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THE ECONOMIC SECURITY CHALLENGES IN THE BLACK SEA REGION AND IMPACT OF CONFLICTS

Abstract:

The past few decades have shown a sharp rise of focus on the Black Sea Region due to its geopolitics and other strategic reasons. The pandemic situation in international politics, caused by Covid-19, has had a significant impact on the economies of the Black Sea region. Great attention to the region comes from the neighbouring states and different international organisations as well. The Black Sea region runs through important economic and energy corridors, doubling its geopolitical significance. However, it might not be a surprise that the interests of sides often differ and frequently relations come with a great antagonism. An intensified involvement of different global actors in the region warns of fierce geopolitical tensions in years to come. The Black Sea region is a hotspot in terms of geopolitics and the focus on it has many dimensions, like economics, security, politics, etc. Recent years of intense militarization in the region prove to be a source of emerging disputes. As a transit corridor region undoubtedly has huge importance as it is an object of great focus from different international actors. The Black Sea area incorporates the following strategic parts; the Balkans, Caucasus, and Caspian Sea Area. The article will discuss

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the role of the Black Sea region in the global economic system, issues of economic security, energy policy, and the impact of the Covid-19 pandemic on economic processes. The article will discuss the geopolitical importance of the region, the energy factor, the challenges facing NATO, and the balance of power, as well as the importance of maintaining stability in it for both regional and non-regional players for the economic development of the Black Sea region.

Keywords:

Black Sea Security, Geo-economics, Economic stability, Security, Caucasus region, Geopolitics, National Interests, Russia, NATO, Ukraine, Georgia

Introduction

In the last decade, black sea security held a significant role in shaping the modern political order. The topography of the region proves its significance with confidence, we can give it an important status according to its geopolitics. The region covers and contains countries with different political views and interests of different international organizations as well. In general, the Black Sea's importance derives not only from the countries that lie along its shores, which is only natural but also from its history – particularly for several global actors with regional interests. The Black Sea itself and the wider region around it have throughout history been the arena for a variety of goals, the foremost and most decisive of which was trade³.

To examine the matter deeply we must define the term 'geopolitics' first. It is not an easy task to define, as it goes beyond rationality and differs from global politics. Geopolitics stems from the fundamentals of geographical science. The term geopolitics was first used by the Swedish political scientist Rudolf Kjellén (1864-1922), a student of the German geographer Friedrich Ratzel (1844-1904), later it was coined by Alfred Thayer Mahan (1840-1917), Halford Mackinder (1861-1947) and Karl Haushofer (1869-1946) with geopolitical concepts. But the unified definition of the term is still an issue in modern political science:

- Geopolitics – the science that studies the nation as a geographical case study;
- Geopolitics – the analysis of an interaction between, on the one hand, a geographical setting and political processes;
- Geopolitics – a discipline that studies the world's political processes

³ V. Kipiani, *The balance of strength in the Black Sea region and Georgia's current challenges*, "Geocase", 21.07.2020, p. 1.

from the perspective of national security;

- Geopolitics – the science that studies the distribution of power between countries, especially between the super-nations⁴.

A complete theory of geopolitics as a part of political science was established in the 19th Century by the Anglo-Saxon and German schools. The process was accelerated due to the development and advancement of knowledge in the field of geography. In modern days geopolitics is a science that studies economics, geography, history, military, politics, and other factors as a whole. It also studies the factors that are related to and influence a nation's strategic potency.

Theoretical Boundaries

The main case studies are peace and war problems in international relations and their influences on the entire world. Ongoing processes in the Black Sea region can be examined with 'the balance of power' theory which is a product of the school of realism. The theory has multiple definitions. It can be called the basis of political stability, which implies the apportion of forces between leading nations, but according to British historian Arnold J. Toynbee 'the balance of power' is a system of political dynamics that applies to parts of the 'game' where societies are divided as multiple independent, local countries⁵.

The French specialist of international justice Gattel marks that this theory in the face of international justice, where no nation is powerful enough to influence their laws to other nations. Every actor of the international system tries to use the balance of power principles, which itself creates connections and coalitions. Actions are taken by the Black Sea region countries to decide whether to join particular international organizations or not come in opposition with the interests of regional powers.

According to Kenneth Waltz's view, the international political system represents an anarchical world, where nations operate by themselves and guarantee their security, nations have to exist in an environment that leads with self-preservation principles, therefore small nations try to enter the coalitions which is a way to sustain their security⁶.

According to Georgian Scholar E. Khvichia and his scientific theory which is known as 'Quantum-Relativistic Nology'⁷ (theory is based on D. Uznadze "Theory of Set") nations are established as the unity of societies based on four

⁴ V. Maisaia, *The political aspects of the geopolitical balance of Black Sea Basin*, Tbilisi 2003, p. 46.

⁵ *Ibidem*, p. 21.

⁶ K. N. Waltz, *Theory of International Politics*, Boston 1979, p. 109.

⁷ E. Khvichia, *Nology – The Logic of Self-Sustained Existence. The Laws of Alteration of the Self-Organization and Social Dynamics of the Society*, Tbilisi 2020.

fundamental psychic types and their distinctive characteristic classifications, which creates a system as a whole. They differ in an ideological sense, which is determined by the set which is the main characteristic for each of their identities and their representative individuals in the case of different nations. The combined action of individuals which represents an identical sum of sets of persons is also expressed in national actions as well. The researcher with his paper leads us to the conclusion that suggests that the global self-regulative system stipulates the impulses which are expressed on national actions. These self-regulative systems are characterized by different character types that contain active and passive periods, the author calls these terms 'phases of civilizations'.

The identification of nations will give us the possibility to assess processes objectively and it also enables us to see these processes realistically in the global context and the challenges the region has to face each period. Nations act according to their interests and today's reality leaves us with the impression that national representatives and their will determine actions that portray different theoretical frames. We shall examine the modern world as a self-regulative system, this shall be the rising point that will review the Black Sea and Caucasus region's future and help us analyze its security concerns. If we use the theory of Quantum-Relativistic Noology it will help us identify the functions of nations and international organizations and their juridical status.

Today, economic security can adapt to an increasingly changing international economic situation, market dynamics, as well as find its place and function in the mechanisms of the international division of labor and determine active trade. When we talk about the decline in the sovereignty of modern states, we mean, first of all, economic sovereignty.

Indeed, subsequent events have shown that geopolitics, which in the recent past was the essence of the world order, is gradually being replaced by geoeconomics, which further accelerated the growth of interdependence between states. Interdependence has grown not only because of the increase in global trade and the formation of strong transnational forces, but also because it is easier for businesses to move their operations to regions where conditions are better. Therefore, in the modern post-bipolar world, the content of many geopolitical concepts has changed.

The Geopolitical Importance of the Black Sea Region

The region since Antiquity has always been the 'backyard' of one power or another and witnessed their competition to dominate it⁸. At different times the region was dominated by the Russian and Ottoman Empires. The Black Sea

⁸ M. Aydin, *Europe's New Region: The Black Sea in the Wider Europe Neighbourhood*, "Southeast European and Black Sea Studies", Vol. 5, No. 2, May 2005, pp. 257-283.

basin includes countries as follows: Black Sea countries (Romania, Bulgaria, Turkey, Ukraine, Moldova, Georgia, and some parts of Russia), the Balkans (North Macedonia, Bosnia, and Herzegovina, Albania, Serbia), and Northern Caucasian republics of the Russian Federation. Ports and wharves of the region have huge importance as well. The total number of ports is 43, nine of them are considered main ports as it follows: Romania – 7 with 4 of them fluvial, principal ports are: Constanza; Bulgaria – 3, major port Varna; Turkey – 13, major port Istanbul; Georgia – 3, major port Batumi; Russian Federation – 3, principal port Novorossiysk; Ukraine – 14 with 4 of them fluvial, major port Odesa; Republic of Moldova: major port Giurgiulesti⁹. The Black Sea region's growing role is not at all surprising if we consider some of the Western or Russian doctrines and theories that describe it as a 'rampart' or even as a dividing line between democracy and authoritarianism. Many current developments in the region are indeed tantamount to the erection of a New Iron Curtain that cuts right through the Black Sea¹⁰.

In any case, the military component plays an important role in implementing the interests of local, regional, or global players in the Black Sea region¹¹. Russia owns nuclear weapons and its platform in the Black Sea basin. The annexation of Crimea made it possible for Russia to seize the port of Sevastopol which has enormous importance for the Russian navy. To give an example, 80% of the Black Sea fleet is founded in Sevastopol, which is also considered a major warm-water port of the Russian Federation. On the other hand, Russia owns the port of Feodosia where 20% of Russian naval forces could be located if necessary. Also, the number of Russian submarines was increased by those 6 submarines that can carry missile systems within them. The Crimean War and the later replacement of European interests with those of the United States and NATO progressively increased the perceived importance of achieving and maintaining an influence over the Black Sea region. NATO has repeatedly stated the region's geopolitical and geo-economic significance 'in terms of Euro-Atlantic security', most notably at its summits in Warsaw in 2016 and Brussels in 2018¹².

The Russian policy in the Black Sea region is defined by a 'Strong State' identity. Since 2000 the main mission of Russia's foreign policy has been to define its role and importance in the multipolar world. Russia often expresses its dissatisfaction with today's world order and aims to hinder NATO from gaining a monopoly over Europe and to stop its enlargement process. To do so, Russia needs dominance in the Black Sea region. The Russian aggression

⁹ R. Boneagu, *Black Sea – the geopolitical, economic, social and military importance*, "Journal of Physics", Conf. Series 1122 (2018).

¹⁰ V. Kipiani, *op. cit.*

¹¹ G. Surmava, *The Black Sea – Interests and Capabilities of the Players*, Tbilisi 2021.

¹² V. Kipiani, *op. cit.*

towards non-NATO countries was not unexpected as Russia does find the Black Sea region its sphere of influence, proving it right.

There are two key missions of Russia's foreign policy concerning the Black Sea region: 1) Prevention of EU and NATO further enlargements, and maintaining Russian dominancy; 2) Development of the naval forces to demonstrate the power. The militarization process in the region aims exactly at this, to confront the West and protect Russian interests. The National Naval Strategy document dated back to 2015 also has significance and aims to turn Russia into a strong multiregional naval force. "In his March 2, 2019, speech on the future of Russian military strategy, Russian Chief of the General Staff Valery Gerasimov said Russia's armed forces must maintain both 'classical' and 'asymmetrical' potential in waging modern war, which some viewed as a reaffirmation of Russia's continued pursuit of what he calls 'new generation' warfare¹³".

After the Annexation of Crimea in 2014 and the Russian-Georgian war in 2008, Russia gained obvious dominance in the region. During the last years, the number of Russian submarines active in the Black Sea has grown from one to seven¹⁴. Also, the Bastion class shoreline security system can reach any point in the Black Sea area to destroy an enemy warship.

On April 13, 2021, Russian-owned 15 military ships of the Caspian flotilla set off for the Russian military naval base in the Black Sea to take part in joint training and maneuvers. At the same time, the Ukrainian government announced that the Russian federation gathered military troops of 80.000 servicemen and increased the number of service members by 115 000 in Crimea. In this geopolitical context official, Kyiv sees NATO as a guarantee to find a way out and expects the integration as a result of years of striving.

The president of Turkey, Recep Tayyip Erdoğan, responded to the current situation and stated, that the "main goal is that the Black Sea continues to be a sea of peace, tranquility, and cooperation"¹⁵.

The interests of the international actors in the region are regulated by the Montreux convention of 1936 that gives a privilege to the Black Sea countries and restricts strong missions of the non-participant countries in the region¹⁶. The Montreux Convention corresponds to Russian interests so that the privileged part in Russia and, on the contrary, representation of non-participant

¹³ J. S. Flanagan, A. I. Chindea, *Russia, NATO, and Black Sea Security Strategy*, RAND Corporation, Santa Monica 2019, p. 7.

¹⁴ V. George, *Growing Submarine Threat in the Black Sea*, "Eurasia Daily Monitor", Volume 15, Issue 8, <<https://jamestown.org/program/growing-submarine-threat-black-sea/>> (01.04.2021).

¹⁵ *Turkey desires 'peaceful' Black Sea, says Erdogan*, <<https://www.aa.com.tr/en/politics/turkey-desires-peaceful-black-sea-says-erdogan/2204800#>> (10.05.2021).

¹⁶ *Implementation of the Montreux Convention*, <<https://www.mfa.gov.tr/implementation-of-the-montreux-convention.en.mfa>> (10.04.2021).

parties is restricted the U.S., which is not part of the Montreux Convention, has regularly asserted that they will respect it despite the fact this text considerably limits their naval power in the Black Sea Region¹⁷.

Russia actively opposes all of the initiatives and actions made by NATO in the Black Sea region. Russian ambassador perceives the growth of the number of NATO commands in the region as a premise of ‘Cold War’, and forces Russia to protect its national interests. According to the convention, one of the biggest states in the region and the NATO member – Turkey – has enhanced its positions so that it was not changed even after the September 11, 2001 events. In 2006, with the motive to adhere to the Montreux Convention, Turkey went against NATO’s actions in the Black Sea taken under Operation Active-Endeavour. For the same motif, Turkey did not accept the US plans during the Russian-Georgian war in 2008 as Turkey found them exceeding the normal tonnage defined by the Montreux Convention¹⁸.

NATO’s interests in the region are also quite important as it is highly emphasized by the NATO officials and is a matter of discussion on the meetings held by NATO. On October 10, 2017, the secretary-general visited the NATO fleet in the Black Sea and noted, “NATO is here, NATO is strong and united”. The Warsaw summit, held in 2016, was resulted in designing the communique that gives great importance to the Black Sea region and, on the other hand, finds Russia’s actions provocative. Along with this, NATO aims to strengthen its representation in the South-East. As for the NATO military training in the Black Sea region supported by the partner as well as member states, Russia expresses its anger towards the matter and addresses the alliance to refrain from such actions¹⁹.

For most of the last two centuries, the strategic environment of the Black Sea zone has been shaped by the interaction of three factors: the shifting balances of power among European and Eurasian states; the political ambitions of smaller states and peoples directly affected by the actions of these powers; and the status of the region as a transit point for goods on global east-west and north-south trade routes²⁰.

¹⁷ I. Delanoe, *After the Crimean crisis: toward a greater Russian maritime power in the Black Sea*, “Southeast European and Black Sea Studies”, Volume 14, Issue 3, 2014, pp. 367-382.

¹⁸ *1936 Convention Regarding the Regime of the Straits*, <<https://cil.nus.edu.sg/wp-content/uploads/formidable/18/1936-Convention-Regarding-the-Regime-of-the-Straits.pdf>> (10.04.2021).

¹⁹ *Warsaw Summit Communiqué. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw 8-9 July 2016*, <https://www.nato.int/cps/en/natohq/official_texts_133169.htm> (10.04.2021).

²⁰ C. King, *The Wider Black Sea Region in the Twenty-First Century*, “Southeast European and Black Sea Studies” Volume 5, Issue 2, 2005, p. 5.

The strategic location of the Black Sea connecting the East to the West also raises the interest towards the region. The proof is the energy projects that concern the Black Sea area and are reflected on a global scale have not moved forward. Looking at the actors represented in the region, one can conclude that the confrontation and high tension under the regional context can be counted as one of the challenging issues in international politics. According to Georgian scientist, E. Khvichia, “In modern conditions of deepening economic integration tendency based on communication (information and transport) technologies, any region of the world is turned into the strategic arena for geopolitical forces”²¹.

It makes ongoing projects more important as they are establishing new routes through the Black Sea that are meant to accumulate alternative resources with help of reliable allies. Finding alternative resources and building the corridors – this is what has become one of the most important challenges of the decade. On the other hand, an antagonistic attitude between the west and Russia challenges both sides. In this sense, the Black Sea region has huge importance for the west as the region gives an opportunity of transporting natural gas from the Caucasus as well as the Near East bypassing the Russian Federation.

Trans-Anatolian gas pipeline (TANAP)

“TANAP” – starts from the border of Georgia-Turkey, near Akhaltsikhe territory from the side of Georgia, and to the west border near the south part of the city Edirne (Turkey-Greek border), it represents the Baku-Tbilisi-Erzurum gas pipeline. According to the project, designated gas pipeline in the first stage of exploitation, the capacity in the early 20-years should be 16 billion cubic meters, likewise, by the year 2026 when more compressive stations will be added in exploitation, conduction will increase to 31 billion cubic meters²².

Trans Adriatic Pipeline (TAP)

On October 13, 2020, consortium TAP AG made a statement, concerning the finishing of the construction of the TAP pipeline. All this resulted, from the year 2021 Azerbaijan started to provide gas to Europe from the Shah-Deniz gas deposit, from the Trans Adriatic Pipeline (TAP).

The length of TAP is 878 km: the 550 km part covers the north of Greek, 215 km runs on Alban territory and 105 km lies into the depths of the Adriatic sea, the rest 8 km is located on the territory of Italy. TAP represents ‘the corridor of

²¹ E. Khvichia, *Georgian “Gordia Knot”*, September 2011, p. 1, <<https://for.ge/view/9948/qarTuli-gordias-kvanZi.html>> (12.05.2021).

²² *Economic and political dividends to be received by Georgia from TANAP*, <<https://www.gogc.ge/en/article/economic-and-political-dividends-to-be-received-by-georgia-from-tanap/470>>, (12.05.2021).

southern gas' and is the final component of the TANAP pipeline. With the given pipeline, every year 10 billion cubic meters of gas should be transported towards Europe and the capacity allows doubling the volume with a little effort²³.

In the Black Sea region not only national but also international organizations' interests are in rivalry. The current condition is an exact copy of the events which could develop to the peak point of conflicts, where there are no resources for negotiations, and we can name the reason for conflicts as the lack of resources for informational trade, which is the basis of abusive actions between the nations.

Jewish historian Yuval Noah Harari describes the scale of the world's existing political crisis and states that at this point there is no effective format for negotiations. International security and stabilization are hard to achieve when huge actors are unable to negotiate and settle important issues with each other. Disagreement contains risks and threats for nations and it registers as an introduction to different destructive interests, which later depicts the international system.

To ensure geo-economic security in the Black Sea region, it is necessary to take into account many factors, since they have a significant impact on conflicts. Geoeconomics As an integral part of national security, the need for the Black Sea region increases significantly during the crisis phase of development. The inevitable economic and social costs of this stage significantly distort the security factor and its criteria; moreover, they further aggravate the mechanisms for maintaining stability in society, undermining its ability to develop and implement programs of economic compensation and stabilization. Which significantly affects the security and development of the Black Sea region.

Conclusion

Lately, the Black Sea region is approaching the peak of the conflict, and perspectives of the possible solutions to this problem are not visible, therefore it is necessary to come up with a new format where the interests of all sides will be considered. However, in the frame of existing paradigms solving the issue is difficult. Quantum-Relativistic Noology (a product of Georgian school) suggests the fundamental solution to the matter, which is based on the scientifically proven method of approach. With consideration of the interests of the disputed sides, the matter turns out to be complex but manageable.

²³ *Saipem Edges Rivals in Securing TAP's 105 km Offshore Pipeline Project in the Adriatic Sea.* <<https://www.pipeline-journal.net/news/saipem-edges-rivals-securing-taps-105-km-offshore-pipeline-project-adriatic-sea>>, (15.04.2021).

In the limits of existing world political experience, after the creation of nuclear and other Weapons of Mass Destruction, it became vital to reform the institution of the world governing system, because the existing structure cannot guarantee the interests of societies in whole, which increases the chances of a large scale conflict between the nations.

That is why the situation in the Black Sea region is quite tense, which is aggravated by the coronavirus pandemic (COVID-19) and the economic problems caused by it, which significantly affect the transition to the hot phase of the conflict. To reduce the existing tension, it is necessary to take pragmatic steps and make certain compromises on the part of the states of the Black Sea region. In conclusion, we can say that there are many challenges in the field of economic security in the Black Sea region, which weakens the security environment and has a significant impact on conflicts. Taking into account the political interests of the states of the Black Sea region, it is rather difficult to normalize the political situation in the near future.

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