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The BSEC: From New Regionalism to Inter-regionalism?**

Abstract: This paper tries to provide an explanatory framework for understanding the BSEC as an example of 'new regionalism'. It examines and illustrates the structural change of the BSEC within the context of 'new regionalism', the dynamics of the BSEC, the preferred outcomes of the BSEC and the inter-regional grouping cooperation between the BSEC and the EU. The paper argues that the BSEC could not be considered a 'stumbling block' to globalism but as a 'stepping-stone'.

Key Words: BSEC, inter-regionalism, regionalism, European Union

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Introduction

The decade following the end of the Cold War witnessed a resurgence of regionalism. The number, scope and diversity of regionalist schemes have grown significantly, enabling distinction to be drawn between the 'old' regional wave of the 1960's and the 'new' characteristic of the post-Cold War period.

The new regionalism of the 1990's emphasises the viability of the regions in the global multi-polar order, created in a spontaneous process not only by the states but also from non-state actors in a comprehensive multidimensional process with a strong regional identity.¹ New regionalism for many developing countries was an attractive proposition for at least two reasons: the first is that, in a manner of ways, regional economic agreement increased the ability of developing countries to attract Foreign Direct Investment (FDI). The second reason is that regional initiatives offered the possibility of adopting a step-bystep approach to liberalisation which would permit some of the adjustment loss and political obstacles to liberalisation to be reduced. Therefore, the direction in which regionalism evolves is likely to have a major impact on the future of the international political and economic order.

New regionalism has the following characteristics:

First is mega-regionalism. An extremely wide range of countries are included (or expected to be included) in economic arrangements.

Second, economic and political great powers which formerly gave priority to regionalism and did not participate in regional arrangements now play an important role in regionalism.

Third, regionalism today encompasses both developed and developing nations, small and large. Developing countries have responded to globalisation by adopting interdependence strategies designed to secure investment from and access to the markets of developed countries.² This is especially true of the Partnership and Cooperation Agreements' concerning members of the BSEC, MERCOSUR and of Mexico in NAFTA.

Fourth, there is the very wide variation in the level of institutionalisation, with many country groupings consciously avoiding the institutional and bureaucratic structures found in traditional international organisations and the regional model represented by the EU.

Fifth, new regionalism has a multidimensional character. The dividing line between economic and political regionalism becomes even harder to draw as

¹ For the various approaches to regionalism after the end of the Cold War see R. Vayrynen, "Old and New Regionalism", *International Studies Review*, Vol.5, No.1, 2003, pp.25-51.

² C. Tsardanidis, "Reasons for the Development of Regionalism in the Age of Globalisation", *Andriatica*, Vol.4/5. No.6/7, 1998, p. 33.

The new regionalism of the 1990's emphasises the viability of the regions in the global multi-polar order, created in a spontaneous process not only by the states but also from nonstate actors in a comprehensive multidimensional process with a strong regional identity. new regionalism is fed both by the end of the Cold War and the decentralisation or regionalisation of security concerns, and by developments in the global economy.³

Sixth, the current processes of regionalism come more from 'below' and 'within' than before and it is not only economic, but also ecological and security imperatives that push countries and communities towards cooperation within new types of regionalist frameworks. The actors behind regionalist projects are no longer only states, but also a large number of different types of institutions, business elites, organisations and movements (trans-regionalism).⁴

Seventh, unlike most old regional schemes the new ones are characterised by overlapping membership of countries in a number of different groupings (e.g. Greece's membership in the EU, the BSEC and the South East European Cooperation

Process). It would appear that the primary motivation for this multiple membership is to secure access to different regional markets, particularly where regional blocks demonstrate protectionist tendencies against non-members.⁵

Eighth, new forms of often multi-layered inter-regional relations have appeared as corollaries of new regionalism. Inter-regionalism in the context of 'new regionalism' took on different forms of loose, informal and multi-layered arrangements with more diffuse membership. Through inter-regional actions, each 'region' becomes a reflexive agent that both constitutes and is constituted by its inter-regional interaction and its ongoing 'externalisation'.⁶ In concrete terms, then, what is understood by inter-regional interactions in the context of the Euro-BSEC relationship will depend to a large extent upon how the member states of the BSEC and the EU view themselves and each other within and as a result of the process of interaction.

The basic objective of this paper based on an extended version of the analytical paradigm of Schulz, Soderman and Ojendalon how regionalism can be

³ A. Hurrell, "Explaining the Resurgence of Regionalism in World Politics", *Review of International Studies*, Vol.21, 1996, p. 332.

⁴ B. Hettne, "Globalisation and the New Regionalism: The Second Great Transformation" in B. Hettne, A. Inotal, O. Sunkel (eds), *Globalism and the New Regionalism*, London: MacMillan Press, 1999, p. 7.

⁵ See A.S. Bhalla- P. Bhalla (eds), *Regional Blocs. Building Blocks or Stumbling Blocks?* London: MacMillan Press, 1997, pp. 18-19.

⁶ See J.A. Scholte, *International Relations of Social Change*, Buckingham: Open University Press, pp. 69-70.

studied, conceptualised and understood is to examine the extent to which the BSEC largely departs from the earlier static, inward-looking, import-substitution and protectionist policies evident in the region and promotes a more dynamic, open, outward looking approach, connecting the BSEC with the EU and generally the entire Black Sea region with the world economic system. The four key issues of the paper are as follows: (1) structural change of the BSEC within the context of new regionalism, (2) the dynamics of the BSEC, (3) preferred outcomes of the BSEC, and (4) development of inter-regional grouping cooperation, especially in terms of the EU-BSEC relationship.⁷

Structural change

A key theoretical and practical question is what does new regionalism signify? Is it compatible with globalisation, does it even step towards it, or does it foreshadow a turning away from the cosmopolitan world economy and a return to closed, antagonistic regional blocs and 'stumbling blocks'?⁸

For some observers, one of the many manifestations of new regionalism is its integral part in globalisation. Regionalism and globalisation are then seen as a compatible process, being an outlet of the same underlying phenomenon. As Hettne points out, "the two processes of globalisation and regionalisation are articulated within the same large process of global structural change."⁹ Other authors emphasise the distinction between the two processes and view them almost as 'bouncing' towards one another with 'globalisation' as the challenge of economic and cultural homogenisation of the world, and new regionalism being a social and political reaction. According to some analysts this regional response takes place where region-wide societies (clusters of states) seek to protect themselves for the 'evil' consequences of globalisation.¹⁰

⁷ The first three questions are based on the methodological model which the UNU/WIDER research project has followed on how regionalisation can be studied. We have extended the paradigm by adding a fourth key issue which seems to play an important role as well: Inter-regionalism which also shapes the very nature of the cooperating regional schemes. See M. Schulz -F. Soderbaum -J. Ojendal, "Key issues in the New Regionalism: Comparisons from Asia, Africa and the Middle East" in S. Hettne - A. Inotai - O. Sunkel (eds), *Comparing Regionalisms. Implications for Global Development*, London: Palgrave, 2002, pp. 234-276.

⁸ A. Gamble, "Regional Blocs, World Order and the New Medievalism:" in M. Telo (ed.), *European Union* and New Regionalism. Regional Actors and Global Governance in a Post- hegemonic Era, Aldershot: Ashgate, 2001. p. 24.

⁹ See B. Hettne, "Globalisation and the New Regionalism: The Second Great Transformation" in B. Hettne – A. Inotaï – O. Sunkel (eds), *Globalism and the New Regionalism, op. cit,* p. 2.

¹⁰ See T. Pelagidis – H. Papasotiriou, "Globalisation or Regionalism? States, Markets, and the Structure of International Trade", *Review of International Studies*, Vol.28, No.3, pp. 519–535.

New forms of often multi-layered interregional relations have appeared as corollaries of new regionalism. Interregionalism in the context of 'new regionalism' took on different forms of loose, informal and multi-layered arrangements with more diffuse membership. Regionalism can be used also as a stepping-stone towards more global or multilateral relations. In deepening integration, and in proceeding with reform, new vested interests can be created through regional liberalisation. Reforms can be secured and if backlashes are feared, regional arrangements can be created to ensure that there are no reversals.

Therefore, the key issue of structural change looks at the following questions:

- From 'stumbling blocks' to 'open regionalism'?

- From 'stumbling blocks' and 'stepping-stones' to 'building blocks'?

Some analysts define 'open regionalism' in relation to official barriers against trade (protectionism).¹¹ "Open regionalism" means that policy is directed towards the elimination of obstacles to trade within a region, while at the same time doing nothing to raise external tariff barriers to

the rest of the world.¹² In some ways, the new 'open' regional arrangements are a response to the increasing competition under a global economy and for many they represent a first step towards enabling economies to benefit from the process of globalisation. "Open regionalism" is thus one way of coping with global transformation, since an increasing number of states realise that they lack the capability and the means to manage such a task at a 'national' level.¹³

The BSEC promotes a more dynamic, open, outward-looking export-oriented approach,¹⁴ i.e. from closed regionalism to "open regionalism". According to the BSEC Istanbul Declaration, participating states are committed to expanding "their mutual trade in goods and services and ensuring conditions favourable to such development by continuing their efforts to further reduce or progressively eliminate obstacles of all kinds, in a manner not contravening their obligations towards third parties." While this seems to represent an across-the-board commitment to eliminating trade barriers among members, it must be noted that the 'obstacles' mentioned here refer mostly to structural

¹¹ See R. Garnaut, "Open Regionalism.: Its Analytic Basis and Relevance to the International System", *Journal of Asian Economics*, Vol. 5, No.2, 1994, p.273.

¹² See A. Gamble- A Payne, "Conclusion: The New Regionalism" in A. Gamble- A. Payne, *Regionalism and World Order*, London: MacMillan Press, 1999, p.251.

¹³ B. Hettne- A. Inotal- O. Sunkel, "The New Regionalism: A Prologue" in B. Hettne- A. Inotal- O. Sunkel (eds), *Globalism and the New Regionalism*, London: MacMillan Press, 1999, p. xvii.

¹⁴ Y. Valinakis, "The Black Sea Region. Challenges and Opportunities for Europe", *Chaillot Papers*. No.36, July 1999, p 18 and O. Genckaya, "The Black Sea Economic Co-operation Project: A Regional Challenge to European Integration", *International Social Science Journal*. Vol. XLIVI, 1993, pp. 459-550.

barriers.¹⁵ However, a special meeting of Foreign Affairs ministers and ministers responsible for economic issues approved "The Declaration of Intentions on the Creation of a Zone of Free Trade of BSEC" on 7 February, 1997 in Istanbul, proclaiming that now is the time to study the ways and means for gradual formation of a BSEC free trade zone as part of the European architecture. But for the BSEC, the establishment of a real Free Trade Area (FTA) from the beginning was a distant prospect, as Greece was full member of the EU and other BSEC countries have signed Association Agrements with the EU and were not permitted to abolish tariffs on imports from other members of the BSEC.¹⁶

Consequently, although the European Commission had expressed readiness during bilateral consultations with the BSEC in April 1997 to act as the partner of BSEC member states in creating the regional FTA, in practise it put forward a number of conditions like the following: (1) the approach to creating a FTA should be gradual and designed as a long-term prospect, (2) the existing agreements between the EU and BSEC member countries should be taken into account, and (3) BSEC state admissions to the WTO should be completed before creating a regional FTA.¹⁷ As a result the BSEC member states after a thorough examination of the feasibility of a FTA, adopted in 2001 a rather less ambitious position which was reflected in the "BSEC Economic Agenda for the Future Towards a more Consolidated, Effective and Viable BSEC Partnership". The Agenda outlines that "the ambitious objective to set up a BSEC FTA should be achieved gradually, and step by step, taking into account the Customs Union, the European Agreements as well as the Partnership and Co-operation Agreements of some Member States, and taking into account the obligations resulting from membership in EU and WTO, as well as other international organisations." ¹⁸ Thus, the BSEC as considered that a FTA was not a realistic objective its priority moved to establish an open trade regime.¹⁹

¹⁵ See S. Sayan- O.Zaim, "The Black Sea Economic Cooperation Project" in L. Rittenberg (ed.), *The Political Economy of Turkey in the Post- Soviet Era*. Westport, Connecticat: Praeger, 1998, p.119.

¹⁶ See B. Gultekin- A. Mumcu, "Black Sea Economic Cooperation" in V. Mastny- R. Craig Norton (eds), *Turkey Between East and West. New Challenges for a Rising Regional Power*, Boulder: Westview Press, 1996, p. 198.

¹⁷ See E. Borisenko- A. Kononenko- I. Semenenko, Black Sea Economic Co-operation from Regional Initiative to International Organization. Istanbul: Uzman, 1998, pp.134-137.

¹⁸ See BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership, approved by the 4th Meeting of the BSEC Council of Ministers, Moscow, 27 April 2001. See Romanian Journal of International Affairs, Vol.7, No.1-2, p.354.See also M. Karagianni, "The Black Sea Economic Cooperation", Exoterika Themata, No.4, 2002, pp.137-151 (in Greek).

¹⁹ See DOC: GA19/EC18/REP/02, The Nineteenth Plenary Session of the PABSEC General Assembly, Economic, Commercial, Technological and Environmental Affairs Committee on *Economic Integration in the BSEC Region: Current State and Future Prospects*. Rapporteur: Mrs. Marianna Assenova. 12-6-2002.

Regionalism can be used also as a stepping-stone towards more global or multilateral relations. In deepening integration, and in proceeding with reform, new vested interests can be created through regional liberalisation.

However, geography interconnects the region and provides two models of international relations that knit regional security issues together: the balance of national interests with the necessity of sustainable development.²⁰ This kind of approach, which is being adopted member bv BSEC states, promotes international competitiveness, trade better infrastructure, performance, building of environmental protection, qood governance, cooperation in science and technology, education and training, liberalisation, and structural adjustment. It aims, in sum, at dynamic and action-oriented objectives. It envisages intra-regional trade, but not at the expense of extra-regional trade. It promotes the greater involvement of non-governmental sectors and puts more emphasis on the private sector.²¹ As Kutovoi

points out, "having emerged as a new regional structure of multilateral and multidimensional cooperation at the crossroad of three continents, the BSEC duly reflects the specificity of this part of the world."²²

The new approach also stresses the need for the progressive integration of the newly independent states in the world economy. For developing countries, like most of the BSEC states, participation in sub-regional and regional cooperation schemes alongside more developed and experienced states is a step towards integration into the broader global system. From this point of view sharing experience and mutual support from member countries in intraregional structures adds complementary elements to their development and helps them adjust to the competitive milieu of globalisation.²³

The BSEC, consequently, should be considered to be a 'stepping stone' that

²⁰ See G. Herd- F. Moustakis, "Black Sea Geopolitics: A Litmus Test for the European Security Order?", *Mediterranean Politics*, Vol.5, No.3, Autumn 2000, p.131.

²¹ E. Ozer sees three distinctive features in the model of the BSEC: First, it introduces a new concept of multilateralism in economic relations among its members and into the region wherein the economic activities hitherto have been bilateral and state-induced. Second, it aims to create a common economic heritage among the member states and third, it has a flexible and pragmatic approach. See E. Ozer, "Concept and Prospects of the Black Sea Economic Cooperation", Foreign Policy/*DisPolitika*, No.1-2, 1996, p.85-86.

²² See E. Kutovoi, "Black Sea Economic Co-operation/BSEC/:Current Activities, Prospects for the Future", *Romanian Journal of International Affairs*. Vol.3, No.1, 1997, p.83.

²³ See Doc. GA19/LC19/REP/02, The Nineteenth Plenary Session of the General Assembly, Legal and Political Affairs Committee Report, *Globalisation: Challenges and Opportunities for the PABSEC Member Countries.*, Rapporteur: Mr. Victor Dallakyan, Member of the Legal and Political Affairs Committee (Armenia), 2002, p.3.

integrates member state economies into the global economy as well as a clear example of open regionalism.²⁴

The Dynamics of new regionalism

The task at hand in the second key issue is to determine who the main actors are in the process of regionalism. What actors and whose interests are the 'driving' (or impeding) force dominating the process of regionalism? Is it the states and their constituencies which push the process of regionalism and establish an agenda or is it private economic forces and/or civil society? What is the relative strength and relationship between state, market, and (civil) society actors and how does this affect the dynamics from 'above' and the dynamics from 'below'?

Therefore the key issue concerning the dynamics of new regionalism refers to the following two questions:

- Is there one driving factor or several (economic, political, social, security, etc.)?
- Does regionalism develop from 'above' (states) or from 'below' (civil society)?

At the geo-political level Black Sea regionalism is in one important respect uniquely significant when compared to wider European regional dimensions. It involves three very large European actors (Russia, Ukraine and Turkey) in quite a balanced and non-hegemonic setting as well as smaller actors like Albania, Moldova and three Caucasus states.²⁵ It is also the most diverse of all the regional cooperation schemes in Europe. The BSEC unites twelve full member countries which vary greatly in their economic, social and military potentials and geo-strategic interests.²⁶ The original members include Albania, Greece, Bulgaria, Romania, Moldova, the Russian Federation, Ukraine, Turkey, Armenia, Azerbaijan, Georgia while Serbia and Montenegro became a full member on 16 April 2004. FYROM has been accepted as a full member although its Parliament has not yet ratified the Treaty of Accession. Furthermore, with the enforcement of the 1998 Charter, ratified by the parliaments of the then eleven member states, the BSEC was transformed in 1999 into a regional economic organisation with legal identity on the international scene.²⁷ "Accepting the

²⁴ See C. Tsardanidis, "New Regionalism and BSEC" in Dusko Lopandic (ed.), *Regional Cooperation in South Eastern Europe. The effects of Regional Initiatives*, Belgrade: European Movement in Serbia, 2002, pp. 97-100.

²⁵ See M. Emerson- M.Vahl, *Europe's Black Sea Dimension-model European Regionalism, Prêt-a-Porter.* Paper presented at the Halki International Seminar, 31 August- 3 September 2001.p. 24.

²⁶ See O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*. London: MacMillan Press, 1999, p. 137.

Open regionalism means that policy is directed towards the elimination of obstacles to trade within a region, while at the same time doing nothing to raise external tariff barriers to the rest of the world. meaning and implications of that metaphor might reveal how great and how important are both the expectations and tasks BSEC is presumed to fulfil," Ecobescu points out.²⁸ Thanks to the many bodies created and the broad range of BSEC activities, the Black Sea region has at least come one step closer to European criteria of regional cooperation.²⁹

There is no doubt, that the architects of the BSEC have perceived economic development as the main pillar of regional security. The agenda of the organisation has thus been restricted mainly to economic cooperation in specific fields, placing 'hard' security matters out of its scope of activities.

Reading, however, through the founding documents of the BSEC, it becomes obvious that the search for security and stability in the region was the main goal and aspiration of the initiative. A notable field where the BSEC has in fact taken some action concerns non-traditional (but explicit) 'soft' security issues such as terrorism, drugs, organised crime and illegal migration. As a consequence, the BSEC provides additional channels for multilateral and bilateral dialogue, and brings neighbouring countries around the table which have often viewed each other and still view each other with deep suspicion and distrust.³⁰ The BSEC could thus gradually play an indirect role in the further deescalation of local conflicts by acting as an informal forum for consultation.

Within this context, conflict resolution through consolidation of peace and stability by means of economic integration becomes a top priority for the Black Sea countries. It is obvious, as a Report of the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) Committee of Legal and Political Affairs notes "that unstable political climate, unresolved conflicts, declining living standards, refugees, border disputes and security concerns in the region

²⁷ A. Christakoudis, "Black Sea Economic Co-operation (BSEC): Objectives, Opportunities, Development", *Etudes Balkaniques*, Vol.36, No.3, 2000, pp.3-17.

²⁸ N. Ecobescu, "BSEC Institutional Building: Achievements and Prospects", *Romanian Journal of International Affairs*, Vol.5, No.4 1999, p.140.

²⁹ See D. Lopandic, *Regional Initiatives in South Eastern Europe*. Belgrade: European Movement in Serbia, 2001, p. 92. Lopandic, however, points out that although the BSEC has made concrete achievements in particular in the field of institutionalisation, telecommunications, energy, environment, health, trade, foreign investments, there are also shortcomings. p.89. See, also, G. Konidaris, "Subregionalism and World Order" in G. Hook- I. Kearns, (eds), *Subregionalism and World Order*, Houndmills: Palgrave, 1999.

³⁰ See O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea, op.cit,* p.142.

undermine normal economic activities leaving the region turbulent and uncertain for further socio-political developments. On the other hand, establishment of strong economic ties helps to remedy and settle many political disputes."³¹

The BSEC has also adopted a 'bottom-up' process of regionalism by involving, parliamentarians, local authorities, the business community, organisations and professional groups from all participating states,³² like the Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC), the BSEC Business Council (BSEC-BC), the Black Sea University and the International Centre for Black Sea Studies (ICBSS). These bodies reinforce the expansion of civil society in all the member states.³³ Thus, the actors behind regionalist projects are no longer only states, but actually a large number of different types of institutions, organisations and movements. Although these bodies operate rather independently without linking their efforts to develop the 'bottom- up' cross-border process of regionalism (trans-regionalism), they nevertheless contribute to the development of democracy within, and stable relations between, the states concerned.³⁴

Consequently, as Aybak, claims, "as the membership structure and activities suggest, the BSEC is a comprehensive and multilayered regional organisation."³⁵

The Preferred Outcomes of New Regionalism

This third key issue emphasises the values of peace and development. The question is what does new regionalism mean for the promotion of peace and development? More specifically, with regard to the fundamental value of peace, in what way does new regionalism promote stability in the international system, resolve upcoming conflicts and deal with old animosities? One way to investigate this is to try to assess whether regions are being transformed from

³¹ See Doc.: GA18/LC18/REP/01, The Eighteenth Plenary Session of the General Assembly, Legal and Political Affairs Committee Report, *Cooperation Among the PABSEC Member Countries in Promoting Political Stability Through Economic Integration*, Rapporteur Mr. Mircea Teodor Iustien, Member of the Legal and Political Affairs Committee (Romania), 2001, p.4.

³² See. E. Ozer, "The Black Sea Economic Co-operation and the EU", *Perceptions*, Vol.1, No.3, September- November 1996, http://www.mfa.gv.tr/grupf.percept/13/13-6.htm.p.2

³³ For a description of the BSEC' institutions see P. Naskou- Perraki, *Black Sea Economic Co-operation*. *Institutional Dimensions*. Athens: Ant. N. Sakkoulas, 2000, (in Greek) and A. Lekka, *The European Union and Regional Cooperations in Europe*, Athens: Papazissis Publications, 2000, pp.181-256(in Greek).

³⁴ A. Bailes, "The Role of Subregional Co-operation in Post- Cold War Europe: Integration, Security, Democracy" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea, op.cit,* p.176.

³⁵ See T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" in T. Aybak (ed.), *Politics of the Black Sea*, London: J.B. Tauris, 2001, p.37.

For developing countries, like most of the BSEC states, participation in subregional and regional cooperation schemes alongside more developed and experienced states is a step towards integration into the broader global system. regional conflict formations and security complexes into better functioning security communities. A related task is to determine the quality and record of regional conflict-resolution, intervention and peacekeeping.

With regard to development both policy-makers and theorists have emphasised for decades the potential of new regionalism in stabilising the international system and promoting trade and economic development. However, strong criticisms have also been made against regionalist projects, for instance that they may reinforce a narrow and particular type of regionalist economic regime which may largely serve elitist interests and sacrifice social development concerns. It is therefore relevant to assess if, and in what way, regional strategies and

mechanisms actually contribute to genuine, new development.

- The preferred outcomes of regionalism concern the following two questions:
- From security complexes towards security communities?
- What type of development new regionalism is reinforcing?

In international relations, the study of regions has been predicated on the notion of anarchy, which leads sovereign states to work to control specific territories and to form regional security complexes.³⁶ A 'regional security complex' is defined as "a group of states whose primary security concerns link [so] sufficiently closely that their national securities cannot realistically be considered apart from one another."³⁷ Existing regional security complexes often have one or more significant members, typically great powers who are able to project force. Lake and Morgan use the regional security complex as their basic unit of analysis. They have picked a specific aspect of the complex to study, namely 'regional order', which they view as "the mode of conflict management within the regional security complex".³⁸ Moreover, regional orders contain different mixes of cooperation and conflict and varying degrees of external penetration.

The BSEC is interested, as has been argued earlier here, in resolving several conflicts in the Black Sea area as well as making an important contribution to efforts to bolster peace, security and political stability in the region. The

³⁶ See R. Vayrynen, "Old and new Regionalism, International Studies Review, op.cit, p.27.

³⁷ See B. Buzan, People, States, and Fear: An Agenda for International Security Studies in the Post-Cold War Era. London: Harvester Wheatsheaf.199, p.190.

³⁸ See D. Lake – P. Morgan, *Regional Orders: Building Security in a New World*. State College: Pennsylvania State University Press, 1997, p.11.

importance of the BSEC in promoting political stability in the region is clear from three perspectives.

First, the fact that the BSEC brings together representatives of all Black Sea states can be considered an achievement in itself. The BSEC has helped create a favourable psychological atmosphere in a region torn by conflicts of all forms. Established at a time when the Balkans and the Caucasus were facing great unrest and difficulties coupled with ethnic conflicts, the BSEC has proved a viable regional arrangement where economic motives transcended political conflicts.³⁹ The results are all the more impressive in the face of the diversity of problems in the region.⁴⁰

Second, any programme of regional cooperation aimed at fostering the economic and social progress of the participating states carries with it the inherent follow-up of a greater sense of stability and security in the region. It is undeniable that successful cooperation among the BSEC nations in the economic field is likely to bring about a more favourable political climate in which acceptable solutions to outstanding issues could be more easily reached.⁴¹

Third, the BSEC may require some commitment of political means, in order to sustain the results achieved thus far. In other words, if economic cooperation is to advance beyond its present stage, there needs to be a certain degree of political will in order to enable the on-going projects to evolve into areas of national policy.⁴²

Most characteristic of the approach of member countries of the security community is the belief that the use of military force is unthinkable and inapplicable in case of a dispute within the grouping.⁴³ On the other hand, the most difficult problems in cooperative efforts within the BSEC have been political and security-related and no real economic cooperation is possible without first safeguarding regional peace and stability.⁴⁴ As Manoli has observed, quite some obstacles have impeded the enhancement of security in the BSEC, such as territorial disputes, high security concerns, diverse national security policies, and the lack of a sense of regional interest as well as a common perception of external threat. Furthermore, the BSEC countries belong

³⁹ E. Demircan- I. Elver, "Organization of the Black Sea Economic Cooperation in Globalization" *Journal of Naval Science and Engineering*, Vol. 2, No.1, 2004, p.146.

⁴⁰ See E. Ozer, "The Black Sea Economic Cooperation and Regional Security", *Perceptions*, Vol. 2, No. 3, 1997. p. 104.

⁴¹ N. Micu, "Black Sea Economic Co-operation (BSEC) as a Confidence Building Measure", *Perceptions*, Vol.1, No.4, December 1996- February 1997, http://www.mfa.gov.tr/grupa/percept/i4/I4-5.htm

 ⁴² See. Y. Valinakis, "The Black Sea Region. Challenges and Opportunities for Europe", *op.cit.* p. 22.
⁴³See E.Adler - M. Barnett (eds), *Security Communities*, Cambridge: Cambridge University Press, 1998.

⁴⁴ N. Dima, "The Black Sea Region: New Economic Cooperation and Old Geopolitics" *The Journal of Social, Political and Economic Studies,* Vol.8, No.1, 2003, p. 80.

At the geo-political level Black Sea regionalism is in one important respect uniquely significant when compared to wider European regional dimensions. It involves three very large European actors (Russia, Ukraine and Turkey) in quite a balanced and nonhegemonic setting as well as smaller actors. to different political and security organisations; some of the smaller members fear being dominated by larger neighbours (such as Russia and Turkey), a lack of implementation mechanisms exists, and there is no efficient interface between the BSEC and other organisations with security and political functions.⁴⁵

Therefore, despite the fact that a real commitment exists among the member states to cooperate on security issues, the BSEC has not yet evolved to the point of effectiveness and is still far from a security-community type of relationship.⁴⁶ It seems that the BSEC is closer to representing a regional security complex. As Roeder argues, Russia, for example, helps stabilise the region by containing and resolving conflicts among the successor states, providing border defences and bolstering domestic regimes, yet it simultaneously forms, in many cases, the most salient threat to the security of the region's

states.⁴⁷ Nevertheless, for some member states the BSEC could be consciously exploited as an opportunity to work in a multilateral setting on practical issues that unite them despite the fact that their quarrels have not been resolved.⁴⁸ In this sense the BSEC could be considered as a security order in the making within the framework of the regional security complex.

Regarding the issue of development, regionalism like globalisation is normally uneven in its impact. Certain places and sites will be integrated while others are marginalised. The cores act as powerful magnets which drag other states into their orbit, and with the collapse of alternative models of

⁴⁵ See P. Manoli, "The role of the Black Sea Economic Cooperation (BSEC) in the Stability of the Region", https://da.mod.uk/CSRC/Home/documents/pdfs/P39-pm.pdf, p.3-4.

⁴⁶ P.Pantev points out three conditions for building a regional security community in the Black Sea area: first, on the national level, the growth of the role of the NGO's, second on the regional level the development of a positive regional social and political atmosphere, the sense of belonging to a common region and its philosophical link with the Euro-Atlantic security community and third, on the international level the involvement of the EU, NATO, the UN, the OSCE and other international bodies and organisations in a cooperative way for the evolution of a security community in the Black Sea basin. See P. Pantev, "Security Cooperation in the Black Sea Basin" in T. Aybak (ed.), *Politics of the Black Sea*, London: J.B. Tauris, 2001, p.130.

⁴⁷ See P. Roeder, "From Hierarchy to Hegemony: The Post-Soviet Security Complex" in D. Lake – P. Morgan, *Regional Orders: Building Security in a New World*. State College: Pennsylvania State University Press, 1997, pp. 219-244.

⁴⁸ The examples of Armenia/ Azerbaijan, Greece/Turkey, Moldova/Russia demonstrate the usefulness of the BSEC from this perspective. See J. Bremmer- A. Bailes, "Sub-regionalism in the Newly Independent States", *International Affairs*, Vol. 74, No.1, 1998, pp.144-145.

development, this trend has become more pronounced.⁴⁹

The dynamic role of regional cooperation is seen as instrumental in transforming the region into a regional trade and investment area as well as in contributing decisively to the liberalisation of the regional economy. For the past years BSEC countries have made substantial progress with transitional reforms that involve radical re-organisations embracing priority fields such as administration, banking, border-crossing, energy, environment, investment, the judicature, production, property, trade, transportation, technologies, etc. A number of vital new laws and regulations have been adopted. Comprehensive measures have been taken towards establishing a coherent legal framework that supports sustainable economic development and the transformation to market-led democracies, and new standards of decision-making were recently adopted concerning project development.⁵⁰

It must be noted, however, that while the BSEC countries have achieved substantial progress in multilateral cooperation across many fields there are also substantial difficulties which are numerous. These difficulties include poor economic performance, low standards of living, low per capita income, poor infrastructure and telecommunications, a shortage of financial resources and failure to attract significant investments from abroad (just a negligible amount comes in mainly for privatisation, not green-field investment), a lack of coherent definition of aims, priorities and long-term issues, a discrepancy between the proclaimed objectives and the degree of implementation of projects adopted under the BSEC aegis, low efficiency in implementing adopted resolutions and decisions, absence of a mechanism responsible for monitoring their compliance by the appropriate national authorities, and most of all, political instability.⁵¹ Recognising this emerging situation, the Heads of state of the BSEC member states emphasised the need for a new BSEC economic agenda at their 1998 June summit meeting in Yalta. This important decision

⁴⁹ See A. Gamble- A Payne, "Conclusion: The New Regionalism" in A. Gamble- A. Payne, *Regionalism and World Order, op.cit,* p. 158-59.

⁵⁰ The Project Development Fund will be at the heart of this process, while the role of the Profile Working Groups and the Committee of Senior Officials will continuously increase and become more actionoriented. According to Valeri Chechelashvili, Secretary General of the Organisation of the BSEC Permanent International Secretariat (BSEC PERMIS) the adoption of the project development, will give fresh momentum to the BSEC and this could mark the beginning of a new phase of the organisation. See, V. Chechelashvili, "Black Sea Economic Cooperation: Achievements and Main Challenges Ahead", *Perceptions*, Vol.7, No.2, June –August 2000, http://www.mfa.gov.tr/grupa/percept/VII-2/valeri.chechelashvili.htm

⁵¹ For all the discrepancies of BSEC economies see I.D Salavrakos, *The Black Sea Economic Cooperation(BSEC): Problems and Prospects of Integration with the Global Economy*, Occasional Papers No.10, Athens, Institute of International Economic Relations, 1997, pp.5-16 and I. D. Salavrakos, *The Black Sea Economic Cooperation (BSEC):Macro and Microeconomic Dimensions of Integration with the Global Economy*, Athens: Kritiki Publications, 1999.

The BSEC has also adopted a 'bottom-up' process of regionalism by involving, parliamentarians, local authorities, the business community, organisations and professional groups from all participating states. was taken with a clear understanding that the task of the BSEC in the new millennium should be to give life to the ideals which were formulated and approved at the beginning of the 1990's, to turn common interests into common achievements.⁵²

The BSEC should therefore not be considered a regional cooperation scheme which radically transformed the economic development of its member states. The BSEC has emerged, however, as Sayan points out, as a regional initiative encouraging cooperation and improved market access rather than protectionism and preferential treatment. It did not emerge as a strong form of regional integration *per se.*⁵³ On the other hand, no

member state of the BSEC believes that the organisation can or should go beyond freer trade to a true single market and other profound integrative effects similar to those of the EU.⁵⁴

For these reasons, the BSEC has not yet come into being as a region. It is a region in the making.⁵⁵

Inter-regional Grouping Cooperation and the BSEC-EU Relationship

Inter-regionalism, on the one hand, refers to the relationship between two more or less institutionalised regional cooperation schemes and, on the other hand, refers to the process of building interactions and links between two separate regions.⁵⁶ Inter-regionalism presupposes as Gilson points out the existence of regions. "Seen as a socio-political construct, however, inter-

⁵² For the full text of the *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership* see Section Documents, *Journal of Southeast European and Black Sea Studies*, Vol. 1, No.3, 2001, pp.203-234.

⁵³ See S. Sayan, "The Contribution of the Black Sea Economic Co-operation Organisation to Regional Development", *South-East Review*, No.2, 2002, p.32.

⁵⁴ See A. Bailes, "The Role of Subregional Co-operation in Post-Cold War Europe: Integration, Security, Democracy" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea, op.cit,* p. 159.

⁵⁵ Aydin argues that although the Black Sea area has not always been a region, it is more of a 'region' today than it was ten years ago due to the creation of the BSEC in 1992. See M. Aydin, "Europe's Next Shores: The Black Sea Region after EU Enlargement", *Challiot Papers*, No.53, June 2004, p. 20.

⁵⁶ For a theoretical perspective of regionalism see C. Tsardanidis, "From New Regionalism to Interregionalism" in A. Kontis- C. Tsardanidis, (eds), *International Political Economy. Theory, Structure and Challenges of the World Economy,* Athens: Papazisss Publications, 2005, pp.91-114 (in Greek) and H. Hänggi- R.Roloff- J. Ruland, (eds), *Regionalism and International Relations,* London: Routledge, 2005.

regionalism may also shape the very nature of its constituent regions, while they, in turn, influence the terms of mutual engagement."⁵⁷

The expanding network of inter-regional relations appears in a wide array of manifestations. In order to categorise existing inter-regional arrangements, Hänggi, observes that three different forms of inter-regionalism can be distinguished: (a) relations between regional groupings (e.g. EU-ASEAN), (see Diagram 1); (b) bi-regional and trans-regional arrangements. Membership in these rather heterogeneous arrangements is more diffuse than in traditional group-to-group dialogues; it does not necessarily coincide with regional groupings and may include member states from more than two regions. Therefore, states participate in an individual capacity, although there may be some degree of regional coordination (e.g. ASEM and APEC); (c) hybrids such as relations between regional groupings and single powers (e.g. EU-Russia, ASEAN–Australia).⁵⁸

The inter-regional BSEC-EU relationship key issue refers to the following two questions:

- Is there a tendency on the part of BSEC member states and the EU to move from a bilateral BSEC member state-EU relationship towards developing an inter-regional BSEC-EU relationship?
- Which forces lead towards BSEC-EU inter-regionalism?

In concrete terms, then, what is understood by 'region' in the context of BSEC-EU cooperation will depend largely on how the BSEC member states and EU participants view themselves and each other within, and as a result of, the process of interaction.

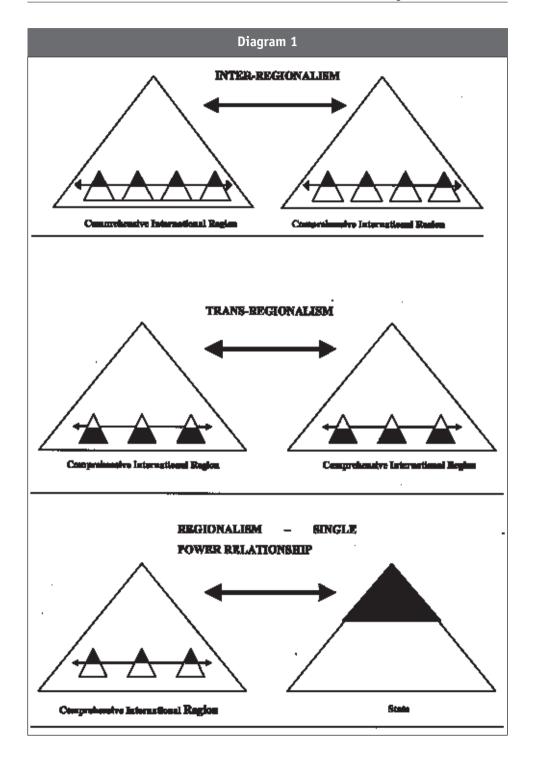
The consideration of inter-regionalism as an independent unit of analysis is important in examining BSEC-EU relations for a number of reasons.

Firstly, rather than comparing forms of regionalisation with inappropriate tools (like the application of the international regime formation paradigm), looking at inter-regionalism independently allows for the continual reshaping and redefinition of both sets of participants, and of their constant reassertion of 'region-ness'.

Secondly, inter-regionalism offers an additional level of interaction on which the notion of region itself is most keenly felt. Thus, despite their very different histories, the EU and the BSEC are recognised through this process as certain types of regions.

⁵⁷ J. Gilson, *Asia Meets Europe. Inter-regionalism and the Asia- Europe Meeting,* Cheltenham: Edward Elgar, 2002, p.11.

⁵⁸ See H. Hänggi, *Interregionalism: Empirical and Theoretical Perspectives*, Paper prepared for the workshop *Dollars, Democracy and Trade: External Influence on Economic Integration in the Americas*, Los Angeles, CA, May 18, 2000, The Pacific Council on International Policy, Los Angeles- The Center for Applied Policy Research, Munich. p.3.



Furthermore, the inter-regional framework of the BSEC-EU relationship enables each partner to perceive a 'like' region in their mutual conversations. This level of interaction has been largely neglected in the midst of these varied approaches to regionalisation and globalisation, or has been casually dismissed. Work incorporating the role of inter-regional grouping tends to examine the supra- and sub- structures of globalisation and region building, rather than analyse the potential impact of inter-regionalism itself.

A key objective of the BSEC is to develop a regional strategy. This strategy should not only highlight the comparative advantages and the economic role of the region in context of the wider European economy,⁵⁹ but more importantly should promote its regional image. The consolidation of a regional image, as G. Prevelakis argues, will contribute to peace and stability inside the region and will shift spirits from nationalistic and ethnic antagonisms to the idea of fraternity.⁶⁰ The BSEC also aims to serve as a 'Eurasian bridge', i.e. as a link between Central and Eastern Europe and Central Asia. The fact that the Black Sea region is, apart from Afghanistan and Pakistan, the second natural exit of Central Asia into the wider world, presents another potentially favourable economic factor.⁶¹

In this sense the future transformation of the BSEC into a dynamic fullfledged regional economic organisation opens up opportunities to elaborate on a new strategy for its development. This strategy requires a new sense of partnership, based on trust and confidence and a higher level of political and economic collaboration with other regional blocs.⁶² The BSEC has already developed inter-regional relations through other regional cooperation and holds coordination meetings in collaboration with the Adriatic-Ionian Initiative (AII), the Danube Cooperation Process (DCP), the Southeast European Cooperative Initiative (SECI), the South East European Cooperation Process (SEECP), the Council of Baltic Sea States and the Nordic Council of Ministers, the Central European Initiative (CEI), and the Stability Pact for South Eastern Europe (SP). ⁶³ The BSEC has developed a particularly close

⁵⁹ BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership, approved by the 4th Meeting of the BSEC Council of Ministers, Moscow, 27 April 2001, Romanian Journal of International Affairs, op.cit.

⁶⁰ See G. Prevelakis, "The Geopolitics of the Black Sea Region", *Southeast European and Black Sea Studies*, Vol.1, No.3, September 2001, p.152.

⁶¹See M. Stojeevic, "Black Sea Economic Cooperation- Present and Perspectives", *Eurobalkans*, Autumn 1998. p. 27.

⁶² See O. Pavluk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea*. London: MacMillan Press, 1999. p. 144. See also G. Konidaris, "The Black Sea Economic Co-operation Scheme" in G. Hook- I. Kearns, (eds), *Subregionalism and World Order*, London: MacMillan Press, 1999.

⁶³ O. Pavliuk, "The Black Sea Economic Cooperation: Will Hopes Become Reality?" in A. Cottey (ed.),

While the BSEC countries have achieved substantial progress in multilateral cooperation across many fields there are also substantial difficulties which are numerous. relationship with the CEI in the field of transport infrastructure, based on common interests in developing the great European transport corridors. The BSEC also participates as an observer of SP activities.⁶⁴

According to documents adopted since 1992, the BSEC is striving to establish closer cooperation the EU. The Summit Declaration on Black Sea Economic Cooperation takes special pains to make clear the intent of the signers that the BSEC be a European one with a role in the evolving European structure.⁶⁵ This approach is based on the BSEC understanding of a

growing EU role on the European continent.⁶⁶ As Ozuye has observed Greece membership is a clear evidence of the complementary nature of the model and its compatibility with other European groupings.⁶⁷

A new impetus for BSEC-EU cooperation was adopted by BSEC member states in April 1999 in a document called "EU-BSEC Platform for Co-operation", which emphasised their willingness to cooperate closely with the EU, with the ultimate aim of progressively shaping the BSEC-EU 'economic area' and thereby integrating the BSEC into European economic space.⁶⁸ As the Halki document on "BSEC in the XXI Century- New Challenges and New Opportunities" also visualises "[the] BSEC should secure the greater integration of the EU and the BSEC with more members of the BSEC eventually acceding to the EU as full members. Like the EU, the BSEC member states should broaden the fields of cooperation beyond the strictly economic sphere.... This requires closer contact and greater sharing of information between relevant the BSEC structures and

Sub-regional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea, op.cit, pp. 146-147.

⁶⁴ N. Ecobescu- N. Micu, "Black Sea Multilateral Cooperation: New Stage, Wider Opportunities", *Romanian Journal of International Affairs*, Vol.9, No.2-3, 2003, p.253. For the contribution of the BSEC to the Stability Pact see N. Micu, "Balkan-Black Sea Region and European Integration", *Romanian Journal of International Affairs*, Vol.6, No.3-4, 2000, pp.61-71.

⁶⁵ Paragraph 7 of the Declaration states " [The Head of States and Governments] agree that their economic cooperation will be developed in a manner not contravening their obligations and not preventing the promotion of the relations of the Participating States with third parties, including international organisations as well as the EC and the cooperation within the regional initiatives". See *Black Sea Economic Cooperation Handbook of Documents*, Istanbul: BSEC Permanent International Secretariat, 1994, p. 4.

⁶⁶ See S. Goncharenko, "Trends and Developments of the Black Sea Economic Co-operation", *Romanian Journal of International Affairs*. Vol.6. No.3-4, 2000.p. 41.

⁶⁷ See O. Ozuye, "Black Sea Economic Cooperation" *Mediterranean Quarterly*, Vol.3, No.3, 1992, p.53.

⁶⁸ See T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" in T. Aybak (ed.), *Politics of the Black Sea, op.cit.*, p. 55.

various EU supported initiatives."69

This cooperation should be built up in accordance with the "EU-BSEC Platform for Co-operation" in the following priority areas:

- development of network infrastructure (transport, energy and telecommunications);
- trade and creation of favourable conditions for foreign direct investments;
- sustainable development and protection of the environment, including nuclear safety;
- science and technology;
- combating terrorism and different forms of organised crime.

On the basis of the Platform relevant subsidiary bodies should elaborate concrete proposals for cooperation. Joint meetings of relevant working bodies of the BSEC and the EU as well as conferences, workshops and seminars of experts in concrete fields of common interest would play a useful role in building new opportunities of productive cooperation between the two organisations. The BSEC should furthermore be creative and systematic in identifying and developing promising projects of mutual interest.⁷⁰ An important indicator of the growing importance of the BSEC is the growing list of observer status countries. So far observer status has been granted to Poland, Slovakia, Austria, France, Germany, Italy, Egypt, Israel, and Tunisia, the BSEC Business Council and the International Black Sea Club along with other bodies waiting for full membership or observer status in the BSEC.⁷¹

The "BSEC Economic Agenda for the Future" also envisages that "a strong and effective partnership between the BSEC and the EU based on coinciding interests and common economic values, respect for human rights and fundamental freedoms must be developed and maintained.... On its [BSEC] side, it is expected that the EU will work towards having an integrated approach to the Black Sea region, as in the case of the 'Barcelona Process' (Euro-Mediterranean Partnershiip) and the 'Northern Dimension'.⁷²

Also the Istanbul Decennial Summit Declaration of the BSEC, "Looking Beyond Ten Years of Cooperation and Progress", calls that "as the dynamics of the

⁶⁹ See "BSEC in the XX Century- New Challenges and New Opportunities", Halki, Greece, 8-15 September 1999 meeting document. *Romanian Journal of International Affairs,* Vol.5, Nop.4, 1999, pp. 293-315.

⁷⁰ See *Platform for Co-operation between EU- BSEC*. Approved by the 13th Meeting of the Meetings of Foreign Affairs, Tbilisi, 30 April 1999.

⁷¹ See E. Kutovoi paper on *Prospects for the Future Development of the BSEC* in the Conference, *BSEC in the 21st Century: New Challenges and New Opportunities*, Halki Island, 8-12 September 1999, organised by the International Centre for Black Sea Studies and the Hellenic Foundation for European and Foreign Policy (ELIAMEP), p. 3.

⁷² See BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership see Section Documents, Journal of Southeast European and Black Sea Studies, op.cit, pp. 225-226.

Will the EU work towards, having an integrated approach to the Black Sea region area a 'Southern Dimension', as in the case of the 'Barcelona Process' and the 'Northern Dimension' or it will design a new dividing line in Europe? emerging new European architecture open up the potential for effective partnerships with BSEC, the BSEC Member States attach importance to their policies in building up a tangible relationship with the EU. In this respect, we will continue the efforts to ensure coordination and cooperation between the BSEC and the EU. For this purpose, we call on the BSEC Council of Ministers of Foreign Affairs and the EU to undertake concrete steps to advance this cooperation."⁷³

At a Yerevan meeting on 18 April, 2003, the BSEC Council of Ministers of Foreign Affairs put forth that the Greek Minister of Foreign Affairs- then also President of the Council of Ministers of the European Union- take the opportunity to propose that the EU Council request

a draft proposal from the European Commission on a new relationship between the EU and BSEC on a multilateral basis. The proposal would take into consideration the experience of the Northern Dimension including current and future sector projects with the BSEC, explore the possibility of better utilising allocated resources to enhance the new relationship, and provide for meetings at an official level to review progress. The BSEC Council also expressed the expectation that the forthcoming European Council, to be held in Thessaloniki in June 2003, would provide further impetus for strengthening BSEC-EU relations.⁷⁴ However, the Greek Presidency never tabled the proposal at the Thessaloniki meeting because as M. Aydin points out Greece "got distracted trying to do so many things" and it "did not wish to crowd the agenda of the Thessaloniki Summit in June 2003, where important issues for the EU were discussed".⁷⁵

Since the June 2003 Summit, the BSEC member states Council of Ministers of Foreign Affairs has repeatedly emphasised the interdependence between the EU and the BSEC region and how instrumental the BSEC may be in bringing about a comprehensive platform for cooperation between an enlarged EU and the BSEC Organisation. On the other hand, there was disappointment that despite the expressed will on the part of BSEC, the pursued goal of building a tangible relationship with the EU continues to elude BSEC member states.⁷⁶ The

⁷³ See, The Istanbul Decennial Summit Declaration. Looking Beyond Ten Years of Cooperation and Progress, Istanbul, 25 June 2002, http://www.bsec.gov.tr/charter_.htm

⁷⁴ See Report of the Eight Meeting of the Council of Ministers of Foreign Affairs of the BSEC Sates, 18-4-2003, Annex V to BS/FM/R(2003), p.3 and M. Theophanis, *European Union and the Black Sea Area*, Athens: Gordios, 2004, p. 335.

⁷⁵ M.Aydin "Europe's New Region: The Black Sea in the Wider Europe Neighbourhood", *Southeast European and Black Sea Studies*, Vol.5, No.2, 2005, p. 282.

⁷⁶ See Speech of Acting Secretary General of PERMIS at the 11th Meeting of the Council of Ministers of Foreign Affairs (Tbilisi 29 October 2004), http://www.bsec.gov.tr/ministeral_.htm

Parliamentary Assembly of the BSEC has also asked the member states and parliaments of the BSEC to co-ordinate actions between all BSEC dimensions in seeking due recognition by the European Union and institutionalisation of relations between the BSEC and the EU.⁷⁷ On this basis, Greece, aiming at revitalising the efforts to develop a closer relationship between the BSEC and the EU, organised on 11 April, 2005 an Extraordinary Meeting of the Committee of Senior Officials of the BSEC in Brussels with the participation of the Luxemburg EU Presidency and the European Commission. Finally, during the Twelfth Meeting on 23 April 2005 in Komotini, Greece, the BSEC Council of Ministers of Foreign Affairs agreed to establish an *ad hoc* group of experts with a mandate to elaborate and submit a draft working paper to the Committee of Senior Officials for consideration of a revised version of the "Platform for Cooperation between BSEC and the EU" (Tbilisi, 30 April 1999), taking into account the recent developments in Europe, in the BSEC region and the opportunities for an enhanced BSEC-EU relationship.⁷⁸

Which will be the policy adopted by the European Union given its dominant role in the region, its direct links with all the countries of the Black Sea and the attraction it holds for many of them? Will the EU work towards, having an integrated approach to the Black Sea region area a 'Southern Dimension', as in the case of the 'Barcelona Process' and the 'Northern Dimension' or it will design a new dividing line in Europe?⁷⁹ Undoubtedly the Black Sea area's strategic importance to the West and more particularly to the EU is invaluable. This strategic importance, which will be further reinforced by enlargement, is due to several reasons.

First, with a population of 190 million, the region provides a potentially important market for EU goods, a vital trade link between Europe, Central Asia and the Middle East. Overall, EU trade with the Black Sea littoral states is increasing. The EU is also an important partner for the countries of the region. Growth rates of both exports and imports of the BSEC countries to and from the EU are accelerating quickly.⁸⁰

⁷⁷ See Recommendation 77/2004 on Framework of Cooperation between the Parliamentary Assembly of the Black Sea Economic Cooperation and the European Parliament. The Twenty-third Plenary Session of the General Assembly. Doc: GA23/LC23/REC76/04.

⁷⁸ The *ad hoc* Group shall be composed of experts designated by the Ministries of Foreign Affairs of the BSEC Member States and BSEC PERMIS, and shall be co-ordinated by the ICBSS. The European Commission will be invited to take part in the deliberations of the *ad hoc* Group of Experts. See Resolutions of the Twelfth Meeting the Council of Ministers of Foreign Affairs of the BSEC, http://www.bsec.gov.tr/ministeral_.htm

⁷⁹ See V. Chechelashvili, "BSEC: Paving the Way to Viable Partnership", *Romanian Journal of International Affairs*, Vol.6, No. 3-4, 2000, p. 25.

⁸⁰See P.Kazakos- P. Liargovas- C. Papazoglou- E. Efthimiou, "Economic Relations between the European Union and the Developing Economies of the Black Sea Economic Cooperation (BSEC)", *The Southeast European Yearbook*, 1998-99, p.181.

The BSEC is a valuable transportation route connecting Europe with Central Asia and with the Caucasus area. For this reason the EU has sponsored joint initiatives involving all Black Sea countries like the TRACECA (Transport Corridor Europe-Caucasus-Asia) project.

Second, it is a vital transit route for energy resources for Europe. This is of particular importance given the huge natural resources, especially energy resources, of the Caspian basin and Central Asia. ⁸¹ It is clear that the BSEC has rich energy resources whilst the EU and its members have capital, and these elements can be combined to the advantage of both.⁸² For this reasons EU has established the INOGATE (Interstate Oil and Gas Transport to Europe) programme. It aims to enhance regional cooperation between producers, transit and consumer countries for interstate oil and gas transport projects, reducing investment risk and promoting environmental and safety concerns. INOGATE plays an important role in helping secure Europe's energy supply by supporting the establishment of a safe and reliable mechanism for transporting oil and gas.

Third, the BSEC is a valuable transportation route connecting Europe with Central Asia and with the Caucasus area. For this reason the EU has sponsored joint initiatives involving all Black Sea countries like the TRACECA (Transport Corridor Europe-Caucasus-Asia) project. TRACECA aims to develop a transport corridor on an East–West axis from Europe across the Black Sea through the Caucasus and the Caspian Sea to Central Asia.⁸³ The third Pan-European Conference in Helsinki in June 1997 endorsed the concept of a Pan-European Transport Infrastructure Investment Partnership, which would promote all the necessary components of a future Pan-European Transport Network in EU territory, its extension to acceding countries and to the New Independent States (NIS).

Fourth, with the prospect of the accession of Bulgaria and Romania, the EU is set to become a major Black Sea power. "It is not a question of whether, but when the EU enters the Black Sea, with much EU legislation and policy due to be adopted by the accession candidate countries states even before

⁸¹ See E. Karagiannis, *Energy and Security in the Caucasus,* London: Routledge- Curzon, 2002.

⁸² See. M. Dartan, "Black Sea Economic Co-operation(BSEC). A New Regional Integration Project", *Marmara Journal of European Studies*. Vol. 3, No.1-2, 1993/4, p.146. See also, *Energy and Pipeline Security in the Black Sea Region*, Conference Report of the Black Sea Strategy Group Second Meeting held in Baku, Azerbaijan, 16-17 February 2001. East West Institute with the support of the Carnegie Corporation of New York and T. Adams, "Caspian Oil and Gas Development and the Black Sea Region: An Overview" in T. Adams et al, *Europe's Black Sea Dimension*, Brussels: Centre for European Policy Studies and International Centre for Black Sea Studies,2002, pp. 39-80.

⁸³ The continuing phase of TRACECA is the harmonization of border crossing procedures, which requires more active political participation from the states.

accession."⁸⁴ When both countries become full members of the EU it is expected that they will be much more active in soliciting stronger EU engagement with their non-member neighbours and particularly with the BSEC countries. In a very recent joint statement (31 March 2005) the Bulgarian and Romanian Prime Ministers agreed to move beyond their preoccupation with accession and expressed readiness to take an increasing interest in promoting Black Sea regional cooperation in Europe.⁸⁵

Fifth, two of the three common strategies formulated by the EU in external relations were towards two Black Sea countries - Ukraine and Russia. This fact indicates how important the BSEC region is in the eyes of the EU.⁸⁶

Form the side of EU the European Commission in 1997 prepared a document on the possible establishment of formal institutional links with the BSEC. In its report the Commission has suggested the following priority objectives:

- the promotion of political stability and dialogue, and the strengthening of human rights, democracy and the rule of law;
- transit through the region and the development of the region's transport, energy and telecommunications networks, including connections to European networks;
- regional commercial cooperation and the creation of favourable conditions to attract EU and other foreign investment, including in small and medium enterprises, while ensuring the compatibility of any new arrangements with existing regimes;
- sustainable development, the protection of the region's environmental integrity and nuclear safety;
- the reduction of drug trafficking, smuggling and illegal immigration throughout the region.⁸⁷

One of the main features of EU external relations in the 'post-Westphalian' era is that the Association Agreements with third countries and bi-regional agreements, such as the agreements with MERCOSUR, the ASEM process and the Euro-Mediterranean Partnership illustrate a strategic preference for region-to-region cooperation.⁸⁸

⁸⁴ See M. Emerson- M.Vahl, "Europe's Black Sea Dimension-model European Regionalism, Pret- a Porter" in T. Adams et al, *Europe's Black Sea Dimension, ibid*, p.21, and P. Pantev, *Bulgaria's Role and Prospects in the Black Sea Region: Implications of NATO and EU Enlargement*, Research Report, Sofia: Institute for Security and International Studies, 2003.

⁸⁵ M. Vahl, "The EU and Black Sea Regional Cooperation: Some Challenges for BSEC", http://www.ceps.be/wp.php?article_id=420.

⁸⁶ M.Aydin "Europe's New Region: The Black Sea in the Wider Europe Neighbourhood", op.cit., p. 261.

⁸⁷ See Commission of the European Communities. Communication from the Commission to the Council, "Regional Co-operation in the Black Sea Area: State of Play, Perspectives for EU Action Encouraging its Further Development", COM(97) 597 final, Brussels. 14.11.1997. p.8-9.

⁸⁸ See M. Telo, "Reconsiderations: Three Scenarios", M. Telo (ed.), *European Union and New Regionalism*, Aldershot: Ashagate, 2001, p. 248.

Despite the fact that the EU has adopted a positive policy towards other regional cooperation schemes in Europe and in the world, its attitude towards the BSEC has been described as apathetic and unwilling in building an interregional relationship.

However, despite the fact that the EU has adopted a positive policy towards other regional cooperation schemes in Europe and in the world, its attitude towards the BSEC has been described as apathetic and unwilling in building an inter-regional relationship.⁸⁹ It has placed too much emphasis, for example, on the Council of the Baltic Sea States (CBSS), which lists the European Commission as one of its founding members meanwhile the European Commission is not interested in becoming even an observer in the BSEC process, despite the fact that this status was tabled by the BSEC long ago.⁹⁰ At the same time, EU involvement in the BSEC framework has not been substantial, except for the transportation and energy sectors.⁹¹ The present official EU position is that cooperation with the BSEC

should proceed on an *ad hoc* basis, without institutional links. As Sir John Hunt points out in his report submitted to the WEU Assembly "the Black Sea area appears to attract less interest from European organisations - whether from an economic political or defence point of view."⁹² Therefore, the "links between the EU and the Black Sea countries have mainly developed asymmetrically and on a case by case basis."⁹³

As a result, despite the insistence of the BSEC countries on developing an inter-regional functioning relationship with the EU, the European Commission's communication to the Council and European Parliament on "Wider Europe- Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours" in the section titled "Promoting Regional and Intra- Regional Cooperation" only the Euro-Mediterranean Partnership and the Northern Dimension were mentioned as regional schemes with which the EU has a close partnership, meanwhile the BSEC was totally absent.⁹⁴ This was

⁸⁹ See M. Karayanni, "BSEC towards the 21st Century: Challenges and Perspectives", *Eksychronismos,* Vol., No.1, April 2001, p. 76 (in Greek).

⁹⁰ See E. Siskos, *The Economic Cooperation of Black Sea*, Athens: Papazissis Publications, 2001, p.41 (in Greek).

⁹¹ See Y. Valinakis, "Greece and the Black Sea Economic Cooperation Group" in V. Coufoudakis- H. Psomiades – A. Gerolymatos (eds), *Greece and the New Balkans*, New York: Pella, 1999, p.136.

⁹² See *Parliamentary Cooperation in the Black Sea Area*. Report submitted by Sir John Hunt on behalf of the Committee for Parliamentary and Public Relations. WEU Assembly. Doc. 1544. 4-11-1996.

⁹³ P. Gavras, "The Black Sea and the European Union: Developing Relations and Expanding Institutional Links", *Southeast European and Black Sea Studies*, Vol.4, No.1, 2004, p.28.

⁹⁴ See Commission of the European Communities. Communication from the Commission to the Council and the European Parliament, "Wider Europe- Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", COM(2003) 104 final, Brussels, 11.3.2003, p.5.

changed in 2004 in a new communication from the European Commission to the Council regarding the European Neighbourhood Policy (ENP) mentioning that that BSEC "has an important part to play" as a regional partner in this strategy. "The Council of Europe, the Baltic Sea Council, the Central European Initiative (CEI), the Black Sea Economic Cooperation (BSEC) and the Stability Pact have an important part to play, together with Euro-regions and crossborder cooperation at the local level." 95. Consequently the present case of the BSEC may be considered a part of a 'broader Europe' but not a part of "Wider Europe". All of the members states individually have more or less with the exception on Serbia and Montenegro official and close links with the EU from full membership to the conclusion of Stabilisation and Association Agreements or Partnership and Cooperation Agreements and are covered either from the Stabilisation and Association Process (Western Balkans) or from the European Neighbourhood Policy. This is why they all belong to the "Wider Europe". The BSEC, - a regional cooperation organisation- however, as has not vet been linked to the 'wider Europe' scheme it seems to belong to 'another Europe' a 'broader' Europe outside from the policies which the EU recently has formulated concerning its new neighbours after the recent enlargement and the perspective one in 2007 with the accession of Bulgaria and Romania.

This biased approach from the EU side is not quite understandable given the fact that on the one hand the BSEC may serve the shared interests between the Black Sea region and the EU in areas such as energy, transportation, environment and cooperation in combating organised crime; and on the other that the EU is actively developing inter-regional relationships as an instrument in promoting intra-regional cooperation among the dialogue partners, *inter alia* with MERCOSUR, ASEAN and Council of Baltic Sea States, the Barent Council, the Central European Initiative, the Stability Pact and others. Therefore, Hajiyev has rightly observed that "from a purely geographical point of view, the Black Sea region remains a missing link in the chain of EU initiatives and programmes for regional cooperation in neighbouring areas. Nevertheless, at a geo-political level, the Black Sea region, involving three large actors on the European Continent (Russia, Ukraine and Turkey) is an important strategic objective for the EU in view of its interest in the security of the energy transit routes."⁹⁶

It seems that the most important reasons for the absence of a BSEC-EU inter-regional cooperation are the following:

⁹⁵ See European Commission, "European Neighbourhood Policy Strategy Paper", Communication from the Commission to the European Communities, COM(2004) 373 final, Brussels, 12 May 2004, p. 21.

⁹⁶ See speech by Asaf Hajiyev, Member of the Legal and Political Affairs Committee of the PABSEC in *The Wider Black Sea Region in the New European Architecture,* Proceedings of a Regional Parliamentary Conference, Hellenic Parliament, Athens, 8 April 2005, Athens: International Centre for Black Sea Studies, 2005, p. 36.

It is difficult to define the Black Sea as a region since almost all of the Black Sea states have already defined themselves according to other geographical or institutional ties. First, there is an increasing overlap between EU regional and other policies with the geographical area of activity.⁹⁷ Greece is a full member of the EU and as far as the Western Balkans is concerned (Albania and Serbia- Montenegro are full members of the BSEC and FYROM's application has been accepted) the EU has developed a concrete policy under the framework of Stabilisation and Association Process. Turkey is a candidate country and Bulgaria and Romania are expected to become full members of the EU in 2007 or 2008. The Russian Federation has

developed a single power form of relationship with the EU. Moldova and Ukraine are covered by the European Neighbourhood Policy and although initially the Southern Caucasus countries were not included, as of June 2004 they have been included in the European Neighbourhood Policy.

Second, it seems that the European Commission, as well as many states, shares the view that the BSEC, before becoming a close partner of the EU (a region linked with the EU as in the Euro-Mediterranean Partnership, the Council of the Baltic States, the Council of Barents / Euro-Arctic Region) should overcome a number of problems. "The BSEC, region, represents a mosaic of problems, containing an important potential of consequences for Europe in general and for certain European countries in particular."⁹⁸ These problems among others include deep historical, cultural, and political divergences between the BSEC member states, the existing unstable economic and social situation of most of the BSEC states and the internal turmoil and disputes on minorities. All the above problems carry with them dangerous possibilities for strengthening particularism and even military conflicts all around the Black Sea area. ⁹⁹

Third, it is difficult to define the Black Sea as a region since almost all of the Black Sea states have already defined themselves according to other geographical or institutional ties, for example Bulgaria in South East Europe, Georgia and Azerbaijan in the South Caucasus, and Russia in the CIS. These individual differences among Black Sea states, together with the fragmented EU policy towards the region, limit the efficiency of regional cooperation efforts.¹⁰⁰ As a consequence an inconsistency exists among certain BSEC state

⁹⁷ See M. Emerson – M.Vahl, "Europe's Black Sea Dimension-Model European Regionalism, Pret-a Porter" in T. Adams et al, *Europe's Black Sea Dimension, op.cit*, p. 30.

⁹⁸ See P. Kazakos – P. Liargovas – C. Papazoglou – E. Efthimiou, "Economic Relations Between the European Union and the Developing Economies of the Black Sea Economic Cooperation (BSEC)", *op. cit*, p. 205.

⁹⁹ O.Sander, "Turkey and the BSEC" in K. Karpat (ed.), *Turkish Foreign Policy: Recent Developments,* Madison: University of Wisconsin, 1996, p. 63.

¹⁰⁰ See *The Black Sea as Boundary or Bridge? Implications of EU and NATO Enlargement, and the Regional Security,* Seminar Report by M. Gustavsson & B. Balamir Coskun Stockholm, International Peace Research

foreign policies on implementing regional cooperation, as a number of countries give priority to their own achievements not covering the mechanisms of the BSEC.¹⁰¹ "Since the EU as Aydin points out, plays an important role in the economic and political agendas of individual BSEC members, most BSEC countries concentrate on improving their bilateral ties with the EU, often to the detriment of regional approach. This attitude has tended to push multilateral initiatives into the background."¹⁰² Russia, for example, prefers to build its own bilateral relationship with the EU rather that emphasise developing a process of BSEC-EU inter-regionalism. Bulgaria, Romania and Albania, on the other hand, have consistently played down the significance of the BSEC as their main foreign policy priority has been NATO and EU membership. In order to advance and strengthen its presence in European affairs, the BSEC needs to formulate its own vision and develop practical solutions on how it can function as a reliable partner, not only for the EU, but for other organisations that are also active in the region.¹⁰³

Furthermore, the EU-accession process for some of the BSEC states has produced negative implications within the BSEC. Quite often EU candidate countries erect barriers and impose restrictions on non-potential-EU countries because of requirements to draw closer to the EU. As a result "the introduction of previously non-existent restrictions at the least impedes, and at worst undermines, the efforts of an organisation such as [the] BSEC dedicated to promoting regional cooperation and economic integration."¹⁰⁴

Fourth, the BSEC still lacks a clear priority or unifying core for its activities. It has created fifteen working groups, which do not always produce positive results. The BSEC "must prioritise and select fewer areas where it has more interest and the strength to engage so that it can present itself as a useful interlocutor to other countries and organisations."¹⁰⁵ Some of its activities have no regional content and the "several domains that do have essential regional substance are left outside the house of [the] BSEC except in a token manner".¹⁰⁶ This is one of the reasons that the European Commission has

Institute 28 November 2003, p.5 http://www.sipri.org/contents/conflict/BlackSeaPaper2.doc.pdf

¹⁰¹ See E. Borisenko- A. Kononenko- I. Semenenko, *Black Sea Economic Co-operation from Regional Initiative to International Organization, op. cit,* p.129.

¹⁰² M.Aydin "Europe's New Region: The Black Sea in the Wider Europe Neighbourhood", op. cit, p. 274.

¹⁰³ P. Manoli, "Bringing the Black Sea Economic Cooperation and the European Union Closer", *Southeast European and Black Sea Studies*, Vol. 5, No. 2, 2005, p. 169.

¹⁰⁴ P. Gavras, "The Black Sea and the European Union: Developing Relations and Expanding Institutional Links", *op.cit.*, p. 33.

¹⁰⁵ M. Aydin, "Europe's Next Shores: The Black Sea Region after EU Enlargement", *Challiot Papers*, No.53, June 2004, p. 30.

¹⁰⁶ See M. Emerson – M.Vahl, "Europe's Black Sea Dimension-Model European Regionalism, Pret- a Porter" in T. Adams et al, *Europe's Black Sea Dimension, op. cit*, p. 32.

The long-term interests of BSEC member countries lie with the EU. For the majority, joining the EU remains the final objective. For this reason the BSEC could act as a complement to EU/NATO integration and a buffer for enlargement-related tensions. insisted that any cooperation with the BSEC should be on a project basis.¹⁰⁷

Finally, the BSEC in comparison to the Council of the Baltic Sea States is not a small sub-region. It is a huge geographical area with enormous strategic and economic significance. There are three important strategic countries: Russia, Ukraine and Turkey. It seems that the EU is not ready to absorb this strategic importance and formulate a long-term policy for the BSEC as a whole. So it is more convenient to adopt a 'salami' type strategy.

Conclusions

The BSEC approach is a major departure from the earlier static, inward-looking, import substitution and protectionist policies evident in the region. The

BSEC therefore promotes "open regionalism" as the organisation's member states economies are much more 'outward looking' than in the past and emphasises links with other regions.

Another indication that the BSEC belongs to the wave of "new regionalism" is the fact that the agenda of the organisation has not been restricted to solely economic cooperation but also includes 'soft' security issues such as terrorism, drugs, organised crime and illegal migration. Moreover, the main goal of the BSEC is to play a useful role in the political stabilisation of the entire Black Sea region.

Even though the BSEC is the product of top-down state initiatives, the bottom- up activities are also gaining ground. It is evident that deepening regional cooperation is developing within the BSEC area as a result of demands from trans-national actors, like business leaders who are concerned about market shares and loss of competitiveness.

However, the BSEC should not be regarded as a security community. Although a sincere commitment exists among the member states to cooperate on security issues, the continuing differences still do not allow for the BSEC to be considered a security community. The BSEC is closer to representing a regional security complex with a tendency leaning towards regional order. The BSEC cannot emerge - despite the fact that it should be recognised as instrumental in transforming the region into a regional trade and investment area as well as contributing decisively to the liberalisation of the regional economy - as a strong form of regional integration *per se*.

¹⁰⁷ On 20-21 March, 2001 in Brussels during high-level consultations, an understanding was achieved according to which interaction between the BSEC and the European Commission should be on a project basis.

Most of the BSEC countries stress the connection between the development of inter-regional cooperation and the process of European integration and would like to see the BSEC develop a substantial inter-regional relationship with the EU. Yet even though a growing number of inter-regional dialogues have taken place from EU-ASEAN, EU-MERCOSUR to EU-ACP and Euro-Mediterranean and ASEM, the EU up until now remains unenthusiastic to deepening and extending the EU-BSEC relationship by initiating inter-regional dialogue with BSEC countries. The main reasons for this approach are that EU relations with all BSEC member states (with the exception of Serbia-Montenegro) are covered by other EU regional policies, such as the Stabilisation and Association Process and the new concept of Wider Europe; there are difficulties confronted by the BSEC. Foreign policies of the member states of the BSEC are inconsistent in implementing regional cooperation and the BSEC has an extensive agenda which impedes a flexible and practical cooperation with the EU.

However, the long-term interests of BSEC member countries lie with the EU. For the majority, joining the EU remains the final objective. For this reason the BSEC could act as a complement to EU/NATO integration and a buffer for enlargement-related tensions.¹⁰⁸ The BSEC could also promote suitable means for the dissemination and adoption of certain norms, standards and practices as well as principles and policies of the EU which have taken shape over years of accumulated experience and have withstood the test of time.¹⁰⁹ In this sense, the BSEC is seen and will be increasingly seen by both groupings as a preliminary and complementary cooperation process towards joining European integration as part of an overall Pan-European strategy.¹¹⁰ Therefore, closer cooperation between the BSEC and EU is becoming an increasing priority, not only for BSEC members but also for the EU itself. Deepening and extending the EU-BSEC relationship might also encourage individual EU members to more actively support the BSEC and its specific projects.¹¹¹

¹⁰⁸ According to Bailes the BSEC could revitalise the loss felt by those member states who do not get in to the EU or NATO at first attempt, and mediate some of the tensions between existing members of these groups, applicants and local powers opposed to enlargement. For more details see A. Bailes, "The Role of Subregional Cooperation in Post-Cold War Europe: Integration, Security, Democracy" in A. Cottey (ed.), *Subregional Cooperation in the New Europe. Building Security and Solidarity from the Barents to the Black Sea. op.cit.* p.161-162.

¹⁰⁹ See Y. Valinakis- S. Karaganov, "The Creation and Evolution of the BSEC: An Assessment", Y. Valinakis - S. Karaganov, "The Creation and Evolution of the BSEC: An Assessment", *The Southeast European Yearbook*, 1997-1998, p. 285.

¹¹⁰ T. Aybak, "Black Sea Economic Cooperation (BSEC) and Turkey: Extending European Integration to the East?" *op.cit.* p. 55.

¹¹¹ See. O. Pavliuk, "Black Sea Economic Cooperation: Dynamics, Challenges and Prospects", *The Southeast European Yearbook*, 1997-1998, p. 326.