

Economic Security in the Black Sea Region

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Berry Buzan and the Copenhagen School proposed three new dimensions of security in order to complete it's the narrow political and military components. These are the economic, societal and environmental dimensions. The result is that economic factor came to be considered the building block of the other aspects of security. This idea is supported by NATO's new strategic concept (defined in 1991) stating that security and stability have political, economic, societal and environmental elements; and also by the EU's efforts of building the Common Foreign and Security Policy, were it applies economics, its strongest points, in the military security, one of its weakest points.

Ensuring a country's economic security considers the identification and management of dysfunctions, vulnerabilities, risks and threats to economic stability and strategic decisions independence concerning vital resources.

The paper will attempt to analyze the implications of applying the concept of economic security in the Black Sea extend area and highlight the link between the development model and interdependencies in international cooperation.

Key words: *economic security, cooperation, Black Sea, energy.*

JEL classification codes: *F52, F59.*

The security concept had, until the 1980's, a subsidiary role in geopolitical analyses, being particularly used in military strategic studies. In the 1980's we have certain dualisms like:

- Security – anarchy: security is the result of maintaining a balance of power or a hegemonic international system;

- Security – community: interest community creates security community structures, observing the proximity laws;
- Security – defense.¹

Traditionally by referring to security, a statesman declares an emergency situation, demanding the right to use any necessary means to impede any threatening developments².

The security concept became more complex, going beyond the narrow sense of military power equilibrium. Structurally there are two approaches to the security concept: the levels of action – individual, national and international; and the fields of action – military, political, economic and environmental³. Barry Buzan proposed enlarging the security concept so as to comprise the following five dimensions: military, political, economic, societal and environmental. “*Military security* concerns the game on two levels of states’ offensive and defensive capabilities and the states’ perception regarding everyone’s perceptions. *Political security* refers to states, governance systems, and ideologies (that ensure legitimacy) organizational stability. *Economic security* regards access to resources, markets and capital necessary for sustaining acceptable levels of wealth and power of the state. *Societal security* refers to the sustainability, in acceptable evolutionary conditions, of language, culture, religion, customs and national identity’s traditional patterns. *Environmental security* considers maintaining the local and global biosphere as an essential support of which all other human activities depend upon. These five sectors do not operate separately of each other. Each of them defines a focal point in the security problem and

¹ Buzan Barry, *Popoarele, statele și teama*, Editura Cartier, Chișinău, 2000.

² Weaver (1988) in Buzan Berry, Weaver Ole, de Wilde Jaap, *Security. A New Framework for Analysis*,

Editura Lynne Rienner Publishers, 1998, Google Books, <http://books.google.com/books?vid=ISBN1555877842&id=j4BGr-Elsp8C&pg=PP1&lpg=PP1&ots=bKtfrZ4u18&dq=Security+a+new+framework+for+analysis&hl=fr&sig=ua1MVz62z74oVwGmnzO75oupae8#PPA21,M1>, p. 21.

³ Eftimie Vasile, “Securitatea națională – O abordare comprehensivă”, *Neliniștile Insecurității*, coord. Troncotă Cristian, Editura Tritonic, Bucharest, 2005.

a way of defining priorities, but all are linked by a powerful connection network.”¹

In the 1990's the Copenhagen School is created by Berry Buzan and other researchers that join him, using the analysis model he developed; the school had a major influence in security academic debates but also in developing security policies. During the NATO summit in Rome, 1991, the new security concept of the alliance was defined as “security and stability have political, economic, social and environmental elements”².

Insecurity is at the other end of the spectrum, opposed to economic security. Gabriel Andreescu³ considers simplifying the model that narrows the security of a state to the military strategic aspect and recommends identifying more security levels. It is interesting that when referring to the environmental, political and societal aspects he uses the term security; but for the economic one he opts for the term insecurity. The high economic interdependency degree allows efficient use of the economic instruments for penalty reasons. In Central and Eastern Europe, the author considers that profound economic restructuring and massive reorientation of the economic links transform the national economy in a fragile system, dependent of the international financial institutions policies or the ones of intergovernmental organisms.

The issues now raised by economic security⁴ refer to way economic and politic stability can be maintained, the means to manage the wider

¹ Buzan Berry (1991) in Dan Dungaciu, *Moldova ante portas*, Editura Tritonic, Bucharest, 2005, p. 276.

² “The Alliance's New Strategic Concept”, July 1990, <http://www.nato.int/docu/comm/49-95/c911107a.htm#III>

³ Andreescu Gabriel, *Recomandarea 1201 și o rețea de stabilitate/securitate în Europa Centrală și de Est*, in “Studii internaționale”, nr.3/ 1997.

⁴ Buzan Berry, Weaver Ole, de Wilde Jaap, *Security. A New Framework for Analysis*, Editura Lynne Rienner Publishers, 1998, Goole Books, <http://books.google.com/books?vid=ISBN1555877842&id=j4BGr-Elsp8C&pg=PP1&lpg=PP1&ots=bKtfrZ4u18&dq=Security+a+new+framework+for+analysis&hl=fr&sig=ua1MVz62z74oVwGmnzO75oupae8#PPA21,M1>, p. 95-98.

distance among the rich and the very poor (that the free markets tend to generate). The liberals give the economy the first place in the spot lights, arguing that it is the base of social construction and the markets should be left to operate freely of state intervention. The state is necessary for ensuring the laws and the military and politic security and to support the social construction where the markets fail. Form this perspective, the main objective of economic security is to develop rules that ensure the free movement of production factors among the national economies.

The economic security discourse is mainly influenced by the liberal agenda, and consequently by trying to implement this agenda in trade, production and finance. The characteristics of the liberal ascendancy concentrate the economic security discourse on issues like instability and inequality. Concerns on instability raise questions on managing the internal and international problems determined by increasing the economic integration and liberalization degree. The concerns on inequality raise at national level questions about the state's role, and internationally issues on third world states disadvantageous position.

According to Berry Buzan, the following issues are on the economic security agenda¹:

- The states capacity of maintaining military production capabilities in a global market, and in a wider sense, the relationship between the economy and state's military mobilization capacity;
- The possibility that the economic dependencies on the global market (especially the oil market) to be used for political purposes, or in a broader way, the issues on the security of delivery when the state abandoned the inefficient security of depending on its own forces with the efficient security of depending on external sources;

¹ *Ibidem.*

- Fears that the global market will generate more losers than winners and will increase the existing inequalities (illustrated internationally, at one end of the spectrum, the fear of USA hegemony declining, and at the other end, the fear of developing countries of being marginalized and of financial crises; and nationally are represented by permanency of unemployment and increasing social polarization);
- The fear of (a) the dark side of capitalism and free trade represented by the illegal trade – especially drugs, that develop criminal groups and light weapons; (b) trade with certain significative types of military technology; and (c) pressure on the global environment done by industrialization and mass consumption;
- Fears that the international economy will go into crises under the influence of a combination of factors like political leadership, increase protectionist reactions and structural instability of the financial global system.

Another reality that needs thinking about is the need for an integrated approach¹ of these risks.

National security at the beginning of XXI century can not be approached nor at national or international levels, because in practice these things are tightly linked: corruption with money laundering, organized crime and terrorism. The subtle relations between these problems must be identified in order to solve the main issue. Another problem that could be a risk is the separate approach of the close and far conflict zones. Currently was identified a subtle communication system among the areas in which these risks operate – United States, South-Eastern Europe, Middle East, Afghanistan, South-East Asia. When stabilizing a zone like South-East Europe ignoring its effects

¹ Muresan Liviu, “Strategia securității naționale și politica externă după 11 septembrie 2001”, Scientific Communication Session “Securitatea națională la început de secol XXI”, organized by the Center of Security Strategic Studies, November 2001

somewhere else significant mistakes can be made in these multinational operations.

The main actors in the region are the neighboring countries with diverse affiliations – EU members (Romania, Bulgaria), candidate countries (Turkey), nonmember countries (Georgia, Russia and Ukraine); an array of international actors: EU, NATO, OSCE, USA and CIS (Community of Independent States). For now cooperation at the Black Sea materialized in the Black Sea Economic Cooperation, BLACKSEAFOR, GUUAM.

Historically the Black Sea was found at the confluence of the Russian, Ottoman and Persian Empires and was the main theatre of the “Big Game” played along its shores during the XIX-th century. The contours of the Black Sea region established by the big European powers during the Crimean war and the First World War are still obvious today. The regions geopolitics’ is strongly influenced by external politics aspirations of the regional powers Russia and Turkey. The middle states Ukraine, Romania and Bulgaria are trying to insure security and stability by regional cooperation, especially by close relation with the European institutions. The small states Moldova, Georgia, Azerbaijan and Armenia are strongly affected by movement of the ex imperial powers in the area.

Bruce Jackson argues that the same factors that transformed the Black Sea region in Europe’s black hole are now justifying its placement as a central strategic interest today for Europe and the European Union¹. These factors, even though presented by a US representative, synthesize the situation and the diverse interests in the area.

1. The Black Sea was for centuries the entry gate for the Middle East. The states in the region are neighbors of Syria, Iran and Iraq and the shores of Caspian Sea. USA will be successful in bringing de-

¹ Jackson P., Bruce, “The Future of Democracy in the Black Sea Region”, Romanian Journal of International Affairs, vol. X, 1-2/2005.

mocracy in the Middle East if it will contribute to building a Black Sea area secure, prosper and democratic.

2. The Caspian Sea energy reserves are becoming more and more important for US's European allies and for establishing the price of oil. Currently EU's member states are importing approximately 50% of their energy needs; until 2020 it is estimated that 70% of the energy consumption will be covered through imports. This increase of the energy needs is ensured by imports that will be transported to Europe using routes that will be crossing or bypassing the Black Sea – like the Baku-Tblisi-Ceyhan pipeline.

3. The Black Sea region is rapidly becoming part of Europe (Greece and the new EU member states – Romania and Bulgaria – are coming from this region; Turkey's accession to EU is estimated for 2014). The Black Sea west and south shores are NATO borders (Greece, Turkey, Romania and Bulgaria). The importance of the region was highlighted also at NATO summit in Istanbul in July 2004, where its essential role in the Euro-Atlantic security was recognized.

4. The most important and dramatic democratic changes take place in this area (the revolutions in Georgia and Ukraine).

5. The most dangerous fragments of the former Soviet Union are scattered along the northern shore. The frozen conflicts begin in Transnistria and continue in Abkhazia and South Ossetia in Georgia, in Cecenia and in Nagorno-Karabakh at the border of Armenia and Azerbaijan. In each of these conflict areas took place and might start again arm fighting and ethnic cleansing. In Transnistria, Abkhazia and South Ossetia are working trans-border criminal networks that destabilize the governments in the region and are a threat for Europe by trafficking arms, drugs and humans and for US also by its capability to sell arms and technology to its adversaries.

The European Security Strategy¹ synthesizes the threats to the European security as follows:

- The *energetic dependence* is a special preoccupation for Europe. Europe is currently the largest importer of oil and gas. Currently, approximately 50% of the energy consumption is covered by imports and it is estimated to get to 70% in 2030. Most part of the imports are coming from the Persian Gulf, Russia and North Africa;
- Terrorism undermines the openness and tolerance of European societies and represents an increasing strategic threat to the entire Europe. The most recent wave of terrorism is global by range and related to violent religious extremism. Its causes are complex and related to the pressure of modernization, cultural, political and social crises, and alienation of young people that live in foreign societies. Terrorism is part of the European societies, Europe being both a target and a base for terrorist activities.
- Proliferation of *arms of mass destruction* is probably the most important threat to European security. We are entering a period in which probably mass destruction arms race will take place in the Middle East. Also a serious threat is developing biological weapons, spreading the racket technology and attacks with chemical weapons and radiological materials.
- Regional conflicts. Violent or frozen conflicts that persist at Europe's borders threaten regional stability. They destroy human lives, social and physical infrastructures, threaten minorities, fundamental freedoms and human rights. Conflicts may determine extremism, terrorism and state failure; and create opportunities for organized crime. Regional insecurity may fuel

¹ European Security Strategy, "A Secure Europe in a Better World. European Security Strategy", Bruxelles, 12 December 2003, http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/reports/76255.pdf.

the demand for arms of mass destruction. The most practical way to deal with the new threats, very often subtle and difficult to define, will ask for considering the older issues of regional conflicts.

- Weak government – corruption, power abuse, weak institutions and lack of responsibility – and civil conflicts erode the states from within. In some cases it determined state institutions collapse. States failure is an alarming phenomenon that undermines global governance and increases regional instability.

Europe is a main target for organized crime. This internal threat to European security also has an external dimension: transnational traffic of drugs, women, arms and illegal migration is an important part of criminal organization's activity. These could be linked to terrorist activities and, many times, are associated to weak or failed states.

The European interest presumes that the states at the borders of the Union toe well governed according to the European Security Strategy. In this respect, the neighbors engaged in violent conflicts, weak states where organized crime flourishes, dysfunctional societies or explosive increase of population at its borders raise problems for Europe. Former candidate countries accession increase the Union's security but they also bring it closer to the regions where most security issues are raised. Thus Europe proposes to promote a chain of well governed states at the eastern border and the Mediterranean Sea and to give more attention to the problems in the South Caucasus.

A short overview of the main actors of the political world, though in oil geopolitics more appropriately will be "centers of power"¹, show differences but a common issue also. USA, EU and Japan have developed economies, national and international powerful financial institutions, settled democratic societies built on the principles of law and human rights; they also ensure a superior quality of life for all indica-

¹ Dolghin Nicolae, „Geopolitica. Dependentele de Resursele Energetice”, in *Studii de Securitate și Apărare*, Volume 1, Editura Universității Naționale de Apărare, Bucharest, 2005.

tors. China and India are states with economies developing at high rates; financial stability; modernizing societies even though traditions have a strong influence and the quality of life is far from that in first group of countries. The main common issue of these centers of power is dependence, especially of energy resources. This is mostly the reality that shapes the geopolitical behavior as well as the strategies content.

A special place among the centers of power belongs to Russia. It has features of the states in both the categories mentioned above; what sets her radically apart is the fact that it is not energy resources dependent, this independence also shaping its geopolitics and strategy.

In these conditions, oil geopolitics dominated the preoccupations of the world's governments and takes many shapes from multilateral cooperation, investments in the field, technical assistance, tenders, economic and financial help, privatizations, preferential conditions and so on, until expressions rather belonging to geostrategy being dominated by the military component, threats and force demonstrations, military presence and even armed violence.

Nowadays the main oil geopolitics actors are the USA and Russia. Each developed solid policies and strategies in this field. Their objectives are different but certain complementarities of these objective makes possible long term cooperation of the two, of course without excluding competition for the most favorable conditions.

USA's strategic objective is to ensure the long term resources necessary for maintaining the economic development rhythms, by guaranteeing access to resources and free shipment. It is a complex objective and fulfilling it requires decisive involvement in stabilizing volatile regions and enforcing security by encouraging the free market, the democratic values, transparency and predictability of the other actors' actions. Anyway the projects they are involved in are considered much cheaper investments than possible losses determined by energy flows dysfunctionality.

Anyway the projects USA is embarking are considered much cheaper investments than the probable economic losses determined by dysfunctional energetic flows. USA see the Russian oil as a possible stable alternative to the oil of the Middle East, an unpredictable region where the steady supply could be affected by different events.

Russia also considers the entering of its oil on the American market a beginning for future economic consolidation and security building. That's why, on the long run the interests of two coincide, even though on the short run appear episodes of economic competition. The US are directly interested in the liberty of oil traffic in the Caspic Area and the Middle East, so they are actively involved in stabilizing the area, seeking in the same time to avoid a possible Russian oil transport monopoly formation.

Bearing in mind the theory of international relations, in order to have economic advantages, the states on the shores of the Black Sea should consider the followings: the control of the maritime coast; control of the maritime channels, control of the straits¹. The states in the Black Sea region depend a lot of west European economic assistance essential for stimulating social and economic change; in most of these countries, in different proportions there are important obstacles: old mentalities, weak democratic traditions, corruption, international crime activities, illegal traffic of drugs, weapons and people.

Developed economies depend on energy resources. The loss of access to resources could have destructive consequences. That's way an important part of external policies is preoccupied with the accessibility of pipelines and terminals, future pipelines projects and partnerships.

Referring to the energy resources, the states previously analyzed depend on the Russian oil and gas deliveries, which makes them particularly vulnerable. Thus Western Europe and the states on the west shore of the Black Sea are trying to open access to the energy re-

¹ Maleşcu, Simona, "Tendințe geopolitice, geoeconomice și geostrategice regionale în zona Mării Negre", *Colocviu Strategic*, no. 13, 2005.

sources of the Caspian Sea and Middle East in order to reduce the Eastern Europe, and EU in general, medium term dependency of Russia.

So far there is no strategy for the Black Sea. “Divergent interests, different affiliations make this region with very few cooperation traditions, historically speaking, to be difficult to place under a single efficient institutional coverage”¹. In order to integrate this region Dan Dungaciu analyzes a series of projects implemented in other frontier regions of the EU, and particularly the Baltic Sea. According to the Italian analyst Fabrizio Tessinari² there can be identified three fazes of the cooperation process in the Baltic Sea area. There were three types of states in the region “the Old Europe” (Germany and the Nordic states), “the New Europe” (Poland and the Baltic states) and Russia. Considering the institutional affiliation there agendas did not always converge. Thus in the first period (1989-1992) was characterized by reviving and promoting a natural regionalism, by a small group of Scandinavian intellectuals; it indicated the potential for regional building. This faze was considered ended in 1992 once the institutional actors appeared – creation of the Baltic Sea States Council. The second faze, that lasted until 2004, was characterized by external and security policies becoming more European. Two types of discourses are identified from this period: the first one referred to the EU and NATO enlargement, the Baltic region being seen as the border of two quasi-empires – for the EU and NATO the enlargement was a way to create a safer Europe; for Russia it meant an invasion of its “close vicinity” and a threat for its security. The second discourse was determined by the by two initiatives ((*North European Initiative* – „soft security” cooperation, its agenda having the following priorities: promoting trade and business, state of law, building civil society, energy, environment and public health and *North Dimension Initiative* – that referred to five main

¹ Dungaciu, Dan, *Moldova ante portas*, page 292, Editura Tritonic, Bucharest, 2005.

² apud. Dungaciu, Dan, *Moldova ante portas*, pages 288-290, Editura Tritonic, Bucharest, 2005.

issues: economic cooperation, infrastructure, natural resources, environmental protection, frontier cooperation), that led to increasing interdependencies by securing non-military aspects (unlike the first phase that focused on the military dimension). The third phase began after 2004, when the security discourse was closely related to the political one and the interdependencies created are deepening.

Referring to the comparative analysis of the states in the two regions (the Baltic and the Black Sea) Dan Dungaciu¹ is underlining the fact that the consciousness of belonging to a common region is not that strong as it was in the Baltic Sea and nor is it that homogeneous in Black Sea states (where they are grouping around regional actors like the EU, NATO and Russia). It is considered that this is an important aspect of a future cooperation process in the region. Also EU and NATO presence are much more reduced. In the case of the Baltic Sea the connection elements were non-military aspects of security; but in the Black Sea case together with these elements we have hard security issues (the frozen conflicts on the north shores) that amplifies the risks and are a proof of complex ethnic, frontier and social issues problems. Close ethnical and geographical location to Middle East and the Caspian Sea area, together with divergent interests increase the hard security issues.

Conclusion

The economic security could become a stability pole in the area by attracting a growing interest of USA and EU for stabilizing and developing the area, but also from the states in the Black Sea region for economic development so as to not become dependent to extracting/processing and transporting oil, and thus vulnerable to the transfer of oil crisis from the developed countries to the periphery.

¹ Dungaciu, Dan, *Moldova ante portas*, page 288, Editura Tritonic, Bucharest, 2005.

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Editura Lynne Rienner Publishers, 1998, Goole Books, <http://books.google.com/books?vid=ISBN1555877842&id=j4BGr-Elsp8C&pg=PP1&lpg=PP1&ots=bKtfrZ4u18&dq=Security+a+new+framework+for+analysis&hl=fr&sig=ua1MVz62z74oVwGmnzO75oupa8#PPA21,M1>, p. 95-98.

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<http://books.google.com/books?vid=ISBN1555877842&id=j4BGr-Elsp8C&pg=PP1&lpg=PP1&ots=bKtfrZ4u18&dq=Security+a+new+framework+for+analysis&hl=fr&sig=ua1MVz62z74oVwGmnzO75oupa8#PPA21,M1>, p. 21.

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