too, among which there is the CBSS. By contrast, the EU does not have coherent policies towards the Black Sea region. The Eastern Partnership and the European Neighbourhood Policy overlap and have not clear objectives. In spite of this, the EU is involved in the energy, economic development and environmental issues in both regions. The EU participates in the construction of pipelines in both regions. This not only reflects the enormous EU need for gas, but also its geopolitical ambitions. Being involved in the construction of the Nord Stream in the Baltic Sea region and in the ‘Great Game’ in the Black Sea region means a massive engagement in the geopolitical dynamics of the two regimes and more room for manoeuvre. However, Russia represents a big obstacle to the achievement of the EU’s objectives. It is a great and regional power, which means that it has large economic, energy and military resources that it uses to exert its influence on the two regions and to compete with the EU as well. Nevertheless, the EU is an influential economic actor in both regions. Most of the countries around the Baltic Sea are EU members. Around the Black Sea the EU is the most important trade partner of most of the regional states. Additionally, the EU and Russia are vital trade partners for each other.

Furthermore, the EU is also involved in the environmental cooperation. In the Baltic Sea region the NDEP makes the EU one of the most active actors involved with the challenges coming from the pollution of the sea. By contrast, in the Black Sea region the EU is much less involved in the environmental cooperation. This is essentially due to two reasons. The first one is that, as argued before, the geopolitical dynamics in the region makes it difficult for the EU to exert more influence there. The second one is that only the six riparian states are interested in protecting the sea. This makes the cooperative network quite inefficient, as Chapter 5 has demonstrated.

It is also interesting to note that the EU is involved in the hard security issues in the two regions though it does not deal with military problems like NATO does, instead. In spite of this, the EU has been involved, though not militarily, in some of the conflicts in the Black Sea region such as in the war between Georgia and Russia and between Albania and Serbia. As the position of the EU in such conflicts was usually different from that of Russia, the relations between them have been negatively affected. In the Baltic Sea region the geopolitical situation is very different as there are no armed conflicts though some tensions are present (e.g. the ones between the Baltic States and Russia). Consequently, the competition between the EU and Russia for hard security issues is much less relevant there.

Military security is instead provided by the other external actor taken into consideration in this study, namely NATO. Consequently, the main difference with the EU in the context of regional cooperation is that NATO deals with hard security issues, while the EU mainly deals with soft security ones.
as its policies towards the two regions show. Therefore, NATO plays a key role in the geopolitical dynamics both around the Baltic and the Black Sea. However, the argument advanced in the previous chapter supports that NATO tries to be involved even in soft security matters such as in the case of environment. The presence of NATO in the Black Sea region complicates the geopolitical picture. It has always been opposed by Russia and, together with the EU, contributes to make the region divided. However, unlike the EU, NATO has created instability in the region because of its military nature. Turkey, which is a NATO member and one of two major powers in the region, is against an extra-penetration of the organization in the region. Among the reasons for this, the fact that all regional initiatives must include Russia plays a relevant role. The relations between the two historical enemies, Turkey and Russia, have indeed improved in recent years especially in the relation to the energy sector. Consequently, they share some geopolitical and economic interests though some tensions between them have also characterized their ties during the time.

Furthermore, another external actor that has several interests in the two regions is the US. It affects the internal dynamics in the regimes especially in the hard security and energy sectors. In the case of the Baltic Sea region the US supports the BALTBAT and affects the energy field through the involvement of NATO. Its interests are much stronger around the Black Sea where it has taken a clear position in the conflicts that exploded there. The support it provided to Georgia during the war with Russia and the conflict in Kosovo are some examples of this. Its involvement in the internal dynamics of the Black Sea regime in the field of hard security demonstrates its rivalry with one of the two regional hegemons, namely Russia. The relations with Turkey are instead of a special kind as this latter is one of the oldest NATO members, but in recent years it has improved its relations with Russia, the enemy of the US during the Cold War and one of the major rivals in the international system. Turkey is unlikely to have a major involvement of NATO (dominated by the US) in the region as this would increase the instability of the region. It insists that all regional initiatives include Russia. Additionally, the US also has strong interests in the energy sector. It supports a series of pipeline projects aiming at transporting Caspian oil and gas from the Caspian region to the West. Its involvement in the construction of pipelines is seen very positively by the EU which is not happy with the monopoly of Russia in the energy sector in the Black Sea region.

It can be argued that the three independent variables taken into consideration in this study have strongly influenced the foreign policy objectives of many regional states in both regimes as most of them have chosen a Western orientation, as already argued above.

Another consideration stemming from the analysis conducted in this study is that in the case of the Black Sea the presence of organizations other than the BSEC is an obstacle to regional cooperation. This is a significant difference with the Baltic Sea where other organizations contribute to make
cooperation quite successful. GUAM is a case in point. It operates in several fields and in so doing competes with the BSEC, which is the most important organization guiding the cooperation in the region. Additionally, the involvement of the US in the GUAM’s activities exacerbates the situation. By contrast, in the Baltic Sea region the smaller organizations operating in the various sectors have created a well functioning cooperative network with the CBSS.

Table 11. Illustration of how the variables determine cooperation on the Baltic and the Black Sea

<table>
<thead>
<tr>
<th>Regional arrangement</th>
<th>CBSS</th>
<th>BSEC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution of power among the big states</strong></td>
<td>Balance of power No hegemon</td>
<td>Security dilemma Two hegemons: Russia and Turkey Bandwagoning</td>
</tr>
<tr>
<td>Geographical location</td>
<td>Close political and economic links between the Nordic and the Baltic States</td>
<td>Fear of Russia</td>
</tr>
<tr>
<td></td>
<td>Fear of Russia</td>
<td></td>
</tr>
<tr>
<td>Historical legacy of the regional actors</td>
<td>Trade</td>
<td>Involvement of small states in energy projects and organizations to counterbalance Russia</td>
</tr>
<tr>
<td></td>
<td>Strong influence of Russia on the Baltic States</td>
<td>Trade</td>
</tr>
<tr>
<td></td>
<td>NATO, US, and EU</td>
<td>Strong influence of Russia on the region</td>
</tr>
<tr>
<td>Involvement of external actors</td>
<td></td>
<td>NATO, US and EU</td>
</tr>
<tr>
<td>International regimes</td>
<td>Ineffective regime</td>
<td>Ineffective regime</td>
</tr>
</tbody>
</table>

From the theoretical point of view, this study takes a neorealist approach. Chapter 1 has noted that neorealism has some limitations when trying to explain reality. The reason, as Snyder points out, is that ‘there are so many causal variables operating in the empirical world that no theory can embrace more than a fraction of them; consequently every theoretical explanation, strictly speaking, is ‘false’’. In effect, in order to analyse the phenomenon of regionalism around the Baltic and the Black Sea, the necessity of filling in
the gaps of neorealism in this context has led the author to extend neorealism in three ways. This study, in fact, has taken into consideration not only the international level but also the regional one since the subject of research is regionalism around the Baltic and the Black Sea. Geopolitics has been a powerful complementary tool to apply neorealism to the two regions as the distribution of power among the big states in the international system and its interplay with territory has helped explain the regional dynamics in the four sectors analysed. Finally, historical legacy, which is strongly linked to geopolitics, provides a valuable element in explaining the phenomenon of regionalism in the two cases. However, neorealism is the theoretical approach chosen in this study as the relations among states are conceived based on the concept of power. Of course, the case of hard security is the most easily explicable through the neorealist lenses since neorealism deals with this kind of issues by definition. Energy also provides a good case for neorealism since hard security is often strictly connected to the energy strategies of states. Economic development and environment are tricky cases for neorealism as they are commonly considered soft security issues, while this theory deals with hard security. In spite of this, this study has shown that there are some aspects of cooperation in the economic and the environmental fields that can be explained by neorealism since hard security can affect it.

In particular, this study has mainly focused on some neorealist elements that can help explain, together with the model chosen as conceptual framework of analysis, regional cooperation in the sectors of hard security, energy, economic development, and environment. It is only the combination of neorealism with the model that provides a tool to analyse the power relations among states. Neorealism alone would not provide a convincing explanation of regionalism around the Baltic and the Black Sea.

Anarchy inhibits cooperation and fosters conflict and competition among states. The distribution of power among the big states, which modified the relative power of states at the end of the Cold War by affecting the relations of power among them, has had a deep impact on the geopolitical dynamics in the two regions. The geographical location, which stresses the importance of territory in the geopolitical strategies of states, plays a role in the effectiveness of the two regimes together with historical legacy. However, each of these variables has a different weight in each sector, as explained above. The combination of all these elements is reflected in the ineffectiveness of the Baltic Sea and of the Black Sea regime. In this context, the two main problems that neorealism attributes to cooperation, namely the problem of cheating and of relative gains, are at the centre of the discussion. While the problem of cheating can be solved within the context of the CBSS and of the BSEC, the problem of relative gains prevents states from achieving a functioning cooperative scheme. They influence the states’ approach to regional cooperation and the way they form their expectations concerning the relative gains that they can obtain from it.
The analysis has shown that national security is the primary concern of states. The establishment of cooperative schemes and their effectiveness depend on the achievement of national security. This is why cooperation in the field of hard security at the regional level has not been realized in either of the two cases. The energy and the environmental sectors are two examples of ineffective cooperation, as this research has demonstrated. Also, in both regions cooperation in the economic development sector is influenced by security concerns.

Furthermore, a distinction must be made between the Baltic and the Black Sea region. The differences between them can be explained through two strands of neorealism, namely defensive and offensive realism. As this research has argued, the Baltic Sea region very well fits the former strand while the Black Sea region fits the latter one. In the Baltic Sea region states aim at maintaining their position. Tensions are present, but they do not lead to armed conflicts. By contrast, this often happens in the Black Sea region where states are power-maximizer revisionists. The case of hard security has clearly demonstrated the differences between the two regions. It also explains why economic development cooperation is more successful around the Baltic Sea than around the Black Sea. In the field of energy, Russia uses Gazprom as a tool of foreign policy in both regions, but in the Black Sea regime this has often led to ‘gas wars’. Cooperation in the field of environment has not unleashed conflicts in any of the two regions, though it has contributed to raise some tensions among states. In the case of the Baltic Sea region, for instance, the concerns of the Nordic and of the Baltic countries in relation to the negative environmental impact of the Nord Stream project are a good example. In the Black Sea region the worries of Turkey concerning the pollution of the Straits have created some tensions especially in relation to the Montreux Convention of 1936.

Around the Baltic Sea the balance of power which characterizes the geopolitical dynamics of the region has made cooperation more successful (to a certain extent) than in the case of the Black Sea where the security dilemma has undermined the prospects for cooperation. The balance of power has ensured that the situation prior to the establishment of institutionalized cooperative links between the regional states would not have been altered. In spite of this, the cooperative schemes created in the region are not always successful, as argued above. Around the Black Sea the security dilemma is a major obstacle to the achievement of this goal. The presence of two hegemons, namely Russia and Turkey, also play a role in this context.

Finally another element that this study has stressed is the fact that the bigger states define the polarity of the two regions like neorealism argues, but smaller states also play a role in this context. They were eager to participate in the regional project to insulate themselves from the power of the biggest states. In spite of this, they follow their geopolitical goals when putting their national strategies into practice. This is especially evident in the economic and in the energy sector. However, hard security, which is not
contemplated in the areas of cooperation of the two organizations, is the other sector where small powers try to defend their national security. As a result, interests and policies of small and big powers are strictly intertwined and create a complex network of bilateral and multilateral relations which have an impact on both the regional and the international level.

This research has shown that the CBSS and the BSEC and more broadly the Baltic and the Black Sea region originate in the interaction between two levels, namely the international and the regional one. They are the product of the changes occurred in the international system since the end of the Cold War and the concomitant reformulation of the relations among the regional states at the regional level. The CBSS and the BSEC guide the cooperation in their respective region by creating a cooperative framework in certain sectors according to particular norms and rules. Nevertheless, they do not have the same room of manoeuvre as the CBSS manages to exert a stronger influence on regional cooperation. This is due to the different geopolitical dynamics characterizing the two regimes. Although the CBSS and the BSEC are considered instruments influencing the cooperative schemes in their respective regime, the regional powers and the external actors do not count on them to assert their interests around the Baltic and the Black Sea. The reason is that national security, which is the main aim of states, prevents external actors in playing a key role in the geopolitical dynamics at the regional level.

In conclusion, the regimes created around the Baltic and the Black Sea are ineffective though the CBSS has managed to create stronger cooperative links among its members than the BSEC. Neorealism provides a good explanation when analysing and comparing the two cases if extended in order to include geopolitics, historical legacy and the regional level.
Summary

This dissertation analyses the phenomenon of regionalism around the Baltic and the Black Sea since the end of the Cold War with a comparative approach and from a neorealist point of view. The common characteristics of the two regions that make the comparison possible are the institutionalisation process leading to the establishment of a regional organization (the CBSS and the BSEC), the presence of European big powers such as the EU and Russia, of the US/NATO, of former Soviet countries and of both EU and non-EU members.

The analysis has as main focus regional organizations, the Council of the Baltic Sea States (CBSS) and the Black Sea Economic Cooperation (BSEC), which, stemming from two regimes corresponding to the Baltic and the Black Sea region, can be considered a product of the geopolitical dynamics characterizing the international order after the collapse of the bipolar system. In particular, the CBSS and the BSEC and more broadly the Baltic and the Black Sea region stem from the interaction between two levels, namely the international and the regional one.

The CBSS and the BSEC guide the cooperation in their respective region by creating a cooperative framework in certain sectors according to determinate norms, principles, rules and decision-making procedures. For this reason they can be defined as international regimes according to Krasner’s ‘consensual definition’. The argument put forth in the dissertation supports the contention that the CBSS and the BSEC are the organizations accompanying their respective regimes by providing practical support and guiding regional cooperation process. The organizations provide the platform for holding meetings, decision-making, and drafting and signing of agreements. They provide a physical space where politicians, experts and administrators can work together making the cooperation among the member states concrete. In order to accomplish these tasks, the CBSS and the BSEC have established a very clear structure. The Working Groups have specific tasks and each of them deals with a well defined area and also cooperates towards achieving efficiency and implementation of projects.

However, the two organizations have not the same room of manoeuvre as the former manages to exert a stronger influence on cooperation in its region. This is due to the different geopolitical dynamics characterizing the two regimes. Around the Baltic Sea the balance of power which characterizes the geopolitical dynamics of the region has made cooperation more successful (to a certain extent) than in the case of the Black Sea where the security dilemma has undermined the prospects for cooperation. The balance of power has ensured that the situation prior to the establishment of institutionalized
cooperative links between the regional states would not have been altered. In spite of this, the cooperative schemes created in the region are not always successful. Around the Black Sea the security dilemma is a major obstacle to the achievement of this goal. The presence of two hegemons, namely Russia and Turkey, also play a role in this context.

Additionally, though the CBSS and the BSEC are considered instruments to influence the cooperative schemes in their regime, the regional powers and the external actors do not count on them to assert their interests on the Baltic and on the Black Sea. The reason is that national security, which is the main aim of states, prevents them from playing a key role in the geopolitical dynamics at the regional level.

The analysis has shown that the profile of the cooperation in both regions is essentially defined by the three main variables taken into consideration in the analysis, namely the distribution of power among the big states, the geographical location and historical legacy. They affect the relations among states both directly and indirectly in the four sectors analysed, namely hard security, energy, economic development and environment. While the last three sectors are areas of cooperation within the CBSS and the BSEC, hard security is not. Its inclusion in the study is due to the fact that it strongly affects the power relations among the states in the two regions and that it is strictly linked to the other three sectors.

Consequently, the comparison between the two regimes clearly demonstrates that the two regimes are ineffective. Despite the fact that the CBSS and the BSEC have established Working Groups ad hoc with the aim to effectively work, regional states cooperate to the extent that it brings about advantages to them in terms of relative gains in accordance with the neorealist approach. In the case of hard security, for instance, a regime does not exist since the CBSS and the BSEC only deal with soft security issues. However, states are involved in several security and defence arrangements according to their specific national strategies. Hard security negatively affects the other three sectors where, however, the cooperative links among states are stronger. Among these latter, economic development is the sector where cooperation is more profitable one while cooperation in the environmental sector and especially in the energy sector is less successful. More generally, it can be argued that the efforts made by the CBSS and the BSEC are not sufficient to create effective cooperation.
Sammanfattning

I denna avhandling analyseras fenomenet regionalism runt Östersjön och Svarta havet sedan kalla krigets slut i ett jämförande och neorealistiskt perspektiv. Studieobjekt för analysen utgörs av två regionala organisationer - the Council of the Baltic Sea States (CBSS) and the Black Sea Economic Cooperation (BSEC) – vilka i avhandlingen betraktas som internationella regimer som skapats mot bakgrund av den geopolitiska dynamik som uppstått i Östersjön och Svarta havet efter det bipolära systemets sammanbrott. CBSS och BSEC koordinerar samarbetet i respektive region genom att skapa samarbetsstrukturer inom vissa områden enligt bestämda normer, principer, regler och beslutsförfaranden. Av den anledningen kan dessa två organisationer definieras som internationella regimer. En av avhandlingens slutsatser är att de två organisationerna inte kan utöva lika stort inflytande i respektive region beroende på olika geopolitiska förutsättningar. CBSS har ett större manöverutrymme i Östersjöområdet och kan därmed också spela en mer inflytelserik roll än BSEC kring Svarta havet. En annan slutsats är att även om både CBSS och BSEC spelar en befrämjande roll för det regionala samarbetet, så hämmas deras inflytande av EU:s och Rysslands regionala och nationella intressen som främst baseras på säkerhetspolitik. Man kan säga att olika nationella säkerhetspolitiska intressen begränsar samarbetsets genomförande. I avhandlingen visas att det regionala samarbetet bestäms och definieras av främst tre variabler: maktfördelningen mellan de regionala stormakterna i regionerna, det geografiska läget och det historiska arvet (historical legacy). Dessa variabler påverkar relationerna mellan stater, både direkt och indirekt, i de fyra områden som analyserats i avhandlingen, nämligen hård säkerhet (hard security), energi, ekonomisk utveckling och miljö. Alla dessa områden förutom hård säkerhet omfattas av det pågående samarbetet i CBSS och BSEC. Att kategorin hård säkerhet ingår i undersökningen beror på att detta områdes starka inflytande på maktnivån mellan staterna i de båda regionerna och att det är strikt kopplad till de andra tre sektorerna. Avhandlingens visar tydligt att CBSS och BSEC inte har varit framgångsrika i sitt arbete med att koordinera regionalt samarbete. Trots att de två organisationerna har etablerat arbetsgrupper i syfte att uppnå effektivt samarbete, förhindras detta samarbets potential på grund av att deras inriktning är baserad på att nå relativa vinster enligt den neorealistiska teoribildningen. Exempelvis finns inte en internationell regim i vare sig Östersjöområdet eller kring Svarta havet som kan hantera frågor i linje med hård säkerhet som det definieras i litteraturen. De två regionala organisationerna är därför hänvisade till att enbart hantera frågor av mindre
säkerhetspolitisk betydelse, så kallade mjuka säkerhetsfrågor, vilket klart visar på samarbetets begränsade omfattning.
Many people have contributed to the completion of this dissertation in several ways. My family and friends have always supported me very much during this arduous and long journey. Among my friends, I want to thank in particular Monica Pavese and her husband, Guntis Rubins, Maria Perrotta and her husband, Martin Berlin, Loriane Py, Rossana Urso, Giulia Neri, Cecilia Guardi, Isabella Petrocelli, Gülay Özcan, Maria Cheung, Elisabetta Lavopa, Griselda Quintana, Mikael Lindqvist and Elisabeth Olin. All these people have given me a tremendous moral support over the years and helped me in difficult moments. My great appreciation also goes to Sven Hellroth, my university roommate, who has always been helpful and someone I consider as one of the nicest and kindest people I have ever met in my life.

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