

# COMPLEX REGIONALISATION IN THE WIDER BLACK SEA AREA

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by

Mukhtar HAJIZADA

(MA, Istanbul University; BA, The Academy of Public Administration in Baku)

Department of Politics and International Relations

University of Leicester

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## **Abstract**

**Mukhtar Hajizada**

### **Complex Regionalisation in the Wider Black Sea Area**

This thesis provides a case study analysis of regionalisation in the wider Black Sea area as a contribution to the study of regionalism. Taking 1992 as the starting point, interviews, official documents and personal observation are used to analyse the integrative processes by focusing on the areas of regional security, institutionalisation, intraregional trade and the role of the EU. Confrontation and cooperation are inter-related, and security imperatives and the lack of a sense of (security) community affect the efficiency level of the regional institutions and prevent increased regional cooperation. Nevertheless, the EU has enhanced a sense of community in the wider Black Sea area (WBSA) although mainly in the western part of it.

Previous studies on regionalism have mostly dealt with regionalisms among allies or countries that seem to genuinely interact as partner countries, rather than examining the regionalist project of a group of states including adversaries with political-military problems between themselves. This thesis is thus original in focusing on a strange phenomenon that cooperation is going on at the same time as tension and conflict between states. A further sign of complexity is that many of the instances of cooperation such as economic are going on outside the remit of the regional organisations which have been established – such as the Black Sea Economic Cooperation. As this regional arrangement resembles an example of regional integration but cannot easily be analysed by the customary approaches of regionalism, the idea of ‘complex regionalism’ is proposed to denote the complex interplay among the participating actors in the WBSA. The summary contribution is to show that it is still possible to have regionalisation of states where some of them simultaneously engage in conflicts with each other, although this is likely to stunt the process and the extent of regional integration.

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## Abbreviations and Acronyms

APEC	Asia-Pacific Economic Cooperation
ASA	Association for Southeast Asia
ASEAN	Association of South-East Asian Nations
BLACKSEAFOR	Black Sea Naval Cooperation Task Group
BSCF	Black Sea Littoral States Border/Coast Guard Cooperation Forum
BSEC	Black Sea Economic Cooperation
BSEC-URTA	The Union of Road Transport Associations in BSEC Region
BSS	Black Sea Synergy
BSTDB	Black Sea Trade and Development Bank
BSUN	Black Sea Universities Network
BTC	Baku-Tbilisi-Ceyhan Oil Pipeline
CACO	Central Asian Cooperation Organization
CAEC	Central Asian Economic Union
CAN	Andean Community of Nations
CARICOM	Caribbean Community
CEFTA	Central European Free Trade Agreement
CFSP	Common Foreign and Security Policy
CPBSP	Commission for the Protection of the Black Sea Against Pollution
CRRC	Caucasus Research Resource Centers
CSO	Committee of Senior Officials of BSEC
CSTO	Collective Security Treaty Organisation

DCFTA	Deep and Comprehensive Free Trade Area
EaP	Eastern Partnership
EC	European Community
ECMT	European Conference of Ministers of Transport
ECOMOG	Monitoring Group of Economic Community of West African States
ECOWAS	Economic Community of West African States
EEA	European Economic Area
EEAS	European External Action Service
EEC	Organisation for European Economic Cooperation
EFTA	European Free Trade Association
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EP	European Parliament
EPC	European Political Cooperation
EU	European Union
EUMM	EU Monitoring Mission
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GSP	Generalised System of Preferences of the EU
GUAM	Organization for Democracy and Economic Development of Georgia, Ukraine, Azerbaijan, Moldova
ICBSS	International Centre for Black Sea Studies of BSEC
ICG	International Crisis Group

ICRC	International Committee of the Red Cross
IIFFMCG/CEIIG	Independent International Fact-Finding Mission on the Conflict in Georgia
IMF	International Monetary Fund
IRU	International Road and Transport Union
MaPhilIndo	Non-political confederation for Malaya, the Philippines, and Indonesia
Mercosur	Common Market of the South America
MFA	Ministry of Foreign Affairs
NAFTA	North American Free Trade Agreement
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organisation
ODECA	Organization of Central American States
OECD	Organisation for Economic Cooperation and Development
OEEC	Organisation for European Economic Cooperation
OSCE	Organization for Security and Co-operation in Europe
PABSEC	Parliamentary Assembly of BSEC
PACE	Parliamentary Assembly of the Council of Europe
PERMIS	Permanent International Secretariat of BSEC
RELEX	Former Directorate-General for the External Relations of the European Commission
RSCT	Regional Security Complex Theory
SAARC	South Asia Association for Regional Cooperation
SCO	Shanghai Cooperation Organization
SICA	Central American Integration System
TRACECA	Transport Corridor Europe-Caucasus-Asia

UfM	Union for the Mediterranean
UNASUR	Union of South American Nations
WBSA	Wider Black Sea Area
WEU	West European Union
WTO	World Trade Organisation

# 1 Introduction

There are many political initiatives for a closer regional cooperation initiated by the actors of international relations. Throughout the history of international relations, especially after the end of the Second World War, many neighbouring states have come together within or around a particular geographical area to deal collectively with their common issues. The more there is interaction in concert, the more that geographical area of the earth, fostering the formalised relationship of the participating actors, seems to have become cohesive and distinct, in other words, a region. Since the end of the Cold War, the wider area around the Black Sea has also been undergoing a similar integrative process where a handful of the littoral countries as well as states neighbouring them formally started a process of regional cooperation around this geographic area in 1992. Originally only an initiative for regional cooperation by Turkey and the Soviet Union, it later gathered more neighbouring countries, including the successor states of the communist bloc; and the process led to the establishment of the Organisation of the Black Sea Economic Cooperation (BSEC) in 1998. The territories of the BSEC member states are now widely referred to as the BSEC region or more generally as the wider Black Sea area (WBSA).

The Black Sea is one of the most interesting geographies of our world, not least because its location is 'where history mingles with ages-old tales of a catastrophic flood' (Ballard 2001). But the most important political feature of the wider area around the Black Sea is that it has long been divided among empires and most recently between Western and Eastern blocs (Bailes 1999; Tassinari 2006:1). The region has been an important trading area, the cradle of European civilisation<sup>1</sup> and the site of clashes of empires (King 2004). This continued into the 20<sup>th</sup> century when it was an important area in the Cold War. Following this period, it gained its first chance of becoming an identifiable cooperating region. The existing understanding of the WBSA includes South Eastern Europe, the littoral states of the Black Sea and the South Caucasus, which covers an area of 20 million square kilometers, and lies across two continents. According to the BSEC official website, the BSEC region is inhabited by 330 million people and has an annual foreign trade capacity of USD 300 billion; moreover, the Organisation claims to cover the second-largest source of oil and natural gas (after the Persian Gulf) and emphasises

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<sup>1</sup> The WBSA also comprises countries with diverse religious backgrounds. It also provides a bridge between the EU and the Muslim world, including with Azerbaijan and Turkey where they have moderate Islam. This factor also contributed to the distinctive feature of the BSEC area in the broader context of Europe's relations with the Muslim world.

its geographical status as the corridor for the Eurasian transport and energy pipelines (bsec-organization.org, 12 February 2008).

On June 25, 1992, the leaders of the eleven countries in the wider Black Sea area convened in Istanbul and signed the 'Summit Declaration on the Black Sea Economic Cooperation'. This momentum led to the establishment, in 1998, of the Organisation of the Black Sea Economic Cooperation (BSEC) which became a symbol for post-Cold War cooperation in the region. At present, the BSEC has twelve member states: Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine, as well as the two Balkan states of Albania and Serbia. Seven states of the EU are BSEC observers, including the Federal Republic of Germany, the Republic of Austria, the Czech Republic, the French Republic, the Italian Republic, the Republic of Poland, and the Slovak Republic.<sup>2</sup> Currently, three EU members are amongst the founding BSEC members (Bulgaria, Romania and Greece) and they are 'sharing the common vision of their regional cooperation as a part of the integration process in Europe' (BSEC Charter).

The regionalisation of the participating states implied that they might engage in a region-building process, which would culminate in an emerging union alternative to the EU. However, the signatory states of the BSEC launching documents made sure to articulate that the economic cooperation of BSEC would be implemented in a manner not breaching their priority obligations before the EU. It could therefore be stressed that although the BSEC is a separate arrangement from the EU, it is very interlinked with the Union, not only geographically but also politically, which makes it difficult to draw proper lines for the Black Sea region. The fact that the states adopted the historic 1992 Istanbul Declaration seemed to signal that the Black Sea area might become a separate region. But at the same time, the founding governments of the BSEC states immediately highlighted that this regional integration, according to the 1998 BSEC Charter, would not necessarily conflict with the EU accession process of the candidate countries. Obviously, the final draft of the charter had to accommodate the needs of the different founding governments. That is why on the one hand the states established a non-EU organisation around the Black Sea while, on the other hand, the charter stipulates that this is in line with the EU. This ambiguity itself seems to have constituted a fundamental barrier to regional integration around the Black Sea.

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<sup>2</sup> The other Observer States are the Republic of Belarus, the Republic of Croatia, the Arab Republic of Egypt, the State of Israel, the Republic of Tunisia, and the United States of America. Observer status has also been extended to intergovernmental organisations (the Energy Charter Conference, the Commission on the Protection of the Black Sea against Pollution - BSC) and non-governmental organisations (the International Black Sea Club).



Indeed, the creation of the BSEC, followed by the establishment of various BSEC-related bodies, paved the way for the proliferation of other institutions by the same BSEC members. The establishment of such minilateral cooperative arrangements had not been seen before the end of Cold War. Starting with the 1992 Istanbul Declaration on peace in the region, the BSEC has ostensibly moved from shallow increased contact among statespersons to the intensified and regular cooperation solidified by wide institutionalisation in the region. The creation of the consequential 'related bodies' represents a trend towards regionalisation, raising the prospect that these processes may ultimately lead to a regionalism, depending on the willingness of the driving forces and interested actors.

The dramatic changes of 1989-91 galvanised the last talks between Turkey and the USSR on cooperation around the Black Sea. Consequently the format was transformed and all former Soviet Union countries neighbouring and adjacent to the sea went on with the negotiations, which culminated in substantial articulation with the Declaration of Istanbul in 1992. BSEC leaders laid the groundwork with the 1992 Istanbul declaration which was a significant departure from the past. The Turkish initiative for regional cooperation observably was a result of the lessening Cold War hostilities between the Western and Eastern blocs. As communism stopped being perceived as a threat to capitalism and Russia turned to the West, and given that there was a clear need for cooperation in the aftermath of the Cold War, Turkey took the opportunity to fill the existing gap in regional cooperation. This move would also assert a new quality for Turkey given the declining relevance of this country between two would-be former blocks. When the neighbouring newly independent countries of the USSR were hesitant or opposed to firmly re-establish their ties with Russia (i.e. through the post-Soviet framework of the CIS), the existing Turkish proposal was timely as it would offer a completely new platform for their regional ambitions where the context and the content would be different but would still have the idea of regionalism. Turkish leadership in the region would also counterbalance the post-Soviet Russia vis-a-vis the newly independent states of the South Caucasus and Central Asia.

The fathers of the BSEC idea therefore seem to have been aiming to divert attention away from the security focus to an economic one as was the case in Western Europe in the aftermath of the Second World War (i.e. from the European Coal and Steel Community to the European Economic Community). An interesting analogy is the Organisation for European Economic Cooperation (OEEC), established in 1948 under the auspices of the United States, to administer Marshall Plan funds. Although as the name suggests this arrangement was dealing with economic cooperation, it was seen as an instrument leading to the transatlantic

orientation within Europe. In that regard, the rationale behind the support for regional cooperation could have lied in the necessity of establishing a sustainable political stability and prevention of armed conflicts, just as in the case of the EU. The important features of these cooperative processes denote the emerging regionalism around the Black Sea, which is the focus of this thesis.

The BSEC region covers the area where the (geo-)strategic interests of powers intersect, where they seem to be competing for political influence or domination coupled with efforts to maintain their sustainable access to Caspian energy sources and trade corridors. The WBSA is vast and the BSEC members' territories now stretch from the Balkans across the Black Sea to the shores of the Caspian Sea; from Crimea to the territories that were conventionally termed the Near East. The BSEC covers the very fields that are potentially integrative and, if successfully implemented, may result in overall integration of the region. After all, the region seems to have the institutions necessary for region-building. This establishment of a post-Cold War cooperative arrangement of regionalist character around the Black Sea suggests that there is a possibility for some degree of regional convergence in economic and security terms. For that reason, this thesis is going to assess the significance and the extent of that potential convergence.

As the lynchpin of the region, the BSEC covers the geography of increasing political and economic importance also for the European Union. The role of the EU is also of great importance in understanding the specific nature of the regionalism and whether the latter is a complementary process to the EU membership of the BSEC countries. After all, events in the past few years have caused the EU to pay more attention to the wider Black Sea region. The Romanian and Bulgarian membership, in particular, has enlarged the EU and brought it to the shores of the Black Sea. Subsequently, the other countries in that region have increased their interaction with the EU and vice versa, which demonstrates that the weight and emergence of a Wider Black Sea region is at the heart of an increased collaboration between the EU area and the BSEC region. Turkey's willingness to commit to internal reform has led to membership negotiations with the EU. Some of the Eastern Partnership (EaP) countries aspire to be closely associated with in the EU. Besides the 2007 enlargement of the EU, increasing concerns about energy security have played a great role in determining the direction of regional processes. The EU's energy security issues and the BSEC's geographical status as a transit corridor from Central Asia to Europe have also made the region not only more connected, but also of higher importance for Europe. Europe's growing energy consumption has become a key factor in the

EU-Russia relationship. In this context, the Caspian oil and gas resources as well as the passage capacity for the alternative energy routes have contributed to the region's agenda.

The EU is no longer an external but actually an internal actor with real chances to influence the BSEC process. This fact has led the EU to define its generic goals for the region and to adopt its own policy instruments such as the 'Black Sea Synergy' (Commission, 11 April 2007, COM(2007)160) which followed the '*BSEC-EU interaction*' framework, agreed on 17 January 2007 by the BSEC member states.<sup>3</sup> The 2007 enlargement of the EU further made it unclear whether the BSEC was going to become a privileged mechanism which would function as an alternative regional arrangement or a supplement to the EU (Şen 1993). Two BSEC founding members - Romania and Bulgaria - did join the EU, and this fact suggests that the BSEC might have been serving as a possible stepping stone for these south-eastern European countries on their way to the ultimate goal of EU membership. In sum, Brussels seems to have been attempting to posit the integrative processes around the Black Sea on a platform or 'tectonic plate' of EU subregionalism. Therefore, in the thesis posits the regionalisation process in the wider Black Sea area on a platform of the EU subregionalism as well as the BSEC-EU interregionalism, considering the different aspirations of regional actors and other potential 'core' centres for this regionalism such as Moscow and Ankara – to a greater and lesser extent, respectively.

## 1.1 Theoretical relevance

The ambition of this thesis is to carry out a case study of regionalisation in the WBSA as an example of international regionalisms. In order to provide an authentic and comprehensive analysis, the study is not limited to the BSEC only; it also considers other relevant forms of initiatives concurrently existing in the region. In this thesis, the minilateral (i.e. non-BSEC) arrangements in the WBSA area are regarded as diverse integral forms of the same pattern or architecture. The examination is to assist in the understanding of how the current bilateral and minilateral relations among the states shape and are shaped by the regionalisation of the wider Black Sea area.

The present work constitutes a systematic attempt to carry out an examination of the regionalisation process in the WBSA. It provides a study and interpretation of interactions and cooperation in the Black Sea region in the context of, and as a case of, international

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<sup>3</sup> The official document was adopted in the Special Meeting of the BSEC Committee of Senior Officials BS/SSOM/R(2007)1, following the "Platform for cooperation between the EU and the BSEC" adopted by the BSEC MMFA on 30 April 1999 in Tbilisi which aimed to open up a political dialogue with the EU, and following the decision on 1 Nov 2006, Moscow Meeting of Council of Ministers.

regionalism (Nye 1968). The author acknowledges the stimulating ideas stemming from different papers including the ones authored by Emerson (2008) and Muni (2005). The thesis draws on the theories of regionalism and on a variety of conceptual orientations associated with the field in different proportions (Söderbaum and Shaw 2003, Bøås, Marchand and Shaw 1999). It conceptualises the region as a subsystem of the larger European architecture and also as a system embodied by the BSEC organisation. This thesis aims to contribute to the contemporary debate on international regionalisms and the theorisation of new regionalism. Also, this thesis is an attempt to bring into focus some foremost aspects of interstate relationships in the Black Sea region and their ultimate effect on the regionalisation. This thesis is also the first ever attempt to examine the level of economic integration achieved in the course of said regionalisation, in particular along with the BSEC process.

Much ink has been spilled in debates on regional integration and international regionalisms. As a result, previous studies on regional integration and regionalisms have yielded a set of heterogeneous generalisations and theoretical frameworks based on various case studies of international regions. In order to develop an understanding of the complexity of regions, the theoretical insights of regionalism, subregionalism, interregionalism as well as the post-Cold War new regionalism approach provided by various scholars are deployed (Söderbaum and Shaw 2003, Padoan 2001, Telò 2001, Väyrynen 2001, Hettne, Inotai and Sunkel 2000, Lähteenmäki-Smith 2000, Mistry 2000, Hettne, Inotai and Sunkel 1999, Mansfield and Milner 1999, Mistry 1999, Higgott 1998, Mansfield and Milner 1997, Hurrell 2005, Katzenstein 2005, Hook and Kearns 1999, Doidge 2011, Hänggi, Roloff and Rüland 2006).

This case study is a contribution to the emerging debate on New Regionalism theory in the making. Many of the authors writing on Post-Cold war regionalism seem to either underestimate the role of states as still the most important actors driving regionalism or are discreet about such a role. Some of them like Ohmae (2003) even argued about the end of the nation state and predicted that the rise of regional economies would arguably lead to the emergence of the region state. However, as the present research on post-Cold War Black Sea regionalism emphasises, states seem to maintain their dominant role. Conclusions drawn from this thesis are therefore of significance for the development of the theory in the making. The analysis is focused on the empirically identifiable level which is the region as a whole and the individual nation-states that make it up.

The theories of regionalism and the post-Cold War approach of new regionalism, which is 'much more multifaceted and multidimensional than in the past' (Breslin and Higgott

2000:339), are relevant for studying some components of the regionalist processes around the Black Sea. However, as this thesis argues, the Black Sea regionalism presents a unique case study because it is a complex example of international regionalism. In other words, drawing on the Black Sea regionalism, the author agrees that new regionalism or the post-Cold War studies of regionalism retain a good deal of relevance in regional studies, since it proposes non-violent methods for the collective resolution of problems once the participatory states settle their fundamental differences. But it should be pointed out that the new regionalism contains a blind spot with regard to interstate conflicts and their role in hampering regionalisation. Therefore, this thesis points to the lacuna in new regionalism and highlights the need for some theoretical adjustments for new regionalism during its current development process. It is the author's belief that this case study has furthered the research through an essential and comprehensive approach and contribution to the understanding of regionalism and regionalisation.

Furthermore, the fact that the regionalism cases of the BSEC and EU overlap with each other clearly makes the Black Sea regionalism a more complex example. This is especially the case given that the EU has been the dominant example of the international regionalisms, as admitted by a wide range of theorists and scholars, and therefore overshadows other forms of regionalisms existing across the globe. Therefore, this thesis also seeks to address this issue and contribute to a diversification of the wider literature on regionalisms which is currently overwhelmed by the literature on the EU.<sup>4</sup>

The BSEC is a centre of gravitation for regionalisation around the Black Sea. This research will therefore focus on that centre of the interstate relationships of the ten BSEC countries; in other words, leaving out two BSEC members - Albania and Serbia - and therefore agreeing with the EU's vision for the Black Sea region through the Black Sea Synergy policy instrument of the EU. Various types of cooperation and forms of integration will be analysed in the context of the Black Sea regionalism which remains to be empirically tractable, intellectually interesting and politically significant. Having relied heavily on the general conception of regionalisms, the purpose is to put forward an original contribution to the literature on regional studies and regionalism by broadening the study on regionalisms to include the regionalist experiment around the Black Sea.

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<sup>4</sup> Some readers may (or may not) find the argument of this thesis in line with the neo-liberal institutionalism and regime theory but the aim of the present author is not to side with any group of scholars but to provide a case study of the Black Sea regionalism and to focus on the particularities of the case.

## 1.2 Originality

There is an emerging body of literature conceptualising new regionalism. However, that emerging literature tends to pay relatively little attention to examples of regionalism worldwide, particularly the one presented by the Black Sea, and therefore limits the opportunities for valid generalisations across cases of regionalism worldwide. Observably, existing literature mostly seems to deal with the regionalisms clustering around the 'cores' that are traditionally easier to register such as the EU, NAFTA and ASEAN; although some of the literature also focus on the Union of South American Nations (UNASUR), the Central American Integration System (SICA), the Caribbean Community (CARICOM) or on less comprehensive frameworks such as MERCOSUR for Argentina, Brazil, Paraguay, and Uruguay; the Andean Community of Nations (CAN) for Bolivia, Colombia, Ecuador and Peru. Ultimately, the literature seems to pay much less attention to processes where there is no primary driver(s) and the regionalism is not as apparent, which creates bias in attempts to theorise the global phenomenon. Therefore, the relatively less vocal regionalist processes such as the regionalisation around the arrangement of BSEC should not be ignored while there is ongoing process of comprehensively theorising the new regionalism. Moreover, it would also generate a significant analytical potential and could logically lead to the comprehensive comparative analysis of international regionalisms elsewhere in the future.

In the past as well as in much of the mainstream discussion on regionalism, the understanding is that it would be unimaginable to witness the states discontinuously involved in institutionalised regional procedures on the one hand, and continuing or resuming their conflict involving the use of violence (whether large-scale or not) on the other hand. In other words, previous studies on regionalism have mostly dealt with regionalisms among allies or countries that seem to genuinely interact as partner countries. Rarely has empirical literature dealing with regionalisms ever considered generating knowledge from the regionalist project of a group of state adversaries having political-military problems between or among themselves. The largest substantive effect of this work is its attempt to redress this important omission.

To the best of the author's knowledge, this thesis is the first to provide a comprehensive study of the model for an international regionalism in the wider Black Sea area. Despite some research mainly undertaken by the International Centre for Black Sea Studies (ICBSS), which officially enjoys the status of a 'related body' in relationship to the BSEC Organisation, the research area remains neither comprehensively examined nor coherently theorised. Having

said that, the distinct characteristic of the present study, compared to previous research in the field, was its constant drive not to be satisfied simply with what the officials of the member states said openly or with the press releases issued by organisations describing their formal actions, but to get as much as possible an actual sense of the dynamics which sometimes, if not always, remain behind the scenes, unavailable to the wider audience. Few, if any, works (besides the present one) cover the area in a similar fashion.

The motivation for the present work was also driven by changes occurring in, and theories of, new regionalism. The present author agrees with the conceptualisation of regions as subsystems of the much bigger world order, embodied in regionalist organisations with a certain focus on regionalisation or integration. This thesis uses the regionalism concept to study the regionalisation process, because this framework provides a model for understanding the regionalist dimension of the international affairs in a given area. Much of the scholarly debate has concentrated on the newness of regionalism and referred to the pre- and post-Cold War era regionalisms. By studying the regionalist experiment around the Black Sea, the author argues that this case questions the validity of that argument. In sum, the present thesis argues that regionalism around the Black Sea has progressed in the following way: the cooperative process has been institutionalised and therefore there are formal means to facilitate region building. However, it has met with difficulties stemming from the lack of willingness to empower these organisations to carry out their tasks because of the possible advantages the other parties might gain.<sup>5</sup>

### **1.3 Definitions and methods**

According to De Lombaerde, Söderbaum, Langenhove and Baert (2010:29-30), there are two approaches to the study of regions: A single case-study (what they call ‘idiographic research’); and a study of multiple cases to find the general explanations (what they call ‘nomothetic research’). The present empirical research on Black Sea regionalism, which mainly aims to contribute to the literature on contemporary regionalism, as such would rather fit with the first category of their classification. But, of course, the indirect aim for the present work is also to be useful for the emerging literature on studies comparing European integration and international regionalisms. The case-study method has its own specificities and it ‘allows investigators to retain the holistic and meaningful characteristics of real-life events’, as rightly stressed by Yin (2003:2). The case-study method is also preferred in examining the

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<sup>5</sup> As the end state or terminal condition of the region around the Black Sea is indefinite in spite of its apparent dynamism, the current study (obligatorily) deals with processes of integrative character. However, it would have been really interesting to study a genuine process which aims to lead to some goal or final outcome reaching a union such as the EU.

contemporary set of events, understanding complex social phenomena to be traced over time, and in making case studies generalisable to theoretical propositions.

The economic and political transactions as a source of regional integration are taken here as a unit of analysis. This thesis thus focuses on the formal transaction of economy and polity. After all, security imperatives, political interactions and economic transactions are the apparent components of regionalism (Nye 1968, Gilpin 1972, Keohane and Nye 1977, Gordon 1968, Wionczek 1968). The level of cross-border regional transactions and the correlation between the economic growth of the actor-states are considered to highlight the degree of interaction in the context of the overall regionalisation in the wider Black Sea area. The connection with economics and political science (including international relations and foreign policy) is also recognised by the scholars such as Bøås, Marchand and Shaw (2005:169). In order to explore the regionalisation in the WBSA, this thesis assesses the extent of cooperation, integration, and convergence in fields such as security, politics, and economy. This approach has been suggested by Schulz, Söderbaum and Öjendal (2001:5) who argue that regionalism is an empirical process which can be studied by analysing the way states interact regionally. Without regarding the role of the diverse variety of structures other than governmental as unimportant, the method in the present thesis is to focus on states as formal actors driving regionalisation. Although the role of non-state groups would also be important for regional integration, they seem to remain less prominent in their performance. Therefore, the participating states and governmental organisations are the main focus of this study on the Black Sea regionalism.

Regionalisation is a term that refers to the process of progressive or regressive transactions and activities in the Black Sea region. Regionalisation is a process of forming regions and this process could happen both spontaneously (through a series of actions forming regions) or consciously planned by the involved actors. The term regionalism, on the other hand, usually refers to the projects promoting this process; in other words, the policy or formal projects in accordance with which actors collaborate in the given region (Chapter 2).

Institutionalisation refers to the various arrangements of a permanent (or not) nature in a given geographical area around the sea, taking into consideration the smaller minilateral organisations and similar regional initiatives that could or do facilitate and contribute to the subsequent wider regionalism around the Black Sea. The Black Sea area is a conglomeration of various frameworks and duplicative institutional arrangements from economy to security cooperations and alliances, with overlapping memberships of involved states. These groupings



are, on the other hand, a subset of broader Black Sea regionalism. This project also looks at these constellations as a projection of policies of the BSEC states. How the BSEC leaders deal with the Organisations will be critical to its continued status as central to the regionalisation process. The efficiency of the regionalist organisation will be an indicator for the extent of the regional cooperation and common regionalist interest. Regional cooperation includes a plurilateral organisation (referring to the BSEC cooperation which is the most inclusive arrangement in the WBSA) coupled with the minilateral cooperative mechanisms of intergovernmental and/or international nature (referring to the regional institutions in the WBSA having less member states than the BSEC e.g. GUAM, Black Sea Forum, BLACKSEAFOR) as well as regionally important business projects of trans-boundary character (e.g. the transnational Baku-Tbilisi-Ceyhan oil pipeline project).

This research project focuses on how the actors in the region manage their violent conflicts, non-violent confrontations, and territorial disputes, which is paramount if one wishes to explore the extent of the existence of a security community. Security community is defined in this thesis as a group of communities in a given geographical area determined to resolve their major issues by peaceful means. The extent of the existence of security community in the WBSA depends on the willingness of the governments to solve their interstate problems with non-violent means. Violent conflicts have often occurred in the WBSA and hampered the evolution of the security community. For example, the August 2008 war between Georgia and Russia has deteriorated their bilateral relationship. Despite the 1994 cease-fire agreement, the continuing state of war between Armenia and Azerbaijan has been the only international conflict in the region which has prevented any form of cross-border cooperation between these two BSEC countries.

For the purposes of this paper, the term Europeanisation is used in its shorthand definition and simply refers to the improving relationship between the EU and the countries to the East. The degree and scale of EU engagement in the BSEC region would tell us about the existing substantial relationships between the EU and the BSEC countries which include EU member states, a candidate and non-EU countries enjoying special statuses (e.g. Eastern Partnership). Here, Europeanisation would refer to the bilateral commitments or ambitions of the regional countries to enhance their political association, economic convergence and legal approximation with the EU which is what the official discourse asserts (Chapter 6). By the way, it should be clarified that the assessment of the effectiveness of Europeanisation is not central here. It is understood that elsewhere, this term would concern the extent to which the norms

and rules of the EU are transferred to the other countries and the ambition to do through various mechanisms such as the association agreements.

Other core actors who exercise a degree of influence in the region are also considered in this thesis. Core actors mean the central (formal) powers (EU) or powerful actors (Turkey and Russia) that have the willingness and tools to influence and share the region formation process. Apart from the EU, Turkey and Russia are considered to be core actors as Turkey is the initiator of the BSEC process and Russia is a highly coercive power in the region.

**Main research questions.** Aiming to contribute to our knowledge of new regionalism phenomena, the research question of this thesis led the author to favour the use of the case study method, as its distinctive advantage lies in the fact that it facilitates the numerical and categorical explanations relying on the available amounts of qualitative and quantitative evidence. The questions are: As an example of international regionalisms, what are the specific features of the Black Sea regionalism? What is the level of regionalisation in the WBSA? To what extent does the Black Sea regionalism resemble a security community? To what extent has the EU been promoting region building in this part of its neighbourhood?

**Study proposition.** Exploration, investigation, and illustration of the features of the contemporary phenomenon within its real-life context constitute the main scope of the research. The purpose is to look at the so-called formal and tangible aspects of the process – and this purpose has been the key to identify relevant information while defeating the potential temptation to cover and deal with each and every aspect of the Black Sea regionalisation.

**Unit of analysis.** Unit of analysis include two types: the region as a whole and individual nation-states that make it up. Regionalisation is the case under study and the regionalistic process around the Black Sea. Regional security imperatives, institutionalisation, intraregional trade, and externalisation make up the constituent sub-areas pertaining to the analysis of the phenomenon being studied. (Each sub-unit of analysis of this thesis necessitated a different data collection strategy.)

**Scope of analysis.** In this work, the context and concept for analysis of the case is referred to as a macro-region constituting the interstate relationships since the end of the Cold War. The boundaries of the region (under the present study) have been taken as pre-given which is a defined space by the political actors through their BSEC membership. Furthermore, in the case of Black Sea regionalism, it is true that natural and political borders do not match. Therefore,

the political borders of the Black Sea region go beyond the geographic coastlines of the Black Sea. It goes without saying that determining what constitutes the Black Sea region has mostly been a political decision by the participatory governments. The boundaries for the region are ambiguous, and it is only clear which countries are 'inside the fence'. After all, regardless of how the Black Sea region is interpreted or what its boundaries are, there is a rather general understanding that it includes the Black Sea littoral and South Caucasus states. In this study, the BSEC organisation membership is taken as a base (including Albania and Serbia). However, the main scope is very much confined to the Black Sea littoral and the immediate neighbourhood of the littoral countries (i.e. excluding two Balkan countries) and therefore the BSEC region here refers to the geographic bounds and boundaries of the ten BSEC countries (including Greece).

## 1.4 Data Collection

The case-study research relies on 'direct observation of the events being studied and interviews of the persons involved in the events', to put it in the words of Yin (2003:8). The unique strength of the case study lies on its ability to deal with a variety of evidence—documents, artefacts, interviews, and observations (ibid). Therefore, in order to draw the most accurate conclusions, the present author has acquainted himself with a variety of sources ranging from publicly available statements to esoteric documents, where possible. The author has benefited from the viewpoints of EU and BSEC policy- and decision-makers as well as the members of the think-tank communities based in the WBSA. The author has made use of the efficacy of combining techniques. Documentation offices were helpful in providing the author with access to documents, reports and minutes of meetings. The officers and staff of the BSEC member states' Ministries of Foreign Affairs and several other institutions, including the BSEC bodies and affiliates, as well as other interested observers, shared their experience and views with the author. The fact that the author did his internship in 2007 at the BSEC helped with networking with senior officials and with being able to open doors with confidence. Data was culled from the triangulation of available sources which seemed relevant:

- Empirical data collected during the field research trips such as the personal interviews, communications, and unpublished documents mainly from the BSEC institutions;
- Policy documents adopted by the BSEC and its related bodies as well as the EU and its institutions;

- Personal observation stemming from the internship period at the Istanbul-based Permanent Secretariat of BSEC. The present author also personally observed a number of important BSEC meetings, including various meetings of the Committee of the Senior Officials and one Ministerial Meeting in 2009.

Because of the extent of this research, the author has accumulated data from a wide variety of sources including, but not limited to, semi-structured interviews through formal arrangements, open conversations through informal meetings with ambassadors from the BSEC member states, delegates for high level meetings, leaders and politicians. In order to enable the interviewees to answer sensitive questions as well as keep the conversations as open as possible, the author agreed not to cite their names but still provide information about their positions where possible. The interviewees were assured of anonymity in the beginning of the meetings and therefore it would be very unethical to directly quote or cite them in this thesis.

The author's arguments in this thesis are also based upon the reports and they also rest upon unpublished documents adopted by/at the institutions, interpreted in light of the interviews. It is the understanding of the present author that a researcher should endeavour to avoid dependence on mere discourses or formal rhetoric by senior officials and should not refrain from exploring other unofficial background information. In this way, it is perhaps possible to counterbalance the (un- or intentional) influences by the sources in the direction of the conclusion. This particular consideration would also significantly enhance the reliability, and therefore the credibility of the research. Furthermore, although the list of questions for every interviewee entailed similar questions asked to others, the author avoided a uniform questionnaire style to leave room for selection and adaptation on a case-by-case basis. In addition to this, some interviewees rightfully expected the author to know the background of the topic, whereas in other cases they, namely the diplomats, were keen to explain more of the background information rather than answering the questions, especially the critical or sensitive ones. Apart from the interviews, the author has also had personal communication with low- and high-ranking officials in the various administrations including MPs and local independent experts from a range of think-tanks and universities in order to broaden his views on the nature of interstate relationships in the western Black Sea countries.

The study has made extensive use of the publicly available binding and non-binding agreements as well as publicly restricted BSEC documentation, including early drafts and final versions thereof. Moreover, research papers and special issue policy papers produced by various universities, think-tanks, including but not limited to the ICBSS and CEPS, and other

institutions have been widely used. The official websites of the institutions included in this study have also been useful in keeping the author up-to-date with the contemporary developments and schedule of important meetings involving decision-makers. The author also made use of the research opportunities provided by the libraries of Bilgi University and Bahçeşehir University (both in Istanbul) and also the ICBSS (Athens). The materials read and taken from these utilities were particularly useful as they had a collection in the indigenous languages, namely Turkish and Russian.

Having some opportunities to personally observe high-level meetings in Baku and at the Permanent International Secretariat (PERMIS) in Istanbul, within the BSEC Organisation, has been a great advantage for the research. The author was a 'stagiaire' in 2007 at the BSEC Headquarters and built some professional and friendly relationships with the country-representatives, as well as with senior officials of BSEC member states, thereby gaining their trust and confidence for the interviews for the sake of the present PhD research. He was also able to personally attend closed meetings of the BSEC's Committee of Senior Officials (CSO) and one particular meeting of the BSEC's Council of Foreign Ministers. The author therefore had an excellent chance to easily talk about questions that would never become public. In sum, the author generated data by 1) conducting interviews with BSEC officials and senior representatives of the BSEC states, 2) collecting government and other policy documents and consulting libraries across the Black Sea region, and 3) personally observing BSEC meetings.

## **1.5 Structure of the thesis**

The next Chapter 2 of this thesis starts with an outline of new regionalism and proposes a framework selecting its relevant and applicable aspects, appropriate for the present case study. It deducts some aspects of the given concept and looks at the case study within that framework. It also sets out the conceptual framework, using established benchmarks, for the organisation of an empirical study of the wider Black Sea regionalisation. It reviews the concept of new regionalism and outlines the aspects of it which are relevant and can be used for this case-study, before the subsequent chapters narrow the certain aspects of the theories down to the region.

The case-study analysis of regionalisation in the wider Black Sea area is carried out in the four empirically substantive chapters 3-6, plus the conclusion chapter, where various aspects of regionalism are discussed through the findings of the research in these chapters. The structure for the rest of the substantive chapters is as follows.

A study on regionalisation in the WBSA needs to take into account the complexity of the situation in the area with its different layers and dynamics. Therefore, the study explores the security concerns among the states, before looking at the cooperative institutions they plurilaterally participate in. Hence, the present author is going to look at what, and to what extent, existing interstate tensions might have hindering implications for region-building around the Black Sea. Chapter analyses international security from a regional perspective and explores the state of security affairs in the wider Black Sea area, elucidating bilateral and multilateral antagonisms between the states. In particular, It explores the direct interstate confrontations as well as indirect interstate tensions and their ramifications for the political as well as economic cooperation in the WBSA. It focuses on regional conflicts as the hindering factors for further regionalisation and discusses the security imperative and the extent to which a security community exists. It argues that only in the westernmost sector of the wider Black Sea area has the countries' national security been regionalised. In other words, the threats to national security have been overcome in a way which makes it possible to proceed to genuine cooperation. On the other hand, in the easternmost part of the BSEC area, division is very much a reality, and there is no currently obvious trend towards genuine cooperation. In sum, Chapter 3 therefore assesses the extent of the limits on the development of a regionalism and the collective sense of a security community and argues that limits stem from a number of sources including history, the existing interstate tensions, and the self-interest of states.

BSEC is a first ever example of a regional cooperation emerging without having had a precursor. The emergence of regional cooperative organisations, which constitute one pillar of regionalism, is expected to create new opportunities for collective benefits, namely intensified economic relations, increased flow of trade, free(r) movement of people as well as a joint solution for the transnational challenges of man-made threats and natural disasters. Whether the consequential developments have led to greater convergence in the abovementioned possible areas of cooperation – which would mean regionalism to a certain extent – will be assessed in Chapter 4 of this thesis. It also provides an insightful contribution to the limited literature on the institutionalisation process as a facilitating factor of regionalisation in the wider Black Sea area. It studies the role of the prominent intergovernmental minilateral and plurilateral organisations and the international regionalist cooperation(s) as they seem to promise an increasing cross-border interaction region-wide. Based on the findings, it argues that regionalism around the sea has formally taken its root as the institutionalisation dimension – the very constituent pillar of the region-formation process – is exceedingly

controversial and politicised in the wider Black Sea area. The chapter approaches the study of Black Sea regionalism from an angle of institutionalisation, providing a comprehensive analysis of the turning points in the process of regionalism.

The Black Sea region as a whole has no trade facilitation mechanism either at the BSEC or the EU level even though the Parliamentary Assembly of BSEC (PABSEC) has shown its support for this process. The issue still remains one of the longstanding open-ended issues as some of the countries prefer to deal with trade at the bilateral level. Nevertheless, it would still be useful to find out whether there has been any 'positive side-affect' for Black Sea regionalism as it progressed from 1993 and onwards by looking into the changes of trade flows bilaterally. Chapter 5 will therefore focus on the trade volumes between the BSEC states which not only will provide quantitative analysis of the Black Sea regionalisation but also indicate the regional trade dependency. In this chapter, the present author will attempt to define the intraregional trade shares for each of the BSEC countries as a percentage of their total world trade. Also, the chapter will also demonstrate the bilateral trade in value between the BSEC member states. This particular analysis on the absolute levels would tell us about the nature of bilateral relationships of the BSEC states. It would be especially interesting to find out the absolute levels of trade between the specific states that are apparently unable to build bilateral cooperation (i.e. Turkey-Armenia, Armenia-Georgia) or improve it (i.e. Georgia-Russia). The illustration of bilateral trade in absolute levels between the BSEC countries would be interesting in order to find out whether the actual trade between them is declining or not.

The Black Sea regionalisation process is influenced by different core-centres. This is due to the fact that BSEC is a Turkish initiative in an area which is widely considered to be in Russia's sphere of influence. Moreover, the region is presently in the Eastern Neighbourhood of the EU, which has been bidding for a core role. In that regards, Chapter 6 aims to provide an empirical assessment of the degree and scale of engagement of the EU in the Black Sea region. This chapter will start by providing insights into the 'EU strategy' towards the Black Sea region implemented through the policy instruments of the Union covering the territories of the BSEC countries and posit the integration processes on a platform of subregionalism and interregionalism.

The concluding Chapter 7 will summarise the main findings and propose a characterisation of the Black Sea regionalism as a sort of unique example of international regionalism. It discusses the possibility of generalising the findings of the thesis in the context of contemporary studies

on regionalisms as well as new regionalism in the making. It also attempts to feed back to the theory in the making through the findings of the research.



## 2 Literature review on regionalism

There are various regional integration schemes in the world and they vary in terms of their scope and institutions. They often seem to be *sui generis* as not all of them share common traits although some of them share general patterns be it cooperation for free trade, common market, customs union, security issues or a forum for the statespersons to discuss the issues of regional importance without committing themselves to the binding treaties. A significant number of countries today are members of different international organisations and arrangements and interact with each other in international fora. The proliferation of international organisations dates back to the Cold War period when West-East politics triggered a multiplication of international as well as regional institutions; this is what ultimately generated a need for the study of international regions. This political process triggered academic curiosity on the empirical identification of regionalism, the characteristics of a region as well as research on the various cases of regional systems. The topic is of great interest among scholars who study emerging regions. The scholars also use different terminology in referring to the integrative arrangements in different regions in the world but 'regionalism' seems to be the general term to refer to any kind of regional cooperation. Some scholars tend to use this term with various range of adjectives e.g. international regionalism, old regionalism, new regionalism, subregionalism or interregionalism.

This chapter reviews the literature on the study of regionalism and summarises the essential aspects of it. It starts by providing the definition of regions and regionalisms and explains the factors driving regionalism. Next, it surveys the theories related to new regionalism, which is a post-Cold War phenomenon and the successor of old regionalism. The following section goes through the security dimension in the light of the different studies on regionalism; it particularly highlights the significance of the security community as a useful concept for regional studies. Then, the next section outlines the factors stimulating regionalism, such as economic benefits. The penultimate section expands on the core actors as well as the role of external powers in the study of regionalism, as these actors occasionally play a catalyst role in regionalisation, or at least guide the process. After providing an overview of the significant literature published on regionalism and identifying the related conceptual frameworks relevant to the case study of Black Sea regionalism, the final section sets out the specific framework which will be employed in order to study and assess Black Sea regionalism.

## 2.1 Defining regions, regionalism and regionalisation

What exactly is a *region*? There is a lack of consensus among IR scholars of on the definition of 'region' which can vary significantly, ranging from the sometimes imprecise inland area of a country to the entire territories of a continent. Russett (1969:2) rightly highlights that there is no agreement in scholarship in relation to the appropriate criteria for a study of the region and Jordan (1994:8) highlights that the perception of the region differs. In other words, although various scholars reflect on the definition of a region, they also recognise that full agreement on these definitions is yet to be reached. Regions appear to be distinctive or blurred, existing or imaginary. According to Hettne (1999:9) 'Regions cannot be defined a priori, because they define themselves by evolving from an objective, but dormant, to a subjective, active existence'. In that regard, the Black Sea region might appear distinctive because it denotes a geographic area bound by the sea, and it also has a political institution promoting the area's regionalism. Yet its boundaries are also ambiguous as it is unclear where this region ends. Finally, it has an imaginary dimension to it, because it is intangible on the ground.

Although there is no final definition of region, the insights by various scholars are helpful to understand the phenomenon. For example, following Lähteenmäki and Kähkönen (1999:215), a region is a system where 'the co-operating partners have concrete connections and transactions between each other'. It could therefore be contended that a region is a certain unity in the diverse patterns of inter-relationships within certain territories in a structured manner. Haas (1958:458) also highlighted the institutional relationships as well as the political process for the study of regional integration. Hurrell (1995) pointed out that it is the regional cohesion that matters, and that it matters when regional state actors put weight on the region or when the region forms the basis for policy-making within the region in a number of areas. Apparently, political relationships play an important role if one is to study a region. Especially scholars like Nye (1968) regarded states as the real actors for the study of regions. Drawing on Nye (1968:vii), a region is determined by 'a limited number of states linked by a geographical relationship and by a degree of mutual interdependence'; and the relationship is organised through a 'formation of interstate associations or groupings on the basis of regions'. Russett (1969:3) also posited that regions are systems with a degree of mutual dependence in the relationships of insider actors in contrast with their outside area, and asserts that a region is a space 'where people are bound together by mutual dependence arising from common interests'. A region, suggests Fawn (2009:13), appears in the collective consciousness when actors promulgate their belongingness to a specific region to those outside its perceived boundaries. Moreover, Nye argues that regions are what politicians want them to be; this

ideational vision also seems to be shared by Katzenstein (2005:9) who reiterated that 'regions are politically made'. According to Kupchan (1997), states are more prone to behave as though they belong to a region if the latter is a priori conceived as a region giving them access to shared benefits. Within the model proposed by Kupchan, both the elites and the local populations are thought to be key factors in defining a sense of communal identity in contrast to others beyond their region. Lähteenmäki and Käkönen (1999:214) prefer to label regions as epistemic regions or regions of identity where 'people in general or just the elites have a feeling of belonging together or they share several common interests'. In the light of these arguments, it could be understood that 'region' is a broad reference to the international behaviour or organisation on an ambiguous scale centred on a particular geographic area, and clearly this scale equals to less than global and more than a handful of countries.

*Regionalisation* is a term used in reference to the process of progressive or regressive transactions and activities in a pre-given region. Regionalisation is a process of forming regions and this process could happen both spontaneously (through a series of actions forming regions) or be consciously planned by the involved actors. The term *regionalism* on the other hand seems to refer to the projects promoting this process; in other words, the policy or formal projects in accordance with which actors collaborate in the given region. It should be pointed out that not all scholars seem to agree even on the definitions of the concepts related to regionalism. The various definitions of the terms of regionalism and regionalisation is a simple example although both terms usually broadly refer to the integrative and region-formation processes in a given space. After all, one could rightly question the need to dichotomise regionalism and regionalisation when they seem to be the two side of the same coin. If one is still to find the divide between them the following definitions should be useful to highlight here. Scholars like Hettne (1999:11-2) regard *regionalisation* as a progressive process meaning 'a change from relative heterogeneity to increased homogeneity with regard to different dimensions, the most important being culture, security, economic policies, and political regime'. What is clear about *regionalisation* is that it is a complex and concurrent process (Hettne and Inotai 1994:10). On the other hand, regionalism denotes 'a tendency and a political commitment to organise the world in terms of regions', in other words, the concept pertains to a specific project regarded from the perspective of the region-building (Hettne 2005:545). For some scholars, the term regionalism is used in reference to a scheme for the reorganisation of a 'particular regional space along the defined economic and political lines' (Gamble and Payne 1996:2). According to another view by Schulz, Söderbaum and Öjendal (2001:5) on the relationship between regionalism and regionalisation, regionalism represents

‘formal projects as well as the processes in the broadest sense’; whereas regionalisation represents ‘the (empirical) process which can be defined as a process of change from relative heterogeneity and lack of cooperation towards increased cooperation, integration, convergence, coherence and identity in a variety of fields such as culture, security, economic development and politics, within a given geographical space’. In the opinion of various authors, regionalism is a political process driven from the top in which participating state-actors institutionalise their cooperation, whereas regionalisation is rather an economic process on the ground, e.g. intraregional trade and investment (Breslin and Higgott 2000; Gamble and Payne 1996; Haggard 1997; Hettne et al 1999; Hurrell 1995; Katzenstein et al 1998). Drawing on Hurrell, regionalisation is a process relying on private trade and investment flows, in other words cooperation between non-governmental bodies or firms. Indeed, it is not an easy task to delineate these tightly interrelated (not necessarily inter-subordinated) two sides of the same ‘coin’. The present author, however, suggests that a better characterization would be to use the term regionalism to indicate a formal (or institutionalised) project aiming for regional integration as an ultimate goal of the driving actors; and regionalisation as a term standing for a process which draws on a series of integrative actions supporting a political project.

Identity, cultural, and language commonalities are also important factors within some scholarship. For example, in the view of Hurrell (1995:38), regionalism depends on the level of social cohesiveness referring to ethnicity, race, language, religion, culture, history, consciousness of a common heritage etc. Nevertheless, there is empirical evidence showing that even a region where all these factors exist may not be regionalised if it is not politically defined. The regionalist projects in the Middle East, for example, have not been successful despite all the main actors sharing social cohesiveness and a common identity (Harders and Legrenzi 2008). Therefore, the rationale for region-building may derive from political and economic motives or from socio-cultural factors. In the opinion of Väyrynen (2003:39), regionalisation is a multidimensional process of intraregional change which ‘fills the region with substance such as economic interdependence, institutional ties, political trust’. The researchers, including Russett (1969), O’Loughlin and Wusten (1990), regarded region as a phenomenon stemming from the elevated institutional ties and economic links among the participating states.

## **2.2 The new regionalism approach as a post-Cold War phenomenon**

Following the end of Cold War, the study of regionalism has been undergoing a period of change as a result of the debates suggesting a new approach to the conceptual framework.

With the end of bipolarity and the emergence of a multipolar world order, a new wave of cooperation and partnerships among the countries has been observed at subregional, regional levels and/or through international organisations and institutions. There has been a tendency to distinguish the new qualities of regionalism, in contrast to the traditional international regionalism, which bears reference to the post-Cold War period regionalist arrangements in a non-bipolar world. Why is it new? There are important and intense debates about this cleavage. While old regionalism specified that regionalism was a product of the formal relationship between sovereign states, since 1989 there has been an inclination in academia to pay less attention to the imperative role of the states and over-focus on the role of non-state actors – as if they were the fundamental actors of regionalism, and the states had lost their relevance. The new regionalist scholars imply that old regionalism, where states were the drivers and the issues were limited to security and economy, is supposedly obsolete. In the view of Lähteenmäki-Smith (2000:25), new regionalism is opposite to the state-initiated process through which state actors shape the geography and determine the type and functions of the project. Some authors like Ohmae (2003) even argued about the end of the nation state and predicted that the rise of regional economies would arguably lead to the emergence of the region state. They draw largely on the non-state actors from sectors such as business, migration, social policy, and the environment (as well as criminal groups) to characterize regionalisms (Bøås, Marchand and Shaw 2005; Hettne, Inotai and Sunkel 1999) as if these actors were independent of the formal actors (i.e. states). In the opinion of Haas (1958:455), this sort of integration is promoted ‘as means to defend some cherished aspect of an established way of life’. However, it also needs to be mentioned here that not all regionalisms have had a positive impact. For example, Taylor (2005:147) observed the ‘malignant regionalization’ of a kleptocratic political economy that undermined coherent developmental projects and the prospects for peace and stability, drawing on the case study of the Central African regionalism. It should be acknowledged that those of this opinion at least realise that the new regionalism approach is complex and confess that the theorisation is still undergoing a process of maturation (Hettne 1999).

The New Regionalism, a research project with important contributions by UNU/WIDER,<sup>6</sup> has been deeply concerned with the existing regional arrangements and overall global transformations, and their comprehensive, multidimensional effect on economics and the security of the nation states. The ‘old’ regionalism was primarily considered to be a pre-Cold War or/and post-Second World War phenomenon and the ‘new’ regionalism focuses

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<sup>6</sup> United Nations University/World Institute for Development Economic Research, Helsinki.

predominantly on the qualitatively new aspects of regionalism such as human security, environmental problems, social policies, poverty, food and agriculture etc. The new phenomenon also identifies and describes emerging formations and the role of nation states pursuing diverse interests. By self-questioning – ‘what do I mean by the new regionalism?’ – Hettne argues that the new situation followed ‘the decline of US hegemony and the breakdown of the communist subsystem [that] created a room-for-manoevre in which this new regionalism could develop’ (Hettne, Inotai and Sunkel 2001: xxvii). The proponents of this approach argue that there is a new world system, and that states have lost the dominant relevance they once had as traditionally important actors. Arguably, the driving actors behind regionalist projects are no longer the states, but a variety of non-state actors, including trans-boundary activities and movements. In the other publications, Hettne (2005:554) does not seem to necessarily reject the state, yet gives excessive emphasis to non-state actors.

The distinctive feature of new regionalism is that it predominantly has to deal with globalisation, which lifts the barriers to world markets, whereas the old regionalism did not have to take in the global environment. Katzenstein (2005:22) asserts that the contemporary regions are not only open but even porous. In the words of the author, ‘open’ or ‘porous’ regionalism derives from the interaction processes of globalisation and internationalisation (Katzenstein 2005). New regionalism does not impose protectionist barriers on the outside and is more focused on investment, human capital development, and knowledge transfer rather than just the establishment and development of trade links. This therefore implies that regionalisation does not necessarily contradict the process of globalisation, yet it apparently brings the added dimension of territoriality. Thus, Hettne, Inotai and Sunkel (2001) posit that the new regionalism indicates a ‘market-oriented multilateral order’. The old regionalism arguably placed ‘a stronger emphasis on the political dimensions’ whereas new regionalism highlights a qualitative change where ‘national economies are outgrowing their polities’, according to Hettne and Inotai (1994:2).

The motivation behind the liberal trade arrangements and contemporary regional blocks derives from the necessity to preclude, as Buzan, Wæver and de Wilde (1998:113-4) emphasised, ‘the pressures of an open global economy without sacrificing all economies of scale and to try to reduce the overstretched management demands of an open global economy by moving many of those demands to a more intimate regional scale’. As rightly indicated by Mistry (1999:123), the ‘demarcation’ between the old and new regionalism is not firm although the new encourages greater porosity of interaction between a region and the rest of the world. Regionalisation, drawing on the work by Fawcett (2005), reinforces state

building, enhances democratisation, strengthens transparency, and holds states and international institutions more accountable.

Hettne differentiates the old from the new regionalism in that the latter is more flexible, grows from below, and is structured in a multipolar world, whereas (old) regionalism exhibited opposite tendencies. He further distinguishes 'old' regionalism from the 'new' regionalism in three respects: firstly, new regionalism is occurring in 'a more multipolar world order', while the 'old' one took place 'in a bipolar Cold War context'. Secondly, in new regionalism the process of formation takes place mostly 'from within and from below', whereas old regionalism was set up from outside or 'from above' (i.e. by the superpowers). Thirdly, the new regionalism is 'a more comprehensive, multidimensional' phenomenon, in contrast to its predecessor which had its specific objectives (Hettne and Inotai 1994:1-2). Regionalism is regarded as result of intergovernmental cooperation or dialogue and therefore labelled a 'top-down' implementation process of integration – whereas, interestingly, new regionalism is argued to be 'bottom-up'. Obviously, the proponents of the argument whereby the EU is a 'bottom-up' example of regionalism seem to ignore the fact that even the precursors of the EU, in particular the European Community and the Coal and Steel Community, did not come from below and did not engage the public as the EU does today through Parliament.

The current concept of (new) regionalism is far from being definitive, as rightly realised by Mansfield and Solingen (2010:158) who stressed the necessity of more research especially 'on the sources, forms, and consequences of regionalism'. One might suppose that the literature on the study of regionalism comprises some empirical identification of the international regions and an investigation of a limited number of regionalist interactions in a given area. Hettne also rightly emphasises that 'there is no general theory concerned with that kind of comprehensive process – because there is not much empirical evidence of it either' (Hettne 1991:282-3). The pluralism and richness of new regionalism theories has also been acknowledged by the contributors to the book *Theories of New Regionalism*: its authors rightly agree that further empirical research is needed to assess regionalisms worldwide and the various organisational experiments of a regionalist nature (Söderbaum and Shaw 2003). It could therefore be supposed that further analysis covering the other existing cases of regionalisms as well as the generalisations these case-studies may offer would be important factors to further contribute to the theorisation of the new regionalism, which is currently undergoing its development phase.

## 2.3 Security community

New regionalism posits that the Cold War regional arrangements were linked to security-related issues, and that those issues are no longer the main reason why international organisations are established. According to the review by Mansfield and Solingen (2010:153-4), 'Regional cooperation and stability reduce the need for unproductive and inflation-inducing military investments and the need to protect state-owned enterprises under a mantle of national security'. The new regionalist viewpoint seems to share a perception that conventional military security issues are changing and that they are no longer relevant (Lähteenmäki and Kähkönen 1999:220). The proponents of the new regionalism approach are discreet about the how nation states conceive regionalism as a scene where national interests are promoted, and interstate conflicts are reflected. Perhaps the understanding is that the common security challenges are to produce a common response and therefore to feed back into the emerging regionalisms and further strengthen its regionness and the progress of regional cohesion. The probability is that the more this cycle is repeated the more deeply regionalised (and more tightly bonded) the given geographical space becomes in terms of security – and of the political and economic relationship, be it multilateral or minilateral. What is undesirable is that the conditions necessary for the possible emergence of security regionalism are not established. This is because the uncertainty will not only prevent any sort of progress for genuine regionalism but also will definitely bring a sense of insecurity, which will most likely lead to regional instability and rivalry. In that regard, Kelly (2007:223) rightfully concludes that 'The new regionalist security literature is robust but disparate'. Even so, there are many valuable insights for regionalism that can be drawn from various worldwide examples of regionalisms. By referring to various case of regional integration, a new wave of publications on regionalism tries to convince that the current trend of regionalism is a result of the states' willingness to regionally deal with the transformations brought by globalisation. However, the Black Sea regionalism is evidence of the argument that aspects of the old regionalism are still relevant in the post-Cold War era where the context and the content of regionalism do not appear to have changed radically, at least in the case of the WBSA, and the states appear to drive the process and determine its extent. In sum, the new regionalist scholarship does not seem to be keen to focus on the regionalisms where there are also conflicts in parallel to cooperation: the cases where the actors not only share political tensions but also perceive military threats from other members of the same regional arrangement.

Through trust-building, regionalism in a given space has a certain positive potential for input in regional security problems, including international conflicts (Stadtmüller 2005). Integration is



promoted as a way toward better prospects. If one agrees that the agreement for cooperation is based on the willingness of the participating state actors to deal with the common questions (between or among them) using diplomatic/non-violent means, as opposed to the non-diplomatic/violent means, then it is possible to assume that the region in which the regionalisation happens has become a security community. If there a practise of the renunciation of war as an instrument of national policy in the international relations since the 1928 Kellogg–Briand Pact, when the high contracting parties condemned recourse to war for the solution of their international controversies, it is reasonable to expect the states participating in a contemporary region-building process not to engage in any sort of arms race on their ‘defensive’ arsenal (especially the offensive arsenal aimed to be used against their neighbours belonging to the same common arrangement). This situation where they do not engage in an arms race would resemble a security community as the basic criteria for region-building. In such a case, as asserted by Deutsch et al (1957:5), the involved actors are expected to act in as group ‘in which there is real assurance that the members of that community will not fight each other physically, but will settle their disputes in some other way’. In other words, they will establish institutionalised procedures and interact without resorting to large-scale physical force, and ultimately this kind of relationship will constitute a security community.

In order to have a security community, as asserted by Etzioni (1965:331), a union should resemble a political community and is expected to fund and centrally regulate their activities and policies (in particular, the policies with regard to ecological and social environment, integrate subunits into one polity, and reinforce bolster identitive commitments). Although for Russet (1998:383), the concept of security community is vague as the United Nations family members may also be understood as ‘a very loosely coupled security community’, the conceptual framework of security community offers an essential tool to assess the existence of regionalisation. After all, it is reasonable to expect that the nation-states engaged in region-building share some degree of security community, stemming from their mutual sense of community. In sum, if there is a security community in the wider Black Sea area it will be possible to observe the BSEC states settling their interstate differences without resorting to war, seeking to pursue a political, not a military, solution to their diverging national interests.

## **2.4 Institutionalisation of international regionalisms**

A region, according to Lähteenmäki and Käkönen (1999:215), is ‘an organised system - in which there is an agreement on co-operation between the partners and there are also regular

meetings where the partners can at least discuss common problems and further harmonise their policies'. The regional bodies – regional organisations, intergovernmental organisations or supranational institutions – and their institutional capacity are crucial components of regional integration (Acharya 1993). Organisations represent an institutionalised form of permanent regional cooperation. The security community should also possess self-sufficient integrative mechanisms which are the crucial factors for its establishment (Adler and Barnett 1998; Etzioni 1965). The legal background for regional organisations is provided in Chapter VIII of the United Nations (UN) Charter which paves the way to the creation of regional agencies for the regional arrangements. International organisations can also facilitate interaction between countries which do not have diplomatic missions and generate friendships among state representatives contributing to the partnerships of the states they represent (Keohane and Nye 1977:36). They also provide a meeting point and serve as a facilitator between and among the elites, but, as has been well observed by Lähteenmäki-Smith (2000:24-5), regionalisation is carried out when a state hands over certain autonomy practices to regional units subject to their national interests. Not all regional organisations enjoy the same status in terms of neither their authority, membership nor the importance of the issues they deal with being equally comparable. As rightly pointed out by Wallace (1994:103-4), 'Any regional organization faces a choice of priorities between width and depth: between the greater coherence, solidarity, and exclusiveness of a smaller, tighter grouping and the greater incoherence, diversity, and openness of a wider regional entity'. In sum, international organisations could be found for a number of reasons, including, as summarised by Russett (1969:94), 'to stabilise commodity prices among major producers; to foster trade among member states; to facilitate international communications, like mail or telecommunications; to promote technical cooperation; to improve health conditions; to deal with some other specific ad hoc problem like refugees; to provide for joint military defence; for explicitly political reasons, including the promotion of further political integration; or for a variety of these purposes'.

Institutional design of regional organisations tends to be weak and this has had a negative influence on their capacity to engage in peace and security action. According to Panikkar (1948) power politics have been the focal point in the legitimisation, followed by the proliferation, of regional organisations as another set of effective instruments to reflect and assert the power of hegemons over regions. Fawcett and Hurrell (1995:49-50) also regard regionalisation 'as a means of improving the balance of power vis-à-vis a locally dominant or threatening state'. According to Hurrell (2005:44), national egocentrism and greed for

maximisation of bargaining power apparently creates impediment for the principle of cooperation for all. The argument seems to be that regional organisations basically enable a state policy to reinforce its sovereignty through non-war methods.

Similar to the model of European integration, there is an ongoing process for integration in the South American continent. The Union of South American Nations (UNASUR) embraces the countries in this continent. There are also less comprehensive frameworks such as MERCOSUR for Argentina, Brazil, Paraguay, and Uruguay; and Andean Community of Nations (CAN) for Bolivia, Colombia, Ecuador and Peru. Whereas MERCOSUR is about the idea of a common market and customs union of its countries, the CAN is more institutionalised resembling the EU. On 7 July 2005, the member states of MERCOSUR were given the Associate Membership status by the CAN in a view to intensifying the unification of these two arrangements for the purpose of ultimately deepening the integration in the entire UNASUR area (Comunidadandina.org 7 July 2005). The difference of the Andean Community is that this regional framework also established the Commission, the Court of Justice and the Advisory Council which suggests that it is more advanced than the BSEC. An even more distinctive feature of this regional framework, to be directly felt on the ground by the peoples, is the 'Andean Passport'. This is aimed to serve as 'an instrument contributing to the consolidation of a Community consciousness and cohesion among the citizens', on the one hand, and to 'identify the Andean Community internationally as a group of countries that are committed to a shared integration project', on the other hand (Comunidadandina.org 22 June 2001).

The Central American Integration System (SICA) is another example of when a group of neighbouring states come together and aim to create a region of peace, freedom, democracy and development in the Central American region covering Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama ([www.sica.int](http://www.sica.int)). The Central American Court of Justice, established to legally interpret the constitutive and consecutive agreements of the SICA, is what makes this arrangement be seen as a much more advanced regionalism than the BSEC region offers.<sup>7</sup>

The Caribbean Community (CARICOM) is a regional arrangement for the Caribbean region comprising the member states of Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. In addition to the single

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<sup>7</sup> The Constitutive Agreement of Central American Court of Justice, available at: <http://www.sica.int/busqueda/Información%20Entidades.aspx?IDItem=29332&IDCat=29&IdEnt=795&Idm=2&IdmStyle=2>

market and economy, the 1973 Revised Treaty CARICOM articulated the provisions for facilitating e-commerce, government procurement, trade in goods from free zones, free circulation of goods, and the free movement of persons which led to the establishment of various specialised regional institutions (CARICOM 4 July 1973). According to its website (<http://www.caricom.org>), the Caribbean Court of Justice also established as a regional judicial tribunal which also deals with appellations in its jurisdiction to provide interpretation and application of the constitutive agreement.

A northern subcontinent of the Americas also underwent integrative processes: the North American Free Trade Agreement (NAFTA) which is a trilateral trade bloc of Canada, Mexico, and the United States. With the approval of the agreement in 1 January 1994, the three North American countries became a free trade area. NAFTA exhibits an interesting form of regionalism as it has not established central regional institutions (Abbot 1992; Appendini and Bislev 1999). There exists the NAFTA Secretariat which is actually comprised of the three national sections in Canada, Mexico and the US. These sections are for joint administration and facilitation of dispute resolution, and are staffed and funded by their respective governments (<http://www.nafta-sec-alena.org>). The parties have agreed to the free trade barrier elimination; facilitation of the movement of goods and services; fair competition; protection and enforcement of intellectual property rights, as the agreement determines. The provisions of Article 103 of the founding agreement also stipulated that if there would be any contradiction between the NAFTA agreement and other arrangements such as the General Agreement on Tariffs and Trade (GATT) which has been replaced by the World Trade Organisation (WTO), 'this Agreement shall prevail to the extent of the inconsistency'. This articulation could be interpreted as the solid ground for the regional dimension of NAFTA cooperation whereas in the case of BSEC, the majority of the founding states specified the prevalence of the EU. Although NAFTA is not the most advanced form of regionalism, it has resulted in the establishment of new transnational communities of actors in government and civil society (Finbow 2006).

## **2.5 Political economy dimension of regionalism**

Organisations may also serve as a policy coordination mechanism to increase interdependence, in order to achieve freer trade, sustainable ecological development, and eventual integration – influenced from below by domestic and regional societies, which act as a pressurising influence on top level decision-making. Russett (1969:94) explains that organisations may directly affect some conditions for integration such as the 'socio-economic

homogeneity, similarity of major political attitudes, and international transactions such as trade'. Mutual interdependence in terms of the flows of information and people are amongst the elements making an augment to the regionalisation process and could also serve as a strong guarantee against the conflicts over security. The potential for regional organisations could not be diminished here because of their role to contribute to the peaceful conflict resolution. Haas (1970:615) states that 'proliferation of organisational channels in a region (both governmental and private) stimulates interdependence among the members as they increasingly resort to these channels for the resolution of conflicts'. But it is the material incentive what prompts states to appreciate regionalism (Kupchan 1997). Organisations may also indirectly affect integration far less directly 'in the way that an organisation designed to foster technical cooperation may have the effect of promoting more trade among member states', to put it in the words of Russett (1969:94). Needless to say, regionalism matters if the possible exclusion of its participant actors from the regional arrangements they belong to entails considerable economic and political costs (Hurrell 1995:44). The positive use of regionalisms is thus appears to be its feature which promotes economic and therefore political ends. After all, as rightly pointed out by Hoffman (1970), it is not the integration economic relationship leading to security relationship but it is the overlapping national interests what allows integration and its extent.

Economic regionalisation contributes to strengthening the bonds amongst the members of the arrangement. The process, if effective and progressive, could even culminate in a situation where the member states find it necessary bring their foreign and security policies into line with the rest of the bloc. Observing the evolution and particular patterns of the European integration around the EU, especially after the endorsement of the Lisbon Treaty by the EU states, it could be argued that political choice paves the way to economic regionalisation. What could thence follow is the readiness of the governments for even deeper political regionalism. Especially considering the nuance that it was because of the intensive and progressive interaction among the EU states that created the need for a structured institution (i.e. the High Representative of the Union for Foreign Affairs and Security Policy, assisted by the European External Action Service (EEAS)) in order to ensure the consistency of their external action and to conduct common foreign and security policy of the Union (Art 18, Lisbon Treaty; also see: European Council Press Office, November 2009).

Therefore, the post-World War II European example of regionalism offers a different picture. The driving states signed their peace agreement and therefore came to a common understanding before they established their supranational institutions and agreed to a gradual

power transfer that was necessary and would not be a threat to their national security. It was so not only because the international aggressions had come to an end, but also because doing so would prevent any possible wars in the European continent – and the process was expected to have a snow-ball effect in the wider geographic area. On this point, the neo-functionalist school of thought assert that increased negotiations motivated by economic incentives coupled with the understanding of common solutions for regional problems lead to further institutionalisation and spilling over into the process of further integration (Haas 1958, 1961, 1970, 1975).

It could be argued that the extent of the progress of economic regionalisation depends on the governments' willingness to eliminate trade barriers; readiness to introduce a common external tariff; enthusiasm for the harmonisation of their competition policy; motivation to apply import quotas to goods entering from external third parties; eagerness to protect the competitiveness of the domestic markets of the involved countries as well as internal industries, and inclination to set up customs unions or common economic space. Economic regionalism occurs when the participatory nation-states design a special regime where they commit themselves to giving and receiving preferential access to their domestic markets. For the realisation of this sort of integrative process it is crucial that governments relax the barriers to trade and investment. In the view of Breslin et al (2002), the actors engaged in a region-building process are also expected to 'facilitate the provision of incentives to investment and trade sponsorship'. However, states seem to explicit concern of the interstate power-political competitive behaviour. In other words, they seem to resist handing some of their power over to their regional organisations in order to facilitate their intraregional economic regionalisation e.g. trade relations for the benefit of all regional actors (Hurrell 2005:40). One explanation is that economic regionalisation affects power relations as it makes the states increasingly dependent on, and exposed to, their trade partners (Cohen 1990; Mansfield and Milner 1997; Viner 1948). In addition, drawing on the work by Mansfield and Solingen (2010:151-2), it could be emphasised that 'A state engaging in trade with an adversary augments the national income of its trading partner, thereby threatening to undermine its own security'. As a result, a government could use the regional framework as a playground for its zero-sum game, in order to facilitate their trade and ultimately generate additional income to fund their armed forces and reinforce their military power.

The regional trade dependency can also explain the national responses to integration in a given region. As Moravcsik (1998) highlights, intraregional trade would reveal the importance of the region for its participating countries. This sort of quantitative analysis would also place

the importance of the other regional countries in the appropriate order for a country. As highlighted, governments which still enjoy control over the level and pace of integration. It could therefore be argued that the economic factors have the potential to shape political regionalism, as the latter has positive side-effects for the participatory states and fosters gradual but continual economic integration, and even political coordination, among them. Thus, it will be interesting to see if there is a natural progression of intraregional trade flows since the beginning of the institutional cooperation in the BSEC region.

## **2.6 Europe's subregionalism and interregionalism**

As mentioned earlier, the initial research on the new regionalism mainly stemmed from the generalisations derived from the example of the EU, but also from the cases of the selected number of regionalist institutions such as the EU, NAFTA, ASEAN, and Mercosur to a lesser extent. Telò (2001:90) rightfully highlights the role of the EU as a catalyst of regionalisms in the world, but the author also sees an intrinsic link between the EU and the future of new regionalism. In that regard, Breslin and Higgott (2000) observed the dominance of the EU as the principal observable case of regionalism in the manner in which the Union has skewed theorising about regional integration theory in the post-World War II era. The scholars (2000:349) also detected that other less observed integration examples of the international regionalisms 'are theoretically underspecified because of the manner in which developments in these parts of the world have been juxtaposed against theorising about the European experience'. The EU thus seems to have become the archetype for other examples of regionalism elsewhere. Previously conducted empirical analyses which kept the EU example constantly in mind are arguably unable to maintain a balanced point of view, and therefore cannot exhibit even-handedness. This approach ultimately undermines a better understanding of the new regionalism and the known regional organisations. Although 'integration is a highly relevant concept', drawing on the work of Higgott (1998:62) comparing the patterns of the EU and the Asia-Pacific Economic Cooperation (APEC) forum, the Union is yet considered to remain the most integrated arrangement in its respective issue-area among its 'peers' in the world.

The existing cases of regionalisms are also engaged in their group-to-group dialogues bilaterally, minilaterally as well as plurilaterally. With the renewal of the discussion on regionalism coupled with the observation of institutional interaction between various regional arrangements, studies on regionalisms have also started to give prominence also to the patterns stemming from the increasing structural interaction between various international

regions (interregionalism), as well as the interaction between the core regions and their wider adjacent neighbourhood (subregionalism). Rüländ (2006) attempted to highlight the extent of functional differences between group-to-group dialogues and transregional forums. Roughly speaking, the term *interregionalism* is used to denote the group-to-group relationships between regions, whereas the term *subregionalism* is meant to refer to the integrative processes subordinated to the core region. Subregionalism refers to a group of countries that are not formally part of the core region-building process but aspire to a certain degree of association with this core in one way or the other stemming from their adjacency. Interregionalism, on the other hand, is about two or more regions of relatively similar status addressing each other through institutionalised relationships rather than one region addressing individual countries from another region.

Interregionalism occurs when there is, as Telò (2007:6) highlights, 'willingness to react to uncertainties and to compete better with other regions and economic powers'. This give rise to interregionalism, which is, drawing on Hettne (2010:32), a set of links between the different regionalisms referring to the 'long-term, nonlinear, and uncertain trend that is certain to include setbacks and the outcome of which we cannot know'. Roloff (2006:18), who regards interregionalism as a variable of regionalism, emphasises that interregionalism is 'a process of widening and deepening political, economic, and societal interactions between international regions'. For Hänggi (2006:34), interregionalism is an externally interactive activity in the wider sense e.g. EU's involvement in other regional mechanisms, its participation with other world groups, even its dialogues with third states (where it is labelled as quasi-interregional). Doidge (2011:2) narrows down this broader definition and limits it to the structural level. In particular, he stresses the necessity of institutionalised interaction for the relationship to qualify for the term 'institutionalism' as an interrelation 'between or among the groups of coordinated states from different world regions'. The scholar, however, regards it as an extrapolation of European regionalism. This could be considered a valid argument since the EU (as well as the European Community) availed itself of interregional cooperation mechanisms for promoting interregionalism among its distant partners, but also in order to promote its own actorness globally (Hänggi 2006:32; Doidge 2011).

Söderbaum and Langenhove (2006:126) emphasised that the EU endeavours to strengthen its position of *relative power* among the other powers in the world and interregionalism is an instrument for the attainment of that goal. Drawing on Katzenstein (2005), who established his argument on the examples of regionalism in Western Europe and East Asia, the existence of various power centres or cores brings forth an open regionalism. If to apply it to the Black Sea



regionalism, Russia would be the strong and increasingly dominant power; Turkey - the central actor with a plan to strengthen its position, and the EU – the actor seeking more active role in the region stemming from its own security.

Different factors instigate different reasons for interregionalism. One of the theses of Roloff (2006:28) stresses that 'the shape of interregionalism depends on the shape of competing inter-regional and regional systems/structures, which are perceived as external challenges or threats'. Based on this assumption, states come together in order to jointly balance off the others' groupings without necessarily aiming to prevent their integration. When, however, one region becomes a political coalition, the other region feels concerned. This is what happened during the Cold War era: what encouraged the introversion of regionalisms was the anxiety generated by a fear of intrusion by the other hegemon (Hurrell 2005; Rüland 2006). In the view of Buzan and Wæver (2003:12), this situation encourages states to form a 'bastion against the global threats' when they suppose that the power balancing appears in the collective consciousness deriving from regional rivalry. Drawing on Gamble and Payne (1996:247), 'The pressure on a region to become cohesive increases in relation to the success of other regions in unifying themselves'. However, Roloff (2006:28) also argues that 'The relative balance of power between the leading regions in world politics promotes interregional cooperation'. Hettne (1999:14) therefore contends that 'European regionalism is the trigger of global regionalisation, at least in two different ways: one positive (in promoting regionalism by providing a model), the other negative (in provoking regionalism by constituting a protectionist threat)'. Fawcett (2005) also realised that the capacity of states to affect the success or failure of any cooperation project, coupled with the hegemonic desire of dominant states. are major obstacles to regionalism (Fawcett 2005:34-35). It could therefore be argued that the core actors from the regions of relatively similar status, around which subregional actors are grouped, engage in cooperation in order to generate even gains (Söderbaum and Langenhove 2006:129).

Subregionalism is understood as a region building process in a given space embedded within, or surrounded by, the wider of core regionalism in the neighbourhood (Cottey 2000; Mittelman 2001; Hook and Kearns 1999). The economic resources of the core international actors seems to be a necessary incentive to gain regional cooperation. According to Hook and Kearns (1999:6), 'subregionalist projects [are] promoted by the weaker states in the global political economy which are seeking to strengthen cooperation in a more circumscribed space than at the regional level'. The higher level of regionalism is promoted by bigger powers, whereas subregionalism is more like a microregionalism at a lower level.

Cottey (1999; 2000) stresses that the fact that the neighbouring countries are involved in a different subregional structure beyond the EU format does not necessarily imply that subregional cooperation is an alternative for the larger European organisations (e.g. the EU). He argues that their cooperation at a subregional level is limited, to the extent that it does not contradict their strategy to fully integrate with the West. Drawing on Cottey (2000:43), 'subregionalism provides a context for states to rebuild relations free from the legacies of both Communism and earlier conflicts'. For Väyrynen (2001:136), however, '(sub)regional integration is a reaction to the globalisation of the world economy in order to protect from competitive pressures' and region's shape is exposed to the external powers which are of major importance in region formations.

Haas (1975) argues that externalisation is extremely important for the maintenance as well as survival of the actors of subregional groupings. But because of the contemporary nature of the world order in the post-Cold War period, the approaches of the EU to regionalism differ from those of the US especially where traditions of security and notions of strategy are concerned (Volten and Tashev 2007). However, Farrell et al (2005:282) stress that sub-regions must be seen as forming part of Europe rather than constituting its permanent 'near abroad'. Perhaps, therefore, the EU does not take a good care of its subregional groupings. It is argued that the EU has held power not through weapons but through the promotion of democracy and peace-making (Moravcsik 1998). In the relations between the EU and a would-be state, cooperation through enhanced block-to-block framework undermines 'bilateralism and differentiation' by the EU. Furthermore, sub-regional groupings 'usefully serve as 'bridges' between the enlarged EU and outsiders – notably Russia' (Smith 2006:108). Nevertheless, subregional countries still aspire to be tightly bound with the core as a way of transforming themselves (Gamble and Payne 1996:259).

The EU's approach seems to be tailor-made when it prefers interregionalism or subregionalism. The geographic proximity seems to be a determining factor here. The 1975 Lomé Convention and the following 2000 Cotonou Agreement, which have been the framework for the EU's relations with the countries of Africa, the Caribbean and the Pacific (ACP), explicitly emphasised the importance of regional integration in ACP countries as well as the ACP-EU cooperation. But in the case of the Western Balkans, the EU seems to make the use of regional approach toward its relationships with the successive countries of Yugoslavia probably because of the commonly seen ties among the peoples in the Yugosphere. The Union's interaction with this region also has a strong regional dimension as 'the Stabilisation and Association Process is not simply a bilateral process with each country', according to the

official rhetoric. In the case of the Union for the Mediterranean (UfM), the institution of co-presidency (one from the EU and the other from the Mediterranean countries) is what makes the Euro-Mediterranean partnership to bear a strong resemblance to the interregionalism of the EU's relationship with the sixteen neighbours to the South in North Africa and the Middle East, including Turkey (as well as Albania, Bosnia and Herzegovina, Croatia and Montenegro). Moreover, the parties even elaborated a single legal instrument in the form of a regional convention with the intention to facilitate the management by transposing the previously signed bilateral systems among the countries or territories of the Euro-Mediterranean zone into a multilateral framework. On its behalf, the EU, namely the Council, approved the Euro-Mediterranean convention on 26 March 2012.

The EU's approach toward the Black Sea regionalism is however slightly complex. As a basis for collaboration, bilateralism has been prevailing in the relationship of the EU with the countries in the WBSA. But they also have a common regional flavour. Such a complexity is linked to the EU's political priorities in the wider region and the differentiated approach to the individual countries involved. Indeed, such a complexity probably also mirrors the complex nature of decision-making in Brussels before the negotiators can agree on the final document. The complex nature of the EU's approach toward the Black Sea regionalism, which goes beyond the idea of subregionalism or interregionalism, mirrors the Union's own inclusive approach. On the other hand, the role of its region-building endeavours have been limited because of the other regional players (i.e. Turkey and Russia). The EU, for example, is regarded as an outsider region-builder in the Russian traditional sphere of influence (Smith 2006; Delcour 2011). Nevertheless, the EU is present, influential actor and has been a pole of attraction for the majority of the regional countries.

## 2.7 Conclusion

Despite the complexity and richness of the new regionalism coupled with the fact that it is a theory in the making and many scholars have called for more research on other regional arrangements of the world, this chapter attempted to explicate the essential aspects of the debate on regionalism. This chapter reviewed conceptual approaches related to regionalism and determined that regionalism seems to be a rather 'container concept' with various meanings and surrounded by, or overlapping with, related conceptual frameworks having common grounds. It could be supposed that international regionalisms as well as the concepts of (new) regionalism are complex, and incorporate multiple presences and takes into consideration the multidimensional natures of the systems or regions. It could also be

understood that regionalism provides a useful approach to international politics because it focuses on the inner workings of systems as opposed to mainstream theories which observe from the outside. In light of the reviewed literature on international regionalisms, regionalism appears to be a logical approach for an analysis of post-Cold War period regionalisation in the wider Black Sea area although new regionalism scholarship seems to either diminish or be prudent in underlining the central role of the state actors. The scholarship seems also to be discreet in studying regionalism where there is cooperation in parallel to violent confrontation within the same regional arrangement such as the BSEC. After summarising the chapter, this section will offer a special framework for the study of a case of regional integration – and its degree of regionalisation – which is specifically designed for the one case of regionalism in the wider Black Sea area but may also be useful elsewhere.

Following the review, the present author found it logical to study this case in four main contexts. First, the author will use the concept of security community to evaluate the extent of a sense of community in the wider area, as the author seeks to identify the conditions under which the regionalisation is taking place (Chapter 3). Secondly, the patterns of institutionalisation will be analysed (Chapter 4). Then, the level of economic integration or interdependence will be determined (Chapter 5). Thence, the role of the external actors or potential cores will be studied (Chapter 6).

Studies of regions, as well as the emerging literature on new regionalism, subregionalism and interregionalism have been developing and providing insights for the wider debate on regionalisms. The study of regionalism went through analytical progress, became increasingly sophisticated, and integrated this field into broader debates of social science (Katzenstein, Keohane and Krasner 1998). In the light of the literature review, it could be supposed that there is no single hegemonic definition and theory, as also asserted by Bøås, Marchand and Shaw (1999), for new regionalism - a qualitatively new multidimensional phenomenon. It could therefore be further supposed that the process of theorisation on new regionalism is in its early period. Indeed, many scholars have stressed that the concept requires further empirical research. The fact that new regionalism is a theory in the making stimulated the curiosity of the present author, inspiring him to make a timely contribution to the evolution of the theorisation. The case of the Black Sea regionalism covered in this thesis thus aims to participate in said evolutionary process.

Hurrell (1995:38) assesses regionalism based on the extent of different factors including political, organisational as well as economic cohesiveness, e.g. trade patterns. Bearing this in

mind, the security community concept would help to understand the extent of a sense of community among the actors of this regionalist process. The extent of the efficacy of the 'region-building' institutions would help to assess their level of willingness to genuinely integrate the regional countries. The direction of the trade flow would help to understand the level of economic integration in the region. Of course, the roles of the interested powers or potential 'cores' would help to situate the region within the sphere influence of the relevant actors. It therefore appears that the concepts of regionalism, new regionalism, subregionalism and interregionalism are the theoretical preferences in approaching this case study.

The new regionalists seem tempted to pointedly ignore the dominant role of a state as an actor of regionalism, if not *the* actor. The new literature on new regionalism seems to imply that there are now other actors in regionalism and that they overshadow states. However, this thesis will show that states are still central actors for the regionalisation around the Black Sea, and they have not created the fundamental and sufficient conditions and opportunities for new non-state actors to emerge (Chapter 4). For example, the borders are under full control of the states, the states have not taken elementary measures towards trade liberalisation, or market liberalisation in the case of some post-Soviet countries. In sum, the author will concentrate on the formal actors and detectable processes to study the case of the Black Sea regionalism in four main contexts:

- It will first use the concept of security community to assess the extent of a sense of community in the wider area, as the author seeks to identify the conditions under which the regionalisation takes place.
- Then, the institutionalisation process;
- Plus, the level of economic integration or interdependence will be determined;
- Then, the role of the external actors or potential cores will be studied.

### **3 Security imperatives as a hindrance for the nascent security community in the wider Black Sea area**

The post-Cold War period created an opportunity for the development of a nascent collective security system in the wider area centred on the Black Sea. As explained by Bøås, Marchand and Shaw (2005:168), 'regions not only represent a level of analysis, but also provide a context for addressing development problems, building security complexes and related policy initiatives'. The short study in this chapter aims to depict the overall state of security relationships among the BSEC states in the region. An understanding of the historical circumstances under which these regional institutions were established is important and emphasised here. Indeed, this thesis's premise is that a broader range of controversial aspects should be explored in order to understand the logic and particularities of Black Sea regionalisation. Therefore, this particular chapter points out that the existing tensions and conflicts create a hindrance to the development of a Black Sea security community.

As Kelly rightly concludes, as a result of a detailed review, 'the new regionalist security literature is robust but disparate' (Kelly 2007:223). Yet, the concept of security communities, pioneered by Karl Deutsch (Deutsch et al. 1957), is employed here as a conceptual framework to analyse the state of play between the BSEC countries. A security community is a group 'in which there is real assurance that the members of that community will not fight each other physically, but will settle their disputes in some other way [i.e. by institutionalised procedures, without resort to large-scale physical force]' (Deutsch et al. 1957:5). Put differently, the states of a security community have a sense of community which guarantees that the participant states will settle their differences without feeling the need to resort to war.

Moreover, social dynamics is also a key factor in region formation. Karl Deutsch (1950) stipulates that increased social interaction does play an important role and can form a security community. Bøås, Marchand and Shaw (2005:173) argue that a region 'is an example of an imagined community and can form the basis for a construction of the public or common good and of shared responsibilities that go beyond the state', and 'regions can evoke a sense of belonging which may stipulate people and policy makers to act in concert.'

The aim in this particular chapter is to single out the problems for regional cooperation and examine the factors hindering the emergence of a security community in the WBSA. (It will be the aim of the following chapters to look at the existing cooperation in the region.) An

overview of the security relationships of the BSEC countries will seek to answer the following questions:

What are the features of the security relationships in the wider Black Sea area? Is the Black Sea region likely to attain an order of long-term or permanent peace? What are the detectable chances for detente among the conflicting BSEC member states? To what extent has the strain in the relations between the participant BSEC states eased? To what extent has the regional security complex matured into a security community? To what extent does the Black Sea resemble an emerging security community?

The fact that states have launched cooperative organisations meant to symbolise reconciliation seemingly demonstrates a shift in this area. However, for a number of reasons, there are certain limits on the development of a regionalism and a collective security community. These limits come from a number of areas, including previous history, current tensions, and the self-interest of states. Moreover, these limits include the competing interests of states, ongoing national security issues in the region (expected threats from the other nation-states, including territorial disputes) and the fact that many Black Sea states are comprised of a) 'non-aligned' countries (Azerbaijan,<sup>8</sup> as well as Ukraine<sup>9</sup> and Moldova), b) countries aspiring to align (Georgia to NATO), and c) members of ostensibly divergent security organisations such as NATO (Turkey, Greece, Romania and Bulgaria) and CSTO (Russia and Armenia).

This chapter argues that the BSEC states lack a sense of security community and do not actually enjoy strong bonds amongst themselves, and therefore are unlikely to give away part of their national security to a collective pool. They still seem to be protecting their longstanding interests against potential conflicts or disputes with the very states they are supposedly looking to develop collective security community with. This kind of state approach not only prevents genuine cooperation and obscures the emergence of a sense of belonging to a security community but also pre-empts further integration.

The region is full of tensions that constitute the limit to the emergence of collective security or a sense of it, at least, in the wider Black Sea region. Therefore, understanding the existing tensions should help to guide us in understanding the factual background of the BSEC

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<sup>8</sup> Azerbaijan has recently become a member of The Non-Aligned Movement (NAM) - a group established in Belgrade in 1961 (RFE/RL, 25 May 2011).

<sup>9</sup> Although the Ukrainian parliament adopted a law in 2010 on Ukraine's non-bloc status coupled with the pro-Moscow orientation of the current president Yanukovich, there has been no practical impact on the country's relationship with NATO, according to Brengelmann (2011), a NATO ambassador and secretary general for political affairs and security policy.

cooperation and the real nature of the current state of affairs. The objectives of this section are to address the core issues of conflicts<sup>10</sup> and wars and their impact for Black Sea regionalisation. This is a real example where transnational relations could certainly be understood within the context of interstate politics (Gilpin 1972).

As the states are key (sound) driving forces in the present regionalisation, the actual and potential effect of the existing (direct or indirect) interstate tensions in the area upon regionalisation is assessed in this chapter. Though the region does not seem to be a *united* political community, it is still interesting to evaluate whether it has the likelihood and characteristics of a security community or security complex. The concern is whether the particular features and patterns of security interactions have changed or are likely to change in the immediate future. This chapter will show that the splits and tensions between states in the Black Sea area are vital in explaining why a security community has not developed – and probably is not going to develop in the immediate future. It also observes that the tensions are still experienced between the BSEC states. Even the launch of BSEC and the consecutive cooperation arrangements have not necessarily decreased significantly the level of antagonism in the wider Black Sea area as a whole except in a few instances in the western part of it where the countries are located closer to the EU.

This chapter provides an insight into the relationship between and amongst the states around the Black Sea and discovers the possibility for peaceful changes in their external affairs. In an attempt to identify the dominant patterns of security out of the broader web of security relations in the region, this chapter begins by providing an in-depth and detailed insight into the existing internationalised conflicts in the region, including the Moldovan Transnistria war and the Russo-Georgian conflicts in Abkhazia and South Ossetia. It will then turn its attention to the international war between two BSEC participants – Armenia and Azerbaijan. Armenia and Azerbaijan are two BSEC states presently in a situation of armed conflict with each other over the Nagorno Karabagh region. There is a high expectancy that they will go back to war, as currently predicted by The International Crisis Group (8 February 2011), because of ‘an arms race, escalating front-line clashes, vitriolic war rhetoric and a virtual breakdown in peace talks’. Furthermore, the long standing disputes between BSEC countries, including Greek-Turkish

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<sup>10</sup> There are different levels of conflict though, and war is commonly referred to as ‘armed conflict’. When using the term ‘conflict’, the author mainly refers to the problems such as the Spanish Basque Country and Catalonia, Ulster, and many other non-international controversies not on the scale of full blown war. In Europe that are not observed by military deployment. Therefore, to refer to the wars in the South Caucasus as conflict could create a misleading impression because there is an armed conflict on the ground with the soldiers waiting for the subsequent command to re-launch their violent deployment and snipers shooting at the enemy and destroying its personnel on an everyday basis.



relations and the accusation of genocide brought by Armenia against Turkey, will be touched upon. Finally, this chapter will debate the findings within the conceptual framework of the security community in order to illustrate the extent of security community in the region.

### **3.1 Security dilemma in the region**

History shows that geographic proximity of countries either leads to fraternal alliances among communities based on the principle of 'good neighbourliness' or facilitates hatred, violence, and even large scale devastating wars, which puts security at the top of the national agenda. As rightly pointed out in the EU's European Security Strategy (2003:2), 'security is a precondition of development', and 'conflict not only destroys infrastructure, including social infrastructure; it also encourages criminality, deters investment and makes normal economic activity impossible'. The international and internationalised conflicts in the BSEC region also inflict damage on the regional integration process. It could therefore be argued that the persistence of the long-lasting conflicts and cross-country tensions existing in the Black Sea prevents not only the possible development of security cooperation but also further economic integration and the linkages which might in turn then improve security – a 'virtuous circle' which does not seem to exist at the moment. One might assume that any interstate conflict is itself a potential hindrance for any regionalist endeavours. There are differences, tensions, conflicts between some of its members as rightly outlined by Pavliuk (1999): between Bulgaria and Greece over Macedonia; between Ukraine-Romania over the border dispute in the Black Sea; between Turkey and Bulgaria over the Turkish minority issues in Bulgaria; between Russia and Georgia over Abkhazia and South Ossetia; also between Russia-Moldova on the issue of Transnistria, which is supported by Russia; the periodic tensions between Ukraine and Russia over Crimea and the existing Russian military and naval presence there; Greece and Turkey on the longstanding dispute over Cyprus; the Armenian-Azerbaijani war in Nagorny-Karabagh.

Confrontation is an important aspect in understanding the transformations of international relations in this region. The end of the Cold War is an ostensible indication that the previous ideological confrontation among the BSEC countries is also over. Nevertheless, perhaps the potential differences make themselves felt as two countries of BSEC (i.e. Russia and Armenia) are in the alliance of the CSTO, whereas the rest of the BSEC member states include either NATO members (Turkey, Greece, Bulgaria and Romania) or those adhering to the pro-Western pattern to a various extent (Georgia, Ukraine, Azerbaijan, Moldova, or GUAM countries). The region also covers a distinct portion of the CIS area and is a confrontation spot for the US and Russia. According to the Report of the Valdai International Discussion Club by Karaganov,

Suslov and Bordachev (2009:27), the US aspires to promote 'geopolitical pluralism' in the region in an attempt to preclude 'the political and economic reintegration of the post-Soviet space around Russia' whereas Russia maintains 'a key negative role in this sphere, to which it ascribes top priority. Russian and U.S. interests are diametrically opposite in this sphere'.

Although Turkish-Russian relations have gone through some problematic stages in the past, including the post-Cold period, these two countries have elaborated their own strategic partnership in their shared neighbourhood, even though, as Aybak (2010:166) points out, 'the emerging partnership with Russia, for the time being, is not seen by the Turkish foreign policy makers as an alternative to Turkey's Europeanization process'.

### 3.2 Regional conflicts and reasons for interstate confrontation

The Black Sea region, being in the centre of the instability triangle (formed by the Balkans, the Caucasus, and the Middle East), presents a dichotomy of cooperation and conflict, with bitter conflicts of not only internal but also international character. The further east one goes across the sea the more tensions or even wars are to be found in the WBSA. Almost all disputes about minority rights and boundaries between the countries of the Western Black Sea, or traditional Central-Eastern European countries, have been resolved in the course of the EU accession process: the dispute between Romania and Hungary in Transylvania; Romania and Moldova in Bessarabia; Romania and Ukraine over the south-western part of Ukraine. The territorial dispute between Romania and Ukraine over the Serpent Island (See: Appendices VII and VIII) has been peacefully resolved by the International Court of Justice by the Judgment (3 February 2009) on Maritime Delimitation in the Black Sea (Romania v. Ukraine).

The late 1980s was a dormancy-breaking period for the three Baltic States, but this was based on their interplay which dates back to the 1934 Geneva Treaty of Good Understanding and Cooperation. The Baltic States trilaterally coordinated their policies in the main areas of economy and security and also collaborated for the removal of Russian troops from their territories. However, this is not the case in other parts of the WBSA, and was especially not a recipe for the secession of South Caucasus states from the USSR. Instead, antagonism was further deepened, compounded by direct foreign provocation, and resulted in territorial claims followed by bitter wars. Seemingly, conflicts and hot-spots became one of the (unfortunate) defining features of the sub-area. The policies of *perestroika* and *glasnost* in the former Soviet Union in the late 1980s also led to the formation of separatist movements in, and aggressions between, the formerly united countries. These conflicts still constitute a problem for the entire region as well as for specific parties, which also involve interested foreign actors. While the

conflict in Transnistria (Moldova) is considered an internal one, recent developments proved that the conflicts in the South Caucasian area are of an international nature (where two states, at least, are engaged). Russia's recent recognition of South Ossetia and Abkhazia violates Georgia's internationally recognized territorial integrity; and Russia supporting Armenia against Azerbaijan by supplying weaponry demonstrates its direct involvement in the conflicts (see below). It could therefore be argued that the conflicts demonstrate that there exists to a certain extent social restraints between the communities of BSEC countries preventing them from reconciliation and genuine cooperation. Furthermore, the unresolved territorial disputes and unsettled claims of war crimes and genocide remain the major obstacles to bringing the countries together for the eventual security community.

### 3.2.1 Transnistria

Transnistria (or Pridnestrovia) is a breakaway Moldovan territory located along the border with Ukraine. Since the 1992 war, it has administered itself de facto though remains unrecognised internationally. The revival of pro-Romanian nationalism in Moldova, as a result of the Moldovan dimension of *perestroika* policies, culminated in the adoption of Moldovan as an official language in 1989 – a move which was regarded as a threat to the status of minorities by the Slavic and Gagauz populations. This policy stood in contradiction to the interests of the (military) industrial businessmen of the Slavic Transnistria, who were in influential positions enabling them to rally their supporters (in a very typical 'communist way'). Subsequently, the formation of a separatist movement in Transnistria arose as yet another bloody outcome of the collapse of the Soviet Union. At first, the movement called for a language reform, ostensibly fearing possible Moldovan-Romanian unification. Protest then turned into short military actions, soon followed by a ceasefire agreement signed in July 21, 1992. The region is still internationally recognised as a part of Moldova. It is impossible not to highlight the role of (USSR's and Russia's) Moscow both in the creation and the development of problems around Transnistria, since the Russia's 14<sup>th</sup> Army supplied weaponry to Tiraspol's militia. This revealing fact is central to understanding the intricacy of the dispute and the inclusiveness of the state parties involved in it (various interviews with important persons working in and on Moldova).

The instability in Transnistria is also contrary to the interests of Ukraine as it deprives Ukraine, among others, from the efficient collection of income stemming from customs payments. Transnational crime is increasingly vast as money, whatever the source, is badly needed by the secessionists in order 'to survive' (Carr and Flenley 2007:35). The conflict in Transnistria also affects the EU's security and is another source of illegal border crossings, and narcotics trafficking. There have been some efforts to resolve the conflict with the involvement of

Russia, Ukraine, the EU, the US, the OSCE and Moldova and Transnistria (the so-called 5+2 format). Although this dispute is widely believed to be the closest to its solution among those discussed here, it remains unresolved so far. The EU seems more actively engaged here because of its Border Assistance Mission in the area separating Moldova from Ukraine.

It should be pointed out that, amongst other conflicts in the BSEC region, the Transdnistrian conflict is the only one in which the settlement talks have led to agreement on the basic principles and procedures for peace negotiations which was commended by the Irish and Austrian chairmanships of the OSCE (29 February 2012; 18 April 2012).

### 3.2.2 Conflicts in Georgia

Georgia has suffered from conflicts (with Abkhazia and Ossetia) since the early 1990s, with separatists in its regions, and struggled in vain to remove Russian peacekeepers<sup>11</sup> and achieve the instalment of international peacekeepers instead. The recent war started on 7/8 August 2008, and as stated in the report of the Independent International Fact-Finding Mission (IIFFMCG/CEIIG) established by the EU Council Decision of 2 December 2008, in a 'very few days, the pattern of legitimate and illegitimate military action had thus turned around between the two main actors Georgia and Russia' (IIFFMCG/CEIIG September 2009:24). This was a clear illustration of the direct Russian involvement in the protracted conflicts in the region. The most recent violent clashes in South Ossetia and a Russian incursion into the internationally recognised territories of Georgia were followed by Russia's recognition of independence of both Abkhazia and South Ossetia. This case has challenged the stability and regional security of the South Caucasus. As a result of the EU mediation on 22 August and 8 September 2008, some small parts of the occupied Georgian territories, according to the IIFFMCG/CEIIG (2009:21-22), were gradually de-occupied by

'Russian troops who entered deeper into Georgian territory by crossing the administrative boundaries of both South Ossetia and Abkhazia and set up military positions in a number of Georgian towns, including Gori, Zugdidi, Senaki and Poti. [Furthermore,] During the final phase of military hostilities, Abkhaz units supported by Russian forces attacked the Georgian positions in the upper Kodori Valley and seized this territory, which had been vacated by the Georgian forces and most of the local Georgian population by 12 August 2008'.

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<sup>11</sup> Interestingly, Russians widely refer to peacekeeping as 'mirotvorci' (миротворцы) which actually stands for peace-enforcement forces (миротворческие силы).

A lot of Georgian nationals have benefited from the Russian so-called 'passportisation' policy in Abkhazia and South Ossetia. This policy has been protested against by Georgia which foresaw that it would be used by Russia as an excuse to invade internationally recognised Georgian territories. After the August 2008 war, Russia claimed that its use of force was legitimate given that it was protecting its citizens. However, the IIFFMCG found this argument invalid for occupying a country:

'the persons living in South Ossetia and Abkhazia who had first become Georgian citizens after the dissolution of the Soviet Union continue to remain so irrespective of 'passportisation' policies. They were still citizens of Georgia at the time of the armed conflict of August 2008, and in legal terms they remain so to this day unless they had renounced or lost their Georgian nationality in regular ways. The mass conferral of Russian citizenship to Georgian nationals and the provision of passports on a massive scale on Georgian territory, including its breakaway provinces, without the consent of the Georgian Government runs against the principles of good neighbourliness and constitutes an open challenge to Georgian sovereignty and an interference in the internal affairs of Georgia'(IIFFMCG/CEIIG September 2009:18).

The five day war between Russia and Georgia which started on 8 August 2008 was a culmination of at least two separate (though probably connected) processes around Kosovo, and developments after the re-election of Saakashvili (Allison 2008). The war also seems to be the culmination of the tension in Moscow in reaction to the increasing negotiations over Georgia's probable membership of NATO, compounded by the psychological impact of there being a new 'dividing line' in Europe.

### **3.2.3 Armenia and Georgia**

Although there is an increasing number of Russian military bases in Armenia and they are strategic allies within the CSTO (PanArmenian, 19 April 2011), Armenia has not followed Russia in its recognition of the independence of South Ossetia and Abkhazia. This is seemingly because Georgia is its main gate to the (western) world, apart from the route through Iran, via the Black Sea ports of Batumi and Poti. Therefore, for Armenia, any confrontation at the formal level with Georgia could possibly culminate in the former's further isolation. (Armenia's borders with both Turkey and Azerbaijan remain closed due to its occupation of the Azerbaijani territories.) The short interruption of the Georgian central railroad (and the main highway) by Russian troops, as a result of the August 2008 war, was immediately felt in Armenia as '70 percent of Armenia's trade goes through Georgia' and therefore logically

‘Armenia needs Georgia far more than Georgia needs Armenia’ (Civilitas 2008:17-8). Nevertheless, the Georgian parliament has recently invalidated the treaty on the transit of Russian military cargo to Armenia (PanArmenian, 19 April 2011).

Another reason for the prevention of further intergovernmental problems between the two countries by Armenia is to avoid any speculative risks or local problems for ethnic Armenians living in Georgia. There have been instances where Armenians, living in the Javakhetia region of Georgia which borders the Republic of Armenia to the south, claimed independence (Krikorian, 24 January 2009). Therefore, Yerevan bears in mind that ‘Armenian-Georgian relations must be handled with care, not just for Armenia’s sake, but also because of the huge (300,000+) Armenian minority within Georgia’ (Civilitas 2008:18). Furthermore, the International Crisis Group (23 May 2011) has also urged Georgia ‘to ensure political stability and that there is no opportunity for Russia or others to manipulate local politics’, stating that ‘Georgia needs to improve integration of its mostly Armenian-populated Javakheti region’.

#### **3.2.4 Armenian-Azerbaijani conflict over the mountainous Karabagh**

The region of Mountainous Karabagh or Nagorno Karabagh, as it is widely referred to in its Russian translation, is the administrative district embedded deep within Azerbaijani territory in the western lands of the Azerbaijan Republic (Appendix IX). It has no border with Armenia, but is inhabited mainly by the ethnic Armenian minority of Azerbaijan. Although Armenia has occupied these lands of Azerbaijan in and around Karabagh, it continues to be recognised internationally as a constituent part of the Azerbaijan Republic. Nor has Armenia recognised the presence of its own (puppet) regime in the occupied lands, fearing the stronger international pressure that would derive from being an explicit occupant. It should be highlighted that the relationship between Armenia and Azerbaijan is the most problematic from a viewpoint of the development of a security community in the easternmost part of the WBSA. These are constant reports that the two BSEC countries constantly exchange fire at their international border as well as in the ‘line of contact’ around the disputed Nagorno Karabagh and the neighbouring internationally recognised Azerbaijani districts. In response to questions on this observation, a senior official of the foreign ministry of Azerbaijan maintained that ‘there is no cooperation possible between Armenia and Azerbaijan as long as they refuse to de-occupy Nagorno Karabagh’ (the interviewee drew the attention of the present author to the fact that they did not mean that full resolution is needed but mere withdrawal would be enough for cross-border cooperation at this stage) (Personal interview, 17 September 2010, Baku).

This existing conflict, the fresh outbreak of long-standing territorial problems between Armenia and Azerbaijan, could be considered a sequential outcome of *perestroika* policies in the former USSR, if we were not to mention its historic origins. But, 'no wars are unintended or accidental' – as concludes the survey of the international wars (Blainey 1973:249). The Bolshevik Revolution in 1917 (when the czarist empire collapsed) followed by the Georgian proclamation of independence on 26 May 1918 resulted in the suspension of the Transcaucasian Seim as Azerbaijanis and Armenians soon followed on the 27 and 30 May respectively (Walker 1980:256). In February 1919, Armenians seized the opportunity to claim territories at the expense of Azerbaijanis as well as Georgians.<sup>12</sup> With the 10 August 1920 agreement, however, signed with the Bolsheviks, Armenians renounced their claims on Karabagh and Nakhichevan, but also the territory south of Shakhtakhti, and Zangezur - the districts later granted to the Armenian Soviet Republic by Stalin in 1923.<sup>13</sup> The loss of Zangezur meant there was no direct geographic access between Azerbaijan and Turkey; most likely, this was Stalin's policy to pre-empt any potential Turkish direct access to Azerbaijan and Baku oil.

Although the conflict was pacified by Moscow after the re-establishment of Russian authority in Azerbaijan in 1920 and in Armenia in Armenian nationalists occasionally petitioned Moscow to reconsider its position. In February 1986, 'nine respected Soviet Armenian Communist Party members and scientists' signed a letter asking Moscow to break Nagorno Karabagh from Azerbaijan and annex it to Armenia, which was rejected by Moscow (De Waal 2003:17-20). However, the recent phase of the Armenian-Azerbaijani conflict started with an eruption of violence in 1988, following the Armenians' renewed demand for the Nagorno Karabagh region of Azerbaijan. The conflict became officially internationalised by the adoption of a Parliamentary Resolution (15 June 1988) by the Supreme Soviet Armenian Soviet Socialist Republic (SSR), on the unilateral Annexation of Nagorno Karabagh Autonomous Oblast of Azerbaijan to Armenia, which was opposed by Azerbaijan SSR. The tensions resulted in six years of violent war till 1994. At present, Armenian military forces continue to occupy not only Karabagh but also the adjacent territories of Azerbaijan which were not inhabited by Armenians.

There have been many reports on the grave breaches of humanitarian law, the absence of protection of civilians, and so forth. Armenia is accused by Azerbaijan of committing ethnic cleansing and massacres (Rau 2008, Human Rights Watch 1993). Azerbaijan also was accused

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<sup>12</sup> U.S. 867.00/1100, Bristol to Secretary of State, Constantinople, 2 January 1920, comments on a U.S. Intelligence Report on Transcaucasia (Cited in McCarthy 1995:217).

<sup>13</sup> Great Britain, Foreign Office, Documents on British Foreign Policy, 1919-1939, 1<sup>st</sup> series, eds. W.L.Woodward and Rohan Butler (London, 1947-63), vol. XII, pp. 633-4 (cited in Walker 1980:290).

of indiscriminate air attacks during the war (Human Rights Watch 1993). A dramatic example of the non-existence of a sense of community, and the existence instead of deep hatred between these two countries at war, was the massacre perpetrated around the Khojaly town in Karabagh in the night of the 26<sup>th</sup> of February 1992. The Human Rights Watch (1993), or the Helsinki Watch, strongly criticised Armenians for committing unconscionable acts of violence and cruelly firing upon the hundreds of civilians as they fled the town and also the Azerbaijan for its forces' indiscriminate bombardment of the Armenian villages from SU-25 aircraft and ground-launched missiles, in their counter offensive. Human Rights Watch (1994) described it as the 'largest massacre to date' in that war. Whereas Azerbaijanis commemorate the Khojaly massacre as a genocide against them by perpetrators of Armenian origin, Armenians like Melik-Shahnazaryan (2010) would proudly refer to the tragic event as the 'Glorious Victory of Armenian Weaponry'. Observably, instead of trying to find ways of peaceful coexistence, both sides play the victimhood chip to justify their exclusive or sole right over the disputed territories.

Since the early 1990s, the UN has been calling for 'a complete and immediate withdrawal of Armenian forces and affirmed the territorial integrity of Azerbaijan', according to the resolutions of the Security Council (822, 853, 874, 884) as well as the General Assembly (243/62). Despite international calls, Armenia has consistently and persistently ignored the option to withdraw its troops even from the positions beyond the administrative boundaries of Karabagh, drawn during the early Soviet period. Disregarding four Security Council Resolutions, the Armenian armed forces entered deeper into Azerbaijani territory by crossing the administrative boundaries of the Nagorny Karabagh region and set up military positions in Azerbaijani towns. Armenian troops additionally occupied many Azerbaijani villages and the major towns of Kelbajar, Lachin, Shusha, Gubatli, Zangelan, Jabrail, Fizuli and Agdam (See: Appendix IX).

The Armenian stance has not changed since the 1988 Annexation Decree by the Soviet Republic of Armenia and it sees the resolution of the Karabagh conflict as either the attachment of the territory to Armenia or its independence from Azerbaijan (Euronews, 10 November 2008). It asserts that the principle of self-determination should be used in this regard, and that the Armenians 'fought for their right to freedom' (UN News Centre, 25 September 2010). However, the Azerbaijani side has continuously reminded the occupant of its right to act in legitimate self-defence under Article 51 of the UN Charter, which means restoring its integrity by all means, including military. Indeed, Article 51 recognises the right of Azerbaijan for individual or collective self-defence. However, the article provides this right



until the Security Council takes measures. So far, neither of these two countries has appealed to the International Court of Justice.

In 1994, the parties signed the fourth ceasefire agreement. The so-called Minsk Group (co-chaired by the US, France, and Russia) of the OSCE has been endeavouring to find a political solution to this conflict since the fragile ceasefire, however the mediation has not led to an agreement between Armenia and Azerbaijan even on the basic principles of the possible peace treaty. According to the 1996 OSCE Lisbon Summit conclusions, the negotiations are based on the three principles guiding the peace process of the Nagorno-Karabakh conflict: 'territorial integrity of the Republic of Armenia and the Azerbaijan Republic; legal status of Nagorno-Karabakh defined in an agreement based on self-determination which confers on Nagorno-Karabakh the highest degree of self-rule within Azerbaijan; guaranteed security for Nagorno-Karabakh and its whole population, including mutual obligations to ensure compliance by all the Parties with the provisions of the settlement' (OSCE, 2 December 1996).

The current ceasefire seems to be extremely fragile as it has been violated almost on an everyday basis not only in the neighbourhood of the Nagorno Karabakh region but also on the border between Armenia and Azerbaijan hundreds kilometres to the north from the 'line of armed contact' (AzerTAc 2012, 06 April 2012; ArmenPress, 11 February 2012). Peter Semneby, the former EU Special Representative for the South Caucasus from 2006 to 2011, was reported to have said that there is an increasing danger of accidental war between Armenia and Azerbaijan (Rettman 14 May 2012). Neither the government of Armenia nor Azerbaijan seems to officially release accurate or definitive figures of the death toll since the 1994 ceasefire. However, in the opinion of Jasur Sumaranli, the director of the Journalist Investigative Centre Doctrine on Military Research, the death toll for mine and sniper victims on the Azerbaijani side is approximately 1500 in addition to 3500 personnel who also died in unknown circumstances during the ceasefire period (Azadliq.info, 13 May 2011). Armenia seems seldom to contest the claims on the casualties and usually asserts that they retaliate to the ceasefire violation from the Azerbaijani side. For example, as ArmeniaNow (5 May 2012) recently reported, the Armenian Defence Ministry did not contest the claims from the Azerbaijani Defence Ministry about the deaths of two Azerbaijani soldiers as a result of a ceasefire violation on 3 March 2012 but blamed the other side for being 'exclusively' responsible. The report by Helsinki Citizens' Assembly Vanadzor Office stated that the death toll of Armenian soldiers killed in ceasefire violations reached 245 persons during the 2007-2011 period (News.am, 5 April 2012). Thus, the battle ceased by uneasy truce, yet nearly seventeen years later, peace between Armenia and Azerbaijan remains elusive.

According to the Military Expenditure Database of the Stockholm International Peace Research Institute (SIPRI 2012), the military budget for Armenia and Azerbaijan has never decreased; on the contrary, they both have been constantly and dramatically increasing. At the peak of the Nagorno Karabagh war, i.e. in 1992 and 1993, military expenditure constituted 2.2 and 2.3 percent of the Gross Domestic Product (GDP) of Armenia, and 2.5 and 4.9 percent of GDP of Azerbaijan. However, in 2008 and 2009, the military budget of Armenia constituted 3.4 and 4.2 percent of its GDP. For Azerbaijan, the figures are 3.3 and 3.4 percent (SIPRI 2012). More detailed illustration of the actual expenses and their percentage as GDP indicators of Armenia and Azerbaijan are as follows:

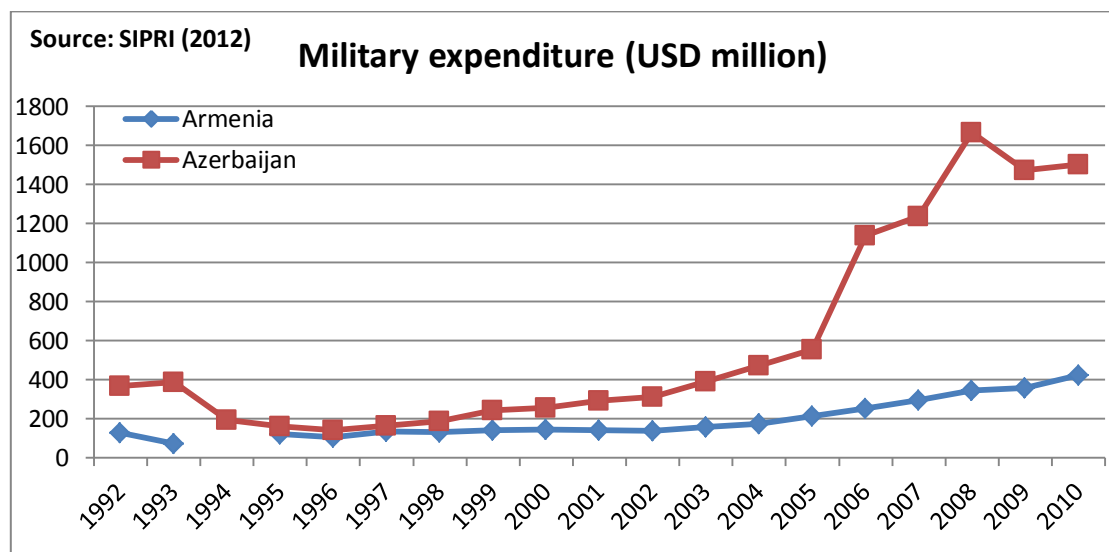


Figure 1 Military expenditures of Armenia and Azerbaijan (USD million)

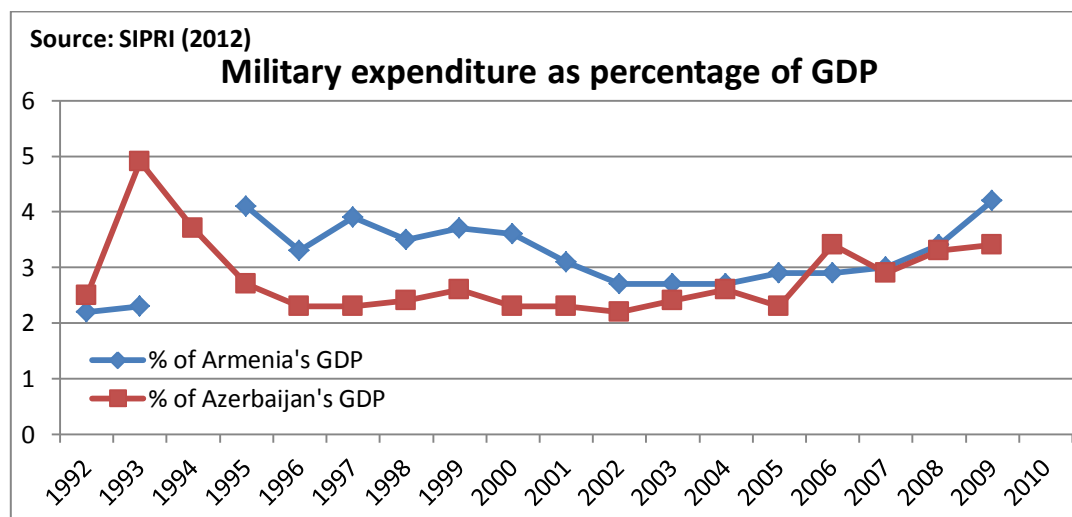


Figure 2 Military expenditure of Armenia and Azerbaijan as percentage of their GDP

The 1994 ceasefire agreement seems to be vulnerable as fatal incidents along the international border between Armenia and Azerbaijan, as well as between their armed forces in the line of

contact around the Nagorno Karabagh region, continue to have a negative effect on the lives of the communities of both countries and especially locals residing close to those areas and worsens the chances of a possible peaceful and final political solution to their conflict. It should be highlighted that ceasefire violations are also reported before important events, e.g. before elections in both countries, which seem to be planned acts aimed at consolidating the nation around the ruling elites and thus harming the chances of a nascent security community between Armenia and Azerbaijan. For example, one of the many recent incidents where the number of fatalities was more than one happened during the parliamentary elections campaign in Armenia. Interestingly, 'the Defence Ministry [of Armenia] did not say whether it thinks the three servicemen were shot and killed by Azerbaijani troops' (RFE/RL, 27 April 2012). As a result of the incidents, the OSCE Minsk Group Co-Chairs condemned the fatality as a result 'of a series of ceasefire violations along the Armenia-Azerbaijan border and the Line of Contact [around the Nagorno Karabagh region] that resulted in a number of deaths and casualties' (OSCE, 27 April 2012).

It should be hard to imagine a security community in a region where two of its countries, i.e. Armenia and Azerbaijan, still continue to hold prisoners of war. According to the annual reports of the International Committee of the Red Cross (ICRC), the committee, as a neutral intermediary, has been able to achieve exchanges of several prisoners of war, repatriations and arranging for them to be sent to a third countries. In October 2010, just to pick one single example, the committee reported 'repatriation and the repatriation of bodies' at the international border between Armenia and Azerbaijan (ICRC, 4 November 2010). In March 2011, as another example, the ICRC (17 March 2011) reported another exchange in the line of contact. The committee also still deals with the humanitarian consequences of this unresolved conflict e.g. monitoring the conditions in which the prisoners are kept (ICRC 2011).

It needs to be highlighted that the tension between these two BSEC countries also reverberates on other (non-military) spheres of their life. Even small scale cultural projects are usually expected to be the cause of protests by some groups in these countries. The governments in both countries incite nationalist sentiment against the other for their political reasons. For example, RFE/RL (14 August 2009) reported that one young Azerbaijani Eurovision fan (out of 43) who voted for the Armenian entry in 2009 was asked to provide a written explanation to the National Security Ministry about why he voted for the 'enemy' country. Armenia refused to send its representatives to participate in the 2012 Eurovision Song Contest held in Baku, as the statement by the European Broadcasters Union (EBU) indicated, 'Despite the efforts of the EBU and the Host Broadcaster to ensure a smooth participation for the

Armenian delegation in this year's Contest' (Eurovision, 7 March 2012). Another small scale initiative – a film festival –instigated by the Caucasus Centre of Peace Making Initiatives (CCPMI) and supported by the US and British embassies in Yerevan with the aim of fostering reconciliation between Armenia and Azerbaijan failed to take place despite various attempts on different occasions and in several towns of Armenia. On 12 April 2012, attempts to screen Azerbaijani films at a film festival in the town of Gyumri resulted in protestors blocking the venue and physically assaulting the chairman of the organising centre (RFE/RL, 13 April 2012). A few days later, on 16 April 2012, the organisers were courageous enough to attempt to screen short Azerbaijani films in the town of Vanadzor in the office of the Helsinki Citizens' Assembly, but again a mob attacked the premises; Freedom House (16 April 2012) condemned the authorities for their failure 'to calm the crowd or intervene when the situation began to turn violent' in spite of the presence of police officers at the scene. In its statement, Amnesty International (25 April 2012) recalled the organiser's claims that they had received threats from the Armenian government and reminded the authorities of their 'international obligations to guarantee freedom of expression to all citizens, even when such expression is perceived as controversial.'

With regard to similar events to introduce Armenian films to Azerbaijanis with the aim of bridging the divide between these two countries, a political analyst Zardust Alizada also declared his intentions to organise an Armenian film festival in Baku (ANN, 13 April 2012; VestnikKavkaza, 16 April 2012) but no negative reaction has yet been recorded in the media following that statement.

A survey conducted by the Caucasus Research Resource Centers (CRRRC) asked respondents in the South Caucasus countries whether they would approve of people of their ethnicity doing business with the other neighbouring countries. According to the surveys conducted in 2010 (CRRRC 2012), 34 percent of respondents in Armenia answered 'Yes' to the question whether they would 'Approve doing business with Azerbaijan?'. 64 percent said 'No' and 2 percent said 'Don't know' or chose the 'Refuse to Answer' option (Ibid.). For the sake of comparison, 65 percent against 32 percent approved business with Georgians; also 45 percent against 53 percent appears to have approved business with Turks. On the other hand, according to the corresponding survey conducted in Azerbaijan, zero percent of the respondents seems to have answered 'Yes' to the similar question about whether they would 'Approve doing business with Armenians?'. 96 percent said 'No', 1 percent said 'Don't know', and 2 percent chose the 'Refuse to Answer' option (Ibid.). 49 percent (against 46) seems to have approved doing

business with Georgians; 87 percent against 11 percent approved business with Turks (CRRC 2012).

Interestingly, 91 percent in Armenia and 98 percent in Azerbaijan disapproved of women of their ethnicity marrying Azerbaijanis or Armenians, respectively. 91 percent of Armenian respondents disapproved of women of their ethnicity marrying Turks, and 70 percent disapproved of marriages with Georgians. 90 percent of Azerbaijani respondents disapproved of marriages with Georgians. 67 percent, 73 percent and 78 percent of Georgian respondents disapproved of women of their ethnicity marrying Armenians and Azerbaijanis and Turks, respectively, according to that poll (CRRC 2012).

The 2011 Caucasus Barometer survey by CRRC reveals that 23 percent of Armenian and 10 percent of Azerbaijani respondent believe that the Nagorno Karabagh problem will 'Never' be resolved in contrast to 39 and 33 percent, respectively, who were not sure when. Also, 33 percent of Armenian and 16 percent of Azerbaijani respondents believe that the prospects of Nagorno Karabagh becoming an integral part of their country have increased since the 1994 ceasefire agreement (CRRC 2012). 20 percent of Armenian and 44 percent of Azerbaijani respondents thought that it is likely to find a solution to the problem by force within the next five years (Ibid.). As indicated, 60 percent of Armenians and 90 percent of Azerbaijani respondents see Nagorno Karabagh as an integral part of their country. It would also be useful to point out that although 49 percent of Armenian respondents think that the opening of borders with Turkey would be 'Beneficial' for their economy, 58 percent of them believe that this step would be 'Harmful' to the national security of Armenia (CRRC 2010). 69 percent of Armenians (against the 9 percent) think that general attitude in Turkey toward Armenia is negative.

It would be enough to single out one example to illustrate the existing fundamental and irreconcilable differences between Armenians and Azerbaijanis that make it hard to predict not only any sort of basic security community but even the establishment of a sustainable peace in the region. Both Armenians and Azerbaijanis commemorated the 20th anniversary of the bloodshed and battles in Shusha, which was a predominantly Azerbaijani-populated town in the Mountainous Karabagh before its occupation on 8 May 1992 (Appendix IX). Azerbaijanis commemorated the fall of Shusha and mourned the victims of the massacres (APA, 8 May 2012); the mayor of Shusha in exile was reported to have asserted that the community of Shusha would return there as winners (SIA, 8 May 2012). On the other side, Armenians celebrated 'the liberation of Shushi' and honoured those who fought for it by organising a

military parade (President.am, 9 May 2012). Obviously, considering such a conflicting approach by two sides, coupled with the sense of a win-lose situation between Armenians and Azerbaijanis, it is hard to expect any resolution in the immediate future.

Another round of intensified exchanges of fire happened in June 2012. With the varying death reports some experts warned that the clashes may escalate into war (Bloomberg News, 21 June 2012). Unofficial online sources reported that 40 soldiers were killed in the clashes on 3-5 June, 2012 (Defence.az, 6 June 2012). However, the BBC (5 June 2012) reported that five Azerbaijani troops were killed following the killing of three Armenian troops. In the following days, the Russian Col. Igor Gorbunov was reported to have stated that Russia has increased its training flights and the flying hours by more than 20 percent since the beginning of 2012 which is 'a clear warning that Russia could intervene at any moment should violence escalate further in the territorial dispute between Armenia and Azerbaijan', according to The New York Times (Herszenhorn, 9 June 2012). The renewed clashes coincided with the visits of the US Secretary of State Hillary Clinton to the South Caucasus, who raised her concerns about the danger of escalation of tensions and condemned the senseless deaths of young soldiers as well as innocent civilians (State.gov, 5 June 2012).

The BSEC leaders also recognise the bitter dispute between two of its members as a severe challenge to the organization as well as to Black Sea regionalism in a wider context. Having two adversaries is another reason why BSEC meetings are high on wrangling but low on concrete accords. The experience of summits between the leaders shows progress will be hard to come by. In the opinion of the Ambassador Leonidas Chrysanthopoulos (Personal interview, 29 July 2009, Istanbul), the Secretary General of the BSEC, the BSEC organisation is a success at least because it brings together senior Armenian and Azerbaijani officials for the purposes of BSEC. However, in response to questions on this observation, the interviewees from those two adversary countries did not hide that they are using the BSEC to protect their national self-interest over the interest of the other (Personal interviews, 10 September 2009, Baku; 21 October 2009, Baku). Although sometimes the senior officials from both countries i.e. deputy foreign ministers, travel to the international forums, including the BSEC meetings, organised in Yerevan and Baku under the auspices of international organisations, the delegation of Azerbaijan especially makes sure to make a public statement that no cooperation is possible between these two countries until Armenia withdraws from the occupied territories (Personal interview, 17 September 2010, Baku). For example, when an Azerbaijani delegation travelled to Yerevan to attend the 39th plenary session of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC), Mr Asef Hajiyev, member of the Azerbaijani Parliament and

the head of the delegation, was reported to have made a statement of that kind (ANS, 23 May 2012).

It could therefore be argued that the conflict in and around the Nagorno Karabagh is a very emotive factor in Armenia and Azerbaijan that ultimately has an effect on their unwillingness for bilateral cooperation or any sort of interaction. Therefore, one must not ignore the eventual distrust, which is of fundamental importance for any sort of security community, created among the societies of both countries as a result of existing Karabagh war between Armenia and Azerbaijan.

### **3.3 Russia and the conflicts**

Consequently, the conflicts and disputes in the former Soviet Union continue to have a negative effect for the regionalisation process. Moreover, all conflicts are connected with Russia in one way or another (Weihe 2007). Though the secessionist movements within the autonomous oblasts were initially not supported by Moscow, it reconsidered its position on seeing the desire of the socialist republics for independence from the USSR, and began to support (if not initiate) them – albeit not straightforwardly – as an instrument for pressure on the central governments. And therefore, Russia ultimately prevents the development of the Black Sea security community, be it directly or indirectly. As a result, the countries (Russia and its former soviet allies) seemingly neither share a common feeling of camaraderie, nor work together to achieve a common set of goals deriving from mutual trust and friendship (as articulated in the BSEC charter).

Observably, in the beginning, Moscow was concerned with the chances of violence spreading into other parts, including the integral Republics of Russia, and therefore was doing everything to uphold the already existing establishment. When the situation changed, Moscow also seems to have changed its role in the conflicts, turning them into a tool to influence and even manipulate the newly born post-Soviet countries. Indeed, these were on the rise and potentially hostile to the Russian desire to reoccupy them. After all, ‘two primary Russian geostrategic interests in the Transcaucasus [are]: The maintenance of stability on the Russian Federation’s southern flank and the expansion and consolidation of Russian influence in the Transcaucasus at the expense of other international actors’ (Croissant 1998:64).

Russia’s views of its sphere of influence are apparently so strong that it has reportedly been keen to issue Russian passports ‘to anyone who asks’ (ICG, 17 August 2006:17). As was the case in Georgia, there have been reports that Russia also distributed its passports through the

Russian consulate in Crimea, where the Russian Black Sea fleet is still based in Sevastopol (Blomfiend, 17 August 2008). Arguably, the dominant role and popularity of Russia in Transnistria tends to be decreasing, which has driven the Russian-backed elite to initiate a 'referendum' to amend the 'constitution' in order to secure the full control of power (Institute for Public Policy in Moldova, 2009). President Yanukovich of Ukraine declared, in his pre-election campaign promises, to grant the right authorising the regional administrations or oblasts (e.g. Crimea) to join the Customs Union or Economic Area with Russia, along with Belarus and Kazakhstan (Bovt 2010). And to lobby for the renewal of the energy transit infrastructure versus the Russian-backed pipeline projects of the North and South streams.

Due to the agreement of 21 July 1992, Russia managed to keep Romania and Ukraine out of the peace process and serve the Russian interest of its western realm to secure the established *status quo ante* for the Transnistrian administration – which suggests that Russia was a party to the conflict. This being said, Russia entered an agreement on 21 October 1994 with Moldova to withdraw its bases within three years, but the process of ratification has been procrastinated by Russia (PACE 4 May 1998). Among other concerns, Russia's direct or indirect involvement in the conflicts, inter alia, questions its genuineness, if not legitimacy, as a broker (Herd 2005).

All the conflicts in the Soviet space, both before and after the fall of the Union, have clearly been of considerable concern to Russia. Soviet Moscow's adopted role in the wake of a crisis was to cushion the parties involved, because these crises could create a chain-effect and ultimately challenge the Central Committee's supremacy (and in parallel the Soviet legacy), thus derailing the top-down hegemony of the existing decision-making system. Secondly, because territorial claims could (and indeed did) trigger instabilities in the Soviet Union, they were not able to gain support in Moscow. This approach explains to some extent why, for example, all the unilaterally adopted decrees by the Supreme Soviet of Soviet Armenia on annexation of Karabagh were annulled in Moscow. However, this has not been the case for the Moscow of the succeeding Russian Federation in the post-Soviet era. In contrast, Moscow has followed a 'divide and rule' approach and has done its utmost to maintain its dominant role in the conflicts, and thereby in its near abroad. As also pointed out by Huntington (1996:164) 'Armenians have been dependent upon Russian economic and military support and have backed Russia on issues concerning relations among the former Soviet republics'. For example, on a few occasions, Russia reportedly supplied weaponry to conflicting parties, particularly to



Armenia in its war against Azerbaijan (Allison 2004:98; Баранец В. Н. 1999:121-7; Croissant 1998:134; ICG, 8 February 2011, p 7).<sup>14</sup>

The conflicts and their repercussive developments in the region seem to be in line with the rules of Realpolitik and affect the political equilibrium in the region as Russia seems to have been playing the protagonists against one other and reinforce itself in the post-Soviet space (Allison 2008). The protracted conflicts could be settled not solely based on the interests of the Azerbaijanis and Armenians, or of the Georgians and the Abkhaz and the South Ossetians. There are also the interests of Russia to be satisfied. And Russia has shown that it would not stand idle faced with any attempts to change the status quo, either by insiders or outsiders. Whenever Russia has thought that its interests were at risk it has always reserved the 'right' to intervene at large, whether diplomatically (e.g. Karabagh) or militarily (e.g. Abkhazia and South-Ossetia).

The existing unwillingness to resolve the conflicts is a central factor militating against an effective regionalisation. Protraction of the conflicts and their revival from time to time creates further disillusionment among the rest of the pro-regionalist actors. The stern tensions are of pernicious effect and the interstate wars still undermine the BSEC process and the integrative approaches all over the region. The tense security environment of the WBSA seems to be the most crucial hindrance for region-building; and it does not help to predict the prospects for the security regionalism, at least for the mid-term. Conflicts are the major hindrance for cooperation. Whether there can be a starting point for authentic cooperation in the wider Black Sea largely depends on the transformation of the security complex in the region into a regional security community.

### 3.4 Turkey-Armenia

A further hindrance to regionalisation in the wider Black Sea area remains to be the longstanding dispute between Turkey and Armenia over their views on the tragic events during the World War I. Armenians claim that they suffered genocide at the hands of the Ottomans, who killed about a million and half people. Some of the parliaments of world countries, including some of the European countries and the US states, especially where the Armenian lobby is considered to be strong, have recognised the tragic events as genocide. As a response to the claims, in 2005, the government of Turkey sent an invitation to their Armenian

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<sup>14</sup> Azerbaijan voiced its frustrations, questioning the role of Russia as a mediator and stating that Moscow's actions constituted 'a straight violation of the UN Security Council's appropriate resolutions on Armenia-Azerbaijan conflict', and meant 'the violation of the obligation by the Russian Federation not to support the continuation and consolidation of the occupation of the territory of Azerbaijan' (MFA Azerbaijan 2009).

counterpart proposing 'to establish a joint group consisting of historians and other experts from our two countries to study the developments and events of 1915 not only in the archives of Turkey and Armenia but also in the archives of all relevant third countries and to share their findings with the international public' (Phillips 2012:21). Although the establishment of a commission was envisaged in the 2009 protocols (Appendix IV), the ratification of those protocols was suspended (France 24, 22 April 2010).

The point here is that the existing controversy on how to label the killing of the Armenian population of the Ottoman Empire during World War I is passionately debated in Turkey and Armenia and not only prevents justice for the victims and their descendants but also healing for the region. The Turkish government has been suspicious about the intentions of Armenians for aggressively lobbying for the recognition of the tragic events as genocide at the parliaments of various countries. Turks are especially unsure whether recognition is sought to create a basis for reparation claims and to underpin the existing territorial claims by the Republic of Armenia. Deputy foreign minister of Armenia Shavarsh Kocharyan stated that 'the current border between Armenia and Turkey was outlined in the aftermath of Armenian Genocide, and the issue of reviewing it may be raised in the context of eliminating consequences of the first Genocide of XX century' (PanARMENIAN.Net 9 October 2009). Moreover, the Armenian Parliament refers to the Turkish Eastern Anatolia as the 'Western Armenia' in its Declaration of Independence of 23 August 1990 (Article 11). The subsequently adopted Constitution of Armenia also recalls the Declaration and even adopts Mount Ararat as an element of the national emblem of Armenia (Article 13.2).

According to the Turkish side, the actual reason why some Armenians push for the recognition of the genocide is to create the basis for subsequent reparation and territorial claims. The various promotional events organised by Armenian interest groups such as the international conference under the motto of 'The Armenian Genocide: From Recognition to Reparation',<sup>15</sup> organized by the Armenian Catholicosate of Cilicia, held in February 2012 in Lebanon (Armenian Weekly, 24 February 2012) could probably account for the suspicions and hesitation of the Turkish government. The Turkish side also points to the various statements by Armenian officials to justify their suspicions on the intent of the Armenian interest groups being against the idea of assessment of the tragic events by international experts. In this explanatory

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<sup>15</sup> International Conference 'The Armenian Genocide: From Recognition to Reparation', organized by The Armenian Catholicosate of Cilicia, Antelias, Lebanon, February 23-25, 2012, the information retrieved from the website: <http://www.genocidepreventionnow.org/Home/GPNISSUES/Issue9Winter2012/HGRConferencesandSeminarsIssue9.aspx> [last accessed 26 September 2012].

statement, for example, why then Armenian President Robert Kocharian would not participate in the 2004 NATO summit, which would be a chance for dialogue between Armenia and Turkey, then Armenian Prime Minister Margaryan was reported to state about their 'territorial compensation from Ankara' and how they should achieve their goals, according to Diplomatic Observer (15 August 2005). The Armenian Foreign Minister who went to the event also complained about its neighbour and referred to it 'a reminder of recent and old grievances' and that 'Turkey's even-handed regional policies would go a long way to convincing the Armenian public' (Oskanian, 29 June 2004). On 24 July 2009, the Republican Party leader Galust Sahakyan made a statement 'It's important to note that we would like to open roads between Armenia and Turkey and not the border, as the fact has yet to be proven that the existing line is the actual border between the two countries' (PanARMENIAN 27 July 2009).

Nevertheless, one of the most promising recent developments for the Black Sea regionalisation was an attempt at rapprochement between the Republic of Armenia and the Republic of Turkey, mediated mainly by the US, which culminated in the signing of two protocols by the parties on the Establishment of Diplomatic Relations and the Development of Relations on 10 October 2009, in Zurich (Appendices III and IV). However, relations remain unchanged, at least for the short to medium term, as both parties hesitate to unconditionally ratify them in the parliaments. The Armenian government went so far as to take the documents it had signed to the Constitutional Court for the conformity of protocols with the Constitution of Armenia. Although the Court upheld the protocols, it recalled and emphasised the Article 11 of the 1990 Declaration of Independence of Armenia which formally claims the eastern territories of Turkey and labels it 'Western Armenia' (Constitutional Court of Armenia, 12 January 2010). However, due to the nature of the protocols, Armenia should have renounced its territorial claims and formally recognised the boundaries of Turkey. The signed protocol also articulated that Armenia agreed on the creation of an international commission to investigate the massacres of 1915. Turkey stated that 'this decision [by the Armenian court] contains preconditions and restrictive provisions which impair the letter and spirit of the Protocols' and the response was that 'this approach cannot be accepted' as the 'decision undermines the very reason for negotiating these Protocols as well as their fundamental objective' (MFA Turkey, 18 January 2010). The Court's ruling on the deal obviously decreased the chance of the protocols' ratification by the Turkish parliament, and left little room for manoeuvre by the Turkish government towards the rapprochement. Ultimately, this froze, if not negated, the possible reconciliation process. In the end, in August 2011, the succeeding parliamentarians of the Grand National Assembly of Turkey removed the protocols from the

agenda, along with 898 bills submitted to the attention of their predecessors for approval. As for the Armenian camp, one commentator (Ter-Sahakyan, 23 August 2011) argues that 'it should long have denounced the Protocols as a threat to national security'. In sum, while Armenians and Turks assert their differing stances over whether the tragic events constituted genocide or not, the relationship between these two countries affects the regionalisation in the WBSA and hinders the emergence of a possible security community. The dispute coupled with the closed border has blocked both countries from normalising their diplomatic relations, which could increase the chances for the possible emergence of a security community in the wider area. It should be mentioned that the Turkish and Armenian border remains closed since 1993 following the occupation of Kalbajar district of Azerbaijan (which is beyond the administrative borders of Nagorno Karabagh) as a result of the offensive launched directly from the territory of the Republic of Armenia. However, the air corridor has been operating since its opening on April 1991 and there are charter flights operating 3 days in a week between Turkey and Armenia (Diplomatic Observer, 15 August 2005). Trade between Armenia and Turkey does not appear to have been discontinued (Chapter 5) as the statistics interestingly suggest that commercial relations between these two countries have been maintained in indirect ways (most probably via Georgia and Iran in addition to the airways).

### **3.5 The Aegean Islands and border issues as a matter for divergence between Turkey and the EU states of Greece and Bulgaria**

The problems of Greece and Bulgaria with the Ottoman successor Turkey are not only a historical matter. The establishment of border partitions features among more recent ones. For example, while it is expected that the governments of countries with a sense of community would deal with border smugglers jointly, Greece has declared unilateral plans to build concrete walls (Pop, 10 January 2011; Rettman, 3 January 2011) and Bulgaria's centre-right government has made known its intention to establish fences along the border with Turkey (Willis 2011). Although the main stated reason appears to be the EU's safety from illegal migration, the fences are expected to create a further administrative obstacle to the movement of persons in the BSEC region. More importantly, these unilateral approaches leave the impression that there is no trend at large toward a regionalisation that would benefit from the movement of persons in this particular sub-area of the WBSA. Turkey also found it 'as a symbol of division between the Union and outside countries' hinting at the Berlin Wall which separated Western Europe from the Eastern bloc (EUobserver, 9 February 2012). Reportedly, Bulgaria has also threatened to block Turkey's EU accession, and claimed some eight billion Euros to be paid 'in compensation for displaced people, in a case dating back to the days of the

Ottoman Empire' (Rettman, 4 January 2010). These examples clearly demonstrate that here exists a certain degree of social restraints of retrospective antagonism between the communities of these two countries, preventing them from a fluid integration around the Black Sea.

Other problems seem to remain between these BSEC countries such as their longstanding territorial dispute over the Aegean Islands, which has not been resolved since the commencement of the republican period, in the 1920s, in these two post-Ottoman countries (Sofos and Özkirimli 2009). The rapprochement between Turkey and Greece is considered to have started with the signing of the 1930 Treaty of Friendship and been emphasised by their joint accession to NATO. Arguably, it is 'a complex process with multiple layers', influenced by domestic factors as well as international actors (Öniş and Yılmaz 2008:126). In addition, Greece would not necessarily want to undermine its fraternal commitments to Greek Cypriots in its relations towards Turkey. Therefore, the Cyprus problem could also be considered a matter of Greek-Turkish divergence – although not the only one. Not only does this dispute make the Turkish EU membership problematic; it also potentially has indirect implications for the Black Sea region-building process. Moreover, equipped with full EU membership in 2004, the southern Cypriot government furthered its status to better confront Turkey using the weight of the EU. In sum, the practice of proactive and confrontational engagements between Greece and Turkey over the Aegean islands offers another drawback for Black Sea regionalism.

It would not be unfounded to assume that Turkey's developing relationship with Russia is perhaps also aimed at counterbalancing the evolving Greek-Russian partnership in the post-Cold War era. Greece and Russia have been enjoying very warm relations due to certain historical and cultural ties that bind the two nations; moreover, the pace of this relationship is possibly further strengthened to a great extent due to having Orthodox Christianity as a common religion (Tziampiris 2010). After all, as it seemed to one of the interviewees, the rationale behind Greece insisting on BSEC membership was in line with its policy of counterbalancing Turkey, and preventing this post-Ottoman republic from being a sole influential spearhead on the southern flank of the Black Sea. However, in the period following the commencement of the BSEC process, on 8 July 1997, the parties declared their 'mutual commitment to peace, security, and the continuing development of [their] good neighbourly relations' (Aksu 2004). Most importantly, the parties announced their 'commitment to refrain from unilateral acts on the basis of mutual respect and willingness to avoid conflicts arising from misunderstandings; and commitment to settle disputes by peaceful means based on mutual consent and without use of force or threat of force' (Aksu 2004). So, unlike the other

historic examples in the former Soviet space, the longstanding antagonism between the two NATO countries of Greece and Turkey is undergoing a speedy reduction, and some elements of security community have been observed between these two countries of the BSEC region.

### **3.6 The EU's effort with regard to the conflicts**

The EU enlargement to the Black Sea has compelled it to pay more attention to its eastern neighbourhood. The existing conflicts, sources of instabilities and tensions are asymmetric risks with larger implications for the entire security of the WBSA. This also challenges EU security directly, though it has not done enough, out of its potential, to reconcile the conflicting parties. Although Russia is still the key actor for the resolution of conflicts in the CIS area, the EU has attempted to increase its role as the Union accredited its 'special representatives'.<sup>16</sup> Yet not only did the EU decision-makers fail to grant an adequate degree of authority for the special representatives to proceed on behalf of the EU, it also has not sought an active role in mediation. It should be taken into account, however, that sustainable democracy is difficult in the BSEC region, which is overwhelmed by the interstate issue of territorial integrity and the conflicts that remain intractable in various parts of region. The extensive regional interests of Russia are at odds with, if not absolutely contradictory to, the other regionally-powerful actors' interests and inter alia those of the EU and US because of the increasing political, economic and military activities of the Western powers in the Black Sea area (Aybak 2001:168-72).

As pointed out by one senior official in the EU, it is even more problematic to make progress within the BSS framework as one would assume Cyprus might take its recent EU membership advantage to confront Turkey. This now constitutes a different quality in EU-BSEC relationships. It is not a problematic matter among the WBSA states themselves, as it used to be before, but between the EU and the Black Sea states, which gives a distinctively different quality to relationships.

### **3.7 Extent of the limitations to the creation of a security community**

In spite of the existing region-formation mechanisms, including BSEC, the region has not yet been transformed from a security complex into a security community. It is a challenging task to draw the lines of a security community in this region of transition, yet in terms of their politico-security orientations, there are two constituent post-Cold War systems within the subsystem around the Black Sea. This fact is likely to challenge the very basis necessary for a security

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<sup>16</sup> Derived from the public speech of Rutger Wissels. Director, European Neighbourhood Policy, Co-ordination, European Commission, DG External Relations; Keynote Speech, *Values vs Security? The Future Choice for the EU and its Neighbours*; 5-6 June 2008; Maastricht University.

community to emerge. Observably, in the westernmost part of the subsystem, security threats from a neighbour have ceased to exist in the case of the Romania-Ukrainian territorial dispute, and have almost ceased to exist in the example of Greece and Turkey, recently strengthened as a positive result of the global financial crisis of 2008-2009 (Hurriyet, 17 February 2010). In the easternmost part of the subsystem, on the other hand, hard security is very much on the agenda, as exemplified in the South Caucasus. Also Turkey, Georgia and Azerbaijan seem to share some elements of security community as they have been engaged in cooperation of regional importance (i.e. energy projects). The intensifying post-Cold War Russo-Turkish rapprochement also suggest that there is some evidence to suggest that there is a nascent pluralistic security community, regardless of the retrospective differences between these two main drivers of BSEC cooperation. Bearing in mind the argument that 'security communities develop from fairly humble beginnings and are frequently far from the minds or the intentions of policymakers at the outset', as stressed by Adler and Barnett (1998:414-5), the region around the Black Sea also has some potential to become an example and transform into a security community, once the fundamental interstate security problems are resolved. Nevertheless, the neorealist approach seems to be on rather strong ground in explaining the nature of the region and its reorganisation within the international system in the post-Cold War era.

The international community, although it did not undertake peacekeeping or peace-enforcement tasks, has not condoned the breaches of the (inviolability of) territorial integrity of both Georgia and Azerbaijan, having adopted a number of resolutions at the UN level. The General Assembly, for example, passed resolutions recognizing the right of return of all internally displaced persons and refugees to their homes throughout Georgia, including in Abkhazia and South Ossetia (e.g. UNGA, 7 September 2010; 13 October 2010). Also it echoed the UN Security Council and demanded unconditional removal of the occupying forces and the safe return of the Azerbaijani refugees. However, these have not been respected by Armenia and Russia. Instead, attitudes between the conflicting parties are so exclusive that if a battle resumed, especially between Armenia and Azerbaijan as their presidents keep threatening each other with devastating and humiliating war (Musaelyan 2010), it would be even more bitter and long-lasting than the previous one, which ceased in 1994.

### 3.8 Feasible and hypothetical chances for a security community in the wider region

The WBSA does not seem to be a scene where war is not an unattractive tool for achieving the national interests of the BSEC countries. On the contrary there are some instances where the increasing probability of war is observed, as described above. Even if some governments indicated that they would carry out such a revision to their self-centric nationalist policies, it would be an unpopular thing to do and could cause anger against the government in office. This is especially the case for countries where longstanding territorial-ethnic conflicts still exist. Therefore, the imaginary Black Sea community is hampered as long as the participating BSEC states are willing to use war as a legitimate tool for their gains.

Because of the August 2008 war, a certain degree of enmity exists between the communities of these two countries, which prevents them from reconciliation and bringing the two countries together. Even so, there is a small contributory chance for a security community which should not be neglected. The Georgian president, for example, unilaterally declared his government's commitment to the peaceful resolution of the Georgia-Russian conflict. To be exact, the president stated that 'Georgia will never use force to restore its territorial integrity and sovereignty and that it will only resort to peaceful means in its quest for de-occupation and reunification' and that 'cooperation must replace rivalry [in their relationship with Russia]' (European Parliament Press Service, 23 November 2010).

In the case of Armenia and Azerbaijan, their relationship remains the tensest in the region. nevertheless, the Russian-mediated summit in Astrakhan, 27 October 2010, may in fact seem to have been a step forward. As a result of it, both sides underlined the urgency to exchange prisoners of war, and moreover Armenia returned the corpses to Azerbaijan (RFE/RL, 4 November 2010). However, the mere fact that two states engaged in warfare agreed to exchange their prisoners and corpses does not mean that there is an emerging sense of community between them.

As is well known, there have been many conflicts between Russia and Turkey in the course of their history. To some extent, these tensions continued in the Cold War period, because of the provisions of the Treaty of Montero, which was not regarded as much more than a mere agreement of schedules and procedures for passage through the Bosphorus. Nevertheless, this agreement succeeded in satisfying the interests of regional as well as non-regional actors interested in the region; and more importantly, it is a balancing optimum of extensive Turkish-Russian conflicts (Kandemir 2008:201-2). But, in the post-Cold War period, these two countries



seem to be more willing to cooperate (Chapter 4). They seem to qualify as the two cores of the Black Sea regionalisation, which is a process occurring around a single or composite core of strength. So, this core can either be a single state, a political unit, or a union of plural states. The BSEC was created around a double core. The Turkish post-Cold War assertion and the Russian legacy (in the former Communist territories) in the area does form something of a core of leadership, and they did play a major role in the foundation of BSEC. But BSEC needs to be a well-organized and comprehensive (political) unit, having its own sophisticated mechanisms, which would increase the chances for communitisation. Otherwise, any potential core would aspire to regionalise the area under its own terms. After all, integrative processes usually happen around, and depend on, the general capability of the cores of strength (Deutsch et al. 1957).

In this regards, interestingly, a longstanding Turkish proposal, the Caucasus Stability and Cooperation Pact, does not seem to have been well-regarded by Russia (Fotiou 2009). There still seems to be a lack of trust. Adler and Barnett (1998:414) rightly emphasised that 'trust always involves an element of risk because of the inability to monitor others' behaviour or to have complete knowledge about other people's motivations; because of the very contingency of social reality'. Therefore, the fact that Russia did not welcome this kind of apparently cooperative format resembles a still existing competition for regional dominance, rather than a trend toward an emergent pluralistic security community. As observed by Weaver (2010), because there is 'balanced multipolarity' in the BSEC region, a security community could arise but there is not one at the present time.

Because of the aspirations to EU membership the sense of security community among the Western Black Sea countries appears to have had a much higher rate of success than in the eastern ones, as argued above. As the present conditions and fluctuating process suggest, a community formation has been achieved for a number of countries on the west side, as their states have been resolving their confrontations peacefully and without resorting to violence nor engaging in preparations for a war to resolve them. This is true, notably, in the cases of Romania and Ukraine as well as Greece and Turkey. The EU appears to stand out as a community promoter in the BSEC region, be it wilfully or not. In particular, the peaceful resolution encouraged by the Union, of the international dispute over Serpent Island between Ukraine and Romania shows that their security politics are profoundly shaped by their sense of belonging to a common European security community. However, the resolution of military conflicts in the region seems to be the most challenging aspect of the regionalisation process. Apart from Armenia (which enjoys Russian political and military support), both Georgia and

Azerbaijan seem to desire the EU to actively or directly engage in the peace-making process. So far, however, a sense of community is not prevailing over the entire region around the Black Sea, nor is the EU active in the eastern part of it. It is not in a position to reconcile Armenia and Azerbaijan, Armenia and Turkey, and Georgia and Russia to a certain extent.

Interestingly, on the one hand, Armenia and Azerbaijan seem to be ready to resume their battles, but on the other, there are also episodic instances indicating that there are some attempts at future reconciliation. For example, there has been a report that some of the chairs of media companies had a meeting in Moscow hosted by Mikhail Shvidkoy, a special representative of the Russian president for foreign cultural cooperation, within the humanitarian initiative for the reconciliation the Armenian and Azerbaijani societies (AnsPress, 4 June 2012; ArmInfo, 5 June 2012). One of the participating editors-in-chief from Azerbaijan was reported to have said that verbal agreement had been reached to lessen the tone that journalists use in demonising the other nation (Ibid.). There is apparently lack a comprehensive and truly effective mechanism to promote peaceful coexistence in these countries. The lack of a common identity in the WBSA could also been seen as a disadvantage for political cooperation in the region. Perhaps, if a sense of belongingness to a particular geographic indicator existed, it would be a unifying factor. Authors like Grotzky and Isic (2008:5) rightfully assert that the crossroad-character of the Black Sea region, cultural and linguistic differences, post-Soviet tensions as well as supra-regional competition prevent a common Black Sea regional identity. As highlighted by Makarychev (2008) and Manoli (2010), there does not seem to be cultural and ideational identity in the area.

### **3.9 Concluding remarks**

Chapter 2 pointed to elements of regional instability in what at first sight looks like a stable region. Apparently, stability does not exist in the entire wider Black Sea region, but the existence of some sort of a security community would pave the ground for introducing cooperation as the central pillar of regionalism. The aim here was to pick out the main problems for the nascence of a security community in the Black Sea region, which would be the necessary for the Black Sea regionalism to progress. This chapter provided an overview of the existing interstate conflicts between and among the regional actors.

It could be argued that the continuing existence of interstate conflicts means that the prerequisite for regional stability is lacking: it precludes regionalisation in the making, and also challenges the applicability of the security community concept to the entire subsystem. Trust amongst the people is yet to be established. As correctly asserted by Adler and Barnett

(1998:414), 'trust does not develop overnight but rather is accomplished after a lifetime of common experiences and through sustained interactions and reciprocal exchanges, leaps of faith that are braced by the verification offered by organizations'.

The chapter studied the security relationships between and among the BSEC countries, and determined that a security community is yet to be fully established because not all of the participating states have ceased to contemplate the possibility of mutual warfare. Some of the BSEC states do not seem to have committed themselves to peaceful change although they have also established various cooperative institutions in the region (Chapter 4). Moreover, some of the states have constantly increased their armed forces with a view to using them against each other as and when necessary. Yet war has not been a plausible option for the majority of the BSEC states, which does in fact mean that there is some degree of security community in the territories of those states. The fact that a security community is consolidated or near to consolidation in the western end of the WBSA (EU states, candidates as well as possible candidates) has not constrained the behavioural options in the eastern end, i.e. the South Caucasus. Therefore, one can hardly envisage regionalism, or any other sort of regional integration which would ultimately lead to a sense of security community, when two participant states remain radicalised and continue to invest heavily in their military sector, apparently to be used against each other whenever deemed necessary.

The BSEC region has undergone many transformations, including detente and tensions. Linking this to the process of regionalisation, the chapter revealed that security matters, in the conventional sense of security and power, are not only an important dimension but an imperative one in the context of interstate relationships amongst the participating countries of the BSEC. The important conceptual contribution of this chapter is that the application of the concept of the community in the case of the Black Sea regionalism is more appropriate when the regionalisation is studied as a matter of complex dynamic process (i.e. a series of pluralistic actions), and less appropriate when applied holistically or as a single entity. Furthermore, the author has observed that the spillover effect, in terms of trust, of Europeanisation and economic cooperation, has cascaded into security affairs – if not in the overall region, definitely in the western part of the region. Evidence leads to the suggestion that the current trend of intensified tangible interaction with the EU has materialized into spillover to different degrees.

In the eastern area, the rule of stable peace does not exist and no stable regional order has even been reached. Some decision- as well as opinion makers have not stopped making official

references to the other as the enemy. Nevertheless, there have been some important improvements, namely in the Turkey-Russia and Turkey-Greece relationships, where the post-Cold War regionalisation process might possibly have contributed as a forum providing a confidence-building opportunity. Bearing in mind that this was the sort of basis which constituted the rapprochement between Germany and France, the intensification of the Turko-Russian relationship might have some potential to fulfil an analogous role for the BSEC region.

If individual communities and their high representatives or influential figures do not share a set of common ideas, and there is no attempt to create a transnational sense of belonging to a shared region, then it is hard to conclude that there is a firmly existent sense of community among the BSEC countries. If mutual sympathy, consideration and loyalty are the important characteristics for a group of countries to begin to resemble a community, the concept of a 'sense of community' does not entirely fit the evidence of the case at hand.

The most recent cases of the deployment of armed forces against another BSEC state reinforce the paradoxical idea that the use of force is an acceptable tool borne in mind of the elites. Unlike other world examples, including the African ECOWAS (Tavares 2010), where the statesmen are concerned together about their internal dissent, and therefore pay scant attention to the possible interstate conflictual problems, the BSEC countries and the entire expanse seem to project an entirely different case. The BSEC, then, is not a region where security flows around threats, or friendships (or patterns of amity or enmity) demonstrably bind the participants. Security dilemmas are very sharp among these proximate actors (Buzan 2003).

Given the fact that BSEC parties do not favour acting in unison – on the contrary, they have tense relationships – the idea of integration around the Black Sea does not seem to have gained enough support at the state level. Instead, the state-actors are expected to ideally increase and strengthen common bonds among the parties, to the degree that the use of the means of violence will be eliminated as a tool for having their assertive say. As Kelly accurately observes, 'shared concerns shape the quality of regional order' (Kelly 2007:218). Contemporary international affairs in the BSEC territories do not qualify for referring to the region as a community, especially an emerging security community as a whole. Therefore, the chapter concludes that the post-Cold War period has not produced a security community among the states around the Black Sea and in the immediate neighbourhood, nor have the BSEC states dwelt within a common security community. Though the participating actors seem

to consent to sharing an idea of common values and a symbol (i.e. the Black Sea) to various extents, they do not share the same norms (e.g. pacific disposition maintenance) and do occasionally engage in selfish actions, seeking advantage over the neighbour. There have even been instances of a state attempting to extend its territories at the expense of another, although justifying this greed under various guises (i.e. Russia in Georgia, Armenia in Azerbaijan). And, if there was a sense of community and it had a dominant identification, it could assist, in Etzioni's words, in preventing 'a separation, and hence a potential conflict, between the unit of force and administration on the one hand and the unit of identification on the other hand' (Etzioni 1965:5). Yet, the example of this subsystem increasingly represents the actor-to-actor securitisation in the region, and much less a collective regional securitisation. The pace of the trend is conditioned by regionally varying and diverging (geo-)political and economic factors. In the end, the present situation cannot resemble a security community when there a number of cases of states attempting to encircle one another in a dangerous manner.

Their conflicting and irreconcilable policies seem set to render any cooperative measures ineffective. Moreover, they ultimately hinder the creation of a community sense in the wider region and the transformation of their intensified cooperation into a much needed process of community formation throughout the wider area. The regional system comprises sets of participating states with partly convergent and partly divergent interests; these do not necessarily share the objective of attainment of either a pluralistic or other form of security community. In sum, because of the development of violent regional conflicts, the persistence of non-violent territorial disputes, the persisting patterns of suspicion which arise from previous historical conflicts, and the conflicting desires of Russia and Turkey for regional influence (at least in some parts of the region), an international security community has not developed in the Black Sea region.

## 4 Patterns of regional collaboration and institutional cooperation around the Black Sea

This study attempts to understand regionalism by analysing interstate relationships at a regional level of the world system. The present chapter of the thesis, firstly, studies the roles of the prominent intergovernmental organisations and the international cooperation(s) as they seem to promise an increasing cross-border interaction in the region. Secondly, based on the findings, it argues that the institutionalisation dimension is the constituent pillar for the region-formation process in the wider Black Sea area. The regional management of cooperation lies in plurilateral and minilateral institutions and is referred to as *institutionalisation*.

Geographical proximity could mean not only a challenge but also an opportunity for those participating actors and requires joint approaches to successfully and comprehensively face, and cope with, common challenges. One might rightly expect that the institutionalised interstate relationships, once they are arranged, lead to the creation of new patterns in the movement of people, capital, goods and services between the shores of the sea, namely in the participating countries, which will result in the greater convergence of their political and economic relations or vice versa. The parties to the BSEC process also agreed on the need to establish partnership and pool their resources together. BSEC Organisation is a centre of gravitation for regionalisation around the Black Sea. However, because of the heterogeneity of the Black Sea case as an empirical example of international regionalisms, and because it aims to provide an authentic and comprehensive analysis, the study is not only limited to the BSEC experiment, but also considers other relevant initiatives in the region. The purpose of this examination is to assist in the understanding of how the current plurilateral and minilateral relations among the states shape, and are shaped by, the regionalisation in the BSEC area. The cooperative and organisational cases around the Black Sea and their contribution toward the ultimate goal of a Wider Black Sea regionalism are also discussed. In particular, this chapter examines the essential formalised cooperation processes and the dynamic interactions which expose the fledgling regionalisation in the wider Black Sea area. To understand the regionalisation processes realistically, the interstate interaction(s), which are embedded with antagonism (unintentionally or not), need to be elucidated. In order to identify the general lines of the Black Sea regionalisation, one must identify their characteristics and assess whether the states are enthusiastic about them or not. If not, they are less likely to make a real

difference to reach regionalisation and therefore the situation is more complicated as this constitutes the root cause for the complexity of regionalisation.

It debates the findings within the relevant conceptual framework on regionalism drawing on inductive reasoning, based on observation of the integrative processes and the non-attributable interviews conducted with different officials of the regional organisations. Furthermore, it discusses the detected symptoms and general patterns of complex regionalisation around the Black Sea, aiming to determine the extent to which BSEC, and its member states, have been able to act collectively, following the cooperation process they launched in 1992.

Alongside the regional confrontations, cooperation continues to capture some degree of the regional interplay in the WBSA and it seems that they are the two sides of the same coin in the case at hand. Economic cooperation is more than transactions, or exchange of good as it can be 'the cornerstone for trust and a sense of community' (Adler and Barnett 1998:416). States usually are concerned about giving up a small part of their sovereignty, but 'it appears that the exigencies of the global political economy also force the same states into concerted responses and policy initiatives at the regional level' (Shaw et al 2005:167). The regionalisation trends in the wider Black Sea area (WBSA) were not observed until after the end of the Cold War when the process initiated by the 1992 Istanbul Declaration on the Black Sea Economic Cooperation (BSEC) resulted in the establishment of a fully-fledged BSEC Organisation and the cooperative mechanisms that ensued. Retrospectively, one might recall the apparently similar process of the 1948 Organisation for European Economic Cooperation (OEEC), established under the auspices of the United States to administer the funds of the Marshall Plan (Lindberg and Scheingold 1970:11). As the name suggests, the organisation was founded mainly to deal with economic cooperation, yet it paved the way to the joint concrete economic policies in Western Europe and was followed by the process that culminated in the contemporary EU. The whole institutional apparatus of BSEC affiliated institutions consisting of PABSEC, PERMIS, Trade and Development Bank, a think-tank, and so on arose from the establishment of regional cooperative organisations by BSEC countries.<sup>17</sup> This is still – fifteen years later – a very remarkable forum for the existence of regional cooperation and a promising factor for 'complex regionalisation' (Hajizada 2010). Minilateral arrangements other than BSEC, with low and high profiles, construct the diverse integral forms of the same pattern or architecture.

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<sup>17</sup> There is a dichotomy setting the BSEC Organisation apart from the BSEC countries/region in this paper.

## 4.1 Ground level interaction

### 4.1.1 People as an essential component of regional interaction

Universities, civil society actors and business networks are the actors that can play a role in building regions, as Langenhove (2011:88) has rightly pointed out. The existence of the International Centre for Black Sea Studies of BSEC (ICBSS) and the Black Sea Universities Network (BSUN) would represent the regionalisation 'from below' if they did not depend on state contributions. Founded in 1998, 'the ICBSS promotes multilateral cooperation among the BSEC member states, the European Union and other international organisations',<sup>18</sup> according to its website. The Centre has been active in facilitating the exchanges of opinions, producing policy papers and recommendations for the Black Sea region.

Apart from the limited number of informal academic exchanges, there is also institutionalised academic interaction – the Black Sea Universities Network (BSUN) – involving approximately 100 universities from the 12 member countries of BSEC, as the website of its International Permanent Secretariat claims ([www.bsun.org](http://www.bsun.org)). The secretariat is based at Romania's Ovidius University Constanta, and it is claimed that the BSUN is a network facilitating academic cooperation by 'promoting the mobility of students and academic staff, organization of scientific meetings, summer schools and workshops in different fields' (Mamut, date unavailable; last accessed on 2 November 2011).

They both sought legitimacy from the states. The new article 24 of the BSEC Charter, which is has been awaiting ratification since 25 June 2004, has perhaps gained de facto legitimacy for the ICBSS from the BSEC states. The amendment to the article made the Centre function as the think-tank of the Organization of the BSEC (Personal interview, Kalymnos, 5 July 2008). However, the BSUN has to apply for renewal of its status as a Sectoral Dialogue Partner of BSEC, which lasts for two years. Although it may seem to be a very straightforward process and the BSEC statespersons are expected to be inclined to partnership with a non-state actor, in reality it is a lengthy process subject to intergovernmental negotiation and compromise (Personal observation, Meeting of the Committee of the Senior Officials of BSEC Organization, Baku, 22 October 2009).

Free movement of persons and labour is a fundamental element of regionalisation. But there are many physical and non-physical barriers that restrict the inhabitants of the BSEC countries from enjoying their geographical neighbourhood and the opportunities it can offer. For

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<sup>18</sup> ICBSS (unknown), 'Aims & new perspective', available online at: <http://www.icbss.org/index.php?cid=130>



example, unlike the Schengen example in Europe, there are fenced and guarded borders along most of the national boundaries in the region. There is no agreement to ease these procedures with the aim of lifting the fences to enable the free regional movement of people. The lengthy visa procedures required by some countries constitute a problematic example, *inter alia*, of the limits imposed on the free movement of local populations and on tourism, whereas facilitating schemes for movement could have offered opportunities for a degree of societal interaction. Individuals residing in the majority of the CIS countries of the former USSR can still travel within their territories, without a visa arrangement (though they must register at the police station within *three* days of their arrival). With the exclusion of Georgia-Russia and Armenia-Azerbaijan, there is a visa-free regime among the post-Soviet countries and also between Turkey and many of the latter. (Among the Black Sea countries, the procedure for Turkish visas is probably the least complicated or lengthy one. Furthermore, one can get an entry visa at the airport upon arrival.) However, there are different and lengthy visa procedures to (and from) Greece, Bulgaria and Romania of the EU and this arrangement seems to be a strongly discouraging factor for the active movement of populations. Besides, the fact that these three countries have reached different stages in meeting the requirements of the Schengen system adds additional complexity.

Having said that, there has been an important agreement between Russia and Turkey to lift the visa procedures for those travelling for the purposes of tourism (and the nationals of these two countries can remain up to three months before they have to go back). This would provide both an opportunity and an encouragement for more people to enjoy the resorts of the other Black Sea countries, with surely more tourists from Russia going to the Turkish Mediterranean beaches (Anatolia News Agency, 15 April 2011).

In the case of the Romanian and Bulgarian relationships, 'A bigger accomplishment for both countries was the final approval in July 2006 of a new bridge to be built over the Danube. It will join the north-western Bulgarian city of Vidin with the south-western Romanian town of Calafat. It's hoped the 236-million-Euro project will give an economic jolt to one of Europe's least-developed regions and help improve relations further'. Thanks to the EU-sponsored project, 'the old neighbours look like they're slowly on the way to getting reacquainted' as rightly pointed out by James (22 Aug 2006).

A lot of workers from the former Soviet countries work in Russia (mainly in markets and the construction sector), so are expected to send some remittances back home. In addition, Turkey

has also stated that it embraces around 100,000 Armenian citizens working in Turkey, though they do so illegally (RFE/RL, 17 March 2010).

Communication is also an essential element of regionalisation and the inhabitants of the BSEC region seem to use international languages as their medium of communication. English is almost always the preferred language of communication among officials and is also the official language of BSEC (author's personal observation). Usually, there is translation to, and from, Russian, which makes it the working language for communication. Because of the Soviet legacy, the Russian language is still the *lingua franca*, a language that is shared to a certain extent for routine communication and is used by the majority of people in the countries around the Black Sea, namely the former Eastern bloc members. But there is a growing tendency not to use it in some countries (e.g. Georgia). Furthermore, the different Turkic languages remain common among the BSEC communities, mainly in Turkey and Azerbaijan.

Transport is an important element of regionalisation as it facilitates the movement of peoples. In the case of the BSEC region, direct flights connect some BSEC capitals, but not all of them. At this point in time, Turkish Airlines appears to be in the lead and plays a bridging role by connecting the regional capitals as well as other major cities via Istanbul. Where roads are concerned, the existing road infrastructure is under construction, which includes the Black Sea Ring highway (Appendix X). In other words, there is no integrated interaction mechanism in the BSEC area as a whole.<sup>19</sup>

## 4.2 Intergovernmental level interaction

### 4.2.1 Plurilateral cooperation

Since the end of the Cold War, there have been several attempts at instituting formal regionalism in the region, but the main impetus came from the firm creation of the BSEC Organisation in 1998. Even though it was believed at the time that BSEC would boost regional economic growth, it could not deregulate the regional trade impediments, nor was it assigned to do so, because of political-conflictual aspects. According to Article 4 of the BSEC Charter (signed on 5 June 1998), its member states are to cooperate 'with the aim of utilizing more effectively their human, natural and other resources for attaining a sustained growth of their national economies and the social well-being of their peoples'.

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<sup>19</sup> It would have been also be interesting to look at figures elsewhere such as the 'percentage of students educated in the universities in the region as compared to those outside the region', as Nye (1971:34) emphasised, in order to establish an indicator of the scope of social integration.

A number of diverse areas that require a collective approach and agreed common policies fall within the scope of BSEC competences, as stated in Article 12 of the 'Subsidiary Organs'. The BSEC covers a wide but not necessarily deep sphere of possible cooperation, in particular (ICBSS 2007:18):

'trade and economic development; banking and finance; communications; energy; transport; agriculture and agro-industry; health care and pharmaceuticals; environmental protection; tourism; science and technology; exchange of statistical data and economic information; collaboration between customs and other border authorities; human contacts; combating organized crime, illicit trafficking of drugs, weapons and radioactive materials, all acts of terrorism and illegal migration, or in any other related area, following a decision of the Council'.

In order to determine the efficiency of a regional organisation one needs to get the real picture of the spirit of cooperation. After all, as rightly emphasised by Fawn (2009:17), 'What a regional grouping says it intends to do and what it actually does can reveal the essence of that formation'. BSEC countries declared ambitious aims but so far it does not seem as though the promises have been delivered. Many of the resolutions that were adopted are non-binding, and those that are binding were not implemented at a national level. The 1998 agreements on Combating Organized Crime and on Cooperation in Emergency Situations, however, are both binding but not implemented regionally (See: Appendix I).

The end of the Cold War paved the way to many cross-border economic zones in the world and regionalism has therefore gained new quality. Although it has been expected that through BSEC the countries in the WBSA would integrate, at least economically, this case lags behind examples in other parts of the globe's economic zones. Moreover, one might rightly observe that BSEC envisages the development of cooperation in a wider range of areas, apart from those that are linked with any forms of hard security, to an extent that this cooperation would not result or create a circumstance for an inevitable harmony of policies for the member states (e.g. the removal of barriers to intraregional trade, also the liberated if not free movement of services etc). Perhaps the only tangible result of the BSEC cooperation is its Project Development Fund (PDF) which received applications to finance small projects between or among the BSEC countries (Appendix VI).

#### 4.2.2 Exclusion of the BSEC-wide security cooperation

The desire to cooperate regionally is remarkable and needs to be acknowledged. However, in order for a case of regionalism to be effective, its cooperative schemes need to serve the collective interests of the participating nation-states (in which case they will be cooperating to respond to global and regional challenges), rather than being a fora for the expression of their conceived national interests (Hettne and Söderbaum 2006:226). The BSEC cooperation, as it in its current configuration, is a model of regional cooperation that does not necessarily involve collective solutions for the common regionwide problems.

Indeed, the fact that it brings together officials from states at war with each other to discuss *soft issues* is one of the positive features of BSEC, even though it does not necessarily mean that they are prepared to reach an agreement. This ostensibly economic yet politically sensitive institution is an example which demonstrates the impossibility of palpable economic cooperation when there are various interstate conflicts unfolding among the actors. The interstate conflicts are highly salient issues but are deliberately and consistently kept off the agenda. So, obviously, it would be naive to expect that economic cooperation lessens political confrontations because it requires political commitment as a precondition. The weakness of political commitment to BSEC by its individual member states is *inter alia* likely to appear similar to other cooperative examples i.e. the Collective Security Treaty Organization (CSTO) as well as the Shanghai Cooperation Organization (SCO) (Allison 2004:482). Perhaps, the non-existence of a *shared* security threat seems to provide a logical reason for the non-existence of a coordination of policies toward security cooperation. As was mentioned in the last chapter, BSEC is an umbrella forum which includes a number of members from the North Atlantic Treaty Organisation (NATO) and also from the Collective Security Treaty Organisation (CSTO). Even though the region has had many armed conflicts, this fact has been largely ignored by BSEC and there is no single group or committee of BSEC to deal with the existing conflicts. BSEC could have carried out some monitoring, even if not direct monitoring, of the conflict zones, which would have increased its credibility. One could say a similar model could have been that of the Economic Community of West African States (ECOWAS), a regional group established in 1975 by fifteen countries (Tavares 2010, chapter 3). The organisation later played a role in intraregional conflict resolution through its Monitoring Group (ECOMOG), which aimed to enforce peace and was extensively underpinned by the international community ([www.ecowas.int](http://www.ecowas.int)).<sup>20</sup> Another example is the Central Asian Economic Union (CAEC) – the predecessor of the Central Asian Cooperation Organization (CACO), which includes

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<sup>20</sup> UN Security Council RES/1162 (1998).

Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Although the name suggests that it is only an 'economic' entity, the organisation inaugurated its Council of Defence Ministers in order to moderate a consultation on regional security matters in 1995 ([www.evrases.com](http://www.evrases.com)).

It is true that outside of the BSEC's plurilateral format, on a few occasions, the officials of the BSEC member states did explore the opportunity made available during BSEC meetings for the betterment of bilateral relationships. For example, Karamanlis and Putin (of Greece and Russia) announced their South Stream gas pipeline construction project after a BSEC meeting on 25 June 2007 (Tziampiris 2010:81). Moreover, on 24 November 2008, Turkish and Armenian foreign ministers discussed some elements of rapprochement between their two countries when Ali Babacan hosted a dinner in honour of Edward Nalbandian. This took place during the visit of the Armenian foreign minister to Istanbul to take over a BSEC chairmanship for the following six months (MFA Armenia, 25 November 2008).

The institutional capacity of BSEC is limited by its weak efficiency resulting from the unwillingness of the member states, especially Russia, to grant sufficient authority – if not autonomy – to the organisation. The consolidation of efforts in the direction of development in the wider Black Sea area is neglected to a profound extent. Hostile rather than compatible relationships contribute to the possibility of non-regionalisation (or division) rather than regionalisation. This contrasts with the example of ECOWAS, which established the monitoring group, in effect a plurilateral armed force, to tackle the conflicts in that subregion. So far, a similar idea has never made it to the higher levels of BSEC, let alone the consideration of mechanisms for the use of force in managing military conflicts, and many of the interviewees from the BSEC bodies did not predict any improvement in the near future (Personal Interviews with senior BSEC officials 29 July 2009, Istanbul; 10 September 2009, Baku; 17 September 2009, Baku; 02 October 2009, Bucharest; 15 October 2009, Baku; 28 October 2009, Baku; 1 April 2010, Istanbul; 5 July 2008, Kalymnos). Even though the BSEC region is rife with wars and armed conflicts, the states never seem to have committed themselves to launching mechanisms similar to the ECOMOG for joint conflict management or resolution. Some attempts by various BSEC members to consider even the possibility of soft-security cooperation by BSEC member states has been repeatedly contested by the delegations or representatives of the Republic of Armenia and the Russian Federation (BSEC 2009).

This is similar to the case of regionalism in South East Asia, where ten countries gathered under the umbrella of ASEAN but the ASEAN Regional Forum (ASEAN RF) actually includes non-ASEAN countries both from the neighbourhood and beyond for political cooperation. Similar to

the ASEAN, BSEC has had a broad agenda from the beginning as the stated goal was to indirectly ensure peace and security in the region. During their chairmanships-in-office, some of the countries try to focus on a limited number of issues to reach deeper cooperation in those spheres. Russia, on the other hand, in an account by two senior BSEC representatives (Personal Interview, 28 October 2009, Baku; 1 April 2010, Istanbul), staunchly seems to have opposed deeper cooperation in selected spheres amongst those envisaged for the BSEC. In the opinion of the interviewee from the BSEC (Personal communication, 28 October 2009, Baku), during its chairmanship, Russia appears intentionally to focus on all areas of cooperation, which lessens the chances for one area to be dealt with in depth, whereas all spheres are covered shallowly within a six month of presidency.

#### **4.2.3 BSEC Permit**

Just because it may seem eminently reasonable for the states to cooperate, it does not necessarily follow that they will, for example, give their blessing to another state to make use of their road infrastructure facilities (Appendix V). The BSEC Permit project is similar to the European Conference of Ministers of Transport international removal permits (ECMT). Currently in its pilot phase with 1,400 single permits, it was officially launched on the 16 Feb 2010 – and yet only seven BSEC member states (namely Albania, Armenia, Georgia, Moldova, Romania, Serbia and Turkey) have decided to become involved. There is no doubt that this type of project would have served the betterment of the transportation of goods by road and intraregional trade relations. Even in its early days the project beneficiaries had difficulties. Turkish truck drivers, in particular, had to queue at the Romanian border, due to an ambiguity in the BSEC Permit User Guidance which left it unclear whether permits were valid to reach the BSEC country as a final destination, or whether they could be used for transit to a third country. Soon after, The Romanian Ministry of Transport issued a declaration clarifying that ‘the BSEC transit permit can be used for transiting Romania not depending on the final destination of the journey’ (the Letter No. 43/1134 of 29 March 2010). This recent experience therefore provides evidence that the states are ultimately capable of resolving their difficulties in the context of cooperation and regionalisation when they put their minds to it and show determination.

In the current configuration the participant countries run their economic policies independently from each other. The states have not delegated any binding decision-making power to the institutions they launched, nor did they genuinely intend to do so at any point. (The few obligations binding agreements that were accepted deal with issues in vague and/or

general terms.) There is no record of the participating governments agreeing to have their economic policies approximated through joint decisions at a supranational level. Consequently, these *realist* findings make irrelevant the applicability of not only supranationalism, but also inter-governmentalism.

The states are tempted to maintain their powers and deal with this issue nationally or bilaterally even though they are expected to do so at the regional level. However, the case under study challenges this argument and shows that although the states are not in favour of giving over the entirety of their power, they tend to do so at some levels – though in limited amounts, and only in areas where issues cannot be coped with at a national level using domestic policies. As Mistry argues (2000:32-33), ‘deeper integration depends on national perceptions about gains or losses from RIAs, and the political will that national governments are able to muster in favour of movement toward widening or deepening’. However, apart from a regional bank, progress would require ‘a treaty for the gradual establishment of a customs union; a regional mechanism for settlements and monetary-policy coordination’ emphasises Wionczek (1968:298-9). Political will is required to carry out these policies but it also requires certain courageousness and might not be understood or appreciated in the short term. A noteworthy example is that of the establishment of the European Council in 1974, as emphasised by Wallace (1994:38), who said that the facilitated interaction of the European heads of government strengthened the collective character of the EC because the multilateral meetings resulted in more bilateral consultations dedicated to the EC as well.

There is an assumption that the bitter opposition and pressure from Russia, in particular, not to proceed with the pilot (or just experimental) project of the ‘BSEC Permit’ that might provide a firm basis for potential greater effects, resulting in the natural pressure to remove of quota barriers for trucks crossing the international borders in a long run (and therefore increase and intensify the intraregional transactions), is just one example amongst numerous other potentially very positive projects quietly removed from or yet remaining on the BSEC agenda. If this is true, it would seem, then, that instead of following rational principles, the BSEC process has been subjected to political priorities and to the mindsets of its member governments.

#### **4.2.4 Failed attempts for the Free Trade Agreement**

The confrontational rather than cooperative pursuance of regionalist projects relates to the complex mixture of economic and security concerns, which is referred to as ‘economic security’ (Cable 1995). Arguably, security threats have an effect on the economic security the

states pursue for realpolitik. Threats to national security from another state triggers 'geo-economics' or economic wars, e.g. over energy supplies or rare resources (Cable 1995:307). Although the launching and existence of international institutions promises to overcome these divergences it does not necessarily mean the states would be willing to compromise (Moravcsik 1993; Hoffman 1970). Cooperation entails development and the mutual use of the economic potential of participating states whose politics and security are interlinked. In the case of BSEC, a daring experiment undertaken by its participating governments almost two decades ago, the declared willingness to embark on a cooperative process has not really followed the pattern of the European Community, whose founding fathers envisaged the snowballing effect of economic cooperation as a means of long term pacification of the antagonisms between nation states.

At first, the BSEC statespersons did seem to succeed in the idea of a common policy of the free trade area as they adopted the 'Declaration of Intent for the Establishment of the BSEC Free Trade Area' (7 February 1997). In the Yalta Summit (Declaration 5 June 1998), they also later reiterated their 'political will to gradually establish a BSEC Free Trade Area as a long-term objective and to elaborate a Plan of Action of a staged process to that end'. Even the Parliamentary Assembly of BSEC (PABSEC) has shown its support for this process (PABSEC Recommendation 23/1997). However, the issue still remains one of the longstanding open-ended issues. In the meantime, to the opposite effect of what has been stated, some of the BSEC states continue to assert their willingness to retain trade agreements on their own terms or in a rather narrow bilateral format that implies that they do not necessarily take into account the dimension of regionalisation. It could therefore be argued that the BSEC governments find their national capacity much more suitable than a collective one to deal with issues of such regional importance.

The special BSEC regulations, if agreed to, may contest the discriminatory agreements stemming from the EU membership of some BSEC countries, in the areas of trade and border control. In answering the question of whether Turkey is being a genuine promoter of regionalism or rather has aimed to reach its targeted interests by multiplying its cards, it is worth being reminded that this Turkish initiative dates back to the period of its negotiations for the Common Customs Tariff Union (Eder 1999). It is possible, too, that Turkish leadership, stresses Eder, aspired to playing a role akin to that of the British, who took on the role of organising the mechanism for the distribution of Marshall Plan funds through The Organisation for European Economic Cooperation. After all, this was a period when Turkey desperately



needed to diversify its exports, because of the domestic manufacturers' lobby, which included the textile industry.

## 4.3 Institutional Design of BSEC

### 4.3.1 Decision-making at the intergovernmental BSEC

The dismemberment of the Soviet Union resulted in opportunity for the Black Sea regionalism to flourish. Having initiated the BSEC process, it seems that Turkey seized the momentum it had generated to draw attention to its influential role for the EU enlargement, all the while striving to preserve its privileged relationships with the regionally powerful actors. Furthermore, the diversity among the countries ranges from the newly independent states to the more conventional ones. The founding of BSEC was the outcome of understanding the difficulty of these challenges and the great magnitude of the demand for reaction at regional level. Therefore, the current setting of BSEC's efficiency leaves it open to a wide range of ambiguity concerning the states' dedication to region-formation in the wider area. The ambiguity from the outset is perhaps the self-explanatory cause for why BSEC seems to be a dysfunctional arrangement: the decision implementation procedures are vague, and the senior officials lack substantive dedication to region-building.

As matters stand, interactions take place around the table in formal meetings in Istanbul Headquarters and also in each other's capitals several times a year. The sessions are chaired by the rotating chairmanship-in-office which lasts six months for each country. With the exception of one ministerial meeting held in Tirana a few years ago, the six-month chairmanship usually results in Ministerial Declarations at the end of each period (Personal interview, 28 October 2009, Baku). The provisions in the declarations do not envisage any enforcement mechanisms. 'Icebreaking' occurs in less formal conversations before and after these meetings or over lunches. Moreover, the member states have established a diplomatic post for their permanent representatives at the BSEC organisation. However, delegations travel from the capitals' foreign ministries to the BSEC headquarters whenever there is a meeting scheduled to state their national stance on the issues raised. Interestingly, in practice it is not the officially mandated ambassador or consul-general residing in Istanbul but the diplomats in the capitals who deal with BSEC. Those diplomats therefore deal with BSEC as well as many other consular duties as a matter of first priority. However, the accreditation of a permanent representative by a country to deal mainly, if not only, with BSEC would have provided higher efficiency; and the policy-making process would have been institutionalised in and from the BSEC headquarters, instead of in national foreign offices solely.

BSEC has a very small staff (around 20 people) and recruitment is driven by the Council's political appointments. There is no department to deal with human resources; hence there is no real chance for promotions which would really contribute to the motivation and professionalization of the secretariat. The fact that the organisational budgets and personnel did not grow throughout the period leads to the suggestion that the initial priorities have not shifted considerably, or that there is a resistance by the member states to improve the structure of BSEC.

There seems to be no constant coalition for voting in BSEC decision-making, according to the personal observation of the author. Interestingly, Turkey and Russia have been on the same side in the debates more often than not. The states as a whole seem to prefer not aligning into the fractions stemming from their differing opinions on different matters. Less important matters require a qualified majority of votes for a decision to be ratified. However, in accordance with the BSEC charter, decisions on important issues are ratified unanimously (BSEC 2007, Stribis 2006). However, there is a tacit agreement among the senior officials that decisions must be adopted by consensus. In the opinion of two senior BSEC officials, smaller BSEC states prefer to avoid clashes with the bigger states, especially Russia, whenever they do diverge in their stances on issues of minor importance (Interviews, 28 October 2009, Baku; 1 April 2010, Istanbul). Therefore, the patterns of BSEC decision-making do not really seem geared towards establishing or increasing a sense of community among their countries for the sake of regionalisation. Although at the expense of lengthy consultations, it is still common for BSEC decisions to be made by consensus rather than by vote, whereas the available majority voting procedure seems to be convenient for less controversial drafts to be passed. After all, the provisions of the procedure rules provide such a choice (which specifies that the decisions should be made avoiding any damage to the collective character of BSEC policymaking). Seemingly, the member states are reluctant to override the opposition of a fellow state, especially if it is a powerful one, whenever their position is firm. As a result, the representatives seem to be used to tough and lengthy negotiations even for the issues that would not really appear worthwhile argue over. However, this sort of inefficiency might serve the interest of a member state if it is interested in these meetings having no tangible outcome. It should also be mentioned that so far no effort has been successfully made to improve the existing status quo. For example, the delegations could have opted for an approach where a group collectively accepts a document as a whole, without the need for each and every BSEC state to necessarily subscribe to every statement in the text and then any other state could request to take part in parts or all of the provisions (as it happened in the adoption of BSEC

Permit pilot project (See below)). Instead, the representatives do all they can to influence the 'exact' content of the final decisions – be they binding or not – and even of the reports and minutes of the meetings. One interviewee reported that there have been instances when Russia attempted to change the drafted texts to be approved the next day with 'creative methods' in order to guarantee that the text of the final report would be exactly as the representatives from this country wanted it; and the interviewee described this approach as 'unethical and trust-breaking behaviour' (Interview with a senior diplomat from a founding BSEC member state, 18 September 2010).

Hypothetically, if the Committee of Senior Officials were to become a permanent body and greater autonomy were given to it, and if the committee were to serve the common interests instead of national ones, member states might be willing to compromise more with this body rather than with other member states. Furthermore, they would be in a position to justify these concessions back in their home offices. A parallel example would be the EU where its 'Committee of Permanent Representatives acts as a real catalyst, and has developed strong European feelings' (Lindberg 1963:79). (This seems to be more or less the case for the relationships between the Council and Commission of the EU.) However, the BSEC example does not really seem to resemble a supranational decision-making mechanism.

The example of BSEC resembles that of the APEC, as pointed out by Higgott (1998:63), who emphasised: 'While not unaware of the longer term economic welfare benefits of greater co-operation, regional leaders in Asia regularly demonstrate how they can easily be seduced by the short term political gains to be had from intransigence or non-co-operation at the regional level'. Similarly, as argued by Pavliuk, 'BSEC is not an organisation with consolidated responsibility for its members' (Pavliuk 1999). It seems that Russia continues to impede tangible results for BSEC cooperation, however is still proactive in redeeming its dominant status, fearing the Turkish potential to further influence the region. The rationale for such Russian behaviour is believed to be that if the region prospers it will ultimately spill over into the neighbouring region, especially further towards Central Asia after Caucasus. This seems to be too difficult for the Soviet-era Russian politicians to accept, after the 'great losses' they suffered in Eastern Europe and, to a limited extent, implications for the South-Caucasus. As implied by one Russian diplomat (Personal interview, 17 September 2009, Baku), some of the 'western' initiatives are calculated to gain an advantage indirectly or deviously in the region and Russia would do its best to stand against this as a responsible power in the region.

Interestingly, the BSEC example challenges Nye (1971:6) who argues that ‘the micro-regional economic organizations are less concerned about sovereignty, and the very nature of their tasks tends to make some internal state policies legitimate subjects for consultation and discussion’. Peace, security and stability in the WBSA could be reached through cooperation, and although there is enormous potential for the common benefit (Balkir 1993a), it is hindered by various restrictions and physical barriers for actual cooperation, ranging from legislation to corruption, or high conversion charges (Balkir 1993b). These barriers remain absolutely unchanged. One does not have to be cynical to understand that only coordinated activities through supranational institutions could forge a balanced economic development policy that would address the regional disparities obstructing regionalisation. ‘There is not a single success story or a “flagship” project with which the BSEC is identified’, as pointed out by Japaridze et al. (2010:22). BSEC’s internal structural deficiencies and impotence in responding to regional questions is not due to the lack of implementation of previously agreed BSEC policy, but to the fact that the necessary policy adaptations and adoptions have never been agreed. In sum, the example of BSEC also validates Cottey (2009:16) who emphasised that ‘The European sub-regional groups can therefore easily be derided as little more than excuses for ‘diplomatic tourism’: they provide opportunities for diplomats (and other participants) to travel, but the substantive output of their many summits, meetings, working groups and the like may be viewed as distinctly limited.’

#### **4.3.2 The status of PABSEC: denial by the executive branch?**

PABSEC is a ‘related body’ of the BSEC, according to the BSEC charter, and it does not enjoy a status similar to that of the European Parliament (EP) in the case of the EU (especially considering that the EP gained more power after the ratification of the Lisbon Treaty in December 2009). The BSEC Charter determines the relationship between the two branches of the BSEC as being merely ‘on a consultative’ basis and thus the assembly is not fully democratic, according to Hajizada and Weaver (2011). The first ever meeting to discuss the upgrade of the PABSEC’s status took place long after the establishment of BSEC. The joint meeting of the PABSEC Enlarged Bureau and the BSEC Committee of Senior Officials (CSO), which took place on 27 Feb 2008 and was orchestrated by the Council of Ministers of Foreign Affairs (CMFA) of BSEC (sixteenth meeting, Belgrade, 19 April 2007), though an important step, does not seem to have been overly successful in improving the assembly’s status. Indeed, the background paper entitled ‘Enhancement of Interaction between the PABSEC and the BSEC’ (PABSEC 2008a) was not well welcomed by all. It remains to be seen whether any change or upgrade to the status of the BSEC institutions would be highly vulnerable to the good will of

the governments as they would need to amend the constitutional documents of BSEC, as a senior BSEC representative reported (Personal interview, 29 July 2009, Istanbul). However, the idea to improve the assembly's relations with the EP was welcomed by the parties. PABSEC has decided to establish a delegation to the EP for 'a higher degree of integration of the Black Sea region into the common European space' (Personal communication with PABSEC officials, 10 September 2009, Baku; 3 April 2010, Istanbul).

According to the Rules of Procedure in PABSEC, the composition of the Assembly is based on the demographic criteria with a total of 76 parliamentarians. The parliament of Albania, Armenia, Moldova have four delegates appointed to deal with PABSEC; the number of delegates is five for Azerbaijan, Bulgaria and Georgia; six for Greece and Serbia; seven for Romania; nine for Turkey and Ukraine, and finally twelve for Russia. All delegations have their secretaries residing back in the capitals. National delegations of BSEC states convene twice a year in ordinary session. The first plenary took place in 1993 in Istanbul and the most recent 37th plenary session took place in June 2011 in Kyiv. Apart from resolutions on procedural amendments, budgetary issues, and the admission of new members, an absolute majority is required (Article 23). With regard to the adoption of declarations, reports and recommendations, which are classified as political decisions, there is 'a system of double majority vote constituting support by not less than half of the national delegations of the Assembly and the majority of the total number of the members of the Assembly' (ibid.)

There are three essential committees on 1) Economic, Commercial, Technological and Environmental Affairs, 2) Legal And Political Affairs and 3) Cultural, Educational and Social Affairs. The drafts are adopted by the committee level before they are submitted to the General Assembly by the rapporteurs. Each committee has a secretary who along with the Secretary General and the Deputies are seated in the PABSEC International Secretariat hosted in Istanbul. General Assemblies, which means the meetings of the Bureau, Standing Committee and plenary sessions of the Assembly, are hosted by the country of the president and usually take place in the premises of the national parliaments (Article 11). The Standing Committee, which is composed of the heads of the national delegations, meets one day before the General Assembly and agrees the agenda, oversees the implementation of the administrative decisions by the Assembly, endorses the budget before its referral to the Assembly for approval, and is also responsible for coordination with BSEC as well as other external cooperation (Article 7).

There is no mechanism whereby the PABSEC, or the rest of the related bodies of BSEC, is consulted or issues are referred to it by the Council of Ministers or any other BSEC body of less

status. PABSEC has thus no functions similar to the EP, which also was a consultative body but has been given more say and has progressively developed into a co-legislative power of the EU. Established on 26 February 1993, the PABSEC represents the parliaments of the member states and once the individual members are appointed by the speakers by the national parliaments, they shall present their credentials to the President of PABSEC, shortly after being verified by the Standing Committee, who then submits it to General Assembly for ratification (Article 3, PABSEC Rules of Procedure). It should be highlighted that the PABSEC has no political or legislative powers. As the 1993 Declaration on the establishment of PABSEC stresses, the aims are within the principles and goals of the 1992 BSEC Declaration and Bosphorus Statements. The BSEC Charter does not determine a reasonably appropriate place for the Assembly to have any real say on BSEC matters. As laid down by the PABSEC itself, 'PABSEC cannot be an author of internationally binding instruments since this authority is vested with the Council of Ministers of Foreign Affairs of the Organisation of the Black Sea Economic Cooperation as a principal regular decision making organ' (PABSEC 2008a:3). Consequently, PABSEC has been constantly making efforts to heighten its political potential through a status upgrade aimed at 'achieving a higher degree of interaction between the PABSEC and the BSEC', within the existing norms of international practice, pointing to the parliamentary dimensions of other arrangements enjoying greater status (PABSEC 2008a:4).

The interviewees from PABSEC structures (Personal Interviews, 10 September 2009, Baku; 3 April 2010, Istanbul) reported that some PABSEC parliamentarians have been trying to lobby and convince the BSEC member states to pay more attention to this democratic dimension of BSEC by involving PABSEC in establishing checks-and-balances in this regional arrangement. Although this sort of demands does not seem to be a realistic one to be addressed by the governments, they seem to have managed to convince the BSEC governments to attach the adopted recommendations of PABSEC as an annex to the Ministerial Declarations which are usually adopted semi-annually. According to the interviewees, the parliamentarians have been considering unilateral steps towards the consolidation of the BSEC family, they have considered the option of a unilateral synchronisation of their chairmanship periods with BSEC. The important aspect to mention is that PABSEC parliamentarians are not directly elected; instead, the national parliaments of the BSEC member states delegate their group of representatives. Although the countries participating in the BSEC cooperation involve a common parliamentary body, this body can only make recommendations and has no real say on the political and economic issues of its member states.

With regard to the assembly's status, only the Azerbaijani, Georgian and Greek parliamentarians firmly supported the idea of upgrading the PABSEC's status amongst the other 'BSEC related bodies' because of its parliamentary nature. While PABSEC proposed to 'enhance the mechanism of interaction between the BSEC and the PABSEC in the format [of] the BSEC Committee of Senior Officials – the PABSEC Standing Committee (extended Bureau)' (PABSEC 2008a:5), Russian diplomats were seen to be content with its existing status, preferring to keep the interactions at the secretariats' level (PABSEC 2008b:4). In other words, the Russian delegation gave the impression that they were opposed to the idea of granting the PABSEC – the parliamentary dimension of BSEC – any further power to enable them to have their say on BSEC matters. This stance was echoed by the BSEC Greek-nominated Secretary General, as he stressed that 'such a step would require the amendment of the BSEC Charter' which the author understands to be a difficult and complex, if not impossible, procedure. One parliamentarian supporting a stronger PABSEC responded that 'We should not be deterred by the need to amend our statutory documents as it is dictated by the time itself which brings about changes' and instead proposed to 'do away with the shortfalls'. The final report, titled 'Modalities for Interaction', states that 'The PABSEC will discuss and elaborate opinions and/or recommendations on issues in respect of which the Council of Ministers of Foreign Affairs has addressed the Parliamentary Assembly'. Therefore, one might easily speculate that, in return, BSEC senior officials, or the executive branch of the BSEC cooperation process, want to keep the PABSEC or the legislative branch at arm's length. Nevertheless, the document on 'modalities' includes a minimum agreement to 'include the full texts of the PABSEC recommendations' in the document files of the CMFA meetings.

#### **4.3.3 The BSTDB as a financial pillar of BSEC**

In the past few years since the launch of BSEC process in 1992, a number of BSEC related bodies and affiliates have been set up. The Black Sea Trade and Development Bank (BSTDB) is among those and is based in Thessaloniki. Ironically, it does not have its franchises in other major economic centres of the WBSA such as Istanbul or Moscow. The founding agreement of the BSTDB, signed on 30 June 1994, has been operating in its capacity as a financial pillar of BSEC since June 1999. The Bank's authorized capital is SDR [Special Drawing Right] 3 billion or approximately 4.5 billion US dollars. The shareholders are Greece, Russia, Turkey (with 16.5%), Romania (14%), Bulgaria and Ukraine (13.5%), Azerbaijan (5%), Albania (2%), Armenia and Moldova (1%), Georgia (0.5%) (BSTDB 2009:5).

Being a financial institution of regional character, it has a preference for supporting regionalist projects of cross-border character, but a preview of the implemented projects reveals that there is substantial number of them not meeting this requirement directly or obviously. Considering the substantial impact of the European Central Bank (ECB) on the European integration, namely on the EU (See: Dyson, Featherstone and Michalopoulos 1998), this bank is a potential catalyst in the Black Sea regionalisation, but the number of projects with regional impact and/or affects at least two member states is low relative to the total number of projects. Nevertheless, projects such as the 'Trans-Balkan Gas Pipeline' and 'Avin International - Black Sea Shipbuilding' are classed as regionalistic (BSTDB 2009:43-56). The officials justify this based on the bank's dual mandate as a development financial institution in support of national as well as intraregional projects. It is also explained by the lack of joint proposals from two countries, as hinted by an interviewee from the bank (Personal interview, 22 March 2010, Thessaloniki).

Apparently, the bank provides a relatively attractive option compared with other world banks from which national clients can borrow, as its main goal is not profit maximisation, even though it is profit-making. Unlike other financial institutions (e.g. the EBRD and the Nordic Investment Bank), the BSTDB consists of and is funded by regional countries only and does not have a major external donor. This points to the fact that the BSTDB is an indigenous institution; however, one might argue that it is also an indication that there is a lack of external actors' interest in supporting this crucially important pillar of cooperation. As a consequence, not only does the business community remain weak in its attempt to act as a driving or influential force for regionalism; it also loses a chance to increase the region's sense of community under this umbrella.

#### **4.3.4 The BSEC Business Council**

Cooperation between countries would hardly be carried out without a body in charge of facilitating the interaction and bringing together the vibrant business communities in the region. Though there is no free trade arrangement(s) aimed at increasing cross-border interactions regionally, the enhancement of relationships among the business communities has the potential to become the 'locomotive' of the regionalisation process. As such, its importance should not be overlooked when developing an example of regionalism. Therefore, the statesmen thought of the business circles as well and set up the Business Council to facilitate their interaction with each other under this umbrella. However, ironically, the BSEC Business Council has a very limited capacity – in fact, it would seem that it has the most limited



capability among BSEC related bodies, as reflected by its small office in the BSEC headquarters. To an observer, the activities of the Council do not give off the impression that it is busy facilitating business-related activities among the various private or public businesses in the BSEC area, despite its official rhetoric claims about the establishment of efficient mechanisms ([www.bsec-business.org](http://www.bsec-business.org)).

#### **4.4 Regional Subgroups in a Pan-European Architecture of the BSEC region**

The dynamic processes around the Black Sea bear dramatic witness to the trends towards a degree of wider regionalisation (not necessarily deeper integration) in this part of the globe. As Hettne (1994:7) asserts, regional institutions may seem superficial but are of great value as they could possibly increase the chance of cooperation 'if and when an objective need for cooperation should arise'. The argument rests on the assertion that even though there are other minilateral regional arrangements advocating cooperation in smaller areas of the BSEC region, their influence is not sufficient to overcome the power competition. They are also not in a position to address the peace and security issues in the region. In other words, the fact that there is a scheme in a particular region, for envisaged cooperation among countries of diverging politico-military agendas, does not necessarily mean there is a genuine cooperation among the state-actors. The region lacks an institution which has a capacity and capability to assert its position as well as accommodate the different (and sometimes divergent) interests of actors, including those of Russia and Turkey. It is interesting to observe that Russia still regards the region as its historical space of dominance. Moreover, the attempts at regionalist projects, whether sponsored externally or internally, are seen as a threat to Russian interests in its sphere of traditional direct influence. This is undesirable if not annoying to Moscow, as these projects are founded on the aim of ultimately deconstructing the old features of the region and fostering economic liberalism and democracy in the region's countries. As a result, the continuing Russian unwillingness to allow a breakthrough in the prolonged process further complicates the existing situation in the region.

The institutionalisation around the Black Sea does have innovative features. Therefore, the present author agrees with Gamble and Payne (1996:250) that 'Regionalism is a type of state project which can be distinguished from other types of state project'. Although the Black Sea is a centre for many regionalist projects, none of the newly created arrangements have swept away the previously launched schemes, nor did they result in the dissolution of the political structures that existed prior to that time. The findings of this chapter also give credit to the

argument by Cottey who argues that European subregional groups have broad agendas with no commitment to genuinely cooperate on the issues they are supposed to cooperate.

#### **4.4.1 Minilateral cooperations as complementary processes to the regionalism**

Minilateral cooperation or sub-cases of the broader case at hand are viewed from a regionwide perspective. In order to fully understand the dynamic processes (other than BSEC) in the surrounding territories of the sea, it is important to be neither oblivious of these loose groupings nor to discard their importance. Obviously, the set of existing formal cooperative mechanisms altogether constitute the Black Sea regionalisation, albeit in a loose group. It would seem appropriate to apply a holistic approach to the region – but not to apply a holistic evaluation, as it does not seem logical to regard the BSEC region as completely isolated or coherent, given that it overlaps and intersects with many other regions. The wider Black Sea region represents a complex mosaic, so it is not an easy task to gain an overall comprehension of it without looking at its various segments. The other organisational contributions that are components of the regionalisation of the Black Sea region should not be overlooked. Their role, whether as cooperatives or fora, should not be trivialized, as they give a clearer vision which is necessary in order to understand regional politics around the wider Black Sea as a whole. After all, the present study draws from Black Sea regionalisms, and apart from BSEC, the sea is also encircled by various other groupings.

Although these minilateral cooperative organizations (see examples below) consist of a more limited number of states, in contrast to BSEC, they are composed of more consistent and more equal actors. While BSEC is the initial pillar of evolving (or imminent) Black Sea regionalism, other minilateral organizations have followed. (On the other hand, one might argue that this fragmentation shows how ‘porous’ the region is (Katzenstein 2005).) Regardless of their efficiency, a number of organizations exist concurrently on the same territories as the BSEC. Their existence may be a necessary (but not sufficient) sign of adequate cooperative features denoting regionalism. Although entities such as GUAM and BSFDP or the Black Sea Naval Cooperation Task Group (BLACKSEAFOR) make no direct mention of their (eventual) contribution to the wider regionalisation process of the wider Black Sea area in the general sense, they could nonetheless be considered to be constituent components of this process. It is, therefore, relevant to analyze minilateral cooperatives from the viewpoint of the wider Black Sea regionalisation, as below.

One of the non-BSEC cooperative arrangements is the Black Sea Littoral States Border/Coast Guard Cooperation Forum (BSCF) which gathers the littoral states of the Black Sea. As

suggested by its name, this entity deals with issues such as combating pollution from land-based sources as well as maritime transport. The BSCF coordinates relevant agencies in its member states via the Informational Coordination Centre, headquartered since 2003 in Burgas, Bulgaria ([www.bscforum.org](http://www.bscforum.org)). The Commission on the Protection of the Black Sea against Pollution (CPBSP) is another cooperative framework existing in the region ([www.blacksea-commission.org](http://www.blacksea-commission.org)).

#### 4.4.2 BLACKSEAFOR

Established in 2001, this scheme claims to stand for ‘the enhancement of peace and stability in the Black Sea area as well as promoting regional cooperation among the Black Sea *Littoral* states’ (the emphasis added). There was also the ‘consideration of the establishment of a permanent command centre and the information network centre by naval authorities on a rotational basis in accordance with the change of command of the BLACKSEAFOR on the territory of that participating state’ (MFA Turkey 1999).

Indeed, BSEC’s inability to assert itself and the lack of political drive that has affected it since its birth both explain the existing political system around the sea. The importance of these arrangements is quite significant as they provide a chance for amalgamated cooperation which, if sovereignty concerns subside, may ultimately bring more cross-border cooperation and regionalisation. However, whether these smaller-than-BSEC actors are performing constructive or destructive functions in their impact on the regionalisation in the WBSA remains ambiguous. These cooperative institutions, even though they are of significant contribution, are loosely linked to the general pattern of Black Sea regionalisation. The fact that they are dealing with the region in part rather than as a whole could mean disintegration, rather than integration, of the Black Sea region.

#### 4.4.3 GUAM

Georgia, Ukraine, Azerbaijan and Moldova are the countries that seem to have a stronger political willingness to become a security community as a whole. Indeed, these four countries institutionalised their own minilateral relationships in 2001 to pronounce their distinct sense of community ([www.guam-organization.org](http://www.guam-organization.org)). The participating states, which established the Organisation for Democracy and Economic Development (GUAM),<sup>21</sup> not only seem to be willing to cooperate on the matters suggested by the title of the organisation but also in the sphere of law-enforcement and security. These four countries seem to have harmonised to an

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<sup>21</sup> Originally it was spelled as the GUUAM before Uzbekistan decided not to continue and withdrew from this political arrangement.

extent that allowed them to jointly sponsor draft resolutions internationally. For example, their representatives have jointly drafted and lobbied for the resolutions on their important security issues at the General Assembly of the United Nations (UNGA) under the agenda item 'Protracted conflicts in the GUAM area and their implications for international peace, security and development' which was included in the agenda of the sixty-first session of the General Assembly (UNGA, 14 August 2006). Their political cooperation and joint efforts on the matters concerning their security further contributes to the argument that only the political geography of the GUAM area as a whole (unlike the wider BSEC area) resembles a (western-oriented) security community. It is important to clarify that the Charter of GUAM, adopted in 2006, made no explicit reference to the regionalisation in the wider Black Sea area.

#### **4.4.4 The Community of Democratic Choice**

The other interesting example of minilateral arrangement beyond the wider BSEC format is the example of the Community of Democratic Choice (CDC), which did not last long. The CDC was driven mainly by governments from the Baltic, Black Sea and Caspian Seas. The launch of the CDC as a governmental and non-governmental forum for cooperation emerged from the Kyiv Declaration, signed on 2 December 2005 (See: Appendix II), which stated that the participants aimed 'to unite all of the countries of the region in their efforts' for increased interaction among the nine countries in Eastern Europe (including Georgia, Ukraine, Moldova and Romania, which are BSEC member states, as signatories; Azerbaijan and Bulgaria as observers). The declaration also implies that the statespersons acknowledged the challenges they faced in order to establish democracy in the region. According to the document (Appendix II), the countries were 'to cooperate closely towards achieving the common goal ... in the entire European continent' in a wide range of areas (such as establishing peace, democracy, and stability; promoting human values and standards and the respect for human rights; improving the education sector; coping with poverty; tackling addressing corruption, organised crime, money laundering, terrorism, drug, arms and human trafficking; addressing the ethnic and religious violence, and separatism; supporting civil society, NGOs and independent mass-media. However, as rightly asserted by Irīna Ivaškina, the chairperson of the CDC Youth Forum (Phone interview, 20 April 2010), such a wide agenda would require a comprehensive mechanism of capacity and capability which was not delivered at a later stage. According to Ms. Ivaškina, the CDC was a flexible format of ministerial meetings and young leader's meetings. In the opinion of the interviewee, the Youth Forum of the CDC appeared to be more consistent than the intergovernmental forum itself as the former lasted longer than the latter but lacked the resources for its existence and functioning. The CDC was apparently an

unsuccessful attempt to overcome the detrimental consequences of the Cold War. It happens to be an early sign of triumph over the East-West division in the Black Sea area. Consequently, this minilateral arrangement also attempted to blur the distinction between traditional (habitual) East and West, especially given that BSEC consists of a wide range of states regardless of whether their regime is democratic or authoritarian. This CDC, a short-lived arrangement, did seem to infuse the western-oriented countries in Eastern Europe with a possible sense of community, but the participants had no clear vision of how to further this initiative, nor did it gain much external interest (e.g. from the EU). In the case of the CDC, the participants seemed to be those countries that apparently shared varying degrees of suspicion towards Russia, and this very fact might have been the essential reason for their consolidation and a first step toward becoming a (security) community. Whereas in the case of other regionalist projects in its sphere of traditional influence, Russia seemed to be concerned about the development of the forum; indeed, the Russian president chose not to attend the summit and was represented by a locally based senior diplomat (Peuch, 2 December 2005). Interestingly, the Russian attitude to the wider region-formation around the Black Sea resembles the Indonesian stance on the Southeast Asian regionalism in the 1960s. This was ostensibly driven by the Association for Southeast Asia (ASA), which was founded in 1961 and altered by MaPhilIndo (for Malaya, the Philippines, and Indonesia) in 1963. In other words, Indonesia's 'proclivity for expansionism' explained its cautious approach to regionalism, according to Gordon (1968).

#### **4.4.5 Black Sea Forum (BSF)**

Another regional scheme beyond the all-inclusive BSEC format is the Black Sea Forum for Dialogue and Partnership (BSFDP). This short-lived initiative, proposed by the ambitious Romanian government,<sup>22</sup> aimed to become a bridge between the region, the European Union, and the Euro-Atlantic institutions. According to the Joint Declaration of Bucharest of 5 June 2006, the Forum was intended as 'a process that will serve as a regional platform designed primarily to define a common vision of democratic and sustainable development' that would 'therefore provide an inclusive, flexible and open framework for generating new ideas, channelling and mobilising governmental and nongovernmental, regional and international efforts and resources in the pursuit of these goals' ([www.blackseaforum.org](http://www.blackseaforum.org), last accessed in 2009). This 'operational framework' was believed to be an indicator of the Romanian desire to take on a bridging role between the EU and the region. Signatories were the Republic of

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<sup>22</sup> One of the interviewees claimed that the Romanian government seemed to think that there would be a flow of EU funds to the Black Sea region and therefore sought more important in the process.

Armenia, the Republic of Azerbaijan, The Republic of Bulgaria, Georgia, the Hellenic Republic, the Republic of Moldova, Romania, Turkey and Ukraine.

Although this forum was broader than GUAM, it was not warmly welcomed by Russia either, according to the author's source. Although Turkey sent its representatives, it was apparently not prepared to accept a forum that would overshadow BSEC, where the conditions are favourable for Russia. Also for some other countries, the region already had a fully-fledged regional organisation (i.e. BSEC) and they did not see the need for another one, especially if it was not welcomed by Russia and Turkey. The Romanian government later sought for a dominant role again during the negotiations between BSEC and the EU on the Black Sea Synergy (BSS) and despite their insistence and utmost efforts in early 2007, its diplomats failed to convince a single BSEC state to support them in their drive to grant a sole mediating role to Romania. All other BSEC member states preferred the BSEC as a central format for interregional or subregional relationships with the EU (Chapter 6). Interestingly, representatives from the rest of the BSEC countries seemed to express a positive response to the leading role of Russian diplomats with regard to their plurilateral relationships with the EU (Personal interview with a senior BSEC official, 29 July 2009, Istanbul). Perhaps some of them did not feel as confident as they were with Russia e.g. the former Soviet countries.

Because of the fact that the BSEC member states' interests differ from each other's to a considerable extent, the case is most likely in harmony with the view of realists who assume that international institutions cannot prevail over the limits of cooperation set by states in order not to be defeated by potential enemies. So, in this case, from the perspective of protecting the national interests, power preservation and protection is the fundamental reason for seeking a dominant role.

#### **4.5 Regionalist Business Cooperation**

In the early post-Cold War period, what prompted the debate on the emerging regionalism in this part of the globe were not only the establishment of BSEC and other intergovernmental organisations across the wider Black Sea area, but also tangible projects of transportation infrastructure and energy pipelines. The states, having seen that Russia was not cooperating, decided to gather around other kinds of regionalist initiatives. All the cooperative arrangements, however much they overlap, have their part to play in the complex pattern of the Black Sea regionalisation. Although the arrangements around the sea have certain shared regionalist assumptions about the Black Sea, they coexist in a rather loose mode. (It has been observed there is still a dilemma for the participating countries between historical residues on

the one hand and the appeal of emerging patterns of cooperation on the other.) In spite of this, they all envisage a common European perspective for the area in one way or another.

#### **4.5.1 Black Sea Highway Ring Road and BSEC Motorway Projects**

Business links are the essential elements of regionalisation. Therefore, integrated transport and roads systems are vital to the facilitation of intraregional cooperation. A Memorandum of Understanding for the coordinated development of the Black Sea Ring Highway has been agreed and an ambitious project is to be realised by the BSEC members. It is worth noting that Turkey has almost completed its part of construction. Further to this, On 19 April, the Black Sea Ring Highway Caravan departed from Belgrade and continued on a clockwise route to Odessa via Baku and on 28 May 2007 arrived in Istanbul, its final destination (Appendix X). The pilot project was organised by the International Road Transport Union (IRU) and the Union of Road Transport Associations in the Black Sea Economic Co-Operation Region (BSEC-URTA) under the patronage of the BSEC Secretary General. The mission was to identify any problems for the border crossings of lorries (which are essential for trade and transportation), to explore the existing road infrastructure, and to raise public awareness of the BSEC. According to the 'scientific conclusions', the obstacles are 'border delays caused by congestion and administrative procedures, transport permits needed to carry out goods ... and [various] visa requirements for drivers' (BSEC-URTA and IRU 2007:25). Border delays have cost 229 Million Euros in total to the BSEC economy (BSEC-URTA and IRU 2007:29).

The role of the Black Sea itself is also acknowledged by BSEC. The Memorandum of Understanding on the Development of the Motorways of the Sea in the BSEC Region, signed in Belgrade on 19 April 2007, inaugurated activities aimed at developing a transport network and the construction of the ring highways around the Black Sea approximating 7,000 kilometres in length to connect the regional cities around the sea as well as integrating the region with the Eurasian transport links (BSEC, 19 April 2007).

#### **4.5.2 TRACECA**

It needs to be mentioned that BSEC itself lacks a compatible and interconnected infrastructure and harmonised regulations to carry out such ambitious ideas as mentioned above. But geographically, the region is one of the important strategic areas of the planet, as it is also a hub and transit route for many continental and inter-continental routes (See: Appendix XI). Therefore, there happen to be other transport corridors (beyond the BSEC format) that also ultimately contribute to the Black Sea regionalisation. Transport Corridor Europe-Caucasus-Asia (TRACECA) or the 'New Silk Road' is a scheme stretching from the Black Sea region across

to central Asia through various transportation routes. Currently, EU and TRACECA member states are envisaging a closer cooperation with regard to the development of the EU-South-Eastern Axis and the integration of the TRACECA corridor with the Trans-European transport networks (TRACECA, 9 December 2010).

#### **4.5.3 The Baku-Tbilisi-Akhalkalaki railway**

The regionalisation of railway infrastructures is beyond the BSEC format but is on the agenda of various states in the BSEC region through the TRACECA corridor project. The 105 kilometre long railway connection<sup>23</sup> between Kars (Turkey) and Axalkalaki (Georgia), and its extension to Marabda (to link with Tbilisi), which are currently under construction, are expected to be finalised in 2012. This will not only increase the partner countries' transit capacity and efficiency between Europe and Asia, but also accelerate the integration to transport lines that are important for Europe (See: Appendix XI). These projects are therefore expected to serve the rapprochement and increased interaction of the wider region with continental Europe, although Gamble and Payne (1996:259) would not agree that 'regionalisation moves different parts of a region together'.

#### **4.6 Cross-border Energy Cooperation: Regional oil and gas pipelines**

Energy cooperation has been an essential factor for European integration around the EU. Perhaps one of the fundamental problems hindering region integration in the Black Sea area is that the governments have not yet bridged their differences on energy projects and they do not seem to even create a condition where their race could be based on the competitive grounds. Energy policies of BSEC states have never been aimed to be regionalised, as it has been a matter of bilateral relations and has never been integrated to the plurilateral BSEC format. There have been cooperative energy projects among a limited group of BSEC countries (i.e. Azerbaijan, Georgia and Turkey), however, which constitute a rather loose form of regionalisation in a smaller part of the BSEC region (Appendix XIII). This is the case with the cooperation in the oil and gas energy sector. Azerbaijan and Russia are the countries that define the WBSA as a region with oil reserves. Azerbaijani crude oil is carried by the Baku-Tiflis-Ceyhan (BTC), Baku-Supsa (in Georgia) as well as the Baku-Novorossiysk (in Russia) oil pipelines. The BTC delivers the major proportion and since 2006 has worked seamlessly except for an isolated incident along a section of the pipeline in Eastern Turkey which caused disruption for about two weeks (Pannier, 2 September 2008). There have been instances when

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<sup>23</sup> The new railway has been coded C-E 692 by the UN Economic and Social Council (21 February 2005).



even a Central Asian country of Kazakhstan also used this pipeline to sell its oil (RIANOVOSTI, 08 June 2006).

The energy factor was the central motivation for wider cooperation in the region in the mid-1990s and especially after the well known 2008 winter crisis over issues of Russian gas transit to the EU through Ukraine. In particular, the geostrategic location of the WBSA, which has 72 and 73 per cent, respectively, of known gas and oil reserves (Personal communication with Mr Selahattin Çimen, Undersecretary, Turkish Ministry of Energy and Natural Resources, 9 May 2009, Oxford) keeps the wider Black Sea area on the agenda of major capitals (i.e. Brussels, Ankara, Moscow). Turkey's location, in particular, paves the way for it to seek an enhanced role as a bridge or 'energy shopping mall' and to negotiate confidently. Turkey's increased importance in the energy sector might mitigate the scepticism of some EU statespeople towards Turkish-EU membership which has been a prolonged process since it began in the 1960s.

The first non-Russian supplier of natural gas – the Turkey-Greece (and in the future -Italy) Interconnector (TGI), also known as the Southern European Gas Ring Project, has, since 18 November 2007, been a pivotal link between Caspian countries supplying gas to the European market (as well as potential Central Asian supplies), and certainly serves to assist the energy diversification and energy security policies of the EU. Because of Europe's great demand for gas, it is reasonable to expect that its dependence on energy imports will continue to grow over the next 25 years. This means that Azerbaijan is poised to become one of Europe's newest main sources of supply, in addition to the oil that is mainly pumped through the Baku-Tbilisi-Ceyhan pipeline (Bodman 2007).

Obviously, the delivery of gas supplies is quite different from that of crude oil as the former needs prior arrangements and regulations, including long term set prices, along with (most desirably) undisrupted pipeline infrastructures from the producer all the way to the consumer. So far, TGI remains the only bridge for the energy route from the eastern neighbourhood of the EU, since the EU-backed Nabucco gas pipeline project (See: Appendices XII and XIV) is still subject to intricate and protracted considerations concerning its feasibility (Commission of the European Communities COM(2008) 781 final). The actor states involved in Nabucco are unwilling to shoulder this project also because of some degree of zero-sum approach by the interrelated consortiums. (The competing projects to Nabucco are the Russian-led South Stream and also the Blue Stream (See: Gazprom, 17 October 2011).) There is a completed and an ongoing negotiation toward developing the infrastructure for the supply of gas from Caspian countries

Azerbaijan and Turkmenistan, respectively, with 'the joint objective of rapidly securing firm commitments for the supply of gas and the construction of the pipelines necessary for all stages of its development' (COM(2008) 781 final, p. 4). In 2010, Turkmenistan also agreed to annually provide 40bn cubic metres (1,412bn cu ft) of spare gas in order to fulfil the EU-backed gas projects (BBC, 19 November 2010).

Russia, being in the immediate neighbourhood of a consumer with enormous demands (the EU), is in a position to maintain high prices. The Russian export potential is also maximized 'by using its monopoly transit powers to purchase Central Asian gas at ultra low prices' (Roberts 2006: 218). In this regard, the Nabucco pipeline, which is backed by the West, is believed to have the potential to diversify natural gas suppliers and delivery routes for EU, which would also reduce Russia's confidence as a dominant energy supplier. If realised, this pipeline will transit gas from the world's richest gas regions, namely the Caspian region and Middle East, to consumer markets in the EU. Therefore, the Southern Gas Corridor infrastructure is considered to be vital to meet the energy needs of the EU since presently 42 percent of the Union's imports come from only Russia (COM(2008) 781 final). Although the negotiations over this eight billion Euros Nabucco gas pipeline project still remain open ended, the long-awaited agreement between Turkey and Azerbaijan, signed on 25 October 2011, ended the longstanding questions on the terms and conditions on transiting supplies across Turkey and therefore bolstered the Southern Corridor energy project (Pannier, 26 October 2011).

#### **4.7 Concluding remarks**

The section has attempted to enhance the understanding of the mechanisms of political interaction in the BSEC region and its subareas. The findings reveal the extent to which the barriers have been lowered. However, the barriers stemming from fragmentation have prevented the WBSA from achieving integration in any way that might make it comparable to the EU, in spite of the significant amount of regionalisation centred on the Black Sea that has taken place.

The states did not replace their bilateral, even minilateral relationships with the Black Sea regionalism. Since 1992, the BSEC region witnessed quite a few summits of the leaders, some ostensible attempts to improve and integrate the region. The documents that were generated from these meetings are mostly of a declarative character, and the few binding documents that were agreed upon are so generic and modest that they would not introduce drastic improvements in the region even if they were successfully ratified. Accordingly, this case of regionalism follows a policy of strategic uncertainty.

The BSEC region has never moved beyond the establishment of institutions and the shallowest cooperative actions. As such, BSEC cooperation does not seem to be a model for regionalism around the sea. The other-than-BSEC cooperative forms are the regional components of pragmatic forms of cooperation which have minilateral rather than regional perspectives. It is what contributes to the ambiguity of this regionalism not simply in terms of its (geographic) coherence but also, and perhaps more so, in terms of its feasibility and credibility as a regional project. Furthermore, the consequent developments do not seem to have necessarily led to greater convergence in the abovementioned possible areas of cooperation.

Regionalisation is gaining ground and many regional organisations have given it a considerable amount of weight although there are no regular consultations between and among the existing plurilateral and minilateral organisations that are coexistent in the WBSA. The possible affirmative role of regionalisation has been scarce as steps towards regionalisation have been left in short supply by the driving forces (i.e. the states). The crucial point is that the regionalist projects lack the very mandate and appropriate facilities needed to fulfil the tasks that were articulated by the statespersons themselves – and it seems that this approach is unlikely to change, given the attitude of the states towards the institutions they created. Their unwillingness to share their sovereignty remains strong. The fact that BSEC lacks a sense of ownership of the process implies that the regionalisation around the Black Sea is not an ultimate goal, or even a priority, for its member states. Nevertheless, as regional cooperation is, in principle, *de rigueur* for good neighbourly relations, the states maintain such a framework.

Indeed, Russian antagonism towards the EU (and NATO) and the deliberate prolongation (if not rejection) of the Turkish EU candidacy have not culminated in Russia and Turkey making drastic changes to policies that might take them in the direction of unification. Instead, the regional powers (i.e. Turkey and Russia) have been maximising their own importance and spheres of control. This resembles to a certain extent a zero-sum world which prefers (economic) conflict to cooperation as a way to create a profit. The regionally important weight of Russia has been based either on dominance and traditional asymmetries of power or on moral leadership in terms of economy and politics.

BSEC does not seem to be actively tackling the key problems for its aims, neither has it built up its own capacity for action, increased the coherence or unity among the BSEC family, or given substance to the idea of Black Sea integration. Although BSEC may not exercise influence to the extent that other prominent international organisations (i.e. EU) do, it has become a

regional actor, albeit an unassertive one, in the wider Black Sea area. Its potential role in multilateral regional relations, particularly in non-crisis ones, is all in all probably influential, regardless of the fact that member states easily block decisions even if there is little probability of these contravening their vital interests.

All the factors such as the establishment of wide-ranging BSEC-related and affiliated bodies and working groups are the signs of, and play an important role in, the emergent regionalisation in the Black Sea area, if fulfilled promptly and properly. Thus, the regionalism at hand has managed to chalk up impressive developments on some levels. The coexisting overlapping cooperative mechanisms at the minilateral level may seem to be impinging on the superiority of the broader BSEC format, but they do not in fact undermine the existent state of play, in economic and political spheres, exercised within the boundaries of this regional system. It is perhaps the case, then, that the 'every little helps' approach is more realistic. Considering the overall development and the complex multiplication of pro-regionalist moves around the sea, one can conclude that there is regionalisation and that it is in the making. The existing interstate cooperative mechanisms constitute dynamic resources for the Black Sea regionalism. On the other hand, these include states locked in political conflicts that constitute a fundamental setback to this process. Indeed, institutionalisation does not automatically indicate the establishment of 'the island of peace' (Nye 1971:125). The BSEC states take the opportunities provided by collective arrangements to impose their own national agendas at the expense of regionalisation. The examples provided suggest that the intent of BSEC states is more nationalist than regionalist. In other words, they cooperate not to get integrated, but rather in order to use regional mechanisms to increase their national power. The degree of regional integration therefore depends to a greater extent on the constraints (e.g. interstate conflicts) and the willingness of the statespersons in the region's capitals.

The whole idea of economic cooperation around the sea is exceedingly controversial and politicised. Along with enjoying a revival among countries with old animosities, and reinforced by modern events, economic cooperation provides a path to national economic development, which tends to be the main reason for the states' interest in it. After all, region building, as a long term project, is a gradual and lengthy mission which demands real willingness by the parties' elites (or by leaders) combined with easily accessible resources.

These findings lead to the conclusion that Black Sea regionalism has formally taken its root. States fall into the following groups: those that have clear European aspirations and those that

do not, though the BSEC states officially have 'the common vision of their regional cooperation as a part of the integration process in Europe' (Preamble, BSEC Charter).

## 5 Intra-regional Trade and Correlation of Development Variables<sup>24</sup>

The volume, dimension, and the flow of (intra-regional) transactions, as an element and indicator of integrative processes in an emerging community of people, are of great importance (Deutsch 1954). As widely discussed in the preceding chapter, it has not been possible to observe instances or agreed procedures where BSEC or the intergovernmental Council of this organisation have dealt with responsibilities such as the regulation of economic life and foreign trade, not to mention social welfare. The institutional weakness of BSEC could also be explained by the absence of a convergence of economic preferences among the BSEC states, which may be a central determinant for regionalisation (Haggard 1997). Regardless of the fact that the institutions have no direct role in, or power over, the regional integration, it is necessary to determine whether their mere existence had some degree of positive effect on the regional interaction particularly on the intra-regional trade; and whether there is a reasonable correlation to the way they develop. This chapter consists of two sections both dealing with quantitative analysis.

Section 1 of this chapter deals with the assessment of the regionalisation thorough intra-regional trade relations. First, the percentage of a given BSEC country's trade with the other nine BSEC countries in contrast to the world trade of this particular BSEC country is calculated, to illustrate not only the trade relationships among the countries within the region, but also the degree of interaction in the context of the overall regionalisation in the wider Black Sea area.<sup>25</sup> Secondly, this section will look at bilateral trade volumes. An overview of the absolute trade volumes could perhaps help us to understand the nature of relationships between the BSEC countries, especially between the countries that are apparently unable to build cross-border regional cooperation, in spite of the lack of statistical data. In this section the economic relations, namely bilateral intra-regional trade overview is provided in an attempt to find out the share of each BSEC country's trade volume with other BSEC countries. The

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<sup>24</sup> I am particularly thankful to Dr. Richard Connolly, School of Government and Society of the University of Birmingham, for his methodological assistance on data collection and helpful comments on the early version of this chapter. I am also grateful to Dr. Maksim Belitski, Economics Department of the University of Leicester, for his much needed expertise and assistance, with the E-Views-6 software. I am indebted to Prof. Stephen G. Hall, Department of Economics, University of Leicester, for his invaluable comments on this chapter.

<sup>25</sup> It needs to be clarified that the comparative analysis of financial flows, remittances, commodities, series, and vulnerability remains beyond the scope of this chapter. While this section analysed a substantive period of the BSEC process, in theory it would have been interesting to examine the processes that took place pre-BSEC and after the 2008 period. However, limitations of data for all countries preclude a reliable analysis of the period prior to the launch of BSEC in 1993. Some of the countries have undergone challenging times and therefore statistical information is not available at all.

economic flows between the countries could perhaps explain the weight of the intraregional trade and the extent of their interaction in terms of trade. Also, this particular section aims to expose how the flows of goods and services have increased, decreased or just remained unchanged. The period covered is between 1993 and 2010 and includes imports (and their oil share where possible) and exports (and their oil share). There is no ambition here to assert that these analyses are complete, yet the data is what the BSEC countries individually reported to the United Nations Commodity Trade Statistics Database (UN Comtrade) about their world trade and they vary. The reported statistical data even contradicts in the case of the bilateral trade between the adversaries when they do provide information. For example, the reports of the Turkish government of the trade volumes with Armenia dramatically vary from the trade volumes reported by the government of Armenia with Turkey. Because of the extent of variations, which are very significant statistical differences, it is better to limit the scope of this section to an overview of the trade reported individually by the BSEC member states. (It also needs to be clarified that these calculations are not aimed at assessing the economic development or progress of a country (nor the regions' trend of growth) but to measure the degree of economic integration in terms of intraregional trade relationships. Determining the directions of trade flows is important not only for clarifying the past intraregional economic integration of BSEC countries, but also to determine the direction they are moving towards.)

The aim of the Section 2 of this chapter is to assess the degree of correlation between the GDP per capita indicators of the BSEC countries. This evaluation through statistical analysis on trade aims to determine the extent of the economic integration between the BSEC countries. The section illustrates the extent and nature of the economic correlation between the BSEC countries, based on their developmental statistics.

## **5.1 Intraregional Trade**

As discussed in the previous chapter, economy-related activities such as the exposition of national economies to competition from other regional producers and the establishment of powerful regional corporations, commodities, and markets are beyond the scope of BSEC. However, one might be right to expect this organisation to form an arrangement which provides the necessary framework for economic relations in the wider Black Sea region. The current minimal level of economic integration appears to correlate to the particular level of political-military relationships among the BSEC countries which shows to what extent they prefer to trade with each other. In this regard, partnerships may be influential in affecting trade flows since commerce creates efficiency gains that contribute to states' political-military

strengths. As Mansfield and Bronson (1997:188) rightly emphasised 'A state has incentives to limit trade with actual or potential adversaries, since increases in their power threaten to undermine its security. A state also has incentives to liberalise trade with allies, since the gains from trade bolster the alliance's power, thereby enhancing its security'.

In the case of the regionalisation process of the EU, which started after the end of World War II, the participating governments 'did not oppose these trends [of the creation of a continental free market for goods, labour, and knowledge] because many of them were thought to be supportive of increased national economic and technological capabilities' (Haas 1975:23-4). In the case of BSEC, however – perhaps because of the fact that peace has not been reached regionally – the participating states failed to reach a pact on the preferential trading arrangements on trade flows, the so-called Free Trade Agreement. The author is therefore deprived of the luxury of analysing the extent to which this particular plurilateral agreement has guided trade flows, if this was ever the case. Of course, the mere fact that there is no such agreement at the plurilateral level does not automatically entail that the regional countries do not trade bilaterally. So, no matter what the political problems among these countries are, the present chapter provides statistical analyses in an attempt to find out whether there is a natural pattern of trade interdependence, which is needed for regionalism to flourish. After all, regionalisation means a process of integration in a given region including the flows of trade, investment, and aid (in addition to the movement of people) established in the previous chapter. Although communication has been improved (mostly among the statespersons and parliamentarians) between and among the states, because of the cooperative arrangements and various schemes, capital flows and the level of trade interdependence need to be examined. Therefore, in line with the original approach of this study to investigating the process of the Black Sea regionalisation, the tendency in trade relations (from the beginning of the BSEC process in 1992) is analysed here in order to determine whether the incremental institutionalisation has had indirect effects on the trade flows.

*Note: Data has been retrieved from two sources: Direction of Trade Statistics, created by the International Monetary Fund, published by Economic and Social Data Service International (IMF 2012) as well as United Nations Commodity Trade Statistics Database (UN Comtrade 2010).*

### 5.1.1 BSEC 10 intraregional trade share<sup>26</sup>

**Table 5.1 BSEC 10 trade share in the periods of 1993-2000 and 2001-2008**

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<sup>26</sup> These findings should be interpreted with some caution, since, especially during the early 1990s, trade data for the Newly Independent States (NIS) was organised in a much more limited way.



	1993	1994	1995	1996	1997	1998	1999	2000
<b>Armenia</b>	0.39	0.36	0.30	0.32	0.37	0.30	0.27	0.27
<b>Azerbaijan</b>	0.46	0.39	0.42	0.49	0.56	0.54	0.35	0.29
<b>Bulgaria</b>	0.32	0.29	0.36	0.40	0.38	0.32	0.29	0.33
<b>Georgia</b>	0.54	0.46	0.75	0.69	0.62	0.55	0.51	0.55
<b>Greece</b>	0.06	0.09	0.09	0.09	0.10	0.09	0.09	0.12
<b>Moldova</b>	0.77	0.80	0.74	0.70	0.68	0.62	0.58	0.56
<b>Romania</b>	0.19	0.18	0.16	0.16	0.16	0.13	0.13	0.16
<b>Russia</b>	0.05	0.16	0.16	0.17	0.13	0.12	0.12	0.13
<b>Turkey</b>	0.08	0.09	0.11	0.10	0.12	0.10	0.09	0.10
<b>Ukraine</b>	0.18	0.52	0.44	0.50	0.43	0.43	0.41	0.40

	2001	2002	2003	2004	2005	2006	2007	2008
<b>Armenia</b>	0.28	0.28	0.24	0.24	0.26	0.28	0.34	0.37
<b>Azerbaijan</b>	0.20	0.25	0.23	0.25	0.29	0.29	0.37	0.22
<b>Bulgaria</b>	0.30	0.28	0.29	0.30	0.31	0.26	0.34	0.35
<b>Georgia</b>	0.53	0.50	0.49	0.50	0.55	0.52	0.51	0.53
<b>Greece</b>	0.13	0.14	0.13	0.14	0.15	0.15	0.15	0.16
<b>Moldova</b>	0.56	0.54	0.54	0.54	0.54	0.53	0.43	0.45
<b>Romania</b>	0.13	0.12	0.14	0.15	0.16	0.17	0.17	0.17
<b>Russia</b>	0.13	0.11	0.12	0.13	0.12	0.12	0.12	0.12
<b>Turkey</b>	0.11	0.11	0.12	0.13	0.14	0.16	0.18	0.19
<b>Ukraine</b>	0.37	0.35	0.33	0.38	0.37	0.35	0.36	0.33

Source: Author's calculations based upon the crude statistics available from UN Comtrade (2010)

### 5.1.2 Analysis of the table on trade

At a glance, as illustrated in the table (5.1), the results of the calculations reveal that the percentage of the trade of a BSEC country with the outside world remains predominant in comparison to its trade with the neighbouring BSEC countries. This is contrary to what one might expect intuitively, and the situation has not dramatically changed in the period since BSEC's creation. Based on the world statistics provided by the UN Comtrade, the intra-regional trade of the ten BSEC countries was around 30 percent of their overall world trade in 1993. However, it changed slightly by 2008. Mutual trade between the BSEC countries, or

intraregional trade, did grow rapidly relative to their overall world trade, although the figures vary significantly from country to country.<sup>27</sup>

The table (5.1) demonstrates that for Moldova and Georgia the intraregional trade ratio has been more than 50 percent, according to the average figure from years 1993-2008 (according to the Georgian government's own calculations, the share 'of Georgia's trade volume with BSEC countries constitutes around 53% (World Trade Organization, 3 November 2009). It also reveals that for Russia, the average intraregional trade was between 13 percent and 17 percent at its highest in 1996. Even for Turkey, the trade percentage was 19 percent maximum, and this was only in 2008. Overall, then, the proportion of intraregional trade to total trade was less than 50 percent for the majority of the ten BSEC countries.

In comparison, BSEC trade with the outside world increased in importance and improved. That being said, these figures include oil commodities as well, so it is probably because of energy that the percentage is high. It is worth mentioning that the results shown below reveal that resource-poor countries are trading more than fellow resource-rich BSEC countries (i.e. Azerbaijan and Russia, as it is easy to ship oil around the globe to the competitive markets).

Although Turkey imports a lot of Russian gas, Russia is reluctant to open up its barriers to Turkish mercantilists in return, given its resistance to the simplified procedures through the BSEC Permit project – which does not reflect the spirit of cooperation for mutual benefit.

In 1993, trade among the BSEC states was 30 percent of the area's total. By 2008, intraregional trade was 28 percent of the total, showing very little change percentage wise. However, the countries were supposed to cooperate economically – but no special agreement was signed at regional level to do so.

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<sup>27</sup> Apart from some exceptions, the data illustrates that trade cooperation reflects the status of the political relationships between/among the BSEC countries, though it is not the aim here to cross-check any correlation.

### 5.1.3 Intraregional exports

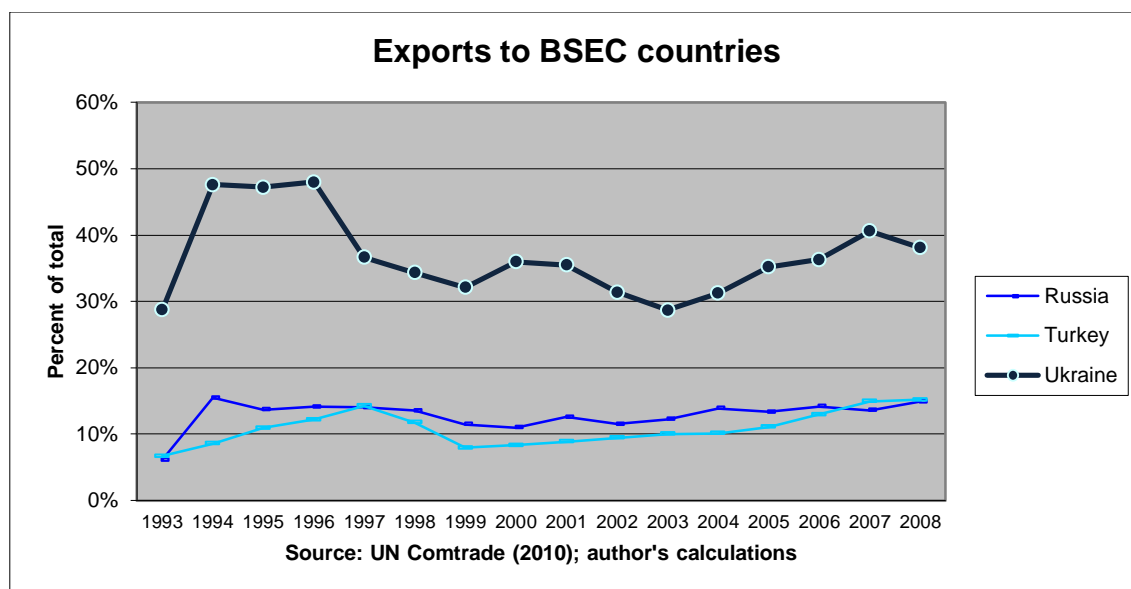


Figure 5.1 Exports to BSEC countries in the period of 1993-2008 for Russia, Turkey and Ukraine

For Russia, the average exports remained between 6 and 15 per cent, while the average imports were between 4 and 19 per cent, as Figure 5.1 indicates. For Turkey, exports were between 7 and 15 per cent, whereas imports were between 9 and 23 per cent. Accordingly, Turkey has been importing more from its partners than it has exported (perhaps because of the amount of energy resources from Russia, as oil and gas are in fact more significant exports than other commodities).

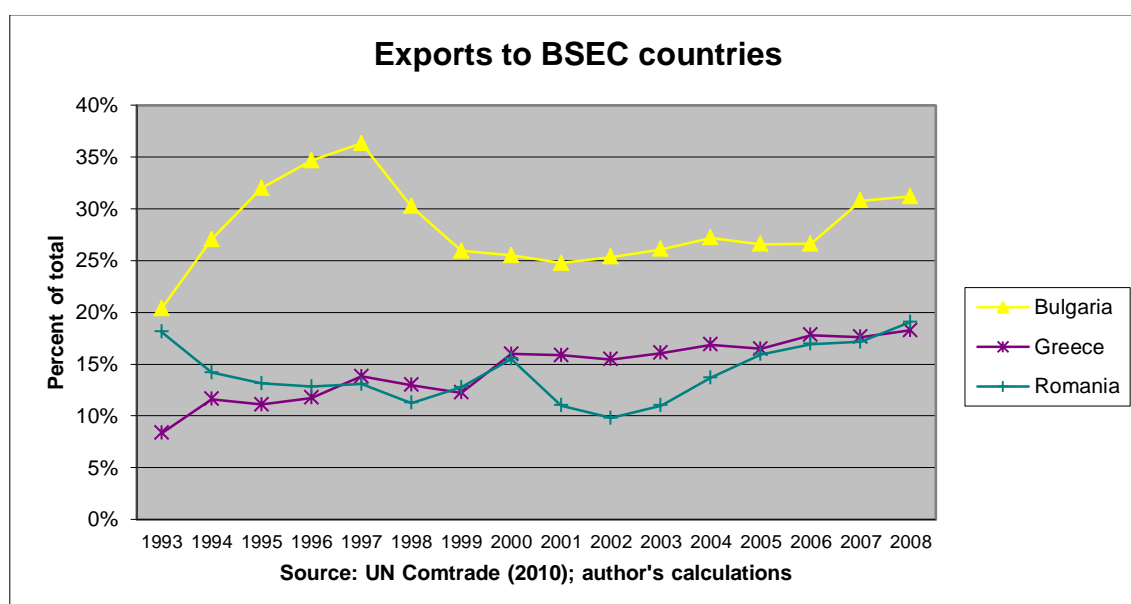


Figure 5.2 Exports to BSEC countries in the period of 1993-2008 for Bulgaria, Greece and Romania

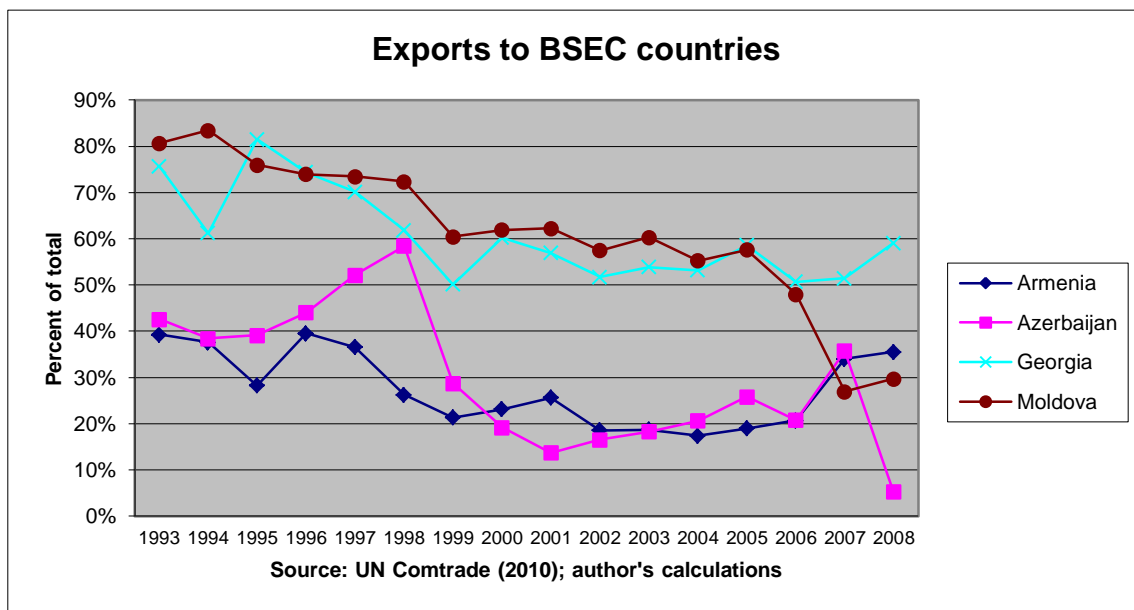


Figure 5.3 Exports to BSEC countries in the period of 1993-2008 for Armenia, Azerbaijan, Georgia and Moldova

For Azerbaijan (Figure 5.3), an export for the year 2008 to BSEC countries was a third lower than in 1993. Its statistics experienced a significant drop from approximately 60 percent in 1998 to 5 percent in 2008 (most probably because of launch of the BTC oil pipeline). Also, for Moldova, the figures decreased from 81 percent to 29. In addition to Russia, Turkey and Ukraine, the EU countries of the BSEC (Bulgaria, Greece and Romania) have increased their exports to BSEC countries. Russia is by far the country that has traded the least, and Georgia the most, with its BSEC fellows as of 2008. In 2008, Ukraine, Turkey, and Russia all achieved between two and three times the level of exports in 1993.

### 5.1.4 Intraregional Imports

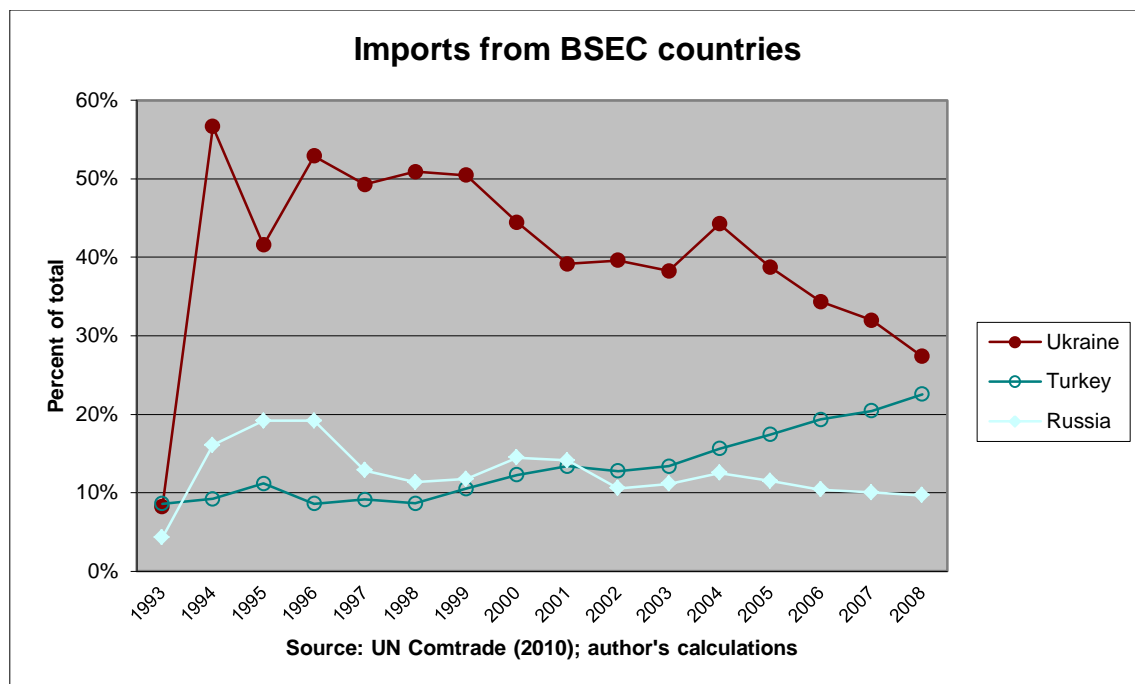


Figure 5.4 Imports from BSEC 10 in the period of 1993-2008 for Ukraine, Turkey and Russia

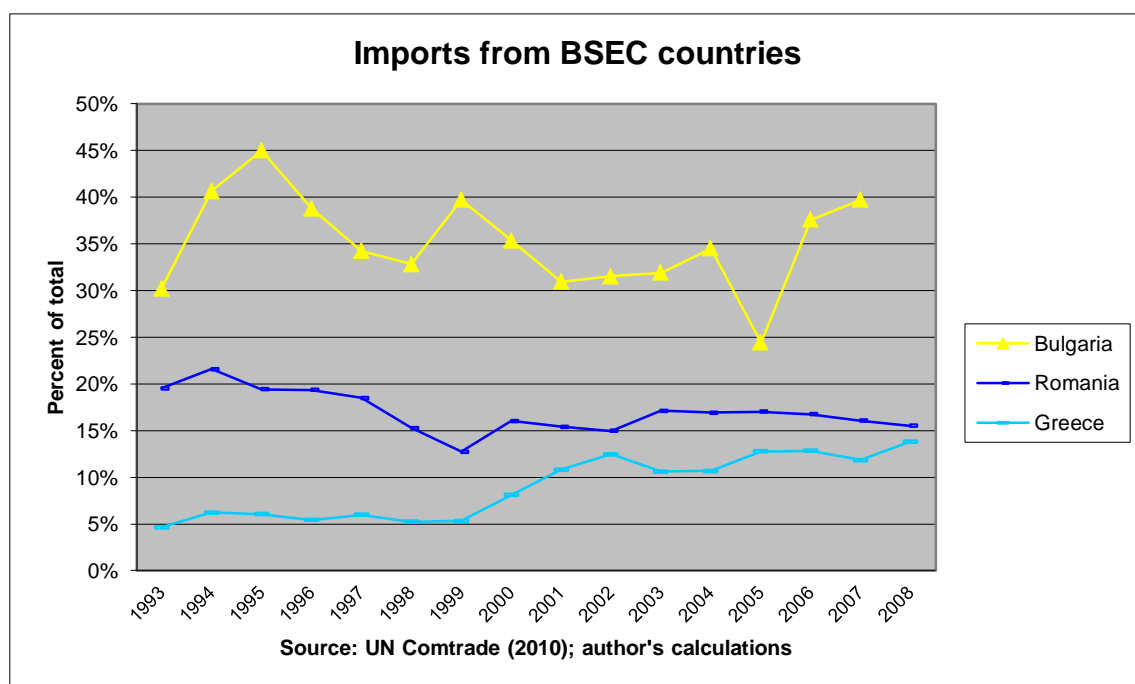


Figure 5.5 Imports from BSEC 10 in the period of 1993-2008 for Bulgaria, Romania and Greece

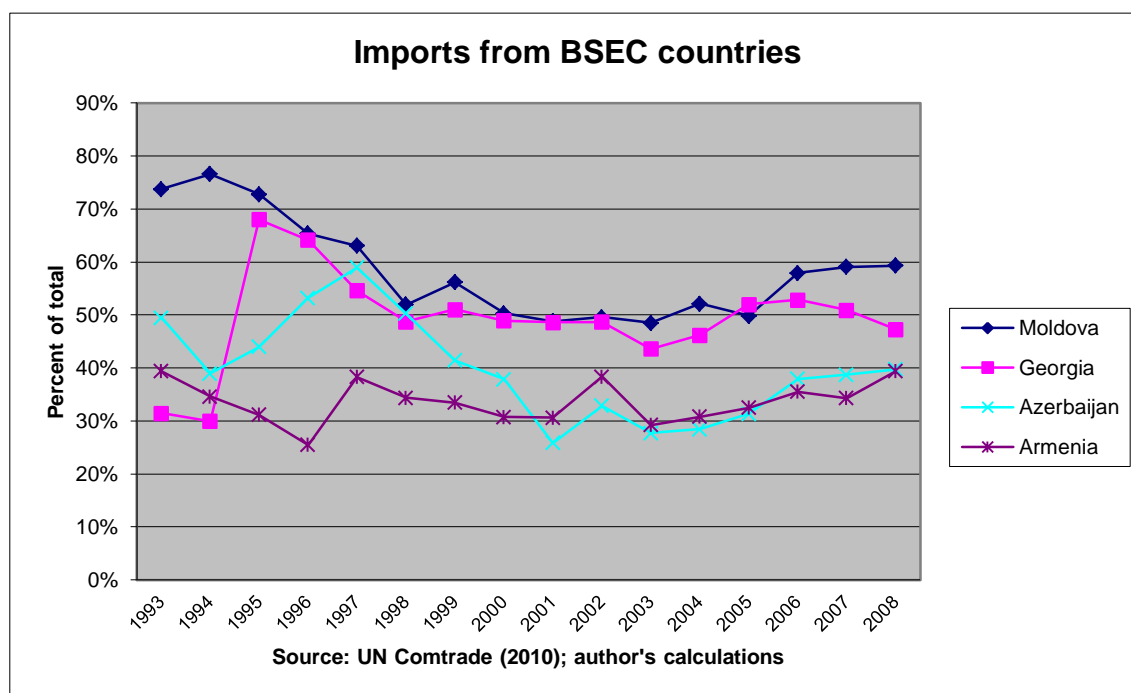


Figure 5.6 Imports from BSEC 10 in the period of 1993-2008 for Moldova, Georgia, Azerbaijan and Armenia

As Figure 5.6 indicates, the intra-regional import rates have decreased from 75 percent (in 1993) to 59 percent (in 2008), with Moldovan import value representing a considerable share of imports from BSEC countries. Conversely, the Russian import rate of between 4 and 9 percent during the period of 1993-2008 is the lowest (Figure 5.4). As Figure 5.4 reveals, in 2008, imports amounted to approximately 22 and 27 per cent for Turkey and Ukraine, respectively, and only 9 percent for Russia. As a measure of comparison, in 1993 the rates were 9, 8 and 4 percent for those three countries, respectively. Despite sluggish changes, the import rate for Armenia remained around 39 percent from 1993 to 2008 (Figure 5.6).

Interestingly, only two BSEC countries have consistently increased their imports from the BSEC region. Turkish imports grew approximately from 9 percent to 23 (Figure 5.4). With steady increases every year, except in 1995 with 1 percent of shrinkage, Turkish exports increased from 8 in 1993 to 18 percent in 2006 and afterwards. The other BSEC member whose import from the BSEC region has been constantly growing is Greece. In 1993, its imports were around 5 percent, growing to 14 percent in 2008, as Figure 5.5 reveals.

### 5.1.5 Intraregional trade variables

The foundation of the Turkish-Greek Economic Council, following the 2000 'Economic Cooperation Agreement' seemingly also indirectly contributed to the rate increase of the trade volume between these two BSEC countries, contributing to a 'steep rise of 47 percent [from 2002 to 2003]' (Öniş and Yılmaz 2008:131). According to the next table, Ukraine's BSEC trade

figures started to display a downward trend in 1994 (Figure 5.7). Conversely, for Greece, they have remained on a steady upward trend (Figure 5.8).

The objective here was to try and determine whether intra-BSEC transactions are on the rise compared to transactions with third parties, which would signify increased interdependency in macroeconomic terms. Based on a statistical analysis of the period from 1993 to 2008,<sup>28</sup> calculations reveal that there has been rather unsystematic growth or fluctuation contrary to the expected order of constant growth. In light of this evidence, it would seem that the institutionalisation processes in the wider Black Sea area, centred on BSEC, have not had a considerable influence on trade, in other words, any positive spillover effects upon intraregional trade.

The evidence suggests that unlike the major regional powers of BSEC, the smaller actors (e.g. Moldova and Georgia) traded with BSEC countries much more (Figure 5.9). This being said, the limited trade volume of the major states with BSEC countries has been steady, with some minor exceptions, throughout the period. Whereas, and these patterns are readily discernible, the trade volume for the nonmajor actors has been rather volatile and noticeably shifted their directions to the third parties outside the BSEC.

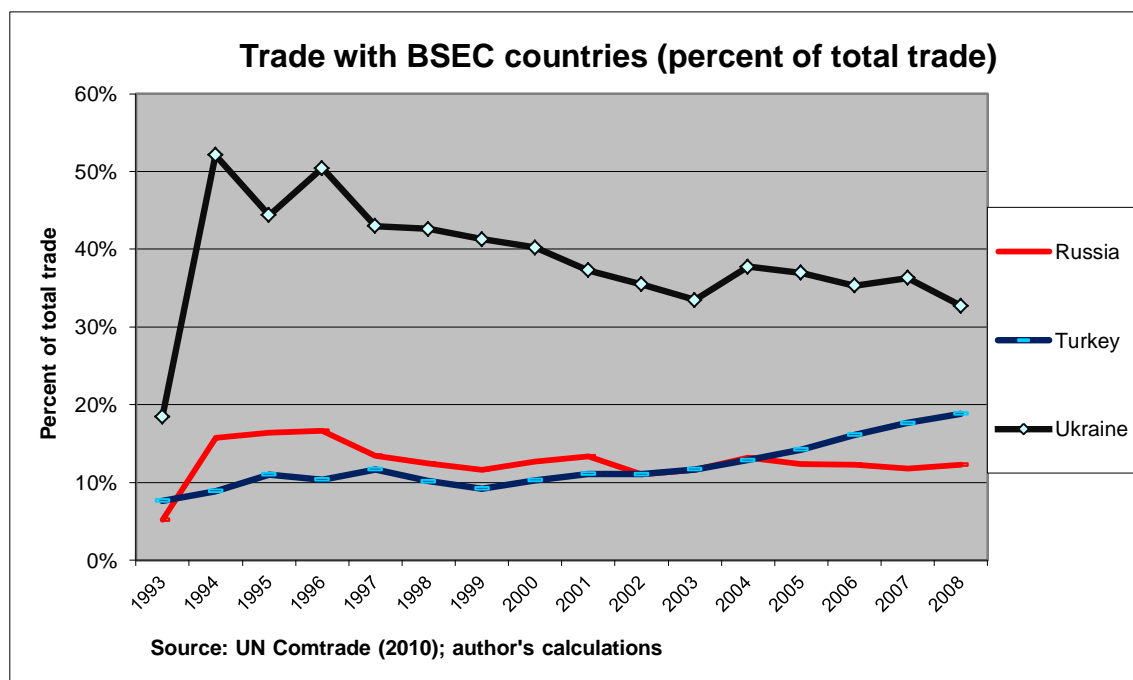


Figure 5.7 Trade with BSEC countries in the period of 1993-2008 for Russia, Turkey and Ukraine

<sup>28</sup> Limitations of data preclude a reliable analysis of prior and posterior periods. Some countries have also had centrally planned economies to a great extent before 1993 and are therefore omitted.

Figure 5.7 shows that Turkey has been increasing its trade with the BSEC, whereas Ukraine has been decreasing it down to the region of 30 percent. From a full-period perspective, Russia has kept its trade between 10 and 20 percent, yet we can see a fall of approximately by 5 percent as a whole (Figure 5.7).

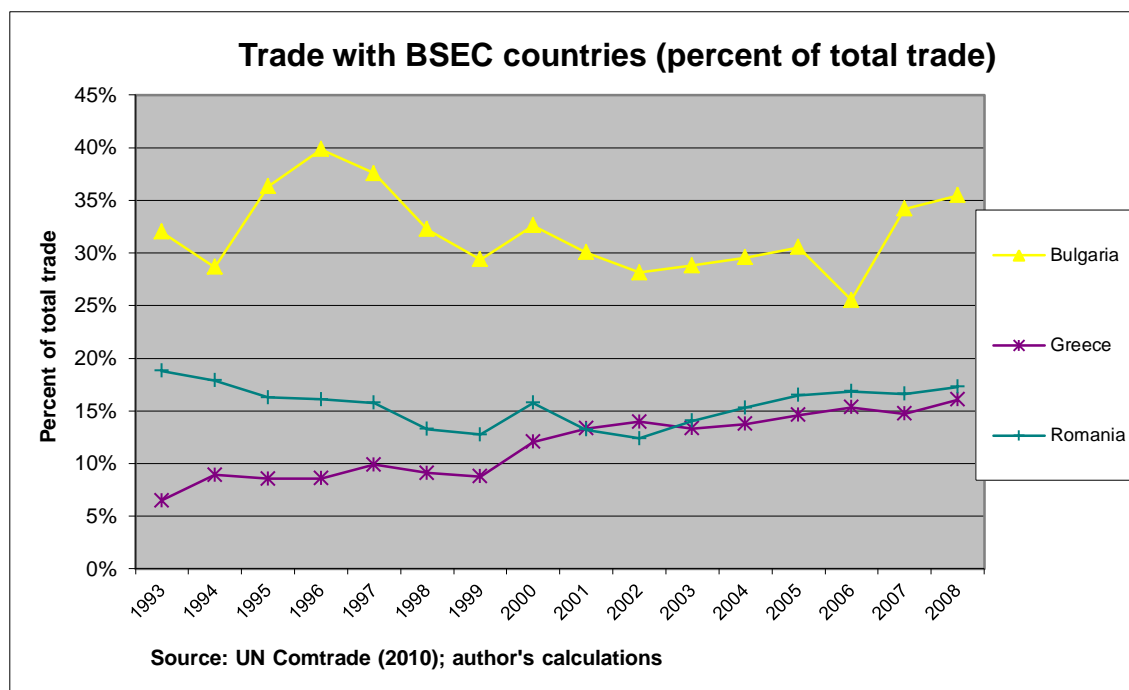


Figure 5.8 Trade with BSEC countries in the period of 1993-2008 for Bulgaria, Greece and Romania

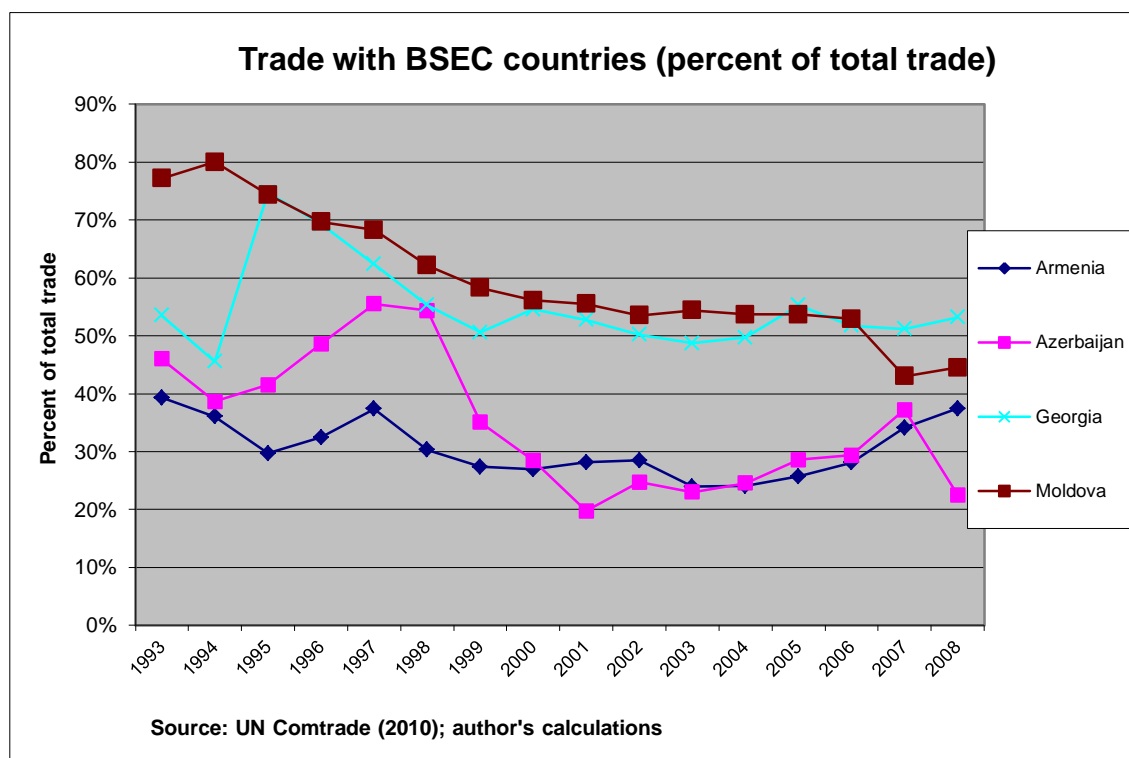
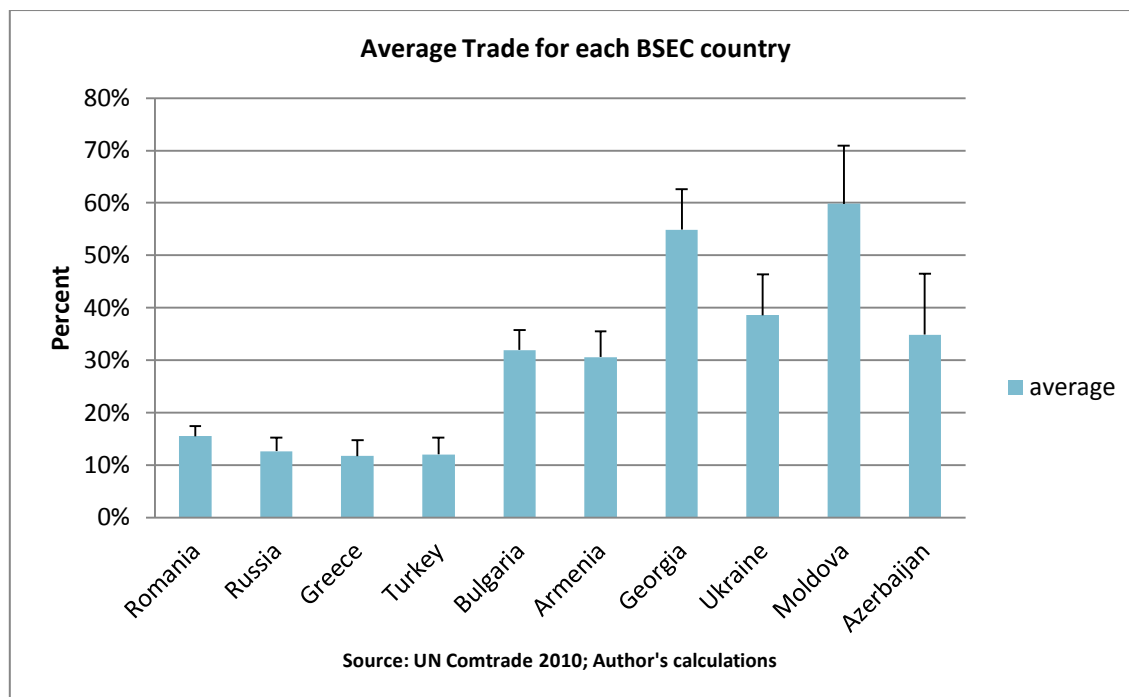


Figure 5.9 Trade with BSEC countries in the period of 1993-2008 for Armenia, Azerbaijan, Georgia and Moldova



### 5.1.6 Percentage of average trade with BSEC and standard deviation



**Figure 5.10 Average Trade Volumes for each BSEC country with error bars showing the value of one standard deviation**

One might rightly expect the intraregional trade level to increase from 1992 onward, as the countries decided to cooperate economically. However, as illustrated in Figure 5.10, the value of trade in the BSEC direction for Greece, Romania, Russia and Turkey remained steady during the period 1993-2008 at a minimum deviation rate, whereas for Azerbaijan, Moldova, Ukraine and Georgia it fluctuated to a larger extent. Observably, the mere fact that the countries were ostensibly cooperating under the umbrella of BSEC did not, even indirectly, dramatically affect their preference for intraregional trade. On the contrary, after 1992, and especially in the 1993-2008 period, no sharp growth or preference was recorded; instead the level of trade fluctuated to a considerable degree. The results show that although regional economic cooperation values are significant in particular flows of trade, figures do not indicate a deeper economic integration in the BSEC region.

The two best performers in terms of intraregional trade, Georgia and Moldova, traded on average 55 to 60 percent with BSEC countries from 1993 to 2008, respectively (Figure 5.10). Based on the performance by the rest of the BSEC countries, it could be argued that the important trade patterns of BSEC transcend the region. The analysis of the regional trade suggests that the actors' priority is rather trade with third parties, including the EU. In addition, the sensitivity of the national economies of Bulgaria, Greece and Romania to the policies originating in Brussels possibly creates a dilemma for those three BSEC countries.

The results of this analysis provide considerable evidence that trade with BSEC is not a priority for the majority of its member states. However the extent of their trade with BSEC is not uniform. Particularly striking is the tendency for Turkey and Russia, the initiators of the BSEC process, to conduct less commerce with the rest of the countries inside the BSEC's fences, which was not expected at the outset of this assessment.

#### **5.1.7 Variables in the context of the regionalisation**

The extent of trade regionalisation has not necessarily been the same for all BSEC countries and it is obviously not insignificant for all of the BSEC countries. As shown above, many of the individual BSEC states do engage in intraregional trade although there are no trade agreements at the BSEC level. If one considers the potential of the WBSA, intraregional trade is far from being developed to its full extent, and economic interdependence among BSEC nations has not increased significantly in the period since 1992. However, regardless of the inefficiency of the BSEC Organisation, the basic level of trade that exists – and has persisted across time – is an important element of regionalism.

The statistical analyses of trade give reasons to suggest that the Black Sea regionalism cannot be labelled as either 'trade regionalisation' or 'deep integration' (Telò 2001:90) although neighbouring countries are expected to be trading a lot (for geographical proximity reasons). However, despite the incentives provided by the formation of regional arrangements, and despite the new intermediary level between global and national levels providing favourable circumstances (Padoan 2001), the trade linkages of the major BSEC countries tend to be with the global economy rather than predominantly with their BSEC partners. Even the recent global economic crisis has not convinced the statespersons of the BSEC countries to resurrect and reinstate negotiations on the elaboration of the prospective Free Trade Agreement (FTA), even for limited commodities. According to one BSTDB official (Personal interview, 22 March 2010, Thessaloniki), Russia and Azerbaijan were observed boasting about their success, relative to other BSEC members, in the context of the current crisis. (From the previous international experiment, when during the crisis of 1982 the US had to quickly respond to the Mexican initiative and finally reached an agreement to inaugurate NAFTA, there is yet a possibility that the BSEC statespersons might one day decide on the FTAs in the WBSA.) Yet, there are no negotiations on the revival of the FTA process within BSEC and its fate remains uncertain. Neither strategic trade nor free trade policies have been implemented or even sketched out.

Interestingly, in the case of Greek-Turkish relationships during the period between 1973 and 2003, the 'serious political tensions ... harmed trade relations to some extent but [did] not fully block the trade flow' (Aksu 2004). The BSEC arrangement, then, provides a substantial example which demonstrates that a political-military relationship between trade partners is a considerable tool to assess the degree of cooperation (e.g. trade flows) between major, as well as non-major, powers. The case bolsters the arguments by Mansfield and Bronson (1997:191) that economic cooperation amongst political-military allies is more likely to be in-depth, in contrast to economic cooperation with their adversaries. They say that 'unlike trade relations among adversaries, states realise political benefits from the commercial gains of their allies. Open trade among allies is likely to enhance the participants' security, since the gains from trade accrue to states with common security goals and bolster the aggregate political-military power of the alliance' (1997:191). As Viner (1948) points out, also from the mercantilist point of view, one country's gain is another's loss, and this still seems applicable in the BSEC case. The volumes of flows across the intraregional borders also suggest that the level of mutual dependence of the BSEC countries is uneven. But it is improbable that the BSEC states will feel concerned about this as long as there is no obvious imbalance in favour of one particular BSEC country. If such an imbalance in favour of one single country at the expense of others were to occur, interstate trade within the region could decrease even further.

If the intraregional economic ties had been considerably stronger, they could eventually have played a stabilising role in the political relationships. Nevertheless, the average trade of approximately 30 percent is also a substantial amount. The divisiveness among the BSEC countries' regionalist views and the corollary failure to seal agreements that might create an atmosphere of genuine economic cooperation (i.e. for businesses) creates a sense of insecurity for firms, companies and ultimately for the nations themselves.

There is some pooling of sovereignty through intergovernmental negotiation at the institutional level, fuelled by political willingness and a determination to cooperate. The states fear any potential dependence on others, if there genuine cooperation were to take place. However, as Cable (1995:309) pointed out 'The alternative view is that dependence is also interdependence'. The genuinely joint cooperation in the Black Sea region that is still in the process of formation might also positively contribute to the rate of growth and social development. One assumption is that there is some fear that a deeper cooperation would necessitate continuous consultations in fields that, for many statespersons, fall within the realm of domestic policy or are exclusively internal affairs.

Figures also suggest that transactions, in particular trade, neither have increased nor decreased dramatically since the start of the BSEC process. The results reveal that interconnectedness through trade has not been dramatically increased, with the exclusion of Georgia and Moldova exclusion, since the beginning of the BSEC process. The analysis also helps to determine the potential 'sensitivity and vulnerability' (Keohane and Nye 1977:12) of the countries as a result of any possible dramatic changes in the region. Moreover, the calculations further reveal general economic tendencies and the level of interconnectedness regionwide.

The fact that the independent private sector is nascent in some of the former Communist countries of BSEC, and that they have not yet transformed their economy from central planning to market economy is an important factor contributing to these figures.

Instead of utilising its potential role in order to facilitate economic ties (i.e. trade) on the ground, which are already considerable regardless of the success of the organisation, BSEC has been regarded as a scene or forum to serve individual member states in the name of their national interests and sovereignty (and to keep the deals at the bilateral levels). The agendas originating (directly or indirectly) from antagonisms and traditional security issues tend to be more important to the countries than participating economically on the BSEC scale for the economic benefit of the region as a whole.

States definitely have the ability to make use of potential trade policies in order to influence the growth of trade flows. And the states did have the opportunity to do so in the case of long-standing BSEC agenda items on free trade agreement – the BSEC Permit is the most recent example. The findings tally with the understanding that there is the lack of will by the statespersons what could be the main hindrance to proceed further and reach a decision on these outstanding, if not outdated issues, which would act as a promoter of the intraregional trade.

From the liberal institutionalist viewpoint, it seems irrational for states to favour conflict over cooperation, if their economies are interdependent. However, only a limited percentage of the ten BSEC countries' foreign trade is carried out with other BSEC member states and they do not seem to be committed to their neighbourhood.

Whatever cosmetic actions BSEC may have prompted, it does not seem to have been successful in making a 'region state' (Ohmae 2003). In the present febrile state of Black Sea regionalisation, it is difficult to prognosticate the economic block by the BSEC members against

the third countries outside of the BSEC umbrella. Moreover, not even the smallest amalgamation of member countries in economic terms, not to mention political ones, was reached within the BSEC framework. The traditional protectionist barriers seeking to defend the individual economies of BSEC states from the rigours of external competition were not established at the intraregional level. Instead, even the negotiations over a potential FTA have constantly been prolonged if not altogether driven to failure, as predicted by one interviewee (Personal interview, 02 October 2009, Bucharest), going against the principles that pure (market-driven) economic logic would dictate. This example of BSEC also underscores the argument by Mistry (2000) which contends that, despite well-known potential economic benefits to members of a regional arrangement, the problem is that the developed industrial countries will gain more than the rest of the participants of a regional arrangement and therefore genuine integration is less beneficial for the smaller members. These relative gains issues should be taken into consideration seriously.

Many analysts including Doidge (2011:5) pointed out that regionalism among developing countries emerged as a response to the European example of protectionist development strategies. However, the BSEC is not perceived as a bulwark against either globalisation or the hegemony of any global power, as the foremost feature of the BSEC project is that it is an open regionalisation, and is certainly not a closed/introverted or protectionist group of allies. Even the obstacles to trade within the BSEC group itself have not been eliminated, not to mention the (tariff) barriers between BSEC countries and third parties in the rest of the world. They have failed to finalise even a Free Trade Agreement, which would have constituted a basis for cooperation and ultimately integration in the WBSA. A tentative action plan was drafted but never made it to the final decision-making process that would have enabled it to be channelled into the higher level within the BSEC organisation. Thus, it could be argued that BSEC is not an EU-like block, nor does it resemble the Union in economic terms. In sum, the integration process of the EU member states has not provoked any kind of defensive or introverted regionalism in the wider Black Sea area.

#### **5.1.8 Bilateral trade between the BSEC countries**

The trade volumes between the BSEC states will not only provide quantitative analysis of the Black Sea regionalisation but also indicate the regional trade dependency. In the earlier section, an overview of the intraregional trade shares was provided for each of the BSEC country as a percentage of their total world trade. It revealed that the BSEC region does not have a greater share of intraregional trade for its participating countries. In other words, the BSEC region is not a high value for all its member-states, especially for the key countries. The

level of trade dependency varies to a great extent. But in this section, the aim is to demonstrate the value of trade between the BSEC member states. This particular analysis on the absolute levels would tell us about the nature of bilateral relationship of the BSEC states. It would be especially interesting to find out the absolute levels of trade between the specific states that are apparently unable to build bilateral cooperation (i.e. Turkey-Armenia, Armenia-Georgia) or to improve it (i.e. Georgia-Russia). The illustration of bilateral trade in absolute levels between the BSEC countries would be interesting to find out the nature of trade flows in order to find out whether the actual trade between them is declining or not.

It should be made crystal clear the Black Sea region as a whole has no trade liberalisation mechanism neither at the BSEC nor the EU level. The situation is as follows: Bulgaria, Romania and Greece are the EU members. The EU candidate country Turkey has been implementing Common Customs Tariff and preferential tariff policies with the EU. The recent WTO membership of Russia is expected to open up new opportunities for both the EU and Russia. Following the adoption of the Eastern Partnership, Moldova and Georgia have been negotiating a deep and comprehensive FTA (DCFTA) with the EU. Armenia, Azerbaijan, Georgia are also entitled to EU's Generalised System of Preferences (GSP) which should allow them access to EU markets and lower duties on some of the goods they export to the Union. In other words, there has been no special scheme agreed to facilitate cross-border trade in the BSEC region. Although there have been some intentions in the past to have a free trade area (FTA) in the BSEC region, this initiative did not successfully progress. Following the declaration of BSEC countries about their intention to establish a BSEC Free Trade Area, the Turkish government proposed to introduce mechanisms for the reduction and ultimate elimination of non-tariff barriers on trade which was discussed in the Working Group on Trade and Economic Development. The 1998 Yalta Summit Declaration (5 June 1998) also reiterated the 'political will to gradually establish a BSEC Free Trade Area as a long-term objective and to elaborate a Plan of Action of a staged process to that end'. Even the Parliamentary Assembly of BSEC (PABSEC) has shown its support for this process (PABSEC Recommendation 23/1997). However, the issue still remains one of the longstanding open-ended issues as the countries tend to deal with trade at the bilateral level. Nevertheless, it would still be useful to find out whether there has been any 'positive side-affect' for Black Sea regionalisation from 1993 and onwards by looking into the changes of trade flows bilaterally.

The rate and types of trade flows between the adversary states support the argument of this thesis that there is complex regionalisation going on in the BSEC region i.e. there is both tension but also cooperation (in trade) at the same time. Especially the available data reported

by Armenia and Azerbaijan, also Armenia and Turkey, where it would be hard to predict any trade, is a symptom of an interesting case. The point is that the reports of the Turkish government of the trade volumes with Armenia dramatically vary from the trade volumes reported by the government of Armenia with Turkey. The statistical data reported by the governments of Turkey and Armenia vary dramatically. Although Turkey reports very insignificant trade with Armenia in a few instances between 1993 and 2010, the trade reports by Armenia suggest otherwise. In sum, it is relevant to point out that the countries' statistics contradict each other. The contradiction is too big in the case of the individual reports provided by the BSEC countries on their trade with the countries they are in conflict with. Perhaps this fact speaks for itself that there is no formal or factual basis to assume that there is a considerable level of interaction between the conflicting BSEC countries. The author is unfortunately not able to verify whether the trade is actually underreported or not. Following the overview of the bilateral trade between the countries with confluctual relationships it will also look at the bilateral trade of other BSEC countries as they seem to have substantial trade transactions between themselves. It should be mentioned here that the BSEC countries have not agreed any format to report their statistics to the BSEC institutions nor they report any of their relevant statistics although the name of the BSEC suggest that it is an organisation for economic cooperation. This nuance perhaps speaks for itself that there is not even a commonly agreed facilitation mechanism for the exchange of basic statistics between the BSEC countries. The following parts of this section will first focus on the bilateral trade between the adversaries. Then, bilateral trade flows between key countries e.g. Russia-Turkey, Turkey-Ukraine will be looked at based on their individual reports. Finally, bilateral trade between the EU countries (i.e. Greece, Bulgaria and Romania) and the key countries (i.e. Russia, Turkey and Ukraine) will be considered. *(Date has been retrieved from two sources: Direction of Trade Statistics, created by International Monetary Fund, published by Economic and Social Data Service International (IMF 2012) as well as United Nations Commodity Trade Statistics Database (UN Comtrade 2010). In the Tables, Oil means mineral fuels, oils & product of their distillation, etc. Exp. is an abbreviation for Exports. Imp. is an abbreviation for Imports.)*

#### **5.1.8.1 Bilateral trade between the adversaries**

Let us focus on the bilateral trade between the adversary BSEC states as illustrated in the Tables 6 and 7 (Appendix XV). From 1993 to 1995, Azerbaijan made no report available for Armenia and reported zero trade onwards. However, according to the report by Armenia, which contradicts the report by Azerbaijan, the only years in which exports occurred from Armenia to Azerbaijan were in 1993 (the amount of 48.200 USD only) and in 2005 (the amount

of 232 USD only). When we look at the import figures from Azerbaijan to Armenia, as reported by Armenia, import constituted 62.700 USD in 1997 and 1.500 in 1998. There was no trade reported by Armenia (or by Azerbaijan) until 2003 and its was for the amount of 13.400 USD in that year. In the two following years of 2004 and 2005 a very low level of imports was reported by Armenia from Azerbaijan, which constituted the amount of 499 and 1.602 USD, respectively.

Although the Turkish and Armenian border has remained closed since 1993 following the occupation of Kalbajar district of Azerbaijan by the Republic of Armenia, the air corridor has been operating since its opening on April 1991 and there are charter flights operating 3 days in a week between Turkey and Armenia. Trade between Armenia and Turkey does not appear to have been discontinued. The commodities trade statistics provided by the United Nations Commodity Trade Statistics Database (UN Comtrade 2011) and the World Bank (2011) interestingly suggest that commercial relations between these two countries have been maintained in indirect ways (most probably via Georgia and Iran in addition to the airways).

According to Armenian reports the exports from Armenia to Turkey surged steadily and dramatically, in other words almost 25 times, between 1993 and 1997 from 286.500 USD to 7.152.700 USD (Table 6, Appendix XV). However, the levels of exports decreased at the same pace after 1997 and reached the very low level of 1.128.500 USD in 1999 and remained in that region (with small volatility) in the following five years. Starting from 2004 exports from Armenia to Turkey experienced an increase until 2007 and reached the amount of 3.032.990 USD. From 2007 onwards, the trend started to decline again and reached low levels, as experienced during 1994-2004, by 2012.

On the other hand, according to Turkish reports, there were no imports from Armenia by 2005, with the exception of 26.050 USD in 1996 (Table 14, Appendix XV). From 2005, Turkish reports demonstrate imports of 391.535 USD starting in 2005 from Armenia. In the following years of 2006 and 2007, the import volumes amounted to 40.874 and 56.872 USD. Since 2008, the level of imports remained more than one million USD and even reached the amount of 2.626.280 in 2010, according to the Turkish reports.

Turkish reports on exports to Armenia contradict the Armenian reports. In 1993, Turkish exports to Armenia amounted to 4,1 million USD, in 1996 to 78530, in 2009 to 2116, and finally in 2010 to 15685 USD. However, according to the Armenian reports, there have always been imports from Turkey on an increasing basis, with a particular increase of six times witnessed from 2004 to 2008. In 2008, imports amounted to 268 million USD. Obviously, whereas



imports amounted to only 45,800 USD in 1993, in 2008 the growth witnessed was dramatical - as high as a 6000 times increase. However, in the following year of 2009 the volumes declined by approximately 34 percent i.e. 178 million USD. In 2010, there has been a slight improvement as the volume reached 210 million or 18 percent. The trend was volatile during different periods. Namely, between the years of 1993 and 1996 the volume of imports was at a low level. From 1996 to 1998, the level of imports grew almost ten times. From 1999 the levels decreased down to the region of 40 million USD and remained in that region in 2004. In 2010, the level of trade also increased back to the amount of 210 million USD.

According to the Russian reports, starting from 2000 Russian exports to Georgia gradually increased until 2008, and then volumes sharply decreased in 2009, probably because of the war in August in South Ossetia, from approximately 626 million USD down to 338 million (Table 13, Appendix XV). However before the war, the volume of trade increased more than ten times from the amount of 56 million in 1994 up to the highest level of 626 million in 2008. In 2010, the exports increased only about 20 percent and reached around 409 million.

Russian import volumes from Georgia have been sharply volatile for the given period from 1994 to 2010. The trends between 1994-2001 and 2001-2010 were repeated. Starting from 1994 to 1997, imports from Georgia increased significantly, in particular in 1996-1997, and amounted to 150 million USD in contrast to the amount of 52 million in 1994. From 1997 to 1999, the volumes of imports from Georgia fall significantly to 50 million USD, which is even below the amount witnessed in 1994. Starting from 1999 the import levels from Georgia reached its highest level ever to the amount of 157 million USD in 2005. In 2006, imports started to decline again by 2009 to the amount of 50 million. In 2010, improvement has been observed as the import level doubled to 106 million.

The volumes of Georgian exports to Russia, according to the Georgian reports (Table 9, Appendix XV), remained volatile from 1993-2002 and fluctuated between 100 million in 1993 and 45 million in 1999. From 2002 to 2005 there has been steady growth i.e. 2,5 times as the amount reached 154 million USD. From 2006 to 2009 a dramatic decrease has been observed as the volumes dropped as much as ten times down to 18 million. In 2010, some degree of recovery has been witnessed at the amount doubled and reached 34 million USD.

Georgia's imports from Russia, according to the report by Georgia, showed an increasing trend till 2007, with the exception of a slight decline in 1996-1999 (Table 9, Appendix XV). From 2007, the import levels dramatically fell from 577 million to 289 million USD in 2009, and remained in that region in the following year of 2010.

#### *5.1.8.2 Bilateral trade between the key BSEC countries*

Following the overview of the bilateral trade between the countries with confluctual relationships let is now look at the bilateral trade between Russia, Turkey and Ukraine which are the three major contributors to the BSEC, namely to the secretariat (Interview with Ambassador Chrysanthopoulos, Secretary General, 29 July 2009, Istanbul). The trade interaction between these sort of countries of BSEC constitute a factual basis to argue that the Black Sea regionalisation has gained foothold at least in the BSEC countries not having conflicts between each other. When we look at their trade statistics it is clear that in the most of the cases their trade has been influenced by the recent global financial crisis which lets us assume that their markets are much more open and integrated with the world market. The rest of this section will now provide an overview of that.

Let us start with the two main BSEC states. According to Turkish reports (Table 14, Appendix XV), its exports to Russia and Ukraine mainly followed a sharply upward trend till 2008. After 2008, export figures declined very sharply i.e. almost two times approximately from 6 billion to the amount of 3 billion in the case of Russia, and from 2 billion to 1 billion in the case of Ukraine. However, since 2009 some recovery has been observed.

Turkish imports from Russia ranged between 1,5-3 billion USD in 1990s (Table 14, Appendix XV). Starting from 2000 till 2008, imports have surged dramatically and reached 31 billion USD, i.e. reached 30 billion, which constitutes ten times increase. Similar to the export figures, imports also declined in 2009 down to 20 billion USD. However, in 2010 some slight improvement has been witnessed.

According to Turkish reports (Table 14, Appendix XV), in the case of Turkish imports from Ukraine, from 1993-2001 with small fluctuations import volumes increased from 470 million USD to 750 million USD. 2001-2008 year also showcases dramatic increases i.e. 750 million to 6 billion USD. In 2009, sharp decline has been observed, but in 2010 some progress has been observed.

The Russian government reports that its export volumes to Turkey have been constantly increasing from 1 billion 1993 to 24 billion USD in 2008 (Table 13, Appendix XV). However, a sharp fall was observed in 2010, reaching 10 billion USD with a small recovery of 13 billion in 2010. Russian imports from Turkey have also been gradually increasing by 2008 except some fluctuations in 1994 and 1999. From 661 million in 1993, it rose up to 6 billion in 2008. In 2009, the figures declined by two times and reached approximately 3 billion although it recovered in 2010 reaching nearly 5 billion.

The first Russian report on its exports to Ukraine dates back to 1994 and constituted 6,7 billion (Table 13, Appendix XV). The same level of transactions continued till 1997. With the exception of a slight decrease seen in 1998 and 1999, the export trend gained speed from nearly 5 billion in 2001 to 23,3 billion in 2008. In 2009, a dramatic level of fall has been seen, declining to 9,7 billion. Some recovery was reported in reaching nearly 14 billion USD in 2010.

The first report by Russia on its imports from Ukraine was delivered in 1994 which amounted 4,4 billion USD (Table 13, Appendix XV). With the exception of 1995 where the amount reached 6,6 billion, the trend went downwards and hit the region of 2,5 billion USD. With the exception of 1999-2002, the trend went upwards and reached the amount of 16,2 billion in 2008. In 2009, a sharp decrease is seen reaching nearly 9 billion USD. In 2012, some recovery brought the volumes to 14 billion USD.

As reported by Ukraine (Table 15, Appendix XV), its exports to Turkey started with 430 million in 1993. Overlooking small fluctuations in 1994 and 2003, the trend went upward steadily by 2006, suddenly reaching 4,6 billion USD by 2008. As seen in many other instances, a sharp fall is observed in 2009 reaching 2,1 billion with a small recovery in 2010 reaching approximately 3 billion USD.

Ukrainian imports from Turkey, according to the reports by the former (Table 15, Appendix XV), started with 41 million in 1993. In 1994, it goes down to approximately 8,2 million. In 1995, the volumes increased dramatically reaching 171 million USD and roughly remained in that region. From 2001 onwards, the trend always increased by 2008 and reached nearly 2 billion USD. Ukrainian imports constituted 952 million in 2009 and 1,3 billion in 2010.

Ukraine reported that its exports to Russia constituted approximately 3,8 billion USD in 1994 and reached nearly 6 billion in 1995 (Table 15, Appendix XV). In 1999, export volumes dropped, reaching 2,4 billion in 1999. But then, with the exception of 2002, the trend went upwards and reached 15 billion in 2008. With the sharp decrease in 2009 (8,5 billion), the volume remained 13 billion in 2010.

Ukrainian imports from Russia started in 1994 with the amount of almost 6 billion USD (Table 15, Appendix XV). Then the trend went upwards and reached 8,8 billion in 1996. Thence, the table also points to a decline in 1999 reaching 5,6 billion USD. The figures then steadily but increasingly went up to 19 billion in 2008. With the exception of the year 2009, when the amount fell to approximately 13 billion, Ukrainian import level from Russia constituted more than 22 billion in 2010.

### *5.1.8.3 Greek, Bulgarian and Romanian trade with Russia, Turkey and Ukraine*

In the case of the Turkish-Greek trade relationships, despite their problematic past, the situation is very striking and very different from other countries with conflicts. According to Turkish reports (Table 14, Appendix XV), whereas its exports to Greece comprised 118 million USD in 1993, the figures constantly increased almost twenty times and reached 2,5 billion in 2008, with a particular rise in the last three years (2005-2008). However, since 2009 volumes have been decreasing, but still remained above 1,5 billion USD in 2010. With the exception of some fluctuation, the same incremental growth has been also seen with regard to the imports from Greece, according to the Turkish reports. Whereas imports comprised 121 million USD in 1993, it grew as high as 1,5 billion in 2010, according to the reports by Turkey.

According to the Greek reports (Table 10, Appendix XV), its exports to Turkey have also been incrementally increasing although with some slight fluctuation. In 1993, exports comprised 148 million USD, then grew to the region of 1,1 billion. The level of imports to Greece from Turkey gradually grew from 1993 to 2008, particularly from 2005-2008. Since 2009 import figures started to decline but were still above 1,5 billion USD.

According to Greek reports (Table 10, Appendix XV), its exports to Russia grew from 1993 to 1997. From 1997 to 1999 they decreased. From 2000 onward there was a gradual improvement and from 2005-2008 dramatic improvement was observed. In 2009 a sharp fall was witnessed, declining to 329 million USD, and then some small recovery e.g. 40 million was seen. Greek imports from Russia, in the years of 1993-1999, remained in the region of 568 million. From 1999 the trend explicates sharply and speedy growth by 2008 when the volume reached 7 billion USD. Perhaps because of the global recession, the figure declined sharply to the amount of 4 billion USD. In 2010, some 6 billion import was seen.

Greece reported that its exports to Ukraine from 1993-1996 increased from 31 million up to 140 million. Starting from 1996 to 2000, the volumes fall dramatically down to the amount of 38 million USD. Since 2001 the export trends started to increase with small fluctuations in 2002-2004 and then continued to surge gradually till 2008. In 2009, the level dropped from 142 million to 83 million USD and nearly remained the same in 2010 (Table 10, Appendix XV).

Greek imports from Ukraine only grew steadily in the years between 1993 and 2008. In other words, the figures showcase an impressive array of trade flow from Ukraine to Greece. Whereas the imports comprised 32 million USD in 1993, it reached 748 million in 2008. By 2010, import levels dramatically fall down to 262 million USD in 2010 (Table 10, Appendix XV).

According to the Bulgarian reports (Table 8, Appendix XV), its exports to Greece were gradually increasing from 1993 (179 million USD) to 2002 (520 million USD) and sharply grew onwards by 2008 (2,2 billion USD). As we observed in many other bilateral trade relationships, Bulgarian exports to Greece also sharply fall in 2009 (1,5 billion USD), perhaps as a result of the economic slowdown all over the world due to the financial crisis. Again, in 2010 some recovery has been observed i.e. 1,6 billion.

With regard to Bulgarian imports from Greece (Table 8, Appendix XV), the former reports that its imports constituted 330 million USD in 1993 and 497 million USD in 1994. Then, the figures illustrate gradual shrinkage down to 191 million USD in 1997. Starting from 1998, imports from Greece show constant growth until 2008, with a special emphasis from 2005. As in the other cases, the figures dropped sharply from nearly 2 billion in 2008 to 1,4 billion in 2009. In 2010, there was a small improvement (e.g. 1,5 billion USD) was seen.

Bulgaria reports that its exports to Russia increased from 150 million USD in 1993 to 536 million USD in the following two years (Table 8, Appendix XV). From 1996, the figures dropped to the amount of 91 million in 2002. Between 2002-2008, especially from 2006, constant growth was seen and the amount reached 612 million. Bulgarian import figures from Russia, as Bulgaria reports, exemplified dramatic fluctuation. Especially, from 500 million (in 2006) to 6,5 billion (in 2008).

According to Bulgarian reports, its exports to Turkey were increasing on a constant basis, from 177 million USD in 1994 to 2,1 billion USD in 2007, with a particular improvement from 2001. From 2007, which coincides with the full EU membership of Bulgaria, to 2009 export volumes dropped down to 1,1 billion USD, in other words, almost two times. Its imports from Turkey also increased from 147 million USD in 1994 to nearly 2 billion in 2008, especial growth was observed from 2002 onwards. In 2009, figures drop 40 percent (Table 8, Appendix XV).

As the table demonstrates, the export figures from Bulgaria to Armenia increased dramatically from 1993 to 1996, according to the reports of Bulgaria. Whereas the export volume was approximately 149 thousand in 1993, in 1996 the amount increased up to 20 million USD (Table 8, Appendix XV). However, according to the statistical data reported by Armenia (Table 6, Appendix XV), its imports were 164 thousand USD in 1993 and 14 million in 1996. *(Obviously, there is discrepancy between the data reported for the same flows by two BSEC countries.)* After 1996, the upsurging trend changed and started to decrease significantly till 1999 to the amount of 6 million and remained in that region by the year of 2008. From 2002,

the export from Bulgaria to Armenia started to increase gradually and reached 22 million by the year of 2007 and continued in that level by 2010 when it reached 25 million USD.

According to Romanian reports (Table 12, Appendix XV), as shown in Table 12 Appendix XV, both imports and export with Russia have been increasingly rising until 2008. Its imports from Russia constituted 764 million USD in 1993 and 5 billion in 2008. Its exports from Russia were 220 million USD in 1993 and 897 million USD in 2008. In 2010 its exports to Russia for the first time ever reached 1 billion in 2010, whereas its imports from Russia were 2,7 billion USD in 2010.

According to Romanian reports (Table 12, Appendix XV), its imports from Turkey increased at a slow pace from 147 million USD in 1993 to 270 million USD in 2000. Starting from 2000, the volume rose sharply by 4 billion in 2008. In 2010 the figures fall reaching 2,2 billion. Romanian exports to Turkey also slowly increased from the amount of 277 million USD in 1993 to 450 million USD in 2001. From 2002 to 2008 there was dramatic improvement as the level reached 3,2 billion USD. Although it dropped down to 2 billion in 2009, it grew again up to 3,2 billion USD in 2010 (Table 12, Appendix XV).

#### **5.1.9 Oil shares of the bilateral BSEC trade**

The one concern could be that the empirical analysis of bilateral trade between the BSEC countries could have been considerably distorted by oil, namely mineral fuels, oils and product of their distillation etc. However, according to the available data (Appendix XVI), it appears that not all of the trade is distorted by oil and oil products. Oil constitutes the main commodity for trade only in the case of a few BSEC countries. For example, when we look at Table 7 (Appendix XV) for Azerbaijan, predictably, the oil proportion of total export equals approximately to 70 percent. Only its export to Moldova (20 percent) and Russia (14 percent) constitutes lesser oil products. Interestingly, the portion of oil commodities in the Russian exports to Bulgaria (62 percent) and Romania (57 percent) constitutes less than 50 percent (Appendix XVI). The oil shares of Turkish exports equals to less than 8 percent, apart from its export to Georgia where these shares approximately equals to 7.7 percent. As the table illustrates, Ukrainian reports suggest that only its export to Romania (23 percent) and Moldova (21 percent) is high though not enough to distort the picture of the intraregional trade (Appendix XVI). Whereas, the 85 percent of the Romanian and 67 percent of the Bulgarian export to Georgia constituted oil (Appendix XVI). Moldovan export figures are the lowest for their oil shares. Only 4 percent, which represents a large gap, of this country's export to Bulgaria comprises oil or oil products. In sum, it should be noted that the share of oil products

is not that much for many countries to distort the intraregional export flows. For the actual values of the rest of the countries where the extent of oil distortion is relatively lower are illustrated in the tables (See Appendix XVI). Consequently, the above discussed confirms the notion that the trade has not been distorted by energy to a considerable extent for all BSEC countries.

## 5.2 Further quantitative assessment of the regionalisation

Following the overview of the intraregional trade in the previous section, this section is now going to examine the national statistics on the GDP per capita<sup>29</sup> in an attempt to find out whether there has been any interdependence or correlation among the countries that would serve as an indicator of regional bonds (Belitski 2006). The tables will illustrate the GDP per capita of ten BSEC countries from 1993 to 2008. Obviously, Greece possesses the highest numbers in comparison with the rest of the BSEC countries. In 2008, the figures for Greece were in the region of 31601 US dollars, whereas for Moldova they were around 1694 US dollars. Seemingly, there is a high discrepancy and the highest figures differ from the lowest by as much as approximately 18 times. Only Russia's and Turkey's GDP per capita figures differ to a lesser extent, yet they still vary by as much as approximately 3 times. The calculated totals of the GDP per capita give a general picture of the individual countries' general direction.

### 5.2.1 GDP per capita<sup>30</sup> of BSEC 10 (US Dollars)

Table 5.2 GDP per capita indicators for Ukraine, Turkey, Russia, Romania and Moldova in the period of 1993-2008

	UKRAINE	TURKEY	RUSSIA	ROMANIA	MOLDOVA
<b>1993</b>	573.43	4355.54	1236.99	1148.33	250
<b>1994</b>	711.07	3084.9	1864.66	1318.07	320.86
<b>1995</b>	727.74	3956.33	2116.48	1564.17	331.57
<b>1996</b>	884.86	4170.29	2641.77	1565.73	391.04
<b>1997</b>	1003.5	4390.33	2749.12	1572.81	446.5
<b>1998</b>	845.53	4560.44	1852.62	1886.62	464.17
<b>1999</b>	642.76	4169.85	1345.52	1602.02	321.1
<b>2000</b>	642.41	4245.23	1793.52	1688.29	353.46
<b>2001</b>	787.9	3064.25	2095.58	1843.04	407.43
<b>2002</b>	886.46	3581.58	2379.38	2095.93	458.1
<b>2003</b>	1056.72	4602.83	2975.37	2719.52	547.54

<sup>29</sup> GDP per capita (GDP/population) inflation-corrected or considering inflation.

<sup>30</sup> Considering the Gross domestic product, current prices (Units: U.S. dollars) (Scale: Billions) (Code: NGDPD), and the population

<b>2004</b>	1377.53	5862.22	4104.73	3478.29	720.27
<b>2005</b>	1842.54	7108.45	5325.83	4567.24	830
<b>2006</b>	2324.32	7766.97	6928.77	5670.13	949.3
<b>2007</b>	3099.89	9422.08	9100.21	7912.12	1228.99
<b>2008</b>	3925.79	10484.19	11690.2	9508.12	1694.65

**Table 5.3GDP per capita indicators for Greece, Georgia, Bulgaria, Azerbaijan and Armenia in the period of 1993-2008**

	<b>GREECE</b>	<b>GEORGIA</b>	<b>BULGARIA</b>	<b>AZERBAIJAN</b>	<b>ARMENIA</b>
1993	9802.06	N/A	525.82	179.05	225.68
1994	10383.28	159.59	933.99	297.22	173.46
1995	12077.87	374.24	1579.61	314.51	350.68
1996	12676.56	610.18	1203.77	409.25	444.97
1997	12311.85	726.04	1270.03	505.61	467.08
1998	12323.39	744.55	1584.82	540.88	551.28
1999	12639.06	583.47	1608.65	571.48	549.27
2000	11661.85	641.1	1546.01	647.87	593.6
2001	11950.43	683.95	1723.36	693.22	658.99
2002	13446.36	733.42	1988.27	748.8	739.73
2003	17692.59	872.95	2561.85	863.83	874.18
2004	20922.12	1134.32	3175.88	1019.25	1112.94
2005	21997.29	1435.83	3522.22	1537.79	1522.68
2006	23835.39	1761.05	4122.54	2414.95	1981.99
2007	27930.44	2346.03	5301.74	3759.37	2852.8
2008	31601.69	2988.16	6560.27	5212.77	3684.91

Source: International Financial Statistics, the Economic and Social Data Service (ESDS) 2010.



## 5.2.2 Incremental change of GDP per capita: graphic illustration<sup>31</sup>

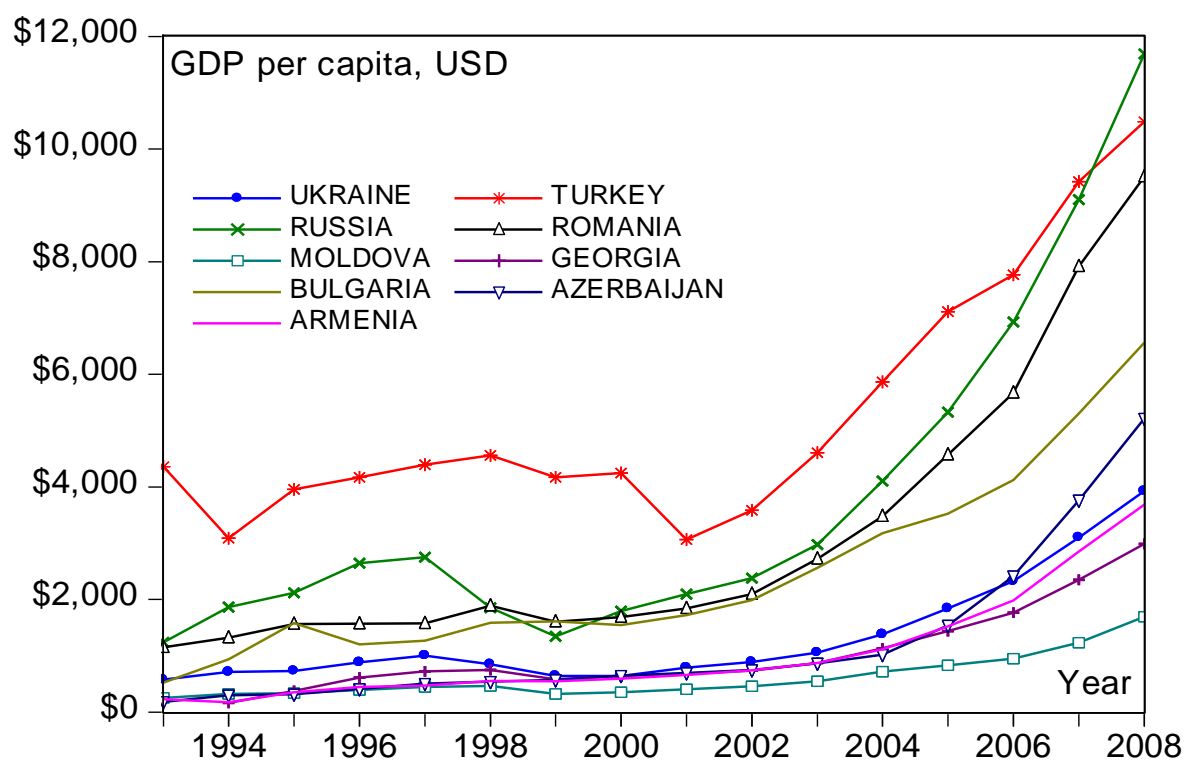


Figure 5.11 GDP per capita for Turkey, Russia, Romania, Bulgaria, Azerbaijan, Ukraine, Armenia, Georgia and Moldova in the period of 1993-2008

## 5.2.3 Applying the correlation matrix

Now, let's look at whether, and if so how, the GDP per capita data of the ten BSEC countries are related and important to each other in terms of a GDP per capita correlation (see: correlation matrix table). The information given by a correlation coefficient suffices to establish the variables of dependence among the BSEC 10, drawing on the harmony of the change in the given statistics (Aldrich 1995). The closer the coefficients of two countries are to '1', the more related these countries to each other in terms of GDP per capita in comparison to those moving away from '1'.

Table 5.4 Table for Correlation Indicators for BSEC 10

	UKR	TUR	RUS	ROM	MOL	GRE	GEO	BUL	AZE	ARM
UKRAINE	1.000	0.973	0.998	0.993	0.992	0.963	0.985	0.974	0.985	0.989
TURKEY	0.973	1.000	0.970	0.977	0.967	0.971	0.975	0.966	0.947	0.967
RUSSIA	<b>0.998</b>	0.970	1.000	0.991	0.990	0.964	0.981	0.973	0.980	0.985
ROMANIA	0.993	0.977	0.991	1.000	0.990	0.976	0.988	0.990	0.985	0.996

<sup>31</sup> Greece has been left out of this charter, as its figures are much higher than for the rest of BSEC countries.

<b>MOLDOVA</b>	0.992	0.967	0.990	0.990	1.000	0.970	0.989	0.983	0.981	0.989
<b>GREECE</b>	0.963	0.971	0.964	0.976	0.970	1.000	0.968	0.988	<b>0.933</b>	0.965
<b>GEORGIA</b>	0.985	0.975	0.981	0.988	0.989	0.968	1.000	0.983	0.979	0.994
<b>BULGARIA</b>	0.974	0.966	0.973	0.990	0.983	0.988	0.983	1.000	0.966	0.988
<b>AZERBAIJAN</b>	0.985	0.947	0.980	0.985	0.981	0.933	0.979	0.966	1.000	0.992
<b>ARMENIA</b>	0.989	0.967	0.985	0.996	0.989	0.965	0.994	0.988	0.992	1.000

However, as illustrated in the correlation matrix chart, Russia and Ukraine's correlation vary around a single value, namely 0.998, but Azerbaijan and Greece remain at a distance from "1", seemingly less correlated in their GDP per capita. Still the correlation between GDP per capita values for these countries is high. In sum, the growth rate of a BSEC country does not absolutely correlate as much with the level GDP per capita in the rest of the BSEC countries as the statistics constitute independent variables.

### 5.3 Concluding remarks

The aim of this Chapter was twofold. Section 1 of this chapter set out the limits of economic cooperation/integration and provided explanations for said limits. The quantitative findings have come across with the confirmed data which reveals the level of trade relationships among the countries of the WBSA. It concluded that the current levels of trade seem to continue unchanged as long as interstate antagonisms (Chapter 3) remain; the institutions continue to lack the needed power/autonomy to carry out their regionalist policies (Chapter 4). Section 2 of this chapter analysed the variables of the development correlation of the BSEC countries; it attempted but could not find evidence of any obvious patterns of developmental convergence. The convergences that could have both illustrated and contributed to the process of regionalisation of the Black Sea vicinity have not occurred.

The assessment of the trade performance of the largest BSEC economies suggests that although it is not of a high level for all BSEC countries, an important integrative factor does exist, and that is the substantial amount of intraregional trade. BSEC intraregional trade connections have developed unevenly, which further contributes to the argument that the region is one of complex relationships consisting of imbalanced level of interconnectedness. For example, while Georgia exhibited a high degree (53 percent) of trade with the region, Russia kept to a minimal level (12 percent only). The lack of institutional (economic) cooperation is also clearly reflected, or vice versa, in the figures exhibiting the flow of intraregional trade. On the other hand, this lack of institutional cooperation limits genuine regionalism.

However, this region seems not to have a high level of integration, in particular in the field of trade which is the most essential from a regionalism viewpoint. Also, the section on trade relations and its findings strengthen the argument that co-operational frameworks do not correspond to the economic realities of particular countries. The debates among BSEC member states have never made it to the intraregional economic planning stage, and there has been no mention of the introduction of a common market or currency. Moreover, no step has been taken to launch interaction(s) between the local administrations across national borders, and centralised control of the economy is still existent especially in the former Soviet countries. The assumption made in the conclusion of the previous chapter is consistent with the observed behaviour of the actors and the patterns of interaction. Not all of the BSEC countries in general trade more with the rest of BSEC countries as their main trade partners.

## **6 The Black Sea regionalisation and the core actors**

The Black Sea regionalisation process is influenced by different core actors. This is due to the fact that BSEC is a Turkish initiative in an area which is widely considered to be in Russia's sphere of influence. Moreover, the region is in the Eastern Neighbourhood of the EU, which has been bidding for a core role. In that regards, this chapter aims primarily at an empirical assessment of what the EU has done to promote regionalism in the wider Black Sea area. There appears to be a tension between regional and bilateral approaches of the EU in the region and thus the discussion of inter-regionalism and sub-regionalism will be provided in the context of the relationships between the Union and the core BSEC states.

The chapter starts by providing insights into the 'EU strategy' towards the Black Sea region implemented through the policy instruments of the Union covering the territories of the BSEC countries. It thus discusses the EU involvement in the Black Sea region, and characterizes its degree of engagement and promotion of the Black Sea regionalisation process in the first section. Moreover, considering the multilayered relationship between the EU and the regional countries, it provides an assessment of the institutional relationship between the EU and BSEC. The second section provides insights into the EU projects aiming to encourage cross-border cooperation in the Eastern neighbourhood of the Union. It also highlights the challenges for the EU in that regard deriving from the regional conflicts in the area of the Eastern Partnership and how the EU attempts to address them. Finally, the Black Sea regionalisation process is discussed in the context of the relationship among the three core actors: Russia, Turkey and the EU which seems to be the most active. After all, BSEC is a Turkish-initiated and Russian-endorsed project carried out in the latter's sphere of greater influence. The EU, for its part, has been becoming an increasingly influential power as it has either initiated its own policy instruments or remains the sponsor of various projects designed for the individual countries in the BSEC region or cross-border initiatives contributing to the regionalisation process.

### **6.1 The Black Sea regionalisation: EU, Black Sea Synergy and BSEC**

The Black Sea region used to be a mere neighbouring region for the European Union until it became a part of a process in due course, especially after, or because of, the 2007 enlargement which brought the borders of the Union to the shores of the Black Sea. However, the interaction of the Union with the region were running through the EU partnership and cooperation agreements (PCAs) of the 1990s. Whereas some countries were dealt with as possible EU candidates, the post-Soviet countries were dealt in the framework of the Technical

Assistance to the Commonwealth of Independent States (TACIS). Even Russia, as a successor of the USSR, was a beneficiary state under the TACIS assistance of the EU. Presently, the wider Black Sea area is a scene where the EU carries out its multi-vectored external policies (i.e. the enlargement, neighbourhood, strategic partnership). The EU, as one of several present and interested powers, implements its policy towards the region through three channels: (1) European Neighbourhood Policy (ENP), (2) Black Sea Synergy (BSS), and (3) the Eastern Partnership (EaP).

Almost all of the BSEC countries are integrated into (or determined to move toward) the European mainstream or architecture to various extents, for the reasons of security, energy, enlargements etc. At the interregional level, the relationship with the EU entered the formal BSEC lexicon as early as 1996 with the Moscow Declaration, when the BSEC leaders of state or government expressed their will 'to ensure that the Black Sea region find an appropriate place in a new Europe of cooperation and integration' (BSEC, 1996 Moscow Declaration). The European Commission, as a response to the appeal, communicated it to the Council (Commission COM(1997)597). During the Hellenic Chairmanship-in-Office of the BSEC in 2005, the ad hoc Group for the BSEC-EU Interaction was established (Japaridze et al. 2010:7). For some years, the Working Party on Eastern Europe and Central Asia (COEST) was a meeting format for the EU's consultations with BSEC officials (Personal interview with a BSEC official, 28 October 2009, Baku). Although the interaction formally started in 1990s, formal cooperation between the EU and BSEC did not go further than mentioning each other in their official rhetoric until after the 2007 enlargement and the following the adoption of the Black Sea Synergy (BSS), as mentioned by Dr. Triantaphyllou, the former Director General of the International Centre for Black Sea Studies (ICBSS) in Athens (Personal interview, 16 April 2011, Istanbul). During the fifteenth anniversary summit of BSEC leaders on 25 June 2007 in Istanbul, an observer status was granted to the Commission (Personal interview with a senior BSEC official, 29 July 2009, Istanbul). Moreover, the enlargement also brought the EU deeper into the territories of the BSEC organisation and further increased the overlapping memberships between the EU and BSEC at the expense of the three founding members of BSEC. Therefore, it could be supposed that the EU's involvement with the BSEC countries regionally was not institutionalised until after the Romanian and Bulgarian full-fledged EU membership in 2007, which seems to have committed the Union to also institutionalise its existing relationships with the regional states. The BSS could have resulted from the 'pressure to act' and this policy instrument of the EU is the first comprehensive manifestation of the Union's interest in Black Sea regionalism. The adoption of the Black Sea Synergy, which based its legitimacy on the Kiev

Declaration of the 14 Feb 2007, gained a regional dimension for the EU's relationships with the countries from the BSEC region. Apparently, the Union did not trigger Black Sea regionalism bearing in mind that it did not play an active role in the beginning. Apparently, the initiative for the BSS came from the region itself. As the Commission document (Commission COM(2007)774 Final, p 4) indicated, the EU acted 'In response to calls for the establishment of a regional cooperation framework in the East, the Black Sea Synergy has been launched to complement the EU's mainly bilateral policies in the region'. Nevertheless, the documentation of the BSS placed particular weight on the BSEC organisation and reemphasised, if not reinvigorated, its importance. After all, the delegations started to discuss something interesting, as one former senior BSEC official implied during the interview (Personal communication, 5 July 2008, Istanbul).

In spite of the intensified EU-BSEC relationships after the 2007 enlargement and the fact that BSEC enjoys general EU support through the BSS, the EU has not been a strong supporter of the BSEC as a bridge to the Union's policies addressing the regional countries. It could be supposed that, although the interaction with the Black Sea region is apparently rooted in the EU's foreign policy or external relations to promote some degree of regionalisation in its eastern neighbourhood, including in the territories around the Black Sea, seems to be driven from the EU's self-centric intention 'to promote a ring of well governed countries to the East of the European Union', as articulated in the European Security Strategy (2003:8). In the opinion of a senior EC representative, the justification of BSS lies on the self-evident reasons such as the hydrocarbon resources and corridor for trade links, on the one hand, and the necessity to deal with the challenges of the region following the 2007 enlargement (Personal interview, 12 November 2010, Brussels). The following excerpt from the Commission communication (to the Parliament) suggest the particular place of the BSS and its connection with the bilaterally carried activities: 'The Black Sea Synergy Initiative is complementary to the European Neighbourhood Policy, the enlargement policy for Turkey and the Strategic Partnership with the Russian Federation'. A possible interpretation of this statement is to regard the Black Sea Synergy as a collective endeavour which seem to stand for the regionalism dimension of the EU's policy in the South-East Europe as well as a complementary and overlapping framework to the activities which had been carried out bilaterally and under the ENP.

Although some members of the European Parliament at the Foreign Affairs Committee suggested that more staff and fresh money need to be allocated to deal with the region (European Parliament, 09 December 2010), the fact that there has been only one progress report in 2008, following the adoption of the BSS in 2007, intimates that the EU (represented

by the Commission) is losing, if not yet lost, its interest in the Synergy. The additional factor creating more problems for the BSS is the fact that one of the protracted conflicts got 'defrosted' in August 2008 in the case of Georgia and Russia which seems to have diverted the EU's attention. After all, the BSS set a high priority on the issues of highly political areas such as addressing security and democracy.

As pointed out by various researchers (Japaridze et al. 2010:13-14), the particular format proposed by the EU seems not to have been received warmly by Russia and Turkey, especially because BSEC remained marginalised although formally acknowledged by the Union. The Joint Statement (of the Ministers of Foreign Affairs of the countries of the European Union and of the wider Black Sea area) dated on 14 February 2008 in Kyiv mentioned that 'The Black Sea Synergy could benefit from Black Sea partnerships, involving various stakeholders from the EU and the wider Black Sea area' (Article 7).<sup>32</sup> So, the Kyiv meeting of the foreign ministers of the EU and BSEC region does not seem to have bridged the differences between the EU and Russia. In one of the BSEC meetings with the EU presence, a representative from the European Commission and the Russia diplomats continued to defend their stances on the Black Sea Synergy (BSS) (Personal observation, 30 April 2010, PERMIS). A Russian senior diplomat stated that 'unilateral adoption of the document [BSS] does not bring result' and that 'we [the BSEC family] are not in need of the Black Sea Synergy'. In response to this statement, a representative from the European Commission stated that the 'BSS is an inclusive synergy', also that 'BSS is an initiative of all of us' and that 'Russia's participation [in this initiative] would be most welcomed' (Personal observation, 30 April 2010, Istanbul).

Although Russian officials demanded for the equal footing of the BSEC-EU relations, one Russian diplomat did not clarify to the present author whether they were prepared or willing to equally fund the prospective projects, in their answers during the interviews (Personal interview, 17 September 2009, Baku). Although the Black Sea Synergy is an EU policy, the Commission representative seems to consider that the Black Sea cooperation is 'common enterprise of all of the actors', and joint cooperation is needed for the Black Sea partnerships on sectoral issues such as environment, transport or energy which are not EU-only initiatives (Personal observation, 30 March 2010, Istanbul). After all, at the core of the BSS lies the idea to tackle common problems 'which may require coordinated action at the regional level', as the foreign ministers of the EU and BSEC countries stated in their Kyiv Declaration (14 February

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<sup>32</sup> 'Joint Statement of the Ministers of Foreign Affairs of the countries of the European Union and of the wider Black Sea area', Kyiv, 14 February 2008. Available online at: [http://eeas.europa.eu/blacksea/doc/joint\\_statement\\_blacksea\\_en.pdf](http://eeas.europa.eu/blacksea/doc/joint_statement_blacksea_en.pdf) [last accessed 6 July 2012].

2008). The declaration also indicated that the signatories were willing to better coordinate their environmental policies, particularly on water quality and also on combating climate change; Black Sea maritime policies; regional fisheries management and sustainable use of fishery resources. As Article 5 stipulates, the Black Sea countries and the European Union also agreed to develop region-wide activities to deal with the issues such as migration, law enforcement and organised crime 'building on the activities of cooperation arrangements already in place, by ensuring added value and avoiding duplication.'

According to the declaration, 'the Black Sea Synergy offers a framework to improve coordination between relevant EU and regional policies as well as wide-ranging programmes such as the development of major transnational transport axes, the Motorways of the Sea or the Black Sea Ring Highway'. The cooperation areas were prioritised and agreed to be on transport, energy, communication infrastructure. Some authors like Delcour (2011:136), would say that there were two objectives for the Black Sea regional dimension of the EU which are 'to provide an added-value on transversal issues which could not be dealt with on a bilateral basis' and 'to foster links among Eastern neighbours with a view to promoting stability over the long-term.' The BSS as such appears to represent a regional vision in the WBSA but this does not appear to mean that the EU has been endeavouring to improve the interregional links between the EU and BSEC. On the other hand, Russia insists on equal partnership with the EU in the latter's approach to the WBSA. After all, the BSEC region is argued to remain as 'the most crucial area in Russian foreign policy due to its geopolitical and geo-economic importance and specific Russian interests during the period of systemic transformation following the collapse of the USSR' (Alexandrova-Arbatova 2008). Therefore, Russia seems to have insisted on the EU-BSEC format in an attempt to continue safeguarding its established role and to control the level of EU engagement through the BSEC decision-making procedure which normally requires consensus of the parties. Whereas the Commission seems to have been cautious to grant a greater role for the BSEC to foster the EU's relationship with the regional countries, Turkey and mainly Russia sought a role for BSEC which would resemble exclusiveness; as a result, Russia did not subscribe to the joint statement which was not agreed under the authority of the BSEC-EU as the differences could not be bridged (Emerson 2008). In response to the questions around these issues, the interviewee from the EU side also pointed to the fact that the BSEC format had not proved to be practical considering the poor record in regional cooperation despite the established institutions and affiliates of BSEC functioning from 1998 (Personal interviews, 30 March 2010, Istanbul).



The negotiations between the EU and the rest of the BSEC countries which (re-)gained their independence after the end of the Soviet Union also concentrate on the association agreements which will shape deep and comprehensive free trade schemes, visa facilitation or liberalisation, the issues on the energy issues. It is the understanding of the present author, based on the interviews with the representatives of the European Commission at various levels, that the EU runs its relationship with its Eastern partners on a bilateral basis, but is also in support of adding some multilateral flavour to it (Personal interviews, 30 September 2010, Baku; 25 October 2010, Brussels; 5 November 2010, Berlin; 12 November 2010, Brussels; 19 November 2010, Brussels). It indeed seems to be a rational choice to keep both channels open and exploit them when necessary at least because of the geostrategic location of the Black Sea and its wider area are of great importance for the EU, and so are the regional matters of strategic importance, ranging from security and stability to development. The targets relating to these broad issues seem to be achieved via bilateral as well as multilateral levels. The EU's commitment to the multilateral frameworks, as Catherine Ashton (the High Representative of the Union for Foreign Affairs and Security Policy, and Vice President of the European Commission) stated, makes the Union 'a more capable, more coherent and more strategic global actor' (Ashton 2009).

The adoption of the Black Sea Synergy (BSS) in February 2007 sealed the *Europeanisation*<sup>33</sup> of the Black Sea regionalisation, and certainly expanded the scope of the regionalist processes from the original set-up mainly limited to the Black Sea Economic Cooperation. Following the BSS, not only has the Black Sea regionalisation been externally 'intruded' upon; the nature of the EU's relationships with the countries in the Union's south-eastern neighbourhood has also been transformed. It has progressed from a quantitative interaction to a qualitative form of communication, due to the BSS providing a set of declared guidelines to follow. The cooperation areas articulated in the BSS aim to facilitate the political and economic reforms of the ten BSEC countries, and their approximation with the EU. Moreover, the eastward enlargement has created a new state of play and stretched the EU's *immediate* 'neighbourhood' right to the South Caucasus. Apparently, the Black Sea has become a regional

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<sup>33</sup> The term *Europeanisation* is widely used in reference to *the Europeanisation of the EU member states*. But there are also scholars who are flexible with the mainstream definition of this term and also use this term in reference to *the Europeanisation of non-EU states*. For example, the authors like Olsen (2002:924) use the term to denote the EU exporting its way of distinct governance beyond the borders of the Union. One could rightly argue that there exists a substantial relationships between the EU and the majority of the countries in the Black Sea region based either on the level of engagement or ambitions to approximate with the Union. For the purposes of this chapter, the term *Europeanisation* is used in its shorthand definition and simply refers to the improving relationship between the EU and the countries to the East where the basis for engagement is bilateral but with a regional dimension. (For the sake of clarity, it should be mentioned here that full assessment of the extent of effective *Europeanisation* is absolutely not central to this chapter.)

meeting place for a wide variety of regional schemes; this signals the facilitated formation of a potential regionalism in this part of the European continent which the EU shares with the BSEC countries. Regionalisation around the Black Sea materialized in 1992, with the regional actors driving the processes and the objective of cooperating for peace (as was the case for the European Community (EC) in the 1950s). However, today the BSEC includes EU members and non-members. It even embraces 'would-be' members which probably see it as a stepping-stone for eventual integration with the EU. But it also has Russia onboard as the historically dominant power in the area, even though this dominance has tended to gradually decrease since the collapse of Soviet Union.

#### **6.1.1 Eastern Partnership**

The EU's increasing actorship in its immediate vicinity around the Black Sea has entailed a few programmes or policy instruments which have a complex interrelationship of economic and political dimensions within the partnership. One of them is the Eastern Partnership (EaP) which is a scheme for the six East European Partners of the EU: Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus (as a partial pariah partner). The EaP was officially inaugurated in 2009 and remains to be the most recent scheme dealing with the countries in the former Soviet countries of BSEC, with the exception of Russia. In the view of the President of the European Council, the EaP is a vehicle not only to promote the strategic interest of the EU in stability, prosperity and the development of democracy, but also bring these countries closer to one another (European Council, 16 March 2010). However, the extent of the EU's interaction with each EaP country seems to differ. While countries such as Armenia and Azerbaijan are at the earliest stages of the pre-negotiations for visa facilitation, Georgia and Ukraine have considerably advanced their EU relationship, and Moldova is now negotiating visa-free travel with the Union (European Commission, 16 September 2011). Moreover, the Union is about to launch negotiations with Moldova and Georgia for the Deep and Comprehensive Free Trade Area (DCFTA) (European Council, 30 September 2011). Yet, the EU, namely the Council did not adopt a policy to liberalise visas for the EaP countries, nor was the issue successfully agreed on in the final text of the Prague Declaration although such a visa policy would facilitate more cultural and technical interchange between the EU and the EaP countries. The Union has only relaxed its visa rules for several of the EaP countries, Georgia being the most recent one (European Parliament, 14 December 2010). Following the mandate given by the Council (28 November 2008), the EU has agreed with Georgia (17 June 2010) on a visa facilitation agreement which not only speeds up the procedure for issuance (10 days) and reduces the visa fees for Georgian citizens, but also exempts certain categories (i.e. close

relatives who are visiting Georgian citizens residing in the EU, pensioners, children below the age of 12, disabled persons, scientists, students and journalists) from the visa fee (Council of the European Union, 17 June 2010). Interestingly, whereas the Union seems keen to liberalise visa procedures for the Southeast Asian countries and entities (i.e. Hong Kong, Macau, Japan, South Korea and Singapore) and for Taiwan (European Parliament, 26 October 2010), the same level of enthusiasm is not seen in the EU's interest toward the BSEC region or the EaP countries – even though visa exemption for these communities would accelerate the interaction between the EU and the eastern European countries and could spillover into other spheres of cooperation.

It is not clear whether the Union and the EU member states regard the EaP countries as prospective members of the EU or mere partners in their eastern European neighbourhood. To that end, it is useful to recall the following ambiguous statement by Waldner, the former Commissioner for External Relations and European Neighbourhood Policy. She mentioned that the idea of the EaP was a step change in the approximation of the Eastern neighbours of the EU toward the Union. The Commissioner also said that by initiating the EaP, the Union was acknowledging the European aspirations of these countries but without envisaging an EU membership as an eventual target (video.consilium.europa.eu, 9 December 2008). Japaridze et al (2010:16) would argue that for the EU, the EaP is an attempt to raise a European awareness of the WBSA which is their near abroad whereas for the eastern European countries themselves the EaP is 'some psychological anchor for internal transformation and readjustment to reach the requisite EU standards and criteria' for those countries that aspire to EU membership. This scheme is also seen by the US as a further attempt to reduce the EU's energy dependency on Russia (Pop, 6 April 2009). For Russia, the Eastern Partnership is reportedly about an attempt to extend the EU's sphere of influence coupled with the quest for hydrocarbons in the Russian spheres of influence (Pop, 21 March 2009).

The re-organisation of the countries covered by the ENP, in the face of the EaP, suggests that there is a shift from satisfying measures to optimising a rational approach by the Union. Although the Union has not devised a stratagem, the EU's ambition is 'to stabilise adjacent regions by tying them politically more closely to Europe and by linking them more fully to global and international processes', as pointed out by Katzenstein (2005:29). After all, the Commission document stated that 'all the neighbouring countries should be offered the prospect of a stake in the EU's Internal Market and further integration and liberalisation to promote the free movement of – persons, goods, services and capital (four freedoms)' (Commission (2003)104 final, p 10). It could therefore be argued that the EU has certainly

affirmed its consciousness about its responsibility for the neighbouring region, but remains ambivalent about the extent of cooperation in qualitative terms. The rationale of the Union's involvement in the eastern European neighbourhood seems rooted in the desire to reach some level of approximation with those countries in its immediate eastern neighbourhood and support the reforms in their transition period, without necessarily offering them the status of EU candidate or potential candidate. With the launching of the Eastern dimension of the EU policy, the EU decision-makers seem to have found a flexible and balanced approach to eastern countries with and without obvious EU aspirations, not to ruling them out in the long-term for EU membership. Because, as observed by Fischer and Lannon (2011:2), 'the lack of a membership perspective curbed the enthusiasm of the EU-oriented governments in the East'. Nevertheless, the fact that there have been a number of EU policy instruments could perhaps suggest us that the EU is leaving the door unlocked for the Eastern European countries 'or at least do not rule them out in the medium term' (Lippert 2008:11).

## **6.2 The level of EU engagement aiming to promote cross-border cooperation**

The stabilising effect of the Europeanisation or approximation of the Eastern neighbourhood countries with the EU on the long-standing conflicts in the WBSA seems to have been acknowledged by the Union. The European Commission stated that 'the Union's capacity to provide security, stability and sustainable development to its citizens will no longer be distinguishable from its interest in close cooperation with the neighbours' (Commission (2003) 104 final, p 3). Therefore, the Union has been promoting cross-border cooperation in with the ring of neighbouring European countries in the (South-)Eastern neighbourhood in addition to the common aspirations for political association, economic cooperation and legal approximation. This section provides an overview of the projects funded by the EU. The section aims to highlight the areas of cooperation where the EU contributes financially.

As it was reported by a project manager in charge of the implementation of the Integrated Border Management (Personal interview, 19 November 2010, Brussels), which is the flagship initiative of the EaP, it would presently be early to assess how far the EU-sponsored programmes have been pursued and how successful they will be. But we can definitely look at what the kind of projects are implemented to promote cross-border cooperation. According to the communications manager of the EU Neighbourhood Info Centre, which itself is one of the ENPI funded projects (Personal interview, 29 November 2010, Brussels), there are eighteen EU

projects covering the Eastern Neighbourhood.<sup>34</sup> The EU seems to aim for raising public awareness and understanding of the Union and its policies with regard to its neighbourhood. The Regional Information and Communication Programme seems to serve that aim. The Programme seeks to fund the projects dealing with information production and dissemination; trainings for the established journalists from the region; researches on media monitoring and survey of public opinion ([www.enpi-info.eu](http://www.enpi-info.eu)).

The EU's involvement with the Eastern Europe is given concrete expression in the engagement in the (economic and political) stabilisation of the Eastern Europe, plus the contemporary neighbourhood which 'represents a testing ground for its broader political and foreign policy ambitions and its capacity to emerge as a more coherent and strategic actor' (Dannreuther 2004:3). The EU, then the EC, launched programmes in its Eastern and South-Eastern neighbourhood and a number of soft schemes of cooperation and assistance were initiated through TACIS, INOGATE and TRACECA and followed by ENPI – which would replace MEDA but complement it – and Phare, INTERREG, and TEMPUS. These programmes were important especially for the countries on Russia's sphere of influence and looking at the West to counterbalance their geopolitical environment coupled with attractiveness of the EU and the aspirations of increased engagement with this Union. The EU's endeavours to support region-building seems to have necessitated by its own interests to develop the transport infrastructure of the region as a corridor for goods between Asia and Europe, has been strongly constrained by other core actors in the region, as Delcour (2011) observed well. Given the geographical location and therefore transit capacity of the wider Black Sea area, the EU-funded project of Transport Corridor Europe-Caucasus-Asia (TRACECA) is a project aiming to enhance the transport capability of those countries. It provides technical assistance but also organises expert meetings, exchange of opinion, organises study tours for the transport experts, including the representatives of railways, ports, shipping companies, freight forwarders and logistics operators in order to familiarise them with the advanced technologies as well as the successful logistical practises (EU Info Centre, 13 June 2012). As stated by the

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<sup>34</sup> ENPI Info (unknown), 'Regional Project List', available online at: [http://www.enpi-info.eu/list\\_projects\\_east.php?subject=0&country=0](http://www.enpi-info.eu/list_projects_east.php?subject=0&country=0) [last accessed on 28 June 2012]. The titles of the listed projects are: CIUDAD – Sustainable urban development (€14 million); Civil Protection (PPRD [Prevention, Preparedness & Response to natural and man-made Disasters] East)(€6 million); Co-investment funding in the field of water and sanitation in Ukraine, Armenia and Georgia (€10 million); East- Invest - Support to SME sector (€7 million); Eastern Partnership Culture Programme (€ 12 million); Erasmus Mundus II – Action 2 Partnerships (€29 million); EU Border Assistance Mission to Moldova and Ukraine (EUBAM) (€ 24 million); Forest Law Enforcement and Governance (FLEG) (€ 6 million); INOGATE; Multi-country cooperation instruments: CBC, NIF, TWINNING, TAIEX, SIGMA; Neighbourhood Civil Society Facility; Regional Information and Communication Programme; Support to Integrated Border Management Systems in the South Caucasus (SCIBM); Support to Kyoto Protocol Implementation, SKPI; Sustainable integrated land use of Eurasian steppes; TEMPUS IV for higher education; TRACECA; Transboundary river management for the Kura river - Phase II.

Secretary General Mr. Eduard Biriucov, on the official website of the Permanent Secretariat of the Intergovernmental Commission of TRACECA, the main goal of the multilateral project is to promote economic relations, trade and transport communications in the region from Asia to Europe. The South Caucasus countries of Armenia, Azerbaijan, Georgia; the EU member states of Bulgaria and Romania as well as Moldova, Turkey and Ukraine are covered in the project. Although not at the level of BSEC, this project seems to be contributing the accessibility of some of the BSEC countries to the international market of road, railway transport and commercial maritime navigation. Although harmonisation of their transport policies were envisaged as a follow up of the 1998 Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor, more works is needed to be to get there and also to create competitive conditions for the transport operators, as reported by one Azerbaijani expert involved with the process (Personal communication, 28 October 2009, Baku).

The main external obstacle to EU strategy is the lack of willingness and ability of other countries to cooperate with each other, argued Smith (2008:106-7). Perhaps thereof, on 27 November 2008, the EU adopted the Black Sea Programme of the Cross Border Cooperation (ENPI CBC) and allocated 17 million Euros (for the projects until 2013) through the European Neighbourhood and Partnership Instrument (<http://www.enpi-info.eu>). The programme is managed by Romania (namely by the Ministry of Development, Public Works and Housing). Priorities of the programme is threefold: The first preference is to support the intra-regional partnership activities in the areas of information, communication, transport and trade links. The second preference is to foster the cross-border activities as well as to promote research on environmental protection, including of river and maritime systems; promoting research, innovation and awareness. Finally, the third priority is to promote a common cultural environment and educational exchange in the region (Personal communication with a senior official at the Romanian Ministry for Regional Development and Tourism, 25 May 2010, London).

The EU also attempts to strengthen the civil society actors in reforms and democratic changes by funding their capacity-building activities. The Neighbourhood Civil Society Facility project covers the Eastern as well as Southern neighbourhood countries of the EU. The Eastern Partnership Culture Programme concentrates specifically on the EaP countries. The objective is to encourage regional initiatives with potential contributions to economic development, social inclusion, conflict resolution and intercultural dialogue, according to the website of ENPI Info Centre. Furthermore, following the approval of the initiative, put forward by the European

Commission to promote contacts among civil society organisations, at the Eastern Partnership Summit in Prague, the European Commission established the Eastern Partnership Civil Society Forum (EaP CSF). According to the website of the Forum ([www.eap-csf.eu](http://www.eap-csf.eu)), the Forum has convened three times since 2009 and the Commission will invite representatives of the civil society organisations to convene for the fourth one in November 2012. The support for the civil society organisations is noteworthy, after all, they are the actors that can potentially contribute to building regions (Langenhove 2011:88).

Following on the Tempus III, Tempus IV also aims to facilitate modernisation of higher education in the neighbourhood of the Union. The project encourages multilateral partnerships between the institutions of the EU and the neighbouring countries. By 2010, the Erasmus Mundus II – Action 2 Partnerships programme supported the universities in the neighbourhood and facilitated exchange of students and academic staff ([www.enpi-info.eu](http://www.enpi-info.eu)).

As maintained by a Commission representative, the aim of the projects seems to be twofold: to increase people to people contacts between the partners; and to bring the Eastern European countries closer to the EU both politically and economically (Personal interview, 12 November 2010, Brussels). The interviewee did not disagree strongly that the motivation lies in the EU's desire to have a secure, stable and well-governed ring of countries. The safety of the borders of the EU and the EaP countries is also a priority for the Union. It currently funds two projects: EU Border Assistance Mission to Moldova and Ukraine (EUBAM) and Support to Integrated Border Management Systems in the South Caucasus (SCIBM). The EUBAM aims to harmonise the border management of Moldova and Ukraine with the EU standards. The SCIBM aims to facilitate easier but safer crossing of borders in those three countries. However, the project faces limitations as a result of the lack of cooperation between Armenia and Azerbaijan but the way around seems to have been found: 'In order to facilitate work despite political tensions between Armenia and Azerbaijan, the project adopted a three level structure: common training activities for all three countries, bilateral activities between Georgia and Armenia, and Georgia and Azerbaijan, and dedicated national modules for each country' ([www.enpi-info.eu](http://www.enpi-info.eu)).<sup>35</sup> As maintained by a representative of the Integrated Border Management programme, the level of involvement and the degree of interest of the EaP countries varies to an extent (Personal interview, 19 November 2010, Brussels).

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<sup>35</sup> ENPI Info Centre, 'Support to Integrated Border Management Systems in the South Caucasus (SCIBM)', available online at: [http://www.enpi-info.eu/maineast.php?id=299&id\\_type=10](http://www.enpi-info.eu/maineast.php?id=299&id_type=10) [last accessed 29 June 2012].

The regionalisation in the wider Black Sea area is endangered by the unresolved disputes as well as protracted conflicts in the South Caucasus. Recurring controversies over the differing interests in the Black Sea region get in the way of the sea to bring together the peoples on its coasts and neighbouring territories. A key aspect of any region-building and conflict resolution is usually cooperation over low profile projects. Low profile projects can be just as important in region building as more high profile security cooperation. Apparently, the EU also tried to promote cross border cooperation of conflicting countries. Indeed, one of the projects with the financial assistance of the European Commission was successful to bring together some of the low level officials in Armenia and Azerbaijan under a smaller umbrella which suggests that the parties must be aware that ecological system recognises no borders and that the transboundary river requires regional cooperation. The EU funded Transboundary River Management for the Kura river lasted from 2008 till 2011 which cost approximately 5 million.<sup>36</sup> The project aimed to promote the European approach to water management but also to reinforce regional cooperation between the South Caucasus countries. The project included the organisation of various workshops and study tours to Spain and Denmark for the low level but key officers dealing with water quality management. The project envisaged to increase technical capabilities of the water agencies of these countries. The participating institutions were the Armenian Ministry for Nature Protection and the Azerbaijani Ministry of Ecology and Natural Resources as well as the Georgian Ministry of Environment Protection of Georgia (<http://www.kuraarasbasin.net>).<sup>37</sup> According to the project website, since January 2012, the Phase III is being implemented which, amongst others, focuses on public information water framework directive and water quality awareness. Although the EU-supported information websites market this project as an EU project reinforcing regional cooperation on the South Caucasus, the Azerbaijani media, for example, keeps low profile for this project and mentions about this project as 'another example of the Azerbaijani cooperation with the EU' (Xalq Qazeti, 23 December 2009). An article at Xalq Qazeti, a newspaper of the office of the Azerbaijani president, reports Rafiq Verdiyev, the national coordinator for Azerbaijan, commending an agreement between Georgia and Azerbaijan within this project as an example to follow by Armenia how to run relationship with a neighbour (Ibid.). Obviously, there is a clear difference on the original intention behind the regional project and how much they can

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<sup>36</sup> EU Neighborhood Info Centre, 'Transboundary river management for the Kura river - Phase II', available at: [http://www.enpi-info.eu/maineast.php?id=200&id\\_type=10](http://www.enpi-info.eu/maineast.php?id=200&id_type=10)

<sup>37</sup> 'EU Project: Trans-Boundary River Management Phase III for the Kura River basin –Armenia, Georgia, Azerbaijan', available online at: [http://www.kuraarasbasin.net/EU\\_KuraAras\\_webpage/Kura\\_River\\_Basin.html](http://www.kuraarasbasin.net/EU_KuraAras_webpage/Kura_River_Basin.html) [last accessed 29 June 2012].



change in the region. This is a prime example of the difference between what the EU does for the promotion of the cross-border cooperation in the South Caucasus and how a EaP country reports about the particular event sponsored by the Union.

It is worth recalling that the new EU member states were helped by the Western Europeans via the various EC funds and tools, just as the Westerners were helped in the aftermath of the Second World War by outsiders (e.g. the Marshall programme). Presently, the easternmost part of Europe expects not some sort of 'fire-brigade' operations, but rather an appropriate and comprehensive strategy by the EU which appears to be lacking. After all, the EU has the experience of operating in a few problematic hotspots by deploying 70,000 personnel in 22 ESDP missions and operations in support of international peace and security within the framework of the European Security and Defence Policy (Council of the European Union 2009c). However – and this contrasts with the extent of the rhetoric on its international activities – there is no sufficient EU involvement in the conflicts in the South Caucasus part of the eastern neighbourhood. (At least, the EU could have pushed the conflicting states to agree to take their dispute to the International Court of Justice, as once mentioned in the *Agenda 2000: For a stronger and wider Union* (European Commission, 16 July 1997), COM(97)2000). Instead, the EU seems to have refrained from taking very decisive steps in order to save its positive image in the short run, and may have wanted to avoid being seen as siding with one of the parties (Popescu 2011), which would have angered the nationalists of the opposing sides. However, this kind of careful approach, aimed at avoiding unpopular choices, has served the regionalist cause. On the contrary, the parties in conflict continue to promote their own national priorities, at the expense of the regional dialogue and integration that the EU ostensibly wants (Triantaphyllou and Tsantoulis 2008). The 'problem-solving' approach of the EU whereby the central governments (i.e. Tbilisi, Chisinau and Baku) should talk to the 'separatist regimes', which will bring them together, could be considered inadequate, as illustrated by the Moldovan-Transnistrian case: since 28 April 1994 the elites have been meeting up, with no tangible consequences towards conflict resolution. The Georgian central government also attempted to bring its two administrative regions together by offering some sort of confederation that would increase the status of those autonomous regimes, but was not successful. The case of Azerbaijan is more complicated still, because of the direct military involvement of Armenia. In addition, the EU is rather passive in taking a stand and participating in the peace process between Armenia and Azerbaijan, tacitly agreeing with the Minsk Process led by the Russia, US and France. In contrast, in the case of the Middle East Peace Process for example, the EU openly declared that the Israeli settlements, the demolition

of homes as well as evictions were 'illegal under international law' (Council of the European Union 2009b). It could be observed that the Union failed to have a consistent position and adopt a similar approach to the settlement policy of Armenia in the internationally recognised Azerbaijani territories (OSCE Report, 24 March 2011). However, the European Parliament seems to be more willing to take a firm stand, condemning Armenian aggression in its recent resolution and demanding that Armenia 'withdraw from all Azerbaijani territories', in its resolution of 20 May 2010 (European Parliament, 2009/2216(INI)). (Perhaps this strong language by the parliament, although it came only after the August 2008 Russia-Georgian war where a number of the European states denounced the aggressor, is a response to the criticism that the EU is being selective or having double-standards in its foreign policy, to that end.)

Nevertheless, with regard to the conflicts in Georgia, the Union engaged in an EU Monitoring Mission (EUMM) (Council, 12 September 2011). This presence, albeit a simple monitoring mission, is only observable in Georgia, but not in the case of Nagorno Karabagh. Although the EU is more active in the Balkans to a certain extent, no such relatively active involvement has been observed in the case of the South Caucasus. Nevertheless, the Union has not been ignoring the problematic situation on the ground, as Solana stated that it was 'very important' for the EU that the conflicts are resolved (video.consilium.europa.eu, 9 December 2008). The Commission (COM(2007)774 Final, p 6) seems to be aware that these conflicts 'undermine EU efforts to promote political reform and economic development in the neighbourhood' and 'they could affect the EU's own security, through regional escalation, unmanageable migratory flows, disruption of energy supply and trade routes, or the creation of breeding grounds for terrorist and criminal activity of all kinds'.

In some other instance, the EU seems to have been endeavouring to encourage economic growth in the region by the projects to fund major infrastructure works to facilitate trade and strengthen cross-border bonds. In other instances, the EU tried to rise to the challenges of the region which was not successful in all cases. In the case of Moldova, we witnessed some considerable degree of improvement as the parties agreed on the basic principles of peace negotiations and even agreed to cooperate for a rail-road construction. However, in the case of the conflicts in the South Caucasus, the EU does not seem to hold a strong and principled position with regard to the conflict resolution measures in spite of the continuous calls from the EU.

In one instance, the EU seems to have been able to be supportive of a project designed to encourage the ways and approaches to generating mutual understanding and reconciliation between populations in territories involved in (armed) conflicts of the BSEC region. One of the projects where there has been a tangible contribution, with the aim to support the process of confidence building, would be the example of resumption of the freight rail traffic rail transit through Transnistria in April 2012 which was a result of the EU technical assistance, according to the statement by the high representative of the EU (European External Action Service, 30 April 2012). The realisation of the project not only signals the existence the much needed basic level of confidence between the parties but also should generate more confidence among the populations in that part of Moldova.

Although the EU funds quite a few projects towards its eastern neighbours, some critics like Fischer and Lannon (2011:3) argue that the results are not tangible and seen on the ground 'because the EU itself has been hesitant to deliver on these proposals'. In that regards, the recent audit carried out by the European Court of Auditors ((2011) ECA/11/1) seems to have also criticised the implementation of the European Neighbourhood and Partnership Instrument (ENPI) which concluded that the lengthy programming and design process was not suitable for the South Caucasus because the environment endangered the relevance of the assistance. The report also mentioned that the programming and design of the assistance were not adequately guided by discussion with the countries involved due to being driven primarily by the internal procedures of the Commission.

### **6.3 The region as a 'shared neighbourhood' of the core actors**

The existence of the multiple centres of potential gravity creates academic curiosity, the one which is not really aimed to be addressed systematically here, as to whether the Black Sea regionalism is a system gravitating around the EU, or whether instead Russia and Turkey are its core. Instead, this section establishes that the Black Sea regionalisation is affected to a point by the potential cores. The fact that the regionalisation in the BSEC region was instigated by Turkey, supported by Russia and Europeanised by the EU makes these three regionally powerful actors potential cores for the regionalisation to gravitate toward and therefore their (bilateral as well as trilateral) relationships are of great interest here.

In analysing the EU's role in the regionalisation process around the Black Sea it is also important to bear in mind the overall context of the EU-Russia relationship. The EU is a new insider in the region, but clearly this is not the case for Russia which enjoyed 'hundreds of years of common history [and open labour market]' as stated by the Russian foreign minister

Sergei Lavrov, with certain (i.e. EaP) BSEC countries (Pop, 21 March 2009). Geographically, the WBSA is understood as a part of the European continent. Politically, however, it is not an easy task to determine whether the regionalisation is pro-western and centred on the EU or not. Whatever the case may be, Russia also regards an important part of the BSEC territories as its near abroad. But the unwillingness of some of the post-Soviet countries as well as the inability of Russia to offer modern solutions to their problems make it difficult for Russia's realisation of its own policy vectors. These stem from the Soviet legacy and Moscow's long-standing quest to (re-)impose its centralised instructions on these countries. It also affects the distrustful political culture in the region's former communist camp and creates concerns with balance of power, gaining allies and protectors. Understandably, personal gains and national superiority are desperately sought in the immediate future, as Volten and Tashev (2007:20-22) maintains, challenging the regional peace and integration perspectives.

The EU and Russia are in partnership, through the Partnership and Cooperation Agreement (PCA), although they seem to be competing – particularly in the WBSA, as was implicitly confirmed by a Russian diplomat (Personal interview, 17 September 2009, Baku). Their partnership covers the following four areas of cooperation: 1) the Common Spaces on Economic issues; 2) the Common Spaces of Freedom, Security and Justice; 3) the Common Spaces of External Security; 4) the Common Spaces of Research and Education.<sup>38</sup> The 2005 Road Map for the Common Space of External Security (EU-Russia, 2005:35) articulated that the EU and Russia 'will give particular attention to securing international stability, including in the regions adjacent to the EU and Russian borders' and that the parties attach importance to 'regional cooperation and integration in which they participate ...thereby contributing effectively to creating a greater Europe without dividing lines and based on common values'. However, the region appears to be in limbo as it is neither completely out of Russia's claimed traditional sphere of influence nor completely part of the European architecture centred on the EU. The Black Sea region also appears to be a scene over which the US and Russia are in competition for primacy (Weaver 2010). Even though its approach is not completely traditionally imperialistic, Russia still seeks a special role in the CIS area, in the post-USSR era. Russian involvement in the subregional arrangements is argued to be in its interest as long as the relevant regions within Russia benefit from these opportunities (Flenley 2008:196). Whereas the level of USSR and EC relationships were kept low profile because the latter had been seen suspiciously as the economic arm of the NATO, in the post-Cold War era, a number

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<sup>38</sup> For the details see: 'EU-Russia Common Spaces', available at: [http://eeas.europa.eu/russia/common\\_spaces/index\\_en.htm](http://eeas.europa.eu/russia/common_spaces/index_en.htm)

of EU enlargements particularly accession of the former-Soviet countries made Russians to feel isolated and marginalised, according to Light, White and Lowenhardt (2000). These sorts of perceptions of exclusion and potential isolation seem to have been standing at the essence of the Russia's anxiety, especially at the nostalgic circles regarding the West as hostile and yearning for the past imperial history of this country, about the integrative processes in the European continent which is still dominated by integration around the Western Europe.

For the EU, the Eastern Europe or the wider Black Sea means not only the concern of political challenges and conflicts, but also a transit for alternative energy sources. Bearing in mind the energy dependence of the EU (Commission, 13 Nov 2008, COM(2008) 781 final), the Union appears to be very careful in its relationships with Russia, though Moscow denies the notion that it uses energy factor as a political weapon in its foreign relations, especially with the EU. The EU decision-makers seems to have been endeavouring to assure the Russian leadership that the Union is not competing with it. The statement by Štefan Füle, the Neighbourhood Commissioner, is a useful illustration here:

‘We don't want to see competition in that region, with Russia on one side and the EU on the other. Russia has been offered to take part in the neighbourhood policy. They have refused. But that doesn't mean we are not open for suggestions from Russia to participate in various projects’ (Pop, 13 May 2010).

Even so, Russia seems to have been making an effort to control the EU's participation in conflict-resolution in the traditional Russian spaces, particularly with regard to the Nagorno Karabagh. In a mini-conference, organised by the EU-Russia Centre, the Deputy Director-General of RELEX, Hugues Mingarelli (3 March 2010) admitted that the EU has not been successful despite some progress and that the EU should be represented because it possesses all the necessary tools to get involved with the regional challenges. Arguably, Russia is believed to stand in for ‘instability’ in the WBSA, because of its ambition ‘to keep the former Soviet space under direct influence’, according to Hatto and Tomescu (2008). On the other hand, ‘In the competition over commitment to the area the EU is less politically willing to devote resources and effort than Russia’ in the former's new neighbourhood, as highlighted by Flenley (2008:192). The EU seems to be reluctant to accept the heavy financial burden (Personal interview with an official at the European Commission, 19 November 2010, Brussels) possibly deriving from the deeper engagement in conflict management, poverty reduction and other such issues, which could possibly contribute to the democratisation of the region. According to the interviewee, financial matters might have been the rationale for the EU offering Russia

congenial circumstances for joint actions in the common neighbourhood. Nevertheless, through the EaP, the Commission seemingly aimed to further strengthen the Eastern dimension of the EU, and therefore of the European Neighbourhood Policy of the Union. Indeed, the EU's revised Neighbourhood Policy (Commission COM(2011)303, p 3) made it clear that 'The more and the faster a country progresses in its internal reforms, the more support it will get from the EU'.

The Russian approach, so far, seems to have been 'the less integration, the better'. The basis for the non-cooperative Russian behaviour is that the increasing economic integration or the eventual convergence (Ben-David 1994) to common European patterns across the region, if they ultimately occur, could decrease the disparities in the BSEC space. This could ultimately result in a change of *status quo* which would undermine the political autonomy and diminish the dominant role of the most influential Russia in this particular space. Interestingly enough, Vladimir Putin spoke of his plan to establish a 'Eurasian Union' as a Russian alternative to the approximation with the EU of the post-Soviet countries (Putin, 3 October 2011). Two weeks later, Armenia, Moldova and Ukraine (as well as Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan) signed up to a free trade zone agreement with Russia (RFE/RL, 19 October 2011). These events could therefore be regarded as a renewed effort by Russia to exert its influence in the former Soviet space, which also overlaps with the 'common neighbourhoods' in the BSEC region.

Turkish EU membership has been a longstanding issue, dating back to the 1963 Ankara agreement. The EU membership delays, Peter Katzenstein writes, is an issue of reluctance not only because of EU *acquis* and obligations for reforms, but also because of the EU members' firsthand experience in the past (Katzenstein 2005:222). Nevertheless, from the EU viewpoint, 'Turkey is an important regional player, inter alia for the security in the Middle East and the Southern Caucasus and plays a key role in energy supply and the promotion of dialogue between civilisations' (Council of the European Union 2009a:3). Such a neighbour of the EU cannot, therefore, be kept away from the processes of Europeanisation. Its role as a transit for EU supplies is equally important; the Council (Council of the European Union 2009a:3), for example, was quick to 'welcome that in July 2009 Turkey signed the Intergovernmental Agreement on the Nabucco gas pipeline and underline that the timely completion of the Southern corridor remains one of the EU's highest energy security priorities'. It could therefore be argued that although there is not much improvement in the Turkish EU membership process, EU leaders are ensuring they keep Turkey on board for their own interests. For example, Chancellor Merkel declared that Germany would favour a 'privileged partnership'

status for Turkey (EuroNews, 20 September 2011). For its part, Turkey has not been heavily concentrating on the non-EU cooperative cases of either the Mediterranean (Eralp and Karatekelioglu 2009) or the Black Sea, concerned that this would be an obstacle undermining its ultimate EU membership. Instead, Turkey actively cooperated only when the plurilateral cooperation with the EU has meant an enhanced Turkish position enabling it to reassert its unique role and to mediate for European foreign and security structures with the regions.

The EU has been in a mode of 'stand by to engage', with a fluctuating multidimensional role and open position. However, in the aftermath of its stretch to the Black Sea shores, the Union moved a step forward and launched its country-specific but regionalist partnership, followed by tepidly supported generic synergies. The fact that the Union appears to have reordered its BSS by rearranging the countries into the EaP could perhaps suggest that the EU no more interested in the Black Sea regionalism as a whole. Its schemes and partnerships for the region, exclusively initiated by the Union, lack a clear pathway to a specified endpoint. The aims of these initiatives remain ambiguous. Nevertheless, 'Europe as external actor is more than EU's foreign policy, and more even than the aggregate of the EU's policies across all areas of its activity' (Hettne 2010:19-20). Indeed, as Hettne (2010:20) rightly observed, 'simply by existing, and due to its relative weight (demographically, economically, and ideologically), the Union has an impact on the rest of the world' and hence in the WBSA. However, it is difficult to expect the same of the BSEC region, which conflated a handful of divergent states. Ideally though, the EaP should have more chances of strengthening the adherence of the countries it covers to norms of rule of law, democracy, pluralism and avoidance of democratic deficits in their new democracies. However, the regionalisation process heavily hinges on the outcome of the financial investment, as well as on the will of Brussels. Unlike the EaP, the BSS lacks the necessary resources. This initiative, if realised enthusiastically, requires intensive interplay among the actors. Greece, Bulgaria and Romania, in their double-hatted capacity of simultaneous membership of both the EU and BSEC, enjoy a unique opportunity to draw more of the Union's attention towards the region. But the currently volatile financial situation coupled with the domestic political tensions in the BSEC countries suggests that they could burden the EU with fresh issues. What is more, these three countries did not have a clear stance on whether the EU-BSEC relationship should be pursued at the inter-organisational level of cooperation or rather on a subregional basis between the EU and the individual member states of BSEC.

When analysing the relationships of the principal powers with their neighbourhood, the ways in which these cores can potentially exert significant influence on the region appear to vary to

a certain extent; a fact that is worth mentioning here. The manner in which they exercise or exert their foreign and security policies appears to differ: coercive for Russia, persuasive for the EU and ambivalent (or ambivertive) for Turkey. (However, it would be interesting to verify the extent of the consistency in values as well as principles of conduct for these powers in a more dedicated and systematic evidence-based study.) It could therefore be argued that the Black Sea regionalism does not appear to be an arrangement where the core powers work together to attain collective benefits for the Black Sea region as a whole. Furthermore, there are three potential core actors which seem to be vying for a certain regional power or seeking high influence. The existence of the multiple cores suggests that they could possibly offer an equilibrium of powers in the region. In other words, it could also be argued that the existence of Turkey, Russia and the EU is expected in principle to provide equilibrium for the Black Sea regionalism. But on the other hand, the possible risk is that these cores might play a more realistic game. Because of one state is powerful enough to set the rules governing interstate relations, 'such a state can abrogate existing rules, prevent the adoption of rules that it opposes, or play the dominant role in constructing new rules', to put in words of Keohane and Nye (1977:44). Therefore there seems to be a risk for the progress of regionalisation, if the cores play a zero-sum game: as a result, the integrative process for a regional cohesion would be prevented from achieving collective benefits. Even the persuasive EU policies for regional integration do not seem to have improved the situation. A set of bilateral, minilateral as well as plurilateral policies implemented by the Union in the region both give rise to and at the same time undermine its driving role for the development of Black Sea regionalism. Nevertheless, it could still be argued that there is by and large a stated EU commitment to bring the countries closer to the Union, bearing in mind that its relations with the regional countries is not limited to BSEC and BSS alone – since indeed these are contexts where the strong Russian dominant approach and Turkish assertiveness would permit only a little leeway for the EU.

#### **6.4 Black Sea regionalism in the context of subregionalism and interregionalism**

In this section, the Black Sea regionalism is discussed in the context of subregionalism and interregionalism. It considers the regionalisation process embedded within EU subregionalism, as well as interregionalism focusing on the EU and the BSEC region. 'Subregionalism' means the EU as a core on the one hand, and the rest of the BSEC countries on the other. 'Interregionalism' means the bilateral relationship between the EU and BSEC. Based on Chapter 4, BSEC process does not appear to be rapidly moving towards the creation of a newly



unified political (EU-like) centre in the wider Black Sea area, instead the founders of this organisation place themselves as a part of Europe. The patterns of the EU's involvement with the region as well as the BSEC organisation have only been progressive and continual, although extremely gradual, at the bilateral (partnership agreements) as well as the minilateral (i.e. ENP) levels. Of course, it cannot be argued that Europeanisation or the 'Western camp' perspective is technically shared by all of the state actors in the region, bearing in mind the governmental position of the two so-called post-Warsaw Pact bloc of CSTO members (i.e. Russia and Armenia). However, some sort of westernisation as well as a drive for Europeanisation can still be observed in the wider region, especially if one takes Europeanisation to basically mean 'a process of major structural transformation within the region' for a group of countries where 'it is the prime focus of change that these states have in common' (Featherstone and Kazamias 2000:3). Some scholars would argue that the Black Sea region should be regarded as being within, and belonging to, the EU sphere. For example, Cottey (2000:43) viewed the BSEC area as a new European subregion and highlighted that 'subregional cooperation provides an increasingly important means of helping some states to integrate with NATO and the EU'. Also, Aybak (2002) considers it as a European region, emphasising the BSEC Charter's reference to European legal instruments and bodies.

But importantly, the EU is no longer an external actor in the Black Sea. The Bulgarian and Romanian membership have made the EU one of the coastal powers having a share of the sea – though this swing has not yet been grasped by the traditional actors in the hereafter common environment. As a result, the increased attention of the EU in the post-2007 enlargement period coupled with the EU policy instruments did lead to a turning point in the evolution of the Black Sea regionalism as a whole. In other words, the recent EU enlargement did not become a hinge for the Black Sea regionalisation. On the contrary, this enlargement cemented the argument whereby the delineation between subregionalism and regionalism is blurred.

The EU has been enjoying various patterns of subregional relations with the individual countries of the BSEC region. Some of the newly sovereign countries agreed to western conditions whilst several contested them; the rest still belong to the common neighbourhood of hard and soft power politics between the West (NATO, EU) and Russia (CSTO). It is probable that a few who used to lack statehood and sovereignty have not yet decided which route to steer, taking pleasure in the taste of self-determination (Chapter 3). The former Soviet countries, still associated with Russia to a certain extent, have been responding to the gravitational pull of the EU since the arrival of the Union in the neighbourhood. But not all EaP

countries have distanced themselves from the Russian sphere of influence. The desire to do so is variable from country to country. While Georgia has been attempting to place itself on the EU's map, Armenia did not even try to move away from Russia; on the contrary, it even deepened its interaction to the greatest extent possible. And, although solidly oriented towards the West, Azerbaijan has not taken tangible steps, in order not to annoy Russia, and therefore to counterbalance Armenia. This approach is understandable especially when it appears that there is a struggle for power between Brussels and Moscow, and the Western endeavours to gain influence in the Russian neighbourhood could be annoying for Russia because it seems to perceive that the EU presence in its sphere of influence is an affront to the reputation of this country's power.

Unlike in its South-Eastern approach, the EU exhibited a different line of activities in the case of the Central European Free Trade Agreement (CEFTA). (The parties to the agreement consisted of Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro and Serbia. CEFTA membership of Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia ended when they became EU member states.) Where CEFTA was concerned, the European Council (in June 1993, Copenhagen) did envisage the countries' eventual membership once the obligations and requirements were fulfilled. However, in the case of the EaP, Brussels has merely *taken note* of the countries' desire for membership – either simply because it is clear to the EU that the states concerned are a long way from having consolidated democracies with the full capacity to implement the *acquis communautaire*, or because the EU itself is not ready for further enlargement. In the opinion of Wallace (1994:104), 'few within the current member states are prepared to jeopardise what has been achieved by admitting new members that lack the domestic framework of efficient administration, formulation and implementation of laws and regulations, transparency of market transactions, and access to the courts by private actors in search of redress that are necessary for mutual trust within a deeply integrated community'. But this sort of approach is possibly not the one expected by aspirant countries in the Eastern neighbourhood around the Black Sea and also creates ambiguity of the EU policy in the wider region for the indigenous states. One might possibly be right to assert that the EaP should be considered as somehow attempt to redress this ambiguity and envisages regional cooperation for economic and legislative transition. In this sense, it could be perceived as an initial step towards eventual association with the EU – but the Union appears to have been encouraging its eastern neighbours to embark upon a regional endeavour first i.e. cross-border cooperation. It could therefore be argued that 'the EU uses types of policy methods that it has at its disposal and

that appears to be most suited to a given objective', as rightly stressed by Hettne, Söderbaum and Stålgren (2010:264). Thus, the differentiated approach or conduct of the EU toward the parts of Black Sea regionalisation is obviously in line with the miscellaneous interests and multifaceted setting the Union itself lies on. With the adoption of the EaP, the Union also promoted its discourse from merely addressing the general/generic issues of prosperity and stability to the level where it broached ostensibly tangible issues such as convergence, approximation and the integration of the Eastern neighbourhood. Whereas, the idea for the BSS seems to have been encouraging the countries towards a wider community, while doing its best not to provoke Russia as this regional power might view this action as another Western attempt to intervene in spaces that are under Russian surveillance.

In its relationships with other world examples of regionalism, namely in the Mediterranean case, the EU shifted from a sectoral approach to a holistic approach (Aggarwal and Fogarty 2004). In the case of the Black Sea this was not an issue. Soon after the preliminary holistic approach (i.e. BSS) towards the area around the Black Sea, the EU has scaled down the entire territory, moving towards what resembles a sectoral approach. Offering a counterpoint to Russia, the EU official policy discourse and actions seem to discourage relationships on a region-to-region basis in this particular arena, as suggested in the 14 Feb 2007 Kiev Declaration, which was adopted among a group of BSEC countries and the EU. According to the commentators like Japaridze et al. (2010:31), 'the economic and political gravitational pull of the EU is too great to consider the BSEC an equal partner'. It could therefore be suggested that the BSEC format of the twelve states was not an ideal match with how the Union would like to deal with the region. However, unlike the ENP, the BSS also covers (some parts of) Russia. Alongside Serbia and Albania in the Balkans, the rest of the Russian greater territories not neighbouring the Black Sea were also kept out of the EU policy instrument of the BSS. In the case of Turkey, the stance of the Commission ((2003) 104 final, pp. 5-6) is that 'the practical issues posed by proximity and neighbourhood should be seen as separate from the question of EU accession' and 'a new EU approach cannot be a one-size-fits-all policy'. Nevertheless, in the *Strategy Paper 2007-2013 for Cross-Border Cooperation* named ten BSEC countries and included them in the sea-basin programme of the BSS (Commission Strategy Paper 2007-2013, p 32) which was seen as complimentary to the pre-existing European Neighbourhood and Partnership Instrument (ENPI).<sup>39</sup> However, the EaP, following the BSS, might suggest that the

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<sup>39</sup> The list comprises the entire territories of the relatively small states of Armenia, Azerbaijan, Moldova, Georgia, and contiguous parts of Bulgaria, Greece, Romania, Russia, Turkey, and Ukraine (in particular, Sud-Est (Romania), Severoiztochen, Yugoiztochen (Bulgaria), Kentriki Makedonia, Anatoliki Makedonia Thraki (Greece), from Istanbul to Tranzon, including Tekirdağ, Kocaeli, Zonguldak, Kastamonu, Samsun (Turkey), Rostov Oblast, Krasnodar Krai,

Union redesigned the (perhaps) inclusive framework for the neighbourhood, giving it a rather smaller scope with more comparable six post-Soviet states. However, even this small-scale policy instrument includes non-congenial countries such as Armenia and Azerbaijan.

Although the WBSA was only covered by the ENP, the recent development of various schemes following the launch of the Black Sea Strategy implies the EU's recognition of the regionalisation process in its South-East neighbourhood. Apparently, not all of the BSEC countries were included in BSS or in the EaP at a later stage, most likely because Brussels did not want to treat all of the BSEC countries in the same way, given their dissimilarities. (After all, these dissimilarities were crucial also to their very different relationships with the EU.) In the opinion of one representative from the Commission (Personal interview, 12 November 2010, Brussels), what was needed with regard to BSEC is the prevention of further complications. In the case of the BSS, BSEC members Albania and Serbia were excluded from the scheme as the EU deals with them elsewhere. Later, the exclusion of the countries already in the EU (Greece, Bulgaria and Romania) as well as Turkey and Russia evidently appeared rational to the creators of the EaP. The obvious differences between the countries included in the BSS and their relationship status with the EU (member, candidate, ENP partner, strategic partner) is the possible answer to the lack of feasibility of EU-BSEC cooperation at the interregional level. Ostensibly, Russia seems to have insisted on the organization-to-organization level of cooperation, whereas the Union insisted on cooperation between the EU and individual BSEC states which seems more bilateral than interregional in approach.

The approach by the Commission not to heavily base its relationship with the countries of Black Sea region on the EU-BSEC interregional format is probably understandable in the light of the argument by Hettne, Söderbaum and Stålgren (2010:250) that 'functioning interregionalism requires that both regions have achieved a certain degree of actorship [or a capacity in their external relations]'. It is perhaps for the same reason that the inter-institutional EU-BSEC interaction is limited to the European Commission having an observer status in BSEC meetings. It could therefore be argued that the EU may not be a passionate supporter of the BSEC format; however, the Union does not rule out its policy of collective cooperation through regional institutional schemes, as this representation promotes the EU itself (Doidge 2011). Although the probable rationale for why the EU does this is perhaps that it maintains interregional relationships in order to justify its existence and competence as a regional as well as global actor (Söderbaum and Langenhove 2006). It could therefore be

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Adygea Republic (Russia), Odessa, Mykolaiv, Kherson, Sevastopol, Zaporosh'ye and Donetsk Oblasts, Crimea Republic, Sevastopol (Ukraine) (European Commission 2007).

argued that the EU's involvement in BSEC also increases its actorness and legitimacy, to this end.

The format of the BSEC-EU interaction is, as yet, a matter of divergence among the parties concerned, as observed by the present author on a few occasions mentioned elsewhere within this thesis. Russia insists on institutional cooperation based on an equal footing, whereas the Commission disagrees with this stance.<sup>40</sup> It is intriguing that the format issue remains a matter of principle for all sides, especially for the Commission and for Russia. This divergence possibly derives from, and points to, the persistent disagreement between the EU and Russia over their common neighbourhood, particularly around the Black Sea (Flenley 2008). This could lead to the argument that the EU relations with BSEC provide an exceptional example that does not seem to perfectly fit within the definition of 'interregionalism' (Söderbaum and Stålgren 2010). The EU-BSEC partnership is apparently not a perfect case for neither interregionalism nor subregionalism standpoint and therefore provides a novel form of ad hoc interplay. On the other hand, Hettne (2010:32) highlights that 'interregional relations take on a bewildering variety of forms'. For example, the EU relationship with Japan and China, as well as Brazil, is an example of bilateralism complementing interregionalism, namely in ASEAN and Mercosur, respectively. BSEC is also an arena where this could occur. This probably implies that because the Commission acknowledges the Black Sea regionalism as being part of the European mainstream and integrated into European architecture, it therefore tries to avoid following any precedents (e.g. of ASEAN or Mercosur), since recognising BSEC as a 'real' region would possibly require the Union to formally upgrade its relationships with the BSEC Organisation. Roughly speaking, it would possibly imply that the Union would have to 'compromise' the region to other regional powers. After all, the EU and the majority of the BSEC countries (apart from Russia) negotiate for membership or for being an associate.

It could be argued that the pattern of the Black Sea regionalisation is an accommodation of diverse, but not divergent in principle, policies. The EU does drive interregionalism in its relations with its counterparts worldwide, but where BSEC is concerned, the Union keeps the level of interregionalism to the minimum extent possible. The understanding is that it is not only because the area is not regionalised, but perhaps because the Union does not want to regard and therefore recognise its immediate neighbourhood as a separate region, but a European subregion. Turkey and mainly Russia, on the other hand, seem to insist on

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<sup>40</sup> The organisational process which led to the status of the interaction between the EU and BSEC appears to offer a support for the argument that 'international organisations have significantly influenced EU institutions, policies and policy making processes' (Jørgensen 2009:192).

interregional EU-BSEC relationships and therefore they both are interested in the formal inter-organisational links.

## 6.5 Conclusion

This chapter aimed to provide an empirical assessment of the degree and scale of engagement of the EU in the Black Sea region. It started by providing insights into the policy instruments of the Union covering the territories of the BSEC countries and characterised the degree of engagement and promotion of the Black Sea regionalisation process. It also provided an assessment of the institutional relationship between the EU and BSEC. Then, the chapter analysed the EU projects encouraging cross-border cooperation and highlighted the challenges for the EU in that regard and explained how the EU seems to be attempting to address them. Finally, the Black Sea regionalisation process was discussed in the context of the relationship among the three core actors: Russia, Turkey and the EU which seems to be the most active actor in contributing to the regionalisation process.

It could be pointed out that the Black Sea regionalisation is neither neglected by the EU nor the Union has been playing a catalyst role in the regionalisation process across the sea in the same way as, for example, the United States played in the integration of Western and then Eastern Europe. Furthermore, the EU has not taken a concrete step towards easing visa procedures with the BSEC countries in its immediate neighbourhood, whereas it enthusiastically holds visa waiver talks with other third countries of the world that do not have any interest in EU accession. This is probably because the EU rationally predicts the likelihood of easier visa procedures in its neighbourhood leading to illegal immigration. Moreover, despite its activities, the EU has not really taken decisive steps or drastic measures to Europeanise the area, but it yet the Union seems to be more active by reordering its policy instruments in its South-Eastern neighbourhood to ensure that the cooperative or integrative activities are continued within a wider European framework. After all, the region appears to be on the mental map of Europe, and the Europeanisation of the Black Sea regionalism coupled with the other EU policies toward the individual BSEC countries has already made a significant difference in terms of bringing these countries closer to the EU.

Nevertheless, the Union seems to perform an important role in the make-up of the region through the projects endeavouring to encourage cross-border cooperation in the region. The EU seems to be reacting to the changes in its neighbourhood after they take place. Since 2007, the relationship with the EU not only is one of the important policy elements for the BSEC

countries, but also this relationship caused an intensification of interaction in the wider Black Sea region to a certain extent.

It is hard to place the region well under the sphere of influence of either the EU or Russia. Neither of these two important cores has achieved absolute power of influence in the wider region. The EU uses its 'soft' tactics to influence the situation in a more effective way than the Russia with its 'hard' approach. Yet, interestingly, the EU has not shown its readiness to become more involved with the problems affecting the region. The EU's miscellaneous policies do not apparently constitute a comprehensive solution to the challenges faced by the neighbouring countries; nevertheless, the EU's talk of its norms and principles seems to be more persuasive to the communities of the neighbourhood's countries than the ever domineering approach of the Russian capital. It is perhaps the case that Russia is somewhat more powerful in the region, but the Western-oriented countries are not willing to tightly associate themselves with Russia. While negotiations between EU officials and the governments of the BSEC member states, including Turkey and Russia, remain inconclusive and open-ended, it is difficult to predict whether the Black Sea regionalism, ultimately, will become a subregion attached to the EU rather than any other core. It could also be argued that the increased relationships between the EU and the countries included in the BSS, especially those in the EaP, have helped to shape regional integration around the Black Sea. Only the EU has been the only core actor initiating its incremental policies toward the region. Such an approach, aimed at explicitly elaborating a set of norms, values and ideals for pursuit in the region has been adopted neither by Russia nor by Turkey. However, the EU's reflection on the BSEC region as a whole is so delicate that any backtracking from its stated goals and commitment would demonstrate inconsistency, weakness and an absence of political will by the Union.

## **7 Conclusion: Complex regionalism as a new form of regionalism**

The aim of this thesis is to contribute to the study of regionalism by providing a case study analysis of the regionalisation in the wider Black Sea area. The case of the Black Sea regionalism shows that states can still be the main actors for regionalism even in the post-Cold War era. Specifically state actors, rather than other forces such as markets and civil society, initiated regional integration in the wider Black Sea area and established regional intergovernmental organisations such as the BSEC. Being the drivers of the regionalism and the dominant actors in the regionalisation, they also enjoy great powers to determine the scope of regionalism. In light of the present case study's findings on Black Sea regionalism, the complex regionalism conforms to the expected pattern of multi-polarity of new regionalism. However, in referring to the Black Sea regionalism, the thesis cannot subscribe to the post-Cold War argument of new regionalism that states are no longer the most important actors of contemporary regionalism. On the contrary, as the evidence from the present example of regionalism suggests, the (participating) states remain the most crucial actors in the case of Black Sea regionalism, which is definitely a post-Cold War example of regionalism (established from 1992 onward). This characteristic of regionalism, in particular the importance of state actors, appears to be downplayed in the new regionalism literature. The security imperatives coupled with the inter-state violent confrontations in the region also affect to what extent individual actors want to cooperate with their adversaries. Even though we are in the post-Cold War era, more traditional perceptions of security and zero-sum games between core powers in the BSEC region such as Russia, Turkey and the EU are a feature of the region. For this reason, the thesis concludes that aspects of the old regionalism or the pre-Cold War regionalism are still relevant. The other original contribution of this thesis lies in the fact that it drew attention to the strange phenomenon where cooperation is going on at the same time as tension and even violent confrontation between states. International relations in the BSEC are more often than not bilateral and yet they promote a degree of regional cooperation at least at the mini-lateral level. The reason is that some states are hesitant to pool their sovereignty under the existing regional organisations such as BSEC. A further sign of complexity is that many of the instances of cooperation such as economic are going on outside the remit of the regional organisation established to promote cooperation such as the Black Sea Economic Cooperation as the name itself suggests.

This summary's contribution is to show that the wider Black Sea area is a region but it cannot be easily analysed by the customary understanding and theoretical approaches of regionalism,



either old or new. In this sense as an empirical study of this area, the idea of 'complex regionalism' is therefore proposed. Complex regionalism is a unique factor of the Black Sea regionalism and is also of importance for the theorisation of new regionalism. In this particular terminology, 'complex regionalism' denotes the state of international relations around the Black Sea and is a broader definition aiming to integrate rather than to divide the old and the new approaches to regionalism. Complex regionalism refers to the integrative processes in the wider Black Sea area, defined by interstate conflicts, historic phobias and fears of domination by 'others'. In this respect, complex regionalism occurs when a group of neighbouring governments establish and maintain a fully-fledged regional organisation, coupled with various loose regionalist arrangements in the same region, and when there is a disconnection between the declared objectives and the reality of performance by the participating state-actors.

### **7.1 A regionalism of state actors**

The end of the Cold War transformed the challenges for both the new and the traditional actors in the wider Black Sea area. The emergent complex regionalism in the region is very intricate as the states involved retain the utmost assertive authority, which constitutes the dynamic element of the region. Indeed, concerns over sovereignty limits need to be addressed in order to achieve successful cooperation.

In the meantime, the responsibility for regionalisation is distributed proportionately among the diverse range of actors in the midst of the discrete responsibility lying upon the states. Without undermining some small achievements under the umbrella of the BSEC system, the interstate relationships seem to be dominated to a large extent by old-fashioned notions of sovereignty. The Black Sea regionalisation enjoys a low rhythm of exchanges on a regional level with regard to many aspects. The Black Sea regionalism is therefore a model based not on one single institution in the region but on several. An observer might depict the regional system around the Black Sea as consisting of partly cooperative, partly competitive regional and semi-regional (intergovernmental) structures. As for the area itself, it is a contested scene in the same way as it was just before the launch of the regionalisation in 1990s, maybe worse. For the successful accomplishment of the regionalisation process, more independence should therefore be granted to the regionalist organisational structures. But currently, the Black Sea regionalisation is a manifestation of eclectic (though interstate only) interactions in a variety of patterns that have materialized or are being materialized. The process of Black Sea regionalisation, to the extent it exists, is mainly elite/state led which contradicts the fundamental features of new regionalism which expects the regionalisms to be rather market

driven. This regionalisation is also not driven by institutions because regionalism would require them to be capable and possess tangible autonomy in order to pursue regionalist goals. However, it is the heavy political weight of the central actors, namely the driving states, and their self-interest which remains the most important factor and keeps regional institutions weak. The regionalisation around the Black Sea lacks even 'shallow' state-sponsored interactions such as exchanges of students, academics or low-level officials, interactions between non-governmental actors which would bolster regional social networking and eventually give rise to a sense of regional belonging and identity amongst the people of the region.

The Black Sea regionalism does not resemble a revival of old regionalism. But it could still be pointed out that both the new and the old regionalisms deserve their own credit in understanding the present case of regionalism. It seems as though there is a new kind of regionalism based on old regionalism but in a contemporary world system. The argument is that the distinctively complex case of the Black Sea regionalism blurs the clarity of the dichotomy or delineation between the old and the new, which was not openly asserted before, in the post-Cold War period. The new regionalism seemingly tends to undermine the importance of geographic terms, but the simple fact that the BSEC states came together because of their physical closeness dilutes (if not overrules) that stance. The old regionalism still deserves credit, as the contemporary regionalisation around the Black Sea is much more easily seen through the lens of the regional international organisation (i.e. BSEC) which characterises itself as a politically created and geographically fixed type of old regionalism.

The case study of a comprehensive phenomenon such as the Black Sea regionalisation or Black Sea politics also reminds us of the realist approach to international relations. Indeed, this contemporary example demonstrates that when it comes to national interests, security is prioritised over the idea of regional integration. The historic area of division between empires and global powers seems to be transforming into a region in the post-Cold War era. In fact, the BSEC nations have not shown themselves to be able to resolve the differences stemming from their national interests, nor have they sought compromise using the available mechanisms. Therefore, regionalisation in the wider Black Sea area takes place ceremonially and comprises a dynamic interplay of plurilateral interstate cooperation, at various levels of institutionalisation, associated with historic antagonisms.

Multifold relationships between BSEC states, including cooperation and confrontation, are central to an understanding of the dynamics in the region. Bilateral relations between the

states have indirectly contributed to the phenomena of regionalisation around the Black Sea. Thus, all cooperation and arrangements play a contributing role in the regionalisation process. The cogs of the wheel are in motion regardless of the views and agendas of individual states. Parts of the region are regionalising, though one might perhaps argue that if only some parts get integrated, excluding the rest, then this is more about division than unification. However, as argued, the presence of bilateral agreements also signals the limits to regional cooperation and development. At present, the regionalisation process is slow, because of the reluctance of the states concerned. This stems from conflicting agendas and national interests. Not all of the BSEC founder states appear to be in favour of BSEC integration in this part of the globe. The states involved did indeed create BSEC, but whether they did it for the sake of the regionalisation of the entire wider Black Sea area (as the interviewee representing the BSEC member states reported to the author of this research) or for their own 'gains' is not entirely clear as this regional arrangement lacks the fundamental authority and powers to function effectively. It could be pointed out that the present regionalisation process is a result of the actions, both intricate and cooperative, of the states.

The regionalisation processes in the Black Sea area have clear limits in terms of the deepening of exchanges. It would be reasonable to expect if there is any conflict of interest within a regional arrangement the threat of violent confrontation is not a valid method. In the BSEC region however, as discussed in Chapter 3, certain countries have unfortunately shown their willingness to assert their military strength through action, for example by militarily occupying a neighbouring country's territories and even massacring their civilians for the sake of their national interests. The existing divergent and even conflicting stances at a bilateral level not only undermine the credibility of their participation in plurilateral cooperation for the common benefit, but also pose a threat to peace and undermine the stability required for wider and deeper regionalisation. The regionalisation around the Black Sea is currently undergoing a multifaceted challenge. However, regional peace would require common commitment, political will, relinquishment of compromise over territorial claims, and cooperation or at least competition rather than rivalry – all of which are absent in some instances.

## **7.2 The role of the core actors**

Although the EU is not a member of BSEC, by adopting the policy instrument of the Black Sea Synergy (BSS), it has shown a willingness to look for further ways in which to support the regionalist cooperative efforts in the wider Black Sea area. There has been incremental interaction between the Union and the region. The cooperation spheres indicated in the BSS

have been complementary to the breadth of the ENPI programme, which is considered to be the archetype for EU external action in the neighbourhood. (Neither the BSS nor the Eastern Partnership (EaP) allocated new funds, but just reiterated and acknowledged the funding opportunities provided by the ENPI and the European Bank for Reconstruction and Development (EBRD).) Though the EaP is another policy initiative of the Union, its adoption appears to signal the substantial upgrade of these six countries' status from other neighbourhood countries of the Union. So, as concluded in Chapter 6, the EU has no consolidated single set of mechanisms serving the wider regionalisation of the area. As opposed to the expected regionalist approach, the BSS and EaP are rather eclectic and only touch upon the generally conceivable areas of cooperation or communication. In other words, instead of offering some concise and relevant propositions, eclecticism prevails both in the BSS and EaP. The EU's involvement possibly derives from the regional need for its active role. The fact that the EU is not the initiator of the regionalisation through the BSEC explains the minimalist nature of the Union's involvement in the process. The BSS and EaP seem to offer overarching mechanisms of the Union which appears to advocate plurilateral and minilateral cooperation amongst the European countries in the EU's Eastern Neighbourhood around the Black Sea. However, unlike the subregional cases of the Baltic and Balkans, the Black Sea cannot completely fit into the pattern of EU regionalism.

The Russian perception of the EU as an 'intruder' in its traditional sphere of domination increases the chances for rivalry between two potential gravities or cores of this regionalism. In the case of the Black Sea regionalism, it blurs the dividing lines of exclusion for Russia and its sphere of influence. As a result, this complex regionalism per se eases, though does not erase, the new post-Cold War partitioning between Brussels and Moscow, be it a collective idea or a pattern of thought, in this part of Europe around the Black Sea. This nuance is important, especially if the controversial nature of the Black Sea regionalism stems from a reflection of the conventional East-West competition. For the West-oriented post-Soviet states of the BSEC region that are not yet believed to be entirely free from Russia's long reach, any sort of interaction with the EU seems to be welcome as long as this process further draws them out from the sole surveillance of Russia. The EU, as a core hegemonic power, has provided a ground to build on for their Europeanisation so that the EU policy instruments could be employed as an overarching model for their transformation stemming from their different aspirations to approximate with the EU. BSEC states currently fall under diverging categories: some of them are committed to a core actor, several are against such a commitment, and a few seem to prefer to be neutral. The foremost challenge is to keep the delicate and difficult

balance between the dichotomies. Therefore, BSEC indeed seems to successfully bring the conflicting camps together under the same umbrella at a regional level. However, the observation is that there is no 'natural' core or outer circle which has been a formula for the other region-building experiments (Neumann 1994).

Although the idea for cooperation originated from Turkey, the region-building has not been actively driven by Turkey. Moreover, neither Russia nor the three EU member countries have been acting as the driving core actors for the Black Sea regionalisation. Not to mention the rivalry among some of the rest of the participatory countries, and the fact that their inclusion into the fold seems impossible while some of them are engaged in interstate wars. It is possible to conclude that the Black Sea regionalism does not bear much resemblance to a form of cooperation where states strive toward attaining collective benefits for all participants. Instead, its actors strive for a certain degree of regional power or at least seek high influence. It could also be argued that the existence of several potential powers or cores such as Turkey, Russia and the EU is expected in principle to generate equilibrium for the Black Sea regionalism. On the other hand, the possible risk is that all these cores may become tempted to play a zero-sum game and therefore ultimately prevent the regionalisation from achieving collective benefits.

### **7.3 The opportunities for progress**

It has also been argued that there are some complex processes resembling regionalisation or suggesting a desire for this area to become a region (Chapter 4). There is a wide variety of regional institutions to promote cross-border cooperation in the region, in accordance with their launching charters. But, unless unforeseen mitigation of the political (and ideological) cleavages and new perspectives for the region led by the interested major actors emerge in the meantime, the situation will continue to remain complex, as evidenced throughout this work.

In terms of economic integration in the area, this example of regionalisation does apparently not constitute an economic regionalism. Because although it has the required institutional arrangements, as Chapter 4 showed, there is no a successful facilitation of the free flow of goods and services, or a genuine coordination of the economic policies of the BSEC countries around the Black Sea. As Chapter 5 revealed, the intraregional level of trade is not substantive for many BSEC countries, with the exception of Moldova and Georgia. The flow of trade is not directed steadily or continuously to the region. The level of the trade dependence of each BSEC country on the rest is not enough to predict that their markets will dictate more regional

integration. Moreover, the political consultations at BSEC have not necessarily had an impact on the natural flow of trade (Chapter 5). In sum, this example of international regionalism encounters challenges for deeper integration, the level of cross-country transactions is low, and the region-wide free movement of people is not very intensive. In addition, the driving forces (i.e. the BSEC states) do not necessarily act in a cooperative manner, and their political willingness to lead genuine integration is apparently lacking. Besides, there is no core actor aiming to encourage and facilitate them to do so.

BSEC encompasses sovereign states with distinct political cultures which are unwilling to surrender control to supranational agencies over the affairs they consider internal. The current setting is seemingly not going to change unless the sovereign governments or their people are amenable to such a 'loss' of autonomy. Only a broad spectrum analysis can explain the regionalism, in particular in this area, and the parties' preferences for indecisiveness and divergence given that they have nothing much to lose or gain. Nevertheless, thanks to the established institutions, the level of cooperation i.e. consultations at the BSEC level has been keeping the regionalisation process going. BSEC is both a product and a promoter of regional cooperation by and for the participating states, respectively, although this study could not find any evidence that BSEC has attempted to comprehensively tackle the root causes of the political instability in the region, or its institutional deficiencies (Chapter 4). The BSEC model of interstate cooperation, supplemented by the other minilateral schemes around the sea (though these arrangements are not the main drivers of the process), seem not to be aiming for integration or a form of new regionalism around the sea. Nevertheless, the political dynamism at a regional level, however complex, looks set to entail a new form of complex regionalisation of some sort in the long run.

Consequently, the tensions between states inhibit, if not jeopardize, the region building and regionalisation processes in the wider surroundings of the Black Sea. Regional cooperation remains more rhetorical than actual and is subject to the willingness of the states. This is reflected in the case of BSEC, which is supposed to deal with economics and trade for freer commerce and the development of the entire wider Black Sea area. Although none of the BSEC countries possess autarkic (introverted) economic systems, BSEC remains on the outside of the main cooperative economic relations, including the transnational pipelines projects, and railway projects of regional importance (Chapter 4). However, BSEC is the main ostensible promoter of cooperation covering vast territories around the Black Sea, and is probably the one that all actors can most relate to. In the meantime, subregional cooperative ventures like

the Eastern Partnership can be viewed as milestones in the longer process, whereby a part of the wider Black Sea area regionalises at the outset, to be subsequently followed by the rest.

#### **7.4 Cooperation as well as confrontation: the unique feature of the 'complex regionalism'**

This case study has been a contribution to the debate on theorising New Regionalism and conclusions drawn from this chapter are aimed at being of theoretical significance for new regionalism – a theory in the making. Different approaches have sought to capture different aspects of the regionalism phenomenon. It could be pointed out that the 'old' regionalism is not obsolescent, nor does the new regionalism propose a solution to the persistent problems of international relations at the regional level. In contrast to the literature defending the newness of the post-Cold War regionalism, this thesis demonstrates that the border between old and new regionalism is blurred. But this thesis agrees that the new wave of regionalism differs in configuration and is indeed 'more complex and varied' (Hettne and Söderbaum 2006:181). Indeed, the new regionalism is challenged by the complexities and peculiarities particular to this experiment, but it seems that its settings retain a good deal of relevance in regional studies. However, the concept is relevant once the state actors of a regionalism chose non-violent methods for their problems to be collectively solved – but only when the participatory states have settled their fundamental differences. This thesis adds to the argument that regionalisms are complex, which is the unique characteristic of contemporary regionalism, by pointing to the very complex interplay among various actors under the BSEC format. This study has also highlighted that even states caught up in political-military problems can try to come together and launch an organisation (ostensibly) for regional cooperation. However, this attempt does not necessarily mean these adversaries are interested in *further* integration with their adversaries, unless the existing political-military concerns are resolved or evaded. In other words, the national security issue remains a dominant one in explaining why states in the region do not seek further deeper, formal integration.

What the Black Sea regionalism says about region-building in general and about regionalisation as a phenomenon is that some sort of regionalisation is possible even among states not enjoying alliance relationships. Even the adversaries could create and maintain an institutionalised arrangement to facilitate their cooperation although not all of the participating or driving state-actors may intend to collaborate as partner countries. The region-building process is therefore to be stunted by the conflicting countries within this arrangement. Moreover, the state, enjoying the most influential power in the area, will

probably block other powers from becoming core centres and regionalising the particular area. The denominator of the regionalisation around the Black Sea is the coexistence of both cooperation and confrontation within the same regionalist process. The minilateral as well as some forms of bilateral cooperations within the plurilateral groupings (within and beyond the BSEC format) created an ultimate resource for the wider Black Sea regionalism. In other words, the interaction and collaboration between the BSEC states in various parts of, as well as throughout, the wider Black Sea area have contributed to a broader regionalisation. This would suggest that even though each actor or minilateral group of actors takes independent actions, with no explicit aim of contributing to the wider Black Sea regionalism, the separate collaborations (the transnational projects involving several BSEC countries only) do in fact appropriately comply with the requirements of, and contribute to, the process of 'complex regionalisation' (Chapter 4). On the other hand, the existing antagonisms between the states, stemming from their security dilemmas, hold back if not actually impede the overall process. The existing disputes and bitter warfare among countries in the wider Black Sea area have had both an implicit and an explicit affect on their agendas regarding cooperative arrangements. 'Complex regionalisation' is the definition emerging from contemporary analysis of the case of Black Sea regionalisation, which highlights the concurrent existence of both regionalisation and conflict.

Although the states did institutionalise the BSEC cooperation, this institutionalisation is not an actual basis for interstate cooperation. What exists instead is 'complex regionalism'. Therefore, this thesis names the process of regionalisation around the Black Sea 'complex regionalisation' because the number of institutions and the levels of their constitutional or developmental achievements are low. In addition, the means and instruments for integration have not been translated from their potential into tangible effects. Furthermore, the level of integration (as far as it could be determined during this study, since there is no generally accepted or clearly articulated procedure for this kind of measurement) is not symmetrical to the number of established institutions, and these establishments are either ineffective or quasi-ineffective.

In fact, most of the existing cooperation around the sea is more bilateral than plurilateral or at BSEC level. Individual states and the BSEC organization are important, if not crucial, actors in the Black Sea regionalisation process as regionalisation is ostensibly a state led and/or BSEC-centric process by definition. This set form of plurilateral cooperation, in its current manifestation, appears to be a scenario for the (re)assertion of the states' own interests. The underlying factor explaining the post-Cold War pattern of economic cooperation around the Black Sea is the security imperative. Indeed, the pattern of regionalisation seems to be



consistent with the security order in the region. The regionalisation is therefore stuck because of the existing troublespots deriving from the international conflicts, and will continue as such until the organisations become independent rather than (inter)dependent variables. So far, the BSEC process and other mechanisms serving a similar purpose have not led to any particularly successful amalgamations among them or prevented antagonisms among adversaries. Nor has it integrated these countries with the EU. (The Turkish assertiveness about its importance for the EU, self-emphasising its role and location for energy routes and military potential for the West's operations worldwide, resembles a regional actor's bid for more powers which also means that new regionalism is an open rather than a closed structure.)

By pointing to the definitional problems of 'subregions' and 'regions' that exist in regional studies, the case of the BSEC experiment does not fully fit with the existing definitions of regionalism. Therefore this thesis highlights the complexity of regionalisms and asserts that regionalisation should not be perceived as a fixed outcome of the changing process of regional political interactions in transformation, but rather an open one. The conclusion is that no regionalism is an island, especially the model of new regionalism which entails both modernist and traditional approaches to regionalism.

Furthermore, in new regionalism theory, there is a blind spot when it comes to regional conflicts and their effective role in regionalisation. Therefore, by pointing out the lacunas in new regionalism and by fully explaining the case at hand, this research highlights the need for some theoretical adjustments to the emergent theory of new regionalism in its development phase. The paradigm of regionalism does provide a set of dimensions for the study of a regionalisation process in a given territory. However, this analysis of the case of Black Sea regionalisation draws the conclusion that regionalism does not provide an explanation for the BSEC states' attitude, in particular their hesitation to resolve the conflicts among them. Although the conceptual framework of new regionalism provides an appropriate lens to analyse the international relations in the wider Black Sea area, it cannot explain the particularities of such a complex case of regionalism. In particular, one of the basic problems with using the new regionalism approach is that it does not address (or places too little emphasis on) the regional conflicts of international nature and their imperative role in the regional integration process. I would therefore posit that the application of the new regionalism approach to individual cases such as the very complex wider Black Sea region is problematic as there is simultaneous cooperation and confrontation. I have termed this 'complex regionalisation'.

## Appendix I: The list of BSEC agreements

STATUS OF AGREEMENTS/MOUs BY COUNTRY

	In Force	Alb.	Arm.	Azer.	Bul.	Geo.	Gre.	Mol.	Rom.	Serb.	Rus.	Tur.	Ukr.
BSEC Charter	YES	●	●	●	●	●	●	●	●	●	●	●	●
New Article 24 of the Charter*	NO	-	●	-	●	●	●	-	●	●	●	-	-
Ad. Prot. on the privileges and immunities of BSEC	YES	●	●	●	●	●	●	●	●	●	●	●	●
Headquarters Agreement – BSEC	YES	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	●	NA
Amendments to the Headquarters Agreement – BSEC	YES	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	●	NA
Protocol on the Privileges and Immunities of PABSEC	YES	●	●	●	●	●	●	●	●	●	●	●	●
Agreement - Combating Crime	YES	●	●	●	●	●	●	●	●	●	●	●	●
Ad. Prot. Combating Crime	YES	●	●	●	●	●	●	●	●	●	●	●	●
Ad. Prot. on Terrorism – to the Agr. On Combating Crime	YES	●	●	●	●	●	●	●	●	●	●	●	●
Agreement on Emergency Assistance	YES	○	●	○	●	●	●	●	●	○	●	●	●
Ad. Prot. on Emergency Assistance	YES	○	●	●	●	●	●	●	●	○	●	●	●
MoU - Road Transport of Goods	YES	●	●	●	●	●	●	●	●	●	●	●	●
MoU - Motorways of the Sea	YES	●	●	●	●	●	●	●	●	●	●	●	●
MoU - Black Sea Ring Highway	YES	●	●	●	●	●	●	●	●	●	●	●	●
MoU- Diplomatic Academies	YES	●	○	●	●	○	●	○	●	●	●	●	●
Agr. on Simplification of Visa Procedures for Lorry Drivers	NO	●	●	○	○	○	○	●	○	○	○	●	○
Agr. on Simplification of Visa Procedures for the Businesspeople	NO	●	●	○	○	○	○	●	○	○	○	●	○

\* New Article 24 was adopted at the special Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States, Istanbul 25 June 2004.  
Signing procedure is not envisaged.

● — The State expressed its consent to be bound    ● — The State signed but internal procedures are not yet finalised    ○ — Not signed by the State    NA – Not Applicable.

Source: The official website of BSEC Organisation ([www.bsec-organization.org](http://www.bsec-organization.org)).

## Appendix II: Declaration of the Countries of the Community of Democratic Choice

(Kyiv, Ukraine, December 2nd, 2005)

We, the countries of the Baltic-Black-Caspian Sea region;

Expressing our adherence to the purposes and principles set forth in the Charter of the United Nations and the Universal Declaration of Human Rights;

Devoted to the ideals and values of democracy and human rights;

Having taken the responsibility of respecting, promoting and strengthening the core democratic principles and practices set forth in the Final Warsaw Declaration: Towards a Community of Democracies;

Consistently caring about the implementation of the Seoul Action Plan of the Community of Democracies, in particular in the sphere of regional cooperation;

Welcoming the creation of the UN Democracy Fund;

Emphasizing the unbreakable interdependence between peace, stability and development, and respect for the ideals of democracy and human rights;

Calling for the respect of all human rights – civil, cultural, economic, political and social, and their maintenance and promotion according to the international documents on human rights;

Feeling a common responsibility for the future and further development of democracy, and for the respect of human rights in the Baltic-Black-Caspian Sea region;

Striving to see Europe without dividing lines, violations of human rights, ‘frozen’ conflicts, or any spirit of confrontation;

Hereby declare the creation of a Community of Democratic Choice as a governmental and non-governmental Forum of cooperation for dialogue, through which the national leaders and representatives of Non-Governmental Organizations of our countries proclaim their intention:

- to cooperate closely towards achieving the common goal of establishing lasting peace, democracy and prosperity in the entire European continent;
- to cooperate for the development and strengthening of democracy, recognizing that different countries and societies within the region of attention of the Community of Democratic Choice are at differing stages of democratic development;
- to support the promotion of human values and standards in order to promoting and establishing democratic processes and institutions, and to encourage the exchange experience in the strengthening of democracy and the respect for human rights;
- to assist in the developing of closer links between our governments and societies in different spheres, including in education for democracy;
- to cooperate with institutions and international organizations, civil society and governments in coordinating support to new and emerging democratic societies;
- to provide support for the further economic and social development, including poverty eradication, as the main impeding factor for development and protection of the democratic process;

- 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;
- to show an example of respect for democracy and human rights in our countries and to urge the political leaders of those countries on the way to democracy to encourage tolerance and mutual understanding, as well as to promote the respect for pluralism, to counteract ethnic and religious hatred, violence, separatism and other forms of extremism, and to support the development of civil society, non-governmental organizations and independent mass-media;
- to cooperate in all issues related to encouraging the development of a vibrant and stronger democracy, thus strengthening the format of the Community of Democratic Choice.

In proclaiming this Declaration, the countries of the Baltic-Black-Caspian Sea region declare that the Community of Democratic Choice will do its utmost to answer to the natural desire of all States and Societies, of every new generation and every human being to reach higher standards of sustainable development.

We devoutly hope that the far-reaching mission of the Community of Democratic Choice will serve to unite all of the countries of the region in their common efforts to strengthen our regional cooperation, promote democracy and protect human rights. We declare that we will continue our exchange of ideas on democratic transformations at various forums, including the Black Sea Forum for Dialogue and Partnership to be launched in Bucharest in Spring 2006, “Baltic and Black Sea Region Summit” in Vilnius in May 2006 and Forum in Tbilisi in Autumn 2006.

Source: The website of the Mission of Ukraine to European Communities ([www.ukraine-eu.mfa.gov.ua/eu/en/news/detail/1377.htm?lightWords=laundrying](http://www.ukraine-eu.mfa.gov.ua/eu/en/news/detail/1377.htm?lightWords=laundrying)).

## Appendix III: Turkish-Armenian Protocol 1

**PROTOCOL  
ON  
THE ESTABLISHMENT OF DIPLOMATIC RELATIONS  
BETWEEN  
THE REPUBLIC OF ARMENIA  
AND  
THE REPUBLIC OF TURKEY**

The Republic of Armenia and the Republic of Turkey,

Desiring to establish good neighbourly relations and to develop bilateral cooperation in the political, economic, cultural and other fields for the benefit of their peoples, as envisaged in the Protocol on the development of relations signed on the same day,

Referring to their obligations under the Charter of the United Nations, the Helsinki Final Act, the Charter of Paris for a New Europe,

Reconfirming their commitment, in their bilateral and international relations, to respect and ensure respect for the principles of equality, sovereignty, non-intervention in internal affairs of other states, territorial integrity and inviolability of frontiers,

Bearing in mind the importance of the creation and maintenance of an atmosphere of trust and confidence between the two countries that will contribute to the strengthening of peace, security and stability of the whole region, as well as being determined to refrain from the threat or the use of force, to promote the peaceful settlement of disputes, and to protect human rights and fundamental freedoms,

Confirming the mutual recognition of the existing border between the two countries as defined by the relevant treaties of international law,

Emphasizing their decision to open the common border,

Reiterating their commitment to refrain from pursuing any policy incompatible with the spirit of good neighbourly relations,

Condemning all forms of terrorism, violence and extremism irrespective of their cause, pledging to refrain from encouraging and tolerating such acts and to cooperate in combating against them,

Affirming their willingness to chart a new pattern and course for their relations on the basis of common interests, goodwill and in pursuit of peace, mutual understanding and harmony,

Agree to establish diplomatic relations as of the date of the entry into force of this Protocol in accordance with the Vienna Convention on Diplomatic Relations of 1961 and to exchange Diplomatic Missions.

This Protocol and the Protocol on the Development of Bilateral Relations between the Republic of Armenia and the Republic of Turkey shall enter into force on the same day, i.e. on the first day of the first month following the exchange of instruments of ratification.

Signed in (place) on (date) in Armenian, Turkish and English authentic copies in duplicate. In case of divergence of interpretation, the English text shall prevail.

FOR THE REPUBLIC OF  
ARMENIA

FOR THE REPUBLIC OF  
TURKEY

Source: The official website of the Constitutional Control of the Republic of Armenia ([www.concourt.am](http://www.concourt.am)).



## Appendix IV: Turkish-Armenian Protocol 2

**PROTOCOL  
ON  
DEVELOPMENT OF RELATIONS  
BETWEEN  
THE REPUBLIC OF ARMENIA AND THE REPUBLIC OF TURKEY**

The Republic of Armenia and the Republic of Turkey,

**Guided** by the Protocol on the Establishment of Diplomatic Relations between the Republic of Armenia and the Republic of Turkey signed on the same day,

**Considering** the perspectives of developing their bilateral relations, based on confidence and respect to their mutual interests,

**Determining** to develop and enhance their bilateral relations, in the political, economic, energy, transport, scientific, technical, cultural issues and other fields, based on common interests of both countries,

**Supporting** the promotion of the cooperation between the two countries in the international and regional organisations, especially within the framework of the UN, the OSCE, the Council of Europe, the Euro-Atlantic Partnership Council and the BSEC,

**Taking into account** the common purpose of both States to cooperate for enhancing regional stability and security for ensuring the democratic and sustainable development of the region,

**Reiterating** their commitment to the peaceful settlement of regional and international disputes and conflicts on the basis of the norms and principles of international law,

**Reaffirming** their readiness to actively support the actions of the international community in addressing common security threats to the region and world security and stability, such as terrorism, transnational organised crimes, illicit trafficking of drugs and arms,

**1. Agree** to open the common border within 2 months after the entry into force of this Protocol,

**2. Agree** to

conduct regular political consultations between the Ministries of Foreign Affairs of the two countries;

implement a dialogue on the historical dimension with the aim to restore mutual confidence between the two nations, including an impartial scientific examination of the historical records and archives to define existing problems and formulate recommendations;

make the best possible use of existing transport, communications and energy infrastructure and networks between the two countries, and to undertake measures in this regard;

develop the bilateral legal framework in order to foster cooperation between the two countries;

cooperate in the fields of science and education by encouraging relations between the appropriate institutions as well as promoting the exchange of specialists and students, and act with the aim of preserving the cultural heritage of both sides and launching common cultural projects;

establish consular cooperation in accordance with the Vienna Convention on Consular Relations of 1963 in order to provide necessary assistance and protection to the citizens of the two countries;

take concrete measures in order to develop trade, tourism and economic cooperation between the two countries;

engage in a dialogue and reinforce their cooperation on environmental issues.

**3. Agree on the establishment of an intergovernmental bilateral commission which shall comprise separate sub-commissions for the prompt implementation of the commitments mentioned in operational paragraph 2 above in this Protocol. To prepare the working modalities of the intergovernmental commission and its sub-commissions, a working group headed by the two Ministers of Foreign Affairs shall be created 2 months after the day following the entry into force of this Protocol. Within 3 months after the entry into force of this Protocol, these modalities shall be approved at ministerial level. The intergovernmental commission shall meet for the first time immediately after the adoption of the said modalities. The sub-commissions shall start their work at the latest 1 month thereafter and they shall work continuously until the completion of their mandates. Where appropriate, international experts shall take part in the sub-commissions.**

**The timetable and elements agreed by both sides for the implementation of this Protocol are mentioned in the annexed document, which is an integral part of this Protocol.**

**This Protocol and the Protocol on the Establishment of Diplomatic Relations between the Republic of Armenia and the Republic of Turkey shall enter into force on the same day, i.e. on the first day of the first month following the exchange of instruments of ratification.**

**Signed in (place) on (date) in Armenian, Turkish and English authentic copies in duplicate. In case of divergence of interpretation, the English text shall prevail.**

**FOR THE REPUBLIC OF ARMENIA**

**FOR THE REPUBLIC OF TURKEY**

**Annexed document: Timetable and elements for the implementation of the Protocol on development of relations between the Republic of Armenia and the Republic of Turkey**

**Timetable and elements for the implementation of the Protocol on development of relations  
between the Republic of Armenia and the Republic of Turkey**

<b>Steps to be undertaken</b>	<b>Timing</b>
1. to open the common border	within 2 months after the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
2. to establish a working group headed by the two Ministers of Foreign Affairs to prepare the working modalities of the intergovernmental commission and its sub-commissions	2 months after the day following the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
3. to approve the working modalities of the intergovernmental commission and its sub-commissions at ministerial level	within 3 months after the entry into force of the Protocol on the development of relations between the Republic of Armenia and the Republic of Turkey
4. to organize the first meeting of the intergovernmental commission	immediately after the adoption of the working modalities of the intergovernmental commission and its sub-commissions at ministerial level
5. to operate the following sub-commissions: - the sub-commission on political consultations; - the sub-commission on transport, communications and energy infrastructure and networks; - the sub-commission on legal matters; - the sub-commission on science and education; - the sub-commission on trade, tourism and economic cooperation; - the sub-commission on environmental issues; and - the sub-commission on the historical dimension to implement a dialogue with the aim to restore mutual confidence between the two nations, including an impartial scientific examination of the historical records and archives to define existing problems and formulate recommendations, in which Armenian, Turkish as well as Swiss and other international experts shall take part.	at the latest 1 month after the first meeting of the intergovernmental commission

**FOR THE REPUBLIC OF ARMENIA**

**FOR THE REPUBLIC OF TURKEY**

Source: The official website of the Constitutional Control of the Republic of Armenia ([www.concourt.am](http://www.concourt.am)).



## Appendix V: An extract from the official newsletter of BSEC

### Draft Agreement on Simplification of Visa Procedures for Professional Drivers Approved

The Council of Ministers of Foreign Affairs of the BSEC Member States at its Meeting in Belgrade on 19 April 2007 approved the Draft Agreement on Simplification of Visa Procedures for the Professional Drivers Nationals of the BSEC Member States. The Draft Agreement has been considered and finalized by the national experts from nine BSEC countries at a meeting in Chisinau on 3 May 2007. It stipulates the simplified procedures for issuing one-year multiple visas for professional lorry drivers from Albania, Armenia, Azerbaijan, Georgia, Moldova, the Russian Federation, Serbia, Turkey and Ukraine. As a step in the implementation of the "Memorandum of Understanding on Facilitation of Road Transport of Goods in the BSEC Region" the Agreement will contribute to the development of trade and economic relations between the BSEC Member States. ■

Source: Black Sea News No:15, June 2007, p 1.

## Appendix VI: An extract from the official newsletter of BSEC



### BSEC PDF Promotional Event

In an effort to promote international collaboration in projects for the Black Sea countries, BSEC organized a promotional event, with the sponsorship of the BSTDB, to strengthen and spring board activity for its Project Development Fund (PDF). As BSEC's financial instrument the PDF has been operating since 2004 with the aim to initiate, facilitate and promote inter-regional cooperation on projects with develop-

ment impact potential at the early stage of their inception. To this day 36 applications have been reviewed by BSEC's Working Groups and fourteen have been approved and will be financed. Representatives of 14 international institutions and organizations presented their activities in order to find ways to link them with BSEC's PDF using the existing frameworks more efficiently, as well as to co-finance the projects.

All participating institutions openly expressed their willingness to strengthen relations with the BSEC Organization so as to identify areas for collaboration in the field of regional projects. In addition, UNIDO-ICHET expressed the willingness to co-finance with USD10,000 PDF projects in the field of Hydrogen Energy. The BSEC Council of Ministers (Belgrade, 19 April 2007) expressed its satisfaction regarding the outcome of the PDF Promotional Event, which contributed to strengthening BSEC's project oriented approach and to the BSTDB for sponsoring it. Moreover, it invited the Member States and the Observer States to actively contribute to PDF with concrete proposals for project ideas and sources of funding. ■

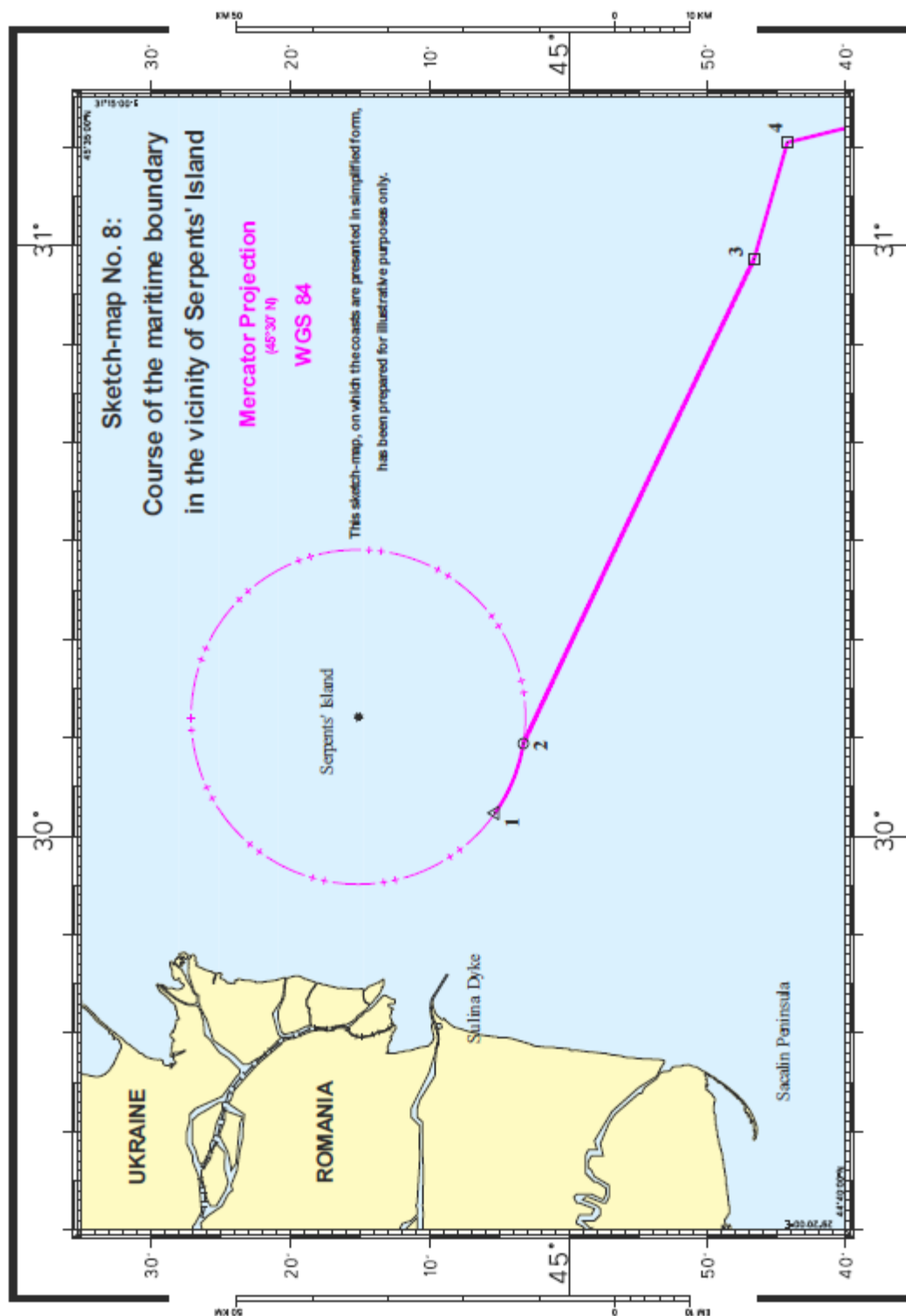
Source: Black Sea News No:15, June 2007, p 2.

## Appendix VII: Map of the maritime territories between Romania and Ukraine



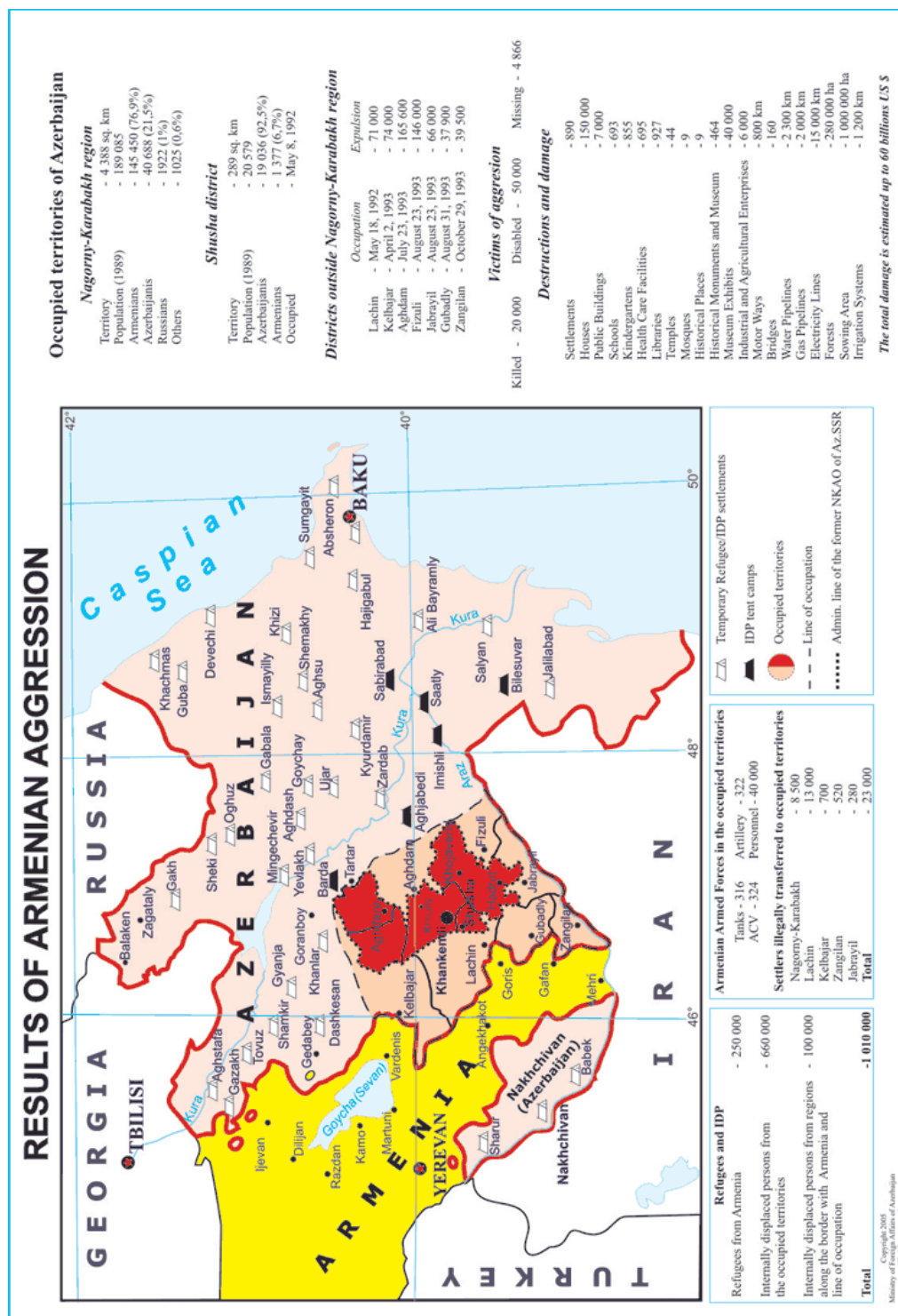
Source: International Court of Justice, Case Concerning Maritime Delimitation in the Black Sea (Romania v. Ukraine), 3 February 2009 Judgment, p 66.

## Appendix VIII: Map of the Serpents' Island



Source: International Court of Justice, Case Concerning Maritime Delimitation in the Black Sea (Romania v. Ukraine), 3 February 2009 Judgment, p 65.

## Appendix IX: A detailed map of the occupied territories of Azerbaijan



Source: MFA Azerbaijan ([www.mfa.gov.az](http://www.mfa.gov.az)).

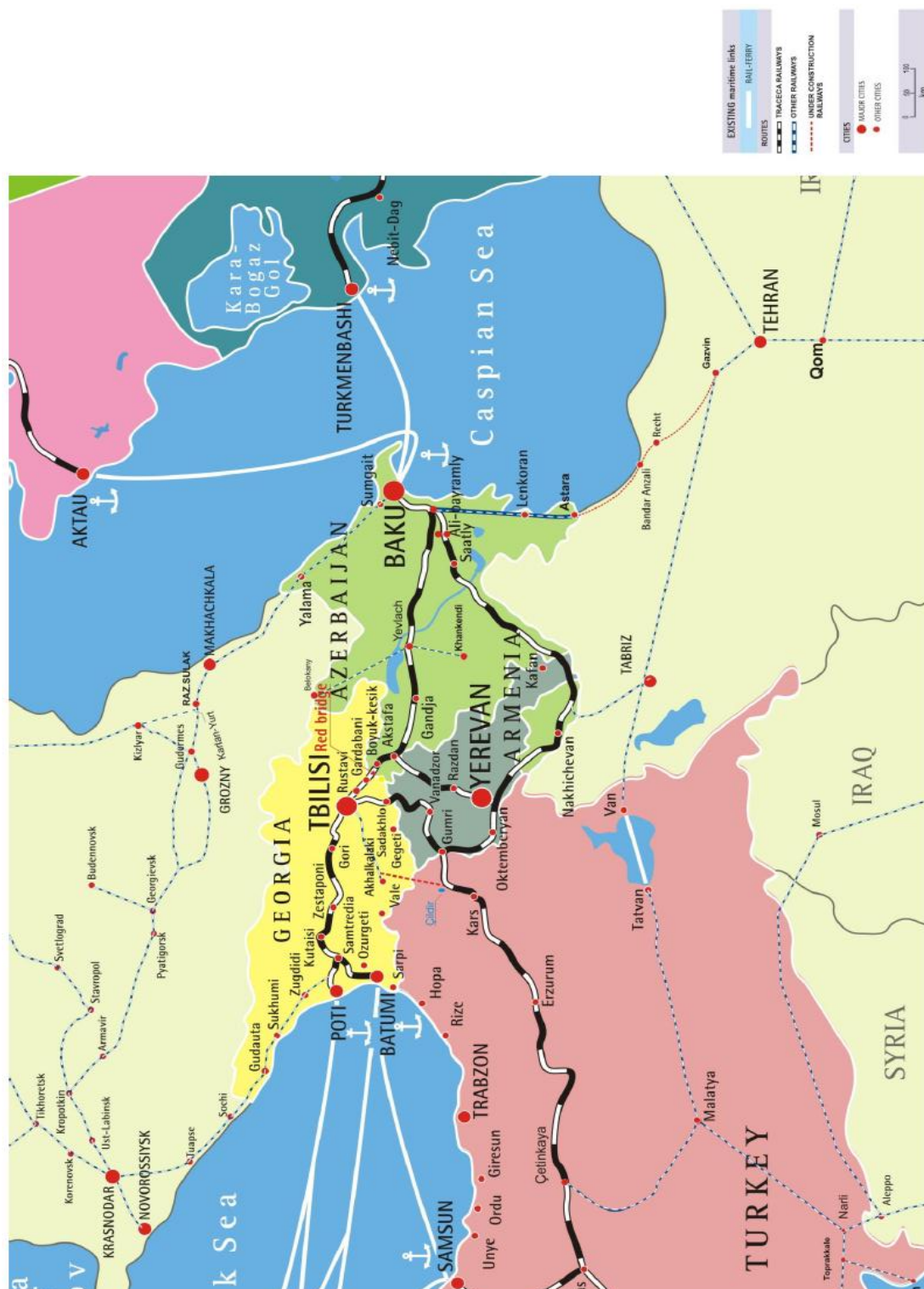
## Appendix X: Black Sea Ring Highway Caravan Route



Source: The website of the International Road Transport Union ([www.iru-nelti.org](http://www.iru-nelti.org)).



## Appendix XI: Transport Corridor Europe Caucasus Asia (TRACECA)



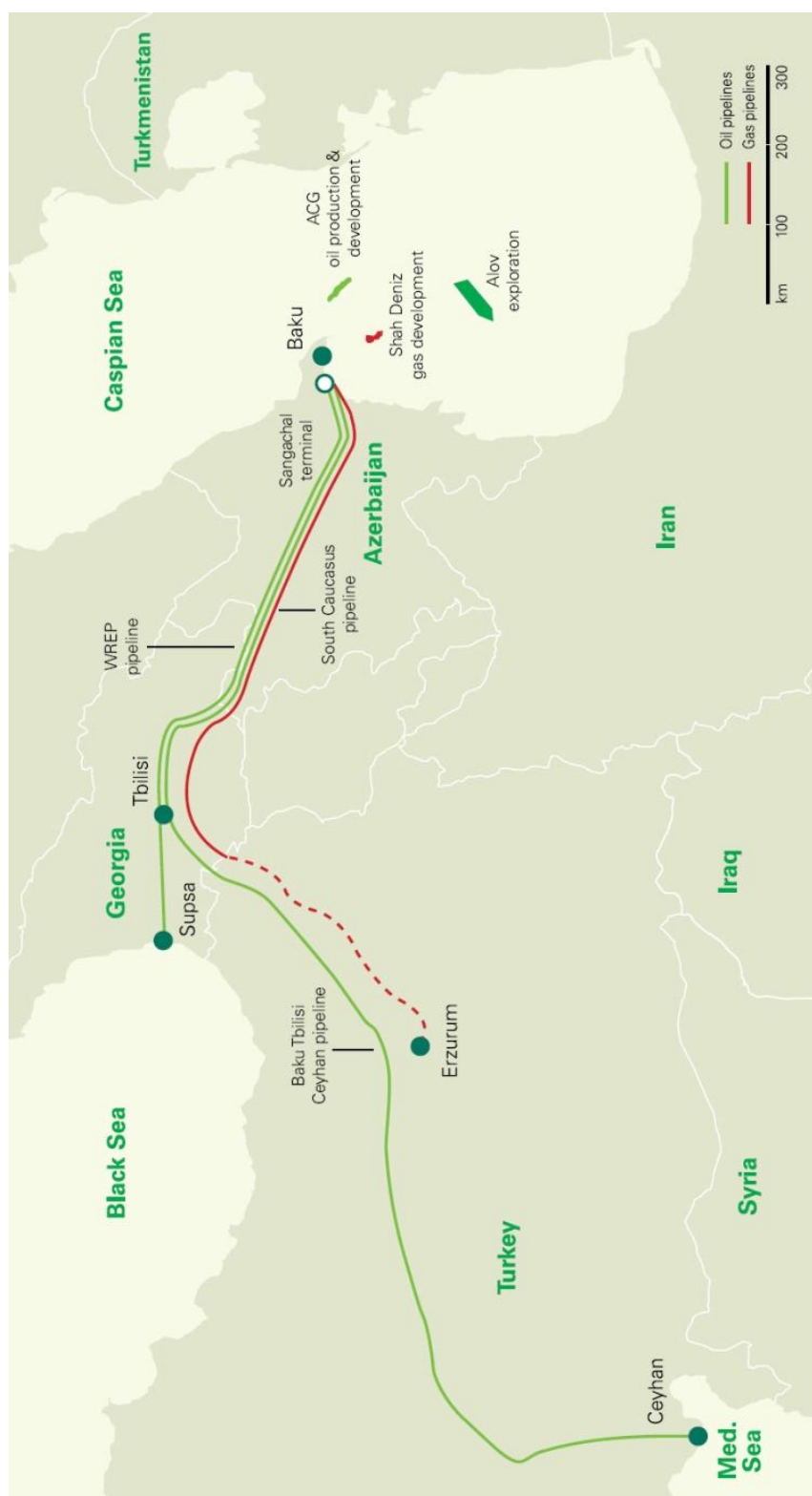
Source: Ministry of Transport of Azerbaijan Republic <http://www.mot.gov.az/>

Source: <http://euobserver.com/19/113608>





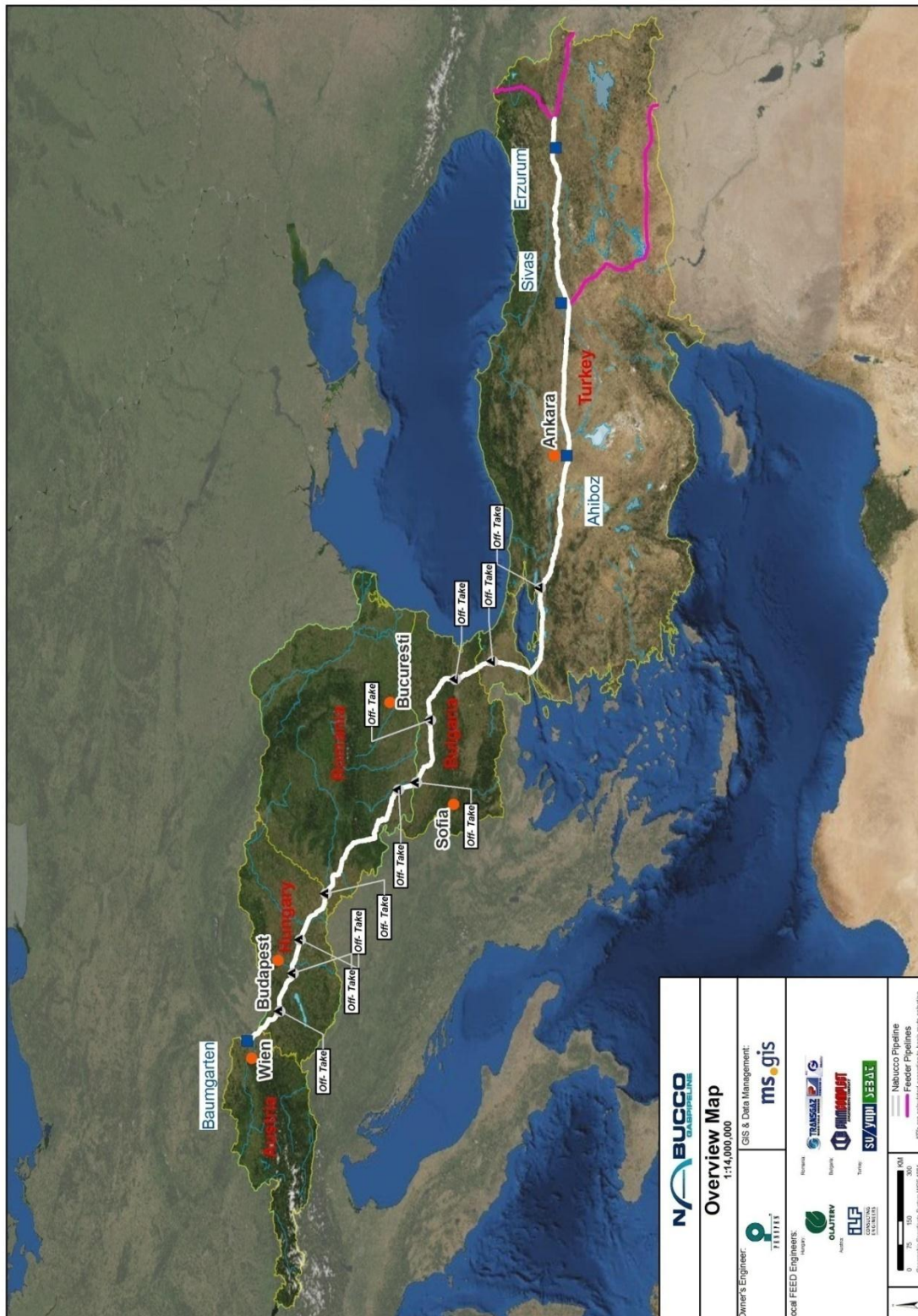
## Appendix XIII: Baku-Tbilisi-Ceyhan oil and Baku-Tbilisi-Erzurum pipelines route



Source: BP Azerbaijan ([www.bp.com](http://www.bp.com)).



## Appendix XIV: Nabucco Gas Pipeline route



Source: The website of the Nabucco Gas Pipeline International GmbH (NIC) Company ([www.nabucco-pipeline.com](http://www.nabucco-pipeline.com)).

## **Appendix XV: Intraregional bilateral trade**

	Arm	1993	1994		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Aze	Exp.	48	-	-	-	-	-	-	-	-	-	-	-	0.23	-	-	-	-	-
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	-	-	-	-	63	1.50	-	-	-	-	13	0.50	1.60	-	-	-	-	-
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bul	Exp.	1,047	24	93	198	464	1,029	882	656	327	1,596	1,519	4,718	842	1,285	46,928	59,574	60,024	156,560
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	164	910	4,640	14,295	25,443	16,186	12,082	7,216	6,424	49,496	49,273	53,057	27,355	41,607	87,493	118,601	87,081	112,383
	Oil.	-	-	-	-	192	-	3,751	1	189	39,114	157	-	-	21,129	62,085	93,901	67,200	90,007
Geo	Exp.	3,150	2,888	2,733	6,880	10,727	9,573	11,100	15,989	12,413	16,607	18,674	29,062	46,833	54,649	87,869	81,814	52,841	49,035
	Oil.	-	-	-	-	168	-	7,003	9,409	6,266	4,836	5,394	9,062	10,730	7,327	52	18	387	7,994
	Imp.	19,536	17,810	61,849	51,240	38,248	26,830	26,856	19,801	18,503	31,470	10,581	13,127	19,212	35,462	46,334	49,379	40,912	54,350
	Oil.	-	-	-	-	23,750	-	12,697	8,586	189	6,219	4,326	7,474	1,050	22	25	39	676	144
Gre	Exp.	-	-	117	460	158	249	168	2,963	2,026	1,170	5,218	829	815	646	2,741	360	134	108
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	-	-	5,604	5,263	10,223	9,131	13,029	54,003	13,579	12,186	24,536	28,891	25,400	51,389	40,723	38,924	30,841	50,895
	Oil.	-	-	-	-	597	-	1,789	1	11	15	-	4	-	-	11,083	11,570	12,536	27,654
Mol	Exp.	103	12	31	56	150	37	207	132	186	83	301	180	763	837	2,465	1,641	1,302	966
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	88	128	119	52	84	68	71	927	440	1,340	1,740	1,960	3,089	2,720	1,689	1,278	1,929	1,444
	Oil.	-	-	-	-	-	-	-	34	-	-	-	-	-	-	-	-	-	-
Rom	Exp.	-	-	-	71	-	-	1	400	0	89	21	253	296	37	706	213	66	288
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	-	-	1,411	4,750	1,424	981	452	267	196	7,229	16,458	34,007	75,244	83,785	68,381	100,196	72,800	85,720
	Oil.	-	-	-	-	-	-	152	-	-	7,023	-	-	-	74,853	60,773	84,640	68,305	74,188
Rus	Exp.	58,508	83,948	90,803	96,141	62,899	39,986	33,856	44,560	60,501	64,634	94,418	77,898	119,004	121,156	201,543	208,175	107,776	160,508
	Oil.	-	-	-	-	-	-	1	-	-	-	19	-	0	6	-	-	-	-
	Imp.	77,903	112,158	135,111	125,497	215,862	191,403	181,348	137,158	173,648	192,898	174,908	159,687	242,632	304,171	494,461	851,173	793,634	835,272
	Oil.	-	-	-	-	132,074	-	78,503	85,219	81,680	62,938	68,357	73,047	92,015	15,831	38,124	286,892	280,876	310,215
Tur	Exp.	287	201	2,598	6,031	7,153	2,988	1,129	1,528	1,130	1,436	1,155	2,021	2,473	2,371	3,033	1,851	1,198	1,291
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	46	546	2,590	6,255	38,396	56,780	40,152	40,462	33,756	38,232	40,887	44,805	66,928	95,423	130,631	268,187	177,953	210,381
	Oil.	-	-	-	-	361	-	-	2,040	957	241	783	151	72	702	757	40,494	2,729	674
Ukr	Exp.	4,111	3,723	4,491	4,854	3,492	3,972	2,096	3,271	10,983	8,091	6,992	10,479	13,703	22,554	46,258	21,928	12,671	12,056
	Oil.	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-
	Imp.	4,042	5,280	5,440	11,991	11,560	8,932	7,926	12,342	22,102	45,736	55,267	80,724	125,390	163,194	251,787	314,842	203,149	229,924
	Oil.	-	-	-	-	1,284	-	-	3,299	344	6,005	102	237	649	32,248	39,057	12,715	8,024	4,929

Table 6 Armenia's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

	Aze	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Oil.																		
Bul	Exp.	2,552	283	836	538	4,465	10,837	1,981	2,938	1,785	2,587	13,934	49,310	100,860	6,308	5,693	194,441	128,471	136,536
	Oil.	-	-	-	-	4,349	370	90	1,987	32	152	13,910	49,303	100,784	6,287	5,690	194,130	128,470	136,427
Geo	Exp.	1,981	1,298	6,969	3,411	1,984	1,853	7,559	11,845	12,146	6,676	4,800	5,581	4,551	15,474	10,184	17,091	8,633	12,930
	Oil.	-	-	-	-	-	370	24	-	-	-	-	-	-	-	90	34	18	27
Gre	Exp.	35,399	16,610	41,308	91,558	133,487	76,915	71,723	74,640	103,236	80,828	110,060	188,784	208,436	285,276	343,820	490,668	395,008	410,969
	Oil.	-	-	-	82,175	125,419	73,441	65,140	64,728	95,368	69,436	97,541	169,559	184,199	238,112	280,866	416,960	355,090	353,753
Mol	Exp.	20,217	7,960	18,875	28,316	36,645	25,200	9,486	10,317	4,935	12,742	10,232	14,493	45,499	49,202	62,931	51,535	59,884	50,413
	Oil.	-	-	-	4,097	1,924	2,195	3,537	20	43	5,345	549	-	-	775	2,652	463	1,160	101
Rom	Exp.	27,871	1,161	10,021	9,774	13,760	12,398	13,226	22,680	50,831	54,124	71,426	20,226	95,673	181,983	115,060	290,884	179,745	255,013
	Oil.	-	-	-	9,774	13,455	12,116	13,120	22,515	50,588	53,902	71,229	19,585	94,269	181,893	114,732	290,415	179,497	254,806
Ukr	Exp.	31	244	718	1,394	1,725	3,763	489	3,379	8,415	5,424	7,774	4,532	5,028	5,369	30,781	6,614	5,681	12,076
	Oil.	-	-	-	362	-	-	16	-	25	-	26	-	-	114	244	-	154	166
Tur	Exp.	16,833	12,540	3,097	3,793	1,496	612	255	21	70	160	140	141	202	339	109	320	3,746	178
	Oil.	-	-	-	3,251	892	317	205	-	2	76	60	84	109	181	-	45	3,476	40
Ukr	Exp.	10,997	13,477	4,365	8,590	7,970	2,789	1,520	1,737	337	1,640	1,125	3,085	2,705	4,668	9,801	6,117	2,911	5,924
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rus	Exp.	79	-	49	-	24	370	3,621	7,537	9,041	28,354	1,642	82,295	119,120	80,122	85,401	161,078	55,024	94,250
	Oil.	-	-	-	-	-	329	3,560	7,403	8,994	28,210	807	81,806	118,357	79,805	85,162	160,801	53,258	92,334
Rus	Exp.	7	227	264	655	1,276	1,010	1,967	2,484	3,738	3,926	6,184	8,034	5,549	39,258	3,025	40,373	10,085	22,940
	Oil.	-	-	-	-	-	-	-	-	-	-	-	18	-	-	-	1	288	434
Tur	Exp.	218,165	139,713	98,875	111,390	180,532	105,787	83,071	98,302	77,558	95,688	147,881	209,760	285,416	344,259	527,124	582,891	746,426	773,552
	Oil.	-	-	-	35,281	78,138	15,023	32,247	23,057	11,870	19,608	22,279	24,123	9,981	9,925	9,447	13,665	166,662	216,572
Ukr	Exp.	146,861	117,511	88,323	158,389	151,521	193,830	226,499	249,329	152,994	280,943	383,901	569,462	717,223	1,181,580	1,004,180	1,350,370	1,072,070	1,145,010
	Oil.	-	-	-	13,167	26,180	53,513	22,728	16,429	8,206	34,073	39,612	74,913	65,301	393,730	67,633	20,808	11,164	10,736
Ukr	Exp.	64,571	16,463	26,445	39,049	41,283	135,838	69,081	104,981	67,382	83,397	107,036	182,593	275,959	388,145	1,056,320	626,157	107,620	170,894
	Oil.	-	-	-	943	4,437	96,412	43,246	70,004	48,562	56,750	54,869	125,417	202,795	301,348	972,244	504,312	65,930	107,857
Ukr	Exp.	73,872	76,027	140,510	216,258	179,702	219,689	142,979	128,503	148,167	156,219	195,252	224,995	313,002	385,040	624,573	807,169	906,984	771,442
	Oil.	-	-	-	7,643	6,809	8,501	7,338	9,467	14,771	23,458	16,326	15,610	15,586	18,045	7,956	6,954	9,082	10,663
Ukr	Exp.	57,171	57,984	33,440	21,855	32,145	12,018	24,027	23,621	6,841	12,982	21,204	12,256	35,795	38,404	29,188	172,126	184,045	888,638
	Oil.	-	-	-	12,706	16,341	4,358	19,366	18,745	1,774	7,944	13,121	6,159	17,382	22,028	13,413	142,299	174,465	868,335
Ukr	Exp.	60,558	86,224	33,512	94,424	85,640	92,991	38,430	35,824	39,330	79,978	118,829	170,358	226,251	317,512	465,558	567,228	511,741	465,560
	Oil.	-	-	-	-	-	76	-	7	70	627	443	1,235	3,030	4,350	4,423	5,890	2,981	2,850

Table 7 Azerbaijan's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).



	Bul	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Arm</b>	Exp.	149	827	6,800	20,074	14,934	11,340	6,186	6,308	5,623	6,088	10,764	13,200	14,214	15,819	22,726	22,877	19,095	25,314
	Oil.	-	-	-	11	5	-	-	9	231	58	17	4	-	6	204	405	710	155
	Imp.	1,152	27	4,700	435	527	1,298	130	50	126	664	12,191	10,200	188	16,715	24,548	3,731	1,677	354
	Oil.	-	-	-	-	-	-	-	-	-	54	-	-	-	-	-	-	-	-
<b>Aze</b>	Exp.	1,801	1,180	6,500	13,881	11,969	12,464	5,219	3,880	3,873	3,375	6,983	8,871	10,393	10,510	19,590	24,364	22,139	24,614
	Oil.	-	-	-	-	235	16	-	27	226	33	3	9	25	398	424	206	587	125
	Imp.	2,807	311	5,000	670	1,648	159	158	101	704	621	30	296	796	2,726	527	15,158	19,179	3,058
	Oil.	-	-	-	-	1,032	-	-	-	-	-	-	-	698	2,625	7,572	10,064	10,642	2,866
<b>Geo</b>	Exp.	224	1,869	39,000	78,624	110,156	70,077	40,813	57,732	53,554	48,858	43,907	64,676	65,137	98,336	226,073	196,203	133,778	188,780
	Oil.	-	-	-	42,627	81,148	40,284	27,991	33,145	30,358	32,818	24,247	43,725	42,601	75,448	145,446	147,353	102,106	147,960
	Imp.	3,687	132	12,300	10,057	4,870	4,016	472	325	7,809	200	28,644	28,454	55,296	29,551	79,743	482,449	260,380	217,590
	Oil.	-	-	-	-	592	-	-	-	-	-	-	-	-	1,255	15,428	50,231	4,148	3,530
<b>Gre</b>	Exp.	178,520	294,434	367,700	347,639	378,307	376,606	337,837	375,777	448,150	520,413	772,826	979,732	1,110,840	1,204,000	1,688,400	2,234,910	1,564,330	1,634,150
	Oil.	-	-	-	48,893	66,977	29,284	7,591	37	14,330	16,159	18,538	11,324	35,150	118,516	68,384	404,607	328,993	292,199
	Imp.	330,736	496,929	248,700	196,053	191,352	296,877	305,362	317,968	411,085	475,141	712,626	830,313	913,124	1,218,690	1,858,990	1,958,980	1,441,650	1,509,280
	Oil.	-	-	-	5,580	9,643	41,145	18,225	12,937	18,494	25,340	36,336	30,024	52,844	193,032	169,105	177,811	197,077	168,805
<b>Mol</b>	Exp.	4,545	9,182	43,100	90,717	88,921	45,344	18,841	15,889	19,197	17,110	20,415	19,447	20,233	23,958	54,037	50,626	51,114	66,584
	Oil.	-	-	-	43	113	171	33	37	117	230	307	613	694	5,406	8,481	10,030	8,207	10,492
	Imp.	18,260	11,440	20,000	11,683	6,672	3,898	3,556	2,257	2,553	3,716	6,461	7,469	6,368	11,379	23,144	26,216	15,092	15,717
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	252	1,012	201	2,133	3,099	2,683
<b>Rom</b>	Exp.	64,909	58,727	95,600	75,373	59,614	52,728	52,815	84,612	128,835	158,478	226,887	400,986	443,458	585,287	912,573	1,617,580	1,409,540	1,871,810
	Oil.	-	-	-	902	6,146	9,030	7,423	19,656	27,092	21,033	35,742	43,539	27,943	46,304	38,873	76,079	91,359	146,494
	Imp.	113,190	113,300	60,800	70,462	53,237	58,861	70,551	230,183	172,190	162,630	260,139	426,600	677,928	876,853	1,367,030	2,084,540	1,322,340	1,775,610
	Oil.	-	-	-	3,431	2,648	13,374	13,780	106,469	55,820	35,535	83,191	108,326	356,736	390,849	473,209	670,858	326,511	433,316
<b>Rus</b>	Exp.	222,455	313,818	536,100	480,060	338,713	234,689	170,877	118,697	119,061	91,332	103,831	125,563	151,502	230,545	450,142	612,028	411,426	565,243
	Oil.	-	-	-	9,733	4,668	512	232	442	4,117	471	779	537	1,980	6,396	6,756	13,681	7,320	17,744
	Imp.	1,035,650	520,740	1,583,900	1,694,180	1,030,470	1,037,650	1,039,170	1,580,890	1,441,720	1,146,450	1,348,820	1,829,720	2,830,740	506,240	3,741,220	6,536,103	3,648,612	4,123,340
	Oil.	-	-	-	1,476,417	1,184,891	766,632	941,569	1,410,660	107,786	38,410	64,668	63,005	86,966	119,892	4,607,544	6,049,979	3,351,574	3,823,972
<b>Tur</b>	Exp.	-	177,926	385,100	384,334	427,837	338,776	279,135	491,868	413,126	529,202	679,512	995,842	1,229,470	1,751,220	2,125,250	2,005,680	1,191,130	1,582,580
	Oil.	-	-	-	76,259	115,530	99,631	24,063	61,040	34,553	26,886	56,114	131,441	141,223	234,086	411,121	448,531	203,459	152,436
	Imp.	-	147,015	99,800	95,967	94,855	127,700	165,247	214,156	272,639	389,282	657,630	872,555	1,101,870	1,389,360	2,045,670	2,061,460	1,281,120	1,325,260
	Oil.	-	-	-	325	7,708	827	532	1,056	664	523	1,322	2,061	3,617	16,575	99,706	71,874	41,119	35,406
<b>Ukr</b>	Exp.	-	62,120	190,700	166,283	136,414	113,189	62,292	59,188	61,760	52,873	58,539	74,918	80,671	112,391	228,458	259,510	140,543	258,161
	Oil.	-	-	-	8,063	30,889	15,913	12,344	23,625	47,437	3,602	4,588	18,827	10,522	10,146	65,438	53,367	33,297	135,811
	Imp.	453,664	139,825	188,100	122,427	120,997	197,229	129,192	181,976	231,699	244,558	342,389	585,646	696,968	729,341	2,167,100	2,746,050	1,118,340	1,053,270
	Oil.	-	-	-	35,546	58,739	51,034	40,670	56,618	84,565	91,397	105,228	195,028	196,809	139,092	142,870	234,416	117,720	693,001

Table 8 Bulgaria's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

	Geo	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	10,177	12,910	17,653	21,033	18,942	24,391	24,414	13,633	12,508	20,994	30,762	54,455	39,928	73,621	110,844	123,422	88,942	159,709
	Oil.	-	-	-	12,963	7,547	7,263	6,976	6,911	4,895	4,873	5,280	10,544	984	1,246	396	1,169	1,556	3,561
	Imp.	4,678	1,100	11,434	17,213	21,792	10,531	12,210	15,812	10,286	8,565	11,199	26,229	39,294	40,246	59,558	72,078	41,346	46,217
	Oil.	-	-	-	10,064	11,908	4,726	7,334	9,588	5,546	4,773	5,375	12,357	18,384	5,323	8	22	1,073	5,674
Aze	Exp.	14,788	-	12,665	24,352	25,101	22,909	8,623	20,080	9,976	29,248	16,625	25,327	83,448	92,167	137,849	204,534	165,634	243,730
	Oil.	-	-	-	4,747	2,493	4,773	7,147	748	-	5,405	1,643	124	637	1,461	2,986	889	850	1,080
	Imp.	11,856	23,504	47,702	78,707	115,510	84,607	78,896	56,690	73,185	79,894	93,791	156,398	233,420	318,525	387,312	607,396	376,433	483,751
	Oil.	-	-	-	72,716	101,244	67,738	34,230	46,343	65,166	71,669	81,327	137,161	194,785	244,049	278,728	509,072	326,698	386,368
Bul	Exp.	3,352	120	5,631	12,181	8,754	3,651	429	2,421	576	138	154	15,552	42,844	62,308	59,357	108,217	82,291	62,106
	Oil.	-	-	-	-	-	-	-	-	282	-	-	3,521	17,067	12,398	2,355	7,527	2,750	479
	Imp.	246	2,056	28,301	43,275	46,148	77,085	44,894	15,655	10,682	13,755	19,305	38,875	72,278	115,536	184,050	124,101	152,840	131,723
	Oil.	-	-	-	25,753	35,161	16,267	4,626	596	858	1,471	2,213	11,599	33,599	44,939	69,518	74,141	52,987	86,387
Gre	Exp.	4,899	114	369	433	1,179	6,151	11,108	5,968	2,909	2,889	5,195	7,332	10,412	5,504	7,507	5,996	12,259	7,263
	Oil.	-	-	-	-	1	-	11	26	-	-	-	-	-	-	0	0	-	-
	Imp.	551	1,806	10,727	17,601	14,356	27,863	11,107	8,673	4,718	8,508	9,432	14,485	18,593	22,866	52,861	57,546	61,977	72,660
	Oil.	-	-	-	12,515	6,912	7,217	1,004	2,626	1,780	3,723	4,087	4,744	10,349	14,672	37,021	40,506	51,853	61,077
Mol	Exp.	417	197	146	104	275	32	102	222	149	131	166	115	237	216	841	611	1,596	7,570
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	166	36	175	132	432	247	35	174	231	336	1,002	1,763	4,020	3,521	3,810	4,299	3,938	4,666
	Oil.	-	-	-	-	-	-	91	-	-	-	-	-	-	-	-	-	41	33
Rom	Exp.	-	-	-	1,775	150	9	627	67	74	73	972	1,289	8,752	5,653	7,535	13,612	12,203	28,696
	Oil.	-	-	-	-	-	-	-	-	-	-	71	-	4,605	1,937	4,216	11,621	5,494	23,481
	Imp.	25	3,347	29,862	40,941	15,218	71,401	56,221	13,330	16,930	5,186	10,534	14,020	40,694	40,769	90,206	92,433	113,865	140,799
	Oil.	-	-	-	30,773	13,752	17,685	11,957	11,687	16,011	3,585	10,072	11,173	38,051	37,024	83,684	76,251	98,608	118,672
Rus	Exp.	103,270	52,257	46,815	56,679	68,600	57,558	45,292	68,607	74,399	60,960	83,941	104,533	153,925	75,657	45,862	29,895	18,079	34,298
	Oil.	-	-	-	1,160	480	1,520	35	165	1,505	1,148	2,903	-	1	-	8,468	11,193	11,882	22,631
	Imp.	9,704	26,488	48,387	127,124	125,011	112,851	63,514	98,792	93,469	121,620	161,095	257,771	384,350	558,766	576,604	426,330	288,945	290,349
	Oil.	-	-	-	86,746	71,705	72,383	68,829	57,070	56,220	61,887	82,186	102,112	114,085	228,143	221,006	126,379	86,093	86,602
Tur	Exp.	21,894	23,634	34,087	25,897	30,040	82,727	84,808	74,497	68,568	53,738	82,549	118,607	121,809	124,919	172,149	262,910	225,769	214,777
	Oil.	-	-	-	7,418	15,427	2,584	4,417	13,297	17,628	2,373	4,117	68	2,529	1,060	5,734	4,073	6,873	10,416
	Imp.	34,509	38,577	82,077	76,623	114,021	180,510	125,621	111,466	107,144	89,677	112,136	202,089	283,006	522,560	727,906	940,480	787,617	887,818
	Oil.	-	-	-	6,685	1,595	1,283	932	1,646	337	977	587	3,073	4,139	9,938	14,098	27,912	9,047	10,847
Ukr	Exp.	12,702	6,120	5,576	5,427	8,413	7,091	5,455	10,975	11,514	12,654	30,221	15,613	37,271	56,957	94,281	134,174	83,955	103,334
	Oil.	-	-	-	-	-	-	-	-	207	-	-	-	-	240	-	-	303	356
	Imp.	13,218	4,169	7,648	38,824	55,502	34,650	46,310	35,372	50,838	58,973	80,266	142,380	219,373	320,093	574,906	657,720	418,314	560,128
	Oil.	-	-	-	822	1,886	1,904	2,328	1,379	2,962	3,434	4,829	7,517	15,444	11,155	36,850	38,883	21,626	43,868

Table 9 Georgia's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

	Gre	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	108	3,227	7,160	4,300	6,973	9,460	10,816	47,891	11,965	13,165	24,657	27,857	30,978	22,719	27,488	20,266	12,040	10,990
	Oil.	9	-	-	23	80	7	1	138	106	271	132	175	356	489	2,959	816	503	544
	Imp.	13	9	83	200	218	524	223	1,145	1,643	1,068	1,094	804	1,034	535	2,429	458	209	112
Aze	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Exp.	176	1,468	2,260	2,200	17,110	10,591	3,390	4,503	9,903	6,837	11,728	8,549	4,069	5,179	10,079	9,689	10,786	11,644
	Oil.	-	1,253	442	102	152	164	164	124	259	172	102	178	39	-	68	263	25	-
	Imp.	77	46	1,077	72	1,864	138	12,135	6,981	12,486	5,641	37,331	29,649	35,342	71,119	57,186	96,408	97,921	13,490
	Oil.	-	-	901	-	1,463	50	11,774	6,790	12,116	5,407	38,335	28,244	34,518	71,079	51,564	88,104	72,060	12,980
Bul	Exp.	300,669	451,753	450,300	329,300	318,562	439,478	413,551	449,973	544,054	554,969	829,383	969,512	1,009,360	1,323,660	1,519,430	1,967,980	1,374,150	1,394,530
	Oil.	76,662	55,913	30,151	18,161	32,087	56,525	45,947	38,052	37,265	36,965	52,419	60,121	73,790	187,889	75,451	187,169	201,526	145,947
	Imp.	196,372	323,877	487,089	370,500	416,058	382,900	350,044	392,047	423,264	312,232	423,374	576,898	730,525	977,511	1,191,360	1,804,540	1,219,070	1,284,920
	Oil.	26,114	10,357	21,901	25,775	42,979	30,398	1,400	15,047	19,548	40,583	58,592	73,962	159,553	238,168	27,029	168,301	143,523	106,233
Geo	Exp.	1,652	5,268	15,314	19,000	24,770	25,330	10,098	7,076	9,210	15,331	12,472	16,969	20,961	27,953	49,785	27,594	19,987	20,453
	Oil.	357	4,126	10,821	10,555	11,407	5,212	3,106	1,160	1,750	1,319	4,365	2,132	4,257	12,272	33,015	4,748	5,598	6,017
	Imp.	92	6,337	5,382	7,398	2,539	6,766	12,219	18,688	11,436	51,374	113,772	56,353	36,732	54,002	65,638	9,026	21,243	24,698
	Oil.	6	5,231	2,414	4,432	282	5,199	10,746	17,461	6,233	44,273	105,057	26,563	23,023	47,985	56,493	-	3,639	15,760
Mol	Exp.	2,296	1,702	6,985	10,000	9,378	5,668	12,631	16,023	7,541	13,447	9,705	7,670	8,154	18,032	19,731	20,302	26,466	36,718
	Oil.	-	160	2,014	43	164	155	111	162	59	218	260	197	174	218	226	958	1,087	1,308
	Imp.	301	3,422	4,350	7,000	6,998	3,597	2,347	3,494	7,842	15,243	15,722	14,822	5,485	15,568	22,673	16,331	21,346	24,761
	Oil.	-	-	-	8	-	-	-	-	-	-	-	-	6	-	-	-	-	-
Rom	Exp.	89,530	93,976	169,122	176,600	175,995	217,942	209,420	392,460	316,423	280,316	347,149	477,144	504,269	751,561	1,051,090	1,185,810	789,917	793,238
	Oil.	14,088	16,565	34,252	18,085	19,336	10,815	12,759	10,064	12,250	7,000	9,963	11,757	19,684	27,517	62,074	63,619	54,182	90,753
	Imp.	66,343	91,046	122,307	145,100	203,897	191,134	208,349	305,021	340,448	322,462	443,390	624,660	539,640	634,936	734,673	802,912	631,877	586,123
	Oil.	1,893	18,448	18,889	10,442	25,591	14,679	7,892	2,428	29,786	48,007	77,434	198,080	170,010	161,792	43,544	77,891	47,524	18,684
Rus	Exp.	184,957	244,669	238,108	364,000	418,294	267,137	242,810	243,855	270,297	296,070	325,004	335,067	336,213	404,082	494,442	613,773	329,508	340,807
	Oil.	36,712	25,612	20,929	5,655	5,204	7,811	3,505	5,997	3,819	4,721	3,616	5,756	9,038	7,088	13,849	20,809	5,245	7,815
	Imp.	501,919	537,932	650,360	699,900	634,371	487,512	468,750	1,062,540	1,605,800	2,301,470	2,678,490	2,876,450	4,213,160	4,492,810	5,048,990	7,145,050	4,154,370	6,169,820
	Oil.	282,233	323,900	321,682	368,963	276,666	278,133	313,514	753,545	1,301,941	1,870,319	2,263,024	2,209,086	3,444,279	3,671,108	3,421,708	5,684,543	3,047,842	5,652,537
Tur	Exp.	148,117	138,923	221,820	356,700	435,531	337,165	333,603	555,075	330,085	345,654	533,740	690,950	879,829	1,062,650	847,591	922,882	849,266	1,128,320
	Oil.	44,007	54,591	41,160	71,241	74,779	83,768	83,941	217,600	116,466	54,560	137,881	206,493	382,094	416,513	204,159	80,617	93,369	116,269
	Imp.	137,244	173,260	210,665	233,100	296,571	362,155	364,643	391,246	492,298	600,895	885,556	1,235,810	1,190,710	1,671,420	2,401,970	2,540,320	1,832,010	1,544,390
	Oil.	33,268	13,837	8,415	11,560	5,743	5,809	2,863	5,164	23,229	50,447	12,269	25,451	3,483	112,030	174,695	126,250	168,453	158,293
Ukr	Exp.	31,238	81,746	103,874	140,000	130,186	79,744	45,930	38,267	40,360	71,898	55,298	53,334	66,574	87,458	135,405	143,004	82,334	83,449
	Oil.	15,312	48,119	38,624	18,611	46,663	37,247	18,780	5,779	3,802	2,972	1,269	1,208	2,563	3,703	27,013	4,542	2,490	3,239
	Imp.	32,324	148,310	87,857	105,200	58,626	64,258	73,276	119,136	152,269	308,209	187,469	201,427	193,726	266,683	425,850	748,302	272,977	262,844
	Oil.	7,014	25,964	28,289	362	1,480	22,303	25,227	58,778	76,206	172,811	67,424	43,206	59,481	86,280	184,286	273,894	52,284	94,067

Table 10 Greece's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).



	Mol	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	200	200	2,600	4,712	186		75	171	417	821	2,194	2,741	2,244	1,922	1,613	3,520	1,260	1,396
	Oil.	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
	Imp.	300	100	-	69	142		144	142	47	145	195	216	193	439	335	512	831	941
	Oil.	-	-	-	13	-		-	-	-	-	-	-	-	-	-	-	-	-
Aze	Exp.	31,300	13,000	5,400	6,442	1,478	479	601	437	328	1,099	993	1,232	3,718	4,766	8,740	7,128	3,768	7,480
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
	Imp.	39,000	12,000	5,500	4,900	3,538	1,482	116	19	33	105	50	63	4,527	1,841	196	339	225	204
	Oil.	-	10,468	5,137	4,559	-	1,399	107	-	-	-	-	-	1,406	1,648	-	98	59	68
Bul	Exp.	16,600	10,400	21,400	12,424	9,975	2,366	5,298	3,626	3,669	3,390	6,191	5,499	7,639	14,107	27,274	22,336	13,915	18,828
	Oil.	-	-	-	-	-	-	-	386	-	67	-	-	204	826	182	1,850	2,947	2,554
	Imp.	5,000	10,100	31,900	32,050	61,706	27,606	9,518	13,598	20,486	20,701	30,143	29,592	28,978	35,094	50,420	45,071	40,757	48,917
	Oil.	-	176	3,045	567	-	-	29	31	214	28	141	2,511	1,100	11,765	12,433	10,105	8,720	9,544
Geo	Exp.	500	600	100	2,734	3,913	224	32	212	664	407	1,078	2,067	5,249	4,061	3,407	6,350	8,582	12,361
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41	33
	Imp.	500	900	100	155	325	36	112	83	109	99	127	107	275	347	888	428	406	818
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Gre	Exp.	1,000	5,100	2,700	4,316	4,839	4,521	5,813	2,375	2,720	3,112	3,727	3,421	4,831	5,881	9,630	9,004	17,081	17,744
	Oil.	-	-	-	2	-	-	90	-	-	-	-	-	-	-	-	-	-	-
	Imp.	200	3,800	4,900	3,431	8,917	6,253	8,426	14,991	5,242	13,267	11,466	10,404	10,306	16,733	21,939	31,294	52,650	93,319
	Oil.	-	-	220	76	-	72	42	86	9	0	249	-	-	-	1	9,643	24,469	45,240
Rom	Exp.	104,000	83,400	103,700	72,236	58,871	58,679	41,188	37,822	37,914	56,712	90,231	98,924	111,666	155,559	211,184	335,827	239,652	246,409
	Oil.	-	13,495	6,470	3	-	1	15	25	101	48	4,523	15,482	-	1,337	3,703	907	1,855	4,835
	Imp.	68,400	42,600	56,000	65,887	101,323	110,151	81,514	119,496	93,443	90,356	97,936	164,143	257,330	345,952	449,050	590,781	311,739	386,720
	Oil.	-	15,373	16,282	15,534	-	62,452	51,152	80,408	39,193	27,702	25,369	56,477	121,372	171,387	213,265	305,131	160,296	194,254
Rus	Exp.	172,100	289,200	360,100	429,100	508,909	339,246	191,448	209,950	246,971	238,863	308,413	353,344	347,482	182,011	232,723	313,692	286,510	403,978
	Oil.	-	89	6	2	-	-	-	4	5	-	-	-	1,396	1	7	5	-	0
	Imp.	221,700	309,300	278,000	321,415	333,257	228,033	138,650	119,428	143,947	153,404	182,920	212,269	267,835	417,020	498,632	666,137	373,165	586,477
	Oil.	-	240,544	175,295	204,090	7,611	143,837	113,122	88,201	93,228	84,625	57,348	62,162	83,126	225,739	261,020	352,791	169,537	358,775
Tur	Exp.	1,500	1,400	11,500	9,445	5,484	4,440	2,895	2,022	2,260	4,123	7,237	12,263	24,663	28,467	32,086	33,443	33,103	67,457
	Oil.	-	-	-	-	-	-	-	-	0	-	-	-	0	-	-	-	-	126
	Imp.	500	3,400	6,800	11,280	13,520	9,570	11,824	18,244	19,684	32,730	48,247	69,094	93,034	113,814	166,769	231,877	172,354	205,822
	Oil.	-	-	1	66	-	3	12	2	1,110	1	145	421	370	346	1,116	1,280	541	350

Table 11 Moldova's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).



	Rom	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	100	100	1,900	3,100	3,600	2,030	2,030	300	1,600	310	390	2,370	6,020	7,068	7,973	7,768	2,253	12,755
	Oil.	-	-	1,451	-	-	1	1	6	3	-	-	-	2	58	449	4	2	31
	Imp.	18	1,100	1	12	1,000	20	-	1	2,700	80	-	200	12	616	861	194	84	304
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aze	Exp.	900	2,600	2,900	6,700	3,200	2,470	2,890	2,600	5,000	6,090	5,780	7,540	5,438	5,110	8,746	17,655	20,646	38,866
	Oil.	-	734	-	-	38	51	39	1	-	-	6	38	37	16	11	45	20	10
	Imp.	5,679	1,106	3,500	1,200	1,000	250	6,140	930	100	170	1,420	162,520	114,585	95,245	121,287	143,667	59,488	95,199
	Oil.	-	556	-	-	-	232	6,007	-	-	-	-	161,871	113,999	95,236	121,058	141,272	58,106	94,637
Bul	Exp.	102,900	103,000	71,100	67,500	56,900	77,970	136,660	289,530	202,200	176,620	289,220	451,280	732,676	914,195	1,301,970	2,071,380	1,550,890	1,772,280
	Oil.	56,691	41,755	7,876	4,617	10,685	17,468	69,780	191,231	97,716	68,196	123,042	156,358	351,524	397,667	471,639	725,671	347,973	427,379
	Imp.	71,400	64,600	76,800	65,900	54,800	47,480	54,990	87,780	148,900	146,070	228,730	348,900	393,459	486,379	839,747	1,532,610	1,311,970	1,896,050
	Oil.	65	5,729	2,498	1,092	8,566	7,910	14,595	21,375	44,380	28,761	53,860	103,080	94,166	56,986	30,919	38,714	59,126	99,186
Geo	Exp.	1,500	13,700	49,800	45,200	36,600	64,910	51,110	42,340	39,200	26,090	61,620	77,970	159,752	198,484	144,407	236,541	184,366	166,372
	Oil.	1,312	9,489	48,822	32,484	32,086	60,791	44,983	40,008	37,724	23,812	59,180	64,508	108,705	145,501	137,891	188,461	155,299	173,120
	Imp.	9	26	28	200	900	10	690	1,690	800	14,200	2,170	90	8,231	7,512	526	2,399	11,006	6,822
	Oil.	-	-	2	-	-	-	-	647	612	13,472	1,734	-	6,616	6,086	43	1,070	395	0
Gre	Exp.	84,300	141,200	207,000	172,800	174,700	201,460	213,230	324,140	315,700	388,060	425,900	627,580	589,740	635,828	688,036	912,956	755,243	743,322
	Oil.	30,437	64,255	78,439	67,809	4,934	22,733	7,162	10,897	27,197	98,506	66,125	198,259	217,354	165,638	68,635	76,595	79,866	37,206
	Imp.	69,500	89,400	158,400	169,500	188,300	204,670	198,480	371,880	327,000	264,520	324,390	440,850	462,739	605,967	1,078,090	1,221,800	841,135	829,814
	Oil.	3,303	3,913	13,911	18,949	26,537	14,302	11,897	11,610	19,083	10,095	18,332	24,086	31,452	28,707	67,196	59,682	75,277	105,377
Mol	Exp.	94,200	59,600	82,000	91,800	127,800	128,660	101,010	142,320	111,500	109,630	136,890	205,200	324,648	428,305	636,975	825,808	524,865	599,479
	Oil.	42,463	16,137	21,557	21,387	39,624	52,894	58,436	85,227	38,456	25,582	21,327	50,302	119,847	168,849	208,686	302,470	161,763	192,338
	Imp.	86,700	95,000	104,500	54,100	62,000	61,820	40,400	41,300	38,700	50,240	83,770	77,120	84,892	137,452	251,409	355,031	181,352	182,554
	Oil.	28,531	12,453	3,839	2	600	475	16	5	1	30	4,356	15,815	1,217	194	20,715	54,877	24,864	19,612
Rus	Exp.	220,400	207,300	158,000	149,800	248,300	80,810	46,960	88,830	82,700	40,180	52,190	120,950	230,081	375,822	587,026	897,135	723,147	1,061,650
	Oil.	6,491	3,176	3,469	4,894	705	435	401	1,770	3,028	1,100	120	442	802	688	657	1,536	274	337
	Imp.	764,100	983,900	1,228,800	1,258,800	1,355,800	1,062,280	704,130	1,120,470	1,183,800	1,286,540	1,981,430	2,229,440	3,332,470	4,025,140	4,445,180	4,972,430	2,118,490	2,698,950
	Oil.	640,119	867,064	1,040,878	1,244,790	1,208,044	927,437	618,094	988,324	1,031,214	1,164,304	1,735,294	1,994,091	3,059,872	3,637,922	3,939,983	4,294,425	1,878,066	2,432,543
Tur	Exp.	277,400	251,500	348,100	383,700	353,000	323,000	468,230	627,290	450,700	574,270	902,030	1,642,970	2,188,960	2,508,920	2,839,040	3,285,250	2,027,830	3,353,850
	Oil.	19,155	47,589	45,063	92,273	55,232	38,809	43,456	81,175	57,281	30,284	127,410	295,670	441,816	508,134	388,797	440,156	174,562	200,026
	Imp.	147,400	151,100	251,100	185,300	210,200	271,620	237,150	271,310	376,600	560,750	923,650	1,364,860	1,949,460	2,535,460	3,795,100	4,089,890	2,044,500	2,272,170
	Oil.	52	122	4,759	1,582	643	161	250	586	637	960	1,243	6,501	10,956	39,524	50,693	109,504	30,327	45,605
Ukr	Exp.	104,700	95,200	137,600	60,500	91,000	53,060	63,050	89,760	45,200	37,820	65,470	78,260	166,889	426,680	750,184	1,224,750	492,023	679,823
	Oil.	13,925	37,270	81,105	10,099	27,642	7,102	35,733	58,267	625	579	1,455	1,850	77,264	190,244	354,656	689,423	207,794	246,215
	Imp.	133,300	150,100	193,700	192,000	185,700	167,520	108,610	196,070	320,200	344,120	549,190	887,150	522,849	710,818	789,924	772,203	328,597	709,792
	Oil.	33,824	20,224	15,388	18,736	15,929	16,849	38,720	44,458	122,995	141,373	319,531	440,912	146,795	159,922	145,631	59,751	37,202	49,610

Table 12 Romania's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

	Rus	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Arm</b>	<b>Exp.</b>		154,100	127,200	103,071	95,645	127,988	56,860	27,524	60,221	94,522	125,815	134,716	191,323	392,143	655,473	694,641	378,339	396,057
	<b>Oil.</b>		-	-	641	35,717	86,351	25,904	348	365	2,552	2,018	1,348	3,539	14,038	14,898	7,080	7,229	8,655
	<b>Imp.</b>		53,200	75,000	84,766	60,064	38,918	27,523	43,973	50,649	56,405	74,585	73,468	101,059	103,432	165,962	203,961	111,065	158,564
	<b>Oil.</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Aze</b>	<b>Exp.</b>		147,400	85,700	170,708	219,965	148,346	114,534	136,160	130,068	276,986	407,517	621,452	855,659	1,371,690	1,396,740	1,988,710	1,393,630	1,476,890
	<b>Oil.</b>		-	-	580	16,351	6,091	3,065	3,458	6,071	25,386	24,163	25,590	39,120	25,056	17,299	18,059	10,409	12,173
	<b>Imp.</b>		141,100	107,300	150,411	260,505	165,314	98,225	134,529	72,609	86,084	92,409	139,251	205,404	258,605	327,910	411,012	295,542	385,185
	<b>Oil.</b>		-	-	30,917	70,739	53,410	11,326	5,561	3,818	3,722	1,626	1,683	9,990	12,393	21,173	36,977	18,900	47,399
<b>Bul</b>	<b>Exp.</b>	941,500	473,400	669,800	915,178	914,066	593,741	478,867	584,591	445,499	527,759	614,000	1,018,690	1,900,430	2,966,070	3,794,270	4,782,400	1,967,020	3,301,820
	<b>Oil.</b>	-	-	-	684,032	654,524	363,734	278,768	104,629	28,693	111,628	118,580	605,512	1,286,159	2,165,474	2,782,318	3,149,442	1,672,339	2,926,028
	<b>Imp.</b>	244,700	345,200	471,500	243,617	260,970	163,298	108,025	115,770	136,261	133,956	157,966	203,303	240,898	331,323	414,843	638,297	423,609	540,436
	<b>Oil.</b>	-	-	-	867	90	310	1	3	1	-	-	3	175	44	-	-	108	75
<b>Geo</b>	<b>Exp.</b>	-	56,100	48,800	100,285	146,934	102,592	57,740	42,280	57,837	91,303	151,533	229,684	352,992	569,919	589,447	625,792	338,310	408,876
	<b>Oil.</b>	-	-	-	21,624	49,826	53,705	34,497	5,950	8,281	10,292	18,323	27,106	31,495	43,686	38,822	69,241	35,455	27,678
	<b>Imp.</b>	-	52,200	57,900	67,385	150,013	63,314	49,822	76,573	82,785	68,407	83,009	107,023	156,988	68,312	63,035	50,713	51,172	106,131
	<b>Oil.</b>	-	-	-	336	-	687	-	-	183	955	2,286	-	-	-	6,543	12,272	13,739	26,941
<b>Gre</b>	<b>Exp.</b>	193,600	265,700	146,700	137,224	201,547	364,761	577,023	1,272,900	809,873	952,630	926,893	1,159,250	1,898,900	2,759,440	2,625,260	4,339,000	1,761,670	2,098,510
	<b>Oil.</b>	-	-	-	5,379	60,823	172,326	361,089	374,132	393,846	298,612	353,594	566,618	1,103,357	1,492,968	1,317,298	2,392,476	1,533,664	1,839,000
	<b>Imp.</b>	134,200	184,500	257,300	204,376	184,772	124,804	121,697	124,989	143,621	170,521	141,200	166,881	188,645	235,032	311,558	441,200	339,753	421,259
	<b>Oil.</b>	-	-	-	28	62	17	17	19	36	55	471	954	1,559	3,997	3,390	2,377	742	690
<b>Mol</b>	<b>Exp.</b>	-	541,700	397,500	388,166	381,382	321,901	240,607	210,433	210,190	269,303	305,008	374,006	448,321	663,474	870,282	1,143,510	282,612	309,692
	<b>Oil.</b>	-	-	-	202,899	222,859	211,118	168,351	4,292	2,241	10,251	20,267	26,321	26,689	23,864	28,703	59,930	35,265	37,331
	<b>Imp.</b>	-	474,900	635,900	807,627	841,337	491,837	263,790	324,743	344,173	280,567	396,989	496,234	548,164	323,284	489,702	650,889	352,187	418,375
	<b>Oil.</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,784	-	-	1
<b>Rom</b>	<b>Exp.</b>	475,000	458,700	626,600	775,768	739,462	564,533	394,687	921,870	749,426	938,814	1,279,780	1,673,540	3,044,690	3,271,770	3,210,650	4,165,330	982,187	1,754,190
	<b>Oil.</b>	-	-	-	655,257	605,404	452,791	344,543	513,431	334,897	566,567	442,822	1,080,583	1,949,781	1,616,907	1,779,919	2,318,301	825,274	1,520,931
	<b>Imp.</b>	101,700	146,100	131,900	134,785	201,864	90,340	47,767	79,387	85,997	61,123	67,962	130,170	232,941	539,855	730,866	1,018,450	876,251	1,347,350
	<b>Oil.</b>	-	-	-	7,851	2,834	725	-	-	5,775	2,447	-	114	-	-	-	-	-	17
<b>Tur</b>	<b>Exp.</b>	1,078,400	949,000	1,632,200	1,667,370	1,983,460	1,922,520	1,617,260	3,097,830	2,980,370	3,349,020	4,754,100	7,199,660	10,859,300	14,348,200	18,462,700	27,435,600	10,262,700	13,977,300
	<b>Oil.</b>	-	-	-	823,851	833,226	694,015	690,148	479,992	427,261	663,283	1,239,150	2,166,491	3,964,753	4,739,149	6,673,253	10,106,316	6,197,264	8,465,264
	<b>Imp.</b>	661,200	400,200	541,600	575,314	793,646	511,786	311,928	348,252	509,452	724,275	916,247	1,225,470	1,738,010	2,680,600	4,181,810	6,134,050	3,221,200	4,878,970
	<b>Oil.</b>	-	-	-	196	348	219	63	67	97	186	818	619	2,019	4,194	15,465	26,313	13,264	16,926
<b>Ukr</b>	<b>Exp.</b>	-	6,709,000	6,898,000	7,582,600	7,239,030	5,531,470	4,785,670	5,024,170	4,930,740	5,851,850	7,530,880	10,663,300	12,377,700	14,975,700	16,424,300	23,272,700	9,731,360	13,608,800
	<b>Oil.</b>	-	-	-	5,190,568	5,492,056	4,135,814	3,506,240	1,116,787	1,775,470	2,283,329	3,297,857	5,057,798	-	6,060,577	7,068,348	11,354,269	4,771,638	5,883,294
	<b>Imp.</b>	-	4,400,400	6,616,400	6,255,810	3,980,980	3,219,440	2,522,960	3,646,690	3,777,220	3,219,000	4,368,540	6,097,240	7,776,100	9,238,600	13,326,200	16,230,700	8,964,350	14,002,500
	<b>Oil.</b>	-	-	-	72,763	61,678	54,364	36,900	29,036	36,938	29,301	38,865	98,769	161,515	110,675	155,987	789,162	569,332	1,298,562

Table 13 Russia's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

	Tur	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Arm</b>	Exp.	4,147			79													2	16
	Oil.	1			-													2	-
	Imp.	-			26									392	41	57	1,489	1,052	2,626
	Oil.	-			-									-	-	-	-	-	-
<b>Aze</b>	Exp.	88,213	132,188	161,345	240,959	320	327,300	248,056	230,375	225,214	231,431	315,488	403,803	528,038	695,287	1,046,110	1,667,470	1,399,400	1,550,480
	Oil.	160	856	159	-	12	16,778	15,712	21,486	21,582	16,840	15,925	16,789	18,774	18,434	9,721	15,112	16,403	21,290
	Imp.	35,000	8,847	21,777	35,229	58	50,400	44,003	95,615	78,075	64,626	122,607	135,503	272,256	340,481	329,811	928,421	752,780	865,131
	Oil.	870	-	-	4,501	7	2,193	4,188	44,265	42,984	28,392	65,172	73,783	201,777	209,480	222,027	805,030	665,658	746,867
<b>Bul</b>	Exp.	86,234	133,650	183,176	152,954	175	213,316	233,595	252,934	299,415	380,332	621,685	892,813	1,179,300	1,567,990	2,060,680	2,151,530	1,389,200	1,497,380
	Oil.	55	150	745	-	1	765	618	1,507	952	1,331	3,764	6,386	6,555	23,973	97,232	65,926	38,477	23,246
	Imp.	243,232	195,719	402,029	355,755	408	367,402	295,573	465,408	393,516	508,449	689,462	955,464	1,190,070	1,661,700	1,949,810	1,840,010	1,116,900	1,702,530
	Oil.	55,540	28,827	30,836	79,640	102	84,359	73,623	144,867	163,259	140,405	95,444	24,983	24,145	129,471	179,018	295,122	123,272	130,124
<b>Geo</b>	Exp.	34,513	67,104	68,126	110,404	174	164,100	114,200	131,771	144,049	103,221	155,070	199,532	271,828	407,962	645,800	997,844	766,362	769,271
	Oil.	831	882	129	-	0	611	260	4,897	423	1,407	1,447	2,440	3,177	5,605	22,336	100,957	26,623	13,209
	Imp.	21,000	25,581	50,157	31,575	65	91,000	93,289	155,315	127,231	137,873	273,917	302,569	302,840	344,813	289,340	525,041	285,486	290,725
	Oil.	1,023	-	3	4,989	15	34,125	9,605	44,820	46,319	14,769	54,448	45,936	74,475	110,723	45,227	161,845	28,537	45,379
<b>Gre</b>	Exp.	118,150	168,839	209,952	235,669	298	370,200	406,794	437,725	476,095	590,382	920,401	1,166,590	1,126,670	1,602,380	2,262,380	2,429,970	1,634,390	1,455,680
	Oil.	21,494	13,961	15,169	-	16	25,058	21,417	936	1,541	22,595	38,932	38,874	15,876	160,935	300,072	242,159	125,776	163,466
	Imp.	121,000	105,167	200,673	274,334	430	319,800	287,555	430,813	266,254	312,462	427,743	592,719	726,651	1,044,380	950,043	1,150,720	1,131,070	1,541,600
	Oil.	18,135	9,822	16,891	27,256	38	74,492	55,578	131,394	52,405	29,928	70,694	116,808	179,439	378,912	307,606	357,431	405,917	592,397
<b>Mol</b>	Exp.	389	3,693	7,270	13,074	21	27,700	20,646	26,232	27,816	39,991	46,794	65,979	81,108	107,371	145,659	198,468	117,767	148,209
	Oil.	-	-	-	-	0	2	3	1	15	-	79	225	298	242	1,655	4,388	1,519	1,940
	Imp.	29,000	20,479	15,616	14,625	15	11,900	10,863	7,047	2,592	4,646	10,606	27,131	31,430	31,347	53,077	69,528	86,520	110,732
	Oil.	-	-	-	-	0	14	-	463	-	-	-	-	-	-	-	-	-	-
<b>Rom</b>	Exp.	151,680	175,337	301,960	311,481	359	468,100	268,185	325,818	392,028	566,497	873,347	1,230,990	1,785,400	2,350,020	3,650,670	3,987,480	2,215,740	2,599,380
	Oil.	14	132	397	-	0	252	190	1,410	619	2,429	11,790	11,138	24,694	61,468	68,645	121,945	38,877	66,602
	Imp.	302,000	228,922	367,870	424,006	394	344,800	401,156	673,928	481,140	661,765	955,971	1,693,690	2,285,160	2,668,540	3,112,610	3,547,820	2,257,960	3,449,190
	Oil.	23,528	45,842	35,563	86,800	76	27,885	23,425	76,646	65,057	38,442	55,202	143,960	219,376	478,032	446,521	496,776	216,315	174,559
<b>Rus</b>	Exp.	505,331	820,248	1,238,220	1,481,560	2,056	1,348,100	588,664	643,903	924,107	1,172,040	1,367,590	1,858,530	2,377,000	3,237,610	4,727,200	6,483,000	3,202,400	4,628,150
	Oil.	665	568	511	-	0	805	2,228	353	3,251	3,915	356	715	1,052	3,247	71,662	125,673	88,355	134,202
	Imp.	1,542,000	1,046,160	2,082,380	1,846,300	2,163	2,155,100	2,374,130	3,886,580	3,435,670	3,891,720	5,451,320	9,027,390	12,869,900	17,806,100	23,506,000	31,364,500	19,450,100	21,600,600
	Oil.	604,653	457,084	803,537	891,250	902	775,865	1,140,914	2,190,644	2,528,609	2,672,819	3,664,602	5,558,397	8,802,278	12,627,556	17,083,114	22,716,309	14,949,347	15,951,859
<b>Ukr</b>	Exp.	39,452	76,319	198,534	267,366	337	274,300	225,821	258,121	289,180	313,265	444,967	572,081	821,034	1,121,360	1,480,820	2,187,670	1,033,450	1,260,420
	Oil.	5	676	1,404	258	0	590	303	278	2,127	1,318	2,605	4,186	7,257	51,107	64,481	102,574	78,079	68,435
	Imp.	473,000	535,090	856,340	663,528	916	988,800	773,686	981,560	757,626	991,097	1,331,510	2,479,670	2,641,160	3,058,350	4,517,730	6,106,320	3,156,660	3,832,740
	Oil.	19,736	8,049	7,584	27,555	22	15,866	37,262	70,628	117,217	146,841	242,683	299,791	325,279	249,003	315,312	277,445	328,598	433,120

Table 14 Turkey's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).



	Ukr	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Arm	Exp.	3,675	5,491	4,945	25,200	10,700	8,400	11,600	12,100	22,085	33,434	49,665	70,796	97,331	137,240	215,162	263,608	165,628	201,340
	Oil.	-	-	-	-	176	159	181	18	-	2,897	1,773	327	11,135	21,987	30,733	10,440	2,119	2,650
	Imp.	4,522	1,256	4,940	4,000	8,100	4,500	1,800	3,400	10,662	7,357	6,242	7,685	13,211	21,319	35,793	25,456	28,217	17,946
	Oil.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aze	Exp.	55,053	78,876	30,466	88,300	87,600	89,900	29,400	40,800	45,608	104,732	142,597	215,525	290,462	421,975	631,236	910,521	546,639	610,837
	Oil.	-	-	-	15	100	104	38	36	51	474	520	1,073	2,259	3,553	4,254	5,850	2,752	3,066
	Imp.	62,888	40,549	36,784	30,800	47,000	27,700	33,800	23,800	8,156	5,342	8,380	9,307	27,789	41,006	31,097	75,694	282,795	951,192
	Oil.	-	-	-	15,017	25,175	14,585	28,935	16,982	3,148	386	853	2,201	8,049	16,618	11,915	38,053	265,894	918,455
Bul	Exp.	412,422	127,113	171,000	137,400	154,700	205,400	294,500	382,500	298,523	274,234	318,114	498,537	543,014	595,725	554,017	1,105,940	395,540	450,929
	Oil.	-	-	-	27,329	36,894	60,001	50,095	133,120	74,977	55,473	69,840	118,151	101,038	61,319	76,957	158,423	80,913	147,157
	Imp.	-	68,332	209,770	126,100	142,900	100,500	67,500	60,400	65,172	58,421	59,640	82,579	108,688	130,410	169,587	239,398	151,763	217,998
	Oil.	-	-	-	4,817	29,832	18,576	13,509	696	660	1,287	724	9,666	5,813	5,704	23,210	37,841	24,628	47,111
Geo	Exp.	12,016	7,780	6,953	183,200	49,400	31,500	42,100	37,800	36,461	57,322	102,429	147,552	199,527	312,393	527,733	655,988	398,208	527,525
	Oil.	-	-	-	91	779	1,433	968	412	1,574	2,088	3,088	5,178	7,201	9,235	21,694	34,495	13,563	28,198
	Imp.	13,972	2,884	6,134	3,800	7,700	7,800	6,000	10,300	11,193	15,835	40,136	18,821	41,000	72,358	100,152	191,583	97,807	136,068
	Oil.	-	-	-	6	-	-	-	-	-	-	-	-	1,962	12,930	5,159	37,745	341	5,764
Gre	Exp.	29,386	-	79,870	96,900	80,400	59,900	75,000	48,100	138,397	103,223	152,046	118,116	137,408	120,109	220,962	339,439	100,340	164,050
	Oil.	-	-	-	6,635	4,234	1,814	9,788	827	3,868	2,763	10,003	17,997	47,203	24,065	52,345	49,753	3,797	22,862
	Imp.	34,362	-	114,262	59,600	64,800	34,100	54,500	38,500	38,894	38,564	46,997	55,441	67,739	78,119	117,291	171,847	82,798	104,142
	Oil.	-	-	-	3,677	2,537	1,409	28,858	346	411	263	1,174	2,053	2,121	299	19,865	44,740	263	169
Mol	Exp.	117,818	367,374	207,727	237,800	294,400	180,400	122,800	176,300	274,382	302,076	485,983	660,469	678,623	671,230	911,306	1,171,990	693,621	713,526
	Oil.	-	-	-	61,320	113,720	70,083	39,355	54,716	83,851	83,299	111,440	150,637	158,908	209,466	198,439	261,891	99,657	71,869
	Imp.	69,300	158,831	64,900	72,600	73,800	51,100	24,800	35,300	64,326	56,179	56,869	67,273	84,158	122,409	168,246	169,570	52,059	73,640
	Oil.	-	-	-	187	221	11	-	-	-	-	2	9	6	52	172	9	255	36
Rom	Exp.	121,182	-	176,091	157,300	149,000	160,900	75,600	164,600	265,969	337,660	497,425	731,726	488,751	625,872	628,585	670,803	319,468	705,941
	Oil.	-	-	-	11,587	9,301	14,055	19,497	36,694	91,175	151,405	281,773	357,363	134,116	128,557	69,146	48,431	28,566	34,530
	Imp.	115,170	-	151,360	80,300	86,900	47,800	52,300	48,200	28,116	28,998	46,014	91,247	211,849	445,086	778,860	1,171,080	488,120	682,195
	Oil.	-	-	-	32,303	19,579	8,286	36,127	28,884	80	301	1,029	1,455	80,960	202,640	371,967	648,719	197,611	216,825
Rus	Exp.	-	3,837,490	5,014,910	5,577,400	3,723,000	2,905,500	2,396,400	3,515,600	3,679,540	3,189,060	4,311,380	5,886,240	7,490,100	8,650,700	12,668,300	15,735,600	8,495,070	13,431,900
	Oil.	-	-	-	68,037	50,166	58,422	38,040	25,720	34,228	24,157	32,285	87,490	150,295	97,079	165,263	792,501	557,335	1,277,688
	Imp.	-	5,997,780	7,587,800	8,816,600	7,837,900	7,064,300	5,592,200	5,824,900	5,813,480	6,317,110	8,645,590	12,127,900	12,842,500	13,787,200	16,837,600	19,414,200	13,235,800	22,198,000
	Oil.	-	-	-	5,983,074	5,595,940	5,109,763	3,966,384	3,703,211	3,399,490	4,057,887	5,404,859	7,311,406	7,298,078	6,939,822	7,881,377	8,679,217	8,191,929	14,796,677
Tur	Exp.	430,000	115,118	440,223	408,700	670,900	696,300	673,400	868,500	1,009,380	1,235,440	902,107	1,869,170	2,026,690	2,390,040	3,650,010	4,633,290	2,126,530	3,026,670
	Oil.	-	-	-	1,521	7,286	3,551	9,608	18,011	24,657	28,539	48,487	144,794	237,030	153,153	201,294	245,380	131,910	197,741
	Imp.	40,700	8,204	171,608	109,800	162,000	135,700	142,700	159,900	138,156	195,550	312,299	373,601	607,701	769,081	972,079	1,950,130	952,244	1,298,280
	Oil.	-	-	-	763	150	191	374	244	31	97	4,051	8,533	13,837	80,678	59,234	44,938	22,807	62,557

Table 15 Ukraine's bilateral trade (thousand USD). Data retrieved from World Bank (2011) and UN Comtrade (2010).

## **Appendix XVI: Oil shares of trade flows**

<b>Armenia</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Aze	48,432		-	79,701		-
Bul	337,766,642		-	713,705,980	377,727,038	52.92
Geo	512,836,400	68,647,489	13.39	581,500,900	65,196,145	11.21
Gre	18,159,857		-	414,615,300	65,259,581	15.74
Mol	9,451,420		-	19,164,267	33,949	0.18
Rom	2,440,706		-	553,301,622	369,933,505	66.86
Rus	1,726,313,600	25,877	0.00	5,398,924,000	1,605,771,936	29.74
Tur	39,871,900		-	1,292,408,700	49,960,623	3.87
Ukr	195,723,840	522	0.00	1,559,627,600	108,893,210	6.98
<b>Azerbaijan</b>						
	<b>Total export</b>	<b>Total Oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total Oil</b>	<b>Proportion</b>
Arm						
Bul	664,354,610	641,980,455	97	134,966,150	565,066	0
Geo	3,158,724,900	2,671,787,843	85	518,879,790	22,861,703	4
Gre	1,425,854,300	1,381,898,110	97	103,408,200	1,108,479	1
Mol	44,050,200	8,737,658	20	89,757,560	-	-
Rom	728,007,890	720,824,410	99	150,999,610	740,957	0
Rus	4,826,389,100	687,880,207	14	9,189,995,800	858,193,783	9
Tur	3,563,212,700	2,655,126,737	75	5,710,383,200	178,207,224	3
Ukr	1,663,738,200	1,338,434,846	80	3,489,967,900	25,980,868	1
<b>Bulgaria</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	222,338,591	1,814,855	0.82	78,714,097	54,060	0.07
Aze	191,605,210	2,311,357	1.21	53,947,727	35,500,751	65.81
Geo	1,517,796,426	1,017,257,727	67.02	1,225,974,400	75,183,682	6.13
Gre	14,814,571,000	1,460,982,166	9.86	13,713,856,000	1,156,396,932	8.43
Mol	659,258,770	44,974,294	6.82	195,879,780	9,379,435	4.79
Rom	8,299,812,400	597,613,939	7.20	9,896,444,000	3,074,051,299	31.06
Rus	5,276,082,000	75,367,996	1.43	36,675,615,614	24,093,965,189	65.69
Tur	14,987,988,000	2,216,373,717	14.79	12,341,586,000	283,314,685	2.30
Ukr	2,118,010,000	473,867,998	22.37	11,448,771,000	2,242,733,462	19.59
<b>Georgia</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	858,338,200	76,163,435	8.87	449,785,750	102,154,641	22.71
Aze	1,137,054,990	34,984,788	3.08	3,307,576,800	2,617,293,975	79.13
Bul	470,080,682	46,378,319	9.87	1,120,805,600	460,116,092	41.05
Gre	97,487,220	38,330	0.04	416,330,980	260,085,902	62.47
Mol	13,126,057		-	28,981,820	165,072	0.57
Rom	81,486,578	51,425,060	63.11	795,780,860	578,983,722	72.76
Rus	1,180,628,200	63,091,656	5.34	3,771,169,800	1,521,445,982	40.34
Tur	1,823,380,300	98,014,027	5.38	5,423,836,700	93,096,312	1.72
Ukr	641,731,360	1,105,817	0.17	3,318,683,500	194,886,780	5.87
<b>Greece</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	292,059,290	6,608,293	2.26	11,799,373		-
Aze	130,161,760	3,506,498	2.69	478,963,243	435,384,977	90.90
Bul	14,640,614,000	1,412,039,349	9.64	11,862,581,000	1,209,463,987	10.20
Geo	329,222,610	122,218,179	37.12	503,692,387	374,794,397	74.41
Mol	232,447,750	7,515,097	3.23	191,298,610	13,905	0.01
Rom	8,021,961,700	494,762,936	6.17	6,994,318,000	973,013,475	13.91
Rus	5,949,093,000	193,178,698	3.25	45,729,694,000	35,485,023,100	77.60
Tur	10,117,901,000	2,479,508,380	24.51	16,564,263,000	941,259,158	5.68

Data retrieved from World Bank (2011) and UN Comtrade (2010).

<b>Moldova</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	26,273,100		-	4,750,900	12,608	0.27
Aze	98,389,200	47	0.00	74,136,100	24,948,884	33.65
Bul	204,935,500	9,016,644	4.40	541,637,000	60,408,888	11.15
Geo	52,539,700	74,411	0.14	5,812,600	353	0.01
Gre	107,814,300	92,029	0.09	317,536,800	80,105,580	25.23
Rom	2,143,972,400	52,798,574	2.46	3,432,821,300	1,555,646,765	45.32
Rus	5,414,040,000	1,515,475	0.03	5,451,589,000	2,721,051,991	49.91
Tur	283,786,000	126,339	0.04	1,228,562,300	5,764,660	0.47
Ukr	1,353,841,400	1,949,540	0.14	5,897,459,200	2,139,480,417	36.28
<b>Romania</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	61,666,200	2,008,563	3.26	7,201,644		-
Aze	145,131,300	1,044,785	0.72	813,485,761	792,974,052	97.48
Bul	10,368,271,000	3,567,266,744	34.41	7,856,565,000	671,008,584	8.54
Geo	1,599,962,000	1,364,177,089	85.26	57,308,400	30,676,623	53.53
Gre	7,601,195,000	1,322,047,554	17.39	7,846,435,000	543,709,684	6.93
Mol	4,730,690,000	1,627,344,559	34.40	1,988,340,200	187,600,990	9.44
Rus	5,371,281,000	30,324,575	0.56	36,752,150,000	32,702,465,588	88.98
Tur	22,806,040,000	3,086,888,856	13.54	21,637,620,000	304,103,506	1.41
Ukr	4,661,969,000	2,041,248,343	43.79	7,261,843,000	1,827,849,523	25.17
<b>Russia</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	3,815,637	210,685	5.52	1,482,593,700	-	-
Aze	10,942,155	232,871	2.13	3,331,395,100	329,634,577	9.89
Bul	26,889,101	16,931,860	62.97	5,173,972,000	1,677,008	0.03
Geo	3,970,424	475,981	11.99	1,354,781,100	63,943,409	4.72
Gre	22,490,881	12,265,183	54.53	3,896,308,000	14,414,378	0.37
Mol	7,358,087	1,080,379	14.68	8,140,698,000	9,785,191	0.12
Rom	26,026,997	15,007,408	57.66	6,024,808,600	19,762,773	0.33
Tur	127,576,990	48,163,414	37.75	30,354,010,000	80,792,372	0.27
Ukr	163,137,270	66,994,046	41.07	117,643,130,000	3,543,845,861	3.01
<b>Turkey</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	4,243	3	0.07	5,683		-
Aze	9,491,477	226,034	2.38	4,180,621	3,117,194	74.56
Bul	13,296,359	271,682	2.04	14,333,438	1,803,037	12.58
Geo	5,151,331	185,234	3.60	3,347,818	722,239	21.57
Gre	15,612,565	1,208,276	7.74	9,883,414	2,825,141	28.58
Mol	1,078,186	10,367	0.96	537,153	477	0.09
Rom	21,654,472	410,602	1.90	23,856,922	2,654,004	11.12
Rus	36,605,709	437,560	1.20	163,338,113	113,419,740	69.44
Ukr	10,864,497	385,684	3.55	34,145,783	2,921,991	8.56
<b>Ukraine</b>						
	<b>Total export</b>	<b>Total oil</b>	<b>Proportion</b>	<b>Total import</b>	<b>Total oil</b>	<b>Proportion</b>
Arm	1,338,400	84,595	6.32	206,406		-
Aze	4,420,527	24,146	0.55	1,744,077	1,366,266	78.34
Bul	6,919,608	1,251,688	18.09	2,059,159	224,075	10.88
Geo	3,335,887	129,994	3.90	783,542	63,908	8.16
Gre	2,063,645	257,953	12.50	1,201,957	108,185	9.00
Mol	8,267,825	1,768,650	21.39	1,465,359	960	0.07
Rom	6,276,873	1,416,196	22.56	4,554,595	1,846,768	40.55
Rus	111,508,190	3,458,706	3.10	179,940,860	98,321,115	54.64
Tur	27,172,468	1,452,963	5.35	8,499,733	298,487	3.51

Data retrieved from World Bank (2011) and UN Comtrade (2010).

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