THE BLACK SEA ECONOMIC COOPERATION AND REGIONAL SECURITY

DR. ERCAN ÖZER

Dr. Ercan Özer is Deputy General Director of Multilateral Economic Affairs of the Ministry of Foreign Affairs of the Republic of Turkey.

I. INTRODUCTION

The Black Sea and its peripheral sub-regions have played a major role in shaping European history. Although the Black Sea region is on the margins of Europe proper, it has been at the centre of European intra-relationships. The heterogeneity of the region has been a source of potentially dangerous national conflict with threatening implications for international stability.

Situated at the crossroads between Europe and Asia, it has been a site of contention and confrontation for centuries. In the context of the Cold War, it was the scene of East-West strategic competition.

Life was easier during the Cold War. Coexistence has become difficult and more complicated in the post-Cold War era. Throughout the Cold War, the decisive political and military presence of the superpowers provided stability, albeit strained, in the Black Sea region for forty years. Inasmuch as the danger of all out war between the former superpowers or between the alliances which they have guided has been reduced to a theoretical minimum, the end of bipolarity and the demise of the Soviet Union have proliferated the monolithic threat and liberated the ancient sources of tension and grievances in the region that the Cold War suppressed and masked.

These fundamental geopolitical changes led to a completely new geometry in the Black Sea region. The rising tide of territorial, nationalistic, ethnic and religious disputes set the scene for the flash points of Yugoslavia, Trans-Dniester, Crimea, the Black Sea fleet, South Ossetia, Abkhazia, Adzharia, Chechnya and Nagorno-Karabakh.

The existing conflict resolution and peacekeeping instruments such as the UN, OSCE and NATO, as well as the security and confidence building agreements like the CFE treaty, have not been totally successful. Moreover, they have led to new mutual recriminations between Russia and the West. The Yugoslav conflict, as a real test case for the post-Cold War international relations, raised more questions than answers in relation to NATO's role in the European security system and its enlargement towards the East.

Turkey has long been a building block in the European security architecture. Its geo-strategic location has exposed it to new security risks in the transition phase. Its security and economic concerns compel it to play an effective role in stabilising the turbulent waters of the Black Sea.

II. REGIONAL SECURITY GROUPINGS AND SECURITY

Theoretically, regional cooperation schemes can compensate for the inherent weaknesses of more broader international collective security arrangements. The aims of regional set-ups usually run parallel to the main objectives of global organisations.

In an interdependent world economic system, regionalisation is seen as an agent of integration and globalisation as well as a lever for transformation from guided economic systems to market economies. It is an instrument of liberalisation. Regional partnership contributes to geopolitical stability. Regional cooperation is considered to be one of the most effective confidence building measures. Invariably, it is a means of strengthening a democratisation process and democratic institutions. It can be a vehicle of concerted action to take measures against the contemporary scourges (like organised crime, terrorism, and illicit drug and arms trafficking) which threaten regional security and stability. It is also a means of reducing social discontent and immigration pressures.

There is a wide range of security roles which regional groupings can, do and may play.

Regional schemes serve as building blocks in the new European security architecture contributing to indivisible, comprehensive and cooperative security.

Although the regional groupings have different backgrounds and perspectives in the integration processes, they contribute to counteracting the establishment of new dividing lines by creating a multi-layered, trans-boundary, co-operative network. Thus, by avoiding harmful divisions, they underpin the basis of the concept of indivisible security.

Regional cooperation covering a wide range of non-military security issues in political, economic and environmental fields, as well as comprehensive security issues in the social and cultural domain serves to enhance the comprehensive security concept.

Actually, by virtue of their mere existence, regional groupings contribute indirectly to security. This 'existential effect' induces the members to develop friendly attitudes to each other and reduces the tendency to resort to non-peaceful means in pursuit of national interests. It creates a sense of 'peer group' among the members and opens up new avenues of cooperation and better channels of communication.

Regional groupings build a sense of common interest and, to a certain extent, shared identity.

They are the manifestations of the political will of the participating states to co-operate with each other.

Regional cooperation arrangements supplement and reinforce security building through the broad involvement of public and private institutions and individuals from different sections of society at local, national and regional levels in different fields of competence and involve the population in decision making processes.

They provide fora in which the state, sub-state and non-state actors can develop personal contacts and mutual knowledge and understanding of respective positions on a range of issues.

The limited number of participating states makes it easier to act together and have common decisions which is more difficult in larger, wider and global organisations.

They are important frameworks for involving local administrations in the process of integration.

Confidence does not come by accident. It has to be cultivated with strong seeds. The regional groupings more readily address every day problems of the man in the street by establishing personal ties and providing joint solutions to common problems which otherwise cannot be resolved without collective efforts.

Non-state actors play a substantial role in the development of security. They are able to co-operate on practical issues, leaving aside political differences between the member countries thereby providing a functional framework for a 'bottom-up approach' as a complement to the 'top-down approach' realised through formal contacts between states.

Regional groupings also have the potential to play a complementary role by helping those members seeking membership of broader arrangements like the European Union. They prepare for future accession by laying stronger economic and social foundations for integration and pre-adopting certain norms and standards of these organisations. Hence, regional cooperation serves as a catalyst for promoting security through osmosis by making integration wider and deeper, and the web of cooperation denser and richer.

Notwithstanding their geopolitical background and the variant character of their membership, regional groupings can enhance security simply by fostering dialogue, personal contacts and mutual

understanding. While the regional groupings are not cut out for dealing with the substantial political rifts and conflicts between the member states, they provide convenient albeit mostly informal platforms and channels for political dialogue.

Economic and social instability may be a source of potential conflict. Regional schemes create a milieu more conducive to development by increased and diversified economic cooperation facilitating the freer flow of goods, services, capital and people. They are also practical instruments for implementing joint projects.

Through economic cooperation, they stimulate the betterment of economic conditions and life standards in member countries by fostering an awareness of mutual benefits and interdependence. These efforts buttress domestic and regional stability, at the same time accelerating the process of political and economic reforms for transition to democratic regimes and the market economy. Consequently, they make a significant contribution to confidence building and addressing new security challenges within the framework of non-security or 'soft security measures'. However, their impact may potentially range from 'soft' to 'explicit' or even 'hard' security elements in the security spectrum.

Ill-suited as they are for hard security measures like disarmament, regional groupings may play a soft security role by promoting cooperation in a range of non-military fields. They have the potential for explicit security by adopting regional confidence building measures, developing common positions on security issues within wider organisations like OSCE and the UN, or co-ordinating their members efforts at crisis management and peacekeeping.

The comprehensive and co-operative approach to security has changed the parameters of arms control. Regional arms control has a role to play in enhancing good-neighbourly relations, mutual trust and confidence, and in eliminating potential sources of tensions and conflict situations. Depending on the degree of integration and cooperation, they may gradually be involved in the softer elements of military confidence building and conflict prevention. If they do not necessarily have the capability to address conflict situations, they may, however, assist in post-conflict rehabilitation.

Being a part of a regional scheme, assuages the threats to security, discourages resort to force for the solution of conflicts.

As military security is not listed at the top of their agenda, regional cooperation agreements concentrate on such functions as economic, social and cultural cooperation which have an indirect bearing on security. This indirect contribution adds value to regional and global security provided that it does not diminish the security of non-members.

The added value of such cooperation improves the prospects of addressing a range of functional problems which are increasingly considered to be part of a new and wider definition of security, including civic security measures within soft military area. Regional organisations may contribute significantly to meeting new security challenges like terrorism, drug-trafficking, arms smuggling, organised crime, natural disasters, nuclear hazards, diseases, etc.

Such an array of actual and potential benefits makes multilateral cooperation schemes particularly appealing for regional security

In view of the limitations of conflict prevention and resolution institutions, the focus of efforts is being shifted from political consultation and conciliation to more practical economic cooperation and partnership.

The context of the rapprochement is more and more concentrated on issues of better economic, social and cultural integration, rather than political intervention. Economic benefits have become the main driving force of international relations. 'Politics for economics' has become the dictum.

The Black Sea Economic cooperation (BSEC), established on 25 June 1992 in Istanbul, is a living example of this dictum. Radical changes in the region and in the world set the scene for the BSEC, and induced Turkey to initiate it. As an idea which has found its right timing and venue, the BSEC has taken root and completed its institutional structure within a very short period of time. The BSEC has succeeded in drawing into the process even countries distant to the Black Sea region. The enthusiasm it has generated attests to it. In addition to the eleven participating states (Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, the Russian Federation, Turkey, and Ukraine), Tunisia, Egypt, Israel, Poland, the Slovak Republic, Austria and Italy have become observers. Macedonia, the Federal Republic of Yugoslavia, Iran and Uzbekistan are in line for full membership while Slovenia, Croatia, Bosnia, Jordan and Kazakhstan have applied for observer status.

The political environment of the BSEC region is traditionally fraught with and frome to conflicts projecting instability. The risk factor of potential friction is always high. There are political, economic and cultural differences between the various states as well as between their levels of economic development and industrial capacities. Despite continuing disputes between some member states, the BSEC adds to regional stability and security by promoting dialogue, diplomacy, development and democracy.

The BSEC is an active contributor to regional security. It is mainly a soft security provider. It serves to allay tensions between the participating states by providing opportunities for cooperation and creating a mutually beneficial economic equilibrium. The BSEC made itself heard loud and clear: that despite the political odds against it, cooperation in the region not only was a promising possibility, but also is a convincing reality.

III. THE SETTING

A. FLASH POINTS

1. In general

With the end of Cold War, traditional threat perceptions based on the confrontation of military blocs and deterrence waned. The Black Sea regional states have become more exposed to internal or bilateral problems. Radical nationalist movements, ethnic and territorial disputes that threaten regional security erupted, especially in the Balkans and the Caucasus. Minority problems were magnified with human rights issues. The political upheavals and economic uncertainties prevalent in most of the regional countries rendered the geo-strategic framework unstable and made political settlement of disputes difficult. Relations between some members continue to be marked by mistrust, competition and rivalry. The Black Sea lives up to its reputation as a turbulent region indeed. The causes of tensions vary. Nonetheless, they may be grouped in the following main areas:

a. Political: nationalist movements, ethnic upheavals and territorial claims

The ideological vacuum of the post-Cold War era gave way to nationalist tendencies in the region, unleashing long dormant or suppressed sentiments; in turn, these nationalistic sentiments began to be exploited for political purposes.

Heterogeneity of ethnic origins is great in the Black Sea region. Reflecting the ethnic contradictions in the Balkan sub-region, there are ethnic Turks in Greece and Bulgaria; an ethnic Albanian minority in Greece, and a Greek minority in Albania. The share of ethnic minorities in the population of Bulgaria is 20.2 per cent and in Romania 19.8 per cent. Russians constitute 22 per cent of the population of Ukraine, 13 per cent of Moldova and eight per cent of Georgia. Transcaucasia's ethnic make up is very complex. Ethnic Armenians make up about nine per cent of Georgia's population. The number of ethnic Georgians living in Azerbaijan is over 15,000. 300,000 Azeris live in the territory of Georgia.

These ethnic minorities dispersed throughout the Balkans and Transcaucasus are vulnerable to the political manipulation of their mother countries. The minorities in the mother countries, in turn, act

as pressure groups in domestic politics for helping or furthering the causes of their ethnic extensions abroad.

In the Balkans, in the north of the Black Sea and in the Caucasus, the landscape had been the theatre of territorial claims among the successor states of the former Yugoslavia, between Moldova and Russia for Trans-Dniester; between Russia and Ukraine for Crimea; between the Georgian government and South Ossetia, Abkhazia and Adzharia; and between Armenia and Azerbaijan for Nagorno-Karabakh.

b. Economic

Differences in the levels of development the consciousness of which is articulated by the 'demonstration effect', economic failures and unfulfilled welfare aspirations, play an important part in the escalation of regional tensions. The breakdown of traditional economic ties and relations, the disappointment felt in the first phase of economic transition, and financial corrosion all breed discontentment and aggression. Utilisation of natural resources, ie. extraction rights and transport of oil and natural gas, cause friction.

c. Social

Forced and illegal migration has become an element of instability both as a phenomenon by itself and because of the reactionary attitudes it has generated in the receiving countries. Social tensions are aggravated by mass migration and refugee problems engendered by political and economic push factors.

d. Other

Existence in the region of an abundance of arms, including weapons of mass destruction and nuclear material, and their illegal trading and trafficking, constitute another group of destabilising factors in combination with terrorism, disorder and lawlessness caused by organised crime and illicit drug trafficking, which are all interrelated.

2. In particular

The Black Sea region harbours a fair number of disputes. Whether these disputes, which are recapitulated below, could lead to political or armed conflict is anybody's guess.

a. Yugoslav conflict

The Balkan peninsula has been and is on the transit trajectory (meaning the crossroads, transit line or routh) of different peoples and nations which have carried along their variegated historical and socio-political heritage. It is on the main migration and trade routes. It is at the junction of land, sea, air and river transportation routes. This conjunction has inevitably made this pivotal sub-region an area of political contention and a scene of power play as well as a theatre of wars. The situation we all have witnessed with dismay in the former Yugoslavia is a perfect manifestation of the depth and complexity of ethnic rivalries in the Balkans. The Balkans has become a minefield of ethnic outbursts, and Bosnia, the eye of the storm. The Dayton agreements have broken the vicious circle of military conflict therein, yet did not resolve the problem. The unravelling of Yugoslavia and spill-over effects of the war in Bosnia sowed the seeds of conflict in Kosova and Macedonia. Resettlement and reconstruction efforts in Bosnia notwithstanding, the Balkan peninsula looks as though it will keep its topical place on the security agenda as a potential seat of conflicts.

b. Trans-Dniester

Following the row over the Trans-Dniester between Moldova and Russia, the situation stabilised on a precarious status quo whereby territorial integrity was maintained in return for a degree of autonomy.

c. The status of the Crimea

The status of the Crimea was one of the sore nerve spots between the Russian Federation and the Ukraine after the demise of the Soviet Union. The risk of armed conflict between the two countries over the status of the Crimea may be remote, but the potential is there.

d. The Black Sea Fleet

The Black Sea Fleet, which was a naval force to be reckoned with during the Cold War, became an apple of discord between the Russian Federation and Ukraine following the dissolution of the Soviet Union. In fact, it became a symbol of political conflict between the two major inheritors of Soviet military power. The Black Sea Fleet played an important role not only in the defence of the borders of the Union in the Black Sea, but also in representing Soviet military presence in the Mediterranean. Financing of the Fleet, where and under which conditions it should be based blocked the solution of the issue. The status of Sevastopol as a base for the Fleet had been another stumbling block. The agreements and protocol signed on 28 May 1997 between the Russian Federation and Ukraine seem to provide a satisfactory apportioning of the apple of discord.

e. Chechen issue

Although a state of relative peace now holds sway in Chechnya after the armed testing between the Chechens and the Russian Government, the causes of conflict are still there and no lasting agreement has emerged that is satisfactory for both parties. The war has led to disruption and internal instability exposing the parties to external pressures.

f. Abkhazia

The inter-ethnic and civil war of Ossetians and Abkhazians in Georgia destabilised the country for some time. International efforts to bring about a fair settlement in Abkhazia have included a dozen UN Security Council resolutions as well as activities by a special envoy. The ensuing relative calm may not be the end of the episode.

g. Nagorno-Karabakh

The Armenia-Azerbaijan war over Nagorno-Karabakh left twenty per cent of Azerbaijan territory under Armenian occupation. More than a million Azeris have been displaced. Turkey supported all peace initiatives and played and continues to play an active role within the OSCE Minsk Group which is seeking to find a peaceful solution to the dispute.

B. RESOLUTION SCHEMES

In view of all these flash points, each of which has a potential to flare regional conflicts and confrontations, one can infer that peace and stability in the BSEC region has a paramount security interest for greater Europe.

Are the existing solution schemes adequately successful to meet the challenges differing in significance and urgency?

1. United Nations

The global peace-making and peace-keeping organisation was not omnipotent in solving the regional problems. The UN involvement in regional conflict resolution proved to be partially successful in the Black Sea domain.

2. Organisation for Security and cooperation in Europe

Encompassing 54 states, the OSCE is more an institution for Europe rather than a European institution. It is a regional institution constructed to promote peace and security in Europe through preventive diplomacy and conflict resolution rather than to function as a collective security organisation. As promoting security is a necessary but not sufficient function, the security should also be ensured and sustained. The OSCE has not been equipped with all the means to ensure peace and stability.

The discussions on the 'Common and Comprehensive Security Model for the 21st Century' may offer an opportunity to put into their proper perspective the contributions by regional organisations to European security.

3. North Atlantic Treaty Organisation

NATO, essentially a collective defence organisation, is adapting itself to the prevailing conditions by its strategic concept and by assuming new security functions. It has enlarged its association, within the context of Partnership for Peace and North Atlantic cooperation Council, to other partners which are not yet members of NATO. Moreover, it has proved itself to be the single most effective security structure capable of ensuring peace implementation in Bosnia. Still, NATO falls short in extending defence commitments to those who are not full members.

The question of whether the expansion of NATO will enhance security in the Black Sea region will hopefully be supplied with a positive response as a result of the Founding Act on Mutual Relations, cooperation and Security between NATO and the Russian Federation.

In principle, the Russian Federation should be made an asset rather than a liability to European and regional security. Therefore, it should be backed up to consolidate its democracy and market economy. With its different institutions functioning in different dimensions, the BSEC process is doing just that.

4. Conventional Forces in Europe

It is also expected that the Founding Act will have its positive bearing on the CFE Treaty and its application. The CFE balance, already upset by the break-up of the Warsaw Pact, should not be further disrupted by new force deployments thereby damaging the stability in the Black Sea region. The Transcaucasus is a sub-region of major strategic concern for NATO and for Turkey as well as for the BSEC Participating States. The stationing of Russian troops and bases on the territories of the Caucasian states may have destabilising effects. The security model should encompass the whole of the OSCE area and address the security concerns of all the participating states. No state, organisation or grouping should have any superior responsibility for maintaining stability in the OSCE area nor should it consider any part of the area as its sphere of influence.

The CFE Treaty adaptation and the Common and Comprehensive Security Model for Europe for the twenty-first century will enhance the viability and effectiveness of the Treaty taking into account the changing security environment and the legitimate security interests of the regional countries. The conclusion of a framework agreement setting forth the basic elements of an adapted CFE Treaty consistent with the objectives and principles of the Document on Scope and Parameters agreed at Lisbon in December 1996 will stabilise the force balance in the area of application. Moreover, it will ensure equal security, preserve and strengthen stability, and prevent a destabilising increase of forces and deployments. It will contribute to regional security, further enhancing military transparency by extended information exchange and verification.

5. Commonwealth of Independent States

On its part, the Russian Federation founded the CIS, but failed to establish a joint military structure. Promoted as a framework of integration of former republics of the Soviet Union in the political, economic and security fields, the CIS has made very little impact on the amelioration of regional difficulties. The members of the CIS determine the priorities of their Black Sea policies

according to the self-perception of their individual national interests rather than their collective benefits.

6. European Union

The EU is better positioned and equipped to deal with the economic causes of political problems. The prospect of membership in the long run in the EU is a motivating factor for the member states of the BSEC which can contribute to regional political and economic security. However, the EU is not interested or inclined to get directly involved in the solution of Black Sea conflicts. The EU considers the Russian Federation a force of control in the Black Sea region to keep the regional conflicts within bounds. On the other hand, it is against an excessive increase in Russian influence in the region.

7. Western European Union

As the defence component of the European Union, the WEU has 10 members and different levels of association with 18 other states. Amongst the BSEC Participating States, Greece is a full member, Turkey is an associate member, Romania and Bulgaria are partners while there is an ongoing dialogue with the Russian Federation and Ukraine. In their Common Concept of European Security, WEU countries agreed that "the structures of regional or sub-regional cooperation will also continue to form an important element in strengthening security and stability in Europe". In addition to its common defence function, the WEU could be more utilised for humanitarian rescue, crisis management, peace-making and peace-keeping tasks. However, in view of long-standing inter-European and everlasting transatlantic scepticism, the WEU has hitherto been somewhat reticent towards the Black Sea area.

Experience has proved that these institutions cannot respond alone to the new security challenges in and around Europe. Europe needs to develop a security and defence identity not only to reduce its dependence on the US, as was the case in Bosnia, but also to prove itself a credible enforcer. NATO is needed for the transatlantic connection and the WEU will constitute the European pillar of NATO. The security model must acknowledge NATO's stabilising and peacekeeping role, and as a forum for enlarged consultations and cooperation on military security issues. In regard to the ethnicity and nationalism prevailing in Europe, there is a need to build up confidence and security acting in response to today's realities and tomorrow's requirements.

The Lisbon Declaration on a Common and Comprehensive Security Model for Europe for the twenty-first century is an important positive step forward. A Charter on European Security as foreseen in the Declaration should continue to uphold the principle of indivisibility and comprehensiveness of security. A security model as such should not create a hierarchy among the existing international organisations dealing with security issues. The model and the new security architecture should not give rise to new lines of division or regions with different levels of security. Not to mention the fact that an effective security model should also include provisions to combat terrorism which has become a contemporary security risk requiring effective international cooperation.

IV. THE BSEC AND SECURITY

The BSEC was established at a time when a new era of peace and security was taking shape in Europe and beyond on the basis of the principles laid down in the Helsinki Final Act, in the follow-up CSCE documents and in the Charter of Paris. The BSEC is based on universally shared values such as democracy, human rights and fundamental freedoms, prosperity through economic liberty and social justice, and equal security for all the participating states. It aims at ensuring that the Black Sea becomes a sea of peace, stability and prosperity, striving to promote friendly and good-neighbourly relations.

The participating states of the BSEC have declared their political will to achieve peace and stability in the region through economic development, committing themselves to the start of a new and

comprehensive partnership inspired by the values of democracy, rule of law and respect for human rights.

The stability and security in the Black Sea region could be condensed to a functional formula:

$$S+S = f(6D)$$

(Stability and security is a function of dialogue, development, democracy, diplomacy, disarmament and demography.)

The bearing of the BSEC on the parameters of the security and stability formula is submitted here below:

A. DIALOGUE AND SECURITY

The BSEC is not established as a forum for political dialogue yet there is a direct commitment on the part of the participating states to enhance dialogue among each other and with third parties. Such a dialogue does not replace the other activities and initiatives undertaken in other fora, but contributes to their success.

A profusion of contacts at all levels is one of the characteristics of the BSEC. It offers a platform for informal dialogue at different levels ranging from heads of state or government to the man in the street. It is also in close contact with other international and regional organisations. It contributes to the stability of the region through dialogue and contacts, bringing countries and their governments, parliaments, private sectors, local administrations, non-governmental organisations, academic institutions and academicians as well as their peoples closer, promoting interaction at every level.

1. Governmental Dimension

a. At the level of heads of state or government

In five years, three summits have been held. At these meetings, the heads of state or government had informal consultations on regional issues including security affairs. Availing themselves of these opportunities, the heads of state or government also have bilateral contacts and exchanges of views with their partners covering a wide range of issues, inter alia, regional security concerns.

b. At ministerial level

The ministers of foreign affairs meet regularly every six months. Their ninth meeting was convened on 30 April 1997 in Istanbul. The ministers of foreign affairs have consultations and exchanges of views at their customary working lunches and bilateral encounters with their counterparts. These offer a useful occasion for dialogue. Both at the heads of state or government or ministerial level, BSEC serves as a convenient platform to bring together the leaders of Azerbaijan and Armenia.

c. At sectoral ministerial meetings level

In addition to the meetings of ministers of foreign affairs, separate ministerial meetings are held on different areas of cooperation. Recently, a meeting of ministers of interior was held in Yerevan and another of ministers of transport in Sofia.

d. At high officials level

High officials meet before every ministerial meeting and in between. The agenda of their meetings comprise both policy and technical issues.

e. At experts level

The dialogue extends to the level of experts in both standing and ad hoc meetings concentrated on technical matters.

2. Parliamentary dimension

The foundation of the Parliamentary Assembly of the BSEC (PABSEC) on 26 February 1993 added another dimension to the sphere of dialogue. Parliamentary diplomacy, despite its limitations, promotes mutual awareness and understanding through dialogue and regular contact, hence allowing greater latitude and consideration to the interests of the member states.

PABSEC brings together the members of national parliaments from different parties, first region wide and then with interaction with European parliamentary organisations, inducing them to take active and constructive positions towards the objectives of development and security.

PABSEC plays a major role by contributing to defuse situations of conflict and promoting the establishment of legal environment for economic cooperation. This also strengthens the hands of the member states who are in the process of joining the EU. Although direct security issues are formally excluded from the orbit of the PABSEC, security concerns enter the process to a certain extent. By forging links between parliamentarians and fostering dialogue and practical cooperation between parliaments, PABSEC helps create an environment that would be favourable for confidence building and settlement of differences thereby strengthening regional security.

3. Private sector dimension

The BSEC model is based on the potential and dynamism of the private sector facilitated by the governments. This type of mechanism, which takes as its engine the motivating force of the private sector, conforms to the aspirations of the participating states in transition to a market economy and pluralistic democracy. The representative organ of the private sector is the BSEC Business Council established in December 1992. It consists of the business communities of the BSEC and mainly develops proposals, programmes and projects in a variety of fields of cooperation. The Business Council develops relations with the European Bank for Reconstruction and Development (EBRD), the UN Industrial Development Organisation (UNIDO), the International Finance Corporation (IFC) and other international institutions. It acts as a conduit to bring together potential business partners from within and without the region.

4. Local administrations dimension

The dialogue within the BSEC process also includes local administrations. These platforms (like 'The Mayors Conference of the Capitals of Black Sea Countries', 'The Black Sea Capitals' Governors and Mayors Round Table', and 'International Black Sea Club') offer valuable and mutually beneficial channels of communication and platforms of dialogue among local administrations.

5. Non-governmental organisations (NGOs) dimension

There are quite a number of NGOs established within the sphere of the BSEC, such as the Conference of Architects of the Black Sea and the Association of the BSEC Bars of Lawyers, which take the dialogue to grassroots level.

6. Academic dimension

Cooperation in education and among academic institutions is a long-term investment in the future security of the Black Sea region.

Within this dimension, the Black Sea University was established in Constanta, Romania with a graduate level curriculum on issues related to the BSEC and its promotion. Columbia University,

Harriman Institute and the Centre for International Studies in Bosphorus University in Istanbul jointly established the Black Sea Studies certificate programme. In addition, the International Centre for Black Sea Studies is being established in Athens, Greece. Representatives of the academic institutions of the BSEC Participating States came together at a meeting held in December 1996 in Athens with a view to setting up networks among the universities of the BSEC countries. Sister university relationships are under way between the Middle East Technical University in Ankara and the University of Kiev-Mohyla Academy in Kiev.

7. Dialogue with third parties

One of the objectives of the BSEC is to promote good neighbourly relations among its members and with the peripheral third countries. The BSEC also cultivates co-operative relations with relevant international organisations and regional schemes such as the EU, UN ECE, UNIDO, UN Conference on Trade and Development, International Labour Organisation, EBRD, EIB, CEI, Economic cooperation Organisation and MERCOSUR. (Common Market of South America).

B. DEVELOPMENT AND SECURITY

The economic and social development of the participating states and the level of their interaction and collaboration in solving economic, environmental, scientific and technological problems are the preconditions for regional security. Economic underdevelopment or the gap between the developing vis-à-vis the developed countries is one of the destabilising elements. The more pronounced the gap, the more the probability and propensity of internal and international conflicts. Consequently, economic cooperation for the development of the members and the region is one of the most effective confidence building measures. The narrowing of the distance between the development levels of the participating states is a value added to the peace dividend.

Construed as a model based on economic cooperation, the BSEC is set to contribute to regional and consequently global peace through economic cooperation and prosperity. In the Summit Declaration of 1992, the participating heads of state and government confirmed their intention to develop economic cooperation as a contribution to the CSCE process, to the establishment of a Europe-wide economic area as well as to the achievement of a higher degree of integration of the participating states with the world economy. The BSEC facilitates the creation of an environment to foster the economic and social development process in the participating states. People think twice about creating political tensions if they know that it will harm their mutual economic benefits. Economic convergence and development increase political dialogue and the grounds for it. Regional cooperation promotes security and stability through closer economic ties and greater interdependence. Thus, economic cooperation acts as a catalyst for security.

The security function of the BSEC is based on the formula that economic cooperation is the most effective confidence building measure. The most striking example of this formula was demonstrated by the BSEC when the leaders of two participating states which were actually fighting at the front sat side by side and took common decisions on issues of mutual economic interests, verifying the hypothesis that economic cooperation transcends political conflicts.

C. DEMOCRACY AND SECURITY

The BSEC is a cooperation scheme which forms a part of the future European architecture. It is a complementary substructure and not a substitute for the EU. The EU is the main focus of attention of most of the BSEC countries. The BSEC is a preparation ground for integration into a larger Europe. It promotes the adoption of Western democratic norms and standards which took shape through years of accumulated experience and have stood the test of time.

PABSEC, founded on the basic tenets of pluralistic democracy, provides the legal ground for the realisation of principles and goals of the rule of law and democratic values, for democratic participation to enact the legislation needed to implement the decisions made by the BSEC, and for strengthening parliamentary democracy in the participating states. Thus, its inputs to the BSEC

process by reinforcing democratic institutions, the rule of law, human rights and fundamental freedoms, has a positive impact on regional security and stability.

D. DIPLOMACY AND SECURITY

Acknowledging in the Bosphorus Statement of 1992 that the region is faced with serious conflicts and that there is the danger of new tensions arising, the heads of state and government of the participating states emphasised the need for the settlement of all disputes by peaceful means and in accordance with the principles set out in the CSCE documents. They have affirmed their determination to resist aggression, violence, terrorism and lawlessness and their resolve to help establish and restore peace and justice.

However, the BSEC itself is not entrusted with a peacemaking or peacekeeping mission. Owing to its basically economic character, it has not been equipped with the mechanism required for preventive diplomacy. Yet, it is this very characteristic of the BSEC that brought together even the warring parties around shared economic objectives enabling it to act as a unifying agent towards the attainment of common interests. As such, the BSEC contributes, indirectly if not directly, to regional as well as global peace and stability.

E. DISARMAMENT AND SECURITY

Invariably, the BSEC does not have a direct disarmament function and associated mechanisms. Its indirect effect is mostly on confidence building measures rather than security building measures. It contributes to tolerance building, peaceful coexistence, the fight against racism, xenophobia and discrimination, the prevention and response to natural and man made disasters, as well as search and rescue operations.

Combating terrorism and organised crime has found its place on the BSEC agenda. In fact, at the first meeting of the BSEC ministers of internal affairs held on 17 October 1996 in Yerevan, the participating states signed a joint statement declaring organised crime a top priority and expressing their determination to take appropriate measures. The second meeting of the ministers of internal affairs will be held in October 1997 in Turkey. The Moscow Declaration signed on 25 October 1996, following a high level meeting, attached special importance to the adoption of urgent concrete measures for combating organised crime, violence, terrorism, illicit drugs, weapons and radioactive materials trafficking and illegal migration, and instructed the ministers of foreign affairs together with appropriate authorities to elaborate on programmes to strengthen cooperation in these fields. In parallel to the BSEC itself, PABSEC, within its Legal and Political Affairs Committee, also contributes to the process through its recommendations addressed directly to the respective parliaments of the member countries.

Economic development requires resources. One source of these is the direct relationship between development and disarmament: the redirection of financial resources from armaments to economic investments. Such resources are needed for development and transition in the BSEC area. Consequently, the BSEC is emphasising the need for allocating financial resources to economic projects, resources that would otherwise be spent on armament, and thereby plays a positive albeit circuitous role in encouraging disarmament.

F. DEMOGRAPHY AND SECURITY

Demography also has a large bearing on security, in particular with respect to undesirable migration and refugee problems. Inasmuch as the free movement of people is part of advanced integration, undesirable immigration due to political, economic, social and ethnic causes, generates friction between sending and receiving countries. Should the migratory pressures reach very high levels, they may induce security risks. The security risks may be magnified should migration be forced, resulting from assimilation and population deployments for territorial acquisitions. Another demographic element of security concern may be related to refugees and displaced persons as a result of political conflicts. The BSEC region, especially its Caucasian component, is more likely to be faced with the security risk of the latter case. Although the BSEC is not directly involved with the

issue, it offers an environment which would be more conducive to the resolution of such problems as well as reduction of social discontent and migratory pressures.

V. CONCLUSION

With the end of the Cold War, historical grievances and prejudices have found expression in political action, accompanied by trans-frontier organised crime, environmental hazards, arms smuggling (including weapons of mass destruction and nuclear material) which cause tension and undermine security. Regional conflicts have moved to the fore, requiring stabilising instruments with regional parameters.

The conflicts of today and tomorrow are more likely to be of a regional character. Therefore, the instrument offered hitherto by the existing security arrangements may not necessarily be suited to cope with these regional problems. Regional arrangements which promote economic, social, judicial and environmental cooperation as well as interaction at various levels of the societies may contribute to regional stability and security by facilitating joint action tailored to respond to the particular needs of that region. Cross fertilisation among regional organisations and institutions through the exchange of information, consultation and the convening of joint meetings, and profiting from the resulting comparative advantages, may add to their security function.

There is an as yet uncultivated potential for security enhancement within the regional and sub-regional scope. The point of departure should be the principles of mutual reinforcement, complementarity and non-subordination, while each regional scheme should be allowed to evolve in accordance with its specific role and task.

The BSEC has opened a new and special chapter in Black Sea regional history. Established at a time when the Balkans and the Caucasus were facing great unrest and difficulties coupled with ethnic conflicts, the BSEC has proved itself to be a forum where the participating states put aside their differences to undertake joint economic projects for their mutual benefit. It proved to be a regional arrangement where economic motives transcended political conflicts.

The BSEC has also demonstrated that not only the warring countries but also Islamic and non-Islamic states alike can and do coexist harmoniously in a regional arrangement where the spirit of cooperation surmounts differences in religion.

During the five years since its inception, the BSEC has asserted itself to be an important confidence building measure and, as such, an essential element of peace and stability in the region. The varying national interests, differing political assessments and diverse stages of development of the participating states have not prevented them from seeking common solutions to their problems through dialogue, economic cooperation, and creating an environment conducive to regional stability. It has helped create a favourable psychological atmosphere in a region torn by conflicts in all forms and shades. The results are all the more impressive in the face of the diversity of the problems besetting the region.

The BSEC represents the strong political will of the member states to establish and maintain dialogue and cooperation at different levels and dimensions including governments, parliaments, the private sector, local administrations, NGOs, academicians, etc. Having started up as a 'top-down approach', it is gradually turning into a 'bottom-up approach'.

Realisation of stability and security requires balanced and parallel progress in all spheres of cooperation: political, economic and cultural. However, the sum of the overall gains, political, economic or otherwise, is more than the sum of economic gains in the BSEC.

Europe is in the process of recasting its defence policy in order to address risks outside the central part of the continent. There is an evident need for a cautious and balanced approach to security problems emanating from the Black Sea region. For their part, European countries and institutions should commit themselves to providing a contribution to and dialogue with the BSEC and its individual member countries. The EU could establish a special program for the BSEC members.

The security model should not require the creation of a new security system for the BSEC within Europe. It should provide new ways for the amelioration of the root causes of conflict within the existing structures, albeit on a wider regional scale. The UN, OSCE, NATO, EU and other European institutions should play their part in addressing properly various tensions and conflicts in the region.

The variety of risks and divergence of interests of the BSEC participating states make it hardly possible to find a short-term formula to overcome instability and to develop a regional approach to regional security. Therefore, the members of the BSEC are displaying reserve in adding a security dimension to their regional cooperation agenda.

Some countries and organisations think that it is important for the coastal states to establish mechanisms for dialogue, and that it is an area in which Turkey, as a full member of NATO, could play a crucial role in assuaging the fears of conflict.

Even though the time is not yet ripe, in future Turkey might be receptive to the formation of a consultative mechanism with a political and security content which would comprise the coastal states of the Black Sea. Such a mechanism would not necessarily have an organic link with the BSEC.

Present security threats in the region are basically generated from ethnic and nationalistic tensions, dissatisfaction with economic and social transition, migration and refugee problems and from terrorism and interrelated illegal acts extending beyond regional boundaries.

The BSEC is an attempt to develop the necessary roots of long-term security and stability in the region by weaving patiently the delicate fabric of peace with the strong threads of economic cooperation. The ground of the region is being cultivated with concrete projects. What we shall reap depends on what we sow. Therefore, the European institutions should make positive contributions to render the BSEC more successful. For the success of the BSEC is in the interest of greater Europe.