STRATEGIC BALANCE AND SECURITY CHALLENGES
IN THE BLACK SEA REGION

Position Paper

As NATO and the EU reached the shores of the Black Sea with the process of enlargement and integration of CEE into the Euro-Atlantic community, the status and the perspectives of the Black Sea region's security and development became a subject of strategic planning in the West. In 2002 the GMF of the US started a program of consecutive brainstorming sessions and strategic assessments within groups of policy analysts, high level executives and businessmen from the both sides of the Atlantic in order to develop a **framework strategy** of 'anchoring and integrating the Black Sea region into the Euro-Atlantic mainstream' (Ronald Asmus). The strategy acknowledged specific hardships and complications in the process of transition of the Black Sea countries in comparison to post-communist Central Europe and presumed consecutive steps and stages of transforming and integrating Black Sea societies into the Euro-Atlantic institutions. This assessment was also made on the basis of understanding the inner diversity among the Black Sea countries – Bulgaria and Romania had already made it to NATO membership and expected endorsement of their membership in the EU (2003-2005), while post-Soviet societies were still focused on the basics of nation building and institutional development after the collapse of the Soviet system.

The framework strategy for anchoring the Black Sea region into the Euro-Atlantic mainstream, developed within the GMF, presumed consecutive steps of integrating the ex-communist/ex-Soviet states of Eastern Europe into the institutional system of the Western democracies. The enlargement of Euro-Atlantic community was not meant as an 'imperialist process' of colonizing the disintegrated Soviet block. The enlargement took place on the grounds of strong and passionate applications from most post-communist countries aspiring for European type of development and prosperity. The democratic revolutions in Georgia (the 'Rose Revolution' of 2003) and Ukraine (the 'Orange Revolution' of 2004) sent a clear signal from post-Soviet societies also aspiring to join the community of democratic nations of the West. The framework strategy for the Black Sea presumed a gradual process of anchoring and integration of post-Soviet societies into the Euro-Atlantic community, yet the final purpose of the strategy was defined along full scale integration of the Black Sea region into the Euro-Atlantic mainstream – security system, economic system, value system.

The current state of play

Today, almost a decade later, we have to rate the achievements of this framework strategy as partial. The realities of the Black Sea region in terms of security and societal transformation differ substantively from the designed end results of the Euro-Atlantic strategy for the Black Sea. There are several major factors contributing to the present *status quo* as a reality deviation from the initial strategic design. **The first** factor reflects the hardships of democratic transformation of post-Soviet – post-communist societies around the Black Sea coast. Democratization proved directly dependent on the state of institutional, economic and communal modernization achieved by the East European countries before and during the period of communist – Soviet rule. The strength of a modern public administrative tradition and the sociological weight of sizable urban citizenry in Central Europe supported a fast-track democratic transition of the Czech Republic, Hungary and Poland. Bulgaria and Romania had to cope with much more controversial historical legacy and societal realities in their transition to democracy. Most post-Soviet societies had to focus on urgent priorities of nation building, institutional strengthening and inter-communal conflicts. Post-Soviet realities detained democratic reforms to the levels of constituting the essentials of modern institutional and economic life. The criteria to join NATO and the EU represent much higher threshold to pass compared to this agenda of nation building and framework modernization needed for an independent national development.

The second factor contributing to the delayed process of Euro-Atlantic integration of the Black Sea post-Soviet countries is the restructuring of US and NATO strategies in the period following September 11, 2001. First Afghanistan and then Iraq have become the ultimate priority of the US military, diplomatic and financial efforts. The involvement in the Middle East has become so intense that the administration of George W. Bush was openly criticized for its 'one-dimensional foreign policy'. In those circumstances the process of integrating the Black Sea region into the Euro-Atlantic community was downgraded in the list of priorities, the NATO enlargement included. The second arm of the Western Alliance – the EU – was quite cautious to deal with post-Soviet transformation process and only in 2007 the first EU document – 'The Black Sea Synergy' – was communicated.

The partial withdrawal of strategic initiative on behalf of the US and NATO created a vacuum in the region of the Black Sea, which traditional regional powers – Russia and Turkey – hurried up to fill in. Russian and Turkish strategies of regaining regional hegemony constitute **the third major factor** for changing the regional policy environment around the Black Sea. Under the leadership of Vladimir Putin, Russia adopted a resurgent strategy to regain positions of a world power which were partially lost in the decade after the collapse of the Soviet Union. At the security conference in Munich in 2007 Putin announced Kremlin's return to the hard talk with the West and Russia's unwillingness to tolerate any further enlargement of Western security infrastructure to the borders of the Russian Federation. Russian claims escalated to the military operation against Georgia of August 2008, which was a decisive blow to the ambitions of Tbilisi for NATO membership. The collapse of the Orange revolution and the return of a moderately pro-Russian government in Kyiv completed the successful Russian offensive against NATO enlargement on post-Soviet soil. At present Russia develops a project of security and economic cooperation of the ex-Soviet republics under the auspices of Moscow, which is largely meant as an alternative to the European and Atlantic integration process. The 'Eurasian project' of Vladimir Putin is not simply competing with the Euro-Atlantic cooperative process – it is considered a manifestation of a different societal, cultural and political identity of the post-Soviet 'Eurasian world'.

Under the governments of AKP Turkey adopted a smooth strategy of departure from being an integral part of the Western Alliance into a status of more autonomous regional power, following multi-dimensional policies in all neighboring regions – former dominions of the Ottoman Empire. Turkey stopped the extension of NATO's naval operation 'Active Endeavor' from the Mediterranean to the Black Sea, based on the Montreux Convention of 1936 provisions. In effect, Turkish position was aimed at approving the newly established naval hegemony of Ankara in the Black Sea after the Soviet Black Sea naval presence was reduced after 1990. Turkey has also developed much more active policies towards the Caucasus, where newly independent Georgia, Azerbaijan and Armenia created a new strategic balance, potentially challenging the geopolitical hegemony of Russia. The delayed process of EU integration of Turkey, the economic and political dynamism of the country under the government of the AKP in Ankara and the shifts in Turkish foreign policy, defined along partial departure from the strict principles of Kemalist republicanism – all those factors contributed sizably to a new strategic course of Turkey which involves new priorities in the Black Sea. Turkey gradually departed from its 'one-dimensional' policies of a member of the Atlantic community and developed 'multi-dimensional' political strategy of an autonomous regional power aimed at utilizing its unique regional status between Europe, the Middle East and the Caucasus/Central Asia. Under this strategy Ankara moves much closer to its Middle Eastern neighborhood, develops its own policies towards major international issues like the Iran nuclear program and the Israeli-Palestinian conflict. Those policies are not designed to depart from the Atlantic mainstream on purpose, yet they are much more focused on Ankara's national interest rather than on coordination with the other Western partners.

The Euro-Atlantic strategy for the Black Sea was meant to include and integrate Russia as a valuable partner of the Western world which shares common long-term strategic interests with Europe and the US. This strategy has also presumed a Turkey that is much more integrated into the Euro-Atlantic mainstream. The main purpose was to create step by step and inaugurate a common strategic space reaching up to the shores of the Caspian Sea, in which democratic nations share common values and common concerns of security, development and socio-political order. This common Euro-Atlantic strategic space should lead to much more explicit guarantees for democratic nation building, for regional – 'frozen' conflicts' resolution, and for a higher level of trust and inter-governmental cooperation in development. Today it has become obvious that such a homogeneous political and security space of Euro-Atlantic cooperation around the Black Sea is not a realistic task to pursue in mid-term perspective. Instead of a strategically homogeneous space of security and development, the Black Sea region of today represents a reality of several major division lines and an environment of strategic competition among several alternative visions and interests for the region's development.

The Black Sea of today represents a border region, where major visions and interests compete to change the strategic balance in their own favor. Russia aims at re-integrating its ex-Soviet domains into a new economic and strategic alliance, which gains shape with the expected return of Vladimir Putin on the Kremlin top. Russia tried to accommodate itself to the re-set strategy of the Obama administration within the short tenure of President Medvedev. With the return of Putin the hard line in defending and extending Russian strategic interest – the Black Sea included - will most probably return. Intense efforts will be put into the construction of the new Eurasian alliance under the auspices of Moscow where most post-Soviet societies (Ukraine and the South Caucasus included) will be pressed to join. For Moscow the partnership with Europe and the West is possible only on 'equal power footing', which presumes a steady growth of Russian strategic capacity as an international power.

Turkey, together with Russia, represents a status quo power: both Moscow and Ankara derive their legitimacy of re-emerging regional powers from the legacy of their imperial past. Russia and the Ottomans have controlled the Black Sea in a changing balance of forces for more than five centuries. Faced with the Western strategic ambitions to extend Euro-Atlantic infrastructure to the Black Sea – Caspian basins, Russia and Turkey maintain a tactical alliance to resist Western interference. Behind this tactical common ground, however, both regional powers serve strategic agendas of intense competition for influence in key border regions between them. Turkey takes advantage of Russia's hardships to control the South Caucasus in the post-Soviet era and extends its patronage over brotherly Azerbaijan, but also over Georgia, steadily departing from Russian control. The conflicts of Nagorno Karabakh and Abkhazia/ South Ossetia are the key instruments of preserving Russia's strategic control in the region as well as useful preconditions of extending Turkish patronage over the states and communities of the South Caucasus. Both Turkey and Russia benefit from the conflict fragmentation of the South Caucasus which prevents the region from serving as an open energy highway between the oil and gas sources of the Caspian and Central Asia and the Western markets. Sealing the Caucasus 'Silk Road' is a key part of Russia's strategy to monopolize energy supplies from Eurasia to Europe, while Turkey remains a high valued single territory for alternative energy routes and a unique energy hub for relocating the energy flows to the South and to the West. Other potential regions of future power competition between Russia and Turkey are the Balkans and Central Asia. The present day status quo does not allow for direct exercise of influence – both Russian and Turkish – in the Balkan region, which is generally dominated by the EU agenda of integration into the European mainstream. Yet Turkey is quite active in the Balkan territories inhabited by Muslims – such as Bosnia, Albania, Kosovo, Macedonia, while Russia preserves some key instruments of influencing political and economic developments in countries like Serbia and Bulgaria. Central Asia of today is subject more to a competition between Russia and China, but Turkey enjoys limited cultural presence, relatively intense trade and general popularity in parts of the Turkic societies of the region.

The EU and the US are still close strategic partners, but their influence in the Black Sea is performed in different ways. NATO is a common infrastructure of Western security presence in the Black Sea region, yet the Alliance has been too preoccupied with other regions and missions in order to make a significant difference with its presence in the Black Sea. Russian pressure efficiently hampered NATO enlargement to the post-Soviet space and the 2008 Bucharest summit of NATO has practically frozen the process of accession for key countries like Ukraine and Georgia with refusing to grant them a MAP (Membership Action Plan) road map to membership. This refusal has influenced to a significant extent the escalation of Russian – Georgian hostilities leading to the war of August 2008 and to the occupation of 20 per cent of Georgian national territory by the Russian Federation. The principle decision of NATO to offer membership to all countries of the post-Soviet Europe persists, yet it is obvious that every step towards further NATO enlargement to the East will raise Russian hostility and tensions between Moscow and the West. At present it is only Georgia that stands as a firm applicant for NATO membership among the post-Soviet republics after Ukraine has withdrawn its application voluntarily with the advent of President Yanukovich' government in Kyiv.

The US holds strong security presence in the Black Sea region, even if the region has not been a strategic priority for Washington in the first decade of 21 century. Apart from the air base in Incirlik, the US Army developed new bases in Bulgaria and Romania. AMDS (Anti-Missile Defense System) facilities have already been contracted between the US and the governments of Romania and Turkey. The US plays a major role in Georgian army modernization, while

the air-fields of Georgia and Azerbaijan represent valuable elements of the logistical chain in supplying NATO troops in Afghanistan through the South Caucasus and Central Asia. The US strategic presence in the region is the major factor that keeps open the strategic and the commercial corridor East – West in the South Caucasus against the attempts of Russia to seal it.

The EU is not a factor of hard power, and its presence in the Black Sea region should be assessed from the perspective of Brussels' and the member states' assistance for the stabilization, institutional development and conflicts' containment in the Black Sea region. 'Soft power' is the name of the European game both in the EU enlargement to the East and in the development and implementation of the EU neighborhood policies in the East. The EU initiatives for the Black Sea – the 'Black Sea Synergy' and the 'Eastern Partnership' - are designed to serve as regional cooperation and developmental assistance programs with indirect strategic and security implications. With all cautious approach of Europe not to tease Russia and its ambitions in the region, even the remote perspectives for EU integration for the post-Soviet Black Sea countries are viewed by Moscow as a challenge bigger even than the NATO enlargement. The problem lies within the vitality and the attractiveness of the EU model of development (even at the present time of EU crisis) compared to the problematic benefits for the post-Soviet countries if they join the Eurasian cooperative alternative advertised by Moscow.

The fact that the EU could hardly offer an accession track for the post-Soviet republics in observable future pushes Brussels and the major European capitals into more efficient policies of conflict mediation, institution building assistance, association agreements about common market access and visa alleviation with post-Soviet Europe on the basis of the Eastern Partnership program. An additional motivation for the EU 'soft' presence in the Black Sea strategic environment is the EU membership of Bulgaria and Romania in 2007 which provides the Union with littoral access to the shores of the Black Sea. The dynamics of EU policies towards the Black Sea countries is not high and the Eastern Neighborhood is not likely to become a priority target for the EU in mid-term perspective. The special partnership with Russia is the most important asset of the 'Eastern Neighborhood' policies of the EU, which defines the nature of European strategic presence in the Black Sea region.

While assessing the factors of strategic balance in the Black Sea we could hardly ignore the potential or actual presence of new players in the region. The long-term impasse of the Nagorno Karabakh conflict has broadened the opportunities for strategic influence of Iran in the South Caucasus. Tehran maintains cool relationship to Azerbaijan and plays the role of a key partner for Armenia as a trade route and energy supplier. Iran maintains an unobtrusive presence under the jealous vigilance of Yerevan's Big Brother - Moscow – but its strategic capacity should not be underestimated particularly provided the dynamism of South Caucasus regional situation.

Kazakhstan and – in longer term perspective – China will represent factors of growing economic and strategic importance for the Black Sea – the Caspian region being a strategic corridor to Europe and the West. Kazakhstan is already a sizeable investor and trade partner for the South Caucasus and even for Ukraine. Even though a part of the Moscow structured Eurasian alliance, Kazakhstan, together with other Central Asia countries, will play a growing autonomous role in the economic and strategic balances of the Black Sea region.

Last but not least, the instability of the North Caucasus potentially involves radical Islamic movements and their representatives into the cycles of crisis aggravation and relief in the

region. One major asset for the Black Sea region is its relative isolation from the crisis dynamics of the Middle East, the radical Islam manifestation included. Turkey is one major positive factor in that respect, which serves as a barrier together with the dominant post-Soviet political culture of authoritarian yet secular approaches to government.

The existing security challenges

We could define several major fields of security challenges, depending on the emphases we'd like to put on the present security dynamics in the region of the Black Sea. **The first field** represents the **inter-ethnic and inter-communal conflicts in the context of the post-communist – post-Soviet nation building process.** Nation building is a process of integration and homogenization of a community under fixed territory, common civic identity, common law and order and common institutions, functioning simultaneously on the entire territory of the nation. Emerging on the ruins of an empire, post-Soviet nations complete the process of nation building which started at the *Place de la Bastille* on July 14, 1789. Yet nation building has never been an easy task, in particular for communities whose national development has been arrested for decades or even centuries. Every community striving for national unity has to accommodate in the newly built national infrastructure the ethnic and communal diversity which naturally exists in pre-modern traditional societies. In the case of ex-Soviet republics, ethnic diversity has been carefully planned and engineered for the purposes of imperial rule for centuries, but particularly since the Stalinist period. Dividing and re-settling ethnic and national groups was the Stalinist reading of the old imperial principle *divide et impera,* which was used as a major instrument of preventing nationalist upheaval and separatist tendencies in the vast Soviet empire.

The collapse of the Soviet Union unlocked the Pandora box of ethno-political dynamism which is shaking the fragile new nation states to their foundations. Every ethnic community has its history of forceful attachment to a broader communal entity which makes legitimate numerous group strategies for emancipation and separation. The process of communal falling apart might continue as deep as a *Matryoshka* doll opening. The conflicts of Nagorno Karabakh, Abkhazia, South Ossetia, and Transdniestria are the most explicit examples of nation building fragility, reflecting inter-communal diversity and interethnic strife. On the eve of modernity, the criterion of a successful nation state was the capacity to melt down ethnic diversity into integral national identity. Successful nation building in our age of post-modernity is to successfully accommodate ethnic or/and cultural diversity under a common institutional and legal infrastructure. Fragile national institutions, low level of common civic identity, inherited animosities of the past – all those factors weaken the capacity of post-Soviet national projects in the last two decades after the fall of communism.

Yet the most important factor – impediment to successful nation building - is the use of post-imperial ethno-communal diversity for neo-imperial strategies to preserve or regain strategic control over the realms of the former empire. The international community regularly intervened in the conflict management of the post-Soviet space, bringing the conflicts to the state of being 'frozen'. Final resolution depends on the consensus of the major strategic factors in the region. Such a consensus is beyond reach until conflicts serve particular strategic agendas: to seal a region for international trade and development, to preserve strategic influence upon newly established nations, to maintain long established – and long lost strategic division lines with other major players in the region. Eurasia of free and independent nations or Eurasia as a powerful empire: the answer to this strategic choice to be

made in the post-Soviet space will determine the fate of the newly established nations and of the conflicts within and between them.

The second field of security challenges also reflects **the dynamics of nation building** from the perspective of **institutional development, institutional efficiency, rule of law and decent citizens' representation. Corruption** and **organized crime** are the major security challenges within weaker institutional systems of newly established nations.[1] Transitional societies with developing institutional identity display a process of corruption which differs categorically from the definition of corruption in well established institutional systems. 'Corruption' in a strong normative environment means *deviation from the established norm*. Such a deviation is detectable and subject to legal punishment. Corruption in newly established institutional environment of post-communist/post-Soviet nations is manifested rather as *mainstream* institutional behavior than simply as a *deviation from the norm*. The norm itself is often present as a formality on the surface of the institutional process. Every glimpse deeper in the public institutional process detects the operation of the real – yet illegitimate – power factors, performing a *state capture* operation over the fragile national institutions.

This concept of *corruption* is directly linked to the concept of *organized crime* in transitional post-communist/post-Soviet societies. The classical model of *mafia* penetrating government institutions, which we know from the history of South Italy or Chicago and New York on the verge of the 20 century, is not applicable to post-communist realities. *Mafia* is a product of traditional society and it invades government from the 'outside'. In the case of post-communism, the networks of former KGB/ State Security and the party *nomenklatura* invade newly created representative governments not from 'the outside' *(mafia)*, but 'from within'. Those networks have always been within the state institutions – some of them were the real actors of formal transformation from Soviet to 'democratic' or 'independent' political order. Other parts of the *nomenklatura* elites have been pushed out of executive positions by victorious nationalist movements in the initial period of post-communist transformation, but they've utilized their time in gaining control over the illegal or semi-legal process of privatization and re-emerged as the new economic masters of their countries. Those ex-communist elites re-affirmed their control over state and society in the period of transition through the *state capture* operation, which transformed them from simply new economic elites into *oligarchic* elites, systematically transferring their economic power into public institutional – political power. This transfer is completely illegitimate and it is the backbone of *organized crime* control over state and society.

To emerge from the swamp of post-communist/post-Soviet oligarchic control – whose defining features are *systemic corruption* and *overwhelming organized crime* - the newly established nations have to mobilize mass scale civilian support for deep institutional reform and re-direct the power mechanisms of the state against the oligarchy. This task is extremely difficult and in many cases – unbearable for the fragile reformist elites of newly established nations. President Saakashvili did it in Georgia, employing parts of the oligarchic elites against the rest of the ex-Soviet oligarchy, which ruined the country beyond comparison in the 1990s. The 'Orange Revolution' performed a skin-deep penetration into the infrastructure of oligarchic control in Ukraine and therefore was defeated. The other nations of the South Caucasus stopped at the level of strong authoritarian oligarchic control over state and society,

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[1] Armenians, Georgians and other representatives of nations with ancient or long medieval history might protest the concept of 'newly established nations'. In our case we borrow the concept of 'nation' which reflects the state of a modern civilian community, governed by a modern state, law and order and common civic identity. This makes it possible for a national community with an old history and identity to walk the way to a modern nation from the very beginning.

manifested as 'nationalist' strategy of survival and prosperity. Bulgaria and Romania still battle with their reputation of most corrupt and inefficient institutional systems within the EU, which displays the fact of overwhelming oligarchic control over their states and society even after the formal reforms and adjustments to the EU criteria had been performed.

The problems of *corruption* and *organized crime* go beyond the oligarchic link of economic and institutional control as a technology of power and refer to the very culture of societal relations in post-communist societies. The *post-communist oligarchy* is a manifestation of power mechanisms that are legitimate for traditional society. Those mechanisms re-appear as mass scale corruption and organized crime in a modern institutional system. The weakness of modern nation building, the weakness of strong societal groups to support modern democratic reforms, the efficient strategy of ex-communist elites to preserve power while piggy-backing on the *culture of dependency* which dominates in society, are the key to understand the root-causes of post-communist/post-Soviet institutional fragility. The question of an efficient strategy to reshape power balances and give way to more efficient political and civic reform remains open.

Post-communist nations around the Black Sea represent weak institutional systems of oligarchic control over state and society, low level of law and order, lack of sufficient civic representation in the power institutions and fragile capacity to defend national interest against strategies of neo-imperial control. A strategy of efficient modern reform should address fundamental issues of underdevelopment, under-representation of citizens in the institutions and the domination of traditional *culture of dependency* in the majority of the population. The present realities represent a grey zone of conflicting political and societal tendencies between post-modern Europe and traditionalist authoritarian Russia, grappling with its own dilemmas of survival and development. Under the government of AKP, Turkey represents a more successful model of modernization and development, which is difficult to follow however, provided the unique path of the Turkish Republic in the last 90 years.

The third field of security challenges around the Black Sea reflects the nature of the region as a major corridor of transferring hydrocarbons from their sources in the East to their markets of the West. This is the topic of **energy security**. Access to energy has always been an essential part of each national strategy for independence and development. Diversified portfolio of energy supplies is one basic key to national sovereignty, and the structure of energy flows is as much a political as a commercial strategy. The history and the perspectives of Europe might have been different, were it not for the heavy dependence of Western Europe on oil and gas from the Middle East and North Africa after the crisis of 1973. The transformation of Eastern and post-Soviet Europe might gain different dynamics, were it not for the successful strategy of Russia to monopolize the energy routes and the energy consumption for Central and Eastern Europe after the fall of communism in 1991.

The Black Sea is a strategic corridor (which shapes as a region) mostly, if not only, because of the energy routes going from East to West through the narrow land channels and water straits between the Caspian and the Mediterranean Seas. When the Ottomans sealed those narrow passes for the West of Europe, the great geographical discoveries took place – otherwise European nobility should painfully suffer the absence of black pepper and silk. The Russian empire did the same after re-conquering big parts of the Black Sea shores and of the Caucasus – it established firm strategic and commercial control over those routes – supporting in this way the maritime strategies of the Western colonial powers. The battle of today and tomorrow is whether those routes should be reopened for free international trade or they will be kept sealed in favor of raising the strategic importance and resources of the regional powers.

The Russian strategy of becoming an energy superpower in the last decade proved successful for two major reasons. **First**, Moscow managed to keep the lion's share of its monopoly of Eurasian energy supplies to the West. The only exception from this monopoly proved the Baku – Ceyhan oil pipeline, which was constructed under the direct strategic protection of the Clinton administration and against economic assessments of potential un-sustainability of the project. So far Russia proves capable of jeopardizing all efforts and projects of diversification of gas supplies from Eurasian sources to the West. Gazprom remains the monopolist in gas supplies to Europe from the East. The **second factor** of Russian energy strategy success is the enormous demand on Russian gas – and to a smaller extent oil, in particular in Germany, but also in Italy, Austria, etc. For Ukraine and Bulgaria Russian gas is a source of monopoly energy control of Moscow over their national economies. For Italy Russian gas is a means of diversification the North African supplies, which also have high political price to be paid by Rome. Russian gas is also *a key* – probably *the key,* energy resource for inter-continental Germany which also gave up its nuclear energy program under public pressure after the Fukushima accident.

The Russian gas monopoly (in some cases – also oil monopoly) over Central and Eastern Europe is the key political strategy of Moscow to regain influence and control first over the post-Soviet space, and later on – over the soft eastern peripheries of Europe, where vulnerable, mostly small post-communist countries battle for their economic development and survival as independent states. The choices are made and the stakes are clear: Russia wants its old imperial influence regained, even if in new formats and for new purposes. Central and Eastern Europeans want their belonging to Europe and the Western world guaranteed. There is an unavoidable clash of interests which in the field of energy shapes up in the following formula: growing Russian control and monopoly of energy supplies to CEE *versus* successful strategy of Eastern Europeans – and of all Europe – for dynamic diversification of the energy supplies.

Speaking about Russian monopoly we need also to elaborate on the present manifestation of the Turkish national interest in the energy field. Turkey does not command sizeable sources of hydrocarbons, yet it aims at maximizing the profits of its transitional territorial status as a country between Europe, the Middle East and Central Asia. Turkey once used its position of a key alternative route to Russian supplies in order to condition the Nabucco project upon the Turkish membership negotiations process with the EU. Turkey plays hard with the transition taxes it charges in order to control deals between countries – exporters (like Azerbaijan) and recipient countries of liquid fuels. The ambitions of Turkey are focused on becoming an 'energy hub' with key instruments of dictating energy flows from East to West in partnership or in competition with Russia – the choice might be made case by case.

Energy security of the Black Sea region is also very much dependent upon development of alternative energy sources and upon energy conservation. Most ex-communist countries of the region maintain old efficiency levels of energy consumption designed after the Soviet bloc standards of easy access to cheap energy coming from Russia. The efficiency gap between the East and the West of Europe is between 700 – 1200 per cent in different sectors of the economy and everyday life. Eastern countries are poor enough to employ expensive alternative energy sources on a mass scale and … poor enough to stick to the present efficiency levels and energy over-consumption.

The regional dimension of energy security for the Black Sea should be considered within a broader system of energy balances and diversification, Europe-wide. The newly established

nations and the smaller countries of the region could hardly oppose or balance out the monopolization strategies of the regional *status quo* powers.

The fourth major dimension of regional security comprises the field of military and weapon systems. The Black Sea holds a value for NATO's strategic planning as a region adjacent to the Greater Middle East. The AMD facilities of the US, contracted with the governments of Romania and Turkey, are part of the common shield which NATO develops for the entire territory of the Alliance. With all controversial assessments – whether this shield is against a potential nuclear threat from Iran or against Russian missiles – it is obvious that Russia will not be able to reduce NATO membership of the new democracies in CEE to a nominal belonging to the Alliance with no relevant strategic means for defense of their national security. If everything that NATO deploys is considered to be a threat for Russia, the military security relations between the Alliance and Moscow will be reduced to a zero sum game. It was already stated in this paper that the strategy for inclusion of the entire Black Sea region into the Euro-Atlantic mainstream gave way to a new reality of competing security systems in the region. The major powers of this new security environment in the region, however, should be responsible enough to fix the limits of legitimate defense activities of each party in order to avoid the classical dilemma where the security of one party represents growing insecurity for the others.

The AMD shield and the US military facilities on Bulgarian and Romanian territory are only part of the security equation between NATO and Russia. The presence of US and NATO military facilities in the South Caucasus also represents a question of security balance with Russia. The security interests of the West are focused on keeping the South Caucasus corridor open for trade and strategic communications to Central Asia in the East – West dimension. The Russian strategic perspective of regional security aims at sealing this East – West corridor of foreign presence and seeks guarantees for the North – South dimension and logistical corridor in the South Caucasus. This is the way for Moscow to keep its military base in Gyumri, Armenia, as part of the integral Russian security space, extending to the old geo-strategic division line between Russia and the Ottomans in the last three centuries. The occupation of Abkhazia and South Ossetia, the establishing of large military bases there and the support for the Armenian cause in the Nagorno Karabakh dispute are all parts of this strategic task of Russian security.

It is probably possible to balance between the East - West and the North – South axes of regional security in the South Caucasus, if both dimensions are treated not as mutually exclusive but as complementary. Again, the limits of national interest and legitimate concerns of security should be established before any compromise is possible. The present *status quo* is far from such a compromise, which makes the South Caucasus a terrain for intense arms race, widens the opportunities of ex-regional factors to interfere and manipulate the regional conflicts and dangerously lowers the security threshold for the countries of the region. The persisting animosity at highest governmental levels between Russia and Georgia as well as Armenia and Azerbaijan reduces predictability of the regional security environment and builds up tensions in poisonous concentration. No reasonable talk of democracy, stability and development is possible within such an environment, even if some leaders in the region managed to pursue impressive reformist agendas in the last decade.

The fifth and related to military security **field is naval and maritime security.** The ambition of post-communist countries like Bulgaria and Romania (and ex-Soviet republics like Georgia) to join NATO is based on the assumption of participation in a broader international security system providing them with stable security guarantees. The collective security format

also involves an international NATO-defined infrastructure of maritime security in the Black Sea. That was the reason for Sofia and Bucharest to support extending of NATO's Mediterranean operation "Active Endeavor" into the Black Sea. Russia opposes that option for obvious reasons, but NATO member Turkey opposes it too. Both Russia and Turkey insist on international observation of the 1936 Montreux Convention, which allows international naval presence in the Black Sea for not more than 9 international vessels for maximum 3 weeks. Turkey initiated its own naval operation – Black Sea Harmony – to twin "active Endeavor" in the Black Sea and avoid international NATO vessels' participation. Another naval format – BLACKSEAFOR – was also initiated by Turkey as a 'search and rescue' operation, involving all littoral countries' naval forces, including Russia. Provided the very limited naval power of most other littoral countries, the combination of BLACKSEAFOR and Black Sea Harmony practically ensures Turkish and Russian naval hegemony in the Black Sea, and in effect provides Turkey with the leading position *vis-à-vis* the reduced potential of Russian Black Sea Fleet.

In naval terms, the NATO membership of Bulgaria and Romania, as well as the aspirations for an international security system for the Black Sea region of most other littoral countries, remain highly nominal.

As any border region where different national and international alliances' interests meet, confront each other or allign, the Black Sea region represents a complex reality of strategic visions and practices, security challenges and opportunities of evolution in different directions and optional balances of power. The major aim - and *program maximum* – of the reformist movements in the region is to stimulate an evolution towards an integrated security space of common interest and lowest possible levels of security threats. A realist approach in mid-term perspective would rather focus on the opportunities of raising trust among different state actors, on the search of mutually acceptable pragmatic decisions for each separate security knot of problems and opening spaces for a more transparent and stable environment. That's the prerequisite for a longer-term security build-up.

This paper has no ambition to serve as a digest or exhausting compendium of the Black Sea regional security problems. It does not aim to search for compromising formulae capable to please readers and experts from different backgrounds. The basic purpose of this text, prepared by the **Institute for Regional and International Studies,** *is to serve as a departure point of debate and analysis for the group of experts who gather in Bucharest between November 3-6, sharing the ambition to establish a regional network of policy research and analytical exchange on major issues of Black Sea security, development and cooperation. Departing from some point is essential. It is even more important to know where you're going and to pick up the road map that will lead you to that point in the best possible manner. Welcome to Bucharest!*