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The Black Sea Security Program began in 2001 with the goal of encouraging a regional security system based on cooperation and integration. It is unique in its mission to bring together leading policy makers in the Black Sea region with senior US officers to gain a deeper understanding of issues affecting the region and to encourage problem solving in areas of common interest. The program involves senior military representatives and civilian security specialists from the United States and ten regional countries: Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. Recent efforts to reach out have brought participants from Croatia and Serbia to Harvard. The Black Sea Security Program and its predecessor – the Ukrainian National Security Program – have brought together 367 regional participants and 145 American participants since 1997.
The program aims to:
- deepen participants’ understanding of global and regional strategy, defense organization, and military reform and restructuring;
- identify the very broad common areas of agreement that exist among the Black Sea nations and expose their officials and the US participants to the strong common history and shared values of the region;
- highlight the specific areas of current cooperation on issues of vital interest to these countries and, at the same time, identify those issues which divide them and present challenges to regional cooperation;
- expose the Black Sea officials to the free flow of ideas inherent in the pluralistic American system and within the US national security community itself by engaging them with policy makers who represent a wide range of viewpoints.

Every year we host our Regional Workshops in one of the Black Sea countries. The 2007 Harvard Black Sea Security Program Regional Workshop took place on September 23-27 in Kiev, Ukraine. Approximately 60 participants from the United States and regional countries gathered to discuss regional cooperation and relations with NATO and the EU. The event was a follow-up to the April Black Sea Security Program at Harvard.

The Ukrainian workshop was the sixth annual gathering of alumni and regional experts affiliated with Harvard’s Black Sea Security Program, which takes place every April at the John F. Kennedy School of Government. In addition to program alumni, the workshops host European representatives from NATO, the EU, and various international organizations. Prior conferences took place in Yalta, Ukraine (2002); Baku, Azerbaijan (2003); Batumi, Georgia (2004), Chisinau, Moldova (2005) and Bucharest, Romania, (2006).

The objectives of the workshops were to:
- provide a forum for regional experts to discuss critical security issues pertaining to the Black Sea region;
- strengthen and expand the regional network encouraged by the annual Black Sea Security Program;
- involve American general officers and policy makers in Black Sea regional security dialogue; and
- identify key individuals for future iterations of the program.

The next workshop will be held in Yerevan, Armenia, in October, 2008.

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The statements made and views expressed are solely the responsibility of the authors.
Probably, the best definition of analysis I have found from Aristotle. It is "illumination through desegregation". It is difficult to define what the Greater Middle East (GME) is. How does one define which countries are in and which are out? The Greater Middle East is really a post-9/11 concept in the U.S. Before that, we talked about Israel and the Arabs, and the peace process. Even during the period of the Soviet invasion of Afghanistan we did not talk about Afghanistan part of the Middle East. We talked about it in association with the Soviet Union and the arrow went that way, not other ways. So which countries are in the GME? What are the boundaries of the GME? Some people would say it starts in North Africa; in Morocco they are Arabs, they speak Arabic. If it starts there, how far to the East, North and South does it go? Indonesia? I think Indonesians would tell you to take another look at the map. But in fact, strategically, it may belong to this vast area. It is the largest. If we look to the South, does India belong to the GME? Most people do not think so. What about Pakistan? It is Islamic, it is next to Afghanistan and Iran. It has terrorists up in the mountains.

The U.S. government draws the GME basically at Afghanistan and, I think, it is mostly for reasons of convenience. Of course, in this respect, the Pakistani issue should not be forgotten. What about Central Asia and the borders of the GME in the North, e.g. Kazakhstan and others? These countries are interesting from the energy perspective. However, Venezuela also has oil but it is not a part of the GME. But of course this is again about Islam.

For our purposes here, let us basically agree that when we talk about the GME we basically mean the region which stretches from Morocco to Afghanistan.

Now let me ask you this question: what are the broad characteristics of this region? Obviously, this region is characterized by the following:

- Islamism (of course, Israel is also there but for this purpose let us set it apart);
- much poverty;
- unstable;
- non-democratic, non-pluralistic;
- predominantly ruled by Sharia law;
- wide-spread terrorism;
- poor education, low literacy rate;
- demographically old in terms of young males (16-40 years);
- traditionally rigid societies;
- vast asymmetry in wealth;
- mostly energy-based economies and little industry;
- many of the countries' leaders have strong military background;
- endemic corruption;
- women second-class citizens (or worse);
- preoccupation with Israeli occupation of Palestine.

If you look at these characteristics, what would you say about this region? It is very complex. It is not very
developed. We see commonality. For us all, especially for the Americans, it is difficult to understand these people.

Another question: why does the potential for instability and violence exist in the GME? The answer can be found by referring again to the list of the region’s characteristics. However, it is difficult to comment which and how many of them can be changed quickly.

In the post-Cold War era, this area is the one where the wars strike their roots. Of 25 major wars, not guerrilla or machetes conflicts, but real wars, 22 are in the Greater Middle East.

The region is deeply unstable and has a great potential for violence. It will be like that after you retire and, some may say, even when your children retire.

Do the U.S. and Russia share vital national interests in the GME? Yes, both want stability for the region. Both also want energy, albeit differently. The U.S. is badly dependent on the region for its import of energy. Russia is interested in the price of oil. What can make the prices increase, risk, uncertainty, war violence? President Putin announced that Russia would like to have stability but continue profiting enormously by having enough uncertainty to keep the price of energy high. Both the U.S. and Russia would like to maintain strong ties with this region. Both would like to continue selling their arms there. Both care about terrorism. Its best implications for the U.S. and Russia share vital national interests in the GME: ballistic missile defense (BMD) in Eastern Europe.

Although, it is difficult to understand why does Russia perceives one radar and ten interceptors as a threat;

- NATO enlargement.
- Whereas all the new NATO members once belonged to the Soviet strategic space, Russia believes the enlarged Alliance may potentially pose military threat in the future. If you look at the map, it looks like encirclement;

FACULTY BIOGRAPHIES

Robert Dean BLACKWILL
Former deputy assistant to the President, deputy national security adviser for strategic planning, and presidential envoy to Iraq. U.S. Ambassador to India from 2001 to 2003.
Expertise: Transatlantic relations; the United States and Asia; Russia and the West; the United States and the Middle East.
Experience: Prior to joining the Council, Ambassador Blackwill served as deputy assistant to the president, deputy national security adviser for strategic planning, and presidential envoy to Iraq under President George W. Bush. In these positions, he was responsible for government-wide policy planning operations to help develop and coordinate the mid- and long-term direction of American foreign policy. He also had particular responsibility for assisting in the formulation and implementation of U.S. policies on Iraq, Afghanistan, and Iran. Before joining the National Security Council, Blackwill served as U.S. ambassador to India from 2001 to 2003. This posting followed 14 years at Harvard University's John F. Kennedy School of Government where Blackwill served as associate dean and the Belfer Lecturer in International Security. From 1989 to 1990, Blackwill served as special assistant to President George H.W. Bush for European and Soviet affairs. Earlier in his career, he was the U.S. ambassador to conventional arms negotiations with the Warsaw Pact, principal deputy assistant secretary of state for political-military affairs and principal deputy assistant secretary of state for European affairs.
American unilateralism

In one of the pro-Kremlin Russian publication, I recently read "the U.S. Administration seems to believe that coming and telling us what they are going to do is consultation. But it is not consultation as we say we don't like it, and they say: thank you very much but we are going to do it anyway";

The apparent loss of interest to arms control issues on the part of Bush Administration;

U.S. interference in Russian domestic politics.

Putin claimed the U.S. in particular constantly criticizes the domestic political arrangements of Russia. The Russians point out that Putin has a 70+% percent proven rating in the polls, which is quite as high compared to the current American President. Russians seem to like the stability and predictability of Russia and the return of its sense of dignity;

During the Yeltsin era in the 1990s the U.S. became accustomed to be disrespectful of Russia and continues to not to treat as the great power it used to be;

The US promotion of Western concepts of the organization of state and society;

the promotion of alternative energy arrangements by the US and West.

In general, this is a long story of indictment against U.S. policy. In March, I heard the Russian Foreign Minister Sergey Lavrov say in Moscow that U.S.-Russia relations are increasingly better. Better than they are often characterized by the press. But then, he criticized forty different American foreign policies. I asked: Sergey how come you first praise and then criticize? And he responded by saying that hope springs eternal that Washington will come to its senses.

Now, how does this list of indictment look from Washington? What does Washington not like about Putin and his policy? :

- unpredictability (although Russian foreign policy very often is much more predictable than the American one);
- secrecy and lack of transparency;
- shrinking democratic space (media, elections etc., all those things the U.S. Congress started talking about more often lately. Reversely, this is what Russians think about us);
- Putin's domestic political system;
- coercive energy policy (it is especially associated with Ukraine, Georgia when Russia uses its vast energy resources to coerce other governments to do what they want; it is not the marching of armies but the turning off of energy pipelines;
- Iran (it is a long-standing issue between the two countries);
- Russian neo-imperialism (there is a feeling that Putin and his closest associates have a neo-imperialistic tendency. They want to reconstruct the strategic Soviet space. Again, not through marching the armies across borders but through political intervention, intelligence efforts, energy coercion, and so on in the so-called Russian 'near abroad'). Russia has not accepted it should treat the post Soviet countries like other countries.

Despite their shared vital national interests the U.S. and Russia bilateral relations really very bad. How likely is it to get better? Putin recently gave a speech to the Russian Parliament (Duma) in which the aforementioned issues were noted, especially Ballistic Missile Defense. Condoleezza Rice was recently in Northern Europe, and was asked to comment on Putin's position. After a diplomatic pause, she called the Russian President's comments ludicrous. That is a pretty strong word to come from the mouth of a very cautious prudent person. And I think it is reflective of frustration felt in this regard.

Now let's get back to the topic: the U.S., Russia and the GME. Currently here, our first two main analytical conclusions are:

- The GME is going to be unstable, violent and there will be wars;
- U.S. - Russian relations with respect to this area (and beyond) are going to be bad for the foreseeable future. (In this regard, there is one more thing we have to keep in mind; both countries parallel presidential campaigns. Domestic politics will have to play probably badly going back and forth with the American candidates at least to some degree be in competition to say more negative things about Russia, and the Russian candidates in competition to say more negative words about U.S. If you look at the statements of American congressmen and Russian Duma members, you cannot find a positive thing they say about the other country. That is an irony. That is more true today than it was over last 20 years of the Soviet regime.)

By the end of 2008, you worry about two things in particular. You worry about strategic implications of the Iraqi disaster. And you worry about U.S.-Iranian confrontation regarding Iran's efforts to acquire nuclear weapons. If you are traders, buying and selling stock, that is the first thing you get up and see in the
morning: what's going on in Iraq? (Mostly bad), and "what about the U.S. and Iran?"

2007 has been the year of diplomacy regarding Iran led by U.S. and Russia together. In the United Nations Security Council (UN SC) there have been two sanctions' resolutions attempting to coerce Iran to suspend its enrichment program, so far without success. And the Iranians are adding cascades and centrifuges every week. They are pursuing their nuclear weapons program's pace while the UN SC has already passed two resolutions and may pass a new one. Just to stress again, this was a result of cooperation between U.S. and Russia. But it is virtually the only such example. Probably the rest of this year will be taken up with the diplomacy to try to persuade Iran to stop its original program. Maybe be it will succeed, but if it doesn't, some experts believe that by the end of 2008, Iran will have enough material for one nuclear weapon.

Let's imagine diplomacy fails despite U.S.-Russian cooperation, despite cooperation with the Europeans. Then imagine that the American President faces the following binary situation: His ego has been hurt, and he can do nothing to bar Iran from acquiring nuclear weapon. What would he do? He either does nothing, or he uses US force to attack Iran. He uses American military force to attack Iran's nuclear facilities or he has other choices?

I would like to share with you my analysis of the negative consequences of the American military attack on Iran (to my mind, this will be a terrible idea) as well as of the negative consequences of Iran acquiring a nuclear weapon. Then you can decide which are better or worse.

Let's start with the negative consequences of an attack. The last thing this region needs is another war. You have seen the consequences of Iraq with those structural, destabilizing elements already there. So, we can predict that a war in Iran would basically upset a strategic balance of power in the Iranian society, similarly to the broken balance in Iraq where the Sunni in Saddam's times played a balancing factor vis-à-vis Shia (an unintended but probably long-standing consequence of the war).

If we were to attack Iran, we would probably be in a global war with Iran. Not a conventional war but a war in which every American citizen and every American facility everywhere in the world would be at risk. The Iranians would not wage a classical war but would use an asymmetric techniques against American facilities, Embassies and so forth, including in the American homeland. Their notion would be that they have to destroy any and all support of the American people for such action. The best way to do that is to attack the American homeland. It would probably be a very long war. One has to ask: are the American people ready for another long war? Two of them are going on already, why not go for three? I think it is a big question mark.

Oil prices. What would happen to oil prices if the U.S. attacks Iran? It would cause the world's recession depending on how long the war will continue. Iran presumably would benefit from the growing oil prices, but there is another question: whether Iran would let the oil out of the Persian Gulf? How about the oil prices over $100 per barrel? It could cause a world recession. At $150 per barrel it is a global depression. Going back to an attack on Iran, we can consider the instability caused by an American attack on Iraq. To know what would happen with an American attack on Iran, we would need to multiply those factors. Such attack could solidify the Iranian domestic support behind the regime, even though not much of the Iranians like that regime.

Now, how good is our intelligence on Iranian nuclear facilities? Well, it was not so good on Iraq, therefore would we completely rely upon it with respect to Iran? Do we have enough good targeting information? Do we know where their secret facilities are? How long will the Arab campaign last? It would perhaps last 4 or five days. How will it develop in the GME? These are not easy questions.

The attack will most probably be at night, unless you think the serious problem is not only those facilities but the scientists and knowledge within them. Then you may attack at a different time, say eleven o'clock in the morning. But the question would arise in any case: what would happen to the GME? The Middle East would most probably wake up. There will be an info explosion: Al Jazeera, CNN etc. would shout to the world that the U.S. has attacked Iran. What would it provoke? In one word: radicalization.

Moreover, as you know, American military operations are not disclosed, in advance, to our diplomats. So imagine what happens to the US embassies in the countries in the GME. How would they find out about the attack? CNN or other source? After that, they may get a call from the State Department with the mes-
How about civilian casualties? please, do you think they don't have plans in this regard? It's blown up. And the Iranians, these smart people, do you think they don't have plans in this regard? How about civilian casualties?

The big question is: how long would such an attack set back the Iranian nuclear program? Of course, it would depend on the quality of the targeting information. Ok, an attack has been carried out, we have destroyed this and that reactor. And Iranian government announces: beginning today, we start to rebuild, and we have a little gift: some of the nuclear infrastructure has survived and we start again. So what, shall we bomb Iran every single time its nuclear infrastructure is ready again?

Now guess, how many countries out of 169 countries in the world would unambiguously support that attack? Israel. Just one. Do we have the second. Britain? No. The previous British foreign secretary said: attacking Iran militarily is unthinkable. The outgoing Tony Blair has learned his lesson from Iraq and the public. May be Canada, Fiji? I doubt it; just one country. So imagine the avalanche of criticism that would fall on the U.S., especially in a period when in the U.S. war is more unpopular than at any time over the last half-century.

Let me now give you another side. For all these very powerful reasons, we do not attack their nuclear facilities, and by the end of 2008 they start producing fissile material enough for 1-2 bombs a year. In 5 years, Iran could have about the same amount of bombs North Korea has at the moment: 7, 10-12. How this would affect the GME? And by the way, they do not make any attempt to hide these nuclear weapons. They say we have them to protect ourselves against the Americans. What is the regional effect if the Shia have a bomb? Which Suni governments would like also to have it? The Saudis, the Egyptians, the Jordanians? E.g. the King of Jordan announced about 4 months ago that there will be a big nuclear civilian program in Jordan. And notice, during this last year the Saudis, the Egyptians, the Jordanians, and the Turks all said we want big civil nuclear programs. That's what Iran said when it started. What's wrong with that if, imagine, 2-3 of them get nuclear weapons? Why should we worry?

The U.S. and Russia spent decades to try to guarantee the security of their nuclear weapons. How secure would nuclear weapons be in this area? There are no institutions to protect those weapons there. In the Soviet Union and the U.S. it took decades to develop institutions to secure such weapons. It took the industrial societies of the US and the Soviet Union 20 years to develop such institutions. These states, although stable simply do not have these institutions. Once, overnight the Saudis arrested 115 people who they said worked for Al Qaida. Would Al Qaida in Saudi Arabia have interest in these weapons? Yes, of course. Although, it is not inevitable that nuclear weapons might get into the hands of these societies and governments.

So, how much of a risk are you willing to take? You might say that things are so bad if we attack that I am willing to take the risk. In such a case the two countries that will be most worried about this are the U.S. and Russia. For example, if a Chechen terrorist would do anything including murdering hundreds of Russian children, do you think he will not use the weapons of mass destruction should he have it? And how much money would they pay, and who might help them pay?

When I worked for Henry Kissinger, a joke was that he had three boxes on his desk: an in-box, an out-box, and a 'too hard' box. The 'too hard' box got higher and higher, just as the discussed issue. It is too hard and it may face the American President by the end of next year. What does the American President do if the Director of Central Intelligence or the National Intelligence Council says: here is our latest (severe) estimate on Iranian program. He may say: let's pass this sucker on to the next president. So, the next president on January 2009 gets into his/her office for his first briefing, and the Director of Intelligence says: you have a real problem. Or the President says: I am not going to pass this problem to the next president, it would be irresponsible to do so and I have to protect the system of presidency.

I worked four times at the White House, and I have been to the Oval Office many times when the presidents had to make tough decisions, but this would be one of the toughest.
EXPERT OPINION

Ashton B. CARTER

During the Cold War, the U.S. strategy’s objective was clear. It was the Soviet Union. And now, the Americans are wrestling about this subject. Now the question we need to ask is which problem are we going to pay the most attention to? Mostly the Post Cold War period for us has been that we have said one thing and done another. Now that has not been our fault, it is just that things have happened that were not anticipated at the time the strategy was written.

Let me give you two snapshots. Consider an article that Condoleezza Rice wrote for then governor-candidate George W. Bush in the year 2000. It is very interesting to go back. This was the time Rice left her job at Stanford to go to Texas and essentially school the president-to-be in Foreign Affairs. He was not very good in it and she was his tutor. She wrote up a strategy that was George Bush’s going in strategy. Now I think it is interesting to go ahead and compare. Please note this was published in the journal Foreign Affairs. It states: strategy is about priorities. The priority was the national interest of the U.S. Not saving the world. She wrote that the Clinton administration did too much. National interests were the strategy. So at that time there was nothing about spreading democracy or anything of that sort. It was just the opposite. She says that the key American strategy was to recognize that the world was a matter of power politics; the balance of power among the great powers. It was all about the great powers, nothing about non-state actors, terrorism, failed states, only great powers. What was the biggest problem at that time? China. China was not a strategic partner (as the Clinton administration had said), rather it was a strategic competitor. As to failed states she said the U.S. is not the world’s 911 and the U.S. does not do nation-building. You may be smiling because nothing of this has actually come true.

Six years later, the President in his inaugural speech, said that American strategy is about American national interests. He has annunciated the fear of reading democracy. No one would say that the heart of the threats to American national security today is in the great powers. It seems (much on the contrary) to be the lesser powers. Obviously, after 9/11 terrorism has occupied center stage on the American strategy, and we are nation building. Like it or not, we don’t like it, but we are doing it. We do not have an alternative, in Afghanistan and Iraq.

As to China, you will all remember the visit by President Xian Xemin to Crawford, Texas shortly after 9/11, in which President Bush said to Xian Xemin, essentially, we do not have time to make you an enemy. Now we now have a real enemy, this guy with a beard, Bin Laden, and we are going to make peace, for now. No more strategic competitors, now. With respect to Russia, the other great power that was supposed to be a great problem in Condoleezza Rice speech, you all know what happened also in Crawford, Texas, when President Bush looked into Vladimir Putin’s soul. I always say that was the most successful KGB recruiting in history (laugh). So after 9/11, great powers were put off on the back-shelf in terms of our strategy to focus on these other things.

Another snapshot. Let’s go back 10 years before that to the first effort by President Bill Clinton. What did he say about strategy? He came in and started with something...
called Bottom-up Review. There were many jokes about it... it was the same question, namely the Cold War is over, what now? At that time, at the Department of Defense we were in the embarrassing situation where we were still asking for essentially the same amount of money we had during the Cold War but we didn't have the Cold War. The people in Congress and around the country were asking: what are you guys doing over there? We needed to come up with an answer. The answer was provided by the then Secretary of State Les Aspin (who was fired at the end of that year). He said the US strategy had four priorities. The first one is the weapons of mass destruction (WMD). What he meant at that time was the problem of the collapse of the Soviet Union. The first ever collapse of a nuclear super power. The fear that many people had was that in that turmoil somehow the WMD would get swept up in that.

His second priority was what he called "regional aggression", which really meant North Korea and Iraq. He proposed a theory that stuck with US strategy throughout the next decade: The Two Major Theater Wars Strategy. It said that we had to have a capacity to fight and win two major theater wars (read defense of South Korea against North Korea and something with Iraq) simultaneously. If we then as analysts took that criterion and asked, what does the US need in terms of forces to fight two major theater wars simultaneously? The answer was a very substantial force structure (which was partly the objective) to sustain the force structure. This was criticized: well, two wars are ok but why at the same time? And the answer we gave was: well, if you only had enough forces, to defeat Kim Chen Ir, and he started a war, then at that very moment Saddam Hussein would see his opportunity. So it was strategically necessary to be able to fight two wars simultaneously. That was basically the criterion that justified our force structure throughout 1990s.

The third of Les Aspin's and Bill Clinton's dangers was 1993: the failure of democracy and reform in the former Soviet Union and in Eastern Europe. It is not a military threat, they said, but yet the biggest thing that could go wrong for the United States. By and large it has been a success story. We did not know where this was going, how the things turned to be a huge success story. I do not say it is because of the success of the American strategy but still I think we contributed positively, but basically it was an evolution that turned out very well.

The last of Les Aspin's dangers in his 1993 strategy was the possible economic was with Japan. Yes, we were very concerned about that at the time (laugh). Shortly thereafter, Japan went into a 10-year long recession. We could not see that at the time. So that was the picture in 1993 when we go back and look at these and compare what people said, thought and what we ended up doing, you might ask yourself what's the point of writing these things?

We in the U.S. are fated (thanks to a Kennedy School Faculty member John White). How should be shot for this for he is a person who mandated that there be a Quadrennial Defense Review (QDR) (laugh). Every four years, the DoD has to write this document from the Pentagon. It says what over the world and we were going to become a colony of Japan. Yes, we were very concerned about that at the time (laugh). Shortly thereafter, Japan went into a 10-year long recession. We could not see that at the time. So that was the picture in 1993 when we go back and look at these and compare what people said, thought and what we ended up doing, you might ask yourself what's the point of writing these things?

For further bio details please see: http://en.wikipedia.org/wiki/Ashton_Carter
http://www.bks.harvard.edu/about/faculty-staff-directory/ashton-carter
and why we are doing. The latest QDR was published about a year ago. You may ask yourself if these things are worth while or not. I will tell you what tends to happen in them. First of all, you cannot say the same that was written four years ago. They have to be all wrong, and you are all right. That cannot be right because the world does not change so dramatically. So, instead the words change but the concepts stay the same. Those of you who read the current QDR (and I don't recommend this, I find it completely incomprehensible). It is very abstract. I have spent a lot of my life in this field but even I cannot understand what is really going on.

Yet we still issue these strategic documents. I guess they thought they have a purpose. In a democracy as we are, you cannot get public support for national defense unless you explain what you do. You cannot get public support to actually do anything to intervene or act unless you condition the public with the idea that you might have to do that. So we have to persuade our own people that e.g. we need to defend South Korea against North Korea. You have to do it year after year after year; people forget. You have to do it because you have to prepare. You have to invest. We do not get the money to invest for the future unless we explain why we are asking for the money. It is important to say what we have to say because you are speaking to your friends and your potential enemies around the world. To your friends, you are reminding them that they are friends. To your enemies, you are warning them that you have them in mind.

What is our strategy today? If you are not an American you might ask: What these guys are going to do next? You do see us pulled in many directions. There is a school of thought that says that the long war against terrorism is the highest priority strategic objective for the U.S. in terms of investments. Now, if you believe that, then you want to invest in non-traditional military instruments. That would be investment into Special Forces, law enforcement, intelligence, homeland security, some economic and political instruments of national power. If, on the other hand, you think that a future antagonistic China is going to be a big problem in 10-20 years from now, then you invest in advanced Naval and Air Forces. If you believe in a third possibility, that we are going to be doing 10 years from now something like we do in Iraq and Afghanistan now, then you invest in large, multi-capable Ground Forces. This is something the United States is doing right now; increasing both, the size of the Army and the Marine Corps as though we are going to be there forever (which does not look likely). If you are worried about WMD, then you invest in missile defense, in nuclear deterrence forces and other strategic strike forces. If believe in the two old MRCs still, then this time they are Iran and North Korea. Then you have to buy the usual, substantial size traditional force structure. Which one is right? Importantly, we cannot do only one of those; we have to do them all. So we do not have other choice than to have a portfolio approach to our strategy.

What do most of people on Earth associate with the U.S. security strategy today? The first thing is preemption. President Bush made preemption a centerpiece of his strategy in the first term. What is preemption? The 'gurus' in this area distinguish between the 'preventive war' and 'preemptive war'. Iraq was actually a 'preventive war'. The difference is likened to two cowboys in a cowboy movie having a shootout. If he is reaching for his gun his gun and I reach for my gun first and shoot him that is preemption. However, if he just walking down the street with a gun in his holster and I say, "I know he is a bad guy" and I shoot him, that is preventive war. Both of the cases actually a 'preventive war'. The difference is between the 'gurus' in this area distinguish between the 'preventive war' and 'preemptive war'. Iraq was actually a 'preventive war'. The difference is likened to two cowboys in a cowboy movie having a shootout. If he is reaching for his gun his gun and I reach for my gun first and shoot him that is preemption. However, if he just walking down the street with a gun in his holster and I say, "I know he is a bad guy" and I shoot him, that is preventive war. Both of the cases can be justified he could be a bad guy and if I did not shoot him today he'll shoot me tomorrow. Preemption is about the timing. So Iraq was a preventive war, but as frequently happens in politics, people use the term that is not quite right.

What is the future of preemption? I think that the Iraq war has discredited, unfortunately, in the minds of many Americans the whole idea of preemption. Now you will not hear a lot of talk from the U.S. President, strategists etc. about preemption in the future. That is said, I think that preventive action is with us for a long time because it is in the nature of today's world and its threats. You cannot let things develop to the point where they are too hard to take on. We allowed that with Bin Laden in Afghanistan, and we argue either we did also allowed that in Iraq with Saddam Hussein. I know many people may disagree with the Iraq example. Lawyers say bad cases make bad law. Nonetheless, I believe that preemption or preventive action is a necessity in a modern world. What is important is that it receives some sort of international acceptance. We can't be out there acting preventively according to our own minds. That would be a world chaos. It is important that there be some rules and understanding about what has been done. I think that is a part of the strategic future.

Another worry that comes out of the current Administration is democracy promotion. This idea has also been discredited in the eyes of the American people. They don't seem to be buying it anymore. It may have been discredited by our own incompetence, but I also believe that going to be a lasting thing in American strategy. This is an important part of what Americans think they are and there will always be a strain of our international behavior being formed by our values. So my prediction is that the democracy promotion will only be strengthened in the American strategy.

How about nation-building? The American public has also 'had it' with nation building. So, that has also lost public
support also, but I do not think that it is going anywhere.
either. It think it will remain a part of the international scene
and military affairs. There, the challenge for the U.S. is capa-
bility. I think we have shown that we are not very good at it.
We have to get better. It is not the military side, mostly, it is
the non-military side. We have just not preformed very well.
We do not have the capabilities we need to do that. This is a
place, I think, the United States needs to get better.

How about the war on terror? Will it be around 5-10
years from now? I am not so sure about that one. First of all,
it is not a war. It is something else but not a war. It is serious
and dangerous and it has got to be done, but it is not a war,
it the sense most of us understand war. Donald Rumsfeld
called it the "long war". I am not sure if this is so. In one
sense it will be in the other, I do not think it will. If by long-
war, we mean war against Islamist fundamentalist terrorism,
I do not believe it is going to be with us 20 years from now.
I think we will defeat it, partly, and history will pass it by. It
is a very serious subject but I don’t believe my children are
going to fight this war against the Islamist fundamentalists’
terrorism. We will all be fighting terrorism though, forever. It
is in the nature of modern world that we are getting more
and more fragile, vulnerable, interconnected in societies,
and more and more destructive powers falling into the
hands of smaller and smaller groups. If it is not Islamist fun-
damentalism, it will be some other crazy thing. If you
worked on counter-terrorism, as I did in 1990s, and you
asked our FBI about the most important threat, it was not
Bin Laden. The FBI would always tell you it is our own mili-
tias. The white militias of the U.S…. I only say that to suggest
there are lots of groups out there that are not Islamist fund-
damentalists that are capable of terrorism, and I think that
is a part of the human future. We are going to be battling ter-
rorsim as long as we have civilized society.

The last thing is unilateralism. That was another casual-
ty of the Iraq war. I think it has dawned on Americans
(notwithstanding all the rhetoric surrounding the Iraq war)
that defeating Saddam Hussein’s army was one of the only
things that we could do unilaterally. Almost everything else
I talked about today is just physically not possible for us to
do by ourselves. We cannot protect ourselves from terror-
ism by ourselves i.e. if we do not have that German intelli-
gence officer or French Customs inspector watching out for
us, we are cooked. We cannot physically do this by our-
selves. We cannot deal with most of the other problems in
the world by ourselves. If we have to, we will not be as effec-
tive if we go alone. So I think we will be rebuilding our secu-
rity partnerships and alliances in the coming years.
Particularly important will be NATO Alliance. Very impor-
tant will be the alliances not only with the Europeans but
also with Japan and South Korea.

You will not be hearing about unilateralism because it will
be practiced. You will not be hearing about preemption, but I
think people will be thinking "prevention", and they should
be. You will not be hearing a lot about democracy promotion
but it will never go away from the American frame of mind.
You will hear a lot about nation building. The question there
is not if we intend to do it, nobody wants to do it; the ques-
tion is whether we are going to get any good at it.

So, this is my take on where the U.S. is and on where it is
going. At the end of the day, strategy is what you do, not
about what you say you are going to do. To conclude, I would
like to give you an example about how it is important that
our words to be equal to our deeds because a strategy is not
just words but real things. I remember being very frustrated
with President Clinton when I first worked for him. He said
that the things I thought were important were important,
but he behaved otherwise. Once at the Pentagon, we had a
meeting of the National Security principals, (i.e. Secretary of
State, the National Security Adviser). The then Secretary of
Defense Bill Perry said they keep complaining about how we
are spending our time and to put together a little presenta-
tion, and I did. I requested from the Executive Secretary of
the National Security Council (NSC) the agenda of all the
meetings of the NSC. I plotted them, made a little chart when
we compared the number of meetings of the NSC with their
subjects. President Clinton said, Russia and the Former Soviet
Union is his highest priority. So they had a few meetings on
that. The next one was Haiti, then Bosnia, and so on. We dis-
covered what the real priorities were by looking at where
time was spent. To recognize priorities we have to look at
how we actually behave, as opposed to what we say.

The last thing I want to say, we are all people in posi-
tions of responsibility and have our own strategy; right? You
cannot do everything that your job requires. You have to
pick and choose and figure out where you are going to try
and make a difference. We all have that problem, you r own
personal strategy. I always tell my students they ought to
have in their upper right hand drawer a list of things they
know are right that they have not gotten away with yet,
because bureaucracy will not let them, or their boss will not
let them, or whatever. You are always waiting for your
moment to look in that drawer and think "Maybe I can get
away with that today." We all do that. It is good to ask, "how
am I actually spending my time as opposed to what do I
think is important?" Sometimes, there is a vast difference.
So what a country says its strategy is and how it behaves
may be two entirely different things.
Security in the Black Sea region – Bulgaria's perspective

Colonel Roumen KONDEV
Ministry of Defense of Bulgaria

«In the XXI Century there is no national security without high level of regional and global security. Our national security is guaranteed through our contribution to the regional and global security.»

Veselin Bliznakov,
Minister of Defense of the Republic of Bulgaria

I have selected this quotation from Minister Bliznakov's lecture because it summarizes the way Bulgaria understands and leads its national security policy in the 21st Century.

These are the topics I'll touch upon in my presentation:
1. Defining the Region and the Security Challenges;
2. Bulgaria's Policy towards the Black Sea Region;
3. Regional Security Instruments;
4. Security Perspectives for the Black Sea Region;

Geopolitically we always regard the Black Sea region in its entirety or in other words, the "Wider Black Sea Region" which encompasses not only the littoral states but Moldova, Azerbaijan and Armenia as well. This wider and systemic approach towards all security components can provide for adequate assessments and, in turn effective measures. This approach helps us identify security challenges that can be tackled effectively by international and multilateral organizations and/or, with the necessary experience and expertise, individual states.

Since 1989 the geopolitical situation in the Black Sea region has been shaped by national, regional and global dynamic processes and the heterogeneous nature of the factors involved. These basic parameters are established by the growing interest for active cooperation among the regional states. Also of import is the role of the EU and NATO in these processes, particularly in light of Bulgarian and Romanian membership in both of these organizations.

Central Asian states are also exhibiting a growing interest for broader outreach and collaboration with Europe. The Energy and Transport vector brings about a natural spirit of rivalry in the region, but also underpins common interests of avoiding instability in the Black Sea region and overcoming existing threats to regional and international security.

The Black Sea region and the naturally adjacent Caspian basin span two continents. They have an aggregate population of about 350 million people and boast a foreign trade potential of US$ 300 billion per annum. The two regions form the second most important source of ener-
gy resources after the Persian Gulf and are increasingly becoming a priority corridor for transit of energy to the EU. The Black Sea promises to become a region of major economic cooperation in the 21st century.

The pace of democratic processes and reforms in most of the countries in the region is, generally, increasing. The European and Euro-Atlantic aspirations of Ukraine, Georgia, Moldova, Azerbaijan and Armenia are a major drive for reform. Their commitment to fulfill the necessary requirements is inextricably linked to the need to implement crucial reforms across the whole political, security and economic spectrum. At the same time, serious economic disparity between the countries in the region poses an additional obstacle to the successful reform.

The ‘frozen’ conflicts in Transnistria and the South Caucasus continue to be a source of legitimate concern. The unstable North Caucasus republics of the Russian Federation have an additional negative impact on the general security situation in the region. A new impetus is needed to boost the efforts to overcoming the ‘frozen’ conflicts. Bulgaria is convinced that the best contribution in this respect should be expected from leading global actors. The immediate neighbours and other regional forces can also cooperate to create favourable conditions for finding solutions.

The existence of ‘frozen’ conflicts and unsecured borders is a natural breeding ground for international terrorism, criminality, as well as religious and ethnic tensions. Illegal trafficking and terrorist activities represent another cluster of challenges that pose a serious threat to security and stability in the Black Sea region and the entire Euro-Atlantic space. This set of challenges can also negatively affect the security of the energy corridors crossing the Black Sea region.

Bulgaria believes that regional cooperation among the Black Sea countries should be developed in close interaction with the European and the Euro-Atlantic integration processes.

The fundamental objectives of Bulgaria’s policy towards the region are twofold: to guarantee Bulgaria’s national security by achieving lasting stability in the region, and, to achieve optimum conditions for Bulgaria’s economic development through expanding the cooperation in the Black Sea on a bilateral and regional basis;

We believe that these long-term/strategic goals could be attained by utilizing the following instruments:

- The maintenance of good neighborly relations and cooperation to ensure regional security and stability;
- The institutionalization of the rule of law, human rights, democracy, and good governance;
- A functioning market economy, economic development and prosperity;
- Enhanced cooperation with civil society, and;
- The development of regional and municipal level cooperation development.

The Bulgarian strategic objectives include the inclusion of active EU and NATO involvement in the region. EU involvement in shaping Black Sea regional cooperation, in all of its aspects, is essential. In this context the elaboration of a Black Sea dimension of the European Neighbourhood Policy is of paramount importance. Bulgarian interests lie in the development of regional cooperation based on the principles, values and standards of the European processes of integration.

Bulgaria is not interested in being part of closed regional cooperation that is dominated by some major states in the region. As a NATO member, Bulgaria is determined to play an active part in the promotion and support of the integration process. It recognizes that NATO has not yet elaborated on a complex security strategy for the region. This notwithstanding, in addition to its PfP Program, the Alliance has developed a net of individual partnerships with each of the BSR countries. Its efforts in this regard present a serious opportunity for Bulgaria to prove itself a reliable ally within NATO, with the strengthening of democracy and the promotion of Euro-Atlantic values, as its genuine contribution to security in the Euro-Atlantic area.

The signing of the Memorandum for Cooperation regarding European and Euro-Atlantic Integration between Bulgaria and Georgia in December 2004 gave a new political and practical dimension to this objective. A similar policy line is followed with the other Black Sea-Caucasus Partner States. Memoranda of the same content
were signed with Azerbaijan (September 2005), and Ukraine (November 2005). Memoranda for Cooperation regarding European Integration and Integration into the Euro-Atlantic Structures with Armenia (December 2005) and Moldova (May 2006) are also in effect.

Existing limitations aside, broadening the scope of regional initiatives and involving of countries outside the Black Sea region creates opportunities for further impetus and better quality of cooperation. In this respect there is also room for the inclusion of Black Sea states to initiatives initially designed for other regional configurations. This is exemplified by Moldova's recent accession (3.05.2006) to the Process of Cooperation in the South-Eastern Europe which includes Albania, Bosnia and Herzegovina, Bulgaria, Greece, The Republic of Macedonia, Romania, Serbia and Montenegro, Turkey and Croatia. The Southeast Europe Defense Ministerial Process (SEDM Process) is another example of fruitful cooperation where, alongside the Southeastern European and Black Sea countries, Italy and U.S. also participate. The recent deployment of the SEDM Multinational Force HQ /SEEBRIG HQ/ to ISAF HQ in Kabul demonstrates how a regional initiative extend well beyond its initial purpose and result in successful cooperation with a major defense and security organization. At a recent meeting in Kiev, Ukraine the ministers of defense of the South East European countries had the pleasure of welcoming Bosnia and Herzegovina as a full member to the initiative. The process of integrating Ukraine into the Multinational Peace Forces South East Europe has also been started.

A far-sighted approach that will lead to lasting solutions to the problems in the Black Sea region requires a common vision and appropriate involvement by the international organizations. Regional co-operation in various spheres is developing but, to date, it is hardly sufficient to tackle the overarching problems requiring a broad approach.

What is needed to find the key to lasting stability and security in the region?

- First, the elaboration of a broader approach to security in the Black Sea region to address the whole range of security challenges (from democratization to countering illegal trafficking, terrorism and weapons proliferation);
- Second, the engagement of the major international players who are in a position to make a real difference. NATO and the EU should remain the premier providers of security and stability for the Euro-Atlantic region (which includes the Black Sea):
  - NATO already plays a role through dialogue mechanisms with non-member littoral states, including the NATO-Russia Council, the NATO-Ukraine Commission, PfP activities, and the intensified dialogue with Georgia. While the EU is not considering expansion across the Black Sea, it, too, cannot ignore the security situation in the region.
  - The EU also has tools to tackle security issues. The European Neighborhood Policy and the Partnership and Cooperation Agreements constitute a framework for the relations between the EU and the countries of Central and Eastern Europe.
- Third, a clear Euro-Atlantic perspective for the region is one of the main elements that will strengthen democratic leadership and contribute to the progress and irreversibility of reforms. Through its existing partnership tools special focus on the Caucasus and Central Asia, NATO is developing differentiated relations with the partners from the Black Sea region. The evolution of its relationship with countries like Ukraine and Georgia, who have clearly expressed their wish to join the Alliance, is permanently under review. Any decisions made in this regard should be carefully balance strategic considerations and individual performance. The international community would give an impetus to problem solving in Georgia, Ukraine, Moldova and other countries in the Caucasus by engaging itself with the entire range of security issues in the Black Sea region more intensely. Their engagement would help consolidate the reformist trends and contribute to overcoming existing apprehensions towards broad international initiatives in the Black Sea region; galvanizing efforts to address today's security challenges. We are also in favor of intensifying the cooperation among the Black Sea region states and especially among the NATO member ones. The benefits of this approach are apparent.
Some aspects of the Transnistrian problem settlement

Colonel Victor MACRINSCHI
Deputy Chief of the Main Staff of the National Army of the Republic of Moldova

The Republic of Moldova, carefully following the evolution of the security architecture on the European continent, recognizes NATO, the EU and OSCE as pivotal elements of the European security system. This is a logical consequence of the transformation process and enlargement of the Alliance and EU. It is also proof of efforts to ensure stability in Europe as a whole, including Transnistria.

As a neutral state, the strategic course of the Republic of Moldova and the prioritized direction of both its domestic and foreign policies is European integration. This political direction is supported by the Moldovan society.

We suppose that the implementation of the Republic of Moldova Action Plan - EU together with the Republic of Moldova Individual Plan - NATO will contribute to an expedited attainment of the goal of integration into the EU. Furthermore, it will lead to fruitful cooperation with the North Atlantic Alliance within the "Partnership for Peace" framework.

I think it is necessary to mention that the Republic of Moldova Action Plan - EU has already had a perceivable positive affect on cooperation with neighboring countries within the framework of the European Neighboring Policy. It contributes to the intensification of political dialogue and the enhancement of bilateral collaboration among these countries.

Also noteworthy is that during the implementation of the above-mentioned plans our country has been confronted with considerable hardships. One such hardship is the unsettled Transnistrian problem. This problem is not new; rather, it has been dragging on for over 15 years. This problem touches upon matters of security in the Black Sea region and is more or less known to those familiar with the Black Sea Region. Last year I appeared before the participants of the seminar on security in the region of the Black Sea, and gave a speech on the problem that we will be discussing today namely, the settlement of the situation in the Transnistrian region of the Republic of Moldova.

After the active phase of the conflict in the Transnistrian Region of the Republic of Moldova (which ended more than 15 years ago) a series of attempts to resolve this problem permanently were made. The actions taken after signing the Memorandum of May 8, 1997, and the so-called 2003 D. Kozak Memorandum (and plan) are examples of such attempts. The results of these attempts are clear.

Without giving a comprehensive evaluation of the situation in the Transnistrian region of the Republic of Moldova, I would like to briefly characterize this situation at the present moment and, specifically, the situation in the security
zone. It is in the security zone that the Joint Peace Forces (JPF), which were created in accordance with the Moldovan-Russian Agreement of 21 July 1992, operate.

First it is important to note that the situation is characterized by the relentlessness of Tiraspol to return to the negotiation process in the "5+2" format. They motivate their actions by pointing to its necessity as it relates to matters which would ensure their performance of foreign economic activity.

In recent times, the economy of the region has been going through a period of long economic recession. There are a number of causes for the low indicators of the economic situation of the separatist regime: The actions of the international community against trafficking, illegal trade and corruption in the region; the introduction of European Union of the Moldovan-O Ukrainian boarder monitoring; the new customs regime between the Republic of Moldova and Ukraine; the insistence of OSCE to evaluate the military-industrial complex of the Transnistrian regime (which hampers illegal manufacturing and questionable performance of privatization); the process, introduced by the government of the Republic of Moldova, of legalizing Transnistrian enterprises, and; the self-blockading and self-isolation of the region of Tiraspol authorities, in particular.

Second, even if the aforementioned matters were resolved, other causes such as the wish of some to treat Kosovo as a precedent (even though everybody knows that it is a totally different situation there) complicate matters. The results of the elections in the State Duma of the Federal Assembly of the Russian Federation, then for other elections etc. also influence the area.

In the meanwhile, there is no lack of disruptive circumstances to complicate the negotiation process. Property in the region continues to be taken over. These takeovers are occurring at (quite literally) full speed. The most profitable and effectively working enterprises are being taken over. For example, I think that many have heard about the problem of the Varnitsa River Port (near Bender). In April 2006 Varnitsa Port was taken over by Transnistrian Militia. Due to the inability of the Allied Control Commission (ACC) to resolve the problem, the port did not operate for five months and, in turn, lost part of its means of production. In 2007 the Bender River Port (Varnitsa was its cargo port branch in Soviet times) was purchased by Tiraspol Gazprombank (to clarify things, president of the board of directors of Gazprombank is Ms. M. Smirnova, the wife of one of the sons of Mr. I.Smirnov, leader of the Transnistrian administration).

Also noteworthy is that, under the initiative and pressure of Mr. I. Smirnov, the region's Supreme Soviet took the decision to "get a loan" from Gazprombank from the money that it receives as compensation for the gas used by all the consumers of the region. Mr. Smirnov took such measures due to his administration's 2007 deficit of 47%. Over 21% of the regions budgetary resources is allocated to support the force structures. This in light of the 1.3 billion dollar debt the region carries before Gazprom.

Russian industrial structures participate in the process of privatization (purchasing) of the region's enterprises. Not so long ago, for example the "Salut" association purchased "Pribor" Bender plant.

This is the atmosphere in which the Joint Control Commission (JCC), tasked with the settlement of problems in the security Zone, operates. The composition of the JCC alone, (a delegation of constitutional powers of the Republic of Moldova, a delegation of the Russian Federation, a delegation of the Transnistrian region, as well as the representative of Ukraine in the JCC, indicates that theoretically, it cannot work successfully.

Whereas the JCC played an effective role in the period 1992-1993, we should mention that its performance in the following years has been very inefficient. This may not be surprising. Particularly with the knowledge that a number of members from the Transnistrian delegation, personally participated in and led militia operations during the take over of Varnitsa Port and other incidents in the Security Zone.

Whereas the Tiraspol delegation in the JCC does not hide its intentions, the Russian delegation in ACC (under the guise of maintaining stability in the security Zone), evades the resolution of problems arising from commercial structures, enterprises, institutions and citizens. The competence of the ACC notwithstanding, this situation is intentionally continuous.
To assert otherwise would be to overlook facts. For instance, on July 28, 2007, Mr. M. Elkin, the acting chief of Mission of the Russian Federation in the Republic of Moldova, spoke of "some Moldovan-Transnistrian conflict" at a demonstration related to the celebration of 15 years of the deployment of the Mixed Peacekeeping Forces (MPF) into the Security Zone. Please notice, it is not a battalion commander, who might not know the subtleties of the problem, but the acting chief speaking out. A piece of his speech and parts of the demonstration in which a number of founders of the separatist movement, including the creators of the so-called armed forces of the region Mr. S. Kitsak, V. Atamaniuk and others participated can be seen on video.

I have been directly and concretely working on this problem for 3 years already. The current atmosphere which has been created within the Security Zone and the activity of the MPF, allows me to conclude that neither the ACC, nor the MPF, (which is subordinated to it through the JMC), cannot efficiently control the situation in the Security Zone. Events such as the taking over of schools, the railway, and the port confirm this assertion.

The mechanisms created during the operation of the ACC, JMC and the subordinated MPF are old. They do not correspond to the situation and require changes. Considering the Joint Staff (JS), groups of military observers and MPF posts distributed in the security Zone are headed exclusively by the Russian Officers, it is possible to conclude that even though D. Kozak’s Memorandum was rejected, elements of the military operation guarantees it foresees are realized using selected moments in the work of the ACC and JMC. Particularly when all the decisions are taken by consensus and changing the conceptual decision of even 1993, taken in different circumstances, becomes impossible. It is not coincidental that the mass-media of the region reported: "Russia, remaining loyal to the political settlement of the Transnistrian conflict by maintaining territorial integrity of Moldova and on the basis of the development of a special reliable guaranteed status to Transnistria" "... pleads in the negotiation process for preserving the mechanisms of stability assurance in the region, including the current peacekeeping operation,...". In other words, Mr. I.

Smirnov’s political military shield (created also by the unfolding of the so-called peacekeeping operation) will continue to be operational and inefficient for the settlement of issues related to commercial structures, companies, enterprises, farmers, and common citizens and rather efficient for enabling the well-functioning of the structures subordinated to Mr. I. Smirnov.

For these reasons the Russian delegation and the delegation of the Tiraspol authorities to the ACC together with the region’s leaders vociferously celebrated the 15 years of the deployment of the JMF into the security Zone and the 17th anniversary of the region’s creation. (which you have already followed in the video clips).

How long will this shield be operational? Probably as long as the so-called "unique and very efficient peacekeeping" operation in the Transnistrian region of the Republic of Moldova will continue. It does not matter that Mr. I.Smirnov and the region that he is leading have big financial problems with the budget. I think that as has been the fact up to 2007, there will always be "good guys" ready to help him with money (financially) and "humanitarian help".

What then, is the solution for the situation within the Security Zone and the MPF’s activities there? The answer is very simple - it is necessary to change the format of the peacekeeping operation in the Transnistrian region of the Republic of Moldova. The MPF needs to be replaced with multinational forces, including civilian observers, acting under the mandate of one of the authoritative international structures such as the UN, OSCE and EU. The inefficient ACC also needs to be disbanded.

The government of the Republic of Moldova believes the military presence of one or another state will not provide the guarantee for a settlement. Rather, it is first and foremost, it is Moldova’s commitment to the European course and the establishment of democratic processes in Transnistria. It is through the European course through which the population will finally be able to realize their civil rights, receive passports, legalize property and participate in democratic elections to delegate their representatives to the national and regional government structures.
Declaring its maritime perspective and positioning itself as a maritime state, Ukraine must have sufficient maritime power. Such power is considerably determined by the combat potential of Naval Forces. However, social and economic crises, have led to the reduction of the Ukrainian military potential. This may lead to the temptation of overlooking the national interests of Ukraine in the World Oceans as well as in adjoining seas.

THE MARITIME PERSPECTIVE OF UKRAINE: A MARITIME STATE OR A STATE BY THE SEA?

Ukraine’s 2015 Strategic Defense Bulletin establishes Ukraine’s perspective as a maritime state. “The geopolitical conditions and the availability of lengthy maritime boundaries require the existence of the Navy of the Armed Forces of Ukraine, which could carry out actions directed towards the containment, localization and neutralization of armed seaside conflicts. <...> At the same time, the Navy should be ready to be used in the near-shore zone, as well as far from the shore, to act as part of multinational ship forces and to take part in international peacemaking operations”. [1]

Which were the chosen means to attain these objectives by the Ukrainian state leadership and Ministry of Defense? The "Defense White Paper" provides that for the period 2004 - 2015 "24 battle ships and small boats, whose support is not rationed at present, will be decommissioned. The Navy Aviation will also be reformed and shall be armed with only 10 aircrafts and 20 helicopters". It is intended to commission 12 new ships and boats are to be commissioned and modernize 5 ships for the Naval Force structures. [2]

The Naval Forces of Ukraine will be reorganized as it presented in Figure 1.

Major reduction of ships and boats of the Naval Forces of Ukraine is planned for 2004 - 2008, and the acquisition new ones has yet to be realized in the period 2010 - 2013 (the commissioned 2006 corvette "Ternopil" had been stayed at the Leninska Kuznya shipyard for more than 13 years). Today, under such dynamics, Ukraine has only 16 warships and no guarantee of the 12 new ships promised as reinforcement of the combat structure of the Naval Forces. From this point of view, the idea that the planned changes "... will make it possible to significantly increase the combat potential of the Navy and reduce the number of ships" [3], remains questionable.

The experience of our Black Sea neighbors shows that the majority of the region’s states which
modernize their Naval Forces, do not refuse "obsolete" weaponry. Rather, they modernize in accordance to the requirements of the existing situation. The "ship-to-ship" principle is used to exchange obsolete ships for new ones. It is clear that such an approach is used for economic expediency and the necessity to keep the combat potential of the Naval Forces at the proper level. There is no need to search very far for such examples. During 2000-2005 Russia, one of our close neighbors and "lodger" has modernized its Black Sea Fleet with new weaponry: the cruiser "Moskva", frigates "Smetliviy" and "Pytliviy"; modernization of the large anti-submarine ships "Ochakov" and "Kerch", a fast patrol boat and submarine. Within the 5 year period, one missile, a few anti-submarine and mine countermeasure ships were removed from the fleet's combat component. They were replaced by a contemporary missile ship (air-cushion missile ship "Samum") and minesweeper-ocean ("V.Picul"). Analogous approaches have been taken by our not too wealthy western neighbors, - Bulgaria and Romania. Turkey can also not permit itself the luxury of simply cutting warships without recom- mending their equal replacement to the fleet. [4]

It's a pity, that the quantity of warships and boats of the Naval Forces of Ukraine in 1997 was reduced by more than 40%; and auxiliaries were cut in half. According to the MoD 2015 prognoses, the percentage will be 60% and 75% respectively. Today in the Black Sea Region, only the Naval Forces of Georgia yield to the Naval Forces of Ukraine as to their quantity and quality indexes.

Is it the destiny of Ukraine to be "the state by the sea"? Perhaps it is not. However, the importance of the Naval Forces of Ukraine as well as the size and complexity of the economic, technological and social tasks, associated with the maintenance and construction of the Naval Forces, bring the problem of their further development to the boundaries of the MoD's interests and MoD capabilities. They require permanent state regulation based on the long-term perspective; the ships and weaponry are being created for decades by many enterprises endeavors of various industry branches.

The program should become the Naval Strategy of Ukraine; an independent part of the Military Doctrine of the state. It should be phased and guarantee the defense of Ukraine's foreign policy, and military, strategic and economic interests in the World Oceans and adjoining seas. During the first stage of the program the quantitative reduction of the Naval Forces needs to be stopped and positive tendencies towards the attainment of long-term tasks of the Naval Forces development established. At the second stage a marked increase of the Naval Forces combat capabilities, to bring them in conformity with all the tasks of the Naval Forces in peace and war times must be guaranteed.

Figure 1. The tentative terms of the Naval Forces of Ukraine structural re-organization*

<table>
<thead>
<tr>
<th>Year</th>
<th>Form</th>
<th>Disband</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Maritime aviation bde - 1</td>
<td>Coastal Defence Force comm - 1, mech bde - 2, mech regt - 1, maritime aviation group comm - 1, radar btrn - 1, NBC btrn - 1, landing ships div comm - 1, maritime aviation squadron - 1, marine hello regt - 1, CIS/radar btrn - 1, joint storage - 1, frigate - 1, corvette - 1, msl boat - 1</td>
</tr>
<tr>
<td>2005</td>
<td>Support command - 1, support bde - 1, marines bde - 1, corvette - 1</td>
<td>mech btrn - 1, coastal msl div - 1, coastal defence div - 1, support vessels div comm - 1, landing ship - 1, msl boat - 1</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>Naval college - 1, radar centre - 1, GIS centre - 1, joint storage - 1, middle recce ship - 1, artillery boat - 1</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>corvette - 1, msl boat - 1</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>Minesweeper - 2, small recce ship - 1, landing boat - 1</td>
</tr>
<tr>
<td>2009</td>
<td>Ops command - 1</td>
<td>Anti-sabotage boat - 1, landing boat - 1</td>
</tr>
<tr>
<td>2010</td>
<td>Corvette - 1, MCM vessel - 1</td>
<td>Maritime diver vessel - 1, middle landing ship - 1, anti-sabotage boat - 2</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>Minesweeper - 1, artillery boat - 1</td>
</tr>
<tr>
<td>2012</td>
<td>Corvette - 1, MCM vessel - 1, msl boat - 1</td>
<td>Minesweeper - 2</td>
</tr>
<tr>
<td>2013</td>
<td>MCM vessel - 1, msl boat - 1</td>
<td>Corvette - 1</td>
</tr>
<tr>
<td>2014</td>
<td>Corvette - 2, msl boat - 1</td>
<td>joint storage - 1, Armaments Utilization/Disposal Centre - 1</td>
</tr>
</tbody>
</table>

Notes: * - data from The Ukraine's Strategic Defense Bulletin until 2015.
WHO TO MODEL: THE RUSSIANS, THE TURKS OR ... THE BULGARIANS?

The majority of states in the Black Sea Region has passed their crisis periods and has started to construct contemporary Navies. Therefore, while constructing the Naval Forces of Ukraine it would be useful to study the experience of our neighbors in this field.

Experts of the "Nomos" Center have written about state and course of modernization of the Turkish, Russian, Bulgarian and Romanian Naval Forces. For the following reason it is our opinion, it would be reasonable to address the experience of Bulgaria while constructing and reforming the Naval Forces of Ukraine:

1. By declaring its aim to join NATO, Ukraine, willingly or not, chose the direction for the development of its Armed Forces development; the direction of "young" NATO-members - Romania and Bulgaria;
2. Like Bulgaria, Ukraine doesn't feign to be a powerful regional leader on the Black Sea the-
### Figure 3. Maritime combat component of the Bulgarian Naval Forces

<table>
<thead>
<tr>
<th>Class (type)</th>
<th>Builders, commissioned</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submarine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romeo (633)</td>
<td>USSR, 1960(1986)</td>
<td>Slava</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Frigates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corvettes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poti (204)</td>
<td>USSR, 1964-67(1975-90)</td>
<td>Letyashty, Bditele, Bezstrashni, Khrabri</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minesweepers-coastal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sonya (1265E)</td>
<td>USSR, (1981-84)</td>
<td>Briz, Shkval, Priboy, Shtorm</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minesweepers-inshore</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yeveginya (1258)</td>
<td>USSR, (1977)</td>
<td>65, 66, 67, 68</td>
</tr>
<tr>
<td>Olya (1259)</td>
<td>Varna, 1988-92</td>
<td>51 - 56</td>
</tr>
<tr>
<td>P02 (501)</td>
<td>Varna, 1960-th</td>
<td>57, 58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Landing craft</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vydra (106k)</td>
<td>USSR and Burgas 1963-69(1992-93)</td>
<td>205, 712, 703-707</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fast attack craft - missile</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tarantul II (1241.1T)</td>
<td>USSR, (1989)</td>
<td>Mulniya</td>
</tr>
<tr>
<td>Osa II (205ER)</td>
<td>USSR, 1965-70(1977-82)</td>
<td>Uragon, Grum, Svetkavitsa, Smerch</td>
</tr>
<tr>
<td>Osa II (205E)</td>
<td>1963(1972)</td>
<td>Burya, Typhoon</td>
</tr>
</tbody>
</table>

### Figure 4. The auxiliary fleet of the Bulgarian Naval Forces

<table>
<thead>
<tr>
<th>Class of vessel (boat) - numbers</th>
<th>name, class (type)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support tankers (AORL)</td>
<td>- 2 Aliya, type 102, Balchik, type 203</td>
</tr>
<tr>
<td>Salvage tug (ATS)</td>
<td>- 1 Jupiter, class Jupiter</td>
</tr>
<tr>
<td>Hydroacoustic monitoring ship (ADG/AX)</td>
<td>- 1 Kapt. 1st rank D. Dobrev, type 130</td>
</tr>
<tr>
<td>Diving tender (YDT)</td>
<td>- 1 223, type 245</td>
</tr>
<tr>
<td>Salvage ship</td>
<td>224 (ex-Proteo), class Anteo</td>
</tr>
<tr>
<td>Survey ship (AGS)</td>
<td>- 1 Adm. B. Ormanov, type 861</td>
</tr>
<tr>
<td>Coastal survey vessels (AGSC)</td>
<td>- 2 231, 331, type 612</td>
</tr>
<tr>
<td>Training ships</td>
<td>- 2 Olev Blagoev, Kaliakra (barquentine)</td>
</tr>
<tr>
<td>Firefighting vessels (YTR)</td>
<td>- 2 224, 313</td>
</tr>
<tr>
<td>Torpedo recovery vessels (YPT/YAG)</td>
<td>- 2 121, 215</td>
</tr>
<tr>
<td>Work boat</td>
<td>- 1 216</td>
</tr>
</tbody>
</table>

Patrol ships, minesweepers and auxiliaries are in Varna. The light forces of the fleet are based in Sozopol - 2 divisions of fast attack missile crafts. The units of combat and logistics maintenance of the fleet consist of a communications regiment, NBC protection battalion, rescue and intelligence detachments, ECM detachment and training center. The maritime aviation is located at Balchik airbase - there are ASW helicopters Mi-14 Haze. The naval infantry is represented by a separate battalion, and the coastal troops by 2 regiments (20 artillery and ASuS missile batteries). [5]

Combat components of the Naval Forces of Bulgaria are presented in Figures 3 and 4.

The structural division of Bulgarian Naval Forces personnel on components is presented at diagram 1.
The Bulgarian Naval Forces are being constructed in accordance with the Plan of Modernization and Arming with New Systems of Weaponry and Military Equipment 2015, which was confirmed by the Government of Bulgaria, in May, 2004. In August, 2005, at a celebration of the 126th anniversary of the Bulgarian Naval Forces, the Chief of Naval Staff rear-admiral Minko Kavaldzhiev announced the purchase of the Belgian frigate Wandelaar (Wielingen class). The Bulgarian naval flag was hoisted on frigate Drzki (the name the ship from Bulgarian Naval Forces) at the naval base Zeebrugge in October 21, 2005. It must be noted that it is not the first foreign innovation of the Bulgarian Naval Forces. In May, 2003 a ceremony of transfer of the unique Italian salvage ship Proteo (Anteo class) to the Bulgarian Naval forces took place at the La Spezia naval base. The ship has received hull number 224 from the Bulgarian Naval Forces. The reinforcement of the maritime combat component is not only being made by foreign military-technical assistance. At the Varna shipyard 4 new frigates are being built for the national Navy. According to rear-admiral Kavaldzhiev, Bulgarian Naval Forces will soon be receiving new weaponry. They have reached the agreement with the French firm EUROCOPTER to purchase 6 new ship-borne helicopters. The Naval Forces will be reinforced with new trucks, NBC protection complexes, surveillance systems of AAW and ASuSW. According to the Chief of General Staff of the Bulgarian Army, General Nikola Kolev, among eleven of the most important projects, foreseen by the Plan of Re-arming and Modernization of National Armed Forces, confirmed in 2004, is the purchase and building of small corvette-class warships. [6]

A FEW WORDS ABOUT UKRAINE

The Naval Forces of Ukraine consist of surface forces, maritime aviation, coast missile troops and naval infantry. Within the organizational composition of the Naval Forces of Ukraine are: 2 brigades of surface forces; a maritime aviation brigade (airfield Saki - 10 aircraft and 10 helicopters); a separate coast defense brigade (HQ in Simferopol) - 39 tanks; 171 APC/APVs and 66 artillery systems (caliber is more than 100 mm); and the units of direct subordination: communication, intelligence and ECM, engineering, NBC protection, logistics. The Naval forces of Ukraine are based in Sevastopol (the major naval base) and in two other naval bases - the Southern (Novoozerne, Donuzlav lake) and the Western (Odesa). [7] The maritime combat component of the Naval Forces of Ukraine is presented in the Figures 5 and 6.

The Ministry of Defense and General Staff acknowledge that only one fourth of weapons and military equipment of the Naval Forces are contemporary. However, they do consider that "The Naval Forces are equipped with new weapons and military equipment in a full volume". [8] Therefore they think that the Naval Forces of Ukraine are capable of fulfilling their foreign policy obligation to protecting military, strategic and economic interests of Ukraine in the world oceans and adjoining seas.

SOME COMPARISONS AND PARALLELS

We recommend using the Bulgarian Naval Forces to compare and evaluate the stage of organizational and technical preparedness of the Naval Forces of Ukraine as well as how the naval structure is balanced. The correlation of combat ships and boats of the Bulgarian Naval Forces and Naval Forces of Ukraine is presented at the Diagram 2.

An evaluating the percentage of the main quantity indexes as to the general quantity of the maritime combat component of the Bulgarian and Ukrainian
### Figure 5. Maritime combat components of the Naval Forces of Ukraine

<table>
<thead>
<tr>
<th>Class (type)</th>
<th>Builders, commissioned</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submarine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foxtrot (641)</td>
<td>1970/1988</td>
<td>Zaporizhzhia (is being deleted)</td>
</tr>
<tr>
<td><strong>Frigates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Krivak III (1135.1)</td>
<td>1993</td>
<td>Hetman Sagaidachny</td>
</tr>
<tr>
<td><strong>Corvettes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grisha-M (1124M)</td>
<td>1994,2006</td>
<td>Lutsk, Ternopil</td>
</tr>
<tr>
<td>Grisha-P (1124P)</td>
<td>1975-76*/1994</td>
<td>Vinnitsa</td>
</tr>
<tr>
<td>Tarantul II (1241.1)</td>
<td>1982, 1983/1997</td>
<td>Pridneprovsk, Kremenchuk</td>
</tr>
<tr>
<td>Tarantul III (1241.2)</td>
<td>1985/1997</td>
<td>Khmelintskskiy, Uzgorod</td>
</tr>
<tr>
<td><strong>Minesweepers-ocean</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natya I (266M)</td>
<td>1974,1977/1997</td>
<td>Chernigiv, Cherkasy</td>
</tr>
<tr>
<td><strong>Minesweepers-coastal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sonya (1265)</td>
<td>1979/1997</td>
<td>Melitopol</td>
</tr>
<tr>
<td><strong>Minesweepers-inshore</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yevgenia (1258)</td>
<td>1985/1997</td>
<td>Genichesk</td>
</tr>
<tr>
<td><strong>Landing ships</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ropusha (775)</td>
<td>1978/1996</td>
<td>Konstantin Olshanskiy</td>
</tr>
<tr>
<td>Polnochny C (773.1)</td>
<td>1971/1997</td>
<td>Kirovograd</td>
</tr>
<tr>
<td>Pomornik (1232.2)</td>
<td>1993</td>
<td>Donetsk</td>
</tr>
<tr>
<td><strong>Fast attack craft - missile</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matka (206MR)</td>
<td>1979,1980/1997</td>
<td>Priluki, Kahovka</td>
</tr>
<tr>
<td><strong>Patrol boats</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhuk (1400M)</td>
<td>1981/1997</td>
<td>Skadovsk</td>
</tr>
<tr>
<td>Mukha (1145)</td>
<td>1981/1997</td>
<td>Theodosiya, Gola Pristan</td>
</tr>
<tr>
<td>376</td>
<td></td>
<td>AK-01, AK-02</td>
</tr>
<tr>
<td><strong>Landing boats</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ondatra (1176)</td>
<td>1980th/1993-97</td>
<td>Svatove</td>
</tr>
<tr>
<td>T-4 (1785)</td>
<td>1969/1993</td>
<td>Briyanka</td>
</tr>
</tbody>
</table>

### Figure 6. The auxiliary fleet of the Naval Forces of Ukraine

<table>
<thead>
<tr>
<th>Class of vessel (boat) - numbers</th>
<th>Name, class (type)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Command and control ships</strong></td>
<td></td>
</tr>
<tr>
<td>- 2</td>
<td>Donbas, type 304/II, Slavutich, type 1288.4,</td>
</tr>
<tr>
<td><strong>Diving and intelligence vessel (AGIM)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Pereyaslav, type 18246,</td>
</tr>
<tr>
<td><strong>Support tanker (AOL)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Makilvka, type 1559B,</td>
</tr>
<tr>
<td><strong>Water tankers (AWT)</strong></td>
<td></td>
</tr>
<tr>
<td>- 3</td>
<td>Sudak, type 561, Fastiv, Bakhmach, type 1844,</td>
</tr>
<tr>
<td><strong>Salvage tugs (ATS)</strong></td>
<td></td>
</tr>
<tr>
<td>- 2</td>
<td>Kremenets, type 563, Iziaslav type 733C,</td>
</tr>
<tr>
<td><strong>Ocean tugs (ATA)</strong></td>
<td></td>
</tr>
<tr>
<td>- 2</td>
<td>Korets, Kovel type 745,</td>
</tr>
<tr>
<td><strong>Coastal tugs (YTM)</strong></td>
<td></td>
</tr>
<tr>
<td>- 2</td>
<td>Dubno, Krasnoperekopsk, type 498,</td>
</tr>
<tr>
<td><strong>Degaussing ship (YDG)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Balta, type 130,</td>
</tr>
<tr>
<td><strong>Hydroacoustic monitoring ship (AGS)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Severodonetsk, type 1806.1,</td>
</tr>
<tr>
<td><strong>Diving tenders (YDT)</strong></td>
<td></td>
</tr>
<tr>
<td>- 3</td>
<td>Alchevsk, type 522, Netishin, Vilnohirsk, type 535,</td>
</tr>
<tr>
<td><strong>Coastal survey vessels (AGSC)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Tokmak, Romny, type 376,</td>
</tr>
<tr>
<td><strong>Firefighting vessels (YTR)</strong></td>
<td></td>
</tr>
<tr>
<td>- 2</td>
<td>Borsiv, Eupatoria, type 364,</td>
</tr>
<tr>
<td><strong>Torpedo recovery vessel (YPT/YAG)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Kherson, type 1388,</td>
</tr>
<tr>
<td><strong>Tender (YTD)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Skvira, type 1896,</td>
</tr>
<tr>
<td><strong>Hospital boat (AHH)</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Sokal, type SK-620P,</td>
</tr>
<tr>
<td><strong>Communication boat</strong></td>
<td></td>
</tr>
<tr>
<td>- 1</td>
<td>Shulyavka, type 1387,</td>
</tr>
<tr>
<td><strong>Training ship and boats</strong></td>
<td></td>
</tr>
<tr>
<td>- 4</td>
<td>Simferopol, type 861M, Nova Kahovka, Chigirin, Smila, Dobropillya, type SK-620P,</td>
</tr>
<tr>
<td><strong>Work boats</strong></td>
<td></td>
</tr>
<tr>
<td>- 7</td>
<td>Migrorod, RK-5, RK-936, RK-1036, RK-1930, RK-1931, RK-1932, type 376,</td>
</tr>
</tbody>
</table>
Naval Forces (Diagram 3), exposes a misbalance of the auxiliary fleet in the structure of the Naval Forces of Ukraine. In the Bulgarian Naval Forces the correlation between the quantity of combat ships and boats and auxiliaries is 3 to 1; in the Naval Forces of Ukraine it is less than 50/50.

Such disproportion is typical for the navies of post-Soviet states e.g. in the Russian Black Sea Fleet the auxiliary fleet is four times greater (!) than the combat component. This correlation is conditioned by the principle difference between the approaches of planned and market economies to fleet maintenance and organization. Under the prioritized, practically unlimited financing of the Armed Forces in the USSR, it was considered that the Navy - even in times of peace - should have a fully autonomous maintenance complex which would supply the Navy at sea and in the bases without civil institutions. As a result, the Navy becomes a fully self-sufficient system at the theater. However, owing to the auxiliary fleet, the number of personnel is increases sharply, as do the expenditures related to shipbuilding and Navy maintenance. [9]

As a rule, the navies of foreign states, particularly the navies of "small" countries are being created according to another principle: war vessels are built which have no counterpart in civil organizations (e.g. submarine salvage vessels), or vessels which will fulfill the tasks of direct logistic support in the ship task group. The tasks of all-round naval force maintenance in the bases and roadsteads are laid on civil shipping companies and port services for the appropriate payment.

The Ministry of Defense of Ukraine recognizes that the current maintenance system of the Armed Forces of Ukraine is based on principles from the 1950s and 1960s. It doesn't take into account the cardinal changes which have taken place in the state economy and is fully non-effective.[10] However, the attempts in the Ukrainian Army to create a contemporary logistics system for two - three years, do not take the needs of cardinal revision of its maritime component into consideration. The transition to the up-to-date forms of port and roadstead maintenance of the Navy will allow for the reduction of auxiliary fleet personnel by two to three times. The released money will be directed to its combat component development.

It is necessary to acknowledge, that the political leadership of Ukraine undertakes to create optimal conditions for the state Naval Forces. According to the concept of construction and development of the Naval Forces, corvettes should be the main class of ships, "intended to guard water area and to fight against submarines". The new weapons, which are to be installed on perspective frigates and small ships, will be mastered aboard corvette.

To determine if such a decision is correct, we would like to draw the reader's attention to the correlation between multifunctional strike and specialized ships (MCM, landing, patrol etc.) in a fleet's combat component. In navies belonging to Western states the combat core - multifunctional missile and artillery ships (in a common security system the "specialization" of each state's navy is taken into consideration).

Up to the mid 1980s the Bulgarian Naval Forces were constructed on the Soviet model as a security element of the Warsaw Pact Organization on the Soviet model. The ship component of Ukraine's Naval Forces however, reflects the agreement reached during the division of the Soviet Black Sea Fleet. At first glance, the maritime combat components of both Naval Forces appear harmonized (Diagram 1). However, there is an essential draw-
back; the majority of universal ships of far and nearest maritime zones does not correspond to this classification because of their weaponry. "Corvettes" 204, 1159, 1241.1 types (Bulgarian Naval Forces) and 1124M, 1241.2 (Naval Forces of Ukraine) are small anti-submarine ships of Soviet production; they have no strike missile complexes. The narrowing of the sphere of their usage precludes a considerable number of tasks assigned the ships of this class. Further, the tactical characteristics of Frigate Hetman Sagaydachniy - the flagship of the Naval Forces of Ukraine - do not correspond to her class. In fact the ship is a modification of frigate (FFG) type 1135 without the strike missile complex (the basic type has SSM: SS-N-25 Zvezda (KH-35 Uran), A/S: SS-N-14 Silex (Raduga)) and the ship is intended for Maritime Border Guards (Krivak III class).

The Naval Forces of both Ukraine and Bulgaria are oriented to anti-submarine defense, while the majority of the Black Sea countries have a limited quantity of submarines. The Bulgarians, understanding this "distortion", try to balance the maritime combat component to the side of strike ships with AAW function. This balancing is exemplified by the purchase of the Belgian frigate Wielingen. Nonetheless, it is not clear why the focus remains on anti-submarine ships. Within the coming 5 - 10 years the Ukrainian industry may give the Naval Forces only two small anti-submarine ships, which were laid at the beginning of 90th Socol (Mukha) class (Lugansk and Lviv, which are being built at Theodosiya industrial enterprise More) and, probably one more Albatros (Grisha), the sister-ship of corvette Ternopil, built at Leninska kuznya shipyard.

The ex-Commander-in-Chief of the Naval Forces of Ukraine vice-admiral Igor Knyaz recognizes that the ships from the shipbuilding program of the former USSR "are obsolete physically and morally". "Some ships may be used in the Naval Forces of Ukraine, some probably not."

**WHAT IS TO BE DONE?**

In the specialists' opinion, the creation of a balanced structure of the Naval Forces of Ukraine is possible only under conditions of a Navy core construction from small and medium size multi-functional ships and boats (displacement up to 1000-1200 tons). However, specialists assert that without the additional financing, only 2 or 3 ships of Soviet type have a chance to reinforce the Naval Forces of Ukraine. If, as is foreseen by the project of National military shipbuilding program 2017, the financing of shipbuilding increases up to 40 million UAH per annum, in the coming 12 years, it would be possible to build approximately 3 corvettes type 20382 or 2 corvettes MEKO-100A class.

A possible solution to the current situation may be the construction of new ships with simultaneous modernization in accordance with contemporary requirements of the combat ready core of the Naval Forces. For example, let us scrutinize the modernization the Russian Black Sea Fleet frigate "Smetliviy" with the contemporary missile weaponry installation. At the start of the decade the 61M type ship (built in 1969) was modernized under project 01090. After the installation of SSM Uran (anti-ship missiles Kh-35) in configuration 2x4, Smetliviy now satisfies the requirements of frigate-class. Another example - Indian corvettes types 25, 25A, 1234E, built on the basis of the Soviet small anti-submarine ships, have been supplied with SSM P-20. [11]

Considering financing, purchase and fluctuating repair of ship components under the conditions of modernization of one ship per year until 2015, Ukraine will be able to build or purchase approximately 1 - 2 corvettes and 5 - 10 combat boats. Faced with the choice of acquiring new but needless antisubmarine ships from national shipyards and the possibility of purchasing a "second hand" foreign fast patrol boat or corvette, a considerable part of experts consider it is necessary to choose the latter variant.

Financing national military shipbuilding is a key problem, but not the only one. The lack of precise political decision regarding the type of weapons systems it should choose while building new ships and modernizing the existing ones is a matter of import. It is possible to paraphrase this problem by asking "where should we look, to the West or to the East?" On the one hand, the political leadership of the state has declared Ukraine's Euro-Atlantic perspective. On the other, Ukraine's military-industrial complex is still closely connected with the Russian one i.e. the failure of Hayduk-21 corvette type, which was projected under the Russian weaponry. From all the published data (the scientific and research began in 2006) on the perspectives of the
Ukrainian corvette-class combat ship, it is not clear which weaponry system it will be used. Today, the majority of national shipbuilding specialists share the opinion that it is necessary to take Western systems, which in some parameters, are better than the Russian ones: more compact, power efficient, more protected against radio-jamming.

Whereas, a political decision is necessary, there is a third way. Ukraine does not produce ASuS ship missile complexes. However, the original decision was offered by the specialists of DKB Pivdenne. Scrutinizing one of the directions of creation ships with high AAW/AMW potential, they suggest to use AAW missile P-27, produced by DAHK Artem, as ASuS ones. They believe the sufficient war-head mass and supersonic speed of the missile offer a possibility to defeat small size surface targets. On the basis of Ukrainian scientific and technical potential this option would permit minimal expenditures and short terms on to create the samples of the national universal naval weapons. [12]

The Corvette is an essential necessity. It is necessary to have 1 - 2 frigate-class ships in the maritime combat component of the Naval Forces of Ukraine. Considering distant perspectives, Ukraine's possible NATO membership, participation in multinational forces outside the Black Sea Region, it also makes sense to address the question of future submarine forces in the Naval Forces of Ukraine (2 - 3 submarines). According to the parameter "value - efficiency" the submarines are absolute leaders among combat ships. It is possible to examine a few variants of providing the Naval Forces of Ukraine with submarines. They may be transferred from the NATO states or may be bought for a symbolic price. Also an option is building national projects.

Of great import is the creation of a task force (group) for "distant activities". This must be the end-step in the Naval Forces of Ukraine building, its so-called crown. All the mentioned activities would be prolonged after that moment, when the Naval Forces of Ukraine were ready to fulfill more essential tasks in the near maritime zone.

In summary we would like to state that Ukraine, positioning itself as a maritime state, must conduct the reformation of its Naval Forces seriously and in high-speed tempo. It must be a priority and supersede the Army and Air Force, if not for the facts that the Naval Forces are the most expensive branch of the Armed Forces, and a full cycle of building a medium-class ship takes up to 5 - 10 years. In the Black Sea even Bulgaria, the population of which is equal to Kyiv and Kharkiv taken together, has Naval Forces, with better combat capabilities than the Naval Forces of Ukraine. However, taking our neighbors' experience into account and the state's rational approach to form a national Navy, the prospects for Ukraine's Naval Forces are not so gloomy.

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Current trends in international affairs and the U.S. policy

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My job is to start the discussion about the applications of the current trends in world affairs to US policy. Perhaps we should start with the end of the Cold War. What is most remarkable about the end of the Cold War, besides the fact that it was a peaceful ending, was that it left a situation which was unprecedented in world history; of one power which was much greater than all the rest. Traditionally, in world politics we usually think of balances of powers: when there is one power that is strong, other powers team up against it to prevent it from becoming too strong. During the entire period of the Cold War we used to talk about bipolarity of the U.S. and the Soviet Union as a balancing power. Before World War 2 we used to think of multi-polar balance of power: five major powers. That was also the pattern of 19th Century Europe. Traditionally in world politics there has been a balancing of power. Now for about the last half century we had a bi-polar balance. However, with the end of the Cold War, one of the balancers, the Soviet Union vanished.

With the end of the Soviet Union ends a time when we have the American superpower and no balancer. The whole concept of superpower was a term developed after the 2nd World War. Unlike the period before WWII when we had many balancing powers, at the end of WWII just two countries remained much larger than the rest: the U.S. and the Soviet Union. They were given the name superpower. At the end of the Cold War one of the superpowers implodes, leaving a very strange world, in which you have only one superpower.

That type of world is something we are still trying to come to terms with in American policy and the rest of the world as well. It is worth remembering that we often find it hard to understand where the U.S. is in terms of power. For example, if you think back 15 years ago, the conventional wisdom about American power was that the U.S. was in decline. America was finished. There was a number of bestselling books that talked about the rise and fall of great powers, and that the U.S. is going away like Phillip the Second's Spain or Victoria's Britain. It was finished. Quite obviously that new conventional wisdom that was widely believed in 1990 turned out to be wrong. The new conventional wisdom at the end of the Cold War is that it is a unipolar world with one superpower. That can go on for a long time.

An American columnist Charles Krauthammer, who writes for the Washington Post and Time magazine, coined a phrase in 2001 which he called the new unilateralism. He said is that because the U.S. was so powerful and there was no one to balance American power, the Americans should decide what they thought was right and just do it; others would have no choice but to follow. The phrase new unilateralism was quite popular in the first term of the current Bush Administration.
One of the problems is that if we are not very good at predicting American power, and if 15 years ago we got the predictions totally wrong, then what should we be predicting now for 15 years into the future? Are we so sure that the U.S. will remain the world's only superpower? What should that mean for American policy? These are the questions we are wrestling with at this time. If you take the view of the U.S. as the only superpower, there are some who say this prediction of decline is going to come true.

At the World Economic Forum in Davos, there was a discussion about the so-called power shifts. There were some people who said that one of the great power shifts that occurring now is that we start seeing the end of the American superpower. There are even some who argue that Iraq war was to the U.S. as the Anglo Boer War was to Edwardian England. A war which, in the end Britain won, but turned out to be the forerunner of the decline that followed.

Let's step back and look at the pros and cons of the assessment of the American power today. If you think of power, it is the ability to get the outcomes you want. It is a simple way of defining it. You can do that in three major ways: by threatening people militarily using the hard power; to do it by inducing people, with payments (aid, bribe, economic power etc.) economic power; and you can do it by attracting people so they want the outcomes you want get the outcomes you want i.e. soft power.

If we look at each of those three dimensions - military, economic and soft power - let's see where the U.S. stands. It seems to me that in terms of military power the U.S. is the world's only superpower. This is likely to remain that way for quite some time to come. If you look at the expenditures in military affairs, U.S. military budget is about half of the world total. When you are half of the world total, it is hard for other countries to put together a balance of power, which could balance you. You would have to have everybody to agree to be in the Alliance against the U.S. to get anything near a balance. That is rather unlikely. So based just on military expenditures and capacities, the Americans do look like a single military power.

It's not just expenditures that matter in terms of military power. It's what you get for your investment. What you get for your investment depends - for an important part - upon the application of technology. The so called revolution in military affairs which began couple decades ago applies new information technologies to traditional military expenditures. Is generally argued to be an area in which the U.S. remains well ahead. Other countries can develop some of these technologies themselves, they can steal it, and they can get some of the capacity. However, there is a difference between having some of the technology and having the whole system of systems. In that integration of the technology in a system of systems it is generally agreed that the Americans are well ahead and are likely to stay there. This is based primarily on the fact that in the American economy the information revolution has been in the forefront. The American economy is the one which was most adept in responding to what is sometimes called the so-called third industrial revolution. It was the application of computing and information into the economy. That begins to take off at the end of the 20th century and has been led, for the large part by the United States.

Indeed, you can argue that indeed it was of the reasons that we had a collapse of the Soviet Union was not the particular actions of Ronald Reagan or Mikhail Gorbachev or something. The underlying reason was that the Soviet centralized economic planning system was unable to adapt to the third industrial revolution. It was very good in dealing with the second industrial revolution. It was very good in dealing with the second industrial revolution: creating steel factories, big electric plants, other
planning economy's projects. Yet, the third industrial revolution relies on such short product lifetimes (sometimes 3 months, 6 months to a year), that if you wait for a planning system to do it, by the time they have get permission from Moscow back to the factory and then back to Moscow, the product line becomes obsolete. In that sense people say the difference is that the central planning system which helped the Soviet Union so much in recovery after World War 2, (in that period of growth the Soviet Union had in the 1950s) was good for then, but very bad for later. The Soviet inability to adapt is the basic cause of its decline, as some people said: the central planning system is all thumbs and no fingers.

In that sense, if one looks at the military power of the U.S. its likely that it is so strong not simply because of a large expenditure, this huge defense budget, but also because it rests on economy which has been in the forefront of the information revolution which is thereby based on the technology which is applied for the revolution of military affairs. In the 1950s and 60s we used to say that economic progress comes from the spin off from defense expenditures. The Pentagon has its large projects that feed the American economy. Nowadays it is often quite the opposite: not a spin of but spin on. It is the creativity of the private sector which helps in the military.

So if you look at the American military power today, it's to to see any country with the capacity to match the U.S. in military power. However, it is worth noticing that military power has its limitations. Americans have a tremendous capacity for power projection. No other country in the world can project power as far away from its homeland as the U.S. Yet, there is a great difference between projecting power in the so called open spaces (space, air, sea etc.), and actually projecting power so that you can occupy and maintain occupation in a foreign country. Americans are finding out now that they have that superb military machine for winning wars but not for winning peace. If you look at Iraq, the interesting thing is that in 3.5 weeks Americans won the war but in 3.5 years they were not able to win peace. Partly that is because military power is much more difficult to apply when you have to deal with the nationalistic population and in the post-colonial era. Therefore, the Americans have a predominant military power and it is likely to be particularly useful in the global commons but not so useful in the local neighborhoods.

If you turn to the second dimension of power, economic power, there I think the U.S. also has a preponderant position. And it's likely to remain so for sometime in a sense that the U.S. economy is equal to the next three economies combined. With all of its problems, the American economy remains quite a dynamic economy. People will be look at those problems and say: how can you be optimistic about the American economy when its current account deficit is as high as it is? When China holds a trillion dollars of American reserves, if China were to drop or cash in these reserves, they could bring the Americans to their knees.

In analyzing interdependent economic power, you have to look at the symmetry and interdependence. In these terms, U.S. and China are quite symmetrical. Some people, like Larry Summers the president here at Harvard call it a financial balance of terror. If China were to drop or change all its dollars to other currencies, it could bring the U.S. to its knees but it would also bring itself to its ankles. So it will also terrible to China. The major problem that China faces is the problem of modernization, change and hope. In China you have 450 million people who have risen out of poverty but there is another 450 million left behind. You have a lot of state-owned enterprises which are to be closed to get more dynamism and build modern economy. However, then you have these unemployed people, a large floating population sometimes estimated at 100-150 million people who are wandering from city to city without a permanent base. This is a prospect of instability. So the Chinese figure they need exports to American markets to be able to provide these jobs which provide political stability and hope. The last thing they want to do is drop their dollars and create a problem for the American economy which puts up tariffs against Chinese goods which in turn creates political instability inside China. That is what Summers means when he talks about a balance of financial terror. If we have balance and there is symmetry and economic interdependence there is not much power. If you depend on me, and I don't depend on you then I have an economic power.

If we look at the American economy I think it is a lot better that what many experts predict e.g. in terms of Chinese holdings of US dollars. The most important thing is a greater role of productivity. If you have a high rate of growth of productivity then you will be able to grow for the future, which will allow you to grow out of the current problems we have now.

For the large part the American fiscal deficit and trade deficit are the result of domestic policies. It is essentially because the government spends more than it
takes in which leads to these deficits. That's curable if you have a high rate of growth of productivity. The information revolution I referred to earlier, has created proper base for American productivity growth. So while other countries will grow in their economic strength, I think that U.S. is still a more powerful economic power that any other country and it will remain so.

What about the soft power? I define it as an ability to get what you want through attraction rather than coercion or payment. Soft power stems from a country's culture, its values, and its policies - when these attract others. Traditionally, the U.S. has been very strong in soft power. In fact, if you look back to the period of the Cold War, you could argue that that Cold War was not won by American hard power alone. It was won by a combination of hard and soft power. Hard power balanced Soviet military power, but it was soft power i.e. the attractiveness of culture and ideas behind the Iron Curtain that got away the belief in communism at home. Therefore when Berlin wall finally collapsed, it collapsed not under the barrage of artillery, but from hammers and bulldozers yielded by people whose ideas have changed. That is an example of successful soft power.

In recent years, the Americans have probably less soft power that they had in the past. There has been a considerable decline in soft power measured by public opinion polls. A large part of this has to do with Iraq war. Some of this started even before the Iraq war as a result of new unilateralism. Also we have to mention the Kyoto approach, to the fact that Americans became less popular in the world etc. It is interesting to see that America looses about thirty points of its attractiveness on average in all the European countries. It is even worst in the Muslim countries. In Indonesia, the largest Muslim country, U.S. attractiveness level fell from about 20% in 2000 to less than 15% after May 2003 when Iraq occupation started.

So if you look at these measurements, you can say that it has been a decline in American soft power, i.e. the ability to make others do what you want them to do through attraction. When you become so unpopular in other countries it creates problems for foreign policy which becomes more costly. For example, in 2003 the President of Mexico said he wanted to help George Bush to win the Second UN Security Council Resolution on Iraq but by that time the U.S. was so unpopular inside the Mexican Parliament that their President could not support Bush. So actually Mexico was against the U.S. at voting for the Second UN Security Council Resolution on Iraq. That is exactly an example of how the decline in the soft power has an effect and costly consequences.

Is that a permanent decline? We don't know. There have been periods in the past where the U.S. was very unpopular, e.g. in times of the Vietnam War, but, within a decade, it renewed our attractiveness. We don't know when the Iraq War will be over, whether after that America will gain some degree of its attractiveness, or will it be a permanent damage done to American attractiveness.

In any case, look at these three dimensions of power. In military power, America seems preponderant and will remain for some time. In economic power, America is also likely to remain preponderant. In soft power, since it has declined, the U.S. may go higher or stay where it is.

If one looks back at historical examples, one can ask: what is the chance that other countries will form a balance against American power? Many realists (William Pristol, Robert Keagan) say it is the law of nature that a balancing coalition will form. The argument is that China would be the central balancer. It is growing in an extraordinary way, e.g. at 11% of economic growth this year. Robert Keagan writes that in the 21st century China will have the same role as Germany played in the 20th century.

The trouble of this analogy is that in the 20th century Germany had already passed Britain in overall industrial strength by the 1900s. That is not the case with China and the US today. China's economy now is about 1/8 of the size of the U.S. economy. If China continues to grow at a rate it grows now, and the U.S. grows at a rate America grows now, it's possible that the Chinese economy will be equal in size of the American economy by 2030-40. But even if this happens, there is still a problem with per capita income. The Chinese will not meet the per capita income until the end of the century. So, unlike the German analogy, China is quite long way from passing the U.S. In that sense, we have also to remember that China faces a number of problems. For example, China has not resolved the problem of political participation. In contrast with China, the neighboring India has a democratic constitution; there is a mechanism for participation of these increased middle classes in companies' growths. However, the case of China become larger than the U.S. and a core balancer of the U.S. is questionable as well as rather exaggerated by some of the current forecasters.

The other candidate for balancing the U.S. would be the EU. If you look at the EU, there is an entity which has
the population larger than the U.S., has an economy equivalent to the size U.S. has technological and military sophistication. So in that sense it could become a balancer but there are two questions that one has to ask. Are the European publics are willing to come together to form a larger entity which has single defense and foreign policy? There is of course a single defense and foreign policy but it is pretty loose in terms of pulling together. So there is question of how much Europe will become one entity for using its power. The other question is: do European publics want to spend 4-5% of their GNP on defense and military affairs? Most probably an opinion poll show ‘no’. Yet, only spending 4-5% for defense could make the EU equal to the U.S. in military terms. So the chance that Europeans will be the balancer of American power I think also seems to relatively slight.

If you look behind that, people sometimes mention India. But India is behind China. It is not likely to catch up to the US for at least 20-30 years from now. One can then turn to coalitions. What about Russia, China, India together? To some extent that already happens. It is the so called soft balancing. If these three countries are sometimes annoyed with the U.S. (and the US can sometimes be very annoying), they will sometimes coordinate their diplomacy in the UN Security Council. However, if one talks about a serious balance of power with coordinated military planning etc., it's pretty unlikely. China, India, Russia each have great suspicions of each other. Russia looks at China, and China looks at Siberia, and that's the question what's the future of Siberia. If you look at India and China, Indians are (on the surface) friendly-oriented toward China. However India has a great deal of concern about the rise of Chinese power. So, this India-Russia-China coalition, seems to me, will occur for diplomatic purposes from time to time but is unlikely to serve as a balancer of American power.

If that's true, what I have said so far, does that mean that the U.S. is the sole superpower and a new conventional wisdom as expressed by Krauthammer is correct? I would say ‘no’. I think that new challenges to the U.S. will come from a different direction. It will come from the effects of the information revolution and globalization. What has happened in the later part of the 20th century, the information revolution not only undercut the Soviet Union while boosting the U.S., it also empowered non-state actors. Think of the following: from 1970 to the year 2000, the costs of computing and communications were down a thousand times (!). When something drops as dramatically as that it has quite dramatic effects. For example, if the costs of an automobile had gone down as rapidly as the costs of computing and communications, you could buy a car today for $5. When the price of the technology drops so dramatically, the barriers to entry go down giving entry to anybody who was previously priced out of the market can now play the game.

I'll give an example. In 1970, if you wanted to have instantaneous global communication between, let's say, Bucharest, South Africa, London and New York, you could do it, but it was very expensive. The difference is today anybody can has that capacity just entering an internet-cafe. 'Two weeks back in London, I saw a sign 'Internet cafe - one pound one hour'. It is about two dollars! It means that the previously restricted capacity for only limited amount of major players is now free.

Or another example: in 1970s only U.S. and the Soviet Union had the capacity to take one-meter resolution pictures of the Earth with reconnaissance and intelligence satellites which cost billions and billions of dollars to obtain. Today anybody can go on the internet and get even better photograph with half-meter resolution for pennies. So capacities previously restricted basically to governments only are now available to non-state actors. This doesn't mean that governments have been surpassed by non-state actors but it does mean that the stage has become more crowded.

Today, non-state actors can have serious impact. Some of them are benign such as Oxfam and Greenpeace, others malign such as Al Qaida. It is which a non-governmental organization with cells in 50-60 different countries. It's worth noticing on September 11th a non-governmental organization killed more Americans that the government of Japan did at Pearl Harbor in 1941. That's different, that's a new dimension of politics. Today, non-state actors have capacities that were previously reserved to governments. They can bring more damage; that's new in world politics. We have had terrorism and non-state actors long before but the capacity of this kind with a new role has been greatly enhanced by the information revolution and globalization.

What this means is when we are trying to assess U.S. policy and how we should use our power, we have to be more realistic then we have been over the last half-dozen years or so. To day that the U.S. is an unprecedented power and it can do whatever it wants, is to make a big mistake. Power depends on context, it is a relationship. For example, if one country has five
thousand battle tanks and this country has ten battle tanks and that type of tank is 500 times stronger than the other, the outcome will still depend on the context, i.e. whether this battle takes place in a desert or in a swamp. So you have to specify the context of power before you know what you are talking about with power. Many people measure only resources saying that this proves how powerful this or another side is, but they are not specifying the context.

What's interesting about world politics today is that three quite different contexts in which power is distributed very differently, and that has implications in policy. I use the analogy of the three-dimensional chess game, in which you play not only horizontally but vertically at the same time. On the top board of military relations among the states the world stays unipolar for reasons I said earlier. Americans are likely to remain the world's only military super power for quite some time to come. On the middle board of economic relations among the states, the world is already multipolar. This is an area where the EU acts as an entity. The Commission of the EU can make economic decisions for the whole group. China is becoming an increasing power, Japan as well. So if the U.S. wants to trade or an antitrust it has to get an agreement from these other countries.

The situation is unipolar on the top board context and multipolar on the middle board. If we go to the bottom board of that three-dimensional chess game, the board of transnational relations (cross-border relations outside of government) you'll find that the power is chaotically distributed. No one is in charge. If you think about such things like spread of pandemics or Asian flue, or international crime, transnational terrorism, global climate change, these transnational movements are not controlled by anybody. In that sense to talk about this bottom board as under American hegemony is nonsense. The only way Americans can do anything in this area is by cooperating with other governments. It is interesting that most of the biggest threats we face today come from this bottom board of international relations, not form the top board or the middle board of this three-dimensional chess game.

That has an important implication for policy. It means that as you look at the American policy you have to find how you get help from others to deal with this new set of threats. The views which were popular with the first term of the Bush administration have already changed somewhat with the second administration. There is a greater realization in the second term that we are going to need more cooperation from others if we are to accomplish what we want. We are already beginning to see those changes in the American policy for the more cooperative and multilateral functioning and I suspect that will be more true after the 2008 election whether it is won by a Democrat or a Republicans. I believe this trend, this pendulum, is essentially swinging back the reason I think that is based upon what I call the fundamental paradox of American power.

The paradox of American power is that the strongest country the world has seen since the days of the Roman Empire, compared to other countries, is unable to protect its own citizens acting alone. On one measure of power we are a unipolarity that will remain for sometime. However the challenges that will come from this bottom chessboard of transnational actors where we can't deal without the help of others. We are beginning to realize that our policies are going to have to adjust. They need to be more cooperative, and to build institutions and relations with others to able to effectively deal with those challenges. This is what I mean when I talk about the structure or power and its implications for American policy.

Soft power is the ability to attract. A lot of soft power is produced by civil society. That is a great source of soft power, but the government cannot control it. Simply, most people have more contact with American culture and society not American government. What the government can control is public diplomacy. We spend about 1.5 billion on public diplomacy. There is however, a limit to public diplomacy which you have to realize. The more it is propaganda, the more it is selling our message, the less credible it is. The more you spend on propaganda with a congressional mandate to get our message out, the less valuable it is. It is the off message things that increase your credibility.

The government cannot control soft power completely. When it does have programs to use soft power it has to be awfully careful with how it does it. Governments do have control over policy. The extent to which policies are seen as legitimate in the eyes of others the more likely they are to build up attraction. There are things a government can do in a strategy but we are not very well organized to do that.

So when you say can your government have a strategy on soft power, the answer is "yes, but with difficulty, but not if you have not even organized yourself to ask the question."
Since antiquity, the Black Sea Region (henceforth BSR) has united its littoral States and served as a crossroad; it forms an invaluable cultural, political and economic sea-triangle connecting the nations of the West, Greater Middle East and Eurasia. The dissolution of the Soviet Union and the enlargement processes of the North Atlantic Treaty Organization and the European Union have connected the West to the BSR in an unprecedented manner. The accession of Romania and Bulgaria to the European Union has brought the Black Sea into the European Union's very own backyard. International security interests and concerns are coming to a focal point at the Black Sea, and it has been identified as the new front line for combating threats to international security, the core of which are caused by corruption and transnational crime. [1]

The purpose of this article is to present the Newly Independent States in the Black Sea Region as a security complex where international organized crime is a security threat with a specific character. In order to do so, its relation to frozen conflicts within the Newly Independent States in the Black Sea Region and international energy politics will be considered. In the final section, international regional mechanisms are presented which identify organized crime and corruption as a security threat impeding the democratic proliferation within their territories.

The post-communist inheritance

The Black Sea Region is no stranger to the political criminal nexus nor to organized, transnational crime and corruption (henceforth, transnational crime). Following the collapse of the Soviet Empire, states in the BSR inherited political and social networks and emerged with a common "legacy of a lack of respect for the rule of law, absence of civil society, a large criminal underworld and shadow economy, endemic corruption and a demoralized law enforcement and legal apparatus. This legacy established the necessary preconditions for the development of a serious and sophisticated organized crime problem." [2] Whereas some States have broken free from the former communist or Supreme Soviet grip and have successfully entered the Euro-Atlantic integration process, Moscow's influence on the strategic territories of its former empire should not be underestimated.

It is generally accepted that improved security conditions often precede stronger economic and, in turn, social ones. However, as Russia and the West look for a stronger hold on the BSR, it appears that neither side is sure which policies to create in this regard nor how far they are willing to have their policies take them. [3] In fact, combating transnational crime may even contradict existing state policies.

Importantly, parts of the former Soviet nomenklatura have been linked to separatism and transnational crime in the BSR. [4] Clearly, the absence of the...
rule of law within a number of BSR States is a conduit for terrorism and illegal trafficking, albeit the trafficking of humans, arms, narcotics or butter and chickens. These "soft security" issues threaten the stability and democratic development of the BSR. They affect the territorial integrity of its states as well as the security and economic stability of the region and beyond.

**Separatism, imperialism and transnational crime**

The ancient Greek name for the Black Sea, Pontos Axeninos, means ‘dark or somber sea’. Nomen est omen; today, the naturally beautiful Black Sea Region hosts a number of frozen conflicts and breakaway territories which have transformed into what are quite commonly referred to as ‘criminal black holes’. Moscow may not have only backed separatism resulting in frozen conflicts and breakaway territories in Moldova (Trans-Dniester) and Georgia (Abkhazia and South Ossetia), it has been asserted that these separatist sentiments have actually been "orchestrated, and are being maintained, by Moscow's policies". [6] In this respect, Moscow's involvement in Azerbaijan and Armenia (Nagorno-Karabakh) and growing separatism in Ukraine (Sevastopol, Crimea) should also be considered. For the purposes of this paper, these states are called the Newly Independent States in the Black Sea Region (NISBSR).

Policies aimed at separatism do not promote the region's stability, the development of poorer states nor the proliferation of democracy. Rather, separatism in the NISBSR has a symbiotic relationship with transnational organized crime and terrorism. [7] Due to the relatively meagre salaries that can be earned legally within these states, the cost/benefit ratio for committing crime is conducive to its proliferation. Inadvertently, the criminalisation and corruption of the populations living inside these territories impedes the rule of law and the state's de facto control over its territory and population.

If the effects of transnational crime in the region were limited to the territories in question, it in itself would not form as great a threat to democracy and freedom as it does today. The concern is that the effects of human trafficking (the modern day slave trade), contraband product trade and illegal arms trade have an international butterfly effect on human, economic, territorial and financial security.

To understand the problem of transnational crime within the Newly Independent States in the Black Sea...
Region adequately, consideration must be given to the way it promotes separatism and Russia's territorial and geopolitical interests. The presence and activities of pro-Russian forces inside these territories, including armed forces and political-economic companies such as Gazprom, facilitate the extension of Russia's power in the region. Of great importance is the fact that the international crime inherent in frozen conflicts and breakaway territories also negatively affects the security within Russia's legitimate territory and, paradoxically, its interest in resolving transnational crime in the BSR.

Linking up to Energy

The war on terrorism, the war in Iraq and energy wars have created the need for the US and Europe to secure and diversify their energy sources away from Saudi Arabia and the Persian Gulf. The Black Sea is an ideal conduit by which non-OPEC, non-Gulf oil and natural gas can flow into European markets. Moscow has reacted well to this change and has flexed its muscles towards its neighbours, close by and far away.

The increased dependency on Moscow's energy supplies has inadvertently tied its customers to more than a "questionably democratic" Russian State. Some of the actors involved with 'legitimate' government and big business may be directly involved in organized, transnational criminal activity thereby strengthening criminal networks, corruption and destabilizing internal, regional and international politics.

The nature of Gazprom's character is illustrated by its consideration to offer pro-Russian and illegitimate Transdniestria gas supplies separately from Moldova. Not only has the Russian Security service been linked to the executive of Gazprom, the SBU (Ukraine's intelligence service) has linked Russia's State oil group to an international organized crime group headed by Semeyon Mogilevich. In 2003, the US Justice Department identified Mogilevich as the leader of a gang of more than 300 criminals, operating in more than 30 countries, involved in "murder, extortion, trafficking in women for prostitution, smuggling, money laundering, and bank and securities fraud and, in numerous countries, the corruption of public officials". A SBU spokesperson stated: "The probe is part of a broader investigation into suspected money-laundering, smuggling and tax evasion stemming from the Turkmen gas trade. It will further aggravate Kyiv's strained relations with Russia and Gazprom, while highlighting the new Ukrainian government's struggle to overcome corrupt practices."

Regional Governmental Organizations

What role do BSR governmental organizations play to combat transnational crime?

Experts have pointed to the need for BSR States to take on a common approach to deterring terrorism, drugs and weapons smuggling, as well as contraband, illegal migration and trafficking of human beings. Considering this, a number of regional governmental organizations have included into their objectives the fight against international organized crime and corruption.

In 1995, The Organization of Black Sea Economic Co-operation (BSEC) was one of the first Black Sea Regional organizations to identify transnational crime and terrorism as serious threats to the region's economic stability and security. BSEC has a special working group for organized crime. In 2002, the organization created the Agreement among the Governments of the BSEC Participating States on Cooperation in Combating Crime, in Particular in its Organized Forms. The agreement does not define "organized crime" nor "terrorism", yet, unlike the UN Convention on the Prevention of Organized Crime that targets "serious crime" punishable by a maximum deprivation of liberty of at least four years, the BSEC agreement describes the specific crimes to be prevented, suppressed, detected, disclosed and investigated in cooperation with its members.

In 2005, the Community of Democratic Choice (largely made up of former Soviet and Communist states) followed suit. Its Parties identified the need to "encourage the respect for democracy and human rights and to address the threats to the democratic development of society, which are - among others - corruption, organized crime, money laundering, terrorism in its different forms, the existence of remaining conflicts in Europe and illicit trafficking in drugs, arms and human beings". It is still unclear which mechanisms will be implemented by the organization, or how.

On 23 May 2006, the Presidents of the Republic of Azerbaijan, Georgia, the Republic of Moldova and Ukraine took part at the GUAM Summit in Kyiv (Ukraine). Presidents of Lithuania and Poland, Vice-President of Bulgaria, and high-level representatives of Romania, Kazakhstan, and the USA participated, as well as international organizations, such as the OSCE, BSEC and diplomatic missions. Special attention was paid to the challenges and threats of aggressive separatism and extremism, and transnational organized crime. "Unresolved conflicts and the illegal presence of foreign troops and armaments in GUAM States" were also recog-
nized as main obstacles to full-scale democratic transformations and economic development in the region. [15]

Other regional institutions include the Black Sea Naval Task Group (BLACKSEAFOR created to enhance peace and stability in the BSR), and the 2004 Border Defense Initiative (BDI), known also as the “Black Sea Border Security Initiative” launched in Bucharest. BLACKSEAFOR and Project Black Sea Harmony are projects initiated by the Turkish State in 1998 and 2004, respectively. Both aim at diminishing the prevalence of illicit activity on the Black Sea through international cooperation.

Whereas regional and international institutions are in place, and have even created certain basic mechanisms to counteract transnational crime, they have yet to be perfected and coordinated in an effective manner. Their effect must not be limited to nipping organized crime in the bud; it must make the penalisation of the actors involved a reality.

Conclusion

Security problems related to transnational crime in the Black Sea Region are specific in character. The remnants of communist and Soviet networks may at times be used to advance geopolitical motives. Frozen conflicts and breakaway territories encourage the spread of organized criminal activity while simultaneously impeding the democratic development of sovereign states. A better understanding and awareness of the geopolitical ramifications of transnational crime in the BSR will provide legitimate state and non-state actors with the necessary information for the creation of new, effective Black Sea security strategies.

The prevalence of organized crime in BSR business and political affairs is related to the lack of the rule of law and absence of punitive mechanisms in the international community. As a result, the cost/benefit ratio for those committing crime albeit on an individual (unit) or state level remains satisfactory and therefore conducive to it.

One may argue that organized crime is as old as humankind, that what time does not resolve belongs to the world’s structure and is therefore not a problem. However, in order to support the rule of law and democratic development in the Black Sea Region, it is not sufficient to simply identify and analyse the key political-criminal activities in the BSR. New approaches to addressing the ancient problem must be considered such as the codification of state supported organized crime, the development of international mechanisms for criminal responsibility or even improved forms of state responsibility. They are requisite for effective strategies and policies aimed at securing the population of the BSR and the international community at large.

Reference:

[3] idem
The outcome of the colored revolutions

All the presented views do not necessarily coincide with those of the British government. My Center is part of the Ministry of Defense. Although it pains some of the most senior people in the British government very much, we have a charter to write, and speak, and act independently. In essence I have no right to speak on behalf of the British government, but so far they do not have the right to tell me what to say.

The subject that I have been asked to speak about is the outcome of colored revolutions. Because I have been living with these for years before it happened, it is the most difficult thing for me to talk about. The world is still not a nice place and, unfortunately, it is still helpful to begin a lecture by quoting Lenin. Lenin said is that there is nothing more unscientific than the distinction between internal and external policy. That is the framework within which one has to understand the phenomenon we call the colored revolutions in three former Soviet states.

In the eyes of those who took part in these so-called revolutions, of those who encouraged them and those who feared them in Ukraine, in Georgia, in Kyrgyzstan, each of those dramatic changes was designed to enable people and countries to live differently from the way they did. The two, in today’s world, are inseparable. The relationship between how people live, power relations within a country, and how countries live; the degree of choice, access, dependency and constraint in the international arena is today not nearly as rigid as it was during the Cold War. But that relationship still exists. It is still constraining, and it has even been reformulated.

The demarcation lines still exist in the world. However, today’s dividing lines in Europe and Eurasia are not based upon ideology per se. Today, with varying degree of hope, hypocrisy, and shamelessness, nearly all governments of Europe and the former Soviet Union pretend to believe in the same things: democracy, market economy etc. The dividing lines that are there are based upon differences of political and business culture.

There is a very astute Russian question: protiv kogo vy druzhite? (against whom are you waging friendship?). It is a very astute question of a particular political context, because in today’s world your political and business culture dictate, to a large extent, who your friends are. That is particularly the case in the former Soviet Union which until relatively recently, and let us not forget, was a single political and economic entity and which then, and now, has been characterized by very profound dependencies, very uneven distribution of resources, and very grave inequalities of power.

So, what is the backdrop to these so-called colored revolutions, and how we should be judging them? What are constraints which, from the start, doomed each of them to a significant degree of failure.

The first constraint: The Soviet Union collapsed but the Soviet system did not. The Soviet system simply mutated and the process began before the collapse. Even what was called "liberalization and reform" under Gorbachev, involved the process of slow mutual cooption and even merger between those who are ostensibly ran the country (the public authorities), and those who de facto were acquiring ownership of it. The shadow structures, more or less criminalized networks, needed a relationship of some kind with state to be able to function, and...
the state needed a relationship with them for the economy function. That whole process, not just in Russia but in Ukraine as well and many other places, of liberalization, privatization, and the creation of newly independent states, in essence legitimated and consummated this process of cooptation. It enabled, to a significant degree, the same class of people to continue to hold power both in the economy and the political system. That is to say, bureaucratic power in the Soviet system was gradually transformed into financial power. This is not simply a legacy issue; what the EU fondly calls "free market economy" actually provided the tools that enabled much of the Soviet elite, their friends, and offspring to revive and exercise power in a much more flexible and attractive way they had before. Of course, this is a simplification, but it is a good one.

Power structures have been reformulated in many ways, but they have certainly not been revolutionized. Real qualitative change in a country like Ukraine and Georgia is not just about overcoming the various burdens of the past, it is about the creation of a new, reliable and flexible power structures based upon money. Certainly before Putin came to power in Russia, if you were to ask any discerning person, "what is the highest authority in Russia?" the answer would be money. In these conditions of a merger between the basically a lapsed, corrupted, Leninist regime and the shadowy, criminalized, economic, there is a fusion of the cultural understandings between them. That fusion and the relationship between politics, business and crime have created one of the biggest security problems for the entire Black Sea region, or at least post-communist part of it. It is not possible to address this fundamental issue without addressing realities of power, who and which institutions hold it, and how they work? If these issues are not addressed then the major security problem is not being dealt with. There is one big constraint.

The second big constraint is us, the West, manifestly the EU but even to a certain extent also NATO. We love to piously the EU is a values-based institution, but let us be less pious about it, because it is very practical. Whether people feel good about it or not, in the US, in the UK, in Denmark, in the Netherlands people are accustomed to living in a rules-based system. That is the way business works and we are comfortable with that because the rules and those who enforce them are effective. There are real institutions that have the authority, capacity and competence to do what they are supposed to do. There, what the US and UK define as a scandal is just normal business practice.

Several years ago, someone who is now an extremely influential minister in the government, of the Prime Minister Yanukovich in Ukraine, welcomed a friend of mine, a Deputy Head of Mission of a major European country, to Ukraine with a dinner arranged in a very luxurious cellar in a remote area of Kyiv. It was surrounded by people in black jackets and small arms. He assured him that Ukraine was deeply interested in European integration. He wished, in the same way as the previous very senior minister in the Kuchma's Administration, to assure him that his country could count upon very favorable treatment from the tax authorities of Ukraine. What happened as a result of this? This minister walked out of the conversation saying, "I underline Ukraine's European aspirations" and the diplomat walked out saying, "This country has no realistic prospect of entering the EU because there is a world difference between the two". BP and Shell might be able to do what needs to be done in terms of doing business in the former Soviet Union. They have access to all the contacts matter and people who make real decisions. Nevertheless, as we have seen in Sakhalin, in Shtockman gas field, the rules can be changed from the top, and the rules do not necessarily protect you. Imagine the position of an average, small and medium-size entrepreneur in the EU, in an economy based overwhelmingly on small and medium-size business thinking, "Shall I invest in India, shall I invest in Ukraine, or Malaysia?" and talking to a perspective partner in Ukraine. When he asks the normal question: "What is your budget?" the response is "Well, I can't really tell you that." Who are your shareholders? Whom is your company owned by?
Does anybody know you? One does not find satisfactory answers. What does the businessman do? If he is a wise person he will go no further and say "I will not have anything to do with a country like this." This is a fundamental problem.

It does not matter whether you really feel it in your bones that you are a European or wish to become a part of Europe. You cannot integrate in a meaningful sense. This is not simply about values, this is about the way countries, and communities, and economies work and interact with one another. This is a real demarcation line.

Even in NATO. Not simply as a matter of piety. As a matter of parity NATO always insists that democracy, reforms, transformation of economy is more important than anything done in the security and defense sector. Fine. There is a practical reason behind this. If institutions do not work properly, of they are not transparent, if there are not the means to know what they are doing, how do you know who your security services are really working for? Who is operating them, and for what purpose? How does the minister of defense know that the budget he has is actually going where it is allocated to? Unless there are appropriate mechanisms of monitoring it, unless a proper mechanism of control is not in place, who is to say that what is actually taught in the military academies, and what has been actually done, reflects the declared defense policy of the country? Certainly, well before Anatoly Gritsenko became Minister of Defense of Ukraine, in the mid-1990s it was still the case as he said at the time, "Although we are a country whose official policy is to stake a partnership with in our military academies everyone is learning how Ukraine is supposed to respond to an attack from the Western coalition of 40 divisions." How you do all of this without the transformation of institutions in terms of accountability, control transparency etc. This is what NATO puts so much emphasis on this. And the Ukrainian and Georgian security sectors, who are present here, know what I am talking about.

The third constrain in the eyes of people who were behind these revolutions is: Russia. It is important to remember old Ukrainian axiom that "Russia suffers two fundamental problems: bad roads, fools and Russians". The first problem is, for the reasons I mentioned, is Russian elites. Russian economic elites have an immense amount of influence inside all of these countries whether they wish to use it or not. It’s there as an objective fact, particularly when you look at Ukraine the Russians consider nashi (a common people). Whether you accept this view of Ukrainians or you don’t, there is an overwhelming Russian view on common lan-

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**James SHERR**

is a Fellow of the Conflict Studies Research Centre (the CSRC, until 1993 the Soviet Studies Research Centre, conducts independent, unclassified research on the basis of primary and largely Russian language sources), which is part of the Defence Academy of the United Kingdom. He is also Lecturer in International Relations at Lincoln College, Oxford, a consultant to NATO and the EU on Ukraine and was a Specialist Adviser to the House of Commons Defence Committee during the last parliament. He is the author of approximately 100 publications on Russia, Ukraine and European security. Born in New York in 1951, Mr. Sherr holds British and US citizenship. He graduated from Montclair High School (New Jersey) in 1969 and in 1974 received a BA degree from Oberlin College (Ohio). In 1983 he was appointed Director of Studies at the Royal United Services Institute for Defence Studies, London. Since 1995, his primary responsibility at CSRC has been to inform the Ministry of Defence, NATO, EU and other interested parties about Ukraine’s development, external relations and security. For that purpose, he has paid more than 70 visits to Ukraine. He plays an active part in NATO led discussions, the UK-Ukraine Ministry of Defence Programme of Cooperation, as well as a range of projects initiated by Ukrainian official bodies and NGOs. He has been published extensively in Ukrainian journals and is a regular contributor to the Ukrainian weekly, Zerkalo Nedeli. Mr Sherr has also spoken at two official NATO-Russia workshops in Moscow; as well as the Defence Reform Seminar of the NATO-Russia Council, and has published several articles in Izvestiya and Nezavisimaya Gazeta. He is a regular participant in several Black Sea regional forums, as well as the Harvard Black Sea security program.
guage, many aspects of common culture, interpolation of elites in many spheres of life, particularly in the countries where the institutions are not terribly transparent, and the rules of monitoring those institutions do not work very well. As a result of that, particularly in Ukraine but to some extent everywhere in the former Soviet Union, Russia is not simply a factor in external relations but a structural component of internal politics and the internal national economy. This is true even if there isn't somebody in the Kremlin saying "We should use this someway to our advantage." The problem is that there has been always somebody in the Kremlin, especially since mid-1990s, was thinking how to do that. Boris Yeltsin, in a speech to the heads of what has now become the Federal Security Service (FSB) said, "Global ideological confrontation has been replaced with the struggle for spheres of influence in geopolitics." In 1994 he said to the FSB in 1994 (whose legal terms of reference is security inside the Russian Federation), "Your big priority must be the Near Abroad." The Head of Foreign Military Intelligence, at a time when it was legally not allowed to conduct intelligence activities in the neighboring countries, Yevgeniy Primakov when he retired, said (with obvious pride) "Our institution has devoted its maximum attention to strengthening centripetal processes in the former Soviet Union." This is before Putin came to power. Now, Putin's innovation is very simple, it's the transformation of preoccupation with geopolitics into a preoccupation with geo-economics. To ask whether what takes place abroad vis-a-vis the Russian energy sector is about commerce, about markets, or about geopolitics is totally an academic and artificial question. In the first paragraph of the official energy strategy of the Russian Federation to the year 2020, there are two statements one after another: Russia's moshchnyi (powerful) energy sector is a key instrument of internal and external policy; and the strength of that sector to a large extent determines Russia's position in global geopolitics. It is there officially... until a Russian representative talks to a Westerner and says, "No, it is not there".

The calculus which has characterized President Putin's way of thinking and all of those in his circle is very simple. Outcomes are to be sought which provide profit as well as influence to Russia. Outcomes that simply provide influence without profit are O.K. as are outcomes that simply provide profit without influence. However, the outcomes producing influence at the cost of Russia and its economy (which is certainly the case throughout the Soviet period and certainly the case in much of the 1990s) are no longer acceptable. It is not surprising that energy has now become an instrument of policy. Under Yeltsin it basically was not. By the time Boris Yeltsin left the power, in operational terms the Russian Federation had seized to be what we call a state. It had become instead simply an arena upon which very, very powerful interests competed against one another ruthlessly for wealth and power, for their own interests, and usually at Russia's expense. The basis of Putin's popularity in Russia is his putting an end to that; resurrecting the state. The point I am making here is not that geopolitics is no longer matters. It matters but the coordinates of geopolitics have changed. They involve a more complex range of issues than before and particularly if you are a Westerner sitting inside the EU. President Putin can deal flexibly, profitably, pragmatically with countries irrespective of whether they are run by new age vegetarians or by regimes that have liquidated half of their people. It is immaterial to him. If the outcome can benefit to Russia, there could be a constructive relationship. Russia in world politics has done exceptionally well compared to US, particularly since the Iraq war, simply by profiting from everybody else's mistakes, and making friends with those whom either the US or the EU have alienated. The geopolitical factor is there, but it is different.

Let me now discuss three areas where I think all colored revolutions have to some extent gone wrong. I don't wish to use the word failed. If you look at the events in Ukraine, you can see that things are in motion, and, after whatever resolution to this particular period of turbulence we have takes place, things will be in motion again. So, I don't want to speak with finalities about it, but more has gone wrong than has gone right.
Let me use Ukraine as a baseline to comment about the two other countries as well. First, there has been a failure to understand and act upon, what in Ukraine is called the spirit of the Maidan, but which is also a spirit of those who assembled in Tbilisi and in Bishkek. And the fundamental issue for those people was not democracy as a cliche but something more concrete. Finally, they thought, the leadership of the country would govern in the interests of the country and not in the interests of themselves. It swiftly became apparent in Kyiv that if that aspiration is to be acted upon, it has to be acted upon a very partial and haphazard manner. Even a few weeks after Yushchenko was inaugurated, many friends of mine, very pragmatic and not idealistic people, said, "Nothing is going to be really changed".

In the essence, the political culture, more specifically the culture of power, was not really capable, and still is not capable, in most post-Soviet countries of realizing these aspirations either internally or externally. To put it somewhat differently, the political class, even Yushchenko who comes from a subculture of this culture of power, has been unwilling to pay the price required to achieve these aspirations. Which, in Yushchenko's case means beginning with developing an attitude of principle indifference to the position of his friends and whether they do well, but he did the opposite. He put them all in government, and they used their opportunities in a slightly nicer way than others in the past in Ukraine have used their opportunity.

Oddly enough, in some respects Georgia has done much better. In Georgia, there have been some real changes despite some major deficiencies. Of the three countries, Georgia has shown, so far, the most promise. If you look at Ukraine at present there is a clash between two subcultures of an old culture of power.

On the one hand, you have Yanukovich and his Party of Regions. They are a typically Soviet, democratically centralized organization, very hierarchical, very disciplined, they understand organization, they have a state tradition of understanding the administrativnyi poryadok (administrative order). They have no comprehension of a state tradition of a public spirit in a democratic sense of the term. They have from the beginning behaved like an entity whose sole reason for existence has been to amass and consolidate power, and crush anything in the way, which could be crushed.

Where does President Yushchenko come from? The culture he comes from is one the Russians would call semenaya: a family based political culture, i.e. close political friendships, linkages and networks, romantic, not pragmatic, very personalized, in its own way very inbred, distrustful of outsiders. He has been consistently outmaneuvered, but has also failed to understand really what has been driving many people on the streets. He is quite incapable of understanding authority and how it is to be exercised.

The second issue, certainly in Yushchenko's case, is the lack of appreciation of the audience i.e. "your enemies are still about, they are around, their power structures are still there". It is a reply really of what happened in 1991 as a whole. The West is always celebrated the fact that change in the Soviet Union was not violent. Things that everyone worried about, including the CIA never happened. The main reason it did not happen is because older elites could adjust to new happened circumstances, play the role. They ended up benefiting. Yushchenko did not understand: He was on borrowed time with one year to demonstrate - not to realize his aspirations (that will take a generation even with supreme confidence and everybody's support). One year to demonstrate to the people of the country he really means what he says, that he was starting to address real problems, and make people see that it is possible to live differently from the way they live today and for them to be able to talk about the state as their state. The inability to do this, no matter for what reason: either impossibility or inability, gives time for the enemies will recover confidence and that includes the Kremlin. The enemies will take note of all faults of the current power. For Yushchenko, who assume at any point that an agreement signed with Yanukovich would be honored because it was an agreement, demonstrates on
the one hand how un-Leninist he is, but on the other how romantic and unrealistic he was. Yanukovich judges everything according to the correlation of forces.

This is one more are with which I would make a contrast with Georgia. Certainly when it came to Russia, issues in Georgia have been clear. Both because the many people who came to power after Saakashvili came to power were very unprofessional in handling Russia and because of the Kremlin's response to that. The relationship swiftly became worse than anyone had envisaged. One of the consequences of measures that Russians would regard as counteroffensive measures rather than the offensive measures, that part of the Georgian elite and political culture which used to be always very Russian orientated which was always rather smaller than that of Ukraine has lost all credibility. In Georgia, the Russian factor is something that unites the country. In Ukraine, the Russian factor is one which divides the country. The worse things get, the more that continues to be so.

The last reason for the failure is something already mentioned but I want to address it in a more specific context here. Victor Yushchenko and those who support his Party Nasha Ukraina (Our Ukraine) and the large part of Ukraine generally not only have an existential commitment to full integration with Europe and the EU, they have an existential conviction that Ukraine is European state and that this is not problematic. Yet, it is problematic because the Ukraine that Yushchenko wishes to integrate with is the Europe of 1907 not 2007. The Europe he wants to integrate with is a 'great Christian ethno-cultural civilization with the common past, common traditions and the common heritage'. For good or ill, no one in the European Commission defines Europe, or at least the EU in that way. Their whole approach to these questions is emphatically post-modern. For the European Commission, the people who work there, the people behind this project, Europe is multi-religious, multi-cultural entity, which defines itself not on the basis of heritage but on the basis of status. Very few people in Europe, in the EU understand that still now in Western Ukraine on a Sunday morning men clean their shoes, put on their suits, ties and go to church. It is simply not interesting to them in the absence of even minimally decent social services and healthcare in Eastern Ukraine, in the absence of serviceable infrastructure or local budgets, a business environment that encourages somebody to become an entrepreneur without the feeling that he will end up to be an absolute slave to 6 7 hidden authorities.

These are the things that the EU today is interested in, whether you like it or not. The preoccupations of many in the former Soviet world, but very strongly in Ukraine, are modern i.e. about the state and revival of the nation-state. The whole EU project is designed to move beyond the nation and the nation state, it is post-modern. So, that is a complete clash in the coordinates and timing. This is one more reason why Georgia has done better; Georgians regard themselves and their country, politically and culturally as a bridge i.e., an intermediary between Europe and Asia, and as a critical element of holding together the important regions of the Black Sea and the Caspian. They don't regard themselves as people artificially separated from their real home in Europe. The result of this is that Georgia's approach towards the EU and NATO agenda has become extremely practical: "What do they want, what do we have to do in order to get closer and better relations with those organizations?". This is an illustration again that recent history, unfortunately matters in many countries in the region, much more than a more distant history. If the whole Soviet experience obliterated those, and the way of thinking of those who were the products of a different type of heritages -- Polish, Lithuanians, Greco, Roman whatever -- that heritage unfortunately is not of great relevance to the problems that countries face.

Now, where are these problems are leading? That is the most controversial point. Consequences, from the standpoint of every country in the region, of course are linked.
First, all of the disappointments, contrary to Brzezinsky's predictions of 1989 that Central Europe has now naturally moved into the West, all the development went not quite that way. It's not the same situation. The Polish analogy does not apply. The first consequence of that is the deepened strategic myopia of the West. e.g., why is this program is under more budgetary constrains than it was five years ago? First, the focus of attention to the West is no longer in the Black Sea-Caspian region. Second, what can only be described as the closing of Europe, the disillusionments and disappointments naturally have made those who, from the beginning, wanted to put a geographical limit on European enlargement, and certainly exclude Ukraine, have said to people like me: "Game, set and match to me. I have won my arguments and you lost your arguments." How many years will have to pass before you are in a position to make these arguments again?

Although, I do not exclude the possibility that Georgia within a short period of time will get an invitation to submit the Membership Action Plan to NATO, and within a reasonable period of time be a NATO member. Georgia might become a NATO member before Ukraine becomes a NATO member. It is possible, the thought is acceptable in many quarters of NATO.

The second countertrend is bigger, it is immense one: energy. The realization that we can no longer walk around repeating this mantra that we have always had, which is, "Russia is a long-term, stable and reliable supplier of energy". This is no longer the view of the EU. It is no longer a private matter. If you read the European Commission's Energy Policy published in January 2007, and the EU Action Plan after the last EU Summit, you will see that there is an enormous worry, and that the general conception of the problem has changed profoundly. That does not necessarily mean that something effective let alone profound will actually be done about it. The thinking has changed. That means that means that there are now more people in the EU who are being fostered to ask the following question: "Can we continue to remain a civilizational project with geopolitical implications, or must we now start to think of becoming more of a geopolitical project with civilizational implications?" So, that question is open. As you know, there is a regional dimension to that question.

Belarus. So much to what is happening, there is in a state dominated by one person. It is the realization of this one person that his policies have brought Belarus to no energy security at all. Consider the position of Azerbaijan. The fact that whatever might be happening in an unpromising direction in Kazakh foreign policy, the Central Asian countries are beginning to understand: we have resources, we have our own interests, we have to think about developing our own options. And there is China. So, the future is not a closed one, but the tendencies are relatively negative.

And my last point is Russia. The fundamental problem, I think, that all of us in Western Europe have is this. We have tried since 1991, and we've largely succeeded, to replace the Cold War view of the world in security with the Post Cold War view of the world. Even NATO tried to do that. NATO is much more interested in developing common security cultures than it is in establishing new dividing lines in the rest of Europe. It has been difficult for NATO to accept realistically just how serious Russian objections might be, say, to Ukraine's inclusion into NATO. Certainly, the events in Crimea this summer was that realization of this. If anyone in NATO were to apply for a job in NATO Headquarters and say I believe Ukraine should join NATO because it will weaken Russia, he would not get the job. So, the culture even in NATO has changed. We have made this change through the post-Cold War era of course with the usual hypocrisies, with the usual double standards, and we have lost some faith in what we've done. What is happening in Russia, is that the Russian elite (long before Putin) replaced the Cold War view of the world with the pre-Cold War view of the world. By which I mean pre-1914: that international security is about respecting of spheres of influence; it must be based pragmatically, ruthlessly and single-mindedly on national interests; the combina-
tions between great powers must be based on spheres of influence, as Russians say “zones of special influence”, and; the great powers in such a system have rights on the small powers. This would be fine if Bismarck was in Germany and the former situation was there in the UK.

The situation is different today; the West cannot think and operate in this way. You really even among those members of NATO who have no interest in Ukraine you cannot get them to positively accept that the decisions about Ukraine's future should really be in another country's capital and not between Kiev and Brussels. That of course means that for all of this, for those who are dedicated to resurrecting (in reformatted terms) the spheres of influence in the former Soviet Union have always, naturally had an interest in the failure of all the colored revolutions. If you look at Ukraine since January 2005, that interest in failure has been activated in three ways. Activated with some delay because initially there was a great disorientation but from that time when it was clear that the Orange Coalition was falling apart, there have been three ways that I think the Russian Federation has tried to influence events, all of them conducted very subtly.

One is energy. Perhaps, enough said, but let me remind you that in June 2005 Gasprom was insisting to the Ukrainian government that because of market conditions, and because of unacceptability of the current conditions that energy prices would need to rise by 30% and eventually by 70%. Only after Orange Coalition fell apart, just a few months later, the demand that they should rise was 400%. There was no change in the market conditions to justify that change.

The second is a variety of means, some very untraditional, the direct and indirect actions to exacerbate lack of NATO’s popularity in Ukraine. The events in Crimea this past summer have had a very significant effect. Yet, I have two books published in Russia, one of which is very, very boastful about the way this whole special operation was put together to defeat NATO and create an illusion of thousands of people protesting when in fact something much targeted and careful was taking place.

The final point, of course, various forms of backchannel negotiations with political factions at various times with various inducements being offered. My point is this, as we look at the future, there is something we might be forced to focus on something even though might not even wish to think about: The relation between what are now the dynamics of instability in Ukraine and the dynamics of political succession in Russia. This is a very worrying relationship. Not only because Ukraine is affected by what's going on inside Russia, but because the reverse is true. The prospect of success of the Orange Revolution was naturally very, very worrying to Putin, and very threatening to his whole model of domestic governance. There is also a very basic reason. One has to answer: whose interests inside Russia are served by instability in Ukraine? Those who wish to see a strengthening of authoritarianism cannot be disappointed that Ukraine is in a state of bar-dak and besporyadok (chaos and disorder), and particularly those people inside Russia who would like to see Vladimir Putin stand for a third term. This is a scenario more and more people are describing. Some of you might have noticed an article in the British paper The Guardian written by Boris Berezovsky that was conspicuous of all political exiles, talking about the need to overthrow Putin's regime by coup and by force. Whose hands is he playing in? Is Berezovsky foolish? Does he not know who can seize upon his words to do what? Is it so inconceivable particularly following the assassination of Mr Litvinenko that Mr Berezovsky has reached an accommodation with certain forces in Kremlin? What other dangers could conceivably be created in the Russian state between now and the time when Putin either leaves office or decides to remain in it? I am raising questions that have simply been raised by one commentator and expert, after another, in Russia itself. This relationship is one that we might be forced become attentive to even when we do not wish to.
Baltic-Black Sea region-building and Russia's interests

Background of the region

The Baltic-Black Sea Region (BBSR) is a typical example of political construction of the region, a region-building project. The recent history gives some patterns of implementation of region-building concept: Baltic Sea Region (BSR), Barents Euro-Arctic (BEAR) or earlier the Nordic Region (Northern countries). The attempts to stimulate intraregional cooperation to prepare countries for integration into Euro-Atlantic institutions were as well undertaken in Central and Eastern Europe. Here the Visegrad Group deserves to be mentioned. At the same time, some features distinguish BBSR from its "predecessors". First, the main difference is that BBSR is a clearly state-oriented project, aimed not at making the borders more permeable and penetrable, but rather at consolidating them through the eastern perimeter. Second, while the BSR or BEAR region-building were mostly initiated by the very countries of the region, intending to emancipate their role in European politics, overcome newly emerged peripheral geopolitical status after the break-up of the USSR, among the driving forces of the region-building in BBSR the role of external actors is essential, first and foremost the EU and USA. Their interests rest far beyond the region. The external actors skilfully exploit both the desire of "New Europe" (regional semi-periphery) to seek for a new niche in European politics to overcome geographical remoteness and benefit from "democracy export" in terms of image, political and financial dividends, and the interest of political elites in the countries of regional periphery (Ukraine, Georgia, etc.) to use the region-building project for resolving the topical problems - ensuring territorial integrity, attracting foreign investment, domestic political competition through decreasing influence of Russia in the region. Thus, while the BSR project was predominantly sub-regional, aimed at involving inter alia the regions of Russia's North-West, the BBSR is not targeting that, and event tends to restrict participation of Russia in the region-building.

Alongside with political identity (either original intraregional or adopted Euro-Atlantic), the region-building makes it necessary to develop economic, humanitarian and even ideological identity. Political identity finds its expression in formation of a number of institutional structures, including security sphere. Economic identity may emerge as a result of implementation of numerous common projects in transport, energy transit, trade and investment. De facto one may argue about necessity to create an alternative economic vector of economic relationship - North-South, which should complement the historically dominating vector East-West.

Institutional landscape

BBSR is in search of the most relevant institutional architecture. Nowadays a number of announced initiative evidence a competition of different approaches: under aegis of the EU, with participation or under leadership of Russia, intraregional initiatives, which are implemented under political (and financial) sponsorship of the USA. The EU pursues its policies mostly through "soft security" mechanisms, like European Neighbourhood Policy (ENP), Black Sea Synergy (with a leading role of Bulgaria and Romania), Northern Dimension (which recently transformed into joint Russian-European program) and "Eastern
Russia was represented on the highest political level. The ship of the state. On the recent BSEC summit in Istanbul in these organizations has been formulated by the leader (BSEC). The task of intensification of Russia's participation and Organization of the Black Sea Economic Cooperation Baltic Sea States (CBSS), Northern Dimension initiative factually Russian-European bodies like Council of the revitalization of activities in framework of pan-regional, from amongst the members of CIS.

include maximally wide range of BSSR countries, at least an attractive regional integration model, which would to exist. Conclusively, currently Russia is unable to offer Georgia, Armenia and Azerbaijan) as well de facto ceased ship in the EU. The format of "Caucasian Quartet" (Russia, Ukraine development of the project was factually suspended, because it seems to be insufficiently attractive for Ukrainian political (as well as business) elite and not compatible with the priority target of obtaining membership in the EU. The format of "Caucasian Quartet" (Russia, Georgia, Armenia and Azerbaijan) as well de facto ceased to exist. Conclusively, currently Russia is unable to offer an attractive regional integration model, which would include maximally wide range of BSSR countries, at least from amongst the members of CIS.

Alongside with the CIS, which finally has become a useful, but ineffective tool of political consultation of the post-Soviet countries, Common State of Russia and Belarus and Eurasian Economic Community, which binds only Belarus, Russia offered the format of the Common Economic Space for the largest and the most integrated economies of the former USSR - Russia, Ukraine, Belarus and Kazakhstan. But after the Orange Revolution in Ukraine development of the project was factually suspended, because it seems to be insufficiently attractive for Ukrainian political (as well as business) elite and not compatible with the priority target of obtaining membership in the EU. The format of "Caucasian Quartet" (Russia, Georgia, Armenia and Azerbaijan) as well de facto ceased to exist. Conclusively, currently Russia is unable to offer an attractive regional integration model, which would include maximally wide range of BSSR countries, at least from amongst the members of CIS.

In this situation the greater attention should be paid to revitalization of activities in framework of pan-regional, factually Russian-European bodies like Council of the Baltic Sea States (CBSS), Northern Dimension initiative and Organization of the Black Sea Economic Cooperation (BSEC). The task of intensification of Russia's participation in these organizations has been formulated by the leadership of the state. On the recent BSEC summit in Istanbul Russia was represented on the highest political level. The priority goals of BSEC include implementation of the concrete infrastructural projects - road and electric grid rings around the Black Sea. The effectiveness of BSEC is limited by unclear sources of resources and varying priorities of the member countries, which incorporates the countries lying far beyond the Black Sea area (for instance, currently the organization is chaired by Albania). Russia is cautious about transformation of the organization into EU's policies instrument. The evidence of that is non-signing of the ministerial declaration according to the results of meeting in February 2008 (Kiev). However, it may happen that BSEC role could grow up as a ground of interest accommodation of the leading regional actors as a kind of "compensatory offer" to Russia for decreasing its influence in the region. More positively the cooperation is developing in northern part of BSSR - in framework of CBSS and Northern Dimension (ND). Russia is eager to contribute more financially into joint projects of ND, which is currently considered as a common initiative of Russia, EU, Norway and Iceland. At the same time, the agenda of ND is of applied (though actual) character where environmental and social issues are prevailing.

The greatest anxiety in Russia is caused by some intraregional cooperation formats, where the USA plays a role of a meaningful driving force. Among them can be enumerated GUAM (Georgia, Ukraine, Azerbaijan, Moldova), "Community of Democratic Choice" as well as prospective NATO enlargement eastwards, having in mind Ukraine and Georgia (but not excluding Azerbaijan). GUAM, which got an additional title of the Organization for Democracy and Economic Development, is the oldest alternative integrationist group on the post-Soviet space, which emerged in the period of maximal weakening of Russia's influence in world politics. But the claims of some states for regional leadership and the attempts to allot GU(U)AM the functions of a military and political block on anti-Russian basis not to a full extent corresponded to the interests of some members, resulting in cancelling Uzbekistan's membership and certain disappointment on behalf of Moldova and Azerbaijan, which consider GUAM as an instrument of resolving the problem of "frozen conflicts" (the cementing factor, uniting all the member states) and economic development, rather than confrontation with Russia. Reanimation of the organization coincided with growing activism of the USA on the post-Soviet space. The cooperation of GUAM - USA was enhanced by the Framework Program (2002), which is devoted to trade and transit promotion, facilitating border and custom control, fighting terrorism, organized trans-border crime and drug trafficking. The EU as well
tends to play more active role beyond the soft security agenda, in particular, in resolving the "frozen conflicts", as well as to use the grouping for pursuing alternative carbons transit routes. Financial support of GUAM from Brussels is increasing. GUAM is getting to obtain a new function in context of materializing perspective of Euro-Atlantic integration for some countries of the region. This is remarkable that a number of recent summits were visited by leaders of Poland and Lithuania which try to play a role of mentors of further NATO enlargement, enjoying a political support from USA.

The changed domestic political situation after the "colour revolutions" in Georgia and Ukraine and growing global competition for energy resources predefined foreign policy concentration of the regional states on strengthening "democratic values" and providing for an "energy security". This trend coincided with escalating competition between Russia and USA (and some other actors) on the post-Soviet space, revitalization of deterrence line in American foreign policy in relation to gradually recovering from economic decline and political fragmentation Russia. With account of the limited political and economic resources of GUAM, conditioning its low readiness to participate in large-scale geopolitical projects, it was natural to expect the attempts to expand a geographical status of the region from Baltic-Black Sea to Caspian. By initiative of Georgia and Ukraine with support of the USA the new organization was established - "Community of Democratic Choice", which included both some countries of CIS and of "New Europe". Having in mind that Russia was offered a status of an observer only, one may conclude that this is the first institutional structure, encircling entire "political BBSR" and excluding Russia.

To sum up, currently an institutional landscape of the region can be described in the following way. Russia's integration initiatives have not found a positive response in the region, also they were not effective and comprehensive (included only CIS area). The only military and political Russia's ally in the region - Belarus will find itself under increasing pressure of "homogenization" of political and economic space by Euro-Atlantic model. Such organizations with Russia's participation as CBSS and BSEC play a role of discussion forums rather than agenda-setting institutions. The EU develops a number of regional initiatives in framework of ENP, aimed at dissemination of its norms and standards in political and economic spheres in the region of transit periphery. The very countries of BBSR (mostly present or potential transit countries for energy resources) are interested in political emancipation and practical economic dividends. The interests of transit countries vary from those ones of suppliers (first and foremost, Russia) and consumers (mostly, countries of "old Europe"). Own resources of the region are limited, though they tend to increase. That is why the development of intraregional initiatives is doomed to circumspect the role of outstanding player - USA. The interests of the later are far from sponsoring prospective Russian-European partnership.

**Economic substance of BBSR**

Development of economic identity is an indivisible prerequisite for sustainability of a region-building project. Nowadays the economic identity is expressed marginally. The role of intraregional trade is relatively low though having some space for growth. The economic specialization of the countries is often similar, contributing to competition which is often cannot be smoothed by political solidarity.

The EU enlargement worsened the trade regime in the region, because mutual free trade agreements between Ukraine and some new members of the EU were cancelled. It led to drop down in regional foreign trade turnover. However, one may identify a tendency of intensification in intraregional economic and investment cooperation, which is backed by structural crisis of the Baltic economies, well functioning financial sector there, relatively high (especially in comparison with EU economy) economic growth in the post-Soviet states. Ukraine and Belarus are the important directions of Baltic and Polish investments. Ukraine's accession to WTO and opening prospects of FTA give an additional impetus for development of intraregional economic cooperation.

**FACULTY BIOGRAPHIES**

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The transport infrastructure is a cohesive factor for business contacts and density of humanitarian links. Its development has obtained a political meaning in interstate relations in the region. During the 1990-ies the transport system created in Soviet time kept on degrading due to economic decline, split of the traditional economic and people-to-people contacts, emergence of numerous borders. The contacts among the BBSR countries were "mediated" either by Russia or European countries. Nowadays the intraregional transport hubs gradually appear. For instance, among the Baltic capitals Riga can pretend to play such a role. Still air traffic was the most actively developing, while railways play insufficient role in intraregional passenger traffic.

Though in framework of the Trans-European Transport Networks (TEN) substantial investment was done into modernizing roads, in general the transport system of the region is tuned to work by East-West, rather than North-South vector. But a number of pilot projects aimed at connecting Baltic and Black seas have been launched - for instance, the containership train "Viking" from Klaipeda (Lithuania) to Iljichevsk (Ukraine).

The cooperation in energy transit is the top priority for regional economic cooperation. It has been announced about establishing the "Caspian-Baltic-Black Sea Energy Transit Space", the decision made to start up an avers regime for the oil pipeline Odessa-Brody already in 2008 and continue the construction works on the branch to Gdansk. Alongside with Poland, the perspective consumer of this pipeline could become Lithuania, which is suffering from closing oil transit through "Druzhba" pipeline after Mazheikiai Oil Refinery was purchased by Polish PKN "Orlen" company, and even Belarus. At the same time, the political statements are not underpinned by real oil supply. Simultaneously, the policy of preventing Russian capital from penetration into strategic sectors (including energy transit) is getting more consistent.

Despite the competing interests of BBSR countries and differing approaches to energy cooperation with Russia, they undertake some steps to fasten a basis of coordination and cooperation in transit. The key role is played by Ukraine, which launched economically void but politically attractive initiative of establishing a Dispatching Centre to monitor the parameters of Russian natural gas in the transit system of Ukraine. This is remarkable, that it is planned to include representatives of GUAM, Poland and the Baltic States. The project would be useful for engagement into cooperation, expert networking, strengthening political solidarity in the sphere of energy transit and confirming a leadership role of Ukraine.

However, the intention to capitalize energy transit function is objectively limited by scarcity of own resources and insufficient financial capacity. Besides, the economic feasibility of new infrastructural projects are not clear. It this situation their implementation is possible under financial and political support of out-of-area actors, first of all the USA and EU.

Cultural and ideological identity

Currently this element of regional identity is under construction which is strongly affected by the process of national identity-building in the countries of BBSR. In general, the following common features can be distinguished.

First, the myth of ancient historic background of the BBSR is developed, where the imperial role of Poland and Lithuania in medieval period is used for confirming their claims for regional leadership. Simultaneously, the historic role of Russia is presented mostly as a negative and regressive factor.

Second, the "europeanness" of BBSR is emphasized (with a broad hint that Russia is not a European state). This is remarkable, that it is the elements of Soviet/Russian identity and mentality by different means tie all these states. The declarative negation of this identity could play against the region-building project.

Third, almost in all regional countries the nation-building process is going on anti-Russian basis, interpreting the previous periods of common history as an occupation. This is inherent not only to the Baltic States, but also for Ukraine and Georgia.

Forth, the regional countries (maybe except Belarus) persistently try to get out of cultural and linguistic control of Russian language by means of decreasing its role in education, media and official sphere. Such policy is aimed at restricting the political influence of Russia and the region, and simultaneously reinforcement of indoctrination instruments available for regional political elites. Controversially, such policy can hinder the Baltic-Black Sea identity-building, because this is Russian language which serves as a regional lingua franca, enhancing humanitarian and economic contacts.

Scenarios for BBSR region-building project

Having an overview the main trends of the region-building project in BBSR in institutional, economic, cultural/identity spheres, one may try to draw the most relevant scenarios of its evolution. The scenario of Russia's domination in
the region is unlikely to materialize in the foreseeable future. The scenario where the region-building project would serve to development of self-sufficient region with domination of intra-regional actors is backed neither by economic resources nor by common identity. That's why the two vectors seem to be possible. They will eventually develop in parallel. The result of their competition to a greater extent will depend on factors of external environment.

First, this is a scenario of the region a "Cooperation Interface" between Russia and the European Union. It provides for a balanced presence of Russia's and Europe's interests in political and economic spheres, gradual normalization of Russia's relationships with all the regional countries, formation of the inter-crossing institutional structure with participation of Russia, Europe and the USA, revitalization of sub-regional and trans-border cooperation with active participation of Russia's border regions, modernization and development of transport and transit infrastructure on mutually beneficial and equal basis, confidence building, non-using anti-Russian rhetoric for domestic and foreign policy purposes, equal speed development of cooperation between the BBSR countries and Russia with EU in legislation, migration, economy, as well as on political level.

Second, there is a scenario of a "New Europe Transit States Union", stipulating a formation of a political axis the Baltic States - Poland - Ukraine - Georgia with prospective joining Moldova, Belarus and some other countries under active political and financial sponsorship of USA. This scenario implies strategy of opposing Russia in foreign policy, employing anti-Russian rhetoric for domestic mobilization and national identity-building, squeezing Russia off the strategic spheres of economy, emerging common approach and limited blackmailing of Russia in energy transit, development of alternative (not always economically justified) transit routes for raising political weight in relations with "Old Europe", expansion of Euro-Atlantic institutions, revitalization of anti-Russian lobby in the EU and NATO at the expense of BBSR countries.

Implementation of this scenario would contribute to gradual re-orientation of oil/gas transit from Russia to Europe outwards BBSR, preserving negative stability in bilateral relations of Russia with the most of regional states, perspective introduction of visa-regime with all countries of the region, decreasing trade turnover and investment cooperation between Russia and BBSR, gradual weakening of cultural and humanitarian contacts. As a result, the role of the region in context of Russian-European relations would tend to drop down.

In extreme variant this scenario assumes upraise of the "region-barrier", a belt of pro-American states for geopolitical purposes of the USA in Eurasia, using the region as a source of permanent low intensity conflict, preventing Russian-European rapprochement, ensuring regional stability by means of underpinning Russian threat for mobilizing a common interest. The historic phantoms like fear of a cordon sanitaire objectively contribute to exaggerated perception of this scenario reality in Russia.

**Guidelines for Russia**

- Russia is interested in preserving and developing the region as an interface of cooperation with the European Union;
- Russia should refuse from pursuing a reactive policy in the region, based mostly on negation of initiatives proposed by other actors and not offering its own attractive and supplemented by resources projects;
- Attempts to play on the field of the Baltic-Black Sea region-building is resource-consuming and not promising, because Russia would have to follow the rules in which elaboration it did not take part. Moreover, it would even more contribute to cementing the region;
- Instead of creating alternative structures, Russia should invest its efforts into building a net of initiatives by specific interests common for different countries of the region. The most successful of these initiatives could be institutionalized in the future. Russia is interested in raising role of those organizations where it is represented, first of all BSEC and CBSS;
- Russia needs a realistic engagement strategy stipulating implementation of joint economic projects and maintenance of direct high-level political dialogue as well as inter-agency and expert cooperation;
- Russia is interested in stimulation of trans-border and sub-regional contacts of Russia's region in their relations with BBSR countries. It would contribute to development of economic cooperation, sustainable contacts between regional elites, raising density of humanitarian contacts. Having in mind the well-known financial weakness of regional and municipal authorities in the most of border regions, the federal centre could consider an opportunity of financial assistance;
- Russia possesses an effective cultural and educational leverage of preserving its influence in the region. Its furthering requires creation of a system for students and teachers mobility, ensuring access of youth in the region to humanitarian education in Russia and well Russian language and culture promotion.
Security risks and dilemmas in the wider Black Sea region: back to «Realpolitik» or simply going through a crunch?

The current turbulent developments in Georgia and a blitz "hot" war with Russia reaffirmed my belief that it is important to focus on the slightly broader strategic setting in which the South Caucasus security and stability equation is imbedded - the Wider Black Sea/Caspian Area (WBSCA). It is not the first time, as experts admit that one finds the Black Sea/Caspian region in competing zones of geopolitics and dogmas. Today, with all its complexities, the problems confronting and confounding so many of the world's troubled regions are exposed. The WBSCA and specifically the South Caucasus (one of its most dynamic, vibrant regions and now we can add turbulent as well) are both the front and principal artery through which many of these problems are transmitted to the globalized world.

It is an area where public "goods" and "bads" crisscross, intersect, interconnect and, at times, even intertwine. Some of the broader area's effective energy and transport corridors, links, accesses and hubs are used no less effectively for all kinds of illicit trafficking, including small arms, Improvised Explosive Devices (IEDs), counterfeit money and nuclear materials.

In its broadest sense, the wider Black Sea/Caspian Area can no longer be considered in isolation from the larger important dynamics that are emerging. Whereas previously it was a road to "somewhere else", today it is a vital crossroad in its own right; a place where occurrences happening elsewhere intersect and impacting tens of millions of lives and not only on the regional level but far beyond it - just the perspectives the disrupted European energy security would be enough to mention!

So what are we talking about?

The Wider Black Sea/Caspian Region - The eye of the EU'S next political storm or the shining sea of stability?

It appears that some recent new geographic, geopolitical or geo-economic methodological notions would matter for the perspectives of the EU - Wider Black Sea Area/Caspian (WBSCA) relationship. This can serve as an appropriate subject for academic or even some polemical analyses.

The discussion here is not about the Organization for Black Sea Cooperation (BSEC) - one of few full-fledged regional international organizations in Black Sea/Caspian area. Nor is it about its current state of affairs and strategic perspectives of BSEC. Rather, the focus here is on the WBSCA, Europe and the perspectives on their perspective interaction. Some experts assert that perceptions or misperceptions nourish or even re-shape existing reality. It applies full the BSEC-EU interaction dynamics. These fas-
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EXPERT OPINION

Exciting strategies and synergies have intersected each other in the WBSCA. Some of them have stayed and impacted, while others disappeared without any trace. But each has created some expectations, recharged some concrete political and public opinions.

I would advise for the proper current strategic focus and the adequate perspectives for future, it is necessary to look beyond the routine of daily developments within BSEC and reflect on some strategic dynamics and paradigms that clash in within the WBSCA. They impact developments far beyond the vicinity. The initial steps within that just developing "Synergy" project with the European Union has already raised certain "strategic questions" and not only for the main regional actors but academia and experts.

During the past three years there has been much preliminary discourse with some elements of interaction between the WBSCA and the EU. It has taken place mainly through the BSEC institutional capacity and seems to be heavily trafficked with concrete concepts and some practical projects that have emanated from just one direction - the Black Sea area. The EU’s outlook regarding the WBSCA is too much general and still blur though as some European expert admitted ironically recently that "the EU’s policy towards the Black Sea bears some resemblance to Mahler’s music, i.e. it sounds worse than it really is". But we, regional actors, and specifically from the "grey zone" of the broader region - Georgia, Armenia, Azerbaijan, Moldova, countries which are neither in NATO or the EU or will be there in the nearest future, need to see some tangible results of those activities on the ground and regarding the on-going problems and risks.

Is it a region, a strategic space, "corridor" or a "Wider Area"?

When trying to define an issue or a problem, it is often useful to start by discerning what it is not, before endeavoring to describe what it is. The Wider Black Sea area lies at the crossroads of European, Eurasian and Middle Eastern "security frameworks" - in a broader and multi-functional notion of the term which embraces political, economic, environmental, cultural and many other ingredients of the contemporary concept stability and security paradigm. While geographically located at the edge of each, the Region has never been at the centre of any of these frameworks nor has it even become a supplemental component in any of these strategic constructions.

One of the main goals of BSEC, is shared by the EU: to boost economic cooperation within a defined geographical area. Nevertheless, neither the WBSCA nor BSEC (as its institutional configuration) are an alternative to the EU. Now, nor in the foreseeable future is BSEC an economic competitor (if anything, it is a complementary economic partner and resource). BSEC is not a nascent political union (Far from that! Unfortunately even just opposite!). One could even argue the WBSCA is not even a "region," in the sense that Scandinavia, say, is perceived clearly as a "region." Neither is it, as some analysts assert, simply a "periphery", "black hole" or "the Bermuda Triangle" through which a space traveler might pass or worse, just even disappear, on the way to somewhere else. Rather, the EU, the WBSCA and BSEC can be seen in terms of a solar system in the making; the Sun in this case is clear, but the exact orbits of some of the surrounding planets are still in a state of flux.
This area can be described as a "strategic corridor" and a "strategic space," sharing, perhaps, in terms of external perception, many of the same characteristics with "Central Asia". The WBSCA has only recently emerged as a critical node in the strategies of some regional States on the territory of the former Soviet space, including the Russian Federation and traditional littoral states like, Turkey, Romania or Bulgaria. Importantly, the entire area has become integral to the evolving policies and strategies of the states of the Eastern Mediterranean; to a new and vital Russia, which has a crucial role to play throughout the WBSCA; to the South Caucasus and the Caspian Sea Basin and Central Asia; the Middle East; and, of course, to Europe. It is obvious that at this dynamic converging point, US interests (particularly now with its greater presence in Europe. It is obvious that at this dynamic converging point, US interests (particularly now with its greater presence in Europe) are not trailing very far behind (they may actually already be far ahead).

The Wider Black Sea Area - EU Interaction Gambit

How the WBSCA should fit the new strategic landscape vis-a-vis the EU can be determined only after examining the relationship, interactions and perspectives between the two in this regard. Certain formidable steps have already taken place. As admitted above, synergies have been identified and some constructive dialogue has been initiated. However, these dynamics require strategic vision, direction and concrete results.

One must put oneself into the EU's shoes to understand how the region is viewed. Viewing the WBSCA (and BSEC, its only full-fledged institutional mantra) from Brussels's perspective facilitates the identification of those things that are lacking and needed in order to add value to the relationship process; making it an irreversible and mutually beneficial one. There is, to some extent in the EU a deep-seated wariness. It is not about the region per se but about the individual BSEC countries. In part, this wariness stems from the EU's internal politics and from the seemingly endless debate on the "wider" versus "deeper" direction it should take.

In some quarters of the EU the WBSCA continues to be perceived as EU periphery. This is so despite the fact that Black Sea states Romania and Bulgaria have become members of the European Union. Psychologically, it is seen as a problem-ridden distraction that can no longer be completely ignored, but contained or dealt with on an individual state bases with aid and technical assistance. Permitting
cynicism for a moment, this rationale is what appears to lie behind the Neighborhood Policy ("ENP"). And it seems to me that "Black Sea Synergy" may bear the same but in this case some regional rationale.

The EU has been kept busy with its own issues of enlargement, new member countries as well as bigger strategic issues such as trade, relations with the US, Russia, China, India and the emerging economic "tigers" from wider Asia. A distinct wariness towards the region exists even inside more "enlightened" EU circles. There appear to be a number of reasons for this wariness. However, within this camp there is a definite sense that more should be done, if only out of self-interest i.e. the growing importance of WBSA energy to the EU. By simply by looking at a map, anyone in the EU can instinctively know the combination of chronic instability and economic malaise emanating at its borders from the WBSA is dangerous. Unfortunately those who recognize this danger do not know what to do, and fear failure.

Such an assessment may appear harsh or even pessimistic. However, perhaps the seeds of a strategy may be discerned from it as well. Ultimately, political and economic events on the ground, (e.g. an expanding and inter-connected energy and transport infrastructure) will be the driving force that shapes EU policy towards the wider Black Sea area.

There is a military concept known as "getting within your opponent's decision cycle". Without suggesting the existence of a confrontational charge between the EU and the WBSA or BSEC concretely, the concept may be relevant here. It is possible to suggest that a self-serving EU-BSEC engagement strategy, one that is strictly oriented on EU interests, stands the greatest chance of success. Ironically, such a strategy would also serve the best interests of those BSEC Member States, who are (aspiring) candidates for future accession as well as those states pretending to be on equal terms with the EU.

Irrespective of whether it is motivated by fear of expansion of instability on its own borders or energy disruptions, the EU needs new relationships in the WBSCA. With the accession of Bulgaria and Romania the Black Sea has become part of the EU. The European Union has never before had a coastline on the Black Sea. It is possible to assert the WBSA has become the EU's "near abroad". If properly reformed and recalibrated to fit the strategic realities and the developing synergies within the region (and beyond), BSEC could help deliver relationships and tangible, practical projects and initiatives. The cooperation
could produce mutually beneficial results to both the EU and the wider Black Sea/Caspian countries.

No one can predict where events and relationships might lead. In this case, the axiom that the journey is more important than the destination, or in corporate speak, the process is more important than the product, is paramount. The EU, irrespective of whether it is motivated by a fear of further expansion or of instability on its new borders or of possible energy disruptions, needs new relationships in the Black Sea region.

Precisely because it seems that the EU is becoming a less capable actor in the WBSCA, it needs BSEC to be more capable. It needs a BSEC that can help deliver relationships as well as tangible, practical projects and initiatives. Yes, BSEC needs to be reformed and recalibrated! It has already been said but is worth repeating: if BSEC were high-tech company, it could be perceived as some sort of Cisco Systems, producing the routers that convey the ideas, issues and trends concerning the ENP around the Region and between the Wider Black Sea area and the EU.

In high-tech speak, it would provide the high-level "connectivity" which the EU needs urgently. It must also influence and produce the "content" that will help dispel any misconceptions, prejudices and fears that the EU may harbor about the region. The focus must not be limited to the purely political and technical aspects of the accession equation. It must deal effectively and promptly with perceptions and prejudices.

In short, the WBSCA's potential and BSEC's capacity must be seen in Brussels as an essential enabler of the ENP. An entity that can help deliver the relationships and programs needed to be effective from an EU perspective. In so doing, BSEC, would not "sell-out" its role of promoting the self-interest of its members. Rather contrarily, it would actually position itself to enhance that responsibility.

Thinking Strategically, Acting Thoughtfully...

Some may say it is easier to talk than to implement these ideas or concepts. However, others can ask what the strategic questions to which precise are and clear-cut answers must be found? It is worthwhile to focus on at least some of the questions that may resonate strategically. I raised those "strategic"/polemical questions many times earlier. I have not heard some answers to them and decided to muse over them one more timer in a different context.

How BSEC should fit into this new strategic landscape vis-a-vis the EU?

As has been admitted above, is a level of deep-seated wariness towards the WBSCA exists within the EU. It goes far beyond the "Christian Club" argument or the endless (and probably ultimately inconclusive) debate on "Europe's" natural borders. The wariness stems in part from the internal politics of the EU itself, and that other seemingly endless (and again possibly ultimately inconclusive) debate on the "wider" versus "deeper" direction that the EU should take. In reality, it will probably be a combination of both. Concern may also find some of its roots in the notion that the EU would simply inflate expectations in the WBSCA by working on more of a multilateral level, while at home igniting even more expansion related fears. This wariness is combined with a camp that does not know what to do.

The West likes "success". It is from this very perspective that the "wider" nature of the Black Sea/Caspian area does not promise to make Europeans happy soon. These fears are very important to understand. It is from this very perspective that the "wider" nature of the Black Sea area does not promise to make Europeans happy soon. This has resulted in a muddled, middle-of-the road policy course with no particular strategic destination in mind. It fears failure of throwing good money and resources down a "black hole" When oilmen gather at night over a beer, they often talk about the two Golden Rules of the oil industry; The first is that "it is all about the money." The second rule is "never forget rule number one." To this a third one can be added: "It's all about relationships and delivery, stupid."

This larger strategic question of How BSEC should fit into this new strategic landscape vis-a-vis the EU, must not be asked only (or even primarily) in the context of what Europe wants. Rather it needs to be posed in the context of what it can actually do. At a time when most, logically, see Europe's periphery further than it was only a few years ago, most Europeans see it smaller than before. There is no real enthusiasm for additional expansion in Europe. Even the absorption of the newly independent Central European states (like Romania and Bulgaria) caused real heartburn.

At this moment, Turkey has virtually no chance of being admitted to Europe. Europe, by almost any reckoning, is today much less than it used to be. Its economy, with a few notable exceptions among its members, is tepid at best. Its demographic condition borders the catastrophic. It has all but ceased to invest in
military capabilities. It refuses to support the security organization that has sustained a vital alliance system with the United States for nearly half a century.

Most sensible observers understand that Europeans have no appetite for NATO projecting power beyond Europe, or for that matter even within Europe, for example toward the Balkans. The very notion of a "European" foreign policy has foundered on local nationalisms and the stagnant bureaucracy in Brussels. We have every right to ask today: What is Europe, and what is it capable of doing? The answers are not clear and are becoming less so.

From this perspective one can ask if it is even desirable to think about BSEC as a sort of "hinge" to Europe. What would it be hinging to? In the last two decades, the strategic Eurasian map has changed fundamentally. While the Soviet Union existed, the logic that all strategy stopped at the Soviet border was perhaps justifiable, but it is not justifiable today. Eurasia is now one of the most intense strategic competitions in the world. China is there; India is there; Russia is still there; the United States is there; the Arab Gulf states are there; Iran and Turkey are there; Japan and South Korea or other Asian vibrant economies are there; and of course Europe or at least some of it is there.

The bubbling brew of economic, political, cultural interests abuts much of the Black Sea region. It cannot remain immune from events in larger Eurasia nor can it be isolated from the strategic dynamics that will increasingly inform the competitions there. At the very least, it is necessary to understand the shape and character of those competitions. An independent view of how they could play out that is not tied to Europe or any other region is needed for affectivity. The BSEC can take the lead in helping to define this marketplace of strategic forces through analytical filters that belong to the region alone. That is our value to Europe...and beyond.

Another factor shaping EU perceptions of the wider Black Sea/Caspian area is the US geo-political running in the region. It aggressively pursues its own, mainly security- and energy-related agenda, expecting Europe to pick up the problematic pieces in its wake. At least, that is the perception, and in geopolitics, as in life, as conferred above, perceptions are reality. One should never underestimate the resentment and frustration among some in Brussels that the US has not only blithely assumed that Turkey should breeze into the EU on a fast track, but that so too should Ukraine (and some other countries. Maybe, it is high time for some strategists in the Wider Black Sea area to sit down with American experts and talk about the US interests in the Black Sea/Caspian. The United States, whether one likes it or not, has already become a Black Sea actor, with its strategic vectors reaching far beyond our region.

The next strategic question: How does or should BSEC connect to other structures and organizations with similar, related or parallel objectives or agendas? The short answer is that the Wider Black Sea area and BSEC specifically, should connect to those other structures and organizations, but to do so in ways that do not simply duplicate efforts, but in ways which are distinctive and help those other actors leverage their efforts.

The Davos-style format is an ideal approach to pull together related structures and organizations allowing issues that may otherwise be dealt with in a piece-meal, uncoordinated manner. The format could facilitate a view which is more defined and "holistic" in context. It may sounds like jargon, but within it lays a hard kernel of truth.

What role can BSEC and its related bodies play in harnessing the forces of globalization that States seeking to build capacity must understand and accommodate?

In spite of its economic, cultural and political dislocations, globalization will continue to grow in the coming years and decades. The challenge is to exploit it and simultaneously preserve and promote the unique characteristics of individual economies and societies in the face of its seemingly overwhelming forces. In the WBSSA there may be several distinctive roles to be played for BSEC, its related bodies and the International Center of Black Sea Studies (ICBESS) in particular.

First, the aforementioned bodies could be used to help Member States identify and understand the underlying technological, economic, commercial strands and trends that intertwine to produce "globalization," as well as how such developments may impact on their economies and cultures. This would be a relatively high-level exercise which would fit well within the Davos-style meeting format. The objective is not airy, academic debate on the rights and wrongs of globalization, but a debating level in which its consequences, and thus any consequent opportunities, are identified in a strictly Black Sea context.

Second, development within the Black Sea/Caspian area is often left in the hands of "experts." However, most of those "experts" have never built a business or had to meet a payroll. Investment bankers are often seen as the storm troopers of globalization. Should EU-based invest-
ment bankers be seconded for three to six month periods to particular regions of BSEC members, they could examine the opportunities of creating businesses with the potential to serve niche markets in Europe. Clearly not all of their suggestions would work; this does not matter. What matters is the process of harnessing globalization to produce tangible benefits that count. The Harvard Business School could not teach a course like that.

Another example could be direct BSEC participation in BP’s nascent plan for long-term engagement with civil society and other influential, non-government actors in Azerbaijan, Georgia and Turkey after the completion of BTC and SCP. This BP strategy (though currently not well-defined) is directly related to globalization. Acting as a neutral facilitator of such a process may seem a natural role for BSEC. It would be well placed to disseminate more widely the impact (positive and negative), problems and strengths of such strategies in the region, the EU and beyond. Needless to say, BP and its partners preferred to pass up BSEC’s institutional engagement choosing more direct relations with individual regional countries. Why? Some BP executives admitted some time ago, "BSEC happens to be entrapped by the "experts" plus too many cumbersome bureaucratic decision-making procedures!"

In short, BSEC’s regional outlook must be utilized to foster something not unlike a high-level globalization early warning system. Through it views could be communicated as widely as possible. At the lower level, it needs to promote and participate in practical projects that creatively seek to harness the more positive benefits of globalization, and to communicate the results as widely as possible.

How to move closer to Europe and remain a positive factor for managing the strategic vectors that are shooting in from many other parts of the world?

The process of fashioning closer ties with Europe is, perhaps, inevitable and inescapable for the entire region. Managing and understanding this process will be a priority for all BSEC Member States, irrespective of their eventual individual political relationships that emerge over time.

One possible weakness of the EU approach to the region is, simply, focusing too strictly on individual countries. In other words, it may not see the forest through the trees. BSEC can (and should) provide the perspective of a regional approach. A mindset needs to be developed that first considers other strategic vectors, albeit from the Middle East, Central Asia or elsewhere, and then produces an analysis that says: "This is the likely impact on Black Sea states (individually and collectively), and this is the likely impact or implication for our EU neighbors and other strategic partners, the US or Japan". The views need to be presented and promoted in ways that do not isolate or irritate any Party.

In summary, the WBSCA and specifically BSEC may hold a unique perspective and position. Perhaps in the past the relevance or importance of that perspective and position was not realized. Political, economic and security related developments, both positive and negative, have turned this into necessary elements of the broader strategic picture. However, the ability to bring about the necessary changes lies with regional actors and BSEC itself. In turn, their confidence is required to build upon its existing structures. Furthermore, the region’s resources must be used to put forward views, forums, projects and relationships that will fill in what remains a “grey zone.”

This is a unique time in modern history and the wider Black Sea/Caspian area is a unique strategic space. This uniqueness can be used to create a distinctive Wider Black Sea/BSEC approach using understanding, leverage, management and, at times even manipulation to promote the interests of its members and perhaps, in turn, those of other strategic actors beyond.

A Message For Europe

The Europeans as well as the region’s member states are watching developments in the WBSCA area and both groups can read a map. The avalanche of debate about the future of Europe caused by the referendums of 2005 in France and the Netherlands has been acknowledged by both. However, whereas that debate must necessarily be centred within the European Union, the actions and policies that will eventually emerge from it will have a profound and fundamental impact on the future of the WBSCA.

In recent years, Europe has made some brave, bold and controversial moves. It appears that none were as brave, bold or controversial, as the incorporation of 10 Central and Eastern European states. That enlargement, and the prospect of future enlargement into the Balkans, is said to have been an important factor behind the French and Dutch rejection of the European Constitution in 2005.

Popular fear of East-West waves of immigration, so-called "social dumping", may certainly have also played...
a part. The perception of the supposed threat posed by low-wage "Polish plumbers", "Turkish kebabci", "Georgian nannies" or "Moldovan mechanics" seems to have struck a sensitive public chord; every politician knows, "perceptions are reality."

If recent events suggest certain Western European states perceive economic and social threats as emanating from the east, what then is the perception of developments in Europe from that very region? Many commentators have emphasised that enlargement may have been the most successful European policy since the 1950s, when the first moves to create a European entity cemented the reconciliation of France and Germany. This may simply be a perspective of Europe's political and media elites, but it has certainly has worked in the accession States. There the prospect of EU membership has clearly underpinned the peaceful transformation of former communist economies, and helped introduce and entrench democratic values.

Of the 12 BSEC Members, Greece, Romania and Bulgaria are the EU members. Accession talks with Turkey began last October. Serbia is covered by a broader EU commitment to the Western Balkans. Neither Ukraine nor Georgia has hidden its intention to be a part of the European Union in the future. All BSEC States that are not on a direct accession path are subject to the still-evolving European Neighbourhood Plan. The plan seeks to reward - in what remains an ill-defined manner - countries that embrace "European norms and values." The only exception is Russia. However, one could argue that it already has a "special" strategic relationship with Europe.

It is perhaps ironic that at a time when many in "established Europe" are disenchanted with the European project, its allure and attraction continue to exert such power and influence in its "near abroad." For example, Georgia has never appeared on any list for accession. This notwithstanding, in front of the Georgian Parliament and other public buildings the EU flag flies alongside Georgia's national flag. The EU flag is also the official flag of the Council of Europe, of which Georgia is a member. Therefore it is possible to fly the flags side by side. That flag does not fly there to impress visiting European officials and politicians to support Georgia's hopes. Its flight is not a publicity or public relations stunt. It flies there because it serves as a psychological anchor for a country wracked by civil war and economic collapse.

The WBSCA is rapidly becoming a strategic energy corridor to Europe. The inauguration of the Baku-

Tbilisi-Ceyhan oil pipeline and the South Caucasus gas pipeline later this year will not so much serve the United States, one of its main backers, but rather, European refineries and drivers. It was built by a largely Black Sea work force with the assistance of mainly European engineers and experts. European technical, environmental and social standards were adhered to. New projects will link natural gas pipelines from the region with the main European gas grid. They will provide additional sources of supply from the Caspian (and perhaps beyond) into European homes and factories; diversifying and helping to secure vital sources of supply.

Some may look at the WBSCA and see a political and economic "black hole". Instead, it can also be viewed as a potentially vibrant market with more than 150m people. It can be seen as a producer, consumer and exporter of much needed resources; a source of a new generation of entrepreneurs, inspired by the European model. But this positive vision depends on partnership and cooperation.

At a time when established Europe engages in an inevitably introspective debate on future enlargement, we must not lose sight of the very real and tangible benefits that can flow now from stronger engagement between Europe and the Wider Black Sea region, especially in the economic area.

As stated above, the European Neighbourhood Program is the main vehicle for direct engagement between the EU and Black Sea States without a direct commitment to eventual accession. That policy is still evolving. Even before the French and Dutch referendums cast such uncertainty over future relations, discontent could be detected regarding the policy from within the Black Sea region.

Some view the action plans as too prescriptive, too presumptive, too "top-down" and far too detailed. Some cynics from the region even suspect it is just another bureaucratic ploy to keep countries from lobbying more vociferously for membership.

The ENP is necessarily a bilateral affair between Brussels and individual Black Sea countries. It should also have a regional dimension, if only to placate fears of it containing a "divide and rule" element. It must also be much more inter-active, involving a cross-section of the societies concerned. The participation of the business community, both from within the region and more widely in Europe is also critical. If the referendums in France and the Netherlands of 2005 have taught us anything, it is that the policies and pro-
programmes that are the exclusive preserve of political elites are always at risk of a popular backlash.

Today, no one can predict the outcome of the present political debate. Some commentators have suggested the pushing of the "political pause button" on future enlargement will become permanent. Perhaps it is only a temporary and tactical pause to allow the political fall-out of the French and Dutch referendums to settle. Only future events will tell, as Europe continues what is likely to be a prolonged period of reflection.

Importantly, a pause for political reflection should not become an excuse for a lack of engagement, particularly in the economic sphere. In effect, a political pause may make increased engagement between Europe and the WBSCA an even greater imperative. Economic interests are inextricably intertwined, irrespective of political future, the WBSCA is a prisoner of geography.

There is both, clear and long-term strategic interest in economic cooperation. Perhaps a broad business coalition between WBBSA and European companies interested or active in the region should be created. This would help individual countries better understand and influence the European Neighbourhood Program, as well as tackle common regional issues. Whereas the majority of states in the WBBSA are allured by engagement towards the EU, it appears to irritate some big regional actors. Although understandable, the question begs to be asked: What is the substance of Russia's, Turkey's, Greek's "Good Neighborhood Policy," in the WBBSA if that policy exists at all?

It is patently obvious that both, those in Europe and the WBBSA, are facing uncertain and perhaps even irrational times. The outcome is clearly not in sight. Perhaps too much time should not be spent speculating on end-games or future political structures and relationships. Already more than enough pundits, analysts and commentators happily and freely do so. It is important to stress however that as some experts admit, "the wish to belong to the democratic community of Europe has been a powerful factor for both change and stability in Europe. Membership of the EU played an important part in the consolidation of democracy, first in southern Europe and then in central Europe. Not many revolutions are entirely peaceful and few result in stable democratic outcomes."

There is a common vision. At this stage, its building blocks are primarily economic. This fact is certainly in the interests of both the EU and the WBBSA.

At this time, it is the process of engagement, not necessarily the product which is so crucial. BSEC states are willing to work together on tangible, practical and pragmatic projects that are in the interests of both EU and the WBBSA.

It is a sincere hope that the commitments made by the EU towards several member states will remain in force and be fully implemented by both sides. Now more than ever, those falling outside this category need to accelerate it the momentum of engagement. The old "Iron Curtain" never quite killed the hopes of millions of people in Eastern Europe. However, if a Euro-Curtain dividing haves and have-nots were ever to descend over the wider Black Sea/Caspian area, it is healthy to fear that it could.

The people of the WBBSA understand perfectly well why current circumstances may have compelled Europe to have pushed the pause button; but pause, at least according to the Oxford Dictionary, does not mean "stop." There is no pause button for the desire for peaceful reform, democracy, stability and security of millions of people in the WBBSA. These are the very things the EU so eloquently stands for, and has so successfully cultivated across other parts of the continent. So pause if it must, but while pausing it should bear in mind that in a potentially volatile region such as this, with unresolved conflicts and emotionally raw ancient rivalries, there is always a force at play whose only desire is to push the re-wind button of history.

It would be tragic, not ironic if in the future a common European defence and military policy were to emerge not in response to crisis and disasters in far-away places in Africa or Asia, but from an urgent need to patrol Europe's "frozen frontiers" to contain chaos and instability in its "Near Abroad".

The specificities of structures, outcomes or end games should not encumber progress. It is necessary to simply "get on with the job". It is time to embark on the journey. Perhaps a pleasant surprise awaits at the final destination. Somebody at the International Centre for Black Sea Studies (ICBSS) where I currently work once said the ancient Greek used to call the Black Sea and the adjacent area not friendly to outsiders. From today's vantage point it is still rough from time to time. It is worthwhile to muse together about the fascinating and dynamic perspectives on how to make that vast area "friendlier" that is mutually beneficial to "regionals" and "outsiders" alike.
The policy of Ukraine towards the BSEC and the Black Sea region

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Ukrainian interests and challenges in the Black Sea region

The Black Sea region epitomizes for Ukraine a complex centre of vital interests in the spheres of geopolitics, economy and defense, particularly as Ukraine still stands in the post-soviet geopolitical area which Russia aspires to reintegrate to the bosom of its state system. Not as a matter of coincidence, the Russian Federation (RF) has openly declared the right to monopolistic domination of this part of Eurasia. Such a tendency constitutes a threat to Ukraine's sovereignty and independence.

Another challenge for Ukraine in the post-soviet area has been the propensity in post-communist regimes to backtrack on democratic reforms and progressively return to authoritarianism. Russia appears to be in pole position leading this transformation of the Commonwealth of Independent States (CIS) into a Commonwealth of Authoritarian Regimes. The recent drift represents a real external threat for democracy in Ukraine. Ukraine could avoid such an ominous prospect for its sovereignty by moving closer to the association of European states. However, the Ukrainian course into political Europe in the short- and middle-term has turned out to be considerably complicated. Integration into the European Union (EU) became problematic by virtue of external reasons, whereas membership to the North Atlantic Treaty Organization (NATO) was blocked by domestic issues. Hence, clutched between the West and Russia, Ukraine should concentrate all the more efforts on furthering interests in southern bearings - the Black Sea region.

The Black Sea region presents Ukraine with a middle-term perspective for achieving several strategically important objectives regarding its geopolitical interests.

First of all, by strengthening cooperation and partnerships with countries of the Black Sea region, Ukraine asserts its own independence and sovereignty. Transferring Ukrainian activity to the Black Sea region will weaken Russia's geopolitical dominance from above. The Black Sea region, where Russia has already lost its leading position, can become a sure geopolitical alternative for Ukraine in the post-soviet area. Ukraine has today increased chances to become a viable and influential country in the Black Sea region. In a geopolitical sense, the BSEC represents an ideal regional forum for developing this new role for Ukraine. The Organization of the Black Sea Economic Cooperation (BSEC) is indeed a very significant factor for the development of new processes in the Black Sea region and Ukrainian-BSEC relations play a role in defining Ukraine's place in the region. The BSEC offers Ukraine the chance to defend its national interests while developing bilateral and multilateral cooperation within the framework of the institution. Unlike in the CIS, where Russia still holds a dominant political role, in the BSEC, Ukraine can follow a new model of equal partner relations with Russia, which can be used later in other dimensions of the Ukrainian-Russian relations.

Secondly, there is a question of civilization that is closely connected with the Black Sea region. The answer to the question of what type of geopolitical and civilizational sys-
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Economic and geostrategic value of the Black Sea region is increasingly acquiring a transcontinental value. The geostrategic importance for Ukraine is the fact that the Black Sea region represents an important transportation artery. Owing to the straits of the Bosphorus and the Dardanelles, the Black Sea is a part of Europe. The enlargement of the European Union to Romania and Bulgaria, granting the EU an access to the Black Sea, makes the Black Sea region a part of political Europe. Ukraine remains however deprived of any chances of membership in the EU for the next 15 to 20 years. The European Union intends to develop future relations with Ukraine only ponderously within the all-encompassing concept of "neighborhood". Ukraine will as a result be forced to change strategy, tactic and direction regarding its Euro-integration objectives. Within the "neighborhood" framework, strengthening sub-regional cooperation with the region's EU member states matches Ukraine's aspirations to future integration. The BSEC in this sense becomes one of the most important mechanisms adding to Ukraine's process of European integration. Ukraine's active participation in BSEC activities then becomes a substantial direction for ultimately realizing the set objective of institutional integration into Europe.

Thirdly, the intensification of the North-South communication axis will add to the stability of Ukraine, unlike the East-West axis which has fractured the country. The development of the Black Sea-Baltic system of cooperation is therefore of major geopolitical interest to Ukraine. The transportation, energy, economic and political constituents of an updated Black Sea-Baltic system will help strengthen stability and prosperity in Eastern Europe from the Scandinavian to the Black Sea countries. The BSEC than interestingly represents a modern organization aiming at the rebirth of the route of "Varangians to Greeks", which existed in ancient times.

The Black Sea region is also attractive to Ukraine because of another infamous transport corridor known as the "Great Silk Road", which connected Europe with Asia. Hence, Ukraine embodies the essential link for economic relations between Central and Eastern Europe and the East.

Ukraine's economic interests in the Black Sea region are tightly related to its geopolitical interests, in particular in the case of transportation and communications routes which clearly include both strategic and economic features. Owing to the straits of the Bosphorus and the Dardanelles, the Black Sea represents an important transportation artery that joins Ukraine with the world's major sources of raw materials and with international markets. Even more important for Ukraine is the fact that the Black Sea region is increasingly acquiring a transcontinental value. The geo-economic and geo-strategic value of the Black Sea region lies in its location at the crossroads of the vertical axis of transportation and communication routes between countries of Northern Europe, the Mediterranean and the Middle East, with the horizontal axis joining two geopolitical centers of the world, two civilizations, where East meets West (Europe and Asia).

Economically, the Black Sea region's cooperation can come to be an alternative way for Ukraine of solving many of the problems which it faces from within the post-soviet space. Ensuing interests include:
- diversification of energy supply sources;
- development of Ukraine's potential as an energy transit route to Europe;
- diversification of outlets for Ukrainian agricultural products;
- development of transport corridors, North-South, Europe-Russia, Europe-Asia;
- bringing in investments from the Black Sea region countries for modernizing the Ukrainian economy;
- development of recreational centers for the tourist industry.

The BSEC is treated as a priority in Ukraine towards realizing these interests. Ukraine naturally sees its own participation in the BSEC through the prism of its own economic interests which shape national support for the economic projects of the BSEC. However ensuring interests in the Black Sea region by both regional and third countries, will depend on the state of security and political stability in the region. Without political stability, the region's role as a link between Northern Europe, the Mediterranean and the Middle East, as well as between Europe, Central Asia and the Far East, is lost, and the whole region will then only exemplify separation between these civilizational areas.

Destabilizing factors in the Black Sea area

Regrettably, alongside the huge economic potential that encourages cooperation, the Black Sea region is also cast with a proneness to conflicts and still very much depicts to the world a zone of tensions and clashes of interests. The most destabilizing factor in the Black Sea region lies in domestic conflicts in many of the countries in the region, primarily due to growing inter-ethnic contradictions and diverse other social tensions. Many of the conflicts are caused by disproportionate levels of economic development in separate regions within a single state. The multi-ethnic diversity of populations in the Black Sea region plays a role in the irregular economic development...
between areas and provinces, and causes the internal conflicts to have a distinctively pronounced ethnic coloring. Moreover, the inter-ethnic strife is a breeding-ground for many grave social problems, among these, the problem of refugees. Social tension is furthermore aggravated by various inconsistencies in economic and political reforms being carried out in most countries of the Black Sea region.

The main conflict-provoking factor in the Black Sea region is the problem of borders and territorial disputes causing in some cases internal threats, and in others, external threats. In the course of their history, the nations that used to live on their national territories were either forcibly moved out or joined different states when their territories were divided among several new states. Since such disasters remain for a long time in the collective memory of ethnic groups, sooner or later, following the shift in the region's balance, ethnic groups that had been previously divided as a result of deportation or partitioning of their territories, have tended to launch political movements to unite their nations or ethnic groups and to establish their own national states in the place of their historical homeland. The issue of border conflicts and territorial disputes also has an external dimension since borders between some countries of the Black Sea region are not evenly delimitated, let alone demarcated. There are also some territorial disputes between certain countries due to the lack of inter-state treaties pertaining to state borders, or because of different interpretations by the opposing parties of existing treaties.

Security problems combined with the large economic, transportation and communications potential of the Black Sea region have turned it into the arena of both coincidence and confrontation of geopolitical interests, both between the region's countries as well as some of the leading countries of the world. As a result of dramatic changes in the global balance of power, the reshaping process of the geopolitical space in the Black Sea region is currently under way. This process is characterized by the gradual loss of geopolitical and geo-strategic domination by Russia and the growing influence of new players, such as Turkey, the EU countries, the US and Ukraine. This process provokes Russia's counteraction. And it is only natural, since the loss of geopolitical domination narrows down Russia's opportunities for ensuring its own economic, military and political interests.

These tendencies are shaping in Ukraine a complex of interests in the security sphere connected with the Black sea region. This group of interests include:

- demilitarization of the Black sea region;
- maintaining a balance of powers in the region, which makes military-political domination of one of the countries on the Black Sea impossible and promotes strengthening of peace and security in the Black Sea region;
- settlement of local conflicts and territorial problems;
- fight against smuggling, illegal migration, organized crime and drugs trafficking;
- improvement of environmental security of the region.

Ukraine vis-a-vis the BSEC

Looking into Ukraine's interests in the Black Sea region, Ukraine has actively supported the creation of the BSEC from the early beginning as one of the founder-states of the organization.

Difficult processes and overall inefficiency of the CIS has forced Ukraine to search for new ways to pursue its national interests. Naturally, other modes of cooperation within the region in Ukraine's immediate geographic vicinity constitute the best alternative. The BSEC as a geographically close sub-regional organization represents a most favourable option. The Organization of Black Sea Economic Cooperation (BSEC) was attractive to Ukraine because of its economic basis, unlike the CIS, which responds first to the geopolitical interests of Russia. Precisely this feature of the BSEC has caught the fancy of newly emerged post-soviet countries in the Black Sea region, which tried to integrate into this organization where Russia did not prevail. The BSEC was thus the first organization where relations with Russia could be built on an equal basis from a sub-regional perspective. That is why Ukraine pushed for the transformation of the BSEC into a full-fledged international organization. In fact, it was under Ukraine's chairmanship that the Charter and the Agenda of the BSEC have been developed.

The activities of the BSEC also match Ukraine's ambitions to eventually join the Euro-Atlantic institutions. Ukrainian participation in the BSEC has been decisive regarding progress made towards integration into the European Union and in strengthening democracy in the country. Integration into Europe has been proclaimed as the main strategic course of Ukrainian foreign policy. President L. Kuchma reporting on a conference on 'New possibilities in the Black Sea region' in Istanbul on 28 April 1997, said that the consistent strengthening of economic cooperation in the Black Sea region has played an important role not only in solving problems in the field of economic development in the region's countries, but also furthered pan-European integration.
The current President of Ukraine Victor Yuschenko speaking to the participants and guests of the 25th session of the Parliamentary Assembly of the Black Sea Economic Cooperation, which took place in Kyiv on 8 June 2005, underlined the important role of the BSEC in expanding regional cooperation, which is the pledge of security and stability, democratic ideas and economic prosperity in the 21st century. He thus said that “In this sense, I consider the Organization of the Black Sea Economic Cooperation a promising instrument for developing partnership among its Member-States and establishing a meaningful dialogue with the EU and other international structures”. In this context, the participation of Ukraine in the BSEC facilitates in many ways the adaptation of its economy to EU requirements and standards.

The BSEC is a key link for developing the Black Sea-Baltic system of cooperation. Building the Black Sea-Baltic-Caspian partnership should become the main geopolitical and geo-economic priority for Ukraine. Ukraine was one of the first states to actively champion the establishment of regular meetings between the leaders of state of the region. A fitting example was the summit in Yalta of September 1999, organized in the framework of the two-day international conference ‘Black Sea-Baltic cooperation: to integrate Europe of the XXI century without dividing lines’. As the Ukrainian Minister of Foreign Affairs Boris Tarasyuk stressed, this summit proved the righteousness of Ukrainian foreign policy, which combined integration to the European and Euro-Atlantic structures with good-neighborly relations with neighboring countries.

These meetings resulted in concrete agreements forming an economic alliance between the countries of the Black Sea-Baltic region. In particular, the creation of a committed oil-energy consortium for supplying Caspian oil (on the base of oil terminal ‘South’ near Odessa and oil pipeline Odessa - Brody - Adamova Zastava - Plock - Gdansk) through Ukrainian territory constitutes a strategically important question for Ukraine. Scandinavian countries are also interested in founding the consortium.

In this context of strengthening the Black Sea-Baltic-Caspian partnership, Ukraine ardently supported a decision by the Council of Ministers of Foreign Affairs on the renewal of Poland’s observer-status in the BSEC.

As for the economic aspects of Ukraine’s strategic interests, which it associates with the BSEC, they include diversification of energy resources supply, the search for alternative markets for Ukrainian products, modernization of the economy by bringing in international investments and technologies. Priority directions of Ukraine in the BSEC are therefore the following:
1. energy;
2. transport;
3. trading and economic development;
4. banking and finances;
5. communication, science and technique;
6. tourism and environmental protection.

Ukraine sees its own activities in the system of the Black Sea cooperation as mainly concentrated on energy and transport, in the light of the fact that it too seeks to actively minimize dependency on Russia. In this sense Ukraine supports plans of the European Union concerning the creation of a single inner power market on the basis of rules designed for one power network, which was reaffirmed by Deputy Minister of Fuel and Energy of Ukraine Alexey Sheberstov during the meeting of the ministers of energy of the BSEC member states in Sochi on 27 September 2006. Apart from that, the Deputy Minister also admitted that Ukraine would back an EU plan of priority measures concerning the unification of electric systems notably through the creation of a single European regulator, and the establishment of measures designed to separate operators of electric systems from suppliers. As he reported "Ukraine is interested in cooperating towards the realization of an energy policy by EU member-states, and in particular in defining priorities for the reconstruction of supply infrastructure (including pipelines and gas terminals); the elaboration of a Road Map for the creation of a pan-European energy community, the revision of the current approaches to cooperation with the main partners of the EU from the perspective of interdependence".

In 2005, during a regular meeting of the ministers of energy of the BSEC member states, Mr. Plachkov, Minister of Fuel and Energy of Ukraine, took an active part in discussing the integration of power markets and the development of interconnections of electricity networks. Great attention was also paid to the integration of energy systems of the BSEC countries to the trans-European systems. During a trip, the Ukrainian Minister of Fuel and Energy conducted negotiations with Greek companies on the realization of investment projects in Ukraine, especially on building the infrastructure for generating power in the south of the Odessa region. Ukraine exhibits particular interest, within the framework of BSEC projects, for the modernization of existing oil-refining plants, the creation of new electrical networks, and in particular, the realization of oil and gas terminals on the banks of the Black Sea, as well as carry-
ing out scientific research with foreign companies concerning the usage of alternative energy sources.

International and regional transport corridors, which have a strategic value in general, remain especially important to Ukraine. The materialization of existing plans can bring Ukraine great benefits and help it develop its economy. An analysis of transit cargo, which pass through Ukrainian territory shows that more than 50% of transit originates from within the BSEC region. All this is extremely important for Ukraine from the point of view of expanding outlets and diversifying energy transit routes.

A number of meetings between ministers of transport of the BSEC occurred in this perspective resulting in a series of documents, agreed upon and signed by Ukraine. In 2006, the Memorandum of Understanding on facilitation of road transport of goods in the BSEC region, which was signed in Kyiv in 2002, entered into force. Two more memoranda are open for signature - one concerning marine highways in the Black Sea and another on the creation of the Black Sea circular motorway. With regard to these projects, the Minister of Transport and Communication of Ukraine, Nikolay Rud'kovsky drew special attention to the perspective of opening a route Danube - Black sea - Don - Volga - Caspian Sea. This route, advocated by the Ukrainian minister of transport, will increase the traffic of goods and create a transport ring in the future connecting the rivers of Rhine, Mayn and Danube, the Black Sea - Azov basin, Don, Volga and the Caspian basin.

Taking into account, that the Black Sea region is a major transport artery linking world trade between Europe and Asia, the BSEC's coordinating role in connection with investment projects and the involvement of international financial institutions in their realization is of enormous value. First of all, we must invest in projects, connected with an increasing need for traffic security as noticed by Nikolay Rud'kovsky.

The Ukrainian delegation supported the establishment of regional projects for developing a motorway named "Black Sea Ring" at the summit of the BSEC in Sochi in 2006. The project foresees the construction of a motorway of about seven thousand kilometers, which will unite Turkey, Georgia, Russia, Ukraine, Moldova, Romania and Bulgaria. In Ukraine, the motorway will pass through Mariupol and Odessa. This project is going to be financed through the local budgets of participant countries and assets of the World Bank and the Black Sea Trade and Development Bank affiliated to the BSEC.

In 1996, Ukraine participated in the project of reviving the Great Silk Road under the official name of TRACE-CA (Transport Corridor Europe - Caucasus - Central Asia). The creation of the Eurasian highway and the Black Sea circular motorway will facilitate increased cooperation between traditional and new economic groups in Europe and Asia, such as the European Union, the Central European initiative, the Organization of the Black Sea Economic Cooperation, etc.

The development of transport links boosts trade in the BSEC region. Exports from Ukraine account for about 30% of intra-BSEC trade and 36% in imports. Ukraine's largest trading partners within the BSEC are Russia, accounting for 18.5% of Ukrainian exports and for 33% of imports, and Turkey, with 5% and 1.5% respectively.

Ukraine has also taken active part in the creation of proper communication infrastructures for the region. In this respect, the fiber-optical connection project of ITUR (Italy-Turkey-Ukraine-Russia) is very important and foresees a port to the Eurasian cable, which connects Western Europe to Japan and Korea.

An underwater Black Sea fibre-optical communication system: Varna - Odessa - Novorossiysk - Poti has started functioning. The system is integrated in the international telecommunication system of TEL (TransEuropean Lines), which connects European countries to Near/Middle East. Since 2006, Ukraine has been the country coordinator of the Working Group of the BSEC on Information and Communications Technologies. New Workings Groups on cultural and educational issues were recently established within the BSEC. Ukraine, which has a huge potential in several aspects of humanitarian development, has additional possibilities to assist in humanitarian development within the framework of the BSEC.

Ukraine takes part in the BSEC investment activities. It is one of the founders of the Black Sea Trade and Development Bank (BSTDB). Ukraine's share of the Bank's capital amounts to 13.5% of shares ($1 billion). Ukraine transferred to the bank an authorized capital of near $150 million in different forms. At the same time, the BSTDB granted credit to Greek companies to build ships on the Ukrainian dockyards in Mykolayiv. Owing to the Bank, a corn terminal was built in the Odessa port as well as a gas-compressor station in the Odessa region.

At the BSEC Summit in Sochi, in autumn 2006, Ukraine brought the participant's attention to the potential of the Project Development Fund (PDF) created by the BSEC. The Fund is financed so far by voluntary contributions of member states and helps in the preparation of business projects which are at a pre-feasibility stage seeking partners or funding. Ukraine has already implement-
ed a few projects through the Academy of Sciences which were given grants by the Fund.

Questions of security in the framework of the BSEC are very important for Ukraine. These include projects concerning environmental protection and cooperation in the event of an emergency or crisis situation.

The Ukrainian proposal to create a coordination council on environmental security and to develop an ecosystem contamination control mechanism, contributed to the strengthening of the ecological security system in the region. Ukraine’s initiative, at first, was provoked by the increased threat to the ecology of the sea, its climate, bio-diversity and health but also by the potential resort recreation opportunities as well as by the new possibilities for the exploration and exploitation of oil and gas deposits in the Black Sea.

Ukraine was one of the first countries to ratify an Agreement between Governments of the BSEC on co-operation on assistance in case of an emergency and on the liquidation of consequences of natural and man-caused catastrophes. Also in October 2002, Ukraine ratified the BSEC Agreement on cooperation of the Black Sea countries during rescue operations in the Black Sea.

In accordance with a Decision of the Council of Ministers of Foreign Affairs of the BSEC states, adopted on 18 April 2003 in Yerevan, Ukraine became the country coordinator of the Working Group on issues of cooperation in the sphere of emergency situations for the period 2003 - 2005. During its Chairmanship, the Ukrainian Emergency Control Ministry elaborated a plan of activity for the Working Group for the two years period.

The Action Plan of the BSEC Working Group on cooperation in emergency situations and the Calendar of events of the Working Group in 2003 envisaged common exercises between BSEC experts which took place on 25-28 November 2003 in Odessa, defining preventive measures for the liquidation of possible oil contaminations in the Black Sea. The ministry secures the implementation of the plan of activity of the BSEC Working Group on cooperation in emergency situations, ratified by the group at its meeting on 27-28 August 2003.

The BSEC: An assessment of its functioning and proposals for its future development

The creation of the BSEC was aimed at the integration of the Black Sea region into a world economy built on a democratic basis and taking into account market principles. During the years of its existence, the BSEC has generated positive dynamics of development. The organization has already gained international legal status, so its decisions have an obligatory character. The executive branch is developed and consists of different constituents: intergovernmental structures (the higher governing body is the Council of Ministers of Foreign Affairs), a Parliamentary Assembly, financial bodies (Black Sea Trade and Development), a business council, which unites different enterprise structures, and the International Centre for Black Sea Studies (ICBSS). The BSEC Working Groups with different kind of activities work as subsidiary bodies.

The BSEC is therefore now an organization which potentially has all the instruments and resources to influence substantially the various political and economic processes in the Black Sea region. Despite its economic nature, in the last few years, the BSEC has created new directions, in particular, through projects on fighting soft security threats (fight against illegal migration, drug and human trafficking) as well as the prevention of terrorism.

There is an expansion of the BSEC mandate on a wide spectrum of humanitarian questions. Consequently, the influence of the BSEC can be manifold.

The BSEC greatly contributed to confidence building and the development of partner relations among its members. This organization created working groups on priority areas of cooperation, such as energy, transport, etc. As economic development and prosperity are closely connected with the development of science and technologies, the BSEC, as well as the EU, pays considerable attention to the growth of investments into the sector of scientific research and development. In this perspective, the Working Group on Science and Technology was established and an Action Plan on matters of science and technology was adopted in September 2005 in Athens. This plan defines the following priority spheres for cooperation: human potential, infrastructure, innovations, stimulation and use of research potential. The creation of the BSEC Fund for Project Development will also permit the sponsorship of researchers from different countries (at the pre-feasibility stage of large projects and on a competitive basis).

Very important within the framework of the Organization was the creation of its own financial institution - the Black Sea Trade and Development Bank. In general, the Bank’s activity can be positively appreciated: in a short period of time, the Bank commended itself as an international financial institution, which dynamically
develops. Subsequent work in the region and increase in the size of credit operations respond to the interests of all of the member states of the BSEC.

Among the positive factors of economic cooperation within the BSEC framework, it is important to mention the specialization of its member states in certain industries or economic fields and therefore a tendency towards an increased degree of interdependency between their economies.

However, the BSEC is not working at its full potential at the present in any way. The BSEC has not only positive dynamics of development, but also faces objective difficulties. The main problem is the exceedingly large variety of priorities, often contradictory ones that are being put forward by its member states, thus complicating the coordination of efforts for common projects. Russia, on its term, tries to maintain a status of superpower heir of the USSR and to keep a traditional sphere of influence in the Black Sea region. Difficulties in Russia’s internal transformation and limited resources have narrowed these aspirations mainly to the region of the CIS in the first years after the collapse of the USSR. That is why Russia had a quite passive position in the BSEC programs. Only after 1995 did the Russian Federation actually develop a policy toward the region.

First of all, Russia concentrates its efforts on keeping control over oil and gas pipelines and the main traffic of goods on railways, motor and airways in the countries of Central Asia. Moscow shows a special interest in forcing Azerbaijan and other interested parties to agree to the transport of Caspian oil from Azerbaijan, through Russian oil pipelines and ports. In the last years, relations between Russia, on the one side, and Georgia and Ukraine, on the other, have greatly deteriorated.

Russia’s policies are therefore aimed at maintaining the inviolability of its strategic interests in the region, which translates into it dictating terms to other states in the region. The Russian Federation has done everything in its power to prevent political, economic and military efforts in Trans-Caucasus as well as to obstruct third states from having influence in the region (chiefly Turkey, the United States, the United Kingdom, Germany and Iran).

Turkey hopes to assert its own strong geopolitical position and to increase its economic power. Market reforms in the countries of the region are oriented not on the development of small and medium-size businesses but on the modernization and transformation of the public sector, which unfortunately comes at the expense of international financial support. This fact also influences the Turkish position towards the BSEC which has been disappointing to the other members of the organization.

Greece as an EU member tries to use the advantages of a “mediator” role in relations with other countries of the BSEC, in particular in exploiting financial possibilities. For this, Greece has concentrated its efforts on the development of concrete projects, carried out with the financial support of the EU (the foundation of the BSTDB, the creation of the ICBSS, etc.).

Greece’s initiatives are widely supported by Bulgaria, Romania and to a certain degree by Ukraine whose main foreign policy priority is joining the EU. In this respect, the elaboration of concrete projects could be an attempt to further cooperation in the Black Sea region through state interaction with international structures, which indirectly conduces to the processes of European integration.

The South Caucasus countries concentrate their efforts on solving inner problems and settling disputes with neighbors. Their contribution to the development of the BSEC is so far minimum. Only Georgia for example actively conducts environmental protection activities.

Unfortunately, achievements by the BSEC in creating regional markets and establishing cooperation in the field of regional investments remain limited. No regional market has been formed. Trade between regional states has not developed to its full potential level yet. The Ukrainian proposal of a multilateral agreement on establishing a regime for regulating off-shore trade, which included a customs policy for the gradual removal of trade barriers, did not receive support, underscoring thus the fact that the states of the region rather choose to rely on already existing customs unions instead of seeking to develop a likely complex regional market system.

Investment cooperation among the BSEC countries is also at an embryonic stage. In order to eliminate obstacles to profitable regional cooperation, Ukraine proposed to create a broad investment space of Black Sea states and a common market of investment projects, rather than attempting to harmonize the national legislation of the BSEC countries. A decrease in military presence in the Black Sea region was also suggested in this context as the BSEC should become a factor for the promotion of security and stability in the Black Sea region.

From the very beginning the question of trade within the framework of the BSEC was not made a priority although a Declaration on the intention of creating a free trade zone was presented at a special meeting of ministers of external trade in 1997. However the Declaration was never materialized due to the existence...
of different and divergent custom unions of the BSEC member states. External trade is of course regulated supra-nationally in EU member states whereas in the rest of the BSEC member states, conditions and policies are nationally determined and furthermore, different BSEC states play very different roles in international trade if only in terms of scale. Consequently, the creation and realization of general investment projects within the BSEC has been complicated by substantial differences concerning basic parameters of investment climate. Also, not all members of the BSEC belong to the World Trade Organization (WTO) as for instance, Ukraine, Russia and Azerbaijan.

Conclusions

In the 21st century, it is necessary to reform international structures in accordance with new global problems and threats. Regional structures should in the same way sufficiently react to the whole spectrum of regional problems and threats. In this context, functions of such organizations as the European Union, NATO and the BSEC need to be reconsidered.

In the new world, particular attention should be paid to sub-regional structures. The new problems and threats to development and security of the 21st century century are very much unlike the global threats of the previous century, having both internal and external roots and which arise mainly on a local level. International security and global development will thus be determined by the stability of sub-regions. There is no stable Europe without stable sub-regions. Already today a series of initiatives exists towards this direction, such as the Stability Pact for South-Eastern Europe. In this context, the creation and development of such a sub-regional organization as the BSEC ought to be more extensively analyzed.

Strategically important transport projects, which foresee the linkage of national energy systems among countries of the Black Sea into a single ring thus forming a system of regional transmission are currently under development within the framework of the BSEC. These projects will assist the development of cooperation between economic groups of Europe and Asia (e.g. EU, BSEC, EurAsEU, etc.).

At the end of 2006, a Memorandum of Understanding between the BSEC and Eurasian Economic Union (EurAsEU) was signed. Similar memoranda were signed with the World Bank and specialized agencies of the United Nations system. New horizons are expected from the European Union as a result of the much awaited Black Sea strategy that should be in the same line with existent strategies directed at the Baltic or the Mediterranean regions.

The chief organization in the domain of regional security in the BSEC region should be the Organization for Security and Cooperation in Europe (OSCE). The BSEC countries should concentrate their efforts in the sphere of regional security through achieving economic security, reinforcing cooperation on humanitarian issues, strengthening the fight against organized crime and the illegal drug trafficking, and strictly preventing smuggling and trade of weapons and radioactive materials. Further security issues affecting the region are illegal migration, marine piracy and smuggling in and through the Black Sea, economic and transport communications security as well as, last, but not least, the threat to democratic values. Future trends could include the developing of relations between the BSEC and GUAM. All of the members of GUAM are also members of the BSEC, which could potentially significantly add to the building of more harmonious economic relations between the GUAM states and such regional leaders as Turkey and Russia. The most promising means to establish cooperation between the two organizations could entail projects, which have been already realized by GUAM on issues of soft security, trade and traffic assistance.

Therefore when taking into account both boons and weaknesses in the BSECs overall performance combined with the possibility of establishing a future cooperation with other regional organizations, it is possible to highlight the main priorities for the BSEC in the short and middle term.

1. Defining priorities of cooperation within the BSEC framework shared by the majority of the BSEC member states.
2. Developing special projects for the implementation of the agreed fields of priority for cooperation and ensuring their proper financing.
3. Forming credit pools and opening new credit lines for financing large scale projects concerning the development of trade and infrastructure.
4. Strengthening a dialogue between the BSEC and different regional and subregional structures, the European Union and European banks in particular, with the purpose of assisting economic and social reforms in the countries of the region.
5. Creating a banking infrastructure and a network of business centers for financing and providing informa-
tion on both public investments and private business in infrastructure projects.

6. Establishing a monitoring mechanism covering the field of export-import operations of the BSEC members, for pin-pointing weak points and conducting the proper corrections on foreign trade flows in the Black Sea region thus improving the economic situation in the countries of the region.

7. Creating a regime for free movement of goods, services and capital, that will stimulate economic contacts, extend measures of industrial cooperation and common investments in areas of mutual interest.

8. Unifying the customs system of the countries of the region, creating a full-fledged system of multilateral accounts and organizing a Black Sea Pay Union in the future.

9. Supporting democratic processes in the countries of the region. In order to actively favor the democratic development of local self-government, it would be advisable to make more effective use of possibilities offered by BSEC substructures such as the International Black Sea Club which unites key cities and ports of the Black Sea, or the Round Table of Mayors and Governors of the Capitals of the Black Sea region.

The active economic and political position of Ukraine in the BSEC will give the country a possibility to realize its interests, to provide the country with increased authority in the region and in the world and finally, to become an important regional player in new geopolitical scene as it is being shaped today. Ukraine can and must play a considerable role in the organization of the new economic cooperation system in the Black Sea region.

Footnotes:


4 Transcript from the conference 'Problemy i perspektivy otnosheniy Ukrainy s gosydarstvami GUAM i evrazijskogo ekonomicheskogo soobshhestva (Materialy nauchnogo seminar/Politichyna dumka) [Problems and prospects of relations Ukraine - GUAM members and the Eurasians economic community/Political thought], no. 1-2, 2001. p. 99-121.


6 Yalta, 11 September 1999. /Marina Tarnavska - DINAU/ (This reference is not clear. What is DINAU?)

7 Shlyahom, Soksin O.G. 'Iz varag u greky' [On the road of the Varangians to the Greeks], Express, no. 9, 10 December 2006.

8 Ukrainian Monitor, Weekly Issue. no.4, 0/2006. p.5.

9 Ibid.

10 See 'Ministry energetyky krain-chleniv OCHES rozgilydauyt pytannya integracji energorunkivv, [Agreement on the integration of energy market], Meeting of the Ministers of energy of the BSEC Member States, 5 March 2005, http://www.mpe.kmu.gov.ua//.publish/article/sessionid/.


See 'Chornomorski krainy planuyut budivnyctvo avtoshlyahu navkolo morya', [Black Sea countries planning littoral way around the sea'], BBC, 28 September 2007,

12 http://www.bbc.co.uk/ukrainian/indepth/story/ 2006/09/060928_business_thursday_sp.shtml - 29k


14 See 'OCHES Mozge Suttyevo Posylyty Vplyv Na Processy Zghtyedialnosti Krain Regionu' [Interview of Andriy Kononenko. 'BSEC can strengthen essentially its influence on processes in the region'], Ukrinform. 23 January 2007,

15 http://www.bsanna-news.ukrinform.ua/newstitem.php?id=0259&lang=ua - 23k

The EU migration strategy at its new Eastern border

By Adrian POP

The EU Member States have recognized the need for immigrant labour because the EU population is aging. At present, more than 30 percent of the working population in Germany, Finland, Belgium, Italy and Austria is at least 50 years old. Up till 2050, the EU working population is expected to decrease by 30 percent, and the number of European citizens beyond 65 years old out of the total population will constitute 28 percent in Germany, 37 percent in Spain, and 34 percent in Greece. Overall, by 2050 a third of the EU population will be over 65 years of age (Frattini, 2007). Labour shortages, which are already evident in many Member States in some sectors e.g. in healthcare and agriculture, are likely to increase in the near future (Sleptova, 2003). To ensure that there is sufficient population of working age, the EU will have to accept 79.6 million immigrants in the next 50 years, i.e. 1.4 million a year.

At present, the EU immigration policies are marked by ambivalences and ambiguities. Characteristics of these policies include: territorial exclusion of some groups of immigrants; containment of the free movement of citizens from certain EU Member States within the EU; protection of some immigrant groups from discrimination while discriminating against other groups by categorizing migrants to the EU; special programmes for the protection of immigrant women and children; the utilitarian recruitment of “favoured” categories of migrants, while their presence within the EU is subject to temporal, social, political, and economic restrictions. These ambiguities are rooted in contradictory policy logics, especially those of criminal justice, labour market, foreign policy and development, and gender equality policies. There is a need for the “diversity of harmonization” of the EU immigration policy and for an adequate multilateral migration management that will include all stakeholders in migration policy, ranging from old Member States to new Member States and the EU neighbouring countries.

A common immigration policy still remains a remote prospect. However, in recent years, the EU has made much progress with a comprehensive migration strategy. It has secured the necessary finances to take further action. The European Commission, endorsed by the Parliament, has allocated almost 4 billion euros to migration issues in its 2007-2013 financial programme.

Cooperation with third countries is an essential part of the EU migration strategy. In order to work much more closely with third countries, the EU is developing a number of new tools, including assisting countries that are interested in putting together detailed Migration Profiles so as to have the relevant information on which to base practical measures; building Cooperation Platforms bringing together third countries, EU Member States and international organisations to ensure effective migration management; and creating Migration Support Teams consisting of experts from EU Member States to provide assistance to third countries that ask for it (Frattini, 2007).
Both Member States and the EU now put particular emphasis on the need for a "global approach". What's more, taking into account that approximately one third of all third country nationals living in the EU are nationals of Eastern and South-Eastern European neighbouring countries and the Russian Federation, the EU has developed a series of migration management initiatives to tackle migration at its new eastern and south-eastern borders efficiently.

**APPLYING THE GLOBAL APPROACH TO MIGRATION TO THE EASTERN AND SOUTH-EASTERN REGIONS NEIGHBOURING THE EUROPEAN UNION**

In December 2005, the European Council adopted the Global Approach to Migration, focused initially on Africa and the Mediterranean region. In its Conclusions of December 2006, the European Council called on the Commission to put forward proposals "on enhanced dialogue and concrete measures" for applying the Global Approach to the Eastern and South-Eastern Regions neighbouring the EU. As a result, in June 2007, the European Commission has issued the Communication no. 247 Applying the Global Approach to Migration to the Eastern and South-Eastern Regions Neighbouring the European Union. This Communication focuses mainly on the regions neighbouring the EU to the east and south-east:

- Turkey, the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, and Serbia, including Kosovo);
- The European Neighbourhood Policy (ENP) partner countries in Eastern Europe (Ukraine, Moldova and Belarus);
- The Southern Caucasus (Armenia, Azerbaijan and Georgia); and
- The Russian Federation.

Premised on the "migratory route" concept, this Communication addresses the countries of origin and transit:

- The Middle Eastern ENP partner countries (Syria, Jordan, and Lebanon), Iran, and Iraq;
- Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan);
- Asian countries including China, India, Pakistan, Afghanistan, Bangladesh, Sri Lanka, the Philippines, and Indonesia.

The necessary framework for a bilateral dialogue exists with all of ENP partner countries in Eastern Europe, with the exception of Belarus. Migration policies are already discussed in depth with Moldova and Ukraine in relevant sub-committees. Migration issues have been also raised at the regular EU-Ukraine Justice, Freedom and Security (JLS) ministerial troika and during meetings of the Cooperation Committee and Cooperation Council. The Commission considers it essential that dialogue and agreements on mobility issues be enhanced between the EU and the ENP partner countries (COM (2007) 247 final).

**MOBILITY PARTNERSHIPS AND CIRCULAR MIGRATION**

In May 2007, the European Commission (EC) published its Communication on Mobility Partnerships and Circular Migration.

The main idea of the mobility partnerships is that the EU would work more closely at tackling illegal migration while citizens from these countries would benefit from enhanced possibilities of mobility between their countries and the EU. Mobility partnerships could offer a mechanism which would enable the EC to directly negotiate with third countries the national quotas set by Member States on the basis of their labour market needs. To put it alternatively, Member States would continue to determine the number and type of jobs available in their labour markets but the EU would negotiate with third countries on the basis of the combined quotas. Within the framework of mobility partnerships, the EU could also provide better information about labour markets and offer skills and language training, as well as financial assistance in areas linked to the management of legal migration. According to the EC, the concept of "mobility" will become a key element for the development of the EU migration management strategies in the approaching decade.

In its turn, circular migration provides a flexible approach to addressing labour needs in certain countries of destination and development needs of certain countries of origin. For the EU, the main priorities are return of skilled migrant workers
from the EU to their home countries to foster development, labour migration to the EU to meet identified labour needs, and incentives and safeguards encouraging the return of migrants and ensuring that circular migration of migrants to the EU remains circular. As a voluntary and cooperative process catering to labour needs of the countries of origin and destination, circular migration will certainly bring benefits to all parties.

As rightly pointed out by a recent study published jointly by the International Bank for Reconstruction and Development and the World Bank, circular migration programmes may be instrumental in resolving the key migration paradox: the demand for migrant labour coexists with meagre public support for permanent migration - particularly unskilled migration - in many European and middle-income CIS countries experiencing demographic decline. Moreover, circular migration may have the potential to facilitate development in countries of origin by increasing migrants' human and financial capital, facilitating international skill transfers, building cross-border trade and investment, and preventing the long-term separation of families (Mansoor and Quillin, eds., 2007).

Nevertheless, the proper implementation of circular migration schemes is a function of multiple variables, including governments' capacity building to facilitate circular migration, the possibility of transferring social security and pension rights, ability to preserve cultural ties between migrants and their families, and the existence of a mix of incentives and safeguards to facilitate circular migration. In terms of incentives, the importance of ensuring adequate admission/readmission and integration/reintegration measures for circular migrants is a key factor. Regarding outward mobility from the EU to third countries, incentives for migrants, such as the portability of social welfare benefits and pensions, career breaks, and flexibility in the workplace, are also important. Concerning inward mobility to the EU, incentives include the issuance of multi-annual permits, multiple work permits (permitting to change employers) and pre-departure information courses. In their turn, safeguards to ensure that migrants return from the EU to their countries of origin include development bonuses or saving funds for returning migrants, special housing projects, or business start-ups.

Broader safeguards could include monitoring mechanisms to verify the return of migrants to their countries of origin, or mobility partnerships linking employment offers with commitments of third countries to readmit their nationals.

On July 20, 2007, the EC organized a consultation meeting with the EU Member States about circular migration. The meeting was the first in a series of consultations that aimed to establish agreed parameters on the definition, operating mechanisms, and the framework for the future circular migration initiatives between the EU and third countries. By the end of 2007, the EC hopes to establish pilot projects between the willing EU Member States and the selected third countries. A similar and parallel consultation process is taking place on mobility partnerships; the first states-only consultation was organized on July 24, 2007.

The EC will conduct a series of further consultations with the EU Member States about circular migration in order to develop common elements for a circular migration scheme in the European Council Conclusions by the end of 2007. The EC will try to link the ongoing consultations on circular migration and mobility partnerships, and it has proposed to the EU Member States that mobility partnerships be used as a framework for circular migration initiatives. In EC's view, the new thematic budget line on migration and asylum could be a possible mechanism for funding circular migration projects.

On the one hand, the EC Communication of May 16, 2007 on Mobility Partnerships and Circular Migration should be seen against the background of the existing legal migration policy programme of the EU that began with the Hague Programme. On the other, the EC Communication should be seen in the context of two legislative proposals in the area of economic migration adopted by the EC later on,

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on October 23, 2007. One of the proposals concerns the admission of highly skilled workers. Another proposal deals with the rights of foreign nationals legally employed in the EU. The rest of the planned directives on the admission of seasonal workers, intra-corporate trainees, and remunerated trainees are scheduled to be introduced during 2008. No common admission regulations for other categories of migrants, for instance, low-skilled workers, have been scheduled.

**EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP INSTRUMENT**

Today, the European Neighbourhood Policy (ENP) is the principal instrument that connects the countries from Eastern Europe with the EU. This policy is undergoing a broad and thorough process of assessment and change. A complete revision is expected under an "ENP plus" umbrella. It is intended to redesign the character of future relations between the EU and ex-Soviet countries after 2008, following the completion of the Action Plans with Moldova and Ukraine. Given Romania's proximity to the countries covered under the ENP and understanding of the challenges facing the region, the Romanian government is very interested in this dimension of the ENP.

The ENP helps turn the external borders of the EU into the centre for coping with major security problems (visas, immigration, asylum, crime prevention, fight against organized crime, etc.). The Action Plans already include major actions in the European Union's area of Freedom, Security and Justice and envision the possibility for neighbouring countries to become parties in different European and international programmes.

The ENP Action Plans for the ENP partner states in Eastern Europe put forward measures for cooperation in migration, visas and asylum conditions, fighting terrorism, prevention of crime, money laundering, drugs smuggling, and weapons trafficking. Moreover, the Action Plans identify the possibilities for strengthening cooperation to strengthen the system of justice and police, including the cooperation with the European agencies such as EUROPOL and EUROJUST.

In terms of funding for 2007-2013, the ENP benefits from the European Neighbourhood and Partnership Instrument (ENPI), which belongs to the category of "general instruments to support directly the European foreign policies," together with the Pre-Accession Instrument (PAI) and the Development Cooperation and Economic Cooperation Instrument (DCECI). This rather new financial instrument complements the existing instruments (TACIS, MEDA) and functions based on the neighbourhood programme experience previously undertaken in 2004 - 2006. Funding is channelled to fulfil the following key objectives: promote sustainable development in the border regions; ensure cooperation in environmental protection, public security, and prevention conflicts and organised crime; improve border management; and promote cross-border cooperation locally and people-to-people contacts (Pop et al, 2006).

The ENPI finances joint projects, proposed by and for the benefit of the EU Member States and the neighbouring countries. Its implementation requires, mainly, the combination of the ENP objectives within the cross border and transnational cooperation programmes with the economic and social cohesion policy objectives.

Between May 25 and June 30, 2007, Eurobarometer conducted a survey in 27 EU Member States for the EC. The survey confirmed that a significant majority of people in the EU Member States support efforts for increased cooperation with the countries neighbouring the Union. Strong majorities of those polled consider it important, or very important, to cooperate with neighbouring countries on tackling organized crime and terrorism (89 percent) and immigration (71 percent). There is a substantial support for political aspects of the policy: 62 percent of those interviewed believe that working closely with neighbouring states can reduce illegal immigration. A clear majority (61 percent) believe that cooperating with neighbouring states can produce mutual benefits for the EU and its neighbours, but 79 percent of those interviewed are concerned about the cost of such cooperation.

**EUBAM**

The customs and border dialogue between the Republic of Moldova and Ukraine has entered a new phase after a failed attempt in September 2001 to establish joint Ukrainian-Moldovan con-
control posts on Ukrainian territory. In spite of the agreement for tougher and joint control of the Moldovan-Ukrainian border, the situation did not improve significantly, because the uncooperative Transnistrian authorities stalled the progress.

Subsequent customs dialogue was focused on the reestablishment of joint control posts, particularly on the separatist segment at Moldova-Ukraine border (including Kuchurgan-Pervomaiskoe and Kuchurgan-Novosavitskoe). This bilateral dialogue was mediated by the EU and continued by the OSCE.

During March and May 2003, an observation and evaluation team, mandated by the OSCE, carried a fact-finding mission in the separatist region and developed a number of recommendations for an international mission under the OSCE mandate. As a result, the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) was established. The mandate for EUBAM was initially approved for two years (2005-2007), but in March 2007, it was extended for 2008-2009. EUBAM has no executive power, and it cannot enforce legislation. However, it may ask for additional checks at the request or upon suggestion from competent services.

The first year's record of the monitoring mission of Moldova-Ukrainian border is encouraging, as illegal migration, drugs smuggling, trafficking of stolen foreign cars, and chicken meat smuggling decreased. Additionally, the implementation of modern container checking techniques proved effective for finding illegal guns and unmarked cigarettes.

Even more significant is EUBAM's medium term impact. First, it demonstrated the EU involvement and presence in the region, proving the EU ability to organise an important mission rather quickly. It gave a better understanding of the regional situation and a more effective policy orientation for Moldova and Ukraine. Second, it improved significantly the communication and trust between border authorities of the neighbouring countries. Third, the Needs Assessment and Recommendations Report (NARR) will provide guidance for the border reform and modernisation processes in the two neighbouring countries.

The EU has been preparing the second phase of its monitoring mission in the greater framework of the Concept on ESDP missions at the frontiers, drafted by the General Secretariat of the Council. This document envisages a new approach for tackling the new border security challenges and risks resulting from the eastward and southward expansion of the EU. As a consequence, shortcomings of the first phase, like steel smuggling, will be dealt with during the second phase with the help of EC. In order to combat organized crime, joint teams of policemen and prosecutors will be created.

**BLACK SEA SYNERGY**

With the accession of the two Black Sea states, Bulgaria and Romania, to the EU, the security and stability of this area have become of immediate concern to the EU. As a result, on April 11, 2007, the EC launched the Black Sea Synergy, a new EU cooperation initiative for the Black Sea region under the framework of the ENP. The initiative aims at developing cooperation within the Black Sea region and between the region and the EU. This initiative adds a much needed regional dimension to the ENP and implements the Commission's December 2006 proposal to that effect. Before the initiative, the ENP included mainly bilateral instruments in the form of the Action Plans. The Black Sea Synergy complements the EU's already substantial efforts to promote stability and reforms in the countries surrounding the Black Sea and completes the network of regional cooperation frameworks in the EU's neighbourhood by adding another region to the Euro-Mediterranean Partnership and the Northern Dimension.

Significant opportunities and challenges exist in the Black Sea area and they require coordinated regional action. At first, the Black Sea Synergy will focus on these challenges, cooperation sectors of common priorities, and other areas, in which the EU presence and support are already conspicuous. A key cooperation area is managing movement and improving security. The EC's document stresses the importance of improving border management and customs regionally, presents the EU Border Assistance Mission for Moldova and Ukraine (EUBAM) as a success story, and outlines its linkage with the Commission's Communication Applying the Global Approach to Migration to the Eastern and South-Eastern Regions Neighbouring the European Union, which offers new opportunities for managing migration.
better and tackling illegal migration.

Furthermore, the Commission encourages the countries in the region to develop further practical cooperation on combating general cross-border crime by capitalizing on the experiences of other initiatives in South-Eastern Europe and the Baltic area, sharing best practices, introducing common standards for saving and exchanging information, establishing early warning systems relating to transnational crime, developing training schemes, and fully utilizing experience, activities, and infrastructure of the Regional Centre for Combating Trans-border Crime (SECI Centre) in Bucharest and the Black Sea Border Coordination and Information Centre in Burgas (COM(2007) 160 final).

THE THEMATIC PROGRAMME FOR THE COOPERATION WITH THIRD COUNTRIES IN THE AREAS OF MIGRATION AND ASYLUM

Building on the experience of its predecessor, AENEA, the new Thematic Programme will support third countries in their efforts for improving migration management in all its dimensions. The focus will be on countries along the southern and eastern migratory routes towards the EU, although other migratory routes and south-south migrations will also be covered.

The new Thematic Programme for the cooperation with third countries in the field of asylum and migration was established through the European Parliament and Council Regulation that was adopted on December 18, 2006, through a co-decision procedure. The Thematic Programme is endowed with €380 million (excluding the allocation for covering administrative expenditures) for the period 2007-2013, which means a yearly average allocation of approximately €54.5 million per year. If compared to the yearly 40 million budget under the 2004-2006 Aneas Programme, this figure represents a substantial increase in funding. However, this increase will be felt only gradually.

The 2007-2010 Multi-Annual Indicative Programme adopted on June 22, 2007, details the financial allocations for sub-regions for the first four years of the programme. Three quarters of the available allocation will fund actions linked to a specific migratory route or a sub-region. These allocations will mostly fund projects that will be selected through competitive procedures and by means of Calls for Proposals launched yearly by the European Commission. The first Call for Proposal was launched in the autumn of 2007.

In addition to the initiatives targeting the migratory routes, €28 million will be directed to five global initiatives or the initiatives involving more than one of the aforementioned migratory routes or sub-regions. These initiatives will focus on the following themes:

- Migration and development;
- Labour migration;
- Asylum and refugee protection;
- Smuggling and trafficking in human beings;
- Illegal immigration.

Additionally, the allocation of €20 million will be reserved for funding so-called "special measures." This reserve could be used to finance interventions in third countries, in the event that great risks exist for human rights, lives, and safety of migrants, the border security and public order in the country, or any other country affected by the same migratory flow (including the EU Member States). In particular, this financial assistance is justified whenever the migration situation rapidly deteriorates and a timely financial assistance can improve the situation.

Actions under the new Thematic Programme will complement the migration and asylum initiatives developed under the ENPI, the Development Cooperation Instrument, and the European Development Fund. Geographically, the funding for the Thematic Programme can be spent for actions benefiting any country in the ENP region (including the Russian Federation) and any developing countries in Latin America, the Caribbean, Africa, Asia, and the Pacific Region. However, the Thematic Programme cannot finance actions in the countries that are potential or actual candidates to the EU membership, as these countries may be funded only through the Instruments for Pre-Accession (COM(2006) 26 final).

The programme will include the following activity areas:

- Linking migration and development, especially by encouraging the contribution of diasporas to the development of their countries of origin and increasing the value of migrants' return;
mitigating brain drain and promoting the circular migration of skilled migrants; facilitating financial transfers by migrants to their countries of origin; supporting voluntary return and reintegration of migrants and building capacities for migration management; and fostering capacity building efforts to help countries in formulating pro-development migration policies and in managing migration flows jointly.

- Promoting well-managed labour migration, by informing about legal migration and conditions of entry and stay in the Member States of the Community; providing information on labour migration opportunities and needs in the Member States and on qualifications of third country citizens wishing to migrate; supporting pre-departure training for candidates for legal migration; and encouraging development and implementation of legislative frameworks for migrant workers in third countries.

- Fighting illegal immigration and facilitating readmission of illegal immigrants, including between third countries. A special attention to be paid to fighting smuggling of and trafficking in human beings; discouraging illegal immigration and raising awareness of the risks related to it; improving capacities in the areas of border, visa and passport management, including the security of documents and the introduction of biometric data, and detection of forged documents; implementing effectively readmission agreements concluded with the Community and obligations arising out of international agreements; and assisting third countries in the management of illegal immigration and in the coordination of their policies.

- Protecting migrants, including the most vulnerable, such as women and children, from the risk of exploitation and exclusion through measures including improvement of legislation in the field of migration in third countries; supporting integration, non-discrimination, and measures for protecting migrants from racism and xenophobia; and preventing and fighting trafficking in human beings and slavery.

- Promoting asylum and international protection through regional and other protection programmes by strengthening institutional capacities; supporting the registration of asylum applicants and refugees; promoting international standards and instruments on the protection of refugees; supporting the improvement of reception conditions and local integration; and working toward lasting solutions.

The new Thematic Programme should be seen against the backdrop of the Hague Programme, which called on the European Commission to submit the second-phase instruments of the Common European Asylum System (CEAS) to the Council and the European Parliament with a view to their adoption before the end of 2010.

In June 2007, Franco Frattini, the European Commissioner responsible for Justice, Freedom and Security issued a comprehensive package on asylum, including a Green Paper. The Green Paper is designed to stimulate a broad debate among all the relevant stakeholders: the EU institutions, national, regional and local authorities, candidate countries, third-country partners, intergovernmental and non-governmental organisations, academia and the social partners. The package includes two other documents: a proposal for a Directive extending the possibility to obtain Long-Term Residence status to beneficiaries of international protection; and an evaluation report on the Dublin system, which determines which Member State is responsible for examining an asylum application. The results of the debate on the Green Paper will set out a roadmap for the Commission’s work towards the achievement of the Common European Asylum System by 2010.

THE EU COMMON VISA APPLICATION CENTRE

Following the Hague Programme, on May 31, 2006, the Commission presented a proposal to the European Parliament and the Council, in order to formulate the legal framework for consular offices of the Member States and to enhance consular cooperation.

The aim has been twofold. On the one hand, sharing of premises, staff, and equipment between the participating countries would lead to a better use of resources. On the other hand, it would make visa issuance process more accessible.

In addition to existing forms, new forms of consular offices became possible: co-location, common application centres, and outsourcing.
These initiatives are explained below:

- Co-location means that consular staff of two or more Member States are sharing the equipment of the host member state in its consulate;
- Common application centres mean that consular staff of two or more Member States are pooled in one "neutral" building for receiving visa applications;
- Outsourcing means collaboration with the external service providers to create "call-centres" for scheduling appointments or receiving visa applications, including biometric identifiers.

This initiative laid basis for an entirely new development in the common visa policy. It has introduced new forms of cooperation such as Common Visa Application Centres that will receive and process visa application. Consular staff of two or more Member States will be located in a single building, and visa applications will be transferred to the member state responsible for the decision.

Establishment of the Common Visa Application Centres and the introduction of biometrics in Visa Information System (VIS) will reinforce internal security and facilitate legal travel to EU. As registration of biometric identifiers will become a part of the visa application procedure, the Common Consular Instructions (CCI) will have to be amended and include regulations governing collection of biometric identifiers. Each Member State will process and issue decision on visa application for that particular state. In particular, outsourcing raises very important questions of data protection, and these issues will be discussed in-depth at the European Parliament and among the Member States.

When presenting the proposal to the Justice and Home Affairs Council, Vice-President Franco Frattini suggested that pilot projects should be launched for creating such centres.

Moldova was identified as one of the most relevant countries for the programme, because Romania's accession to the EU affected the application process for the Member States' visas for Moldovans. As only a very small number of the Member States are represented in Chisinau, Moldovans now need to travel to their representations in Romania. Anyhow, since Romania introduced visa obligation for Moldovan citizens, Moldovans need first to obtain a Romanian visa to travel to Member States' representations there.

With participation of Austria, Slovenia, and Latvia in August 2006, Hungary opened the first Common Visa Application Centre on the premises of its embassy in Chisinau. Later on, Denmark and Estonia have also joined the project. Other Member States that do not have diplomatic representations in Moldova have expressed an interest in this initiative.

To establish the Common Visa Application Centre, Hungary signed a Memorandum of Understanding with Moldovan authorities and concluded bilateral agreements with the participating Member States on details of their cooperation. The Centre started operating on April 12, 2007, and the official opening took place on April 25, 2007, when Franco Frattini paid a visit to Moldova.

The Centre has capacity to handle about 10,000 applications a year. It collects visa applications for transit, airport transit and short-stay visas on behalf of the participating Member States. The applications are collected in the Centre (scanning of passports and pictures) and then sent at least once a week to the processing consulates. Each application package includes a hard copy of the application, supporting documents, and a reusable smart card with basic data and a photo of the applicant. The smart card contains a photo of the applicant. In the future, the smart card will include also applicant's fingerprints.

The Centre allows Moldovan citizens seeking visas for the participating countries to submit their applications and undergo interviews in Chisinau, instead of being obliged to submit their visa applications abroad (in Romania or Ukraine).

The Republic of Moldova has lamented the difficulties its citizens in obtaining Schengen visas. To obtain a Schengen visa, Moldovans must travel to neighbouring countries, because only two Schengen Member States have consulates in Moldova.

In addition, many Moldovans complained about the "visa for visa" practices, i.e. the fact that they should go to various neighbouring capitals, in order to get visas for Western European countries. High costs involved (travel, room and board, sometime consular "pocket money") may sum up to 14 times more than the actual cost of the visa. In 2002, for instance, there were 76 embassies accredited for Moldova, but only 11 with head-
quarters in Chisinau. The rest of them were located in Moscow, Kyiv, Bucharest, Budapest, Sofia, Athens, Ankara, and Prague. In order to travel to Slovenia, Moldovan citizens had to travel to Budapest and apply there for a Slovenian visa. A Slovenian visa cost only US $ 40, but the actual cost of getting it was around US $ 550 (Gheorghiu, 2002). Moldovan nationals travelling to Former Yugoslav Republic of Macedonia (FYROM) were confronted with the same "visa for visa" practice. Prior to reaching Skopje, a Moldovan national had to get a Bulgarian visa, travel to Sofia, and there obtain a visa for FYROM.

In light of these difficulties, it is no wonder that many Moldovans preferred to appeal to the services of (more or less ghost) firms specialized in getting Schengen visas. Those services were all but cheap, varying according to the urgency in getting them from US $ 650-800 in 2-3 months to US $ 2,150 in two days. However, they allowed the applicant to avoid the hassles of travelling to consulates. Services for getting visas for Israel were particularly expensive. Moreover, some countries did not approve visas at the border.

Against this backdrop, the Centre marked the first step to the harmonization of the application of the Common Consular Instructions (CCI) and the future Common Visa Offices. However, the main shortcoming of the Centre is the limited number of participating countries; key destination states as Turkey, Greece, Italy, and Portugal are not included.

**THE EU-MOLDOVA SHORT-TERM VISA FACILITATION AND READMISSION AGREEMENTS**

In 1991, a "model" readmission agreement was signed by five states of Schengen zone - Germany, France, Belgium, the Netherlands, and Luxembourg - and Poland. The agreement referred not only to the citizens of contracting parties, but also to citizens of third parties or persons without citizenship who entered the territory of the Schengen countries through Poland. The agreement was soon followed by the decision to grant Polish citizens a visa free travel regime in the Schengen states. The agreement was then used by Germany as a basis for its project of a recommen-

dation to the Council for a specimen of a bilateral agreement of readmission between a member state of the EU and third countries, which was eventually adopted by the Ministries of Interior by the end of 1994. In 1994-1996 Germany became also the first EU country to sign a different kind of readmission agreement, with countries seen as net providers of irregular immigrants, including Algeria, Bulgaria, Bosnia and Herzegovina, FYROM, Pakistan, Romania, and Vietnam. As they were intended to facilitate deportation of irregular immigrants, these agreements applied only to the citizens of contracting parties (Pidluska, 2002).

According to a Communication on the common readmission policy released by the European Commission in October 2002, the readmission agreements are based on a set of reciprocal undertakings by the European Union and third countries, as well as detailed administrative and operation procedures aimed at facilitating the return of illegal residents to their country of origin or transit. The important aspect is that readmission agreements stipulate the obligation to readmit both nationals of the country with which the EU has signed the agreement and people who are not citizens of the concerned state such as stateless persons or people of another jurisdiction who entered the EU illegally from the country in question, or vice versa.

In political terms, the readmission agreements can be defined as an effective mechanism for managing illegal migration flows. It is a major element in the fight against illegal migration helping stabilize immigration. Moreover, these agreements help halt international smuggling, which, to a great extent, partially represents illegal migration in Europe.

At its current stage, this EU policy is mandatory: the EU does not accept agreements on association, cooperation or other similar agreements, as long as this "compulsory provision" is not confirmed by the third countries. The "compulsory provision" on readmission is stipulated as obligatory in the treaties that the EU concluded with more than 70 countries, most of which are developing countries.

On December 19, 2006, the Council of the European Union mandated the European Commission to negotiate agreements on the facilitation of short-term visa and on readmission between Moldova and the European Community.
According to the Treaty Establishing the European Community, Title IV, the decision was taken unanimously. The documents are of special importance for Moldova. The first act is a sort of accelerator for the facilitation of certain categories of Moldovan citizens’ travels in the Schengen area and for deepening and strengthening the interhuman relations between Moldovan citizens and those from the EU Member States. The second act stipulates that illegal migrants must return to their homelands and compels countries of origin to contribute financially. These measures create a foundation for a stronger and more effective cooperation in coping with illegal migration and strengthening border control.

So that citizens of the participating states benefit from the ENP, the EU launched negotiations on the facilitation of procedures of issuing visas to certain categories of persons: students, researchers, businessmen, NGO representatives, journalists, and public servants. These procedures were initiated in order to give the European Neighbourhood Policy (ENP) a "more human" side, as Benitta Ferrero Waldner, the Commissioner for External Relations and ENP has put it. In order to be successful in its pending negotiations with the EU on a facilitated visa regime, on January 1, 2007 Moldova abolished visas for EU citizens and opted for an asymmetric visa regime with the EU. This has had the beneficial effect for Moldova, as it increased its revenues from tourism, trade with, and investment from the EU Member States.

On October 10, 2007 the Agreements on the facilitation of the issuance of visas and on readmission between the Republic of Moldova and the European Community were signed in Brussels and on October 17, 2007, the Moldovan government adopted the Decision on the approval of the draft law on the ratification of the two documents.

The short-term visa facilitation agreement enables a restricted number of Moldovan citizens to obtain visas under a simplified regime. However, the agreement does not remove visa requirement for most Moldovans (except for holders of diplomatic passports) or simplify the visa issuing terms for applicants.

However, the short-term visa facilitation agreement offers several advantages. The document simplifies processing of visa applications and keeps visa processing fee at the current level of 35. The Council did not change the fee, even though it amended the Common Consular Instructions and the Common Manual introducing 60 fee in June 2006. The agreement limits duration of the visa application processing to 10 calendar days from the date the application and required documentation are received.

At the same time some essential disadvantages of the agreement could be anticipated. Simplification of the visa application process will affect only certain categories of applicants who would be allowed to obtain multiple-entry visas with longer periods of validity and without having to pay handling fees. For this reason, the agreement would divide the Moldovan society into two groups: the few privileged who can get a multiple-entry visa and benefit from a simplified procedure (fewer documents required for visa application) and from a visa application fee waiver, and the vast majority of ordinary citizens who cannot enjoy such advantages. This could generate frustration, a sense of discrimination, and create a perception that the EU is interested only in the Moldovan elite. The EU may be seen in a negative light. As the privileged categories will include journalists, business persons, and drivers, the favouritism might easily lead to corruption. For instance, some persons may try to submit counterfeit confirmation of being journalists or drivers. If these practices become widespread, the relationship of trust between the EU and Moldova could suffer.

It is not by chance that the EU imposes the readmission as a mandatory condition in exchange for a facilitated visa regime. The readmission agreement sets out clear obligations and procedures for the authorities in Moldova and the EU Member States about timelines and procedures for the readmission of illegal immigrants. Currently, Moldova is still the country exporting migrants of Moldovan and foreign origin. Illegal immigration flow from the EU to Moldova is not so palpable as to raise special concerns for the EU migration policy. Nonetheless, there is a risk that the existing illegal migration channels will be used by criminal groups involved in trafficking of drugs, human beings, etc. This potential threat propelled the EU to sign the readmission agreement with Moldova.
One of the major problems of the readmission agreement is its unilateral character. The readmission is a "compulsory provision" of the EU policy imposed on certain countries on the basis of clear-cut criteria. Another problem is incompleteness. For instance, according to the Seville EU Council Conclusions, starting in June 2002, if a third country refuses to cooperate, the EU Council, by an unanimous vote, can "fully use the existing Community mechanisms" as a part of the EU foreign policy in order to honour the Union's contractual commitments. Yet, the types of mechanisms that the EU can use are not stipulated.

The lack of prior discussions is another problem for the readmission agreement. Usually, if a state wants to sign an agreement with the EU, initially, the so-called "prior talks" are held. But it seems that the EU has never consulted with non-EU states about the readmission. Morocco, Pakistan, and the Russian Federation have refused to the launch of negotiations on this matter for more than two years. Talks with Russia started only after the EU and the Russian Federation had agreed on the status of Kaliningrad, following Lithuania's accession to the EU.

An eventual problem would concern stateless persons and aliens. Once the Moldova-EU readmission agreement enters into force, Moldova will be responsible for the return of Moldovan citizens, stateless persons, and foreigners. The country will have to assume financial and other commitments pursuant to the readmission agreement. Cases involving stateless persons and persons of other jurisdictions will require greater efforts, because the EU readmission agreements necessitate corresponding agreements with other states and thus trigger a "chain reaction." In order to ease the readmission of persons belonging to other jurisdictions, readmission agreements will have to be signed with the countries under the jurisdiction of which these persons are. These countries tend to be those with high level of emigration, such as China, Russia, Uzbekistan, Kazakhstan, etc.

Despite some structural advantages the agreement can provide, it is not advantageous for countries of origin or third countries, such as Moldova. So long as Moldova signs no readmission agreements with other countries of origin, it runs the risk that illegal migrants will settle down on its territory. Under the readmission agreement, illegal migrants will have to be departed to Moldova, and therefore, they will try to find alternative ways to return to the EU by crossing the countries that have not signed the readmission agreements with the EU. However, the fact that the agreement was signed before the entering into force of the EU-Ukraine readmission agreement (2008) is a positive development.

Although readmission is seen as a unilateral policy focused only on controlling illegal migration, the conclusion of this agreement can have some positive repercussions. Both for Moldova and Ukraine, the readmission is a condition for a facilitated visa regime, and it is a possibility for the economic and commercial cooperation with the EU. Ukraine will be the first Eastern European ENP country to negotiate a free trade agreement immediately after its accession to the World Trade Organization. Accordingly, after signing and implementing the readmission agreement, Chisinau is in the position to conclude further agreements that have the readmission as a mandatory provision, including a free trade agreement.

Another advantage resides in the financial benefit and the possibility of capitalizing on the EU's experience in migration. Often, readmission agreements encompass financial, material, and technical assistance and other incentives. The incentives can be used after the conclusion of the agreement. After nearly one year of negotiations, the EU and Ukraine have agreed on a draft agreement regarding facilitated visa issuance. It was initiated at the Tenth EU-Ukraine Summit in Helsinki on October 27, 2006, by the EC Commissioner Benita Ferrero-Waldner and the Foreign Minister of Ukraine Boris Tarasyuk. The EU accepted some provisional clauses negotiated by Kyiv, including a two-year grace period that would allow Ukraine to prepare for the implementation of the agreement. Consequently, the readmission agreement will enter into force only in October 2008.

In sum, one could conclude that whereas a common immigration policy still remains a remote prospect, in recent years the EU has made much progress with a comprehensive migration strategy, including in relation to its new eastern neighbours.
Vladimir SOCOR

Proposals for the Gas-Exporting Countries' Forum to consider the possibility of forming a cartel have in recent weeks been aired by the presidents of Russia, Iran, and Algeria, as well as the Emir of Qatar, from among the major exporting countries; and also by Venezuela (now a small but up-and-coming producer and exporter of gas), Trinidad and Tobago (a significant exporter of liquefied gas) and several others from among lesser potential members of such a cartel. Moreover, Venezuela has urged gas-rich Bolivia and Argentina to join a South American gas exporters' cartel. Algeria's Sonatrach is the second-largest exporter of gas (after Russia's Gazprom) to the European Union and leading supplier of liquefied natural gas (LNG) to the EU.

Meanwhile on the bilateral level, Gazprom and other state-controlled Russian companies have in recent weeks signed agreements on exploration, field development, and marketing gas with countries on three continents. All these activities tend to undermine the position of European and North American gas-importing countries, in effect raiding these countries' traditional and/or prospective sources of supply.

Central Asian countries are hardly ever mentioned in Russian commentaries on the proposed gas cartel. Those commentaries are themselves scant and cautious (Kommersant, March 19). Moscow mentions primarily North African and Middle Eastern countries with which it could form such a cartel. Apparently, Russia itself intends to market some Central Asian gas to Europe as "Russian" gas; as well as using some Central Asian gas within Russia. Thus, Moscow would not willingly allow Central Asian countries into the gas exporters' cartel, but would rather maximize Russia's strength within the cartel by controlling the gas exports from Central Asia. Moreover, in its role as importer of Central Asian gas, Russia wants to deal with those countries unilaterally, rather than having to face a cartel.

Putin's 2002 proposal for a "gas exporters' alliance" of Russia, Turkmenistan, Kazakhstan, and Uzbekistan had been predicated on Russia's transit monopoly through the Central Asia-Center [Russia] Pipeline, also known officially as the Single Export Channel – the only major gas outlet out of Central Asia. The proposed "alliance" would in effect amalgamate Central Asian countries' gas reserves with those of Russia, into a single pool for marketing under Russia's physical and commercial control. Turkmenistan, with an export potential of nearly 100 billion cubic meters annually, probably attainable with relatively modest investments and from incompletely explored reserves, is key to any such Russian plan.

By the same token, Turkmenistan is key to diversifying Europe's gas supplies, reducing dependence on Russia and/or a Russia-influenced cartel, through the proposed trans-Caspian-South Caucasus-Turkey-Europe gas pipeline. Kazakhstan, with an anticipated export potential of nearly 40 billion cubic meters annually – much of it as associated gas – by the end of this decade, could become a significant contributing factor to the U.S.-backed, Europe-bound pipeline, rather than a Russia-led "alliance" or cartel. Uzbekistan, with an output of nearly 60 billion cubic meters annually at present, less than half of it available for export to Russia and/or Europe, could be connected via Turkmenistan or Kazakhstan to the proposed trans-Caspian pipeline to Europe.

伊朗和俄罗斯似乎是这一倡议中的先驱者，在杜尚别政府的计划中，伊朗和俄罗斯分别从4月9日的杜哈会议开始推动这一倡议。在2017年1月29日的德黑兰会议上，阿亚图拉·阿里·哈梅内伊公开提出了这个想法。伊朗总统哈桑·鲁哈尼、俄罗斯总统弗拉基米尔·普京和德国总理安格拉·默克尔都表示了支持。伊朗总统哈桑·鲁哈尼表示，将支持这一想法，因为伊朗希望开发其巨大的天然气资源，这些资源在全球范围内排名第二，但由于国际和美国制裁而未开发。俄罗斯总统弗拉基米尔·普京认为，这一想法“非常有趣”（Kremlin.ru，2017年2月1日）。普京在之后访问卡塔尔时也重申了这一观点，表示至少“协调”其政策，以便于将石油和天然气市场细分给出口国。

如果杜哈会议采取措施推动形成一个卡特尔，这将被看作是全球能源安全的演变安排的一部分，互惠互利的生产者和消费者国家规则的制定和保证欧盟公民的长期可靠合同利益。

Semyon Vainshtok and Deputy Industry and Energy Minister Andrei Dementiev declared that expansion of the Baltic Pipeline System (BPS) is currently the Russian government’s number-one priority for oil transportation (Interfax, RIA-Novosti, April 17).

BPS has quickly grown to a staggering capacity of 75 million tons annually as of 2006. Moscow’s intention to double that capacity poses clear threats to the maritime environment and navigation safety in the already congested Baltic Sea, particularly in its narrow passages and in the straits leading to the North Sea.

The existing system delivers oil from Russia’s interior through convergent pipelines to the port of Primorsk (and the smaller Ust-Luga nearby), at the Russian end of the Baltic Sea, for shipment to Western Europe by tankers. The expansion project envisages building a second phase, BPS-2, with a throughput capacity of another 75 million tons annually, and increasing Primorsk’s loading capacity by the same amount.

The Russian government plans to redirect into the BPS and to the Baltic Sea a large part of the oil flow from the Druzhba pipeline that runs from Russia via Belarus and Ukraine to European Union territory. Presumably, Moscow wants to reduce its reliance on overland export routes through third countries. Russia’s dispute with Belarus over oil export taxes and transit fees in January of this year precipitated Moscow’s policy decision to build BPS-2, so as to redirect much of...
the oil flow from the overland Druzhba route toward the maritime Baltic route.

When the Russian government first outlined those intentions (see EDM, February 6, March 7), it implied that it could reduce Druzhba to a mere trickle that would render that pipeline nonviable. That message was meant to pressure Belarus (and could also unnerve Ukraine) but was not entirely credible. It has now become clear that Russia will not give up on the Druzhba pipeline, but may slash the annual deliveries through that pipeline to less than half their present volume. Vainshtok made this clear at the Moscow conference, saying that the oil flow through Druzhba would be divided into two streams, one continuing westward and another heading northward to Primorsk.

BPS-2 would branch off from the Druzhba pipeline at the Unecha juncture on the Russian side of the Russia-Belarus border. Unecha handles a staggering 100 million tons of crude oil annually, including traditionally some 80 million tons headed via Ukraine to EU countries (tending slightly downward at 75 million in 2006) and another 20 million tons annually for processing at refineries in Belarus.

From that overall flow, Moscow plans to redirect up to 50 million tons into BPS-2. Skirting Belarus territory, the line would run through Russia's Bryansk, Pskov, and Leningrad oblasts to Primorsk. According to Transneft’s management, the company could construct that pipeline in one and a half years, with a preliminary cost estimate of $2 billion to $2.5 billion (Kommersant, April 12). This would provide the bulk of the planned 75 million ton capacity increase for BPS and Primorsk.

Apparently, Russia counts on some volumes of oil from Kazakhstan to be routed to Primorsk through BPS. The Russian and Kazakh governments are currently discussing a project to increase the capacity of the Atyrau (Kazakhstan)-Samara (Russia) pipeline from 15 to 25 million tons of oil annually. Samara is a connecting point with the BPS-1. It seems likely that Moscow would use that additional volume of oil from Kazakhstan to fill Russia's Baltic pipeline to Primorsk. That move also fits in with Russia's goal to minimize Kazakhstan's oil volumes available for westbound export through a trans-Caspian system (EDM, April 5; Institute for War and Peace Reporting Central Asia, April 9).

Primorsk's export terminal loaded 18.5 million tons of oil in the first quarter of 2007 – a figure suggesting that it might actually load year-round more than its current design capacity of 75 million tons. The terminal is currently capable of accommodating medium-size tankers, but Transneft is involved in deepening the port to accommodate 160,000-ton capacity tankers, under an agreement with Russia's leading shipping company, Sovkomflot.

Thus, the Russian government seems on track to expand Primorsk's export capacity to 150 million tons of oil annually as planned. That target figure is triple the capacity of Novorossiysk (Russia's largest maritime export terminal for oil until 2005) and is double the volume of Russian and Russian-loaded oil passing annually through the Bosporus at present.

Further adding to Baltic tanker traffic, Lukoil intends to ship some 12 million tons of crude oil and oil products annually, starting in 2008, from the port of Vysotsk. To that end, Lukoil chairman Vagit Alekperov and Russian Railroads president Vladimir Yakunin recently signed an agreement to increase the capacity of rail lines that connect Lukoil-owned refineries with Vysotsk (Leningrad oblast). The rail project is due for completion in December 2007. Lukoil is also adding two berths for oil tankers of 47,000-ton and 80,000-ton capacity at the company-owned Vysotsk export terminal (Interfax, April 2).

On top of these plans, Gazprom aims to build a liquefied-natural-gas and dedicated tanker port at Ust-Luga, also at the Russian end of the Baltic Sea. Gazprom is negotiating with Algeria's state oil and gas company, Sonatrach, and the Calgary-based Petro-Canada to build those LNG installations for production and export.

Tanker traffic of this colossal magnitude out of Russia's Baltic ports – alongside massive construction activities planned for the Northstream Gas Pipeline on the Baltic seabed, along the same route with its narrow passages – could adversely affect the entire Baltic basin. While the authorities and publics in Baltic Sea countries are increasingly preoccupied with the gas pipeline's implications, Russia's oil-transport plans do not seem to attract much international attention yet.
PHOTO SESSION

Zagreb, Croatia
PHOTO SESSION
Stuttgart, Germany

PHOTO SESSION
PHOTO SESSION

HARVARD BLACK SEA SECURITY PROGRAM - 2007
Cambridge, United States
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