Southeast European and Black Sea Studies

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/fbss20

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Published online: 18 Jun 2007.

To cite this article: Dimitrios Triantaphyllou (2007) Energy Security and Common Foreign and Security Policy (CFSP): The Wider Black Sea Area Context, Southeast European and Black Sea Studies, 7:2, 289-302, DOI: 10.1080/14683850701402227

To link to this article: http://dx.doi.org/10.1080/14683850701402227

Southeast European and Black Sea Studies
Vol. 7, No. 2, June 2007, pp. 289–302

Energy Security and Common Foreign and Security Policy (CFSP): The Wider Black Sea Area Context

Dimitrios Triantaphyllou

There is a growing interest in the European Union (EU) in defending its energy interests through the use of Common Foreign and Security Policy (CFSP) instruments. This derives from the fact that the EU already relies on external sources for 50 per cent of its energy needs while most estimates suggest this will rise to 90 per cent for oil and 70 per cent for gas by 2030. Energy security in the European context is a particularly interesting case study given the number of issues at play. It involves the security of supply, the security of demand, the reliability of contractual arrangements on energy, the physical security of critical installations and their personnel, the interplay between national and supranational energy policies, and the quality of overall relations with Russia. With regard to the wider Black Sea area, it has to take into account the recent developments such as greater EU involvement in that part of the world. In other words, it involves a number of variables and possible outcomes including the linkage between EU foreign policy and energy policy. Ultimately, whether CFSP can successfully be used in terns of energy security remains to be seen.

> Energy security has shot to the top of the European and wider international agenda. It is easy to see why. Europe will be importing a growing amount of its energy needs from abroad. We already rely on external sources for 50 per cent. Most estimates suggest this will rise to 90 per cent for oil and 70 per cent for gas by 2030. Russia's recent disputes with Ukraine, Georgia and Moldova over the terms of gas supplies have concentrated our minds. (Solana 2006a)

Energy Security in Context

The issue of energy security for Europe and its evolution into a Common Foreign and Security (CFSP) concern is one whose development is relatively recent. In fact, the issue began acquiring its current form in March 2006 as the European Council put forward

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ISSN 1468–3857 (print)/ISSN 1743–9639 (online) © 2007 Taylor & Francis
DOI: 10.1080/14683850701402227

an 'Energy Policy for Europe'. As Javier Solana (2006b), the foreign and security chief of the European Union (EU), wrote in a newspaper article at the time: 'The time has come to forge European energy diplomacy based on common interests and shared principles.' Obviously, this assessment was in part derived from the relatively high dependency of an energy consumer EU on its external energy supplies—in particular Russia.

Energy security in the European context is a particularly interesting case study given the number of issues at play. It involves the security of supply, the security of demand, the reliability of contractual arrangements on energy, the physical security of critical installations and their personnel, the interplay between national and supranational energy policies, and the quality of overall relations with Russia. With regard to the wider Black Sea area, recent developments such as greater EU involvement in that part of the world have to be considered. In other words, energy security involves a number of variables and possible outcomes including the linkage between EU foreign policy and energy policy. This in turn could imply, as some would suggest, that the security of 'the supply of energy is a political and security issue, which must be addressed at the supranational level and must become a principle of the EU's foreign and security policy' (Hadfield 2006). Thus, energy policy is not solely an economic concern, but one that involves political and security imperatives.

Why is the issue so relevant today? According to Enno Harks (2006): 'The growing clout gained by producers as consumers compete increasingly fiercely over the remaining resources has led to a politicization of the commodity energy and it appears that producers are increasingly exploiting energy as a currency of power in the international system.' Obviously, the issue of energy security is not a new one. It dominated the international agenda in the 1970s when the oil shocks led to an escalation of oil prices. The Iranian Revolution of 1979 and the Gulf War of 1991 are other examples of the vulnerability of the world's consumers. The new features of the current manifestation of energy security include the involvement of non-Middle East countries like Russia and the potential of a collective response in the form of CFSP by the EU and its Member States. Both of these factors are signs of changing times: a resurgent Russian Federation and EU efforts to formulate a common approach and reaction.

The formulation of an effective CFSP to pursue the common objective of securing reliable energy flows of affordable and environmentally sustainable energy requires an understanding of the key geopolitical questions at play. These include understanding the role of the Iranian question, the continued instability in the wider Middle East, the gas wars between Russia, on the one hand, and Ukraine, Georgia and Belarus, on the other, the role of the United States, the ever-growing calls for the re-nationalisation of the energy sector in Latin America, and the growing energy demands emanating from Asia. It also involves an ongoing internal debate in the EU as to whether the Union's approach should be exclusively value-driven or account for *realpolitik* considerations at a time when Russia's stated intention has been to improve ties with the EU. Finally, other relevant parameters include the definition of energy security and to what extent the issue of energy should be securitised.

A paper released on 30 May 2006, which had been prepared for the European Council by the High Representative for CFSP and the European Commission,

underlined the importance of having an EU external relations policy on energy. For the drafters of the document, EU policy

> must be coherent (backed up by all Union policies, the Member States and industry), strategic (fully recognizing the geopolitical dimensions of energy-related security issues) and focused (geared towards initiatives where Union-level action can have a clear impact in furthering its interests). It must also be consistent with the EU's broader foreign policy objectives such as conflict prevention and resolution, non-proliferation and promoting human rights. An external energy policy has to be based on a clear prior identification of EU interests, and reliable risk assessments. (European Commission and Secretary General/ High Representative for CFSP 2006)

Yet for this to become a reality, the Union has to clearly define its foreign policy approach. As Steve Marsh and Hans Mackenstein (2005: 248) correctly write, the

> EU is far from a single entity that dictates the actions of its member states. The member states have hitherto ensured that the EU does not have recourse to all the external relations tools traditionally held by a state, most notably military force. Perhaps more significantly, EU external relations are marked by a constant battle for competencies, both between the member states and the different EC institutions and between the different EC institutions themselves.

This tug-of-war is especially evident in terms of access to energy supplies. Recently, Germany, Greece and Hungary have faced increasing criticism from a number of their EU partners and the United States for taking the lead with the construction of gas and natural gas pipelines outsourced by Russian interests. In the German case, much has been written about the Baltic Sea pipeline project promoted by NordStream AG, a Russian-German joint venture based in Switzerland and controlled by Russia's state-ruled gas monopoly, Gazprom. The project has come under attack from a number of countries from Central and Eastern Europe (especially Poland) for fear that Russia might use the pipeline, which bypasses their territories, to impose higher energy prices on them without allowing them the means to react. Supporters of the project consider it to be essential as far as gas supply security goes not only for Germany, but also Europe.

Greece (and now Bulgaria) has come under attack for going ahead in March 2007 with plans to build the Burgas-Alexandroupolis pipeline, which will be fed with Russian oil carried on ships from the Russian Black Sea port of Novorossisk. Intended to be a bypass pipeline designed to circumvent the crowded Bosporus, the Burgas-Alexandroupolis would be the first-ever pipeline to be controlled by the Russian state on EU territory. The project has been criticised because it supposedly runs counter to the logic of reducing dependence on Russian-delivered energy, for rivalling the trans-Caspian oil transport projects from Kazakhstan westward such as the Baky-Tbilisi-Ceyhan (Turkey) pipeline, and for possibly diverting Caspian oil volumes necessary to the Odessa-Brody pipeline in Ukraine and its possible extension into Poland.

Another EU Member State that has also been criticised is Hungary, which announced in March 2007 that it would invest in the Blue Stream natural gas pipeline that carries Russian gas from the Black Sea to Turkey and is now meant to cross Bulgaria and Romania before ending up in Hungary. The criticism comes due to the fact that Hungary had agreed to participate in the rival Nabucco project, which was

expected to transport natural gas across from the Caspian region, mostly from Azerbaijan to Turkey that would then have been sent through Bulgaria, Romania and Hungary finally to Austria. The Hungarian government supported its decision by claiming that the Nabucco project has been long delayed.

Accounting for the fact that all of these pipeline projects involve Russia, it would be appropriate to focus on the country and its intentions with regard to its energy policy and its symbiosis with the EU. After all, as a key Black Sea power, Russia has much to do with the wider Black Sea area.

Deciphering Russia

> The Kremlin's new approach to foreign policy assumes that as a big country, Russia is essentially friendless; no great power wants a strong Russia, which would be a formidable competitor, and many want a weak Russia that they could exploit and manipulate. Accordingly, Russia has no choice between accepting subservience and reasserting its status as a great power, thereby claiming its rightful place in the world alongside the United States and China rather than settling for the company of Brazil and India. (Trenin 2006a)

> Russia is closely watching the EU's evolution, not least because the pace of development of our relations and their future depend largely on changes in the EU. The Union could remain a predominantly intergovernmental association or acquire supranational functions. Russia wants its largest neighbour to be stable and predictable, and hopes that changes and expansion will not erode the EU's uniform legal framework, primarily in the sphere of ensuring equal rights to all EU people irrespective of country of origin, nationality and religion. (Putin 2006)

At a time when the world is being flattened with workflow software, uploading, offshoring, supply-chaining, in-sourcing and in-formatting as mainstream definitions of today's globalised world, the question of how to deal with Russia and its formidable potential has become a key issue of contention between EU Member States (Friedman 2006). Some factors of relevance stand out: in 2006, Russia recorded its eighth consecutive year of growth (a cumulative expansion that has increased GDP by 65 per cent) and its fifth consecutive budget surplus. It announced that it will pay off its remaining Paris Club debt early. The national unemployment rate has dropped from 10 to 7 per cent since 2000. The number of Russians living under the poverty line has dropped from 42 million in 2000 to 26 million in 2004.

Russia holds the world's eight largest proven oil reserves, but ranks a close second in oil production to Saudi Arabia, well ahead of the United States and Mexico. In fact, when both oil and natural gas are considered, Russia exports more hydrocarbons than Saudi Arabia. The country is the world's leading gas supplier. Politically, Russian institutions are less transparent, less open, less pluralistic, less subject to the rule of law, and less vulnerable to the criticism and restraint of a vigorous opposition or independent media. Yet polls show that President Putin has an over 70 per cent approval rating. However, misunderstandings about the other side's intentions persist. In other words, both sides lack a shared understanding of what a 'strategic partnership' implies, although such is the reference usually used to sum up EU–Russian relations.

Though the EU accounts for 48.6 per cent of Russia's foreign trade, it tends to view Russia rather exclusively as a source of energy. Russia accounts for 7.6 per cent of the EU's aggregate imports and 4.4 per cent of the EU's aggregate exports. More of 90 per cent of Russian energy exports today go to European countries, while Western Europe consumes 22 per cent of the world's oil supplies. If the EU does not implement new energy practices anytime soon, 'the EU's energy import dependence will jump from 50% of total EU energy consumption today to 65% in 2030. Reliance on imports of gas is expected to increase from 57% to 84% by 2030, and of oil from 82% to 93%' (European Commission 2007).

A basic difference between the two sides is that the EU and Russia perceive their neighbourhood via different mental maps. While the EU conceives it through regional policies, Russia sees it in terms of geopolitics and geo-economics. While the EU, through its neighbourhood policy, aims to stabilise its periphery, Russia seems to want to maintain its ability to control developments in the region seen as its vital periphery. Yet though all power is more and more concentrated on the Kremlin, historically Russia is not going in the wrong direction. It has returned to the natural path of natural development it was forced to abandon by the Bolsheviks. Therefore, its path does not lead towards the West or towards integration into the European and Euro-Atlantic institutions, but is distinct. Two factors will influence Russia's future role. These are the degree to which indigenous capitalist development and investment in its infrastructures can take hold and its openness to the rest of the world (Trenin 2006b). As Dmitri Trenin (2006a) suggests:

> Russia today is not, and is not likely to become, a second Soviet Union. It is not a revanchist and imperialist aggressor bent on reabsorbing its former provinces. A Sino-Russian alliance against the United States could only occur as a result of exceptionally short-sighted and foolish policies on Washington's part. Today's Russia may not be pro-Western, but neither is it anti-Western.

For many Russians, the main problem of Russia's EU policy is the absence of a strategic vision concerning Russia's place in the pan European context. Two possible models or alternatives exist. Either Russia's strategic goal with regard to the EU is gradual integration, which may culminate in its accession to a new EU, or there will be cooperation between the EU and Russia, two friendly yet independent centres of power that will strive for formal integration, including the harmonisation of their respective legislation. Both alternatives account for a certain degree of equality or parity between the two sides—a key Russian objective and condition.

Russia is prompted to make the 'European choice' for a variety of reasons (Karaganov 2005). First, its acute demographic crisis together with its increasing lag behind the more technologically advanced countries will inevitably reduce its role as an independent global centre of power. Second, among its foreign policy partners and neighbours, the EU is the most predictable, 'civilised' and attractive. A close union with China is unlikely. The EU's zone of attraction covers most if not all of the former Soviet republics west and southwest of Russia, and Russia's cultural traditions undoubtedly make it part of Europe. Third, from an economic perspective, Russia is greatly dependent on the EU. For example, the value of EU–Russian trade has grown by more

than 70 per cent over the last five years. In 2005, Russian exports to the EU amounted to €107 billion, while EU imports were worth €56 billion. Accordingly, the €50 billion trade surplus in 2005 was 'Russia's biggest source of foreign exchange' (Barysch 2006).

The Stakes in the EU–Russia Relationship

What are the stakes in EU policy towards Russia?[1] On the positive end, Russia is a major source of energy for the EU. It is also an important market for EU goods, while on the diplomatic front it has complemented EU diplomacy well in the Middle East—for example, by working in a positive way within the Quartet and by supporting the EU position for an effective multilateral system with a strong United Nations. On the negative end, the spill-over effect of a number of security threats such as nuclear safety, the fight against organised crime, including drug trafficking and illegal migration, the spread of diseases and environmental pollution is significant. Also relevant is the wavering commitment to the rule of law. The fact that Russia and the EU share a new common neighbourhood raises a number of challenges of cohabitation between the two sides in that the challenge in defining the limits of the other's vital interests is not bound to evaporate anytime soon. The fact that Russia and the EU are different kinds of actors also makes cooperation complicated as the priorities of EU Member States vary with regard to the Russian factor as Russia's global reach and its ever-growing effective use of energy politics allows it to play off individual Member States thereby testing the cohesiveness of EU policy. Consequently, the challenges at hand include defusing Russian zero-sum thinking that every crisis is a test of overall relations. Also important is for the EU to define effectively what are its interests and values in its neighbourhood. Finally, engagement and the creation of the conditions favourable to the greatest possible degree of cooperation are essential for avoiding gridlock.

Undoubtedly, the argument for 'active engagement' on the part of the EU makes sense (Monaghan & Montanaro-Jankovski 2006). It makes sense when focusing on energy and energy security. A number of Russian studies do not hide the fact that for all its hydrocarbons wealth, Russia has several problems. As regards oil production growth, several impediments need to be overcome. These include the critical condition of the existing oil export infrastructure; reproduction problems with mineral and raw materials; political restrictions with respect to the construction of privately funded pipelines and access of foreign companies to the Russian market; the low investment activities of oil companies; and the shrinking resource base of Russian oil companies as production has exceeded reserve growth potential for many years (Karaganov et al. 2007). In other words, the 'main factor in Russia's weakening positions on the oil refining market is the obsolescence and generally poor condition of most of Russia's oil refineries' (Karaganov et al. 2007).

Many impediments need to be factored in with respect to the production of natural gas in Russia as well. These include Gazprom's policy that finds it unprofitable to develop the domestic market with the current domestic gas tariffs; the gap between the growth of gas production and consumption; the need to invest substantial resources in the development of new deposits; the preference given to the purchase of Central Asian

gas over investment in production projects; the barring of foreign companies from developing promising fields such as Yamal and Shtokman; the critical condition of the existing gas export infrastructure; and the monopolistic nature of Russia's natural gas sector (Karaganov et al. 2007).

The contrast with an EU focused on liberalising its energy sector could not be more vivid. On the other hand, the dependency of the EU on Russian hydrocarbons is and will remain a reality for some time to come. The EU is aware of its dependence and has begun to take action to promote more coherence in its energy policy(ies). The European Council of March 2007 adopted a January 2007 Communication from the Commission on 'An Energy Policy for Europe'. The Action Plan

> addresses the crucial issue of security of energy supply and the response to potential crises. As regards security of supply the European Council stresses the importance of making full use of the instruments available to improve the EU's bilateral cooperation with all suppliers and ensure reliable energy flows into the Union. It develops clear orientations for an effective European international energy policy speaking with a common voice. (European Commission 2007)

Some of the international energy policy priorities expounded in the Commission's communication involve the building up of energy relations with the EU's neighbours following on from the Commission's recent proposal to strengthen the European Neighbourhood Policy (ENP) also in the field of energy, including a possible EU–ENP Energy Treaty with, in the long term, possibly, all of its neighbours. Other priorities include the reduction of the threat of possible disruptions or physical destruction of critical energy infrastructure beyond the EU borders; the enhancement of relations with Russia through the negotiation of a new robust, comprehensive framework agreement; and deepening dialogue and relations with key energy producers and transit countries (European Commission 2007). Since many of these energy priorities have to do specifically with the wider Black Sea area and its surrounding neighbourhoods such as the Caspian and the Middle East regions, a survey on the role of the wider Black Sea area and its impact on the EU is in order.

The Wider Black Sea Area

The wider Black Sea area is home to major energy producers (Russia and Azerbaijan) and transit states (Turkey). As a result, the region is acquiring greater significance in today's world and provides for an interesting case study for a variety of reasons. It is becoming increasingly important to Europe, the United States and other major powers such as Russia as a key transit area for energy supply and a line of defence against many transnational threats. It is also home to a number of unresolved problems of the post-Soviet era (known as 'frozen conflicts'), such as those within Moldova (Transnistria), Georgia (Abkhazia and South Ossetia) and between Armenia and Azerbaijan (Nagorno-Karabakh). It is also significant for international organisations such as the EU and the North Atlantic Treaty Organisation (NATO), which aim to make the areas beyond their external borders relatively stable, while attempting to address the demands for further enlargement from their new neighbours across Central Europe

and the Black Sea region. Last but not least, it finds itself in the midst of a region-building process. It is the combination of these issues that has placed the region in the focus of international relations.

The question of region-building is one that has risen in prominence in the post Cold War era as the end of bipolarity has fundamentally affected the world order. Attempting to enhance cooperative security has also become the order of the day. Though the term has hard security connotations that in the post-9/11 world are primarily linked to fighting terrorism, key characteristics of 'cooperative security' such as mutual trust, shared benefits, equality and cooperation are producing tangible results for all nations and also apply to the Black Sea region.

The EU has finally adopted a Black Sea regional dimension as it is has become a power in the region following the accession of Bulgaria and Romania into its ranks in 2007. The pull of EU 'interest' from the region (for it can only be described as such given the limits of further EU integration) was threatening to unravel the regional cohesion that has been in place since 1992. A group of 12 littoral states and states belonging in the wider Black Sea area have been cooperating in a fairly advanced institutional framework called the Organisation of the Black Sea Economic Cooperation (BSEC) since 1992. The dangers of diluting an established regional identity stemmed from the fact that, to date, the EU has favoured bilateral relations with its neighbours through the ENP, as opposed to a regional approach. With its new approach the EU aims to develop cooperation between the region and the EU, as well as cooperation within the region.

The EU is also currently faced with a number of dilemmas as a result of pressure from many of its neighbours to enlarge and of its own internal gridlock regarding the future of Europe. The ENP recipients to the East (Ukraine, Moldova, Georgia, Armenia, Azerbaijan and Belarus) stretch the imagined political and geographical limits of the EU. The questions that arise are many: Are there concrete alternatives to enlargement? Can/should the EU embark on further enlargement processes? Can/should it keep its neighbours indefinitely outside? And most importantly: Is there no other way to approach this dilemma? Also important is the level and type of relationship with Russia. In other words, do the Four Common Spaces with Russia adequately address relations between the two sides or does the need for a different framework arise?

Similarly, on the security front, NATO faces serious predicaments as its approach is one favouring privileged relations with some Black Sea states (such as Ukraine and Georgia) rather than a regional one. As a Euro-Atlantic strategy toward the wider Black Sea region is debated, NATO's geographical limits are severely tested at a time when it seeks allies among Black Sea and Central Asian countries to provide logistical support, notably for its expanded operations in Afghanistan (Cornell et al. 2006). As a result, the wider Black Sea region has witnessed the rise of a series of competing regional initiatives backed either by Washington or Moscow and their respective allies including the Community for Democratic Choice (CDC), the Organisation for Democracy and Economic Development (ODED–GUAM), the Collective Security Treaty Organisation (CSTO) and the Eurasian Economic Community (EurAsEc). These regional initiatives probably complicate the security environment as they express the divergent interests of

littoral states and their neighbours. While some coincide with the interests of NATO, others reflect a specific security agenda.

Within this context, the issues of energy, transnational threats and 'frozen conflicts' need to be assessed properly. The 'frozen conflicts' not only drain economic resources and political energies from weak and poor countries; they also generate corruption and organised crime, prevent the consolidation of the rule of law and enhance instability across the region. This in turn complicates the geopolitics of energy supplies for the EU, the United States and other major actors. For example, EU energy dependency offers a sobering picture: by 2030, 90 per cent of oil, 60 per cent of gas and 66 per cent of coal consumption will have to be covered by imports. Given the fact that the largest oil and gas reserves are situated in politically or economically insecure regions such as the Middle East and the EU's eastern neighbourhood, greater attention to developments in and around the Black Sea region is imperative. The growing interest in the region and the interplay of the various local, regional and international actors in and around the region suggest the need for clear, concise and precise analytical tools in order to understand better the various processes at play. These also imply the definition of clear strategies on how to proceed, given the different agendas of state, transnational and non-state actors and the plethora of issues and concerns that shape the region. A key question is how to build new bridges without destroying the regional cohesion that has been in place for years.

Clashing Approaches

What does the growing interest in the wider Black Sea area imply? In principle, it is a combination of two conflicting factors. The first is a geopolitical/geostrategic approach to the region's politics with ideological overtones where the points of reference are national and bloc interests. In other words, what counts here is the Euro-Atlantic perspective vis-à-vis the Russian outlook—how to counter Russia's increasing assertiveness, and so on. The second factor is the advent of a culture of concrete cooperation at regional, sub-regional and/or transregional levels. This approach is best represented by the BSEC and its institutional framework, which, in its fifteen years of existence, has produced substantive collaborative initiatives in an ever-growing number of policy areas.[2] In other words, here the emphasis is on cooperation, mutual benefits, constructive diplomacy, economic development and growth, and on working together with other like-minded entities.

The geopolitical/geostrategic approach calls for nothing less than geopolitical revisionism or a 'soft war' in the Black Sea region and includes the replacement of Russian, and to a far lesser extent Turkish, domination with a cooperative, interdependent and self-determining system of regional *democratic* states. It also calls for the demilitarisation of the region, including the withdrawal of Russian troops and neutralising the Montreux Convention that established Turkish military control over the Straits. In other words, it is exclusive in that it aims to counter two regional powers: Russia and Turkey. This approach is also particularly value-driven in that it purports to promote democracy in the region (Jackson 2006). The fact that this approach is being

propounded at a time when there is growing debate about the global role of the United States in that the invasion of Iraq and the subsequent increase in the rhetoric of democracy to justify it makes it a hard sell even if there is a shared consensus on the need to handle Russia's new assertiveness.

The very existence of the two aforementioned approaches—the geopolitical/ideological and the cooperative—suggest clashing or opposing visions as to how to better harness the region's potential. While the first approach views the region through the prism of competing interests between the West and Russia, the second method focuses on the obvious—that is to say: it seeks to put into practice the value of cooperation. While the first approach presumes that cooperation with Russia, if possible, can only take place if the West has a common strategy based on the common ideological, historical and cultural connections of its constituent countries, the second does not attempt to challenge Russian interests, but takes them into account and accepts the assumption that Russia can have an open mind regarding Western concerns.

A key element in this debate is, undoubtedly, the question of energy security, about which much has been said earlier. Another important piece of the puzzle is the wider strategic debate, the global context where developments in Southwest Asia (the geographic and political space stretching from the Middle East to Afghanistan) have made the wider Black Sea area a key geographic transit point of reference whose relevance is magnified by the energy security question. Consequently, it is important to have a clearer understanding of the Black Sea region's potential from the perspective of the regional and global actors. This is particularly true when assessing Turkey's role. The country's regional role is limited due to the still uncertain status of Ataturk's legacy. The question is whether Turkey will succeed in transforming itself into a secular European state even though its population is overwhelmingly Muslim. In this respect, its future is tied to the process of Europeanisation it has launched itself into with the objective of eventual EU membership. Another problem for Turkey is the Kurdish issue and how it can cope with its citizens of Kurdish descent at a time when the future of neighbouring Iraq is uncertain (Brzezinski 2005).

As a result, Turkey wants to maintain its primacy as a regional actor, especially in the Black Sea region, by stressing the need to include Russia in any regional framework and excluding extra-regional actors of significance. After all, energy interests bring the two countries closer. Turkey has been relatively cool to both the 'Orange' and 'Rose' revolutions in the Ukraine and Georgia, respectively, while it separately fears a weakening of the Montreux Convention that sustains pressure from extra-regional actors. Thus there is a growing mistrust of both the United States and the EU. For the proponents of the geostrategic/ideological camp, it is important for Turkey to have a central role in the implementation of a Euro-Atlantic strategy, while others would suggest that a Turkey committed to the collaborative approach makes more sense for the country itself and for the region as a whole.

Another aspect of relevance is the emergence of a third pole—a European one with the EU as its centerpiece—between the United States and Russia. The materialisation of this additional element is due in part to the decline of the United States' moral stature as the natural leader or spokesperson of the West. It is also due to a progressive

convergence of views among the EU Member States on how to deal with their neighbours. In other words, with the accession of Romania and Bulgaria (two Black Sea littoral states) to the EU on 1 January 2007, the Union has become a Black Sea entity that is more than ever concerned with the prosperity, stability and security of its neighbours farther afield. As a result, the EU is in the process of designing a new policy for the wider Black Sea area based on a regional approach that seeks to promote a shared regional identity.

This approach complements very well the collaborative methodology propounded by the BSEC, which seeks to promote cooperation in a wide range of policy areas such as transport, energy, environment, good governance, trade and combating organised crime—all of which are, incidentally, EU priorities. Also, more importantly, the EU has comprehensive relations with all BSEC member states as Greece, Romania and Bulgaria are also EU Member States, Turkey has begun accession negotiations with the EU, Serbia and Albania have been granted the perspective of future membership, Russia has its own strategic partnership with the Union expressed via the Four Common Spaces policy, while Armenia, Azerbaijan, Georgia, Moldova and Ukraine all participate in the ENP.

It should also be noted that, ever since its foundation in 1992, the BSEC has recognised constantly the strategic importance of relations with the EU in its basic policy documents and the mutual overtures between the two organisations date back to 1997. Therefore, it should come as no surprise that much has occurred over the last two years in the wider Black Sea area, with the BSEC and the EU taking the lead in upgrading the interregional relationship. In 2005, the BSEC and its member states stated their intentions to further enhance interaction with the EU. Greece as the only member of both organisations at the time actively headed the efforts made to bring this initiative to fruition. The most telling examples of this enhanced interaction are incarnated in the adoption by the BSEC in January 2007 of a policy paper on 'BSEC–EU Interaction: The BSEC Approach', the December 2006 Communication by the European Commission on 'Strengthening the European Neighbourhood Policy', the new April 2007 Communication on 'A Black Sea Regional Approach', and the priority of the German EU Presidency of the first half of 2007 to further develop the ENP and expand the European area of security and stability in cooperation with the EU's neighbours.

What the bevy of activity between the BSEC and the EU suggests is a real possibility of minimising the dividing lines among the states in the wider region by moving away from zero-sum approaches in promoting national or bloc interests toward substantive cooperation in policy areas of equal importance to all stakeholders in the wider European space. This mobilisation of efforts and resources requires streamlining the BSEC institutional framework to better cope with its increased tasks as well as a more serious effort by the organisation's member states to move beyond achieving the lowest common denominator and pursue instead a more proactive approach toward enhancing the joint BSEC and EU role in regional affairs. In other words, the interplay between the BSEC and the EU provides for a new dynamic of regional cooperation in the wider Black Sea area and for overcoming the residual dilemmas posed by bloc politics. The challenge now is for all regional stakeholders to accept the merits of cooperation and

adopt it in practice and see what it implies in terms of energy politics for all the actors involved. Otherwise, the 'soft war' scenario that accounts for the geopolitical revisionism propounded by some effectively could become a reality unless the EU meets the challenges of cooperating with its major energy supplier.

CFSP and Energy Security: Difficulties Ahead

Where does all this leave the EU? Is the use of the instrument of CFSP possible in terms of securing the EU's energy supply? The fact that the EU has adopted a triptych approach that focuses on economic efficiency in the context of the internal market, ecological sustainability by propounding a climate protection policy and the external dimension of the security of energy supplies makes the CFSP approach difficult to implement at this stage. Time is a factor in that the various EU initiatives may need up to several years to develop. It might well be that by the time the Commission puts forward an updated Strategic Energy Review in early 2009 to evaluate the integrated approach to climate and energy policy or the new Energy Action Plan from 2010 onwards is adopted by the Spring 2010 European Council, the CFSP model could be in a stronger position to take hold.

With respect to the Black Sea region, the fact that it is only now that the EU is beginning to have a coherent concerted multilateral approach toward the region needs to be factored in. Also, there is still a lot of uncertainty over how to deal with Russia. Should the EU engage Russia and to what degree (such as not giving Russia a veto over EU policy) or will the 'soft war' scenario win the day remain questions of relevance. A lot depends on how relations with Russia develop in the coming years.

A cooperative energy security approach that promotes dialogue among energy producers, consumers, transit states and the private sector, in order to assure that the issue of energy does not become the defining 'currency of power of international relations', remains at the top of the EU's agenda (Steinmeier 2006). In other words, 'energy security thinking must move from notions of "dependence" and "producer against consumer" toward a more cooperative mindset (Monaghan & Montanaro-Jankovski 2006). In order for this to occur, the EU still has to accommodate the initiatives of countries like Germany, Greece and Hungary that have taken the lead in signing energy deals with Russia over the objections of some of their partners much as other countries have taken the lead in seeking other sources of gas deliveries from countries like Libya, Algeria, Egypt and possibly Iran. Otherwise said, diversification of supply actually could help bring about more parity in the EU–Russia energy dialogue.

Finally, the EU not only needs to fine tune its Neighborhood Policy and enhance its multilateral dimension notably through close cooperation with existing regional schemes such as the BSEC, it also has to make ENP more coherent. Is ENP part of the enlargement agenda or the EU's common foreign policy? Here again, the debate has to do with Russia's role. According to Iris Kempe (2007), the

> ENP agenda has been driven, first and foremost, by those EU member states with direct external borders that are interested in avoiding a new dividing line. It has also been driven by concerns about strengthening the balance of power among Central Europe, Eastern

Europe and Russia. On the one hand, individual EU member states such as Poland, Slovakia or Lithuania are important driving forces in pushing the ENP agenda; on the other hand, substantial progress on the European level can only be achieved by building far-reaching alliances.

This dichotomy is best reflected in the energy equation—does the EU insist on a value-driven CFSP or does its policy toward Russia reflect a cooperative dimension that promotes the symbiotic relationship between the two sides. In particular, in the Black Sea space, the EU is promoting the cooperative approach. It remains to be seen how successful it will be in defending its energy interests.

Notes

[1] This section encompasses many of the ideas propounded by Dov Lynch in 'Struggling with an indispensable partner' (Lynch 2005).

[2] The BSEC member states are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Greece, Romania, Russia, Serbia, Turkey, and Ukraine. The organization has coined the term 'wider Black Sea area' to describe the BSEC area, including Southeast Europe, littoral states of the Black Sea and the Caucasus.

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