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## The Organization of the Black Sea Economic Cooperation (BSEC) - A mechanism for integration in a geopolitically sensitive area

The ongoing conflict in and around Ukraine has caused two, until recently, largely ignored international organizations to come into the public focus again: the Organization for Security and Co-operation in Europe (OSCE) and the Council of Europe. While the OSCE was able to play an active role in mediating the conflict, the Council of Europe was caught in the crossfire. Whereas the Western members of the Council of Europe successfully obtained the suspension of Russia's voting power, the Council provided the Russian government with a forum through which they could promulgate their public diplomacy. Unlike these two bodies, the regionally important Organization of the Black Sea Economic Cooperation (BSEC) is striking in its lack of public presence and commitment in resolving the conflict so far. This is despite BSEC's 22 year history as both an important forum for dialogue at the highest political level and as a successful model of regional cooperation and communication. On the 20<sup>th</sup> anniversary of BSEC in 2012, the governments of its twelve Member States declared appreciatively, that "[...] through its commitment to enhanced dialogue and pragmatic approach, BSEC has brought together its Member States with different political, economic and social characteristics in a spirit of confidence and constructive cooperation".<sup>1</sup>

Additionally, BSEC's notable silence in the current Ukrainian conflict has highlighted the problems of transdisciplinary integration as well as the weaknesses and opportunities of the oldest, most 'institutionalized' regional organization of the Black Sea region. The fundamental role that BSEC plays with regard to the stability and security of the region should be neither overestimated nor underestimated. In light of the present conflict-ridden environment in Ukraine, the organization is emphasizing its ambitious work agenda without losing sight of its most essential role, namely, contributing to the stability in the region. To this end, contact with the European Union (EU) is indispensable.<sup>2</sup>

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<sup>1</sup> BSEC "Istanbul Summit Declaration on the occasion of the twentieth anniversary of the Organization of the Black Sea Economic Cooperation," Istanbul (26 June 2012), p.1, <http://www.bsec-organization.org/documents/declaration/summit/Reports/ISTANBUL%20SUMMIT%20DECLARATION%2026June.pdf>. Accessed 8 July 2014. See the similar opinions expressed in Zefi Dimadama et al., "20 Years BSEC: Evolution of Institutions, Evolution in Priorities: Interlinks within the Black Sea Region in a New Era," *ICBSS Xenophon Paper* 12 (2012).

<sup>2</sup> In evaluating the results, sources and literature, the work and projects of the authors in the fields of economics and civil society are also consulted.

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[www.kas.de](http://www.kas.de)[www.kas.de/tuerkei](http://www.kas.de/tuerkei)**Intergovernmental economic cooperation in the Black Sea region – work in progress**

Even before the end of the East-West conflict, Turkey, then under the governance of President Turgut Özal, proposed the idea of an intergovernmental forum for the countries of the Black Sea region. The countries of the region,<sup>3</sup> therefore, formed the Organization of the Black Sea Economic Cooperation in accordance with the Summit Declaration and the Bosphorus Statement on 25 July 1992. With the complete ratification of its charter, BSEC became an international organization on 1 January 1999. Its goal was to achieve “constructive and fruitful collaboration in wide ranging fields of economic activity with the aim of turning the BSEC Region into one of peace, stability and prosperity”.<sup>4</sup>

Consequently, institutions within BSEC were gradually created. Since 1992, the Council of the Ministers of Foreign Affairs has been BSEC’s principal decision making organ. It convenes semi-annually with rotating chairmen and troika. The Council of the Ministers of Foreign Affairs was expanded in 1995 to include the current chairman as well as his predecessor and successor. Councils of departmental ministers and senior officers were later established as subsidiary organs. In 1994, the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) was established in Istanbul to coordinate and augment the work of the Council of the Ministers of Foreign Affairs. The Black Sea Trade and Development Bank (BSTDB), situated in Thessaloniki, Greece, was formed on 24 January 1997. Since launching commercial operations as an independent capital institute, BSTDB has had an independent relationship with the Council of the Ministers of Foreign Affairs, BSEC PERMIS and the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC). Similarly independent from the other institutions are PABSEC, which first convened in 1993 and now comprises delegates from 76 countries and the BSEC business council with its own budget as well as secretariat in Istanbul. Further affiliated institutions include the BSEC Coordination Center for the Exchange of Statistical Data and Economic Information, which has been working in tandem with the Turkish Statistical Institute (TürkStat) since 1993; and the International Centre for Black Sea Studies (ICBSS), a research institute and think-tank that has been based in Athens since its establishment in 1998. Furthermore, the headmasters of 100 universities in the region came together under the auspices of PABSEC to form the Black Sea University Network (BSUN), currently based in Constanta, Romania.

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<sup>3</sup> The eleven founding members included the littoral states of Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine, as well as Albania, Armenia, Azerbaijan, Greece and Moldova, which did not have coastlines on the Black Sea. In 2004, Serbia was added (later without Montenegro) as the twelfth member. BSEC’s observer and dialogue partners in certain areas of work include Germany, Poland, Belarus, Israel, Egypt, Iran, Japan, South Korea, the USA and the EU as well as numerous international organizations.

<sup>4</sup> BSEC, “Charter of the Organization of the Black Sea Economic Cooperation,” Yalta, 5 June 1998, p.1, <http://www.bsec-organization.org/documents/LegalDocuments/statutory/charter/Download/CHARTER%20web%20080630.pdf>. Accessed 8 July 2014.

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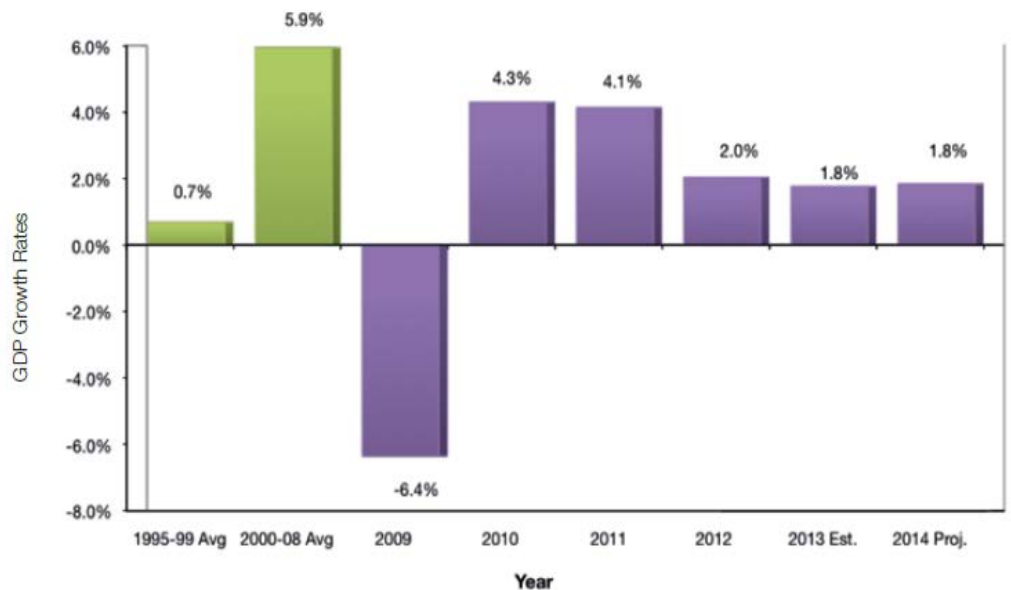
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The eclectic nature of all BSEC institutions corresponds to the BSEC Member States' changing perceptions of the organization's various roles. Above all, the conflicting political and economic interests of the BSEC Member States and other stakeholders in the region have often interfered with the organization's attempts to strengthen integration.<sup>5</sup> Nevertheless, these states have achieved considerable success in fostering regional cooperation and economic integration. Apart from two founding members (Greece and Turkey), the other states were mired in the heavy legacy of the communist era, initially isolated from the flow of world trade, and in the midst of liberalizing their socio-economic and political systems. Having the two G20 economies, Russia and Turkey, under its roof, BSEC also stretches into the EU via the Greek, Bulgarian, and Romanian economy.<sup>6</sup> The steady progress wrought by this improved regional cooperation is reflected in economic data. For much of the past decade until the global financial crisis in 2008, the BSEC region had an impressive GDP growth rate and significantly expanded intra-regional trade (Graphs 1 and 2).<sup>7</sup>

Graph 1: GDP growth rates of the BSEC region 1995-2014



<sup>5</sup> See Panagiota Manoli, *The Dynamics of Black Sea Subregionalism* (Farnham, Surrey: Ashgate, 2012), pp.1-12.

<sup>6</sup> All states except Azerbaijan and Serbia, who wished to join, are also members of the World Trade Organization (WTO).

<sup>7</sup> See also, Panagiota Manoli, "Regional cooperation in the Black Sea: Building an inclusive, innovative, and inclusive region," Commissioned paper for the Black Sea Trade and Development Bank, 2014, [http://www.bstadb.org/publications/Regional\\_Cooperation\\_in\\_the\\_Black\\_Sea.pdf](http://www.bstadb.org/publications/Regional_Cooperation_in_the_Black_Sea.pdf). Accessed 7 August 2014.

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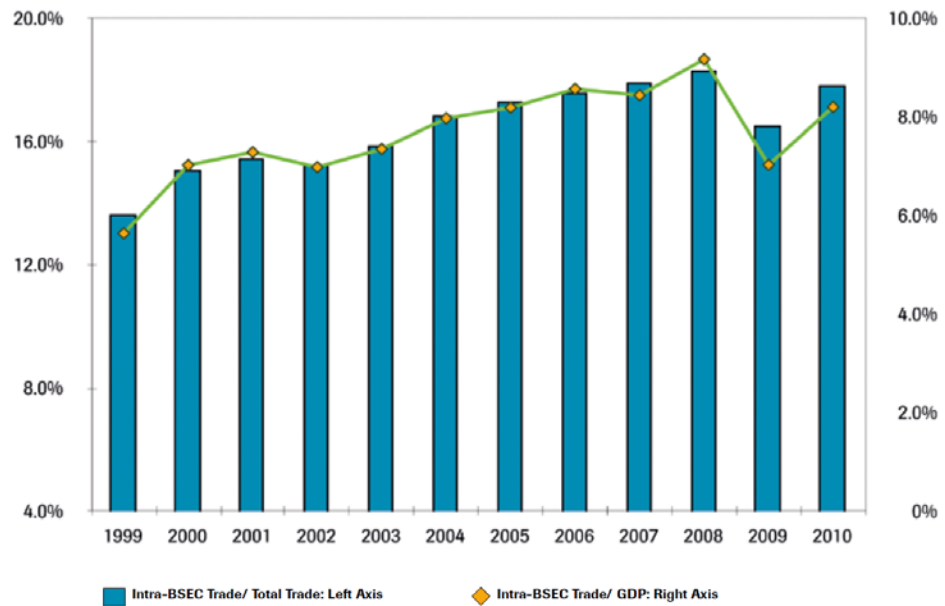
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Source: Black Sea Trade and Development Bank, "Navigating Through Uncertainty in the Black Sea region. Annual Report 2013," p.11, [http://www.bstadb.org/publications/BSTADB\\_Annual\\_Report\\_2013.pdf](http://www.bstadb.org/publications/BSTADB_Annual_Report_2013.pdf). Accessed 8 July 2014.

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Figure 2: Intra-regional trade in the BSEC region 1999-2010

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Source: Black Sea Trade and Development Bank, "The Quest for Economic Growth and Financial Stability. Annual Report 2011," p.18 [http://www.bstadb.org/publications/AnnualBSTADB\\_2011.pdf](http://www.bstadb.org/publications/AnnualBSTADB_2011.pdf). Accessed 7 August 2014.

In spite of the growth in GDP and trade in the BSEC countries, the regional markets were hard-hit during the global economic downturn in 2008-2009 mainly because of their dependence on the economic development of the Euro market. However, they recovered relatively quickly due to their geographical proximity to the major markets of the EU, Russia and the Middle East. In fact, the Black Sea region is economically attractive from a logistical point of view. Through their oil and gas reserves and pipelines, the countries of the region, especially energy supplier and transit countries such as Russia, Azerbaijan, Ukraine, Georgia, Turkey, Greece, Bulgaria and Romania, form the centre of an Eurasian energy market. Furthermore, the Black Sea economies have a lot to gain from foreign direct investment (FDI) because they have favourable labour costs as well as relatively high education and consumption levels. Yet, this is in sharp contrast to the foreign debt, high inflation and high unemployment in some BSEC Member States in the aftermath of the global economic and financial crises. While BSEC is not the source of all the positive economic changes in the countries of the Black Sea region, it has contributed to region's progress for the past 22

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years.<sup>8</sup> Ultimately, nearly all the BSEC Member States can be classified in the second tier of the Human Development Index (HDI) (Table 1).

Table 1: Economic indicators of the BSEC member states in 2012 (all figures in percent-ages)

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HDI-Ranking	Country	BIP-Growth	Inflation	Performance-balance deficit / BIP	Public dept / BIP	FDI / BIP
29	Greece	-6,4	1,5	-2,9	157,5	0,2
55	Russia	3,4	5,1	3,7	11,5	2,6
56	Romania	0,2	3,3	-3,8	34,6	1,2
57	Bulgaria	0,8	3,0	-1,3	18,5	3,7
64	Serbia	-1,7	7,8	-10,6	44,5	0,9
70	Albania	1,1	2,0	-11,7	60,9	6,5
72	Georgia	6,1	-0,9	-11,5	34,9	5,5
78	Ukraine	0,2	0,6	-8,4	34,7	4,4
82	Azerbaijan	2,2	1,1	21,7	12,6	1,2
87	Armenia	7,2	2,6	-8,4	44,2	5,4
90	Turkey	2,2	8,9	-6,0	36,1	1,6
113	Moldavia	-0,8	4,6	-7,0	28,3	2,2

Source: Black Sea Trade and Development Bank, "Sources of Sustainable Growth. Annual Report 2012," p.12, [http://www.bstadb.org/publications/BSTADB\\_Annual\\_Report\\_2012.pdf](http://www.bstadb.org/publications/BSTADB_Annual_Report_2012.pdf). Accessed 8 July 2014.

BSEC also fares favourably vis-à-vis other regional institutions because it is equally concerned with economic, political and social issues.<sup>9</sup> This has enabled the governments of its Member States to consult each other on ways through which they can better coordinate and cooperate. While this means BSEC's range of policy areas has become much wider in recent years, the depth of cooperation amongst its member countries has attenuated. To improve cooperation, BSEC Member States established a firmly anchored workstream for 19 policy

<sup>8</sup> According to the Bertelsmann Stiftung's Transformation Index (BTI) which evaluates management of political and economic issues as well as level of democracy in developing countries, Black Sea countries were ranked in the first and second third of the 129 countries surveyed in 2014. Only Azerbaijan is in the relatively low position of 88th place. See Bertelsmann Transformation Index, "BTI 2014 results," [www.bti-project.de/uploads/tx\\_itao\\_download/BTI2014\\_Ergebnisse\\_01.xls](http://www.bti-project.de/uploads/tx_itao_download/BTI2014_Ergebnisse_01.xls). Accessed 7 August 2014.

<sup>9</sup> BSEC demonstrates a moderate degree of regional integration in intra-regional trade. In comparison with BSEC, the Commonwealth of Independent States (CIS) is economically stronger and the MERCOSUR region (comprising Argentina, Brazil, Paraguay, Uruguay and Venezuela) weaker integrated. See H. Tolga Bölükbaşı, Ebru Ertugal, "Regionalism and regionalization in the Black Sea Region and Turkey," *EDAM Black Sea Discussion Paper Series*, 2 (2012).

The other organizations in the Black Sea region emphasize political dialogue and sectoral cooperation over economic cooperation. Examples of such organizations include the Black Sea Commission (founded in 1992 to protect the Black Sea against pollution), GUAM-ODED (a small intergovernmental organization for democratic and economic development founded in 1997 and comprising Georgia, Ukraine, Azerbaijan and Moldova), as well as the Black Sea Forum for Partnership and Dialogue (initiated by Romania in 2006). Cf. Manoli, *The Dynamics of Black Sea Subregionalism* (2012), pp.43-56.

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areas,<sup>10</sup> led by alternating country coordinators and directed ad hoc by the secretariat. Each policy group would then discuss agendas, plan joint operations and launch concrete projects. Two prestigious projects of the past decade, the 7700 km long, four-lane Black Sea Ring Highway and the so-called Motorways of the Sea covering the pan-European transport infrastructure network, have reached successive stages in their implementation.<sup>11</sup>

Progress in most of these fields of cooperation were blocked or delayed countless times, due to numerous structural factors and stakeholders' specific inquiries. The different interests and priorities of Member States as well as intergovernmentalism due to the need for unanimous decisions are at the heart of the delays.<sup>12</sup> Moreover, the lack of human capacity and expertise, inadequate budgets,<sup>13</sup> and insufficient political will at the higher decision-making levels exacerbate developmental stagnation. The institutional systems behind the basic structures of BSEC and its affiliated bodies (such as the General Secretariat, BSTDB, Business Council and Research Institute) add to the sluggish progress, for they are formally unable to exercise sufficient pressure on decision-makers in the Council. In a bid to combat this developmental delay, the General Secretariat recently declared a resolution to consolidate the activities of the workstream, synchronize the functions, and increase the effectiveness of cooperation and interaction of the BSEC-related bodies.<sup>14</sup>

Nevertheless, the General Secretariat, the previous Bulgarian President and current Greek President currently emphasized to continue in their efforts to implement the economic agenda, the governments of the Member States have agreed upon on the anniversary summit of 2012.<sup>15</sup> Although this ambitious strategy of increasing economic integration only

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<sup>10</sup> These 19 policy areas are banking and finance; education; energy; early earthquake early warning and disaster relief; health; good governance and institutional reform; trade and economic development; information and communication technology; small and medium enterprises; culture; agriculture; general government; fight against organized crime; statistics and data exchange; tourism; transport; environmental protection; science and technology; and customs. Enhanced cooperation in the fields of sports and youth is currently under consideration.

<sup>11</sup> See BSEC, "Press release on the meeting of the Ministers of Transport of the BSEC Member States," Odessa, Ukraine, 29 May 2013, <http://www.bsec-organization.org/bsecnews/PressReleases/PressReleases/20130531%20Meeting%20of%20the%20Ministers%20of%20Transport%20%28Odessa,%2029%20May%202013%29.pdf>. Accessed 8 July 2014.

<sup>12</sup> See Manoli, *The Dynamics of Black Sea Subregionalism*, p. 97f..

<sup>13</sup> According to the Secretariat, the annual budget allocated to the institutions and agendas for information exchange and coordination approximates to only 1.5 million euros.

<sup>14</sup> It is significant, for example, that in 2014 a meeting of the Council and the directors of the think-tank ICBSS took place for the first time. See Hellenic Republic Ministry of Foreign Affairs, "Presentation of the Priorities of the BSEC Hellenic Chairmanship by Deputy Prime Minister and Foreign Minister Venizelos and the Secretary General of the BSEC Permanent International Secretariat, Victor Tvircun," 27 June 2014, <http://www.mfa.gr/en/current-affairs/top-story/presentation-of-the-priorities-of-the-hellenic-bsec-chairmanship-by-deputy-prime-minister-and-foreign-minister-venizelos-and-the-secretary-general-of-the-bsec-permanent-international-secretariat-victor-tvircun.html>. Accessed 8 July 2014.

<sup>15</sup> See Republic of Turkey, Ministry of Foreign Affairs, "The BSEC Economic Agenda - Towards an Enhanced BSEC Partnership," Istanbul, 26 June 2012, <http://www.mfa.gov.tr/the->

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marginally enhances the decision made by the Council already in 2001, it provides BSEC Member States with the necessary realignment to integrate and strengthen their project work. Action plans were formulated for a total of 17 targets. For instance, the removal of trade barriers, the harmonization of custom regulations and border management, information exchange as well as the development of networks and travel facilities for entrepreneurs and workers emphasize BSEC's prioritization of intra-regional trade and investment. The possibility of a BSEC free-trade area was similarly aimed for review and verification,<sup>16</sup> on condition that it was the joint decision of all Member States. BSEC also affirmed its commitment to working towards an integrated energy market in which renewable energy will play a significant role. Furthermore, the BSEC member governments agreed to launch joint support measures for small and medium-sized enterprises (SMEs) and their regional networking by asserting their willingness to reinforce cooperation in tourism as well as promote culture in education, science and technology and in many other fields.<sup>17</sup> Finally, it was determined that BSEC would further cooperate with various EU institutions, whilst continuing its project-based exchange with international, transnational and civil society actors in the member countries.<sup>18</sup>

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[bsec-economic-agenda---towards-an-enhanced-bsec-partnership\\_-26-june-2012\\_-istanbul.en.mfa](http://bsec-economic-agenda---towards-an-enhanced-bsec-partnership_-26-june-2012_-istanbul.en.mfa). Accessed 6 August 2014.

<sup>16</sup> The idea of a free-trade area was proposed in the early 1990s, as part of the Turkish regional initiative, and consequently adopted as a declaration of intent by the Council in 1997. Since then, it has been vented continuously.

<sup>17</sup> For more about the work and gradual progress in these fields, see the semi-annual newsletter, "Black Sea News," <http://www.bsec-organization.org/bsecnews/BlackSeaNews/Pages/NewsList.aspx>.

<sup>18</sup> The two projects in which the two authors are involved fall into this context. Since 1997, the Konrad-Adenauer-Stiftung (KAS) in Ankara has cooperated with BSEC and other partners (KOSGEB, ERENET etc.) in the promotion of private economic entrepreneurship and SMEs in the Black Sea region. KAS, BSEC and its partners aim to support education, innovation, good governance, socio-economic justice and ecological responsibility. The success of this joint effort is evident in the facts that the "promotion of SMEs" was recorded in the BSEC Economic Agenda of 2012 and programmes were developed for this purpose. The creation of such programmes by BSEC proves that better cooperation between public and private sector actors can yield tangible results in improving the quality of democracy, market economy and political management. See e. g. Vladimir Florea & Haydar Özkan, "BSEC-URTA: 11 Years of Activities and Public-Private Cooperation," in *Uluslararası Ekonomik Sorunlar Dergisi*, 12: 14 (2012), pp. 45-64, [http://www.mfa.gov.tr/data/Kutuphane/Yayinlar/EkonomikSorunlarDergisi/Sayi44/sayi\\_44.pdf](http://www.mfa.gov.tr/data/Kutuphane/Yayinlar/EkonomikSorunlarDergisi/Sayi44/sayi_44.pdf). Accessed 11 November 2014.

Secondly, in the wake of the Russian-Georgian war in 2008, the idea of a network of young leaders from the Black Sea countries arose by Sebastian Schäffer, Mirela Wallenhorst and other staff of the Center for Applied Policy Research (C.A.P.) at Munich University. The premise was that such a network would enhance mutual understanding and install a shared sense of responsibility for the future of the region. On the initiative of the C.A.P and in cooperation with the Robert Bosch Foundation and other partners, including the BSEC Secretariat, 80 "Black Sea Young Reformers" so far were nominated and cross-linked for the purpose of an open exchange of views and project work on the region. For more information, see <http://www.cap-lmu.de/projekte/fge/bsyr.php>. For more information on the exemplary success of the initiative, see the websites for two projects, "ChildPact - Regional Coalition for Child Protection in the Wider Black Sea Area," <http://www.childpact.org/>, and "Online Black Sea University", <http://onlineblackseauniversity.org/>.



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[www.kas.de](http://www.kas.de)  
[www.kas.de/tuerkei](http://www.kas.de/tuerkei)**Impediments to cooperation: Heterogeneity, divergence of interests and conflicts**

While BSEC has had a relatively successful genesis and has brought positive socio-economic development to the region, the coordination of its projects and that of its affiliated bodies remain problematic. Despite the pragmatic approaches undertaken by the General Secretary and the Presidency vis-à-vis BSEC's ambitious and sophisticated objectives, the organization has yet to fulfil expectations and many of its projects have yet to be implemented. The superficial cooperation between Member States aggravate these problems by stalling negotiations and agreements related to various workstream projects. Additionally, the political interests of individual stakeholders, especially those embroiled in long-lasting territorial disputes (known as "frozen conflicts"), often dominate the jointly defined aims of economic cooperation.<sup>19</sup> Further impediments to cooperation exist within the formal organizational structure of BSEC and are most clearly seen in economic data illustrating the heterogeneity of its Member States and affiliated bodies.

Heterogeneity endures even though the BSEC Member States have agreed to simultaneously integrate with stronger economies like the EU and the Euro market, and with the Russian-led Eurasian Union. Continued heterogeneity amongst the BSEC Member States further amplify the centrifugal forces within the organization, and may increase tensions. The EU's recent association policy towards Ukraine, Georgia and Moldova as well as Russia's policy of dependence vis-à-vis Armenia and Serbia (orthodoxy), Bulgaria and Turkey (energy, investments) would most likely put the brakes on further economic integration efforts within the BSEC. Moreover, the regional tensions and territorial disputes stemming from the conflicting political interest of the Member States and the other interested stakeholders present major obstacles to improved cooperation among the BSEC nations. Thus, already in the wake of the Russo-Georgian war 2008, an ICBSS expert commission had this to say on BSEC's 20<sup>th</sup> anniversary:

"The large number of regional and extra-regional actors implies clashing interests that pull Black Sea security policy options in different directions. This is particularly evident in the power play between Russia and the Euro-Atlantic community. For Russia, the main concern is the restoration and consolidation of its power in its 'near abroad' while restricting the presence of other actors in the region. [...] Euro-Atlantic policy on the other hand has evolved from the careful handling of Russia in the early post-Cold War period ('Russia-first') to trying to prevent the then newly independent states from falling under the Russian sphere of influence and assuring a steady and secure supply of Caspian oil and gas."<sup>20</sup>

Given Russia's security policies and strong military presence in the ongoing "frozen conflict" with Georgia, it is unsurprising to discover that Moscow's geopolitical interests in the region

<sup>19</sup> Some examples of controversial territorial disputes are the clashes between Armenia and Azerbaijan over Nagorno-Karabakh; Moldova and the self-proclaimed Republic of Transnistria; Russia and Georgia over South Ossetia and Abkhazia, and the recent spate of conflicts between Russia, Ukraine, the Crimea and the eastern provinces.

<sup>20</sup> Commission on the Black Sea, *A 2020 Vision for the Black Sea Region: A Report by the Commission on the Black Sea* (Gütersloh: Bertelsmann Stiftung 2010), p. 28, <http://www.ctsp.vt.edu/publications/data/a%202020%20vision%20for%20the%20black%20sea.pdf>. Accessed 12 November 2014.



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take precedence over any potential policy of economic cooperation. Moscow's prioritization of her geopolitical interests culminated in not only her current conflict with Ukraine, but obviously applies also to its own project of the Eurasian Union.<sup>21</sup> Undeterred by Moscow's geopolitical interests, leading Russian stakeholders in BSEC and its affiliated structures continue their past policy of regional cooperation in various fields.<sup>22</sup> However, the Russian government has made it clear in 2011 that regardless as to BSEC's policy of fostering improved regional cooperation, it saw BSEC as a purely economic organization:

"Proposals are heard from time to time that the Organization start discussing political issues. For us and most of the BSEC Member States the answer is obvious – it's a counter-productive approach. BSEC was not created to dive into the political agenda. This does not mean that we close our eyes to the problems existing in the region. But to tackle political issues and regional conflicts there are other active formats. Therefore, we have consistently opposed the introduction into its work of functions not intrinsic to this Organization."<sup>23</sup>

The repeated argument, put forward by Russia and a few other countries, is that the majority of BSEC members are sceptical or hostile towards proposals for the effective prevention of regional crises. Various heads of state of BSEC member countries sought to remedy this in a summit in 2002, where they declared their intention to find ways and means of enhancing the BSEC contribution to strengthening security and stability in the region, going so far as to commission one (ultimately not implemented) working paper and a work order to the ICBS. <sup>24</sup>

Observers have rightfully raised the argument that BSEC is the only forum regularly representing all the governments of the Black Sea Region at both formal and informal levels; and it is the only regional body advising these governments on collaborative work agendas and current problems:

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<sup>21</sup> See Canan Atilgan, Gabriele Baumann, Alexander Brakel, Claudia Crawford, Jakov Devic & Amos Helms, „The Eurasian Union. An Integration Project under the Microscope“, *KAS Auslandsinformationen* 2 (2014), pp.8-48, [http://www.kas.de/wf/doc/kas\\_36785-544-2-30.pdf?140207134233](http://www.kas.de/wf/doc/kas_36785-544-2-30.pdf?140207134233). Accessed 12 November 2014.

<sup>22</sup> The last session of the PABSEC Committee on Legal Affairs and Policy was held in March 2014, in Moscow. Ironically, the committee discussed the issue of strengthening local and regional decision making levels in the BSEC countries. This session took place without the participation of Ukrainian parliamentarians. See *BSEC Black Sea News*, 27 (2014), p. 9, <http://www.bsec-organization.org/bsecnews/BlackSeaNews/Downloads/20140619%20BSEC%20news.pdf>. Accessed 7 August 2014.

<sup>23</sup> Sergey Lavrov, „Priorities for Russia's Chairmanship of the Black Sea Economic Cooperation Organization,“ *BSEC Black Sea News*, 25 (2011), p.1, <http://www.bsec-organization.org/bsecnews/BlackSeaNews/Downloads/November2011No25.pdf>. Accessed 8 July 2014.

It should be noted that this opinion also leaves room for interpretation with regard to the geopolitical interests of Russia in the region. This is most clearly seen in Russia's the intervention and separation tactics in the Crimea, eastern Ukraine, Georgia, South Ossetia and Abkhazia. See Lada L. Roslycky, "Russia's Smart Power in Crimea: Sowing the seeds of trust," *Southeast European and Black Sea Studies* 11, 3 (2011), pp.299-316. See also, Jasper Eitze & Michael Gleichmann, „Zehn Mythen der Rechtfertigung russischer Politik in der Ukraine-Krise“, *KAS Analysen und Argumente*, 149 (2014), [http://www.kas.de/wf/doc/kas\\_37844-544-1-30.pdf?140623135949](http://www.kas.de/wf/doc/kas_37844-544-1-30.pdf?140623135949). Accessed 12 November 2014.

<sup>24</sup> See Manoli, *The Dynamics of Black Sea Subregionalism*, p.157.

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"BSEC has made an especially significant contribution to confidence building through its permanent communication channels (such as the various working groups) and policy achievements particularly in so called 'low politics' matters (such as organized crime, science & technology, and emergency situations). Advances in its institutional structure are such that they can now undertake new tasks as a result of their maturity and accumulated experience."<sup>25</sup>

Member States have expressed concerns about the orientation of BSEC's reforms, and are calling for these reforms to be regulated. Most notably, they criticized Russia's stance and actions towards Ukraine at the summer meeting of the Council of Ministers of Foreign Affairs in 2014 in Varna; and they have similarly endorsed the Greek Foreign Minister Eleftherios Venizelos' announcement that crisis management will be on the agenda during Greece's tenure of the BSEC presidency.<sup>26</sup> While it cannot be denied that the current Ukrainian crisis is a window of opportunity through which BSEC can put security issues on its agenda, contribute to their resolution on a higher political level and introduce mechanisms for crisis prevention, so doing would overemphasize the organization's political role and may be mistaking the organization's self-identification as an institution for mainly economic purposes.

**The EU and BSEC: Necessary readjustment**

For the time being, it seems unrealistic for the EU to commit to a coherent and uniform development strategy vis-à-vis its Eastern neighbours in general and the Black Sea region in particular. In the past, the problem lay with the fact that the EU had been engaged in two diametrically incompatible projects.<sup>27</sup> These two projects were the Eastern Partnership, initiated in 2009 to bring the EU neighbors into closer competition with each other for funding and reform programmes; and the Black Sea Synergy, an initiative launched in 2008 for the purpose of increasing the EU's cooperation with the Black Sea littoral countries.<sup>28</sup> Through the EU's prioritization of the Eastern Partnership, the importance of Black Sea Synergy was

<sup>25</sup> Manoli, *Regional cooperation in the Black Sea*, p.16. In 2013, Armenia and Turkey used BSEC as a communications channel when they took advantage of a BSEC meeting for further rapprochement. This shows that the BSEC format allowed Armenia to obtain an indirect dialogue with Turkey upfront. See also, Michael Gunter & Dirk Rohtus, "Special Report: The Turkish-Armenian Rapprochement," *Middle East Critique* 19, 2 (2010), pp.157-172 (160).

<sup>26</sup> See Romanian News Agency, "ForMin Corlatean reaffirms Romania's support for Ukraine's territorial integrity, sovereignty," *ActMedia*, 20 June 2014, <http://actmedia.eu/daily/formin-corlatean-reaffirms-romania-s-support-for-ukraine-s-territorial-integrity-sovereignty/52754>. Accessed 8 July 2014.

See also, Hellenic Republic Ministry of Foreign Affairs, "Presentation of the Priorities of the BSEC Hellenic Chairmanship by Deputy Prime Minister and Foreign Minister Venizelos and the Secretary General of the BSEC Permanent International Secretariat, Victor Tvircun," 2014.

<sup>27</sup> See Manoli, *Regional cooperation in the Black Sea*, p.14. See also, Alina Homorozean, "Carrots, Sticks and Regional Cooperation: A critical Analysis of the EU's Approaches towards the Black Sea Region," in *Understanding European Neighbourhood Policies*, eds. Edmund Ratka und Olga A. Spaier (Baden-Baden: NOMOS 2012), pp.193-212.

<sup>28</sup> See the documents of the EU Commission, "Black Sea Synergy – A new regional cooperation initiative," Brussels (2007); "Joint Statement of the Ministers of Foreign Affairs of the countries of the European Union and of the wider Black Sea area," Kiev (2008); EU Commission, "Report on the first year of implementation of the Black Sea Synergy," Brussels (2008); Konrad-Adenauer-Stiftung et al., "Black Sea Synergy: Materials of the international conference, Odessa – Istanbul 21 – 23 October 2007," Kiev (2007).

**AUSLANDSBÜRO TÜRKEI**

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10. November 2014

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devalued and this consequently led to the EU's indirect devaluation of BSEC as a dialogue and cooperative partner.<sup>29</sup> The EU's lack of concrete interest in BSEC and the Black Sea region is a predominantly economic one. But as the conflict in and around Ukraine clearly shows, political stability, economic transformation and democratic development in the region are very fragile. The EU should take this opportunity to re-establish ties with BSEC by forming a strategic alliance through which they would be able to constructively cooperate with one another. As the EU strives to improve its relationship with BSEC in the face of the current turmoil in Ukraine, it should also seek to maintain a peaceful, cooperative relationship with Russia.

From the perspective of most BSEC Member States, the EU remains the region's largest economic and trading partner. Any exchange with the EU promises essential investments and innovation to the countries of the region, and ensures that the achievements and improvements of the past 20 years will continue in the future. Future cooperation between the EU and BSEC will be vital to the promotion of private enterprise, education and sustainable development in the Black Sea countries. It is an undisputed fact that BSEC has contributed to the stability of the Black Sea region throughout its 22 years of existence. BSEC is aware that in addition to its project work, it needs to cooperate closely with the EU to foster innovative and collaborative entrepreneurship as well as strong, reform-oriented civil societies in all its Member States. In so doing, BSEC and the EU will jointly sustain stability and prosperity in the region.

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<sup>29</sup> Significantly, there was only one implementation report by the EU Commission on Black Sea Synergy in 2008. Although the EU Commission made an announcement to revive the scheme in 2012 during BSEC's anniversary, the initiative to revitalize the Black Sea Synergy fizzled out.