

# Report of

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## THE JAPAN-WIDER BLACK SEA AREA DIALOGUE

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on

### “Peace and Prosperity in the Wider Black Sea Area and the Role of Japan”

November 27-28, 2005

The Japan Forum on International Relations "Conference Room"  
Tokyo, Japan

Supported by  
The Japan Foundation



Sponsored by  
The Global Forum of Japan (GFJ)

Co-sponsored by  
University of Shizuoka  
The Black Sea University Foundation (BSUF)  
The International Center for Black Sea Studies (ICBSS)

Under the Auspices of  
The Ministry of Foreign Affairs of Japan  
The Yomiuri Shimbun



ITO Kenichi, President, GFJ, making a speech at the Welcome Dinner



Tedo JAPARIDZE, Secretary General, Organization of the Black Sea Economic Cooperation, giving the keynote speech in the Session III



Participants lively exchanging views in the Session III

# Preface

The Global Forum of Japan (GFJ) aims to promote a policy-oriented exchange of views between business, opinion and political leaders of Japan and their counterparts in the rest of the world, and to contribute to the deepening of mutual understanding and the formation of the consensus. For this purpose, GFJ has been actively engaged for the past 24 years in organizing policy-oriented bilateral and/or multilateral “Dialogues” every year between Japan and the international community.

It is for this reason that GFJ held the Japan-Wider Black Sea Area Dialogue “Peace and Prosperity in the Wider Black Sea Area and the Role of Japan” in Tokyo on 27-28 November 2005. This report intends to summarize the achievements of these discussions between Japanese and their Black Sea Area counterparts. Though the printed version of the report will be made available to only a restricted number of people such as members and friends of GFJ and their counterparts from Black Sea Area, the full text of the report will be available at <http://www.gfj.jp/>.

The Japan-Wider Black Sea Area Dialogue “Peace and Prosperity in the Wider Black Sea Area and the Role of Japan” was supported by the Japan Foundation, co-sponsored by GFJ, University of Shizuoka, the Black Sea University Foundation (BSUF) and the International Center for Black Sea Studies (ICBSS), under the auspices of the Ministry of Foreign Affairs of Japan and the Yomiuri Shimbun and was attended by 25 participants including 12 panelists representing Wider Black Sea Area. Participants exchanged opinions on matters of significant importance related to the future of Japan-Wider Black Sea Area relations. We would like to take this opportunity to express our gratitude to the Japan Foundation, which generously supported this Japan-Wider Black Sea Area Dialogue.

February 1, 2006

ITO Kenichi  
President  
The Global Forum of Japan

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# 1. Program

## 「日本・黒海地域対話」 THE JAPAN-WIDER BLACK SEA AREA DIALOGUE

### 「黒海地域の平和・繁栄と日本の役割」

#### Peace and Prosperity in the Wider Black Sea Area and the Role of Japan

2005年11月27-28日 / November 27-28, 2005

東京、日本 / Tokyo, Japan

助成 / Supported by

国際交流基金 / The Japan Foundation

主催 / Sponsored by

グローバル・フォーラム / The Global Forum of Japan (GFJ)

共催 / Co-sponsored by

静岡県立大学 / University of Shizuoka

黒海大学基金 / The Black Sea University Foundation (BSUF)

国際黒海研究所 / The International Center for Black Sea Studies (ICBSS)

後援 / Under the Auspices of

日本国外務省 / The Ministry of Foreign Affairs of Japan

読売新聞社 / The Yomiuri Shimbun

2005年11月27日(日) / Sunday, November 27, 2005

全日空ホテル「シリウス」 / ANA Hotel "Sirius"

開幕夕食会 / Welcome Dinner

18:00-20:00

伊藤憲一グローバル・フォーラム執行世話人主催開幕夕食会

Welcome Dinner hosted by ITO Kenichi, President of GFJ

2005年11月28日(月) / Monday, November 28, 2005

日本国際フォーラム「会議室」 / The Japan Forum on International Relations "Conference Room"

オープニングセッション / Opening Session

10:00-10:30

開会挨拶 (10分間) Opening Remarks (10min.)	伊藤 憲一 GFJ執行世話人 ITO Kenichi, President, GFJ
開会挨拶 (10分間) Opening Remarks (10min.)	イオアン・ミルチャ・パシュク 前ルーマニア国防大臣 Ioan Mircea PASCU, former Minister of National Defense of Romania
開会挨拶 (10分間) Introductory Remarks (10min.)	原田 親仁 外務省欧州局長 HARADA Chikahito, Director-General, European Affairs Bureau, Ministry of Foreign Affairs

本会議 / Session I

10:30-12:30

#### 「黒海地域における機能的協力の現状と展望」 "Review and Perspective of the Functional Cooperation in the Area"

議長 (5分間) Chairperson (5min.)	甲斐 紀武 GFJ世話人(前駐チュニジア大使) KAI Noritake, Governor, GFJ (former Ambassador to Tunisia)
基調報告(15分間) Paper Presenter (15min.)	ムスタファ・アクシン 国際黒海研究所会長 Mustafa AKŞİN, Chairman of the Board, the International Centre for Black Sea Studies
基調報告(15分間) Paper Presenter (15min.)	上垣 彰 西南学院大学経済学部教授 UEGAKI Akira, Professor, Faculty of Economics, Seinan Gakuin University
コメントA(7分間) Lead Discussant A (7min.)	セルゲイ・ゴンチャレンコ ロシア連邦外務省経済協力局次長 Sergei GONCHARENKO, Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation
コメントB(7分間) Lead Discussant B (7min.)	竹中 繁雄 アジア生産機構事務総長(前駐トルコ大使) TAKENAKA Shigeo, Secretary General of Asian Productivity Organization (former Ambassador to Turkey)
コメントC(7分間) Lead Discussant C (7min.)	ユーリー・コステンコ 駐日ウクライナ大使 Yuriy KOSTENKO, Ambassador of Ukraine to Japan
コメントD(7分間) Lead Discussant D (7min.)	今村 朗 外務省欧州局中東欧課長 IMAMURA Akira, Director, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan
コメントE(7分間) Lead Discussant E (7min.)	ポリクセニ・ペトロポウル 駐日ギリシャ大使館一等参事官(政治担当参事官) Polyxeni PETROPOULOU, First Counselor (Political Counselor), Embassy of Greece in Japan
自由討議 (50分間) Free Discussions (50min.)	出席者全員 All Participants

<b>昼食 / Lunch</b>	
<b>12:30-13:30</b> <div> <b>樓外樓飯店</b>  <b>Rogairo (Seventh Heaven)</b> </div>	
<b>本会議 / Session</b>	
<b>13:30-15:30</b> <div> <b>「黒海地域における大国の利益及びその戦略」</b>  <b>"Strategic Implications of Big Power Interests in the Area"</b> </div>	
議長 (5分間) Chairperson (5min.)	伊藤 憲一 GFJ執行世話人 ITO Kenichi, President, GFJ
基調報告 (15分間) Paper Presenter (15min.)	イオアン・ミルチャ・バシク 前ルーマニア国防大臣 Ioan Mircea PASCU, former Minister of National Defense of Romania
基調報告 (15分間) Paper Presenter (15min.)	六鹿 茂夫 静岡県立大学大学院国際関係学研究科教授 MUTSUSHIKA Shigeo, Professor of the Graduate School of International Relations, University of Shizuoka
コメントA (7分間) Lead Discussant A (7min.)	オグズ・オジ トルコ外務省経済局長 Oğuz ÖDGE, Director General for Economic Affairs, Ministry of Foreign Affairs of Turkey
コメントB (7分間) Lead Discussant B (7min.)	石原 忠勝 外務省総合外交政策局政策企画室企画官 ISHIHARA Tadakatsu Senior Coordinator, Policy Planning Division, Foreign Policy Bureau, Ministry of Foreign Affairs of Japan
コメントC (7分間) Lead Discussant C (7min.)	ブラゴヴェスト・センドフ 駐日ブルガリア大使 Blagovest SENDOV, Ambassador of Bulgaria to Japan
コメントD (7分間) Lead Discussant D (7min.)	末澤 恵美 平成国際大学助教授 SUEZAWA Megumi, Associate Professor of Heisei International University
コメントE (7分間) Lead Discussant E (7min.)	アウレリアン・ネアグ 駐日ルーマニア大使 Aurelin NEAGU, Ambassador of Romania to Japan
コメントF (7分間) Lead Discussant F (7min.)	コンスタンチン・サルキソフ 山梨学院大学法学部政治行政学科教授 Konstantin SARKISOV, Professor of Department of Politics and Public Administration, Faculty of Law, Yamanashi Gakuin University
自由討議 (45分間) Free Discussions (45min.)	出席者全員 All Participants
<b>コーヒー・ブレイク / Coffee Break</b>	
<b>15:30-15:45</b> <div> <b>ロビーにて</b>  <b>in the Lobby</b> </div>	
<b>本会議 / Session</b>	
<b>15:45-17:45</b> <div> <b>「日本にとっての黒海地域の重要性と日本の役割」</b>  <b>"The Importance of the Area for Japan and Japan's Role in the Area"</b> </div>	
議長 (5分間) Chairperson (5min.)	イオアン・ミルチャ・バシク 前ルーマニア国防大臣 Ioan Mircea PASCU, former Minister of National Defense of Romania
基調報告 (15分間) Paper Presenter (15min.)	袴田 茂樹 青山学院大学教授 HAKAMADA Shigeki, Professor, Aoyama Gakuin University
基調報告 (15分間) Paper Presenter (15min.)	テド・ジャーバリゼ 黒海経済協力事務総長 Tedo JAPARIDZE, Secretary General, Organization of the Black Sea Economic Cooperation
コメントA (7分間) Lead Discussant A (7min.)	ソルマズ・ユナイドゥン 駐日トルコ大使 Solmaz ÜNAYDIN, Ambassador of Turkey to Japan
コメントB (7分間) Lead Discussant B (7min.)	長崎 泰裕 NHK報道局記者 NAGASAKI Yasuhiro, NHK Senior Correspondent, NHK-BS News Anchor
コメントC (7分間) Lead Discussant C (7min.)	タティアナ・クズネツォーバ ロシア外務省経済局総務参事官 Tatyana KOZNETSOVA, Head of Chancery of the Director General of the Ministry of Foreign Affairs of the Russian Federation
コメントD (7分間) Lead Discussant D (7min.)	廣瀬 陽子 東京外国語大学大学院地域文化研究科講師 HIROSE Yoko, Senior Lecturer of the Graduate School of Area and Culture Studies, Tokyo University of Foreign Studies
自由討議 (55分間) Free Discussions (55min.)	出席者全員 All Participants
<b>ローリーズ・ザ・プライムリブ東京 / Lawry's The Prime Rib</b>	
<b>総括報告会 / Wrap-up Meeting</b>	
<b>18:00-20:00</b> <div> <b>議長 甲斐紀武グローバル・フォーラム世話人</b>  <b>Chaired by KAI Noritake, Governor of GFJ</b> </div>	

## 2. Participants List

### **【Black Sea Area Panelists】**

H.E. Mr. Mustafa AKŞİN, Chairman of the Board, the International Centre for Black Sea Studies

Dr. Sergei GONCHARENKO, Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of Russian Federation

H.E. Mr. Tedo JAPARIDZE, Secretary General, Organization of the Black Sea Economic Cooperation

H.E. Mr. Yuriy KOSTENKO, Ambassador of Ukraine to Japan

Mrs. Tatyana KOZNETSOVA, Head of Chancery of the Director General of the Ministry of Foreign Affairs of the Russian Federation

H.E. Mr. Aurelian NEAGU, Ambassador of Romania to Japan

H.E. Mr. Oğuz ÖZGE, Ambassador, Director General for Economic Affairs at the Ministry of Foreign Affairs of Turkey

H.E. Mr. Ioan Mircea PASCU, former Minister of National Defense of Romania

Mrs. Polyxeni PETROPOULOU, First Counselor (Political Counselor), Embassy of Greece in Japan

Dr. Konstantin SARKISOV, Professor, Department of Politics and Public Administration, Faculty of Law, Yamanashi Gakuin University

H.E. Acad. Blagovest SENDOV, Ambassador of Bulgaria to Japan

H.E. Ms. Solmaz ÜNAYDIN, Ambassador of Turkey to Japan

### **【Japanese Panelists】**

Prof. HAKAMADA Shigeki, Professor, Aoyama Gakuin University

Mr. HARADA Chikahito, Director-General, European Affairs Bureau, Ministry of Foreign Affairs

Ms. HIROSE Yoko, Senior Lecturer of the Graduate School of Area and Culture Studies, Tokyo University of Foreign Studies

Mr. IMAMURA Akira, Director, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan

Mr. ISHIHARA Tadakatsu, Senior Coordinator, Policy Planning Division, Foreign Policy Bureau, Ministry of Foreign Affairs of Japan

Prof. ITO Kenichi, President, GFJ

Mr. KAI Noritake, Governor, GFJ (former Ambassador to Tunisia)

Mr. KANEKO Toru, Staff Writer, The Yomiuri Shimbun

Prof. MUTSUSHIKA Shigeo, Professor of the Graduate School of International Relations, University of Shizuoka

Mr. NAGASAKI Yasuhiro, NHK Senior Correspondent, NHK-BS News Anchor



Prof. SUEZAWA Megumi, Associate Professor, Heisei International University  
Mr. TAKENAKA Shigeo, Secretary General, Asian Productivity Organization  
(former Ambassador to Turkey)  
Prof. UEGAKI Akira, Professor, Faculty of Economics, Seinan Gakuin University

**【Observers】**

Mr. Serdar CENGİZ, First Counsellor, Embassy of the Republic of Turkey in Japan  
Ms. Vera STEFANOVA, Counsellor, Embassy of the Republic of Bulgaria in Japan

( In Alphabetical Order )

**【The Global Forum Secretariat】**

Ms. WATANABE Mayu, Executive Director  
Ms. HAYASHI Yuka, Officer in Charge  
Mr. FUKUDA Toshio, Secretarial Staff  
Ms. NORO Naoko, Secretarial Staff  
Ms. FUJII Miyuki, Secretarial Staff  
Mr. NAGAYAMA Daigo, Secretarial Staff  
Mr. KEVORK Christopher, Secretarial Assistant  
Ms. KIM Jemma, Secretarial Assistant  
Mr. KOHO Takaya, Secretarial Assistant  
Mr. SANO Takeshi, Secretarial Assistant

( In Seniority Order )



### 3. Biographies of the Panelists

#### **[Black Sea Panelists]**

##### **Ioan Mircea PASCU**

former Minister of National Defense of Romania

Received his M.A. from the Academy of Economics, Bucharest in 1971, and his Ph.D. from the Institute of Political Sciences, Bucharest in 1980. Served Presidential Counselor at the Political Analysis Department of the Romanian Presidency, Minister of National Defense, and Professor at the International Relations Section of the National School for Political and Administrative Studies in Bucharest.

##### **Mustafa AKŞİN**

Chairman of the Board, the International Centre for Black Sea Studies (Turkey)

Received an M.A. from the University of Ankara in 1954, and an M.A. from the Fletcher School of Law and Diplomacy in 1955. Served various positions including Ambassador to Kenya, Syria, and Yugoslavia, Permanent Representative at the United Nations, and Dean of Students and Senior Lecturer at Bilkent University, Ankara.

##### **Sergei GONCHARENKO**

Deputy Director of the Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation

Entered the Ministry of Foreign Affairs and served various positions. Also, served as Chairman of the Committee of Senior Officials of the Organization of the Black Sea Economic Cooperation, Chairman of the Working Group on Economic Cooperation at the Barents/Euro-Arctic Council from 2000-01, Chairman of the Working Group on Economic Cooperation at the Council of the Baltic Sea States from 2001-2002. Concurrently, Senior official of the Russian Federation at the Organization of the Black Sea Economic Cooperation.

##### **Yuriy KOSTENKO**

Ambassador of Ukraine to Japan

Graduated from the Taras Shevchenko University, Kiev, in 1968. Entered Foreign Service in 1968. Served various positions in Ukraine's Ministry of Foreign Affairs including Ambassador to Austria, Ambassador to the Federal Republic of Germany and Ambassador-at-large. Since March 2001, Ambassador of Ukraine to Japan.

##### **Polyxeni PETROPOULOU**

First Counselor (Political Counselor), Embassy of Greece in Japan

Received her M.A. from York University, and studied at the National School of Public Administration, Athens. Served various positions including First Secretary and Consul of Greece in Melbourne, First Counselor of the Embassy of Greece in Brussels, Deputy Director of North American Department at the Ministry of Foreign Affairs, and since 2003 Deputy Head of Mission, Embassy of Greece in Tokyo.

##### **Oğuz ÖZGE**

Ambassador, Director General for Economic Affairs at the Ministry of Foreign Affairs of Turkey

Graduate of Ankara University, Faculty of Political Sciences. Entered the Ministry of Foreign Affairs and served various positions including Chief of Section in Multilateral Economic Affairs Department, Head of Department in the Directorate General of European Council, Deputy Director General in the Directorate General of European Union from 1996-1998, Deputy Director General in the Directorate General of Central Europe and Baltics from 1998-1999, Ambassador to Moldova from 1999-2004.

**Blagovest SENDOV**

Ambassador of Bulgaria to Japan

Received his Ph.D. from Sofia University in 1964 and was conferred the Scientific Degree “Academician” in 1981. Served various positions including Dean of the faculty of Mathematics at Sofia University, President at Bulgarian Academy of Sciences, Chairman of the 37<sup>th</sup> National Assembly of the Republic of Bulgaria. Since December, 2003, Ambassador to Japan.

**Aurelian NEAGU**

Ambassador of Romania to Japan

Graduated from Academy for Economic Studies in Bucharest in 1983. Entered the Ministry of Foreign Affairs and served various positions including Counsellor at the embassy of Romania in Seoul and at Asia, Africa and Middle East Division at the Ministry of Foreign Affairs.

**Konstantin SARKISOV**

Professor, Department of Politics and Public Administration, Faculty of Law, Yamanashi Gakuin University (Russia)

Graduated from the St. Petersburg (Leningrad) State University in 1966. Received his Ph.D in 1975, “Japan and the United Nations.” Served various positions including President of the Russian Japanologists Association, Visiting Professor of Hosei University, Visiting Professor at Hitotsubashi University, Special visiting Professor at Keio University.

**Tedo JAPALIDZE**

Secretary General, Organization of the Black Sea Economic Cooperation

Graduated from Tbilisi State University. Entered the Ministry of Foreign Affairs in 1989. Served Assistant of the Head of the Council of National Security and Defense of Georgia, Ambassador of Georgia to the United States of America, Canada and Mexico, Minister of Foreign Affairs of Georgia from 2003-2004. Before assuming his responsibilities in the BSEC PERMIS, he was the Honorary Chairman of the Transcaucasus Foundation and Special Advisor to Washington Strategic Advisors, LLC.

**Solmaz ÜNAYDIN**

Ambassador of Turkey to Japan

Received M.A. from Bryn Mawr College, Pennsylvania, USA. Entered the Ministry of Foreign Affairs in 1967. Served various positions including Second Secretary and Counsellor in the Permanent Mission of Turkey to the U.N., First Secretary at the Turkish Embassy in Egypt, Ambassador of Turkey to Sweden and Poland, Director General of the Department for Overseas Promotion of Turkey, Director General for Policy Planning Department.

**Tatyana KOZNETSOVA**

Head of Chancery of the Director General, the Ministry of Foreign Affairs of the Russian Federation

Entered the Ministry of Foreign Affairs Head of Department at the Administration of the President of the Russian Federation from 1994-2003.

(In order of appearance)

## **[Japanese Panelists]**

### **ITO Kenichi**

President, The Global Forum of Japan (GFJ)

Graduated from Hitotsubashi University. Entered the Ministry of Foreign Affairs in 1960. Studied at Harvard University from 1961-63. Served in the Japanese Foreign Service until 1977. Concurrently, President & CEO of the Japan Forum on International Relations (JFIR), President of CEAC, President & CEO of GFJ, and Professor at Aoyama Gakuin University.

### **HARADA Chikahito**

Director-General, European Affairs Bureau, Ministry of Foreign Affairs

Graduated from Tokyo University in 1974. Entered the Ministry of Foreign Affairs in 1974. Served various positions including Director of Russian Division of European Affairs Bureau, Deputy Director-General of North American Affairs Bureau, DDG of European Affairs Bureau, and Envoy Extraordinary and Minister Plenipotentiary of Japan to China.

### **KAI Noritake**

Governor, GFJ

Graduated from Hitotsubashi University. Entered the Ministry of Foreign Affairs in 1964. Served various positions including Director of the First Africa Division, Deputy Chief of Protocol, Ambassador to Panama, Ambassador to Lebanon, Ambassador to Tunisia, Professor at Kagoshima Prefectural College in 2003. Concurrently, Councilor of the Japan Forum on International Relations.

### **UEGAKI Akira**

Professor, Faculty of Economics, Seinan Gakuin University

Graduated from the University of Tokyo in 1974. Received his M.A. from the University of Tokyo in 1977 and his Ph.D. in Economics from University of Tokyo in 1994. His research interests include comparative economic systems, Russian economy, and Romanian economy.

### **TAKENAKA Shigeo**

Secretary General of Asian Productivity Organization (former Ambassador to Turkey)

Graduated from Hitotsubashi University, graduated from Swarthmore College, USA. Entered the Ministry of Foreign Affairs in 1965. Served various positions including, Ambassador in charge of inspection, Ambassador to Turkey, Ambassador to Bangladesh, Executive Director of the Metal Mining Agency of Japan and Director General at the Department of Immigration of the Ministry of Justice.

### **IMAMUA Akira**

Director, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan

Graduated from University of Tokyo in 1984. Entered the Ministry of Foreign Affairs in 1984. Served various positions including First Secretary at the Embassy in Russian Federation, Counselor at the Embassy in the USA, Director of the Russia Assistance Division of the European Affairs Bureau.

### **MUTSUSHIKA Shigeo**

Professor, Graduate School of International Relations, University of Shizuoka

Graduated from Sophia University (Tokyo) in 1976. Received his M.A. in International Relations from Sophia University in 1978, and his Ph.D. in Law from Bucharest University in 1985. Visiting Fellow at the European Institute of London School of Economics and Political Science (July 2000-March 2001), Dean of the Faculty of International Relations (January 2002-December 2003) and a Presidential aid of University of Shizuoka (June 2005~present).

**ISHIHARA Tadakatsu**

Senior Coordinator, Policy Planning Division, Ministry of Foreign Affairs  
of Japan

Graduated from Tohoku University. Entered the Ministry of Foreign Affairs in 1971. Served various positions including First Secretary at the Embassy in the German Democratic Republic, and Switzerland, Consul at the Consulate-General in Berlin.

**SUEZAWA Megumi**

Associate Professor, Heisei International University

Received her M.A. from the Graduate School of Political Science, Tokai University in 1990, Studied at Moscow State University, Graduate School of International law from 1990-1991, became a Ph.D. candidate at Tokai University in 1993. Served as Research Fellow, Center for Russian Studies and Center for Global Issues (European Section), The Japan Institute of International Affairs from 1995-2002. Concurrently, Lecturer at Tokai University from 1993-present.

**HAKAMADA Shigeki**

Professor, Aoyama Gakuin University

Graduated from Tokyo University in 1967 and engaged in postgraduate studies at Moscow State University from 1967 - 72. Served as visiting fellow at Princeton University, visiting Professor at Tokyo University, visiting Professor at Moscow State University. Concurrently, professor (former dean) of School of International Politics, Economic and Business at Aoyama Gakuin University. President of the Japanese Society for Russian and East European Studies, an opinion leader member of GFJ.

**NAGASAKI Yasuhiro**

NHK Senior Correspondent, NHK-BS News Anchor

Joined NHK in 1981. After the fall of the Berlin Wall in 1989 has reported on the ongoing reforms towards market economy in East European former socialist states and has continued to cover and analyze their EU accession process for NHK's International News/News Department. Also covered and produced stories on ethnic issues in post-cold war Europe, such as the Bosnian conflict in former Yugoslavia. Stints as correspondent in Tehran, Berlin, Prague, Geneva and Moscow. NHK-BS news anchor since April 2003.

**HIROSE Yoko**

Senior Lecturer, Graduate School of Area and Culture Studies, Program  
of Peace and Conflict Studies, Tokyo University of Foreign Studies

Received her M.A. in Law (1997) from the University of Tokyo and became a Ph.D. candidate in 1997. Researched in Azerbaijan as the Akino Fellow of UN University from 2000-2001. Served as Research Fellow of the Japan Society for the Promotion of Science from 2001-2002, Assistant Professor at Keio University, Faculty of Policy Management from 2002-2005. Concurrently, Special Researcher at National Museum of Ethnology and at Slavic Research Center, Hokkaido University, Part-time lecturer at Keio University.

**KANEKO Toru**

Staff writer, The Yomiuri Shimbun ( Japanese daily newspaper )

Entered The Yomiuri Shimbun in 1994. Since 2000, staff writer of the International news department.

(In order of appearance)

## 4. Outlines of Discussions

The Global Forum of Japan co-hosted, together with the International Center for Black Sea Studies etc., “The Japan-Wider Black Sea Area Dialogue” on 27<sup>th</sup> and 28<sup>th</sup> of November 2005 in Tokyo. The theme was “Peace and Prosperity of the Wider Black Sea Area and the Role of Japan.” The event was supported by the Japan Foundation, the Ministry of Foreign Affairs of Japan, Yomiuri Shimbun and others.

There were fourteen participants from such countries as Ukraine, Bulgaria, Greece, Turkey, and Russia, among whom were a former Defense Minister from Rumania and a former Foreign Minister from Georgia, while there were also fourteen participants from Japan including Mr. HARADA Chikahito, Director General of the European Affairs Bureau of MOFA and Prof. ITO Kenichi, President of the Global Forum of Japan.

This “Dialogue” was first proposed by the Black Sea Area side and followed up by the Japan side through a year of preparation, resulting in the successful “First Dialogue” between Japan and the Black Sea Area countries. The “Dialogue” was composed of the three Sessions of “Functional Cooperation,” “Big Power Strategy,” and “Japan’s Role.”

First, Mr. Mustafa AKŞİN, Chairman of the International Center for Black Sea Studies, stated, “After the end of the Cold War Turkey has taken initiative to promote economic cooperation in the Black Sea Area, and in 1992 the Organization of Black Sea Economic Cooperation (BSEC) was established with the membership of six littoral and six non-littoral states.”

Then, Mr. Tedo JAPARIDZE, Secretary General of the Organization of BSEC, reported the achievements of regional cooperation in the fields of energy, transport, environment, trade, economic development, tourism, agriculture, science and technology, democratization, human rights, anti-drug trafficking, control of arms smuggling, counter-terrorism, etc.

Further, Mr. Ioan Mircea PASCU, former National Defense Minister of Rumania, reminded the participants of the strategic importance of the Black Sea

Area from the ancient times as a cross roads intersected by the East-West corridor connecting Europe with Central Asia and the North-South corridor connecting Russia with Middle East. Then he referred to the strategic importance of the Area today as a corridor for passage of oil and natural gas produced in the Caspian Sea. Finally he added that Japanese enterprises had already invested in the Area for the development of energy projects.

Amb. Solmaz ÜNAYDIN of Turkey stressed that the economic growth rate of this Area in the year of 2004 was as high as 7 percent. Mr. Sergei GONCHARENKO, Deputy Director of Economic Affairs Department of Russian Foreign Ministry, asked Japanese investors to pay attention to the plan to build networks of electric power supply and automobile high ways covering the entire region.

Finally, Secretary General JAPARIDZE requested Japan to apply for an observer status in BSEC. In response, Director General HARADA assured that he would positively study the matter.

## 5. Policy Recommendations

1. As a global player and a leading economic power, Japan should consider becoming in the near future an observer to the organization of the Black Sea Economic Cooperation (BSEC) as the US, Russia etc., which has been at the center of dynamic and strategic changes occurred recently in the Black Sea region.
2. Japan's pacifism is needed as a positive model for the region. Considering the existing regional conflicts, Japan's involvement in helping the consolidation of peace and democratization of the region would be a welcome contribution.
3. Japanese business and entrepreneurs should study closely investment opportunities in areas such as hotels and infrastructure in tourism in the region. Japanese airlines should consider extending their operations to the BSEC countries, where their absence is conspicuous.
4. Japan should take part in working groups of the BSEC on energy, trade and development. Japan Foundation is requested to consider running one of these meetings in Istanbul.
5. Japan is invited to arrange seminars on topics such as small and medium scale enterprises, taxation and services industry. Japan should also show active interest in large scale projects in such areas as electric power, highways, and the widening of internal waterways .The construction of a new water transport system connecting the Caspian Sea region to the Black Sea region should also be given considerations.
6. It would be recommendable for Japan to send several Japanese entrepreneurs to the region for six months or a year to identify options for regional development and present them to the Japanese business community.
7. This Dialogue should be followed by meetings in Istanbul, Tokyo or Moscow and The GFJ is invited to these meetings.



# Papers of Speeches

## Welcome Dinner Speech

**ITO Kenichi**  
**President, Global Forum of Japan**

His Excellency Minister Ioan Mircea PASCU, Mr. Tedo JAPARIDZE, Distinguished Participants of the "Japan Wider Black Sea Area Dialogue," Ladies and Gentlemen,

In my capacity as President of the Global Forum of Japan (GFJ), which is the host of the "Japan Wider Black Sea Area Dialogue," I would like to extend my heartfelt welcome to all of you who have gathered here to attend the "Japan Wider Black Sea Area Dialogue" to be held tomorrow. Particularly to those of you who have traveled thousands of miles to come to Tokyo from the Wider Black Sea Area.

Frankly speaking, until today there have existed no contact, much less relationship, between Japan and a regional grouping called the Wider Black Sea Area. We, Japanese, were not even aware of the presence of such a regional entity as called the Wider Black Sea Area. But starting today, we will be in close touch with each other.

Though we were not very familiar with the circumstances in which the countries of the Wider Black Sea Area were situated, we were quick to understand the implications of the state of the Wider Black Sea Area because they seemed to resemble those of the state of the Japan Sea Area. Both the Black Sea and the Japan Sea were a frozen sea during the Cold War years. They were the forefront of the confrontation between East and West during the Cold War. However, after the end of the Cold War a new relationship of mutual communication and cooperation is growing in the Japan Sea Area. Therefore, we, Japanese, could instantly grasp the meaning of the Wider Black Sea Area when we first heard about it. Tomorrow we would like to hear more about the implications of the formation of the Wider Black Sea Area and to think about the perspective of peace and prosperity in the Area.

The world is quickly changing. For instance, in this part of the world the concept of what is called an "East Asian Community" is being discussed not only on the private level of Track 2 but on the official level of Track 1. Next month in Kuala Lumpur, Malaysia, there will be held what is called the "East Asian Summit," where heads of state of 10 ASEAN nations plus Japan, China, Korea, India, Australia and New Zealand will

assemble. In your part of the globe, the former Soviet Union dissolved into the three independent nations of Russia, Ukraine and Georgia, while Romania followed the suit of Turkey and Greece in joining NATO. In this context of global change, which is accelerated by the rapidly growing interdependence between nations and regions, it becomes timely and appropriate for us to hold the “Japan Wider Black Sea Area Dialogue” tomorrow.

Let me conclude my Welcome Remarks by saying that I sincerely hope that tomorrow’s “Dialogue” between us will pave the way for strengthening of contacts and cooperation between Japan and the Wider Black Sea Area. Thank you very much.

## Opening Remarks Speeches

ITO Kenichi  
President, Global Forum of Japan

As I announce the opening of the “Japan and Wider Black Sea Area Dialogue,” it may be necessary and appropriate to say a few words on how the idea of this Dialogue was born and has been evolved. True, as everybody in this room will concur, the Black Sea Area and Japan are separated from each other by a huge distance, but, thanks to the end of the Cold War and the ensuing process of globalization, we are becoming first neighbors and then friends very quickly. The proposal to hold this Dialogue between the Black Sea Area and Japan came first from our friends in Romania. Let me disclose that twelve years ago in 1993 H.E.Prof. Ioan Mircea PASCU was staying with us at the Japan Forum on International Relations, sister organization of the Global Forum of Japan, as a senior visiting research fellow. Later upon his return to Romania, he became a politician and served as the Defense Minister of Romania until very recently. It was he and his friends in the Black Sea University Foundation who suggested this Dialogue.

However, frankly speaking, we were not sure at the outset that this idea will be understood and accepted in either Japan or in the Black Sea Area countries. However, there was a way where was a will. Many people with whom we consulted, including Mr. OGURA Kazuo, President of the Japan Foundation, on the Japanese side and Ambassador Solmaz UNAYDIN of Turkey on the Black Sea side, were quick to understand the importance of such a “Dialogue” and instantly offered us their helping hand. Without their support this “Dialogue” would have never materialized. Let me also mention that the personal decisions taken by Mr. HARADA Chikahito, Director-General of the European Affairs Bureau of the Ministry of Foreign Affairs of Japan, and Mr. Tedo JAPARIDZE, Secretary-General of the Organization of the Black Sea Economic Cooperation, to participate in this “Dialogue” in person elevated the relevancy of the “Dialogue.” Finally, it is my pleasure to introduce to you that the Yomiuri Newspaper, the biggest commercial newspaper in the world with the daily circulation of over ten million copies, have kindly agreed to print and report the contents of our “Dialogue” to its readers.

Now let me also say a few words on the Global Forum of Japan which is the organizer of this “Dialogue.” The Global Forum of Japan is known for its long history of policy-oriented international exchanges dating back to 1982, when Japanese, Americans, Europeans and Canadians met in Washington and established the then so-called Quadrangular Forum. After the end of the Cold War, the Quadrangular Forum itself

was dissolved in 1991. However, the Japanese component of the Quadrangular Forum survived as a national body for policy-oriented international exchanges with Japan as a hub for all countries in the world and has been active as such since then in the name of the Global Forum of Japan. Every year we organize three to four what we call “Dialogues.” This year we have already had such “Dialogues” with Korea and the Association of Southeast Asian Nations—ASEAN. Next year we will have such “Dialogues” with China, the United States and ASEAN.

Welcoming all of you who have participated in this “Dialogue” and hoping a fruitful exchange of views and opinions among you, let me conclude my opening remarks. Thank you again.

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**HARADA Chikahito**  
**Director-General, European Affairs Bureau, Ministry of Foreign Affairs**

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Distinguished participants,  
Ladies and gentlemen,

It is a great pleasure for me to make a few introductory remarks to you on this intellectually intriguing theme: peace and prosperity in the wider Black Sea area and the role of Japan.

The wider Black Sea area is distinctive in its dynamism and diversity where various cultures co-exist after centuries of the rise and fall of different civilizations. The area, however, has never been recognized as a region with common characteristics until recently. This is partially because the geographical scope of the area extends all the way from Europe, the Caucasus to the Middle East. Many countries, therefore, have yet to design a foreign policy which encompasses the entire area. Japan regrettably is no exception.

However, if looked at from a different angle, the area has been gradually acquiring common features of geopolitical and economic importance. This gives us some hints for a possible role that Japan can play in this area.

I would like to mention some of the significant features which enable Japan to involve itself in the area. First, in recent years, the area has become an important transportation route of energy resources connecting the Caspian Sea with Europe. As Caspian oil development projects in which Japanese companies also participate increase their production, not only the Baku-Tbilisi-Ceyhan (BTC) pipeline project but also the Black Sea itself are being increasingly used for the transportation of oil by tankers. With the Bosphorus Straits already heavily burdened, the ports on the western coast of the Black Sea are gaining significance. Japan has provided yen credits in order to upgrade the

capacity of terminal ports through the Bourgas Port Expansion project in Bulgaria and the Rehabilitation of Port of Constanza Project in Romania. Furthermore, while further improvement needs to be made for a more favorable investment environment, Japan finds the area attractive as a potential partner for trade and investment, with a market of 400 million people and competitive labor costs.

Second, there is an increasing trend in the area toward democratization and market reforms, accompanied by an aspiration to accession to the EU and NATO. This trend has become more evident especially after the so called “Rose Revolution” of Georgia in 2003 and “the Orange Revolution” of Ukraine in 2004. Organizations such as GUAM (Georgia, Ukraine, Azerbaijan, Moldova) and the Community of Democratic Choice created by Ukraine and Georgia aim at achieving many of these goals. Considering democratization as an important factor for regional stability, Japan actively assists their efforts toward democratization, through the dispatch of the election observation missions to Georgia, Ukraine and Moldova, and the undertaking of a high-level dialogue with these countries. One example of the latter is the meeting between Mr. Junichiro Koizumi, Prime Minister of Japan, and Mr. Viktor Yushchenko, President of Ukraine in July this year on the occasion of Mr. Yushchenko’s visit to Japan. The two leaders signed a Joint Statement in which Japan reaffirmed its intention to further support the consolidation of democracy in Ukraine. Japan has also provided the countries in the area with technical assistance not only in support of democratization, but also for the purpose of human resource development to promote further transition to a market economy.

Third, as history has demonstrated, the area is not immune from conflicts. Even today conflicts remain in such region as Transdnestr, Abkhazia, South Ossetia and Nagorno-Karabakh, and these are the primary factor of instability in the area. Although ethnic, religious and other issues continue to complicate these conflicts, Japan calls for their peaceful settlement. Placing “peace consolidation and nation building” as one of the pillars of Japan’s international cooperation, Japan is ready to consider assisting the area in its efforts in peace building during the post-conflict stage. In fact, Japan took such an initiative in the Western Balkans by co-chairing with the EU, the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans in Tokyo last year, with a view to encouraging the countries in the region to fully cooperate in accomplishing peace consolidation and sustainable economic development, with participation from Western Balkan countries as well as many countries of the wider Black Sea area.

Fourth, the area is facing problems which have cross-border implications and require regional cooperation, such as infectious diseases as well as transnational organized crime including the trafficking of drugs and human beings. The illegal trade of arms and proliferation of weapons of mass destruction are also the issues of our concern. Taking into consideration their global implications, Japan is cooperating in addressing those problems by participating in the Regional Center of SECI (Southeast European

Cooperative Initiative) for Combating Transborder Crime in Bucharest and the Science and Technology Center in Ukraine (STCU) in Kiev.

Japan highly values initiatives of regional cooperation in the area as an effective tool for building confidence, coping with transborder issues and promoting trade and investment. We consider that such cooperation must be open to all the countries of the region. In that sense, we welcome the constructive role played by the Organization of the Black Sea Economic Cooperation (BSEC) as a unique body encompassing all the countries of the region. Against the background of the new tendencies mentioned above, we expect that it can even further strengthen its activities. Many countries of the region are also taking their own initiative for regional cooperation. Georgia attaches importance to the east-west transportation corridor as a pillar of its economic policy. Romania also promotes “the Black Sea policy” and intends to become a mediator which would prevent potential conflicts over energy from occurring in the area.

Japan, as an honest partner of the area, intends to continue assisting the efforts made by the countries of the region toward democratization and a market economy. We would also like to encourage the further improvement of the environment for trade and investment and to continue cooperation particularly in dealing with transborder issues in such fields as environmental protection, climate change and transnational organized crime. I am convinced that the strengthening dialogue between countries of the region and Japan at various levels will contribute to the promotion of such cooperation. Today’s meeting organized by the Global Forum of Japan is a valuable attempt at a non-governmental level and I would like to express my sincere gratitude for the Forum.

I would like to close my remarks by wishing for success in the wider Black Sea cooperation, and wishing our sumo wrestlers Koto-osu from Bulgaria and Kokkai from Georgia, bridge-builders of a friendly relationship between Japan and the area, good luck in their pursuit of higher titles in the tournaments.

Thank you very much for your attention.

## **Session I**

### **Review and Perspective of the Functional Cooperation in the Area**

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**Mustafa AKŞİN**

**Chairman of the Board, the International Centre for Black Sea Studies**

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## **Review and Perspective of the Functional Cooperation in the Area**

Mr. Chairman,

Over the last 15 years, we have witnessed the ending of the Cold War and the changes that occurred throughout the globe in the aftermath of this historic event. At the epicenter of these momentous changes were Eastern Europe and the region referred to as Eurasia, stretching from Eastern Europe all the way into Central Asia and the frontiers of China. At the center of this vast region lies the Black Sea basin where the land routes and sea lanes connecting east and west and north and south intersect. This is the region that overlaps the Balkans, the Caucasus and the Middle East and constitutes the link between the Caspian Sea and the Mediterranean Sea. Located at this strategic spot, it was natural for Turkey to take the initiative at the beginning of the 1990s and propose the formation of a regional cooperation arrangement that would ensure that the Black Sea becomes a sea of peace, stability and prosperity through closer economic cooperation. This was the background against which the Black Sea Economic Cooperation (BSEC) came into being in 1992 with the participation of 11 states. These were Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. In 2004, Serbia and Montenegro joined BSEC as its 12<sup>th</sup> member.

The founding members of BSEC had little in common when they embarked on their cooperative venture. Six of them were component republics of the former Soviet Union, which had dissolved the previous year. Three members were former single-party states with centrally planned economies. Only Greece and Turkey had market economies. At the time, Greece was already a member of the European Union. Although both were NATO allies, Greece and Turkey were at odds over a number of unresolved disputes. Some of the 11 countries were struggling with separatist movements and others were in open conflict with one another. All but two of the member states were going through the painful transition from communism to a market economy, a process usually involving drastic economic contraction, hyperinflation, unemployment, penury and very often, political instability.

And yet, the leaders of these countries had the wisdom and foresight to engage in regional economic cooperation at a time when their attentions were focused on pressing domestic issues and their only common denominator appeared to be geographic location in the Black Sea region.

At first, BSEC was merely a commitment to engage in economic cooperation and to be bound by the Helsinki Final Act and the principles of the Organization for Security and Cooperation in Europe. However, in 1998, the Heads of State of the member countries signed the BSEC Charter, subsequently ratified by the national parliaments. This transformed the BSEC from being a process of cooperation into a fully-fledged



international organization and paved the way for closer cooperation with similar organizations. Today, BSEC has observer status at the General Assembly of the UN and cooperation with other organizations like the World Bank, the OECD and the EU. BSEC is in the process of tightening its links with the EU as Bulgaria and Romania make ready to join Greece as full members by 2007. In addition, Turkey is now engaged in accession talks with the EU.

After this introductory background information, we can turn to the structure of BSEC and how it functions.

The decision-making organ of BSEC is the Council of Ministers of Foreign Affairs. The Council acts upon the recommendations of the Committee of Senior Officials whose members represent the Ministers and oversee the implementation of the decisions and recommendations of the Council. BSEC has a Secretariat headed by the Secretary General. The location of the Secretariat is Istanbul. The work of BSEC is carried out through Working Groups consisting of government representatives and experts with each Working Group dealing with a particular sector. The Working Groups meet periodically and report to the Senior Officials. There are 15 Working Groups in sectors like energy, transport, environment, trade and economic development, tourism, agriculture, science and technology and others.

BSEC has 4 related bodies consisting of the Parliamentary Assembly of BSEC (PABSEC), the BSC Business Council (BSEC BC), the Black Sea Trade and Development Bank (BSTDB) and the International Center for Black Sea Studies (ICBSS), which is one of the co-sponsors of this meeting. I will now briefly describe these related bodies.

PABSEC is the parliamentary dimension of BSEC cooperation. It is active in areas like harmonizing legislation to facilitate trade, combating organized crime and enhancing democracy, human rights and the rule of law. It was established in 1993 and its Secretariat is located in Istanbul. PABSEC conducts its business through 3 committees: 1) Economic, Commercial, Technological and Environmental Committee; 2) Legal and Political Affairs Committee and 3) Cultural, Educational and Social Affairs Committee.

The BSEC Business Council, with its Secretariat also located in Istanbul, is a non-governmental organization that brings together the business communities of the member states. Among its activities are promotion of investments into the region, elimination of impediments to trade, helping develop cooperation among small and medium sized enterprises and so forth.

The Black Sea Trade and Development Bank, located in Thessaloniki, Greece, is the financial arm of BSEC. Since it became operational in 1999, the Bank has developed into an effective instrument providing credit for cross-border projects, financing exports and so forth. The Bank has an active portfolio of \$ 675 million and an investment-grade rating from Moody's.

Another related body is the International Center for Black Sea Studies with headquarters in Athens. Established in 1998 at the initiative of Greece, the ICBSS represents the scientific and academic dimensions of Black Sea cooperation. The Center

also carries out the function of a think tank, supporting the BSEC Secretariat with intellectual inputs. To cite one example, the ICBSS made a major contribution to the drafting of The BSEC Economic Agenda for the Future that was adopted in 2001. The ICBSS has also contributed to publicizing the work of BSEC, particularly within the EU and helped in fostering institutional cooperation between BSEC and the EU.

After 13 years of existence, BSEC and its related bodies can claim to have achieved maturity and scored some noteworthy successes. >From being engaged in purely economic cooperation, BSEC has broadened its activities to encompass new fields. These include environmental protection, water management, science and technology, institutional renewal and governance, seismic protection and soft security measures in the framework of multilateral cooperation. Soft security includes combating organized crime, illegal trafficking of drugs and arms, terrorism, corruption and money laundering. The member states have recently concluded the Agreement on Combating Organized Crime, which is considered to be a serious impediment to investments and an obstacle to economic development.

Gradually, rhetoric in the BSEC has turned into concrete action in a broad range of fields. One such field is the creation of the Project Development Fund designed to provide financial support to projects of regional interest. Another is the Agreement on Cooperation in Emergency Assistance in Natural and Manmade Disasters signed on 15 April 1998. An important accomplishment is the Research Potential of the Black Sea Countries Project undertaken by ICBSS and designed to compile an inventory of the research potential of member countries and identify opportunities for cooperation in this field. This list should give an idea of some of the tangible achievements attained within the framework of BSEC and its related bodies.

After 13 years, BSEC members have made much progress in getting into the habit of working with their Black Sea neighbors for the common good. During this period, many outstanding problems among members have been resolved. Coming from Turkey, I can say that relations with Greece, both political and economic, have seen a dramatic transformation since 1992. Although we still see unresolved bilateral disputes between BSEC members that need to be addressed, the atmosphere today is much more conducive to their eventual resolution than the prevailing atmosphere in 1992. There is more political stability and democracy in the region today. But most striking is the progress achieved in the economic sphere. Hyperinflation has been mastered and the national economies have been stabilized through good macroeconomic management. Much privatization has taken place and all of the member countries are enjoying healthy growth. In fact, the robust growth in some of the members could well place them in the category of "tiger economies" if this pace is kept up. In some cases, there has been healthy expansion of intra-regional trade, though the overall record in this area is mixed. For instance, there is the case of bilateral trade between Russia and Turkey, the two largest economies in BSEC. In 1992, this trade amounted to \$ 1.5 billion, but by the year 2004, it had reached a figure in excess of \$ 10 billion, though it must be pointed out that sales of Russian oil and gas accounted for a substantial share of this sum. However, as the trade of the former component republics of the USSR diversifies, the share of

intra-BSEC trade has tended to fall and BSEC needs to do more to improve transport links, speed up border-crossing procedures and eliminate the many obstacles still standing in the way of expanding trade. Cross-border investments are growing nicely, with considerable sums from Greece, Russia and Turkey being invested in other BSEC countries.

Mr. Chairman,

Let me come back to the location of the Black Sea region. BSEC is a neighbor of the EU, a market of 454 million people with an economy that is larger than the US economy. BSEC is also next door to the greater Middle East, the region that is forecast to receive oil income in the magnitude of 600 billion to 1.2 trillion dollars over the coming years. The population of BSEC countries is in the region of 330 million people and the land area of members extends over 20 million square kilometers. BSEC countries have the world's largest oil and gas reserves after the Middle East. Russia by itself is the largest oil producer after Saudi Arabia. BSEC neighbors like Kazakhstan and Turkmenistan, large producers of oil and natural gas, depend on BSEC members to export their production to world markets. In fact, Georgia, Turkey, Ukraine, Romania and Bulgaria are already serving as energy corridors and Greece will join their ranks as an energy corridor to Western Europe when the Turkish and Greek natural gas pipeline networks are linked in the coming months. Further projects for alternative oil pipelines are in the advanced planning stage to relieve the Turkish straits from excessive tanker traffic, which poses a grave threat to the environment.

Against this background, is it surprising that the US has applied for observer status with BSEC? The present observers in BSEC are Egypt, France, Germany, Israel, Italy, Poland, Slovakia and Tunisia and last month Belarus, Croatia, the Czech Republic and the US joined this list as observers.

As a major global economic actor, it seems to me that Japan cannot afford to neglect this region so strategically placed and with so much promise. That is why we should welcome the holding of this dialogue and congratulate the Global Forum of Japan for its timely initiative. Since I come from Turkey, let me give you some examples from my

country about the possibilities for Japanese traders in Turkey. The share of Japan in Turkey's imports is a mere 2 % of Turkey's total annual imports of over \$ 100 billion. Although we are happy to see major Japanese investors like Toyota, Honda and Bridgestone producing in Turkey, the number of Japanese firms with such investments is only 67 out of 15,000 Japanese firms with overseas operations. These random figures demonstrate that there is much room for growth in Japan's presence in our region, especially in the energy and manufacturing sectors. BSEC countries are well endowed with natural resources, skilled manpower and scientific talent to make such investments profitable.

The same is true for Japanese construction companies as the BSEC countries get ready to undertake large infrastructure projects to capitalize on their strategic location. We in Turkey have already seen in the 1980s Japanese firms constructing the suspension bridge over the Bosphorus, linking Europe with Asia. Now we are witnessing the performance of Japanese firms as they build the rail tunnel under the Bosphorus to link Europe with Asia one more time. All of us in BSEC expect Japanese firms to repeat these feats in our region.

Predictions are that one of the fastest growing industries in the 21<sup>st</sup> century will be the travel industry. Greece and Turkey are already major destinations for tourists and the potential for further tourism growth in the region is very promising, given the sunny beaches, skiing resorts, archaeological treasures, rich cuisine and cultural diversity of our member countries. Japanese investors should be looking closely at the possibilities for investments in hotels and other tourist infrastructure. Also Japanese airlines should seriously consider extending their operations to more BSEC airports where the Japanese absence is conspicuous.

Let me end by saying that for up to date information on the new opportunities in these exciting emerging markets, Japanese businessmen should not fail to address themselves to the Black Sea Trade and Development Bank in Thessaloniki and the BSEC Business Council in Istanbul.

Thank you.

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**UEGAKI Akira**

**Professor, Faculty of Economics, Seinan Gakuin University**

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### **International Trade and Economic Cooperation of BSEC Countries**

#### The End of Cold War and BSEC

The end of the Cold War opened new possibilities of international relations in the world. Who could imagine the economic relation between South Korea and Uzbekistan 20 years ago? The economic relation between the USA and Azerbaijan is also a typical new phenomenon after the Cold War. The Black Sea area would be one of the most promising areas among others that could take advantage of this new world situation. This area includes countries of the former and today's members of COMECON, Warsaw Pact, Soviet Union, NATO, OECD and EU. If they can overcome the past political and economic constraints of these frameworks, they might well expect a prosperous economy on this area.

In fact the Black Sea Economic Cooperation (hereafter BSEC)<sup>1</sup> was set up in June 1992 in order to promote "mutually advantageous cooperation arising from their geographic proximity and from the reform process and structural adjustments". On June 5, 1998, the member states adopted a Charter in Yalta, which transformed the BSEC into a regional economic organization with an international legal identity. The Charter was ratified by the respective parliaments by May 1, 1999 (Aral, 2002).

After thirteen years, however, we cannot observe any apparent economic achievement of the organization. The percentage of the intra-BSEC export in their total export to the world was only 14.4% in 2003 and that of import was 16.8%.<sup>2</sup> On average, about 85% of each BSEC country's export and import goes to and comes from the countries other than the BSEC members. These figures show that the BSEC are playing a very limited role in the economy of the region. This paper presents how the international trade of the BSEC countries has developed recently and then shows some hints for further cooperation

#### Trade among BSEC Countries and Its Share

Figures 1 to 3 show the BSEC countries' share in the total export of each member country. Here we can find five categories of the BSEC countries. Moldova and Georgia show a stable but modestly declining trend at high level. Secondly, we see a steep decline in the

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<sup>1</sup> BSEC includes Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine.

<sup>2</sup> Calculated by the author using the data of *DTS*.

trend of Armenia and Azerbaijan. Thirdly a gradual decline from middle level is observed in the trend of Bulgaria, Ukraine and Albania. Fourthly, Greece's trend was kept stable at middle level. Lastly, three countries, Russia, Romania and Turkey, traced a stable trend at low level (see Table 1).

These trends are closely related with the export to Russia in each country. Table 2 shows the share of Russia in each country's total export. Here we can understand that the Moldova and Georgia's stable but modestly declining trend in figure 1 corresponds to the trend of both countries' export to Russia, which has been declining from 58.1% to 39.0% and from 29.8% to 17.7% respectively. Armenia and Azerbaijan's steep decline in Figure 1 corresponds to considerable decline of Russia's share in their export. Ukraine's gradual decline in Figure 2 corresponds to gradual decline of Russia's share in Ukraine's export from 26.2% to 17.8%. These facts suggest that Russia is an indispensable factor in the trade relations among BSEC countries. This is a natural result of largeness of the Russian economy. This means that without the trade with Russia, the intra-BSEC trade for each member country is a negligible part of the member's trade (See Aral, 2002, Note 9).

Table 3 tells us this problem clearly. If we exclude the trade with Russia from the intra-BSEC trade, the share will decline to 11.9% (export) and 10.0% (import) in 2003. Especially the 2003's data on the import side are important. The difference between the figure including Russia and that excluding Russia is 6.8% and this figure represents the import of the BSEC countries from Russia, a large part of which must be oil, gas and other natural resources.

Table 2, however, also shows another interesting feature of the trade among BSEC countries. It tells us that the former COMECON countries like Bulgaria and Romania do not have close trade relation with Russia any more. Their situation is different from that of the former republics of the Soviet Union. The share of Russia in the export of Bulgaria and Romania is even smaller than that of Greece or Turkey. Table 4 tells that Bulgaria, Greece, Romania and Turkey (I call them "BGRT Four") has been making a steady, though very modest, progress in promoting trade in the region. Especially Bulgaria's active role in this sub-region is impressive. We see a ray of hope for new structure among BSEC countries though the trade with Russia will remain the most important factor in the trade among the BSEC countries.

#### Current Account Deficit

The most important problem which would hinder the economic growth of the region is current account deficit of the BSEC countries. According to Table 5, all the BSEC countries except Russia and Ukraine has recorded current account deficit in their international transaction. The amount of the deficits is large enough to be considered as serious burden for the economic development of the region. For example, Romania's

deficit of USD 5,589 million in 2004 was 7.64% of its GDP.<sup>3</sup> Considering the fact that Japan's current account "surplus" in 2002 was only 2.83% of its GDP, the figure of Romania (not "surplus" but "deficit") is dangerously large.

The current account deficits of Turkey and Greece are so large that we must pay special attention to. If another financial and currency crisis occurs from Turkey or Greece, the region's economy will suffer great damage. Here the most important thing that the international financial cooperation among the member countries cannot be done under the circumstance of current account deficit of most of the countries (except Russia).

Besides, one problem is concealed under the data of Table 5. That is, in some countries of the BSEC (underlined countries in Table 5), the deficit in goods and services trade is much larger than current account deficit. A part of the goods and services trade deficit is covered by "current transfer" in the case of BSEC countries. According to the Balance of Payments Manual of the IMF (5th edition) the current transfer includes the followings. (1) Gifts of food, clothing, other consumer goods, medical supplies, etc. associated with relief efforts in the wake of natural disasters, war, or other actions, (2) gifts of certain military equipment, (3) annual or other regular contribution paid by governments to international organizations, (4) workers' remittances by migrants who are employed in foreign countries and considered residents there, and (5) others (*BPM*, Paragraphs 298-302). For several reasons, we can assume that a large part of the current transfer recorded in the balance of payments statistics of the BSEC countries is "workers' remittances".<sup>4</sup> Therefore if it had not been for workers' remittances from abroad, the current account deficits of some of the BSEC countries would have increased remarkably. Any national economy whose international payments are covered by money from emigrants must be called unhealthy one. We cannot expect fruitful economic cooperation among them.

The first thing to overcome such problems is to reorganize the internal economic structure to alter the import – export components of each country. To do such reorganization the FDI from industrialized countries will serve as a key factor. It is well known that the recent economic growth in Central Europe, such as Czech Republic, Poland and Hungary, has been driven by FDI. Can the BSEC follow the way of Central Europe?

Fig. 4 shows the gross inflows of FDI into the BSEC countries. It tells that the amount of FDI inflow is negligible in BSEC countries except Azerbaijan, Bulgaria, and Romania. Table 6 also presents small figures of FDI inflows (here the figure is "net"<sup>5</sup> amount instead of "gross" amount) of the BSEC countries in comparison with Central Europe.

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<sup>3</sup> Calculated by the author using various data in *IFS*.

<sup>4</sup> Turkey is not underlined in Table 5 because of lack of proper data but very famous for its large "export" of workers.

<sup>5</sup> Net FDI inflow means gross FDI inflow minus gross FDI outflow.



It is true that each government must take promoting measures to attract FDI. However, we come across here a very delicate problem to solve. Under the situation of today's international financing, where international financial transfer can be carried out very easily, investors would consider their investment from a global point of view. That is, a Japanese investor would compare the north eastern region of China with Ireland in selection of his/her investment destination. Therefore any FDI attracting measure would lead to a zero-sum game in the world. The Black Sea region would be involved in such zero-sum games and any economic cooperation among them would not play an effective role.

### Globalization and Regional Cooperation

I would like to present a theoretical problem of international economic relations. That is, whether regional economic cooperation efforts will lead to the free system of the global economy. We can suppose the following four ideas as for the problem.

- (1) Economic globalization is desirable. Regional economic cooperation is also desirable, because every effort for regional cooperation in the world will result in the globalization in the end [Optimist].
- (2) Economic globalization is desirable or inevitable. But regional economic cooperation is not desirable because the latter would disturb the free global economic transactions [Genuine Globalist].
- (3) Economic globalization must be avoided. Regional economic cooperation must be also avoided because both would destroy the national identity of each small country and everyday life of the ordinal people [Nationalist].
- (4) Economic globalization is not desirable. But regional economic cooperation is desirable because the latter can mitigate the vices of the economic globalization [Ecologist].

How can we evaluate the BSEC under the above framework? The political leaders of the BSEC countries would officially regard their standpoint as the idea (1). However it is important that the idea (1) cannot be justified from a pure theoretical point of view. It is true that there are many thoughts, which try to justify the regional cooperation as introductory steps to the global free economy. For example, B. Balassa has been insisting the virtues of regional economic cooperation or integration since 1960s. However a strong opposite view is expressed by leading economists recently. For example, Jagdish Bhagwati of Columbia University criticizes the supporting theories for regional economic integration. He even stands against FTAs saying that the FTAs will disturb the global free economy. Apparently Bhagwati supports the idea of (2). We must not underestimate this theoretical trend. Especially, how to interpret Article 24 of

the *GATT 1994* will be a polemic matter in the near future.<sup>6</sup>

The report of the Working Group on Trade and Economic Development held in Thessaloniki on 7-8 December 2000 “noted the importance of the efforts towards gradual establishment of the BSEC Free Trade Area, though as a long-term objective. It stressed that further measures towards liberalization of trade in BSEC region must be taken” (quoted from the Webpage of the BSEC). Liberalization is OK, but liberalization under the framework of FTA will provoke a dispute.

The FTA between Japan and Thailand, which reached an agreement recently, would harm the Indonesian economy because Indonesia must take unfavorable conditions in the competition with Thailand to attract FDI from Japan. In such a case, even an FTA will be incompatible with free market discipline.

Then what is left for us to do in the framework of BSEC? The least we can do is to cooperate to arrange minimum requirements for further economic development among the member countries.

First of all, cooperative efforts for protection of the environment, especially for protection of the water of Black Sea, are such minimum requirements, which would never be incompatible with any article of the *GATT*.

In the sphere of environmental protection, some efforts have been conducted in the framework of the BSEC. For example, the Ministerial Meeting on Environment held in Thessaloniki on 23-24 September 1999 and the ministers “shared the view that as the environment was deteriorating rapidly, the efforts for efficient protection should be strengthened with specific policies, programs and actions, and stressed the need to integrate further the concept of sustainable development in the economies of the BSEC Member States” (quoted from the Webpage of the BSEC).

They underlined the importance of “the cooperation in the following directions: a) monitoring of air, water and soil pollution, b) dealing with environmental hazards caused by industrial accidents and natural disasters; c) nature conservation and management, in which the significance of coastal areas was recognized; d) development of tourism, which is gaining a high potential when developed as an environmental-friendly activity” (quoted from the Webpage of the BSEC).

These efforts are good starting point for economic development of the region because environment protective measures will generate employment and attract some kind of FDI.

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<sup>6</sup> Article 24 of the *GATT 1994* stipulates the conditions under which customs unions, free-trade areas, and interim agreements leading to the formation of a customs union or free-trade area are established. The Japanese government is asserting that the rigorous examination of each regional trade agreement must be taken on the basis of this Article. It is very reasonable attitude to the problem.

The second minimum requirement is the Confidence and Security Building Measures, because peace is the essential basis of economic prosperity. Besides, anti-terror and anti-organized crime measures are also the basis for economic development.

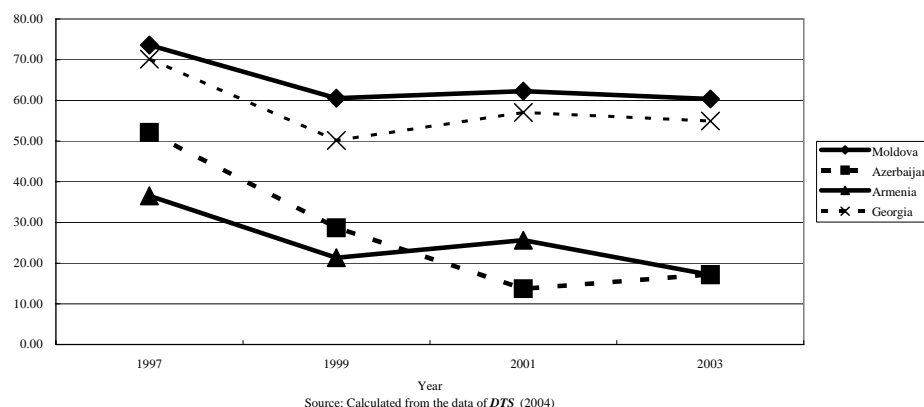
At the Istanbul decennial summit on 25 June 2002 the participants of the summit declared that they “firmly condemned terrorism in all its forms and manifestations as a profound challenge to peace and security and a highly dangerous threat to political, economic and social stability of States and the international community as a whole, adversely affecting the market economies and the development of multilateral and bilateral cooperation. They reaffirmed their resolution to take all the necessary steps, while firmly respecting human rights and fundamental freedoms as enshrined in applicable instruments, countering terrorism and other linked illegal activities. They deemed it imperative that the relevant BSEC organs and national competent authorities enhance the implementation of the BSEC Agreement on Cooperation in Combating Crime, in particular in its organized forms and, furthermore, consider new means of cooperation within the mandate of the BSEC” (quoted from the Webpage of the BSEC).

The most dangerous risk for economic activity in the world is terror and organized crime. If the BSEC ensure the “terror-free and crime-free zone” around Black Sea, the region can attract much capital from the world.

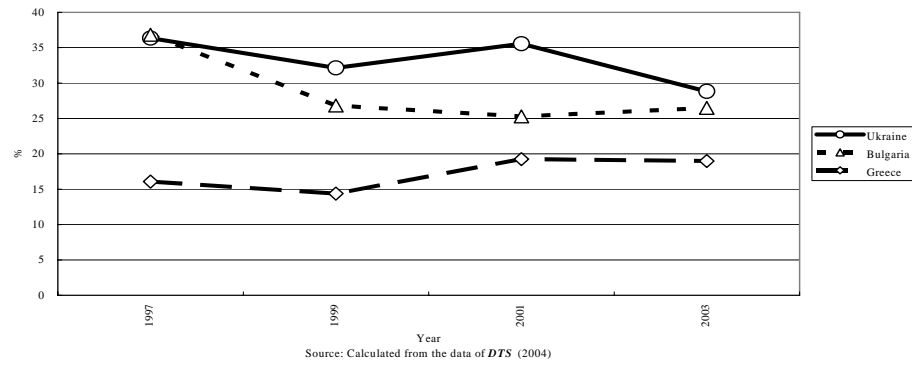
## Conclusion

There are no magic measures to increase trade among the BSEC countries to a satisfactory level and to accelerate economic growth at high rate. To compel unreasonable measures to activate trades only in the region would bring a severe discussion under the WTO framework. On the contrary, the protection of environment and anti-terror, anti-crime measures provide a good starting point for further cooperation. Anyone cannot oppose them.

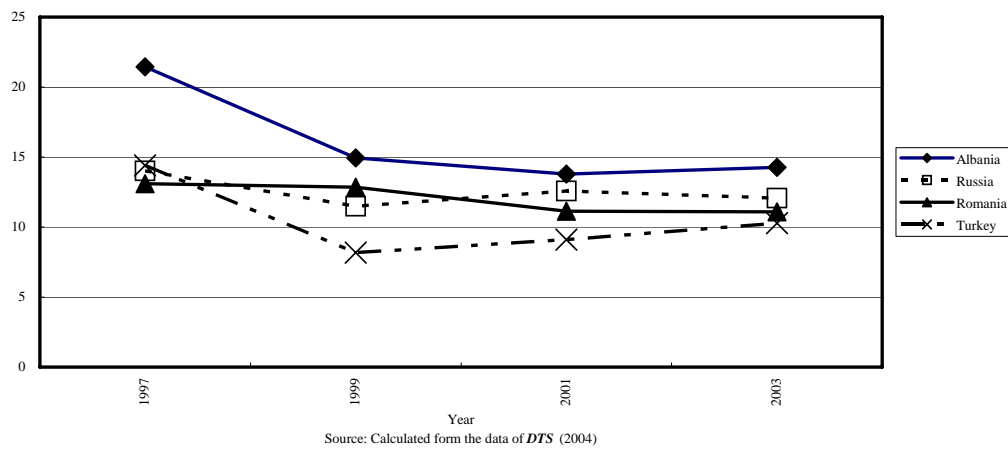
**Fig. 1) Share of Export to BSEC in Total Export (1)**



**Fig. 2) Share of Export to BSEC in Total Export (2)**



**Fig. 3) Share of Export to BSEC in Total Export (3)**



**Table 1) Trend of Each Country's Export  
to the other BSEC countries**

Moldova, Georgia	Stable but modest decline at high level
Armenia, Azerbaijan	Steeple decline
Albania, Bulgaria,	Gradual decline from middle level
Greece	Stable at middle level
Romania, Russia, Turkey	Stable trend at low level

**Table 2) Share of Russia in Export (%)**

	1997	1999	2001	2003
Moldova	58.1	41.3	43.7	39.0
Ukraine	26.2	20.7	22.6	17.8
Bulgaria	7.9	4.6	2.4	1.4
Greece	3.8	2.3	2.8	2.6
Azerbaijan	23.1	8.9	3.4	4.5
Armenia	27.0	14.6	17.7	12.1
Albania	0.0	0.2	0.0	0.5
Georgia	29.8	12.5	23.5	17.7
Romania	3.0	0.6	0.7	0.3
Turkey	7.8	2.2	3.0	2.9

*DTS* (2004).

**Table 3) Intra-BSEC Trade (% of Total BSEC Trade)**

	Export		Import	
	Including Russia	Excluding Russia	Including Russia	Excluding Russia
1993	10.1	8.7	9.4	6.5
2003	14.4	11.9	16.8	10.0

Source: *DTS* (2000), *DTS* (2004).

**Table 4) Trade among the BGRT Four  
(Share of partner country in total export [%])**

1997		Importing Country				
Exporting Country		Bulgaria	Greece	Romania	Turkey	Total
	Bulgaria		8.8	1.4	9.9	20.1
	Greece	2.9		1.6	3.9	8.4
	Romania	0.7	2.1		4.2	7.0
	Turkey	0.7	1.1	1.4		3.2

2003		Importing Country				
Exporting Country		Bulgaria	Greece	Romania	Turkey	Total 3
	Bulgaria		10.5	3.1	9.2	22.8
	Greece	6.2		2.6	4.0	12.9
	Romania	1.6	2.4		5.1	9.2
	Turkey	1.3	1.9	1.8		5.1

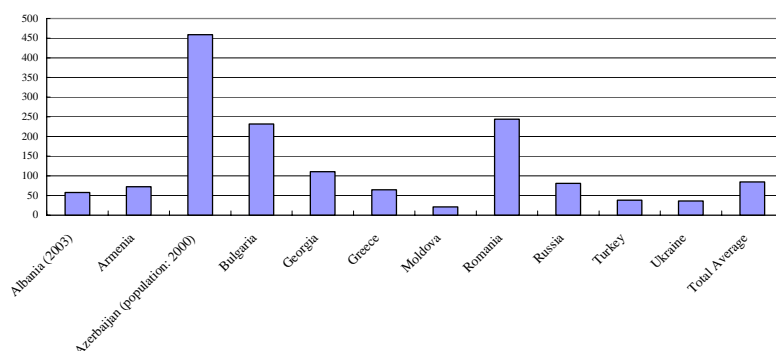
**Table 5) Current Account of BSEC Countries (Millions of US Doll**

	1998	1999	2000	2001	2002	2003	2004
<b>Albania</b>	65	-155	-156	-217	-408	-407	
<b>Armenia</b>	-418	-307	-278	-200	-148	-189	-162
<b>Azerbaijan</b>	-1365	-600	-168	-52	-768	-2021	-2589
<b>Bulgaria</b>	-62	-652	-704	-984	-827	-1676	-1806
<b>Georgia</b>	-276	-198	-269	-212	-221	-375	-426
<b>Greece</b>		-7295	-9820	-9400	-10405	-11225	
<b>Moldova</b>	-335	-79	-108	-34	-72	-131	-114
<b>Romania</b>	-2917	-1297	-1355	-2229	-1525	-3311	-5589
<b>Russia</b>	216	24611	46840	33795	29116	35410	60109
<b>Turkey</b>	1984	-1344	-9819	3390 <sup>1</sup>	-1521	-7905	-15543
<b>Ukraine</b>	-1296	1658	1481	1402	3174	2891	6804

Note: <sup>1</sup> = At the end of 2000, the financial crisis occurred in Turkey and the import of Turkey declined on a massive scale in 2001.

Source: *IFS* (2005).

**Fig. 4 FDI per capita (2004)**



**Table 6) Net Inflows of FDI per Capita (2001)**

Country	US \$	Coutry	US\$
Albania	66	Czech Republic	531
Armenia	22	Hungary	222
Azerbaijan	37	Poland	179
Bulgaria	10	Slovak Republic	271
Georgia	22	Slovenia	187
Moldova	37		
Romania	52		
Russia	0		
Ukraine	16		

Source: *TR*, 2003, p.65.

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## Session II

### Strategic Implications of Big Power Interests in the Area

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#### Strategic Implications of Great Power Interests in the Wider Black Sea Area

1. The Black Sea area has become again, after almost 150 years of relative neglect (see the Crimean War Of 1854-1856), a focal point of Great Power interaction. The reasons are multiple. Of them, I shall mention only a few: the end of the Cold War and the subsequent dismantling of the former Soviet Union, the incrementally increased importance of oil and gas reserves of the Caspian sea and Central Asia and the newly acquired status of this latter region as the pinnacle of world politics. Therefore, the formula “**Wider Black Sea Area**” is meant to both indicate that the Black Sea is part of a larger strategic context, anchored in Central Asia, and that it is in self sufficiently important at least to initiate Japan’s dialogue with it.
2. The Black Sea Area is strategically important because **it opens towards 3 main directions**: towards the former **Soviet Union**, the **Middle East**, including the Gulf, and **Central Asia** (through Caucasus and the Caspian Sea). Moreover, it is **located exactly on the route between the Caspian producers of oil and gas the consumers in the West**. Depending on where you look at it for Europe it is both a **springboard** towards those 3 areas and a **buffer** for the asymmetrical threats generated in those areas.
3. It should be noted, however, that, in order to get access to and from Europe to the Black Sea Area, one needs **the river Danube**, the true **European main waterway** leading to the North Sea, on condition of resolving the current blockage related to the status of Serbia and Montenegro. (It should be noted that one of the major

consequences of the victory over Russia in the Crimean War was cutting its access to the river and the creation of the Danube Commission, which exists even today).

4. Given this state of affairs, it was inevitable that the area was “attracted” into the Great Power game (not to say rivalry) triggered by the redistribution of power into the international system following the end of the Cold War. **In one word, the area – until then “locked” almost completely into and by the former Soviet Union becomes accessible to the outside powers.** Inevitably, clashes with Russia – the successor to the USSR – and even within the “Western Camp” ensued, which complicated the scene even further, along its **political-military** and **economic** dimensions.
5. Indeed, these are the two most important “targets” for all the “actors”: the US, Russia, Britain, the EU, Turkey and Ukraine. **Acquiring/maintaining strategic locations in the area and control over the oil and gas transport routes through it** motivate almost totally the action of the above mentioned actors in the region.
6. **Russia**, aware that its succession to the former Soviet Union does not confer automatic exclusivity over the latter’s possessions (although, militarily, Russia succeeded in keeping a relative number of former Soviet bases and military installations in its immediate vicinity) and realistic about its lesser potential compared to that of the former USSR, **wants, naturally, to retain a position of control in what has been for so long its “backyard”**. Consequently, it applied a relatively successful model of leaving conflicts behind, waiting to be called upon only to contribute to their resolution. The Caucasus and, to a certain extent, Central Asia are riddled with such conflicts. That way, Russia hit two targets at once: first, it took advantage of the deterring role insecurity played in the area with respect to foreign involvement and, as said, made herself part of any solution one could possibly envisage trying to “cure” it.
7. In the Black Sea, Russia – which controls Sevastopol, following an agreement with Ukraine, until 2017 – is already investing in a number of other militarily relevant important projects (the port of Novorossiysk and the channel linking Black Sea to the Azov Sea). Moreover, indicators that she is willing to comply with the Istanbul OSCE decisions to withdraw from Transnistria or Georgia, where it keeps important military installations and/or large quantities of military equipment and ammunition, are still absent. (For instance, all plans advanced or favored by Russia to settle the



conflict in Transnistria have as common denominator the conservation of the Russian presence; indeed, the removal of it would push Russia back almost 700 km).

8. In terms of **energy**, Russia is actively using this as an **instrument** to keep the countries in the area (Ukraine, Moldova, Georgia, and Armenia) totally dependent on her. And, as for the **transport routes**, it controls the old lines (through Ukraine) towards the west and it has engaged herself in new projects (Novorossiysk – Burgas – Alexandroupoulos).
9. The **US** started to pay attention to the region only recently, after the area has been “opened” and became the transit route for the **Caspian oil and gas** towards the west. Baku – Ceyhan pipeline – to be built with important American financial contribution – or Varna – Duress (Albania) pipelines are but a demonstration of the US determination to be key actor in this game.
10. Consequently, in the **political and military** field, the US have become actively involved – through support in NATO, but also through bilateral programs – in Caucasus (particularly Georgia), Ukraine (see the echo of the Orange Revolution of 2004) and Moldova (an observer to the resolution process of the Transnistrian conflict). The US ship visits and military exercises with the riparian countries have constantly multiplied and increased in dimension, as well as the support for extending the operation Active Endeavor (to control illegal activities at sea) from the Mediterranean to the Black Sea.
11. **War in Iraq**, as part of the global struggle against international terrorism, coupled with Romania’s and Bulgaria’s newly acquired membership in NATO have opened up new venues for US military involvement in these countries (Talks of establishing a light US military presence at the Black Sea in those two countries are almost finalized). (Defense Minister Ivanov of Russia had declared last year, at the Munich annual security conference, that his country understands such a rationale for bases in Romania and Bulgaria, but it does not for bases in, , for example, Poland ?!)
12. **The EU** is also making moves towards the area, through its **neighborhood policy** towards the Caucasus countries, Moldova and Ukraine. Discussions for accession with Turkey, which have opened recently surrounded by controversy, are also part of this drive. However, the EU as such cannot be counted as an actor into the game, especially if compared with some important member countries like **Britain** and, to a

certain extent France, Germany and Italy. (For instance, after inaugurating with an aviation show in 2001, UK has proceeded to annual air exercises with the Romanian Air Force at Kogalniceanu – near the port of Constanta, while the port visits of ships from those countries have multiplied).

13. **Regional actors** – like **Turkey** and **Ukraine** – are important players in this new game, too, especially the former (for Ukraine it seems to be more a matter of energy supply and prestige). Indeed, **Turkey** seems really concerned about the potential modification of the 1936 Montreux Convention regulating the Black Sea Straits status and wants, naturally, to continue to control the flow of oil through them, along with participation in the building and exploitation of the new pipelines (Baku – Ceyhan and gas from Iran towards Western Europe).
14. It is interesting to note the **coordination of Turkey with Russia** on many important matters related to the Black Sea. (For instance, Turkey, a key NATO ally - actually, the most powerful in the area - does not favor the position of extending "Active Endeavor" Operation from the Mediterranean to the Black Sea; instead, it prefers to task the **Blackseafor**, an instrument of the Black Sea countries, with it, thus sharing the same position with Russia). Such coordination is motivated by the common desire of those two countries to retain their positions in the area, in the face of increasing interest and involvement of "outside" powers, like the US and EU. In this latter respect, it should be noted that the recent rapprochement between Turkey and Russia, in the face of strong opposition to the opening of EU – Turkey admission negotiations could be interpreted as a powerful instrument in the hands of Turkey. Because, if those negotiations fail, then Europe would have to contemplate a **Turkish-Russian "barrier"** in an area rapidly becoming vital to her in terms of energy supply.
15. In sum, **it is evident that the increasing importance of the Black Sea area is accompanied with increased great power involvement which, inevitably, carries with it the risk of increased rivalry.** However, even if materialized, such rivalry:
  - a. Does not obscure the initial relevance of the area as an **eastern gate to Europe using the Danube – Rhine waterway.**

- b. **Cannot develop itself in open conflict**; the only way to share in the promised bonanza brought about by the passage of Caspian oil and gas towards the west is through **obligatory cooperation**.
- c. **Cannot be contained to the area**, but it will rather melt down into the general bilateral and multilateral web of relations between the Great Powers and become part and parcel of the current efforts to redefine the new power balance after the end of the Cold War.

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**The Interests and Strategy of the Major Powers in the Black Sea Region,  
and the Responses of the Regional States**

In this paper, we would like to discuss three points concerning the title of this section - the Strategic Implications of Big Power Interests in the Black Sea Area: firstly, the international context in which the Big Powers are competing in the Black Sea region; secondly, the transformation of the Black Sea region in terms of international, regional and sub-national dimensions (here we will mention the big powers interests and the responses of the regional states to these); and finally, issues to be emphasized regarding the stability of the Black Sea region.

**. International Context**

1 . Continuity and discontinuity of international politics among the big powers in the Black Sea region

With regard to the first issue – the international context – we would like to emphasize two points: firstly, the continuity and discontinuity of international politics among the big powers in the Black Sea region; and secondly, the conditionality effects of EU/NATO enlargement.

International politics in the Black Sea region have been a history of the struggle for dominance among the big powers. The stronger powers have divided this region among their spheres of influence, and the strongest have dominated it monopolistically. After ancient Greek colonization and annexation by the Roman Empire, the region became a territory of the Byzantine Empire during the 9th and 10th centuries, and of the Ottoman Empire after the 15th century. Then it became the focal point of competition among Great Britain, France, the Ottomans, and Russia, and during the Cold War the Soviet block and NATO confronted each other in the Black Sea area.

This historical pattern of the big powers in the region has continued even since the end of the Cold War. NATO, a stronger actor from a military point of view, has embarked on an eastern enlargement, and has filled the vacuum of power created between the West and Russia, reaching the eastern shore of the Black Sea - Rumania and Bulgaria - in addition to its southern coastal state - Turkey. The EU, a stronger actor from an economic point of view, increased its members from fifteen to twenty five in May 2004, and now it too is approaching the eastern coast of the Black Sea.

However, we should also pay attention to the discontinuity of international politics

in the Black Sea region. The enlargements of the EU and NATO have been promoted neither through the enforcement by the Big Powers against the will of the regional states, nor have all the aspirant states been welcomed by the EU. On the contrary, only the states that have accomplished the conditionalities for EU/NATO accession could become members. It is these conditionality effects of the EU/NATO enlargements that have brought relative stability to Central and Eastern Europe.

2 . The placement of the current situation of the Black Sea region in the transformation process of the Wider Europe international system

From here, we can place the current situation in the Black Sea region in the transformation process of the Wider Europe international system. This is the second point about the international background for the competitive relations of the big powers. In a word, the first stage of the region's transformation was completed when the Central and Eastern European states became EU and NATO members. We are now in the second stage. In this second stage, firstly, the EU is obliged to tackle its problem of internal integration. Secondly, the conditionality effects of enlargement are expected to be brought to the West Balkan states by the SAP (Stabilization and Association Process) and MAP (Membership Action Plan). And thirdly, as for the EU/NATO's new neighbours, the EU and NATO intend to stabilize them through the ENP (European Neighbourhood Policy) for the WNIS and the Southern Caucasus, through the Intensified Dialogue with Ukraine, and through the IPAP (Individual Partnership Action Plan) with Georgia and the others.

Therefore, the future options for the Black Sea region are either, one, the WNIS and the Southern Caucasus will catch up with the West Balkans, and may even outstrip them in accomplishing conditionalities like the Baltic states did, or, two, the WNIS and the Southern Caucasus will continue to lag behind the Western Balkans, and will finally move away from the EU and NATO, remaining within the Russian zone of influence.

. Big powers interests and the responses of the regional states

It is this fluid situation that has caused the transformation of the Black Sea region in three dimensions - international, regional and sub-national. In the international dimension, it aggravated the tug of war over the Black Sea region between the big powers, in particular, between the West and Russia. And this divided the region, if I may dare to simplify, into two groups. One is GUAM, and the other is the group of states led by pro-Russian, authoritative leaders. And this dichotomy of international and regional levels is also reflected in the sub-national dimension. Pro-Western reformist forces and pro-Russian status-quo forces have fought each other in several countries. Consequently, the result of these confrontations in the international, regional and sub-national dimensions has caused the domino of democratization, and as a result, the anti-Western and anti-democratic forces in the three dimensions have begun to consolidate their solidarity. There are interesting parallels here to the world of the Protestant-Reformation versus Catholic Counter Reformation conflicts of the 17th century, the Holy Alliance

versus revolutionary forces conflicts in the 19th century Vienna international system, and the capitalist versus communist conflicts of the Cold War period. In order to understand the mechanism of these confrontations in the three dimensions, it is worthwhile paying attention to the interests and strategies of the major powers – the U.S., the EU, NATO and Russia – in the Black Sea region, and to the responses of the states within the region to these.

1. The interests and strategy of the U.S., the EU, NATO and Russia

First of all, let us indicate the interests and strategy of major powers towards the Black Sea region, as listed below.

a. The interests of the United States of America in the Black Sea region

The U.S. observes the geo-strategic significance of the Black Sea region in relation to Iraq, an Enlarged Middle East, Afghanistan and Central Asia.

Foreign Policy Objectives of the U.S. towards the Black Sea region

Anti-terrorism cooperation

Democratization and good governance

Military bases and/or military cooperation

Stable transportation route for energy from the Caspian Sea region

Independence of the regional states in order to obstruct Russian imperialism

Stability, and in particular, resolution of frozen conflicts

b. The interests of the EU in the region

The vital interests of the EU are the stability of the region for its own security.

Main Foreign Policy Objectives of the EU towards the Black Sea region

Stabilisation of the Black Sea region by ENP and Action Plan

Stability of the West Balkans through SAP

Anti-terrorism cooperation

Stable transportation route for energy from the Caspian Sea region Traceca,

Inogate

Stability, and in particular, resolution of frozen conflicts

Cooperation with Russia through Four Spaces

c. The interests of NATO in this region

NATO's interest lies in the geo-political significance of the area from the Balkans to Afghanistan through an Enlarged Middle East and Central Asia.

Main Foreign Policy Objectives of the NATO towards the Black Sea region

Support for accession of the West Balkan states to NATO through MAP

Support for accession of Ukraine to NATO through Action Plan and Intensified Dialogue, and that of Georgia through IPAP

Strengthening of democratization and military cooperation with Moldova, Armenia, Azerbaijan through IPAP

Stabilization of the Black Sea region through PARP and the special representative

Cooperation with Russia through NRC

d. The interests of Russia in the region

Russia's most significant interest is to maintain her sphere of interest in the "Near Abroad".

Main Foreign Policy Objectives of Russia towards the Black Sea region

Anti-terrorism cooperation    resolution of Chechen conflict and integration of Russian state

Maintenance of pro-Russian leaders in power in the CIS

Privatization in the CIS states with Russian capital

Transportation routes of gas and petrol through Russian territory

Dependence of Moldova and Georgia on Russia through perpetuation of frozen conflict

Obstruction or delay of further enlargement of the EU and NATO in order to prevent Russia from being isolated in the Eurasian international system

2. Rivalry and cooperation between the U.S. and the EU in the Black Sea region

There is no conflict or grave difference of interests in or concepts of the Black Sea region between the U.S. and the EU, as there was in the serious confrontation over the Iraq war. They have virtually common principles and interests in this region: democratization, market economy, stability, anti-terrorism, and stable energy transportation routes. They have also pursued almost the same concrete policy towards the region, such as the withdrawal of the Russian army from Moldova and Georgia, participation of the U.S. and the EU in the pentagonal negotiation process on the Transnistrian issue only if all the five participants agree to it, and the same evaluation of the Ukrainian presidential election and the Moldovan parliamentary election.

Only two things differ between them. One is that the U.S. places much more importance on military forces than the EU, and the other is their attitudes toward Russia. The U.S. pays attention to the democratization of Russia as well as its stability, while some members of the EU, such as France and Germany, consider the stability of Russia much more important than its democratization and the independence of the CIS.

3. Rivalry and cooperation between the EU and Russia in the Black Sea region

The objectives of the EU since its enlargement in May 2004 have been to promote the internal integration of the EU, to support the accession of two Eastern Balkan states, Rumania and Bulgaria, to encourage regime transformation of the Western Balkans, and to stabilize its new neighbours, the WNIS and the Southern Caucasus. In order to accomplish these objectives, the EU adopted SAP towards the Western Balkan states in 1999 on the premise of their future accession to the EU, and has promoted SAP and Cards (Community Assistance for Reconstruction, Development and Stabilization) with the expectation that Western Balkan states will also experience the conditionality effects of EU enlargement. Concerning its new neighbours, however, the EU has never recognized their accession to the EU, and has adopted the ENP towards them. The ENP is a policy to assure the security of the EU by stabilizing its new neighbours through its

Action Plan, which includes political and economic benchmarks, and to offer economic benefits differentially to these new neighbours according to their implementation of the benchmarks. This carrot-and-stick method brings to mind EU conditionality policy, although there is a sharp contrast between the case of the Western Balkan states and that of the new neighbour states. The EU has paid more attention to the Balkans rather than to WNIS and the Southern Caucasus.

Nevertheless, the EU has recently turned its attention to the latter two areas since “the domino of democratization” began in Georgia and Ukraine. The so-called Solana ten point letter in January 2005 showed the EU’s support for the accession of Ukraine to the WTO, agreement on FTA after becoming a member of WTO, “Market Economy Status” of Ukraine and the earmarking of 250 million Euros for loans to Ukraine. In addition, Ukraine and Moldova have been invited to sign important documents concerning EU foreign policy. Moreover, the EU made a decision on the appointment of an EU special representative for Moldova on 16 March 2005, opening the EU office in Chisinau and dispatching a EU observer mission to the border between Ukraine and Moldova (Transnistria). Furthermore, the EU and the U.S. were determined to participate with observer status in the pentagonal negotiation framework for the settlement of Transnistrian issue at the end of September 2005. The EU has had a special representative in the Southern Caucasus and Central Asia since 2003, and decided to include Southern Caucasus to the ENP in June 2004, taking the Rose Revolution into consideration.

However, all of these EU policies towards the Black Sea region are fundamentally a country to country approach, and the EU has not developed a regional approach to this area. The EU has not engaged an expert in charge of the Black Sea region as a whole, in contrast to NATO, which has an expert who is engaged with the Black Sea region as a whole. This individual approach of the EU towards the region, however, does not mean that it has never promoted a collective approach to the region. The EU organized a first semi-official meeting with the Black Sea Economic Cooperation (BSEC) in Brussels in 11 April 2005 at the initiative of Greece, then chair-state of the EU. The issues of human trafficking, smuggling of narcotics, energy transport, environment, etc. were discussed at that meeting. The first meeting on the transport of energy between the EU and BSCE was held in November 2004, and the second meeting is scheduled to be held in 2006.

In sum, the EU has developed its relations in the Black Sea region mainly through the ENP and its concrete method, the Action Plan. The interest of the EU towards the Black Sea region will increase much more once Rumania and Bulgaria become members. However, there is no driving force to promote regional cooperation in the Black Sea like the role of Germany in the development of cooperation in the Baltic Sea region. Germany itself mentioned cooperation between the EU and the Black Sea region in an unpublished paper this February (2005), suggesting that it should be developed within the existing framework.

As we observed, the main objective of the EU towards the Black Sea region is to stabilize the region for the sake of the EU’s own security. This necessitates Russian cooperation, partly because this region has been traditionally influenced by Russia, and



partly because the conditionality effects of the EU might not function in this region, as the EU faces its own integration issues after the fifth enlargement and it will not use the EU accession card for WNIS and the Southern Caucasus.

However, confrontational points are much more accentuated between the EU and Russia, while there are common interests between them in the Black Sea region such as stable transportation route of energy and anti-terrorist. Firstly, independent of the EU's real aims in this region, the increased interests of the EU in this region – lying within the traditional Russian sphere of influence – has made Russia nervous. Secondly, the meaning of stability of the new neighbours indeed differs between the EU and Russia, just as the meaning of democratic regimes in the East European states differed between Stalin and Roosevelt/Churchill. For Russia, stability can be or should be attained through pro-Russian authoritative regimes in the new neighbours, while for the EU, it can be brought about only through democratization and the institution of a market economy. In addition, democratization generally leads to an increase of power among pro-democratic, that is, pro-Western political forces, which are not generally sympathetic to Russia. This can be clearly seen in the fierce confrontations between the EU/U.S. and Russia over democratization in Ukraine, Moldova and Belarus. Thirdly, there is also divergence between them in the military dimension. The EU has asked Russia to withdraw its troops from Moldova and Georgia, but Russia has stationed its troops there accompanied by various arguments, and furthermore it has promoted common defense with Belarus and Ukraine. In addition, Russia has opposed the proposal of several EU members to transform the current Transnistrian PKF under Russian leadership into a multilateral PKF under the mandate of the OSCE, although Russia has sent its police units to Bosnia and Macedonia under the framework of ESDP cooperation. Fourthly, the EU and Russia have had confrontations over two pillars among four spaces for bilateral cooperation – democracy and human rights, and external security, in particular frozen conflicts.

Nevertheless, the possibility of cooperation between the EU and Russia has come about because of the Road Map that they drew up in May this year (2005). Although this Road Map does not include concrete stipulations on the above-mentioned two realms, it presents the opportunity to bring Russia to the negotiating table on the issue of these two domains, which Russia had previously categorically refused to negotiate over. EU experts emphasize the fact that it has opened a significant step for cooperation on democratization and frozen conflicts, and they even do not conceal their expectation that direct negotiations with Russian technical civil servants will bring more fruitful results than those carried out through the Ministry of Foreign Affairs.

#### 4. Rivalry and cooperation between the U.S. and Russia in the Black Sea region

The U.S. and Russia have common interests, such as an anti-terrorism coalition and non-proliferation of weapons of mass destruction. However, the individual 'special' relationship between President Bush and President Putin ended when President Putin rejected the request of President Bush to join the U.S. in the case of the Iraq war, and it

seems that their divergence has been accentuated more and more by issues such as democratization, military bases and military influence in the CIS states, oil and gas pipeline routes from the Caspian Sea region, Russian policy towards its Near Abroad, and NATO enlargement. Firstly, the Bush administration is obliged to succeed in the democratization of Iraq in order to counteract the critics of the Iraq war, and, therefore, it has been promoting democratization of the Enlarged Middle East. In this context, the neighbour of the Enlarged Middle East, the Black Sea region, has become significant from a strategic point of view. Thus, President Bush visited Georgia as well as Latvia in February this year (2005), and he declared the success of the “domino of democratization” from the Velvet Revolution through the Purple Revolution in Iraq, the Rose Revolution in Georgia, the Orange Revolution in Ukraine, the Tulip Revolution in Kyrgyzstan, on to the Cedar Revolution in Lebanon. Secondly, while the Russian industrial-military complex and petrol industry, which are the financial base for maintaining Putin’s authoritative regime, need to expand exports of their products, the U.S. has tried to obstruct exports of military goods to ‘rogue nations’, and to assure stable energy transportation routes, bypassing Russian territory, such as the BTC pipeline. Thirdly, while Russia has tried to increase its influence in the region of the former Soviet Union, the U.S. has supported the independence of the CIS states from Russia. For instance, the U.S. together with the EU pressured Moldovan President Voronin not to sign the Kozak memorandum, which would increase the dependence of Moldova on Russia, as well as the Ukrainian government in order to correct the unjust presidential election. Fourthly, Russia has opposed NATO enlargement, as it has feared its isolation in the Eurasian international system, while the U.S. standpoint on NATO enlargement is to admit the accession of aspirant states to NATO if they accomplish all the necessary conditionality of the MAP.

##### 5. Rivalry and cooperation between NATO and Russia in the Black Sea region

Since the end of the cold war, NATO has embarked on the stabilization of the Balkans, promoted military operations in Bosnia-Herzegovina, Kosovo, and Macedonia, welcomed Rumania and Bulgaria to NATO membership in April 2004, and has supported the accession of West Balkan states to NATO. Croatia, Macedonia and Albania have been implementing the MAP, which constitutes a gateway to NATO accession.

After September 11th, NATO expanded its military activity from the Balkans to Afghanistan. As a result, the significance of the Black Sea region and the Caspian Sea region has increased, and NATO has recently strengthened its relations with its new neighbour states since the last enlargement. NATO concluded the Action Plan with Ukraine at the Prague Summit in November 2002. Ukrainian President Yushchenko visited Brussels and Washington in February and March in 2005, and reconfirmed his country’s intentions for accession to NATO, while American President Bush expressed his support for Ukrainian accession to NATO. In addition, the Intensified Dialogue between NATO and Ukraine began in June 2005. It is said that all the Eastern and Central states passed through Intensified Dialogue so that they could become NATO members.

As for the other regional states of the Black Sea, NATO promoted the IPAP after its last enlargement as well as PfP (Partnership for Peace). Georgia concluded an IPAP with NATO in October 2004, Azerbaijan did so in May 2005, and Armenia, Kazakhstan and Moldova are currently negotiating with NATO for IPAPs. NATO has also appointed a special representative for the Caucasus and Central Asia.

Furthermore, NATO has also tried to promote regional cooperation in the Black Sea region, just as it did in the Balkans and the Mediterranean. In the case of the Balkans, NATO took its decision on the SEEI (South East Europe Initiative) at the Washington Summit in April 1999 and organized the SEEGROUP (South East Europe Group) composed of the Balkan states, which published the SEECAP (South East Europe Common Assessment Paper on Regional Security Challenges and Opportunities) in May 2001. NATO also elevated the Mediterranean Dialogue to the NATO Partnership in June 2004. In addition, NATO mentioned the Istanbul Cooperation Initiative in June 2004, which provided bilateral security to the Enlarged Middle East, and issued a communique at the NATO Istanbul Summit which referred to the strategic importance of the Black Sea region. Moreover, NATO discussed the extension of its operation "Active Endeavour" from the Mediterranean into the Black Sea, although it failed to implement its official regional strategy towards the Black Sea region.

Russia has observed these movements cautiously and has sometimes expressed its opposition to further enlargement of NATO. At this moment, however, NATO and Russia are not in confrontation over NATO enlargement, partly because Ukraine and Georgia are still at a stage some distance from fulfilling the MAP, and partly because cooperation between NATO and Russia has been enhanced through NRC (NATO-Russia Council).

#### 6. The relations between the major powers and the regional states

As was mentioned above, the U.S., the EU, NATO and Russia have competed over 1) democratization, human rights and democratic elections, 2) military bases and military influence, 3) frozen conflicts and 4) energy. In addition, they have tried to increase their influence in the Black Sea region. Therefore, the regional states have looked at the U.S., the EU, and NATO on the one hand, and Russia on the other hand. Ukraine under President Kuchma followed a policy of 'Go to the EU together with Russia', and Moldova tried to resolve the Transnistrian issue with close cooperation with Russia under the auspices of the OSCE. But it seems that the influence of the West into the Black Sea region has increased little by little recently, and, as a result, some regional states are approaching the West more and more, as the domino of democratization demonstrates.

After Rumania and Bulgaria became NATO members, Ukraine and Georgia began approaching NATO. Their strategic plans are to transform the Intensified Dialogue with NATO into the MAP (Ukraine) and the IPAP into the MAP (Georgia) at the NATO Summit in 2006, and to attain NATO membership at the NATO Summit in 2008. Moldova also made clear its intention to conclude an IPAP when President Voronin visited Brussels in June this year (2005), although it declared its neutrality and prohibited

foreign troops from stationing in its territory by its constitution, and it did not actively attempt to conclude the IPAP at the time. It might consider NATO membership if the Russian army were withdrawn from its territory. Or it might reevaluate its security strategy, even if the Russian army were not withdrawn, but if Ukraine and Georgia were to become NATO members. This is one reason why the GUAM states have increased their cooperation regarding democratization, and why Uzbekistan has left the organization.

In this context, Rumania and Bulgaria are very important players. They have been active in strengthening military cooperation with the U.S. New Rumanian President Basescu declared the significance of the Washington-London-Bucharest axis and the stability of the Black Sea region in his inaugural address in January this year (2005). President Bush told President Basescu that he trusted the new president, who knows the situation in Moldova very well, when he visited Washington in March this year (2005). After this, I remember a Polish diplomat's comment: "Poland behaved to realize the American interests in Ukraine with close contact with Bush administration at the Ukrainian presidential election. As the U.S. does not have any know-how on WNIS, it needs close ally, which can pursue the U.S. interests there instead of the U.S. It is Poland." Thus, Rumania can play an important role in the security and stability of the Black Sea region, just as Poland and Lithuania have been playing the role of pulling Ukraine and Belarus towards the West. But the problem is whether Rumania will be able to overcome several unresolved issues with Moldova and Ukraine, as Poland did regarding historically sensitive relations with Ukraine, by enthusiastically supporting the democratic movement in Ukraine during the Ukrainian presidential election in 2004.

However, this is not to say that all of the NATO member states and the aspirant states of the Black Sea region are in monolithic solidarity. At present, Turkey's current foreign policy is a point of great interest, as there was once a fixed image of Turkey as a loyal American ally, and as it has confronted Russia over the Turkish states in the Black Sea and Caspian Sea region. In contrast to such an image, Turkey has developed not only economic cooperation with Russia, such as the Blue Stream pipeline, but has also opposed the extension of NATO military operations from the Mediterranean into the Black Sea. Turkey and Russia – the military powers in the Black Sea region – have common interests in dominating the Black Sea, preventing outside states from intervening in it, while Rumania, Ukraine, Bulgaria and Georgia, which are weaker from a military point of view, have requested the inclusion of NATO naval troops in the Black Sea in order to counter its monopolization by Russia and Turkey.

#### . Issues to be emphasized regarding the stability of the Black Sea region

Firstly, as is clear from what has been discussed above, the key issue regarding the stability of the Black Sea region is Russia's traditional way of thinking about the CIS, and its authoritative regime, which has promoted its "Near Abroad" foreign policy. Needless to say, a democratic, prosperous and stable Russia would be ideal. However, if we should have to choose between an authoritative but stable Russia and a

democratizing but unstable Russia, which would be preferred? A high-ranking American official indicated the latter without any hesitation, stating that democratization is closely related to the stability of the Middle East, and Iraq in particular. Such an American emphasis on democratization may continue, and even increase, the confrontation between the U.S. and Russia.

Visiting Bratislava, Riga and Tbilisi this spring, President George Bush praised the domino of democratization, and expressed his expectation that democratization would be further extended. The West, with the OSCE, has facilitated an international election monitor. Moreover, American NGOs such as IRI, NDI and the Soros Foundation have contributed to the development of civil society in the CIS. On the other hand, Russia has supported pro-Russian authoritative political leaders in their election campaigns, and recently passed a law requiring the obligatory registration of external NGOs.

How can we encourage Russia to democratize and cooperate in promoting democratization and stability of the Black Sea region, while at the same time lessening Russia's apprehension that it may be isolated from the Eurasian international system? In relation to this, we have already seen favorable tendencies such as the NRC (NATO-Russia Council) and the Road Maps for the four Common Spaces between the EU and Russia. I suppose it is not coincidental that Russia is said to have started discussions openly with the EU and the U.S. on democratization and policy towards CIS. Such discussions were said to be categorically rejected by Russian officials previously. In addition, the democratization policies of the Bush government also have contradictory aspects in relation to strategic and energy interests, as the cases of Uzbekistan and Azerbaijan aptly demonstrate. Furthermore, it will be noteworthy to observe whether Turkey, which is promoting tri-lateral diplomacy with the US-NATO, Russia and the regional states, can succeed in encouraging a cooperative Russian foreign policy.

Secondly, the settlement of frozen conflicts is indispensable for the stability of the region. On this point, the Russian attitude to the frozen conflicts is a key element, and the touchstone is whether Russia has transformed its fundamental foreign policy or not. Without the complete resolution of the frozen conflicts, the independence and stability of Moldova and Georgia will not be accomplished, nor regional stability. We appreciate Ukrainian efforts towards the settlement of the Transnistrian issue, although the proposed early implementation of elections in Transnistria was unrealistic and irresponsible. We can also evaluate as a step forward both the decision of the Russian army to withdraw from two bases in Georgia, and the participation of the EU and the U.S. as observers in the pentagonal consultative framework for the resolution of the Transnistrian issue. Once the frozen conflicts have been resolved, Japan might contribute to the stabilization of the region, just as it cooperated with the EU in the reconstruction of the Balkans after the war.

Thirdly, we cannot neglect the role which the EU and NATO have been playing and will continue to play in the democratization of the region. We should follow closely how the ENP will contribute to the promotion of democratization in the region, even without giving the WNIS and Southern Caucasus states tickets to EU membership. If this does

not produce the conditionality effects seen in the Eastern and Central states, the Rumanian model might be applied to these nations. Romania, which failed to take the ticket of EU membership, was stimulated by the conditionality of the NATO membership ticket. With regard to this, IPAP and MAP might play the same role in the Ukrainian and Georgian cases that they did in the Rumanian case.

Fourthly, taking into consideration that regional cooperation has not produced fruitful results up to now, it seems essential that outside actors, and in particular the EU, increase cooperation with the BSEC in order to promote economic development, improvement of the environment, etc. In this regard, it is noteworthy that the EU started semi-official meetings with the BSEC this year (2005). Once Rumania and Bulgaria become EU members, the strengthening of relations between the EU and the Black Sea region will be inevitable.

## **Session III**

### **The Importance of the Area for Japan and Japan's Role in the Area**

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#### **The Possibility of Cooperation in the Black Sea Area and Problems – Centered on the former USSR Region**

Whether or not the Black Sea Area can become economically and geopolitically an independent region depends on the ability of the countries of the region to deepen their cooperation both politically and economically. I would like to begin by studying the Black Sea Area by individually considering the problems faced by Ukraine, Georgia and Moldova. I will then proceed to analyze the possibility of cooperation among the countries of the region.

#### **Shaky Ukraine and Russia Relations**

The new Ukrainian regime headed by Victor Yushchenko took at first a very severe position regarding Russia, as was demonstrated in the slogan of entering the “EU, NATO and WTO.” In so doing, Ukraine sought to become the nucleus of a new regional cooperation organization seeking to replace the CIS. As a consequence, Ukraine took a rather negative stance towards participation in the “Unified Economic Space,” which is being proposed by Russia with the aim of including Russia, Ukraine, Kazakhstan and Belarus. With the establishment of the new regime in Ukraine, however, a power struggle within the Yushchenko regime surfaced. The Ukrainian economy has also been deteriorating, which has led to instability of the Yushchenko government.

According to sociological research, about half of the Ukrainian population feels that they have been deceived by the new regime (Nezavisimaya Gazeta, October, 10, 2005). In order for the governing party to win in the March 2006 National Assembly elections, Yushchenko compromised with the old guard and dismissed reformist Prime Minister Yulia Tymoshenko in October 2005 and replaced her with the moderate Yuri Ekhanurov.

Yuri Ekhanurov, the new Prime Minister, visited Moscow after his inauguration in an effort to improve Ukrainian-Russian relations which deteriorated at the time of the "Orange Revolution." The background of his visit to Russia was the Ukrainian economic crisis and problems related to energy.

Energy is an Achilles Heel for Ukraine as she depends on Russia for 85% of her oil, and a significant component of natural gas totaling around 70 billion cubic meters. It is reported that Russia will raise the price of gas from \$50 per 1000 cubic meters to \$160-80 per 1000 cubic meters. Ukraine is trying to negotiate with Russia for a gradual price rise spread over a 5-7 year period.

At the same time, in order to become less dependent on Russia for oil and natural gas Ukraine is attempting to diversify these energy imports. At the end of May this year, Yushchenko visited Kazakhstan where he managed to obtain a promise from President Nazarbayev for the import of crude oil of between 2 million-4 million tons to be effective from June this year.

Another objective of Ukraine is to secure a stable supply of natural gas from Turkmenistan. Until now Ukraine has imported natural gas at the order of 36 billion cubic meters annually from Turkmenistan. However, in June this year when a Ukrainian energy negotiation team visited Turkmenistan, President Niyazov of Turkmenistan criticized Ukraine in a very severe tone. The Ukraine's government gas payment was in arrears to the tune of \$900 million and on top of this a large amount of gas was stolen from the pipeline. The latter problem, that is the theft of the natural gas, has become a source of friction between Ukraine and Russia. If an energy crises becomes severe, the investment risk in Ukraine will become greater.

The new regime in Ukraine expected economic assistance and aid from Western countries, but until now these expectations have not been realized. In this context, Ukraine is attempting to strengthen relations with Russia and taking a positive stance on participation in the "Unified Economic Space."

Whether Ukraine can play as an independent state an important role in the Black Sea Area Cooperation, depends on how she solves her economic and in particular her energy problems. In order for Ukraine to strengthen its ability as an independent state, reduce its dependence on Russia and achieve a secure and stable energy supply, she must seek to fortify regional cooperation with countries in the Black Sea Area.



### **Georgia, GUAM and the “Community of Democratic Choice”**

The Saakashvili regime has been strongly asking the withdrawal of Russian troops stationed in Georgia, as Georgia believes Russian troops are supporting the separatist movements in South Ossetia and Abkhazia. While disputes with Russia deepen, the Georgian economy continues to be in slump. Georgia is also facing serious energy problems. President Saakashvili, in an effort to ameliorate Georgia's energy problems, visited Kazakhstan after Yushchenko in an attempt to negotiate with President Nazarbayev on energy problems.

At the end of May this year the Baku-Tbilisi-Ceyhan (BTC) pipeline was constructed. As a result of the construction of this pipeline it is expected that Georgia will obtain around US\$2.5 billion in 40 years time (Izvestiya, October, 13, 2005.). The BTC pipeline also has a symbolic meaning from the standpoint of maintaining energy security in the Black Sea Area.

Georgia, Uzbekistan, Ukraine, Azerbaijan and Moldova adopted a policy of keeping distance from Russia in the 1990s, and established the GUUAM Group in 1999. After the revolution in Georgia and Ukraine, the character of GUUAM evolved into a pro-American, European and democratic organization — Uzbekistan left the GUUAM in April 2005. In April 2005 at the time of the GUAM summit in Kishinyov, Moldova adopted a positive stance and invited leaders of Eastern Europe and the EU. The government of Azerbaijan, however, feared the spread of revolutionary fervor and therefore distanced itself from GUAM. As a result of Azerbaijan's moves, GUAM lost its meaning as an organization. In August 2005, the governments of Georgia, Ukraine, Moldova, Poland and other Baltic countries, announced the establishment of the “Community of Democratic Choice,” in opposition to the CIS. The idea of establishing this community was an attempt to create a new East European community which will positively promote and expand democracy and the market economy.

### **Confrontation between Moldavia and Russia**

The country most at odds with Russia is currently Moldova. As a member of GUUAM, Moldova once had a policy of keeping distance from Russia. President Vladimir Voronin of Moldova later switched this policy to a more positive Russian line, but the change of regimes in Georgia and Ukraine in 2004 made a strong impact on Moldova and Voronin changed his Russian policy 180 degrees once again to one of a pro-Western European stance. Moldova is opposing Russia by demanding Russia withdraw its troops from

Transnistria. Russia has insisted in keeping its troops in place until 2020, but Moldova's National Assembly, responding to a proposal of Ukraine, insisted to replace Russian troops with multilateral forces of OSCE, in particular Ukrainian troops.

In October 2005 the President of Moldova criticized Russia in a strong tone saying, "even if we lose Russian natural gas and wine markets we will not surrender to Russia on the Transnistria issue." To this, members of Russia's Lower House proposed in October this year the suspension of wine imports from Moldova. Moscow city has already stopped the import of vegetables and meat from Moldova in these six months (Nezavisimaya Gazeta, October, 12, 2005).

Such measures as these will deal a damaging blow to the Moldovan economy. Moldova shows a positive stance towards the creation of the "Community of Democratic Choice," as well as an equally positive stance for the creation of economic cooperation in the Black Sea Area. Moldova's enthusiastic approach to both of the above initiatives can be ascribed to its desire of aiding the realization of the political and economic independence of the region. However, as Ukraine is now attempting to reconstruct its relations with Russia, the future of the "Community of Democratic Choice" is unclear.

## **Conclusion**

Whether the Black Sea Area countries can establish a stable regional environment for cooperation, and demonstrate their substantial presence both politically and economically depends to a large extent on whether these countries can realize their stability as independent of Russian influence. The economic independence and stability, especially in the security and energy fields, is critical, if political stability as independent states is to be achieved. Consequently the most urgent problem needing attention in the Black Sea Area is how to establish cooperative relationships in the field of energy. The two main energy producing countries in this region are Azerbaijan and Russia, but many countries in this region do not wish to be dependent on Russia, even if they are so for their energy needs.

In this context, the promotion of Black Sea Area cooperation depends on how to make effective use of energy resources produced in Azerbaijan, neighboring Kazakhstan and Turkmenistan in view of economic activation of this region: Outside the energy field this region should be revitalized. Japan and other East European countries must seriously study what types of energy and economic cooperation they can provide.

Until now, Japan has not had any comprehensive view or approach to recognize the

Black Sea Area region as a united entity. Even if it is at an elementary level, Japan should at first recognize the geopolitical importance of this region. For that purpose we must actively disseminate information on the Black Sea Area to the political, bureaucratic, business and mass media worlds of Japan. Japanese embassies in the countries concerned should make more strenuous efforts in conducting activities and events for enhancing mutual understanding with the authorities of the government concerned of the region. I hope that this Dialogue will be a first step of achieving such a goal.

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**THE ISLAND NATION & THE INLAND SEA:  
A STRATEGIC VISION OF JAPAN AND THE BLACK SEA REGION**

When I was first asked to speak on the subject of the Black Sea and Japan, I quickly found that few analysts or commentators had delved into the subject in much detail. Perhaps, I said to myself, there may be a reason for that. And perhaps the reason there were so few, if any, grand strategic visions put forward were devastatingly simple. Maybe the region really had so little relevance to Japan that no one had even bothered to examine what role Japan might play in the area.

As an analyst, I always try to understand the perspectives of the other side, to put myself in their shoes, so to speak. I know that diplomats are not always known for their sympathetic understanding of the concerns and sensitivities of their negotiating partners, and as I look around the conference room today, I can see several of my colleagues from BSEC Member States who still bear the scars of many a fierce internal battle within our own Organization.

But understanding the other side provides the essential foundation and framework for a fuller analysis. First, even though I represent a regional economic cooperation organization, I can appreciate that many people find it hard to comprehend the greater Black Sea area as a coherent region, in the same way that, say, Southeast Asia or Scandinavia are so easily comprehensible as distinct geographical and economic regions.

I can also understand that Japanese business has focused on our larger Member States, such as the Russian Federation and Turkey, or on those States, such as Romania and Bulgaria, which are on the path to full accession to the European Union and its vast internal market. And I fully appreciate that many states in the greater Black Sea region

are poor, and are characterized all too often by corruption, weak institutions and the inconsistent application of rule of law, all factors that have effectively ruled them out – at least for now- as suitable candidates for significant inward investment.

And our region unfortunately suffers from several unresolved conflicts, a situation that is one of the biggest barriers not only to inward investment from outside, but which acts as a curb on greater intra-regional trade and investment.

In the past, the Black Sea region was seen as a strategic crossroads and space through which values, art, culture and technological achievements of some of the world's greatest civilizations were transmitted. Today, we are still seen as a strategic space, but one through which all too often is a transit point for the illegal trafficking in people, narcotics, weapons, terrorism and organized crime.

Our sheer distance from Japan may also be seen as a barrier, although in one sense, our largest Member State, Russia, is of course an important neighbor of Japan. So perhaps we aren't such strangers after all – I heard many times from my curious Japanese friends that they'd like to learn more about their biggest neighbor's neighborhood.

We certainly weren't in the distant past. The Silk Road, stretching from Asia to the Black Sea, offers eloquent testimony to that. And perhaps it is from history that we should draw some lessons that may offer us insights into how our future might evolve.

One of the first common markets in Europe was not a product of post-World War Two reconciliation. Many centuries before that ancient Black Sea civilizations enjoyed a common market in metals, with each sub-region providing the others with essential raw materials for their economic development.

So perhaps the fractious and fragmented face that much of our region presents to Japan and the rest of the world today is not our natural condition, but merely a modern historical aberration. I for one would like to think this is so.

But the Black Sea region is not still a nascent political union. The long-term strategic goals and aims of Member States are simply too complex and contradictory for that and the economic and political gravitational pull of the European Union too great for such a conclusion.

At this point, perhaps I need to elaborate on the influence of the EU in our region in order to better explain the region's relevance to Japan. Recently, many commentators have emphasized that enlargement has been perhaps the most successful European policy since the 1950s, when the first moves to create a European entity cemented the reconciliation of France and Germany.

Perhaps that is only a perspective of Europe's political and media elites. But it has certainly worked in the 10 most recent accession states, where the prospect of EU membership has clearly underpinned the peaceful transformation of former communist

economies, and helped to introduce and entrench democratic values.

That enlargement did not directly affect the Black Sea region. But the next one – if there is a next one – will. Of the 12 Member States of BSEC, only Greece is a current EU member. Two others - Romania and Bulgaria – are in the final stages to accede to the EU in 2007. Accession talks with Turkey began last month; a process which I personally believe will have a profound transformational effect not only on its immediate neighbors but on the Black Sea region as a whole. Serbia and Montenegro is covered by a broader EU commitment to the western Balkans. Ukraine has made no secret that it sees its future in Europe. So too has my own country, Georgia. All BSEC States that are not on a direct accession path are subject to the still-evolving European Neighbourhood Policy that seeks to reward, in some still ill-defined way, countries that embrace “European norms and values.” The only exception is Russia, which already has a complex “special” strategic relationship with Europe as well as Japan.

It is perhaps ironic that, at a time when many people in what I will call “established Europe” are so disenchanted with the European project, that its allure and attraction exerts such power and influence over its “near abroad.”

Some Black Sea countries have never appeared on any list for accession. Yet the European flag flies alongside their national flags in front of parliaments and other public buildings. Some can do so because it is also the official flag of the Council of Europe, of which all BSEC countries are a member. But that flag does not fly there to impress visiting European officials and politicians and to persuade them to support our long-term hopes and aspirations. It is no publicity or public relations stunt. It flies there because it serves as a psychological anchor in countries which have been wracked either by civil wars or economic collapse.

This flag symbolizes hope. Not hope for a future economic gravy train, or for bottomless subsidies or handouts from Brussels; nobody in the Black Sea region is so naive as to believe that. But that flag- the EU flag- symbolizes a hope for stability, for the possibility of future prosperity.

Whatever direction the present debate in established Europe takes, Europe will continue to exert a fundamental influence on our development in the Black Sea region. Many of our economies and companies are already aligning themselves with European and international standards and regulations, a development that over time will make our region more attractive to potential investors, including those from Japan.

We are also emerging rapidly as a major energy hub, not only for Europe but for countries such as Japan. Japanese companies are partners in three of the most important energy projects in the BSEC area, the development of some of Azerbaijan’s biggest offshore oil and natural gas fields in the Caspian Sea, the Baku-Tbilisi-Ceyhan oil pipeline - linking Caspian oil reserves to the Turkish Mediterranean Sea coast and then on to wider world markets, and the South Caucasus natural gas pipeline from Azerbaijan to Turkey via Georgia. Japanese suppliers, such as Sumitomo, played a crucial role in providing the vast amount of pipes required by the three projects, whose total value is

estimated at around \$20bn.

Other critical energy infrastructure projects are on the drawing board, and it is hard to imagine that Japanese interest in the strategic potential of the region's energy reserves and energy supply corridors will diminish. In fact in today's volatile global energy markets, it seems to me that Japanese interest and involvement can only increase in coming years as competition for scarce resources intensifies.

But even as Japanese commercial involvement increases, an obvious question comes to mind. Where are the other Japanese institutions and agencies, both from the public and private sectors, to help ensure that such investments are sustainable in the long term and to ensure that those investments bring benefits both to Japan and to the region as a whole?

Given the deeply uncertain direction of the EU, that is more than of purely academic interest. Imagine, if you will, if that magnetic, psychological attraction of Europe is removed altogether. Unfortunately, it is now not an unimaginable thought. Imagine as well if, as a result of recent events within the EU, that it closes its door on much of the Black Sea region. I cannot tell you what will happen or predict what new political upheavals or re-alignments may take place, or whether an all-encompassing economic malaise will settle over the region. All I can say is that in much of the region democratic institutions are still fragile. Economies are still struggling. In some cases, extreme and divisive nationalisms have been in held in check only because the prospect of Europe has proved a far more powerful attraction.

Europe is where we naturally gravitate towards simply through geographical proximity, and Europe has demonstrated how powerful "soft power" can be, even in a region that historically has proved to be fertile ground for recurrent Great Power rivalries and conflicts. And this is perhaps where Japan can find a role beyond its economic self-interest, as important as that is.

Let me be blunt for a moment. Our region is one where suspicion is deeply entrenched, where the motivations and ultimate designs of external parties are subjected to endless conspiracy theories. The collective memories of the past persist into the present and are routinely projected into the future. We are still all too often prisoners not only of our geography but of our past and of the ancient rivalries that lie just below the surface.

That is our problem and burden. But it could also be an opportunity for a country such as Japan. Japan is not ensnared in our past. It does not carry the burden of our tortured history. But Japan could help shape our future, both economically and socially. At many points in its history, Japan has had to make many difficult transitions and transformations. Its experiences could help us to do the same.

But I know that a Japanese mind likes alongside these academic reflections to hear more some concrete facts on the ground for further Japanese involvement with BSEC. Here they are:

A strong argument in favor of participation of Japan in the activities of BSEC could be that the twelve BSEC countries grew by an estimated 7, 3% in real GDP during 2004. This followed growth of more than 5% in 2002 and 6% in 2003. The region is second only to East Asia & the Pacific in average growth during the last 3 years. Involvement in the only full fledged regional Organisation of the Black Sea area with well institutionalized and legally structured framework composed of the Black Sea Trade and Development Bank (BSTDB), BSEC Business Council, BSEC Parliamentary Assembly, and ICBSS, (our BSEC “think tank”), will increase the potential of the strong Japanese export sector in maximising sales in the region and provide useful commercial insights to be utilised by the strong Japanese manufacturing and services sectors.

The BSTDB is providing large scale financing to banking institutions in the Black Sea region. Up to now the BSEC Bank has provided 283 million USD to the expansion of banking operations. Taking into account the relatively low level of penetration of advanced financial services in most of the BSEC countries, Japanese Banks could be interested in the privatisation of the regional national banks. It should be noted that quite recently the prices for privatised banks in Central and Eastern Europe have skyrocketed (the largest Romanian bank was sold in November for a price almost 30% more than the previous highest estimate).

Participation of Japan in the different BSEC Working Groups, and specifically on the Banking and Finance matters and other respective bodies of BSEC, could provide more information and leverage on this regard taking into account that the Japanese financial institutions are among the largest in the world.

The protection of the environment is one of the main priorities of the BSEC and it has undertaken extensive work, especially in the cleaning of the Black Sea itself. To this regard the BSEC is extensively cooperating with the Black Sea Environment Programme (BSEP). Japan is a world leader in environmental technology and at the same time is providing financing to BSEP. Participation of the Japanese experts at the relevant forums of BSEC will increase its leverage in this sector.

And these are just couple of facts.

Japan has been at the forefront of globalization. That globalization will grow in coming years and decades is a given, in spite of its potential to trigger economic, cultural and political dislocations. The challenge is how to exploit it at the same time as preserving and promoting the unique characteristics of individual economies and societies in the face of seemingly overwhelming forces.

For economic powerhouses such as Japan, globalization is not just about penetrating and developing new markets and building critical commercial mass. It also increasingly carries with it specific responsibilities for helping to ensure that those markets develop in an orderly and stable way. That is simply good business practice in the 21<sup>st</sup> century.

And this is where I believe that our Organization – BSEC – could offer significant

opportunities for Japan, both in the economic and political spheres. There are several distinctive areas for potential cooperation. The first is that we could jointly help BSEC Member States to identify and understand the underlying technological, economic and commercial strands and trends that intertwine to produce “globalization,” and how such developments may impact on their economies and cultures. The key here is not to have airy, academic debates on the rights and wrongs of globalization, but to bring the debate down to a level in which its consequences, and thus any consequent opportunities, are identified in Black Sea context.

BSEC is also a natural vehicle through which together we could help to break down the political, fiscal and physical barriers that undermine the Black Sea region’s inward investment environment. Japan’s image in our region as being a “neutral” agent of change makes it a potentially potent and effective partner, and one without a secret or hidden political or economic agenda.

Black Sea societies and Japan also share a deep regard for the cultural achievements of our ancestors. The Black Sea region is perhaps the world’s oldest continuously-inhabited region. It is said that in some of the Middle East’s greatest oil producing states that all you have to do to find oil is to push a stick into the ground. That, of course, is certainly an exaggeration and an obvious slight to the skills of geologists worldwide. But dig a deep-enough hole almost anywhere in the Black Sea region and you will more than likely come face-to-face with the achievements of our ancient ancestors.

Cultural heritage is not just about the past, however. It can have a practical and pragmatic economic impact on the present, offering unique opportunities for tourism and jobs in areas which have traditionally suffered from chronic under-investment. In remote northeast Anatolia in Turkey, one can routinely see busloads of Japanese tourists who have made the long and arduous journey to visit unique monuments and archaeological sites. We need to develop the vast potential in our region for the creation of cross-border cultural heritage trails and trans-national tourist routes. What better partner could we have than Japan?

BSEC, in turn, can offer Japan a unique perspective and position in the region. Perhaps in the past BSEC has not itself seen the relevance or importance of that perspective or position. But global political, economic and security related developments, good and bad, have made that view a necessary element of the broader strategic picture. But only BSEC, working closely with partners such as Japan, can bring that about. Together we can build upon BSEC’s existing structures and resources to put forward views, forums, projects and relationships that will be beneficial to both sides. It is a unique time in modern history. And the Black Sea region is in a unique strategic space, one in which Japan is uniquely placed to play a positive role across a broad array of areas.

Having in mind the fascinating dynamic trends and processes in the Black Sea area, and taking advantage of the presence of several esteemed representative of Japan’s foreign ministry, I would like to invite Japan to consider joining countries such as the US, Germany, France, Italy, Austria, Israel and many others as an Observer of BSEC.



Last year, the Tsunami that tragically swept across much of the Indian Ocean dramatically demonstrated that the power of a single tectonic geological event in one remote area of the world can have a devastating effect on people and societies thousands of kilometers away. Over the past decade or so much of the Black Sea region has experienced tectonic political events. These too have had an impact well beyond our region, and in some senses, are still being felt.

Our region, as one of the world's great cross-roads, will continue to be subject to change, and sometimes suddenly. We sincerely hope whatever changes occur overall will be for the better. It is what our citizens not only desire but demand. But we need sincere partners to ensure those changes are positive and to help bring stability and economic growth. Japan, an island nation, at one point in its history chose isolation from much of the world. In more recent times, much of our inland sea region was isolated from much of the world through political and ideological divisions. But in today's world, neither an island nation nor an area dominated by an inland sea can afford to be isolated from each other or the wider world. It is simply not an option.

Concluding, I would like to thank the Organizers of this wonderful Conference, personally Mr. Noritake KAI, Governor of the Global Forum of Japan, and His Excellency Taro ASO, Minister for Foreign Affairs of Japan, the Japanese Embassy in Turkey and His Excellency Tomoyuki ABE, Ambassador of Japan to the Republic of Turkey. My special gratitude, by all means, goes to the Turkish Embassy in Japan and personally Her Excellency Solmaz ÜNAYDIN, the Ambassador of the Republic of Turkey who urged us to participate in this very important Conference for the Black Sea region and BSEC. Thank you Madam Ambassador very, very much!

And thank you all for your more than kind attention.

## 7. Minutes of Discussions

### Opening Session

*Opening Remarks*      *ITO Kenichi, President, GFJ*

This dialogue came about because of the good offices of Romania and particularly Professor Pascu and the Black Sea University Foundation. It was first suggested last year. Well there were doubts about whether it would be understood, many people immediately recognized its importance and offered their help.

The participation of the Ministry of Foreign Affairs of Japan and the Black Sea Economic Cooperation Organization has elevated the relevancy of the dialogue.

The Yomiuri newspaper will be printing a story on the dialogue and I hope that the dialogue would pave the way for stronger relations between Japan and the wider Black Sea Area in the future.

*Opening Remarks*      *Ioan Mircea PASCU, former Minister of National Defense of Romania*

I am representing the Black Sea University Foundation.

Many changes have taken place in the region since the end of the Cold War. The Black Sea is being transformed into the gateway to Europe and is gaining new importance and relevance, particularly for Japan. Like Asia, the area is complex and events there reverberate throughout the world.

The GFJ has the power to create public awareness of this area and today represents an opportunity to issue a "birth certificate" for an area that still lacks identity.

*Introductory Remarks*      *HARADA Chikahito, Director-General, European Affairs Bureau, Ministry of Foreign Affairs*

There is much dynamism and diversity in the wider Black Sea Area, with various cultures coexisting after centuries of different civilizations rising and falling. The area has never been recognized as having common regional characteristics until recently, partly because of its geographical scope. Few countries have designed a foreign-policy which encompasses the entire area, and Japan is no exception.

However, it is gradually acquiring common features of geopolitical and economic importance, and there is a possible role for Japan to play there. With a market of 400 million people and competitive labor costs, Japan regards the area as a potentially attractive trade and investment partner. Japanese companies are participating in more oil production projects and Japan has provided yen credits for upgrading the capacity of terminal ports in some countries.

Japan considers democratization to be an important factor in regional stability and actively assists the area by, for example, sending election

observers and holding dialogues. Japan also provides technical assistance and wants to play a role in peace consolidation and nation-building. It welcomes the role played by BSEC as a unique entity encompassing all countries in the region.

The region faces many problems with cross-border implications, among them: infectious diseases, transnational organized crime, illegal arms trade and proliferation of weapons of mass destruction. Japan encourages regional cooperation initiatives as an effective tool for coping with trans-border issues and promoting trade and investment. It also notes that many countries in the region are taking their own initiatives and Japan will continue to serve as an anonymous partner in achieving further improvement on many of these issues.

Today's meeting is a valuable attempt at a non-government level.

*Free discussion*

*All participants*

Would Japan consider observer status in BSEC?

Mr. Harada responded that Japan did not yet have a position on this question but would need to consider it in due course. There is potential for establishing a dialogue between Japan and the region similar to the dialogue between Japan and Central Asia.

Professor Pascu noted the potential for collaboration with the European Union, which is stressing the non-military aspects of security, and Japan, which is already prepared to participate in non-military areas.

Professor Sarkisov expressed concern over the implications for territorial disputes with Russia and the potential for Russia to perceive Japanese involvement in BSEC as an attempt to exploit the situation. Mr. Harada expressed confidence that Russia understands Japan does not have any claims or ambitions in the Black Sea Area.

## **Session I: Review and Perspective of the Functional Cooperation in the Area**

*Chairperson*

*KAI Noritake, Governor, GFJ (former Ambassador to Tunisia)*

The Black Sea Area had begun to emerge with its own identity since the end of the Cold War. NATO has shown great interest in the region and Europe's presence already reaches to the coast of the Black Sea. Japan has implemented a policy of "Silk Road Diplomacy" with countries in Central Asia and there has been remarkable progress in the fields of trade, investment and industry. We may perhaps be able to use a similar approach with the Black Sea region.

*Paper Presenter*

*Mustafa AKŞİN, Chairman of the Board, the International Centre for Black Sea Studies (Turkey)*

BSEC was at first a commitment to engage in economic cooperation, but in 1998 heads of state signed the BSEC Charter, which transformed it into a fully-fledged international organization. BSEC now has 12 members plus 12 observers and has recently gained observer status at the General Assembly of the UN.

Its decision-making organ is the Council of Ministers of Foreign Affairs. There is a secretariat located in Istanbul and working groups meet regularly to discuss specific issues.

BSEC works in cooperation with other international organizations and has recently broadened its scope to include areas such as environmental protection, water management, science and technology, institutional renewal and good governance, seismic protection, and soft security issues such as organized crime, illegal traffic of drugs and arms, terrorism, corruption and money-laundering.

The Business Council is a non-Government Organization of the business communities of member states that helps promote investments, works to eliminate impediments to trade and assists in developing cooperation among small and medium-sized enterprises.

The Black Sea Trade and Development Bank located in Greece is the financial arm, with an active portfolio of \$675 million. The International Center for Black Sea Studies is responsible for the academic and scientific dimension of Black Sea cooperation and serves as a think tank for BSEC.

There have been unresolved issues between BSEC members, but thanks to BSEC, the atmosphere is now more conducive to their eventual resolution.

BSEC members are recording robust growth that will put them in the category of "tiger economies" if it can be sustained. The region needs to do more to promote intra-BSEC trade, however.

BSEC is a neighbor of both the EU and the greater Middle East. Some members of BSEC are major producers of energy and many serve as energy corridors to Western Europe. As such, BSEC members offer many opportunities to investors that want to tap the region's huge natural and human resources. There is room for growth in Japanese involvement with the region, especially in energy, manufacturing, infrastructure and particularly tourism, where Japanese firms are notably absent from the hotel and airline markets.

*Paper Presenter*                      *UEGAKI Akira, Professor, Faculty of Economics, Seinan Gakuin University*

Different countries will have different views on the GATT agreement and globalization.

"Optimists" view economic globalization is desirable and regional economic arrangements as a means to it. "Genuine globalists" say yes to economic globalization but no to regional cooperation because the latter disturbs free global economic transactions. "Nationalists" say no to both economic globalization and regional economic cooperation because of their potential to destroy the national identity of small countries. "Ecologists" say no to globalization and yes to regional cooperation because of the potential for the latter to mitigate the vices of economic globalization.

Most BSEC members probably view globalization and regional economic cooperation as something desirable. This optimism, however, cannot be realized shortly because there are economic problems among BSEC members, particularly current account deficits and dependence on labor remittances.

To begin with, the region needs to create a terror-free, crime-free zone around the Black Sea in order to attract capital. Cooperative efforts for the protection of the environment, especially the water of the Black Sea, are minimum requirements for further development.

*Lead Discussant A      Sergei GONCHARENKO, Deputy Director, Department of  
Economic Cooperation, Ministry of Foreign Affairs of the  
Russian Federation”*

Russia considers the Black Sea Area an important region. It has historically been a Black Sea country itself and its policy towards the region is to strengthen peaceful and friendly relations. Russia considers BSEC to be a very effective mechanism for cooperation. Romania is the current chair and Russia will be the next. The organization works in line with the philosophy of modern international relations and makes an interesting partner for non-regional countries. Russia welcomes the initiative of the United States as well as Belarus, Croatia and Czech Republic to obtain observer status with BSEC

Among the proposals introduced by Russia are electric power links, passenger interaction between ports on the Black Sea and ports on the Mediterranean, and modern highways.

In 1997, Russian Government empowered the foreign ministry to coordinate all Russian Federation activities in the direction of BSEC, which it finds a very convenient arrangement.

*Lead Discussant B      TAKENAKA Shigeo, Secretary General of Asian  
Productivity Organization (former Ambassador to Turkey)*

Asia has a longer history in regional cooperation, and there are two primary regional organizations for this: ASEAN and SARC. When ASEAN started, there were many conflicts between its members, but they gradually realized that cooperation should take precedence and their conflicts subsided. Large regional players like Indonesia restrain themselves within the organization so as not to dominate it, and this gives it credibility. By contrast, SARC is dominated by India and lacks the same credibility as ASEAN.

The implications for the Black Sea Area are that conflict should be resolved and countries should exercise restraint.

I think Japan should become an observer of BSEC and that the Foreign Ministry should handle all Black Sea countries under the same department, which would enable a moral coherent policy to be produced for the region.

*Lead Discussant C*      *Yuriy KOSTENKO, Ambassador of Ukraine to Japan*

The United Nations, NATO, European Union, Council of Europe and other organizations help to maintain stability and democracy in the Black Sea Area.

Ukraine considers GUAM to be one of the main instruments for guaranteeing stability in the region, which it believes should be based on democracy, economic development and security components. "Frozen conflicts" are among GUAM's highest priorities.

Ukraine has also launched the Community of Democratic Choice as a public forum for resolving conflict and maintaining human rights. Its first meeting will take place in Kiev in December with high-level participation from European countries.

*Lead Discussant D*      *IMAMURA Akira, Director, Central and South Eastern Europe Division, Ministry of Foreign Affairs of Japan*

The Black Sea region can be compared and contrasted with East Asia. Both have a wide diversity of values, religions, cultures and history, and there are also wide diversity in the degree of democratization and marketization in both regions. Like East Asia, it is premature to seek integration like EU in the Black Sea region, but it is more suited to promote functional cooperation among the countries of the region with its current level of diversity.

In East Asia, some of countries have security arrangements with the United States but no multilateral organization akin to NATO or the EU. In the Black Sea region the US also has a great interest in the stabilization of the Middle East and Black Sea regions and in connection with this it will be establishing military bases in Romania on the Black Sea coast. But like in East Asia, there is no multilateral security organization that covers all the region, due to diversified views on security threat in the Black Sea countries. There are also differences between the two regions. Unlike East Asia the degree of economic interdependence is still low in the Black Sea region. Asymmetry exists in terms of energy supply structure in the region, with Russia being single biggest supplier.

Stability in this region is important for Japan and cooperation should be open to all participants. Japan does not have a multilateral Black Sea policy at this time, but it does enjoy strong bilateral relations with each country of the region, which it would like to further strengthen. Furthermore, Japan can play a role once frozen conflicts are resolved and can assist in economic development and infrastructure creation. It is particularly concerned with cross-border crime,

not only terrorism and weapons, but also human trafficking, because many of the victims end up in Japan, working and staying here illegally. Finally, in the area of environment, Japan is interested in joint projects under the Kyoto protocol.

*Lead Discussant E                      Polyxeni PETROPOULOU, First Counselor (Political Counselor), Embassy of Greece in Japan*

BSEC is a relatively mature organization with a broad base. It is the most advanced expression of regional cooperation in the Wider Black Sea Area and many associate organizations have been developed.

Greece is the only member of both the EU and BSEC and as such wishes to be a driving force for cooperation between the two regions. In October 2005 Greece was mandated by the BSEC Council of Ministers to hold exploratory consultations with EU Institutions on the enhancement of BSEC-EU interaction.

BSEC has a significant role to play in the creation of a common Eurasian economic space. A strong and effective partnership between the EU and BSEC, based on common economic, political and cultural values, is needed for the promotion of peace, stability and regional cooperation.

*Free Discussions                      All Participants*

Participants discussed the status of GUAM, with some questioning whether it had lost its relevance because the positions of member states, particularly Azerbaijan, had changed. Others affirmed that GUAM was still a vibrant and active initiative. For instance, it has a common position on the need for the withdrawal of Russian troops in the region. It is also moving to create a secretariat.

One of the difficulties with regional cooperation and identity is that there are magnets more powerful outside the area than inside, particularly Europe, which is attractive to countries in the region. There is still some question about what the Black Sea Area constitutes, specifically whether the Baltics are included. Some participants said that "Wider Black Sea Area" was synonymous with BSEC, which itself represented the institutionalization of trends taking place in the region.

GUAM was considered by some to be an "initiative" rather than an "organization." It is not necessarily in opposition to CIS.

While identity is an issue for the region, many participants felt that it should not be addressed at the beginning; rather identity is something that emerges



after substantive cooperation and interaction build up. East Asia still does not have a clear identity itself. Other participants noted that different countries in the region have fundamentally different perceptions of history which cannot be reconciled and which will be an impediment to developing a coherent identity. Others pointed to the Byzantine, Turkish and Russian influences on the region, which give countries there a common flavor.

There were questions about the current account deficits presented in some of the papers and participants noted that overvalued currencies play a large role in the Turkish deficit in particular.

It was suggested that representatives of Japan be invited to BSEC working groups and workshops and perhaps the Japan Foundation would consider running one of the meetings in Istanbul.

## **Session II: Strategic Implications of Big Power Interests in the Area**

*Chairperson*

*ITO Kenichi, President, GFJ*

*Paper Presenter*

*Ioan Mircea PASCUI, former Minister of National Defense of Romania*

After 150 years of relative neglect, the Black Sea Area is again a focal point for the great powers. It has three main strategic directions: towards the Soviet Union, towards the Middle East and towards Central Asia. Through the Danube, it is now a gateway to Europe as well. There are two main strategic aims for big power interests: to acquire or maintain strategic positions and to control energy resources. "Oil for democracy" is another new trend in the region.

Russia has tried to step into the shoes of the former Soviet Union, but is not able to fill them completely. The withdrawal of its troops from the area is essential to the solution of conflicts. Russia is also trying to keep countries in the region dependent on her. Some 60% of Turkish gas supplies come from Russia.

The United States is interested in oil and gas, and also wants a political and military presence in the area, which it sees as a part of the larger Middle East. US troops have been stationed in Romania.

The EU's Neighborhood Policy has resulted in agreements with Ukraine, Moldova and the Caucasus. Turkey regulates naval activity in the Black Sea

and coordinates with Russia, which is its second-largest economic partner. Should Turkey failed to join the EU, she would be bottled up at the entrance of the Middle East, which is something that it does not desire. It might then work with Russia to present a barrier for the European Union.

Whatever happens, it will not diminish the relevance of the region as a gateway. There is too much to gain through cooperation, so conflict is not a possibility.

*Paper Presenter*

*MUTSUSHIKA Shigeo, Professor of the Graduate School of International Relations, University of Shizuoka*

The international context for the transformation of the Black Sea region is that the big powers have always dominated this region and continue to do so. NATO is moving in to fill the power vacuum created by the end of the Cold War, and the EU, which is a stronger actor from an economic point of view, has extended its borders to the vicinity of the eastern coast of the Black Sea.

There is also discontinuity, primarily because of the conditionality of the EU/NATO membership. Should the region fail to be integrated with the West, it will move closer to the Russian sphere of influence. While "domino democratization" has occurred, there is also conflict between pro-Western and pro-status quo forces.

Turkey and Russia cooperate because of common economic interests and also common political interests in that they wish to exclude outside influence from the region and maintain their own positions.

The key issue regarding the stability of the Black Sea region is the traditional Russian thinking on the CIS and its Near Abroad policy. A democratic, prosperous and stable Russia would be ideal, but the Americans prefer stability above all, if we should choose one between an authoritative but stable Russia and a democratizing but unstable Russia. The key question is whether Russia has really transformed its fundamental foreign-policy. Without this, the independence and stability of Georgia and Moldova will not come about.

The regional cooperation has not produced fruitful results to this point, so it seems essential that outside actors cooperate, particularly the EU, which started semiofficial meetings with BSEC this year.

Once conflicts have been resolved, there will be room for Japan to cooperate with the region, just as it has in the Balkans.

*Lead Discussant A*      *Oğuz ÖZGE, Ambassador, Director General for Economic Affairs, Ministry of Foreign Affairs of Turkey*

The Black Sea Area is strategically important because it lies at the heart of the Eurasian land mass. As the key point controlling the east/west and north/south transportation routes, the area has been a center of attention for centuries and continues to be so. Following World War II, the Wider Black Sea Area, with the exception of the Middle East, remained under the influence of the Soviet Union, and a power vacuum emerged after the Soviet Union's collapse because the newly independent states were too weak to contribute to the stability of the area.

Its rich oil and gas resources make the area attractive to India and China for their energy security, and indeed China, India, the EU and Japan are all poised to become influential players in this region because of their increasing energy demand. Turkey is located strategically between energy producers and consumers and is becoming a major energy power thanks to its pipelines.

The area has historically been unstable, and strengthening security is becoming a high priority for nations that have stakes there. Stability and security will require political form, democratization and economic reform, not just physical measures.

Organized crime and terrorism are risks. The Black Sea itself has become more secure than the Wider Black Sea Area thanks to cooperative naval arrangements among the six coastal states. BSEC develops security measures to cope with challenges.

*Lead Discussant B*      *ISHIHARA Tadakatsu, Senior Coordinator, Policy Planning Division, Foreign Policy Bureau, Ministry of Foreign Affairs of Japan*

While there have been some positive developments like democratization, there are many complex problems and conflicts that remain in the Wider Black Sea Area. Russia, for instance, considers it to be a "backyard" of vital importance. The United States is making inroads in the region through the expansion of the EU/NATO. At the current point, the region is more favorable to the West than it is to Russia, and this is particularly the case for Ukraine and Georgia.

Turkey is a major power in the region and its interest sometimes differ from those of the US. If Turkey is not accepted into the EU, it will reorient itself more towards Russia and the Middle East.

Iran, China and India are all becoming players in the region. Settlement of the Transnistria problem might facilitate closer ties between Romania and Moldova.

*Lead Discussant C      Blagovest SENDOV, Ambassador of Bulgaria to Japan*

The security of the Black Sea requires more attention.

Conferences and seminars have recently been held on security arrangements. For instance, Bulgaria recently held a seminar on strengthening security in the Black Sea which was attended by delegations from Great Britain, Georgia, Romania, Russia, Turkey, Ukraine and Bulgaria. Other important developments include the NATO Istanbul communiqué and the Atlantic Disaster Response Organization.

The Black Sea will be on the border with the EU and will need to increase security in cooperation with other states. The main focus should be on the management of volatile "frozen conflicts." For example, Armenia and Azerbaijan are now in high-level political dialogue and Bulgaria highlights the positive developments that have been made in the peaceful settlement of territorial conflicts. However, the most important decisions are still to be taken.

The key question for the region is how the interests of the big powers will play out for stability and security.

*Lead Discussant D      SUEZAWA Megumi, Associate Professor of Heisei International University*

The Black Sea has not been at the top of the European security agenda and most states in the region have been involved in their own problems. Territorial issues have also hampered progress. Many states see NATO membership as the first step in joining the EU. NATO's borderline already extends to the Black Sea coast, which raises concern about collisions of interests among the great powers in this region.

BSEC has the opportunity to set a model for international cooperation. It can play a much wider and more significant role than expected, for instance, in promoting Ukrainian integration.

Today's conference will help to raise awareness of the Black Sea region in Japanese society, but Japan should not employ double standards as it provides cooperation. Japan is trusted in the region because of its lack of political ambition and could play the same role there that it played in Ukraine.

*Lead Discussant E      Aurelian NEAGU, Ambassador of Romania to Japan*

BSEC is the only instrument that brings together the countries of the region and it is gaining importance in the eyes of the world. The interest in this region can be seen from the new observers that have been added to BSEC. We would like to consider official status for Japan in the organization and are particularly interested in further economic cooperation. Japan is welcome to participate in the energy or military forums scheduled for next spring.

Many countries have vested interests in gas and oil in this area and there is a proposal for a multinational company to be established in order to ensure maximum transparency.

Romania would like to leave a legacy to BSEC while it is in the chair. We want to provide a reality check so that we can explore common interests and common areas of concern.

*Lead Discussant F      Konstantin SARKISOV, Professor of Department of Politics and Public Administration, Faculty of Law, Yamanashi Gakuin University (Russia)*

BSEC is a good example of regionalism as a mechanism to lessen the destructive features of globalization, and this is where the idea of an East Asian economic community derives from. In this transitional period in international relations, regional solidarity is becoming increasingly important.

The region used to have old confrontations, for example between Turkey and Greece or Russia and Turkey, but the collapse of the USSR has helped it to overcome traditional animosities. On the other hand, it has also added new conflicts. All of the frozen conflicts are due to its collapse.

Today, the region is stable, but not 100%. Stability is maintained by the major powers: the United States, Russia, EU and Turkey. The key to solving conflicts will be economy, as increasing interdependence will make it easier to overcome political controversies. However, political will is also required.

While Japan can contribute with money and technology, its pacifism is also needed. Japan is a good example of how a peaceful country can be successful.

*Free Discussions      All Participants*

"Frozen conflicts" are not "frozen;" they are ongoing. It is the resolution that is frozen. BSEC needs to explore ways to unfreeze resolutions, and economic models may be useful in this.

Turkey enjoys close ties with Russia, but not at the expense of other states in the region. Its goals are to foster economic growth and prosperity and to enhance stability and peace. It is open to cooperation with all Black Sea member states.

Turkey holds an annual conference in Istanbul for people in the oil and energy industries. When Russia is the chair of BSEC, it would be interesting to hold a similar conference in Moscow or even in Japan.

### **Session III: The Importance of the Area for Japan and Japan's Role in the Area**

*Chairperson*                      *Ioan Mircea PASCU, former Minister of National Defense of Romania*

The participants in the dialogue realize the importance of Japan for the area and also the importance of the area for Japan. Japan has always been serious in its undertakings; once it decides to move, it really moves. Japanese decision-makers have come to the conclusion that the Black Sea Area is worth looking into and our job is to help them formulate a policy towards it. This policy will comprise political, economic and commercial dimensions.

This is also in line with Japan's desire to have a more dynamic role in international politics by, for example, obtaining a permanent seat on the UN Security Council. Japan is a permanent participant in various international organizations in both military and non-military respects.

We understand that Japan requires more time and analysis in order to present its decision-makers with enough information to motivate them to take a decision on involvement in the Black Sea Area.

*Paper Presenter*                      *HAKAMADA Shigeki, Professor, Aoyama Gakuin University*

It has been noted that Japan does not have ambitions in this area, but we must also acknowledge that Japan lacks strategy as well.

The most important question is whether the region will become stable. If that is achieved, relations will easily normalize. Japan needs to cooperate for the building of stability in this region.

Many countries in the region have unresolved conflicts and issues with Russia. Ukraine, which was at one point very negative towards Russia and seeking membership in the EU, NATO and WTO, is now moving to improve relations

in part because of its energy dependency and in part because of dissatisfaction at home. Ukraine expects economic assistance from the West, but those expectations have not been met.

Georgia demands the withdrawal of Russian troops but faces its own energy problems. After the revolutions in Georgia and Ukraine, the character of GUAM changed, which caused Uzbekistan to leave it and Azerbaijan to distance itself.

The Community of Democratic Choice seems to be in opposition to the CIS and we would like more explanation about its concepts and aims. Moldova is very anti-Russian and seeks immediate withdrawal of troops. Whether the Black Sea Area countries can establish a stable regional environment depends on whether they can achieve their own stability as states independent of Russian influence.

*Paper Presenter*                      *Tedo JAPARIDZE, Secretary General, Organization of the Black Sea Economic Cooperation*

The Wider Black Sea Area suffers from intra-regional conflict, corruption, weak institutions and unresolved disputes. In the past, it was a strategic crossroads through which values, culture and technology were transmitted; today it is seen as a transit point for illegal traffic in people, narcotics, weapons, terrorism and organized crime.

Japan and the Black Sea were not so distant in the past, when the Silk Road connected them, nor has the Black Sea always been as fragmented as it is today. Black Sea countries look to the EU for their future and the European Neighborhood Policy seeks to reward countries that embrace European norms and values. Many of them see it as a symbol of hope for stability and prosperity in the aftermath of civil war and economic collapse, and are aligning themselves with European and international standards. Even Russia has a complex "special" strategic relationship with Europe.

In today's volatile global energy markets, Japanese interest and involvement in the region can only increase as competition for scarce resources intensifies, but where are the other Japanese institutions and agencies?

Japan has an opportunity in the Black Sea region because this is an area where suspicion is deeply entrenched and Japan does not carry the burden of history. It could help to shape the area's economic and social future as a neutral agent for change. In this context, BSEC offers significant opportunities for Japan.

For economic powerhouses like Japan, globalization carries a civic responsibility to help ensure that market development proceeds in an orderly and stable manner.

I would encourage Japan to consider obtaining observer status in BSEC.

*Lead Discussant A      Solmaz ÜNAYDIN, Ambassador of Turkey to Japan*

There has been significant economic progress in the region in spite of the political conflicts, and it is a point of interest for the big powers (USA, Russia, Europe) both for its geographical location and its energy resources.

It is only natural for a country like Japan to seek an international position in keeping with its economic achievements. I would like to associate myself with all of the proposals regarding the role of Japan in BSEC, including observer status. I understand that Japan requires more time to study the issues, but I am confident that once Japan decides to tackle the problem it should not take long. Indeed, Japan already has bilateral relations with many countries in the region regarding the issues on the agenda of BSEC.

Japan's involvement in peace consolidation is a welcome move, but we should not wait till that point. In the meantime, Japan should take part in working groups on energy, trade and development. We welcome any input from Japan, whether money, technology or human resources.

I agree with the comments that Japan could join several forthcoming BSEC committee and related organ meetings in Turkey, Greece, Romania or Moscow.

*Lead Discussant B      NAGASAKI Yasuhiro, NHK Reporter*

The adjustments of the interests of Russia and Turkey and Turkish membership in the EU will be vital for the stability of the region.

Japan will be very effective in this region because it can work from a neutral position, free from the great power games of the past. Everyone agrees that Japan should take part in enhancing the stability and prosperity of the region; the question is how to do so. In the past, we have not had a coordinated viewpoint or approach to the Black Sea Area.

We need to give general information about the area to the Japanese public. It is still difficult to convince mainstream news agencies to run articles on the region because it is far removed and people do not see its relevance. However, once people have a good image of the region, that image will continue and will make it possible to enhance cooperation.



*Lead Discussant C*      *Tatyana KUZNETSOVA, Head of Chancery of the Director General of the Ministry of Foreign Affairs of the Russian Federation*

The Russian Foreign Ministry values Japanese interest in the BSEC region. We would like to create stable, pragmatic and long-term economic relations supported by political relations, and we encourage Japan, as a leading economic power, to achieve observer status in BSEC. This status may make it easier for Japanese companies to participate in BSEC-related projects.

Japanese expertise will be useful to BSEC states in many areas, including small and medium enterprises, services, SME policy and taxation. We understand Japanese representatives could arrange seminars on these topics. Japan may also be interested in the big projects going on in the area: electric power, highways, widening of internal waterways, and construction of a new water transport system connecting the Caspian Sea to the Black Sea.

*Lead Discussant D*      *HIROSE Yoko, Senior Lecturer of the Graduate School of Area and Culture Studies, Tokyo University of Foreign Studies*

My focus is on the Caucasus area where the biggest hurdle is conflict, which must be resolved before further progress can be made. There is no sign of democratization in Azerbaijan, but the US and Europe employ a double standard because they focus on stability. Other countries likewise care about good relations with Azerbaijan and do not think about exporting revolution.

Japan has a role to play in this region as a fair mediator helping to bring about a resolution of conflicts. Azerbaijan is an important source of energy and it should be possible for Japan to deepen its relationship with the country.

*Free Discussions*      *All Participants*

There have been many concrete, practical ideas put forward. We would appreciate thinking from Japan about how it could contribute to the development of non-oil sectors. It would be worthwhile to send several young Japanese investment bankers to the region for six months or a year to identify options for regional development and present them to the Japanese business community.

This dialogue is just a first step. We would like to follow up with meetings in Istanbul, Tokyo or Moscow and would be glad to invite GFJ to put together an event in Istanbul or jointly publish articles and books.

The core of Ukraine's problem is that it wants to be a member of the EU but also have special relations with Russia. It is sitting on the fence, as are many Eastern European countries. Russians see them as trying to milk two cows.

Russia is not a new neighbor of the EU; it is a traditional, old neighbor. Indeed, Russia is more European than many others.

Our conclusion is that Japan should play a role in the Black Sea Area. It could contribute to stability and partnerships with it could help economic development to pick up. Once living standards improve, democracy will be established and entrenched.

The Japanese role could go beyond observer status and evolve into that of a mediator, which would give it a political role in the area.

Japanese support for the Black Sea region will hinge on whether the Ministry of Foreign Affairs is able to place its approach within the framework of Eurasian diplomacy. We need to clarify what the Black Sea means, define how Japan can achieve its objectives and articulate how aid will enhance Japanese interests. Japan does not have the will or experience to become involved in the mediation of frozen conflicts.

The lesson for Japan is that the EU also was not interested in the region in the past, but now it is.

## 8. Appendix 1

### **(1) Review and Perspective of the Functional Cooperation in the Area**

**by Sergei GONCHARENKO**

*This report was prepared by Sergei GONCHARENKO, Deputy Director, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation.*

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Russia considers the Black Sea area to be a region that is historically closely connected to its political, economic, social and cultural development. Being the Black Sea country, Russian Federation makes every possible effort to strengthen peaceful and friendly relations with all neighboring countries, and of course, with all BSEC Member States, and to promote development of trade and economic cooperation in the Black Sea Region. We consider BSEC to be an independent, full-pledged and well-established regional economic organization. Of special importance is that BSEC is the only organization in this part of the world. We think there is a good potential for promoting economic links inside this region. Russia is an active participant of BSEC.

BSEC provides a very effective mechanism of cooperation with a regular, twice a year, meetings of the Council of Ministers of Foreign Affairs of BSEC Member States. Besides, there is a positive experience of regular meetings of Ministers in charge of special areas of cooperation – such as energy, transport, emergencies, internal affairs etc.

Of special importance is that BSEC enjoys cooperation with the United Nations. In 1999-2004 UN General Assembly adopted four resolutions on its relations with BSEC. We feel that BSEC Member States should concentrate their efforts on practical issues of cooperation, including areas that are of importance to all of them: transport and telecommunications, energy, emergencies, environment, tourism, combating terrorism and organized crime. These and other issues are widely discussed at meetings of the BSEC working groups (there are 16 of them now). Such meetings and other activities carried out within the framework of the BSEC are coordinated by the Chairman-in-Office (the Minister of Foreign Affairs of the Member State). Currently Romania is the BSEC Chairman-in-Office; Russia will be the next one (in May-October 2006).

There are several proposals that have been introduced by the Russian Federation within the BSEC area that are of interest to all BSEC countries. Among them proposals to accelerate efforts to integrate electric power systems of Eastern and Western Europe, to create a Black Sea electric power ring, to run regular passenger and

ferry services between the Black Sea ports, as well as to develop water transport routes that include inland waterways of the region.

Russian Federation has supported the concept of coordinated development of highways along the Black Sea coast. In our view, another promising field of action would be further joint improvement of the region's transport infrastructure and linking it with European and Asian transport arteries.

In the light of the declarations adopted at the BSEC Ministerial Meetings it is essential now to make a special emphasis on how to implement these initiatives. We understand how important it is to agree on monitoring implementation of the decisions made at such special meetings: after all, this mechanism would be crucial for enhancing efficiency of the Organization itself.

We came forward with this proposal at the meeting of the BSEC Committee of Senior Officials in Istanbul in September 2005. For citing an example of such activity we provided information prepared by the Russian Ministry of Transport to demonstrate how our country is implementing the Joint Statement of the Ministers of Transport of the BSEC Member States, adopted in January 2005.

BSEC has good prospects, as it works in line with the philosophy of modern international relations. That is one of the reasons why BSEC seems to be an interesting partner for regional and non-regional countries, who apply for Membership and Observer status in our Organization. We in BSEC welcome such interest: in 2004 Serbia and Montenegro entered BSEC as a new Member State. In 2005 four countries received Observer status in BSEC: Belarus, Czech Republic, Croatia and United States of America. We look forward to their fruitful participation in BSEC activities and in BSEC projects.

In early November 2005 issues of possible American participation in BSEC projects were discussed in Moscow with our colleagues from the US Department of State, who visited us in our Foreign Ministry. American side seemed to be interested in energy cooperation and in some other projects and, we hope, in the nearest future American businessmen may be able to introduce some specific proposals. We are ready to discuss with Japanese side possibilities of Japanese businessmen's cooperation in BSEC area as well.

As soon as Russian Federation is the biggest BSEC Member State and the only BSEC country, neighboring Japan, few words on recent changes in economic life of my country. These are the positive changes. In 2005 the GDP growth is expected to be 5,9 per cent. Services sector, which accounts for 54 per cent of the economy, will increase by 7,5 per cent. Fixed investments will grow by 9,4 per cent. Increase in population real incomes will exceed 8,5 per cent. Over the last five years the per capita GDP more than doubled in dollar terms.

Financial stability is provided both by budgetary surplus and positive balance of payments. Russia has smoothly passed the peak payments on foreign debt; in time or on some occasions even in advance goes along with its foreign debt.

And, finally, last but not least. In accordance with the Russian Government Decree, Russian MFA is appointed coordinator of activities of all Russian Ministries, State Agencies and Regional Administrations on issues related to their interaction with BSEC.

## **(2) The ways of further security strengthening as the basis for the functional co-operation in the Black Sea region**

**by Yuriy KOSTENKO**

*This report was prepared by H.E. Mr. Yuriy KOSTENKO, Ambassador of Ukraine to Japan, for distribution to the participants of the Dialogue.*

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Maintaining peace, stability and strengthening of security is the basic, founding function of any cooperation among countries. Its absence or insufficiency prevents fruitful development of the other components of functional cooperation: economic, financial, information, cultural etc. It also prevents resolution of the other pressing transnational issues (terrorism, non-proliferation, etc.).

The Black Sea Region has been an arena of conflicting strategic interests of many countries for thousands of years. Periodically these interests were falling in such intricate contradictions that they lead to military conflicts, wars. 150 years ago Southern Ukraine was a stage for the hostilities of the war, known in history as Crimean War. 60 years ago the firestorm of the Second World War rushed through that land. During the Cold war the Black Sea was a huge natural buffer zone in the Warsaw Pact – NATO confrontation.

In our interrelated and interdependent world of today, peace, stability and democracy in the Black Sea region is maintained by **a number of global and regional intergovernmental organizations, multilateral structures and mechanisms.**

This is, first of all, the UNO, which through the Security Council is responsible for the global and regional legal order. Today NATO is one of the core pillars of security system in Europe. All the nations of the Black Sea region take part in the activities of this body of collective security through membership or associated membership programmes. NATO cooperates closely with my country within the framework of the NATO-Ukraine Commission. The classical model of cooperative security is OSCE – the structure that has been quite sufficient in Europe for almost 30 years. The Black Sea area deserves a special place in the European Neighborhood Policy (ENP), provided by the European Union. We are keeping in mind that one of the major aims of ENP is the stabilization of the neighboring regions. The Council of Europe is a very effective instrument in the strengthening of democracy in Black Sea region.

Confidence and security building measures (CSBM), established by, for example, OSCE (Vienna Document 1999), Treaty on the Reduction of Conventional

Forces in Europe (CRF), "Open skies" treaty made a significant contribution into reinforcing the level of understanding among the countries of the region.

Soviet Union's disappearance from the political map has significantly changed strategic situation both in the world in general, and in the Black Sea region in particular. As is known, it is neighboring unstable regions, for example, the Middle East. The vacuum of stability emerged there. That is why the young independent countries, including Ukraine, more than ten years ago started thorough search for additional multilateral ways and means of strengthening security, stability and democracy in this region.

And we managed to achieve something, going along this way for the last decade. The Republic of Bulgaria, Georgia, Romania, the Russian Federation, the Republic of Turkey and Ukraine signed on April 2, 2001 in Istanbul **the Agreement on the establishment of the Black Sea Naval Cooperation Task Group (BLACKSEAFOR)**. This Group was established in order to contribute to the further strengthening of friendship, good relations and mutual confidence among the above mentioned Black Sea states as well as to improve peace and stability in the region, through the enhancement of cooperation and interoperability among naval forces. The tasks of the BLACKSEAFOR are: Search and Rescue Operations; Humanitarian Assistance Operations; Mine Counter Measures; Environmental Protection Operations; Goodwill Visits. The BLACKSEAFOR is conducting exercises in order to increase its efficiency and interoperability in execution of the above mentioned tasks.

Countries-participants, due to the known regions, are paying particular attention now to the employment of the BLACKSEAFOR for the purposes of preventing the threat of terrorism and illicit trafficking in Weapons of Mass Destruction, their means of delivery and related materials.

According to this Agreement, the Group is composed of minimum 4-6 ships from the Parties, including one command-and-control ship.

The experience of BLACKSEAFOR has shown that it has been functioning intensely. This August another so-called activation was conducted, during which the crews of the ships of the group were performing a number of specific tasks of controlling the "violators", conducted rescue operations.

Political consultations of the special representatives of the ministers of foreign affairs of the countries, participating in the BLACKSEAFOR, have been held in recent years. The next such meeting is planned for December 15, 2005. It will be held in Tbilisi.

The countries mentioned above signed very important **Document on Confidence and Security Building Measures in the Naval Field in the Black Sea** on April 25, 2002. This document provides for the extensive information exchanges, exchanges of visits of their ships, joint maneuvers and exercises, etc. According to the Annual Implementation Review for the year 2004, the Parties are doing a lot useful work, aimed at strengthening understanding among the participating countries, and thus, at upgrading the level of security and stability in the region.

The regional association of four countries: Georgia, Ukraine, Azerbaijan and Moldova, also known as **GUAM** has existed for some years now. The top body of this association is the annual summit of the countries-participants. Its executive body is the Council of Ministers of Foreign Affairs of the countries-participants. National

Coordinators' Committee is its working organ. Coordination of their cooperation is vested into the seven working groups on energy issues, on transport issues, on economy and trade, on information technology issues, on culture, science and education, on tourism, on fighting terrorism, organized crime and drugs trafficking.

Business Council and Parliamentary Assembly of GUAM were established in this association.

The last summit of this entity, which took place in Kishinyov on April 22, 2005, displayed the process of its consolidation, transformation into an influential factor in the region, in particular, as far as the process of its transformation into a full-scale regional organization with clearly set goals, programme and efficient structures.

Ukraine considers GUAM as one of the main instruments of guaranteeing stability in the region through the efforts of the countries that take part in it. We believe, that the principle of this regional entity's functioning should be based on the three components: democracy, economic development and security. Our intention is to transform GUAM into a community of nations that will become a guarantor of democratic changes and stability in the Black Sea-Caspian region.

One of the key items in this context is that the course of the European and euroatlantic integration is that of priority for the members of this entity. Thus, our cooperation, the goal of which is to guarantee peace, security and stability in this area, will be implemented in close cooperation with European Union and NATO, the organizations, the membership in which Ukraine and its regional partners are seeking to acquire. This explains the trend to harmonize the national and social life of the countries of the region with EU within the context of establishing the single European space without any lines, dividing it, the subjects of which will be acting in complete adherence to the universally recognized democratic principles.

Implementation of the security policy of GUAM, along with counteraction against international terrorism and organized crime, provides for prevention of threats of extremism, which are to a great extent related with the so-called "frozen conflicts" in the region. Their settlement is one of the priorities for GUAM. The application of the peace-building potential of GUAM member-countries, in particular, through establishing a joint military unit for participation in the peacekeeping operations in the region (and potentially – beyond its boundaries) under the auspices of UNO and OSCE and in cooperation with euroatlantic partners is to become one of the effective mechanisms in this sphere.

Two out of three so-called "**frozen conflicts**" in the post-Soviet area are located directly in the Black Sea region. These are Transdnistria and Abkhazia. Ukraine participates in settling of, first of all, the Transdnistrian conflict.

Among the main provisions of the Plan for resolving the Transdnistrian problem "Through the Settlement to Democracy", presented by the President of Ukraine V.Yushchenko, are creation of conditions for the development of democracy and civil society, holding of free and democratic elections to the Supreme Council of Transdnistrian Region of the Republic of Moldova. Besides, we deem it necessary to transform the current format of the peacekeeping activity in the Transdnistrian Region into an international mechanism of the military and civilian observers under the auspices of OSCE.

Our position, concerning democratization, as well as demilitarization of the zones of “frozen conflicts” is endorsed by the countries-participants to GUAM. According to the Joint Communiqué of the GUAM countries, made public at November 4 meeting of the OSCE Permanent Council in Vienna, “democratization and demilitarization of separatist regions is the most important way of restoring the territorial integrity of the countries where there are such conflicts. This is the way to the consolidation of their independence and sovereignty”. “The settlement of the conflicts will increase the capacity of the members of the organization to fight international terrorism, trafficking of drugs, arms and people, as well as the other challenges to regional and international security”, says the Communiqué. “GUAM member-countries believe that withdrawal of Russian troops in accordance with the commitments of the Istanbul Summit of OSCE will speed up settlement of political, economic and security problems”.

Ukraine thinks that there is not only the need, but favourable conditions for the implementation of further efforts, aimed at strengthening stability and development of democracy in the Black Sea region in particular.

Ukraine considers spreading European democracy values and standards as guarantee of stability and sustainable development. Grateful to all nations for assisting in the victory of democracy during the Orange revolution, Ukraine is making its contribution to democratic transformation in the region. The new example was declared, along with Georgia, the launching of **Community of Democratic Choice**. The idea, announced by presidents of Ukraine and Georgia in Borzhomi declaration in August 2005 is expected to materialize in a row of high-level CDC Fora. First to happen in Ukraine on December 2<sup>nd</sup>, 2005, the next – here in Bucharest tentatively in March, and others will follow.

We are glad to point out, that more than 15 representatives of other countries and international organizations at high level announced that they were ready to take part in a CDC Fora of December 2 in Kyiv.

In the view of organizers, the Community is neither a structure, nor an organization. It is a two-fold official-public Forum called for clearing the region from the remnants of dividing lines; from violations of human rights; from any spirit of confrontation; from “frozen conflicts” and, thus, spreading realms of democracy, security, stability and lasting peace throughout the whole Europe, from the Atlantic to the Caspian Sea. This Forum will be open to all countries, willing to strengthen the European identity of the region.

The CDC future activity will be determined within the two global movements – the Community of Democracies and the UN Fund for Democracy. Its efforts will be aimed at implementing the Seoul Action plan of the Community of Democracies, but in the Baltic-Black-Caspian Seas’ region.

The Community for Democratic Choice is an answer to the natural desire of states and peoples, of every coming generation and every human being of reaching higher standards in democracy. The high objective of the Community of Democratic Choice is extended to ensemble all the countries’ human rights and spreading European values throughout all Europe.



I do not dwell on the economic aspect of cooperation in the Black Sea region, understanding only too well that my colleagues have already done it or are going to do it in their presentations. Therefore, from the political point of view specifically, I would like to express my view of **Japan's role in that region**. Japan today is a global player in international stage. It absolutely fairly is claiming to get recognition of its real place in the world, in particular through acquisition of permanent membership in the UN Security Council. Ukraine fully supports its efforts. Japan, as a global player, should be responsible for peace and stability all over the world, do its best to facilitate settlement of existing and prevention of any new conflicts, strengthening of security in all regions of the world, including that of the Black Sea.

What are the ways of reaching such influence? I think that Japan should more actively be engaged into the fruitful activities of already existing multilateral organizations, structures and projects, to share its rich experience in strengthening democracy at both bilateral, and multilateral basis. It is well known that Japan has for a long time now had the status of observer in OSCE, Council of Europe. This positive practice should be developed further on. We hope that Japan will be engaged, for example, in the CDC activity in the observer capacity.

### **(3) The Importance of the Area for Japan and Japan's Role in the Area**

**by Tatyana KUZNETSOVA**

*This report was prepared by Mrs. Tatyana KUZNETSOVA, Head of Chancery of the Director General of the Ministry of Foreign Affairs of the Russian Federation.*

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We in Russia appreciate Japan's interest to activities within the Black Sea area, which is one of the dynamically developed region on the border of Europe and Asia.

This region, where Organization of Black Sea Economic Cooperation was formed, has a vast economic potential. Total GDP of BSEC Member States is about 1,3 trillion USD, its population is about 340 million, while territory of these countries is, approximately, 20 million square km. Two BSEC Member States – Russia and Azerbaijan – produce energy resources and supply them to the world market; Black Sea is an important area for transporting oil and gas to Southern and Western Europe. And, besides, BSEC area is the vast market for high-tech products. All these and some

other factors make BSEC area attractive for all world powers and, as we feel it, for Japan as well.

We mean here not only direct commercial benefits. Stable, pragmatic and long-term economic relations supported by efforts of politicians to form a creative partnership is needed.

To our view Japan being one of leading economic powers, could have become one of the partners of BSEC Member States, acquiring the Observer Status with BSEC. This will enable Japan to participate in all BSEC meetings at ministerial and other levels, including those of BSEC Working Groups, where economically viable projects are discussed.

There are several areas where Japanese experience may be of interest for BSEC Member States. They are, particularly, small and medium size enterprises and state support for these enterprises, services, taxation, healthcare, social and medical insurance etc. Japanese representatives may assist in organizing conferences or seminars in these and, probably, some other spheres.

Japan may be also interested in big projects; some of them were proposed by the Russian Federation for implementation in the Region. Among them – proposals to create the Black Sea Electric Power Ring, to run regular passenger and ferry services between the Black Sea ports, to develop water transport routes etc.

## 9. Appendix 2

This Dialogue appeared in the morning edition of “The Yomiuri Shimbun” on December 1, 2005.



参加者が想定する「黒海地域」の国々  
モルドバ、ウクライナ、ルーマニア、ブルガリア、黒海、トルコ、アルメニア、アゼルバイジャン、カスピ海、ロシア

### 日本と黒海周辺 協力探る

都内で初の有識者会議

日本と黒海周辺諸国の有識者による国際会議「日本・黒海地域対話」(クロイバル・フォーラム主催、読売新聞社など後援)が28日、

東京都内で開かれ、日本やロシア、トルコなど8か国の約30人が参加した。双方の理解を深め、協力の方策を探るのが狙いで、今回が初の開催。

黒海地域の参加者は、同地域がエネルギーや軍事面で欧米から重視されていると強調。国際黒海研究所のムスタファ・アクシン会長(トルコ)は、カスピ海産原油を運ぶパイプラインが同地域に敷設されていることに触れ、「我々は欧州のエネルギー回廊の役割を担っている」と述べた。

また、ルーマニアのイオアン・ミルチャ・パンニク前国防相は、この地域の目標は、この地域に戦略的な拠点を築き、維持することだ」と指摘。イラク戦争時に米軍がルーマニアの空軍基地を使用した例を挙げた。

日本側からは、紛争未解決の国があるなど、同地域に対する懸念も示され、村田茂樹・青山学院大教授が「地域の安定が最重要だ」と述べた。

(国際部 金子亨)



活発な議論が交わされた国際会議「日本・黒海地域対話」(11月28日、都内で)

# 10. An Introduction to The Global Forum of Japan (GFJ)

## (1) Introduction

**[Objectives]** As we embrace the 21st century, international relations are becoming increasingly interdependent, and globalization and regionalism are becoming the big waves. In this global tendency, communicating with the world, especially neighboring countries in the Asia-Pacific region at both governmental and non-governmental level, is one of the indispensable conditions for Japan to survive. On the basis of such understanding, The Global Forum of Japan (GFJ) aims to promote the exchange of views on commonly shared interests and issues in the field ranging from politics and security to economy, trade, finance, society and culture, and to help business, opinion and political leaders both in Japan and in their counterpart countries to discuss about the formulation of new orders in global and regional arenas.

**[History]** The 1982 Versailles Summit was widely seen as having exposed rifts within the Western alliance. Accordingly, there were expressed concerns that the summit meetings were becoming more and more stylized rituals and that Western solidarity was at risk. Within this context, it was realized that to revitalize the summit meetings there must be free and unfettered exchanges of private-sector views to be transmitted directly to the heads of the participating states. Accordingly, Japanese former Foreign Minister Okita Saburo, U.S. Trade Representative William Brock, E.C. Commission Vice President Etienne Davignon, and Canadian Trade Minister Edward Lumley, as representatives of the private-sector in their respective countries, took the initiative in founding The Quadrangular Forum in Washington in September 1982. Since then, the end of the Cold War and the altered nature of the economic summits themselves had made it necessary for The Quadrangular Forum to metamorphose into The Global Forum established by the American and Japanese components of The Quadrangular Forum at the World Convention in Washington in October 1991. In line with its objectives as stated above, The Global Forum was intended as a facilitator of global consensus on the many post-Cold War issues facing the international community and reached out to open its discussions not only to participants from the quadrangular countries but also to participants from other parts of the world. Over the years, the gravity of The Global Forum's activities gradually shifted from its American component (housed in The Center for Strategic and International Studies) to its Japanese component (housed in The Japan Forum on International Relations), and, after the American component ceased to be operative, the Board of Trustees of the Japanese component resolved, on February 7, 1996, that it would thereafter act as an independent body for organizing bilateral dialogues with Japan as a hub for all countries in the world, and amended its by-laws accordingly. At the same time, The Global Forum's Japanese component was reorganized into The Global Forum of Japan (GFJ) in line with the principle that the organization be self-governing, self-financing, and independent of any other organization.

**[Organization]** The Global Forum of Japan (GFJ) is a private, non-profit, non-partisan, and independent membership organization in Japan to engage in and promote international exchanges on policy-oriented matters of bilateral, regional and global implications. While the secretariat is housed in The Japan Forum on International Relations, GFJ itself is independent of any other organizations, including The Japan Forum on International Relations. Originally established as the Japanese component of The Quadrangular Forum at the initiative of Hattori Ichiro, Okita Saburo, Takeyama Yasuo, Toyoda Shoichiro in 1983, GFJ is currently headed by Okawara Yoshio as Chairman and Ito Kenichi as President. The membership is composed of 13 Business Leader Members including the two Governors, Mogi Yuzaburo and Toyoda Shoichiro; 80 Opinion Leader Members including the four Governors, Ito Kenichi, Kai Noritake, Okawara Yoshio, and Shimada Haruo; and 30 Political Leader Members including the two Governors, Hatoyama Yukio, and Tanigaki Sadakazu. Financially the activities of GFJ have been supported by the annual membership fees paid by 13 leading Japanese business corporations (with 2 corporations, Toyota Motor Corporation and Kikkoman Corporation contributing 5 shares each and the other 11 corporations contributing 1 share each) as well as by the grants provided by The Japan Foundation, The Tokyo Club, The Sasakawa Peace Foundation, Japan-ASEAN Exchange Projects, The Daiwa Bank Foundation for Asia and Oceania, The Japan-Korea Cultural Foundation, Toshiba International Foundation, etc. Watanabe Mayu serves as Executive Secretary.

**[Activities]** Since the start of The Global Forum of Japan (GFJ) in 1996, GFJ has shifted its focus from the exchanges with the Quadrangular countries for the purpose of contributing to the Western Summit, to those with neighboring countries in the Asia-Pacific region including US, China, Korea, Taiwan, ASEAN countries, Australia and India, for the purposes of deepening mutual understanding and contributing to the formation of international order. GFJ has been active in collaboration with international exchange organizations in those countries in organizing policy-oriented intellectual exchanges called "Dialogue." In order to secure a substantial number of Japanese participants in the "Dialogue", GFJ in principle holds these "Dialogues" in Tokyo. A listing of topics of "Dialogues" and its overseas co-sponsors in last five years is given below.

Year	Month	Topic	Co-sponsor
2001	May	U.S.-Japan Security Relations under the New U.S. Administration	The Mansfield Center for Pacific Affairs (US)
	September	The Role of Japan and Taiwan in the Asia-Pacific Region in the 21st Century	Chinese Eurasian Education Foundation (Taiwan)
2002	February	The Japan and ASEAN: Cooperation for Peace and Prosperity in the Asia-Pacific Region	ASEAN ISIS
	May	Japan-China Relationship in the world	China Association for International Friendly Contact (China)
	September	Japan and Australia: Perspectives on Cooperation in Asia and Pacific	Australian Consortium (Australia)
	November	Japan and Korea: Working Together for The Future of East Asia	The Seoul Forum on International Affairs (Korea)
2003	January	The Japan and ASEAN: Cooperation for Peace and Prosperity in the Asia-Pacific Region	ASEAN ISIS
	April	Entrepreneurship in Asia	The Mansfield Center for Pacific Affairs (US)
	October	Japan-Taiwan Dialogue: New Situation in Asia-Pacific region and Japan-Taiwan Cooperation	Foundation on International & Cross-Strait Studies (Taiwan)
2004	July	A Roadmap towards East Asian Community	ASEAN ISIS
	September	Future Prospect of East Asian Community and Japan-China Relationship	China Association for International Friendly Contact (China)
	November	The Japan-U.S. Korea Dialogue: Future of Korean Peninsula and Japan-U.S.-Korea Security Cooperation	The Institute for Foreign Policy Analysis, The Fletcher School, Tufts University (US)·Yonsei University Graduate School of International Studies (Korea)
2005	April	The Prospect of East Asian Community and Japan-Korea Cooperation	Presidential Committee on Northeast Asian Cooperation Initiative (PCNEACI)
	June	The Prospect for East Asian Community and Regional Cooperation	ASEAN ISIS
	November	Peace and Prosperity in the Wider Black Sea Area and the Role of Japan	University of Shizuoka The Black Sea University Foundation (BSUF) The International Center for Black Sea Studies (ICBSS)

## (2) Membership List of GFJ

As of February 1, 2006

In alphabetical order

### 【Chairman】

OKAWARA Yoshio, President, Institute for International Policy Studies

### 【President】

ITO Kenichi, President and CEO, The Japan Forum on International Relations, Inc.

### 【Business Leaders】 (13 Members)

#### 【Governors】

MOGI Yuzaburo, Chairman and CEO, Kikkoman Corporation

TOYODA Shoichiro, Honorary Chairman, Toyota Motor Corporation

#### 【Members】

HIRAIWA Gaishi, Advisor, The Tokyo Electric Power Co., Inc.

IMAI Takashi, Honorary Chairman, Nippon Steel Corporation

ISHIKAWA Rokuro, Chairman, Kajima Corporation

KOBAYASHI Yotaro, Chairman and CEO, Fuji Xerox Co., Ltd.

KUSAKARI Takao, Chairman, Nippon Yusen Kabushiki Kaisha

MATSUNO Haruki, Chief Executive Counselor, Member of the Board, Nippon Telegraph and Telephone Corporation

OKAYAMA Norio, Chairman, Sumitomo Electric Industries, Ltd.

SAWADA Hideo, Chairman, H.I.S Co., Ltd.

SEYA Hiromichi, Senior Corporate Adviser, Asahi Glass Co., Ltd.

TAKAGAKI Tasuku, Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

YAGUCHI Toshikazu, President, Biru Daiko Co., Ltd.

### 【Opinion Leaders】 (81 Members)

#### 【Governors】

ITO Kenichi, President and CEO, The Japan Forum on International Relations Inc.

KAI Noritake, Councilor, The Japan Forum of International Relations Inc.

OKAWARA Yoshio, President, Institute for International Policy Studies

SHIMADA Haruo, Professor, Keio University

#### 【Members】

AKASHI Yasukazu, Foreign News Editor, Jiji Press

AKASHI Yasushi, Chairman, The Japan Center for Conflict Prevention

AOKI Tamotsu, Professor, Hosei University

AMAKO Satoshi, Professor, Waseda University

ASOMURA Kuniaki, Visiting Professor, Reitaku University

CHUMA Kiyofuku, Journalist

EBATA Kensuke, Defense Commentator

FUKAGAWA Yukiko, Professor, University of Tokyo

GOMI Norio, Professor, Rikkyo Graduate School of Business

GYOHTEN Toyoo, President, Institute for International Monetary Affairs

HAKAMADA Shigeki, Professor, Aoyama Gakuin University

HAMADA Takujiro, Former Member of the House of Councillors

HANAI Hitoshi, Professor, Reitaku University

HARUNA Mikio, Special Correspondent, Kyodo News

HASEGAWA Kazutoshi, President, Japan-Australia-New Zealand Society

HATA Kei, Vice Principal, Sakushin Gakuin

HIRONO Ryokichi, Professor Emeritus, Seikei University

ICHIKAWA Isao, Executive Advisor for Financial Affairs, Keio University

INA Hisayoshi, Columnist, The Nikkei Newspaper

INOUCHI Takashi, Professor, Chuo University

IOKIBE Makoto, Professor, Kobe University

ITO Eisei, Executive Adviser, ARACO Co., Ltd.

IWAMA Yoko, Associate Professor, National Graduate Institute for Policy Studies

IZUMI Hajime, Professor, University of Shizuoka

JIMBO Ken, Director of Research, The Japan Forum of International Relations Inc.

KAKIZAWA Koji, former Minister of Foreign Affairs

KAMIYA Mataka, Professor, National Defense Academy

KANEKO Kumao, President, Japan Council for Economic Research

KOHNO Masaru, Professor, Waseda University

KOJIMA Atsushi, Corporate Officer, The Yomiuri Shimbun

KOJIMA Tomoyuki, Professor, Keio University

KOKUBUN Ryosei, Professor, Keio University

KONDO Tetsuo, President, Institute for New Era Strategy (INES)

KUBO Fumiaki, Professor, Keio University

KUMON Shumpei, Senior Executive Director, GLOCOM, International University of Japan

KUSANO Atsushi, Professor, Keio University

MANO Teruhiko, Professor under special assignment, Seigakuin University

MATSUMOTO Kenichi, Professor, Reitaku University

MIYAMOTO Nobuo, Diplomatic Commentator

MIYAZAKI Isamu, Honorary Advisor, Daiwa Institute of Research

MIYOSHI Masaya, Chairman, J-Wave, Inc.

MORIMOTO Satoshi, Professor, Takushoku University

MURATA Koji, Associate Professor, Doshisha University

NAGANO Shigeto, President, Japan Forum for Strategic Studies

NAKAGANE Katsuji, Professor, Aoyama Gakuin University

NAKAHARA Nobuyuki, Senior Advisor, Financial Services Agency

NAKANISHI Terumasa, Professor, Kyoto University

NISHIKAWA Megumi, Foreign News Editor, Mainichi Newspapers

OKONOGI Masao, Professor, Keio University

ONUMA Yasuaki, Professor, University of Tokyo

OSANAI Takayuki, Foreign Policy Critic

OWADA Hisashi, Judge, International Court of Justice

OHYA Eiko, Journalist

RYU Ketsu, Professor, Waseda University

SAKAKIBARA Eisuke, Professor, Keio University

SAKAMOTO Masahiro, Senior Research Fellow, The Japan Forum on International Relations Inc.

SHIRAIISHI Takashi, Professor, National Graduate Institute for Policy Studies

SOEYA Yoshihide, Professor, Keio University

SONE Yasunori, Professor, Keio University

SUMIDA Nagayoshi, President, The Sankei Shimbun

TAHARA Soichiro, Journalist

TAJIMA Takashi, Former Ambassador to Canada

TAKAHARA Akio, Professor, University of Tokyo

TAKAHASHI Kazuo, Professor, International Christian University

TAKASHIMA Hatsuhisa, Press Secretary/Director-General for Press and Publications, Ministry of Foreign Affairs

TAKUBO Tadae, Guest Professor, Kyorin University

TANAKA Akihiko, Professor, University of Tokyo

TANAKA Toshiro, Professor, Keio University

TANI Masahito, Commissioner, National Personnel Authority

TANINO Sakutarō, Former Ambassador to China

UEDA Takako, Professor, International Christian University

URATA Shujiro, Professor, Waseda University

WAKABAYASHI Masatake, Professor, University of Tokyo

YAMAZAWA Ippei, President, International University

YONEKURA Seiichiro, Professor, Hitotsubashi University

YOSHITOMI Masaru, President & Chief Research Officer, Research Institute of Economy, Trade & Industry

### 【Political Leaders】 (30Members)

#### 【Governors】

HATOYAMA Yukio, Member of the House of Representatives (DPJ)

TANIGAKI Sadakazu, M.H.R. (LDP)

#### 【Members】

ABE Shinzo, Member of the House of Representatives (LDP)

AICHI Kazuo, M.H.R. (LDP)

AIZAWA Ichiro, M.H.R. (LDP)

HOSODA Hiroyuki, M.H.R. (LDP)

IWAKUNI Tetsundo, M.H.R. (DPJ)

KISHIDA Fumio, M.H.R. (LDP)

KOIKE Yuriko, M.H.R. (DPJ)

KOMIYAMA Yoko, M.H.R. (DPJ)

MAEHARA Seiji, M.H.R. (DPJ)

MASUHARA Yoshitake, M.H.R. (LDP)

NAKAGAWA Masaharu, M.H.R. (DPJ)

SHIOZAKI Yasuhisa, M.H.R. (LDP)

SONODA Hiroyuki, M.H.R. (LDP)

TAKEMASA Koichi, M.H.R. (DPJ)

TANAHASHI Yasufumi, M.H.R. (LDP)

TSUCHIYA Shinako, M.H.R. (LDP)

UEDA Isamu, M.H.R. (NK)

ASAO Keiichiro, Member of the House of Councillors (DPJ)

ARAKI Kiyohiro, M.H.C. (NK)

HATA Yuichiro, M.H.C. (DPJ)

HAYASHI Yoshimasa, M.H.C. (LDP)

HIRONAKA Wakako, M.H.C. (DPJ)

KATOH Shuichi, M.H.C. (NK)

SEKOU Hironari, M.H.C. (LDP)

SUZUKI Kan, M.H.C. (DPJ)

TAKANO Hiroshi, M.H.C. (NK)

TAKEMI Keizo, M.H.C. (LDP)

YANASE Susumu, M.H.C. (DPJ)

### 【Executive Secretary】

WATANABE Mayu

[Note] DPJ: Democratic Party of Japan  
Ind.: The Independents  
LDP: Liberal Democratic Party  
LL: Liberal League  
NCP: New Conservative Party  
NK: New Komeito  
RNP: Reformer's Network Party  
SDP: Social Democratic Party

## ACKNOWLEDGMENT

The Global Forum of Japan (GFJ) is grateful to its "Business Leader" members listed below for their generous contributions. Their support is making the activities of the Forum financially sustainable.

[GFJ Governors] [5 share]

Toyota Motor Corporation

Kikkoman Corporation

[GFJ Members] [1 share]

Sumitomo Electric Industries, Ltd.

Kajima Corporation

Nippon Steel Corporation

Tokyo Electric Power Co.

Asahi Glass Co. Ltd.

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Nippon Telegraph and Telephone Corporation

Fuji Xerox Co., Ltd.

Biru Daiko Co., Ltd.

H.I.S. Co., Ltd.

Nippon Yusen Kabushiki Kaisha

(In the order of enlistment)

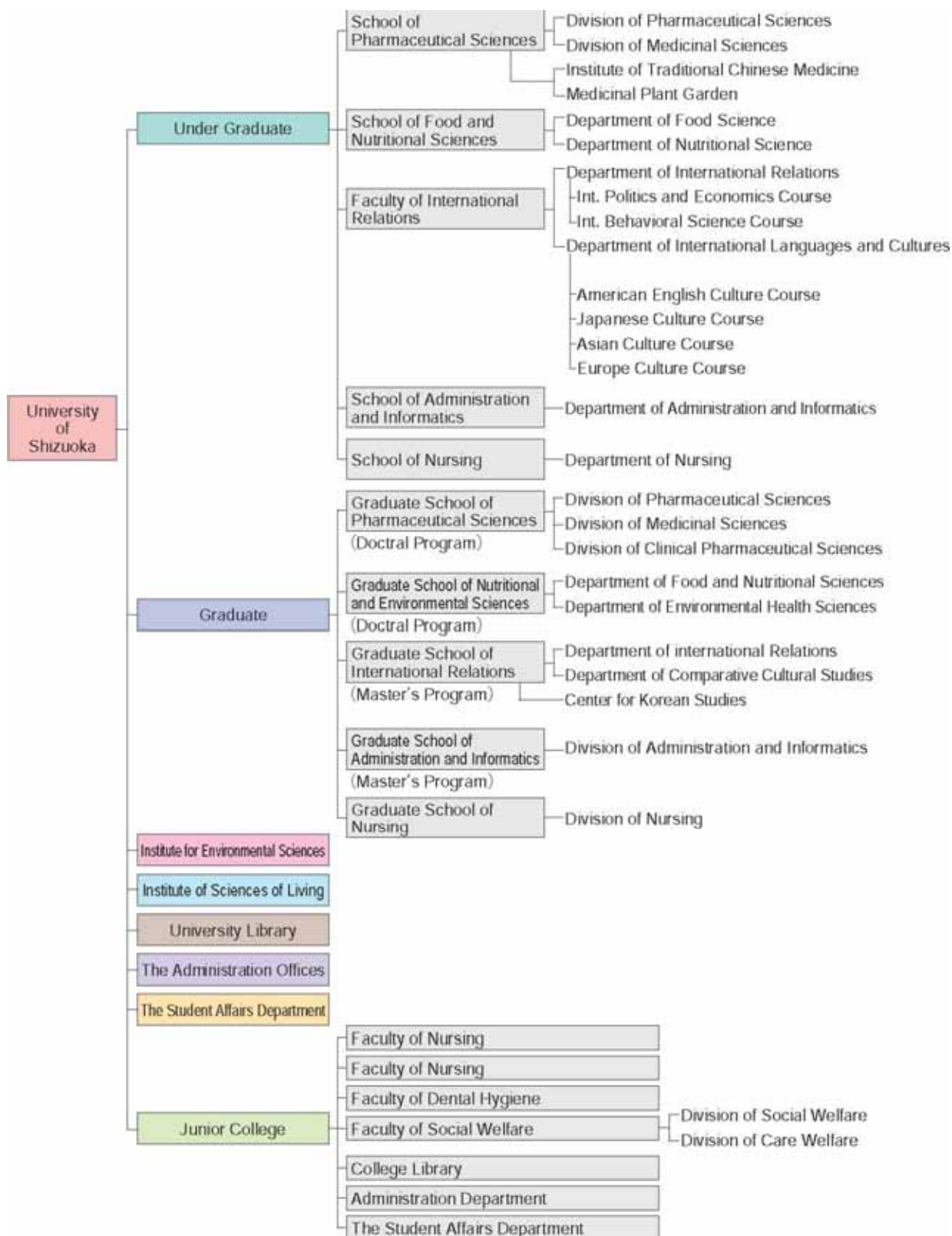
# 11. An Introduction to University of Shizuoka

## History of the University of Shizuoka

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June	1982	Shizuoka Prefectural Assembly decides to reorganize the prefectural university and colleges.
April	1987	The University of Shizuoka opened with Dr. Koji UCHIZONO as its first president by unifying the Shizuoka College of Pharmacy(est.1953), Shizuoka Women's University(est. 1967), and Shizuoka Women's Junior College(est.1951).
March	1988	Establishment of Graduate School of Pharmaceutical Sciences (Doctoral and Master's programs) approved.
July	1988	Friendship agreement made with Hanzhou University in Zhejiang Province, China.
March	1989	Construction of the new campus completed.  Shizuoka Women's Junior College closed.
April	1989	School of Pharmaceutical Sciences moved to new Yada Campus.
March	1990	Shizuoka College of Pharmacy and Shizuoka Women's University closed.  Establishment of Graduate School of Nutritional and Environmental Sciences
March	1991	(Master's program), and Graduate School of International Relations (Master's program) approved.
March	1991	Friendship agreement made with California State University, Northridge, California, USA.
April	1991	Friendship agreement was made with Moscow State Institute of International Relations, Moscow, Russia.
April	1993	Dr. Takeshi HOSHI appointed as second president.
March	1995	Establishment of Graduate School of Nutritional and Environmental Sciences (Doctoral program) approved.
April	1996	Friendship agreement made with the University of the Philippines.
April	1997	School of Nursing, Institute for Environmental Sciences, and Junior College at Shizuoka established.
May	1997	Friendship agreement made with Zhejiang Academy of Medical Sciences, Zhejiang Province, China.
May	1997	The university celebrates the 10th Anniversary of its foundation.
December	1997	Establishment of Graduate School of Administration and Informatics(Master's program) approved.
March	1999	Friendship agreement made with the University of Newcastle upon Tyne, Newcastle, UK.
April	1999	Dr. Masaaki HIROBE appointed as the third president.
December	2000	Establishment of Graduate School of Nursing(Master's program) approved.
April	2002	Division of Clinical Pharmaceutical Sciences added to the Graduate School of Pharmaceutical Sciences.

## Organizational Chart





## 12. An Introduction to the Black Sea University Foundation (BSUF)



FOUNDING

AND

SHORT HISTORY



***NGO with special Consultative Status with the Economic and Social Council of the United Nations  
and with Participatory Status with the Council of Europe***

The Black Sea University Foundation (BSUF) was founded in 1992 as a non-governmental and non-profit organization. This occasion aroused together with the founding of the governmental and parliamentary organizations of the Black Sea. At the high level reunion in Istanbul the initiative of a 'Romanian group of professors was announced, giving priority to Romania and forcing the other countries to choose initiatives in other areas. That is why BSUF remained the only organization of the civil society that has in view the promoting of the ideas of cooperation persuaded by the official institutions of the member states (Romania, Bulgaria, Turkey, Georgia, Russia, and Ukraine, as coast countries joined by Armenia, Azerbaijan, Greece, Moldova and Albania). Because the BSEC and PABSEC headquarters are in Istanbul, Greece wished to establish in Athens a Centre for Black Sea Studies with the BSEC, which has almost the same interests as those of the BSUF. (This Centre is sustained financially by the Greek government, which offered not only wages for international office-worker, one of them being an initial partner with the BSUF, but also generous offices for international reunions in Athens and in the Greek islands.)

The experience gained in 1991 and 1992 by its founders, following the organization of five European summer schools with the support and collaboration of Bruges European College, helped consolidate the Foundation's training and life-long education dimension. This collaboration with the European College focused on the European challenges, but the Black Sea area proved to be more attractive, because the European themes were included in larger objectives of modernization and development of the region including Romania. The educational vocation followed the research carried out in its centers: the National Centre for Sustainable Development - NCSD (presently an autonomous institution), the Conflict Prevention Studies Centre – CPSC and the Laboratory for Information Technologies in Education - LITE.

**The BSUF subtitle resumes the essence of its vocation:  
International Centre for Research and Training.**

## 13. An Introduction to International Centre for Black Sea Studies



INTERNATIONAL CENTRE FOR BLACK SEA STUDIES (ICBSS)  
4 Xenofontos str., Syntagma 105 57, Athens, Greece

### STATUS

The International Centre for Black Sea Studies (ICBSS) is an independent non-profit making institution, serving as the acknowledged think-tank of the Organisation of the Black Sea Economic Cooperation (BSEC). It was established in 1998 as a legal entity under the Law of the Hellenic Republic and in conformity with the decision of the Council of Ministers of Foreign Affairs of the BSEC Member States.

In accordance with the amended BSEC Charter, the ICBSS has the status of a Related Body of the Organisation, alongside the Parliamentary Assembly, the Business Council and the Black Sea Trade and Development Bank.

### MISSION STATEMENT

The main goals of the ICBSS are to study practical ways of widening and deepening regional cooperation among the Member States of the BSEC as well as the BSEC-EU relationship and to promote the application of the achievements of science and technology to concrete fields of multilateral cooperation, based on the principles of the BSEC Charter and the priorities set by the Council of Ministers of Foreign Affairs.

### ACTIVITIES

*As a member of the BSEC institutional family, the ICBSS:*

- ✚ participates, on a consultative basis, in the deliberations of the BSEC decision-making, related and subsidiary bodies;
- ✚ prepares, on assignment, preliminary draft policy documents (ministerial declarations, action plans, background papers) for consideration by BSEC decision-making bodies;
- ✚ coordinates the work of ad hoc groups of experts established to that effect and compiles relevant document files;
- ✚ reports, according to the established procedure, to the BSEC Committee of Senior Officials on all its activities that are relevant to the BSEC aims and purposes.

*As an independent research organization, the ICBSS, through individual members of its staff and other contributors, including invited research fellows:*

- ✚ produces research papers and studies that do not commit the ICBSS as an institution or BSEC established policies;
- ✚ publishes the results of that research (books, collections of essays, dedicated issues of periodicals, occasional papers) and maintains a periodically updated website;
- ✚ organizes conferences, seminars, round-table discussions and brain-storming sessions on subjects related to the Black Sea regional affairs and participates in such events organized by other national or international research organizations;
- ✚ undertakes research projects on contract basis under EU or other funding programmes using also the expertise available in the academic communities of the BSEC Member States;
- ✚ develops and maintains a network of cooperative relations with similar national and international research organizations within and outside the BSEC region;
- ✚ keeps a specialized library of books and periodicals related to regional cooperation and a regularly updated fund of country-specific and thematic files;
- ✚ reports to the ICBSS Board of Directors on all above-mentioned activities.

## STRUCTURE

*Board of Directors.* The ICBSS is governed by an international Board of Directors, consisting of representatives (National Directors) of all the BSEC Member States appointed for a three-years term. The Secretary General of the BSEC Permanent International Secretariat (BSEC PERMIS) is also a member of the Board. In addition, three personalities of international renown are invited to participate.

*Management.* The ICBSS is headed by the Director General who is assisted in the exercise of his/her duties by the Alternate Director General.

*Personnel.* The ICBSS staff includes a Director of Studies and Research, senior and junior researchers, and support staff.

*Advisory Panel.* The Advisory Panel is composed of personalities of international repute from the international academic, political and business spheres.

## RESOURCES

The Greek Government provides material support for the functioning and development of the Centre. The resources of the Centre include additional funding from research contracts and voluntary contributions from the BSEC member states and other donors.

## CONTACT US

4 Xenofontos str., Syntagma 10557, Athens – Greece  
Tel: (+30) 210 3242321 Fax: (+30) 210 3242244  
website: [www.icbss.gr](http://www.icbss.gr) email: [icbss@icbss.gr](mailto:icbss@icbss.gr)

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